Godrej Agrovet Ltd.
Registered Office : Godrej One,
3rd Floor, Pirojshanagar,
Eastern Express Highway,
Vikhroli (E), Mumbai 400 079, India.
Tel. : +91-22-2518 8010/8020/8030
Fax : +91-22-2519 5124
Email : gavlho@godrejagrovet.com
Website : www.godrejagrovet.com
CIN : L15410MH1991PLC135359

Date: July 16, 2018

To,
BSE Limited
P. J. Towers, Dalal Street, Fort
Mumbai – 400 001.

Ref.: BSE Scrip Code No. "540743"

To,
National Stock Exchange of India Limited
Exchange Plaza, BandraKurla Complex,
Bandra (East), Mumbai-400 051.

Ref.: "GODREJAGRO"

Subject: Notice of 27th (Twenty Seventh) Annual General Meeting of Godrej Agrovet Limited & Notice of Book Closure

Dear Sir(s),

Pursuant to Regulation 30 read with Para A of Part A of Schedule III to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulations"), please find enclosed herewith the Annual Report for the Financial Year 2017-18 along with Notice of **27th (Twenty Seventh) Annual General Meeting** ("**AGM**") of the Company scheduled to be held on **Thursday, August 9, 2018** at the **Auditorium, "Godrej One", Pirojshanagar, Eastern Express Highway, Vikhorli (East), Mumbai- 400079, Maharashtra** at **4.00 p.m. (IST)**.

The Notice of the AGM, Attendance Slip, Proxy Form and the Annual Report for the Financial Year 2017-18 is made available on the website of the Company, viz., www.godrejagrovet.com.

We further wish to inform that pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed for the purpose of the 27th (Twenty Seventh) AGM and payment of Final Dividend, if declared, from **Wednesday, July 25, 2018 to Saturday, July 28, 2018 (both days inclusive).**

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Godrej Agrovet Limited

VIVEK PRITAMLAL RAIZADA

Digitally signed by VIVEK PRITAMLAL RAIZADA
Date: 2018.07.16 16:07:41 +05'30'

Vivek Raizada
Head – Legal & Company Secretary & Compliance Officer

Encl: A/a

Godrej agrovet
brighter farming

Unlocking value through **Research, Innovation** and **Excellence** across diverse portfolio

ANNUAL REPORT
2017-18

Unlocking Value Through Research, Innovation and Excellence Across Diverse Portfolio

Research and innovation have been the bedrock of Godrej Agrovet to address the needs of the entire value chain from farm to fork. The Company has a strong management team and promoters who have experience in successfully creating shareholder value across businesses, in a diverse range of industries. The primary elements of our business strategy are to continue to grow existing businesses, leverage synergies between our businesses as well as evaluate inorganic opportunities.

Our launch of specialised broiler feed during the year received a very good response, especially from the small and medium sized poultry integrators. The successful introduction of new products (such as Billiards, Ovitan, Loxys and Oryzostar) helped crop protection business to increase penetration both in the strategic crops and in new geographies. We have also increased the share of value-added products in our dairy portfolio. The project to convert oil palm biomass into a value-added product, commissioned last year, has started to contribute to the profitability of the business. These are a testimony of our commitment to creating value through research, innovation and manufacturing excellence. Financial Year 2017-18 was also a landmark year for Godrej Agrovet with the Initial Public Offer (IPO) oversubscribed 96 times thus unlocking value for all its stakeholders.

We believe our focus on Research and Development (R&D), Innovation and Excellence will be the key enablers to stay ahead of the curve.

Green Initiative – Communication to Shareholders:

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliance by companies and has issued circulars stating that service of notice / documents including Annual Report can be sent through e-mail to the Shareholders. To support this green initiative of the Government in full measure, Shareholders who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings, with the Depository through their concerned Depository Participants.

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THE GODREJ WAY

To live our purpose,
we need to ensure that we are
guided by the right values

Our Values

Trust

- We hold ourselves to the highest standards of personal and business integrity
- Our word is stronger than any contract
- We put people and our planet alongside profits

Be Bold

- We have bold ambitions. We set the bar high. We outperform expectations.
- We adapt, We are agile and resilient.
- We continuously innovate. We champion new ideas. We take risks.

Create Delight

- We place our consumers at the heart of all we do
- We obsess over current and future needs of our consumers. And then deliver.
- We offer consumers amazing quality products at great value

WE CONSTANTLY INNOVATE TO IMPROVE FARMER PRODUCTIVITY AND HELP FEED OUR NATION

Own It

- We are 100/0. Take 100% accountability with 0 excuses.
- We speak our mind. We challenge the status quo.
- We focus on the details, but never forget the bigger picture

Be Humble

- We own up to and learn from our mistakes
- We ask for feedback. And then grow with it.
- We give credit wherever due

Show Respect

- We treat people like we would want to be treated
- We embrace and celebrate diversity
- We foster collaboration

BOARD OF **DIRECTORS**

Mr. N. B. Godrej
(Chairman)

Mr. A. B. Godrej
(Director)

Mr. J. N. Godrej
(Director)

Dr. Raghunath A. Mashelkar
(Independent Director)

Mr. K. N. Petigara
(Independent Director)

Dr. Ritu Anand
(Independent Director)

Ms. Aditi Kothari Desai
(Independent Director)

Mr. V. M. Crishna
(Director)

Ms. Tanya A. Dubash
(Director)

Ms. Nisaba Godrej
(Director)

Mr. A. B. Choudhury
(Independent Director)

Dr. S. L. Anaokar
(Independent Director)

Ms. Roopa Purushothaman
(Independent Director)

Mr. B. S. Yadav
(Managing Director)

CORPORATE INFORMATION

Statutory Auditors :	Kalyaniwalla & Mistry LLP, Chartered Accountants (Upto August 3, 2017) B S R & Co. LLP, Chartered Accountants (With effect from August 4, 2017)
Secretarial Auditors :	BNP & Associates, Company Secretaries
Cost Auditors :	M/s. P. M. Nanabhoy & Co., Cost Accountants
BOARD COMMITTEES :	
Audit Committee :	Mr. K. N. Petigara (Chairman) Mr. B. S. Yadav Dr. Ritu Anand Ms. Aditi Kothari Desai
Nomination and Remuneration Committee :	Dr. Ritu Anand (Chairperson) Ms. Nisaba Godrej Ms. Roopa Purushothaman
Stakeholders' Relationship Committee :	Mr. N. B. Godrej (Chairman) Mr. B. S. Yadav Mr. A. B. Choudhury
Corporate Social Responsibility Committee :	Dr. Raghunath A. Mashelkar (Chairman) Mr. N. B. Godrej Mr. B. S. Yadav Ms. Roopa Purushothaman
Risk Management Committee :	Mr. N. B. Godrej (Chairman) Mr. B. S. Yadav Mr. A. B. Choudhury
Managing Committee :	Mr. N. B. Godrej (Chairman) Mr. A. B. Godrej Ms. Nisaba Godrej Mr. B. S. Yadav Dr. S. L. Anaokar
Chief Financial Officer :	Mr. S. Varadaraj
Company Secretary & Compliance Officer :	Mr. Vivek Raizada

Registrar and Share Transfer Agent :	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli Hyderabad - 500 032, Telangana Tel.: (91 40) 6716 2222 Fax: (91 40) 2343 1551 Investor Grievance E-mail: einward.ris@karvy.com
Registered Office :	"Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079, Maharashtra, India Tel. No.: (91 22) 2519 4416 Fax No.: (91 22) 2519 5124 Website: www.godrejagrovet.com Email: gavlinvestors@godrejagrovet.com
Major Factories :	**Animal Feed:** Khanna (Punjab) Ikolaha (Punjab) Miraj (Maharashtra) Dhule (Maharashtra) Sachin (Gujarat) Kharagpur (West Bengal) Khurda (Orissa) Hanuman Junction (Andhra Pradesh) Kondapalli (Andhra Pradesh) Tumkur (Karnataka) Hajipur (Bihar) Erode (Tamil Nadu) Chandauli (Uttar Pradesh) **Crop Protection:** Jammu (Jammu & Kashmir) Lote Parshuram (Maharashtra) **Oil Palm:** Pothepally (Andhra Pradesh) Chintampalli (Andhra Pradesh) Ariyalur (Tamil Nadu) Valpoi (Goa) Kolasib (Mizoram)
Research & Development Centres :	Vikhroli (Maharashtra) Nashik (Maharashtra)
Bankers :	Central Bank of India Union Bank of India State Bank of India

FROM THE DESK OF THE **CHAIRMAN**

Mr. N. B. Godrej
(Chairman)

Dear Shareholders,

I am pleased to present to you the Annual Report of your Company for the Financial Year 2017-18. This year was a landmark year in the history of the Company, as Godrej Agrovet went public through an IPO and was listed on the stock exchanges. The response to the public issue was very encouraging as our IPO was over-subscribed by 96 times. I extend my sincere gratitude for the trust shown by investors in the Company.

The Indian economy grew at 6.7% during 2017-18 and despite a lower growth rate than last year, India remains one of the fastest growing economies in the world. Higher private consumption and a pick-up in exports, especially during the second half of the financial year were key growth drivers. As we enter 2018-19, this growth momentum is expected to continue. In addition to consumption demand and higher exports, some revival can also be seen in private investment which will support growth. However, high oil prices could lead to higher than expected inflation which poses a risk to the strong economic growth.

In India, while the agriculture sector forms around 15% of the Gross Domestic Product (GDP), it provides employment and livelihood to more than half of India's population, especially in rural areas. Therefore, the sector is very important for economic development and has always received strong support from Government. This focus was also reflected in a number of measures announced by the Government in the last Union Budget to raise farm productivity. Further, the Government continues to take measures to double farm income by 2022. Estimates suggest that the Indian agriculture sector grew by 3.4% in 2017-18, though on a high base of the previous year. It was also the second consecutive year of a good southwest monsoon in India, with normal rainfall recorded in large parts of country which benefited the farmers. In fiscal year 2018-19, there is an expectation of a normal monsoon which augurs well for the sector.

Against this backdrop, Godrej Agrovet continued to deliver a steady performance in 2017-18. Sales increased by 6% and Profit Before Tax (excluding non-recurring and exceptional items) grew by 11% year on year. This was despite lower commodity prices and the implementation of GST, which adversely impacted revenues in a few of our businesses. Across all our business segments, there were many achievements. In our animal feed segment, volumes registered a growth of 7.4%. The successful introduction of new products (such as Billiards, Ovitan, Loxys and Oryzostar) helped crop protection business increase penetration both in the strategic crops and in new geographies. We have also increased the share of value-added products in our dairy portfolio.

Research and innovation have always been the bedrock of Godrej Agrovet. We have made significant investments to enhance our R&D capabilities over the years and believe that our emphasis on R&D has been critical to our success. We have R&D facilities in our three businesses - animal feed, crop protection and oil palm, which has enabled us to improve yields and process efficiencies across our products. Going forward also, we believe that our continued focus on R&D, innovation and excellence will be the key enablers to our growth.

Currently, the Indian agricultural value chain offers business opportunities to enhance productivity as practices are largely unorganised. The primary elements of our business strategy are to continue to grow our existing market share, leverage synergies between our businesses and opportunistically evaluate inorganic opportunities. In our animal feed segment, we want to focus on achieving cost leadership by improving operational efficiencies. In our crop protection business, we aim to continue to innovate and expand our product portfolio. Our strategy for the oil palm business is to increase our area coverage in certain regions and continue to focus on R&D to improve Fresh Fruit Bunch (FFB) yield. In the food businesses- dairy, poultry and processed foods, we are targeting to increase our reach and presence in key markets and increase salience of higher margin products in our product portfolio.

To conclude, 2017-18 was a good year for our business. As we look into the future, we remain confident of achieving our long-term objective of sustainable and profitable growth. The agricultural sector offers tremendous opportunities in the medium

to long term and we at Godrej Agrovet are well-placed to capitalise on these opportunities. With our clear strategic focus, prudent approach and superior execution, we will continue to deliver industry leading results in the future and create shareholder value.

I hereby place on record my sincere gratitude to all our stakeholders for their interest and faith in the Company. I also convey my deep appreciation to all our business partners, vendors and other business associates for their support and contributions. I would also like to take this opportunity to thank all our employees for their contribution in the continued success of Godrej Agrovet.

Yours sincerely,

Nadir Godrej
Chairman, Godrej Agrovet Limited

In the words of Mr. N. B. Godrej, Chairman .....

Agriculture has a dwindling share
Of GDP but we should care
Because half our population
Depend on it for their salvation
The incomes here are very low
And doubling them's the goal, we know
This is easier said than done
How can this noble cause be won?
Steady income round the year
Will give our farmers greater cheer
Crop incomes come end of season
And therefore it would stand to reason
There's rarely any cash on hand
They often borrow or sell their land
Now steady income is the need
With animal husbandry they succeed
We can come in with the feed
And better feed's an urgent need
We can also help them to succeed
With a much superior breed
Our R&D now comes to play
We can show a better way
With new technology we are ready
Our progress will be very steady
A change of crop can also aid
The field crops now are rather staid
But horticulture has some zing
And new solutions we can bring
Our agri inputs help the yield
In pasture, orchard or the field
And as these benefits do flow
The farmer's income will then grow
Productivity can cause a glut
Low prices are a problem but
If farmer income is the goal,
Here too we can play a role
And what I say is no idle talk
For we can go from farm to fork
In dairy, chicken, processed food
And now of course this can be viewed
As helping their realisation
An urgent need for our nation
But then to go really far
We can help with our CSR
We can improve a watershed
Our training helps them stay ahead
Hand in hand we both progress
Their misery can be made less
We will make sure they survive
As we progress they will thrive!
It should be clearly understood
We will do well by doing good!

FINANCIAL HIGHLIGHTS

Financial Highlights for the previous three Financial Years

Standalone Financial Highlights

(₹ in Lakh)

Particulars	2017-18	2016-17	2015-16
Revenue from Operations	3,69,172.72	3,61,785.06	3,36,598.88
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	36,650.81	37,754.21	34,714.28
Profit / (Loss) Before Exceptional Items and Tax	28,132.50	26,066.93	21,189.93
Profit / (Loss) Before Tax	28,132.50	28,066.93	21,189.93
Profit / (Loss) After Tax	19,086.58	20,796.95	15,826.76
Other Comprehensive Income (Net of Tax)	(421.79)	28.21	(153.93)
Total Comprehensive Income	18,664.79	20,825.16	15,672.83
Earnings Per Share - Basic (in ₹)	9.99	10.24	8.13
Earnings Per Share - Diluted (in ₹)	9.99	9.80	7.77
Total Equity	1,28,888.35	90,261.58	69,655.73
Total Debt	21,672.17	48,340.15	1,22,363.82
Proposed Dividend, subject to approval of the Shareholders at the ensuing 27th AGM (per Equity Share of Face Value of ₹ 10/- each) (in ₹)	4.50	4.50	4.43

Consolidated Financial Highlights:

(₹ in Lakh)

Particulars	2017-18	2016-17	2015-16
Revenue from Operations	5,20,591.21	4,92,640.18	3,75,495.50
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	47,485.07	49,701.17	36,347.28
Profit / (Loss) Before Exceptional Items and Tax	35,969.28	35,456.27	24,612.60
Profit / (Loss) Before Tax	37,174.28	37,456.27	33,463.82
Profit / (Loss) After Tax	25,103.80	27,291.76	26,124.23
Other Comprehensive Income (Net of Tax)	(679.25)	(61.07)	(217.00)
Total Comprehensive Income	24,424.55	27,230.69	25,907.23
Earnings Per Share - Basic (in ₹)	12.02	12.55	13.95
Earnings Per Share - Diluted (in ₹)	12.02	12.01	13.33
Total Equity	1,68,064.71	1,26,284.81	1,01,597.64
Total Debt	40,979.90	66,407.78	1,37,180.80

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF GODREJ AGROVET LIMITED

FOR THE FINANCIAL YEAR (F.Y.) 2017-18

A. CAUTIONARY STATEMENT:

The statements in the "Management Discussion and Analysis Report" describe your Company's objectives, projections, expectations, estimates or forecasts which may be "forward-looking statements" within the meaning of the applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied herein due to risks and uncertainties. Important factors that could influence the Company's operations, *inter alia*, include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic, political developments within the country and other factors such as litigations and industrial relations.

B. INDIAN ECONOMY & AGRICULTURE OVERVIEW:

According to Central Statistics Office for 2017-18, Indian economy grew at 6.7% in the Financial Year 2017-18. The growth is further expected to accelerate to around 7%-7.5% percent next financial year, thereby re-instating India's position as the world's fastest growing economy. In 2017-18, the first half of the year was impacted by teething issues such as lingering effects of demonetization, difficulties in implementation of Goods and Service Tax (GST), high and rising real interest rates and falling food prices affecting agriculture income. However, in the second half of the year the economy witnessed robust signs of revival. Economic growth improved as the shocks began to fade, corrective actions were taken, and the global economic recovery boosted exports. Sovereign ratings upgrade and jump in World Bank's Ease of Doing Business rankings are endorsements of Government reforms and policies. In 2018-19 also, growth is expected to be driven by increase in exports due to acceleration in global growth, expected rebound in private investments and increase in consumption demand. However, persistent high oil prices (at current levels) remain a key risk, which would adversely affect inflation, the current account, the fiscal position and growth. This will force macroeconomic policies to be tighter.

At the sectoral level, agriculture and allied activities are estimated to have registered a moderate growth rate of 3.4% for the last fiscal. This was mainly due to the high base effect of Financial Year 2016-17 which saw a very high growth rate as it followed two years of drought. In terms of monsoon, Financial Year 2017-18 experienced an overall 'normal' monsoon at 95% of long period average (LPA - measured for the trailing 10 year period). Also, crop production remained robust for the year with an expected record food-grain production of 279.51 million tonnes i.e. 4.4 million tonnes higher than the previous record production of 275.11 million tonnes. However, decline in commodity prices adversely impacted companies in the sector.

The Indian Meteorological Department in its first monsoon forecast for the season has predicted a 'normal' monsoon for the upcoming Financial

Year 2018-19, brightening the chances of an accelerated growth for the sector. Good monsoons help to improve the poor sentiment prevailing in the rural economy and the sector expects bumper Kharif and Rabi crops. Further, agriculture and allied sector has also received a lot of impetus in the Union Budget. Adequate remuneration, sustainability and resilience were the underlying concerns addressed through the Union Budget announcements and allocations. Recent endeavor of the Government to formulate a separate exports policy for agriculture is also a step in the right direction to achieve the dream of doubling farmer incomes. However, climate change and high dependence on monsoon for sector growth continue to be the key risks.

C. OVERVIEW OF THE KEY BUSINESS SEGMENTS:

Your Company is a diversified, research and development focused agri-business Company with operations across five business verticals: animal feed, crop protection, oil palm, dairy, and poultry and processed foods. Your Company focuses on improving productivity of farmers by innovating products and services that sustainably increase crop and livestock yields. Your Company has made significant investments to enhance R&D capabilities over the years and believe that emphasis on R&D has been critical to the Company's success. Detailed information on five key business segments is as below:

Animal Feed Business

Your Company is one of the largest organized players in the compound animal feed market in India. The product portfolio comprises of cattle feed, poultry feed (broiler and layer), aqua feed (fish and shrimp) and specialty feed. These products are manufactured at 31 state-of-the-art manufacturing plants, equipped with quality assurance labs which help farmers improve their livestock productivity and profitability. Also, through the network of more than 4200 distributors, the Company serves customers in 31 states and union territories of the country, covering more than 550 districts.

Your Company also has a 50:50 joint venture with Advanced Chemical Industries Limited (ACI), Bangladesh named ACI Godrej Agrovet Private Limited (ACI Godrej). This joint venture was incorporated in 2004 and produces cattle, poultry and fish feed in Bangladesh. ACI Godrej operates two manufacturing facilities with an aggregate production capacity of 0.57 million MT per annum. Over the last decade, it has become a leading player in the animal feed market in Bangladesh and ranks among the top 4 players across all categories of animal feed.

India is one of the largest global producer of animal feed with an annual compound feed production between 25-27 million MT. Of this, poultry feed constitutes nearly two-thirds of the total annual production, followed by cattle feed which forms 21% and aqua feed forms the remaining 12% of the annual feed production. While compound poultry feed industry is highly organized with 80%-85% of the compound feed being supplied by the organized sector, cattle feed is highly unorganized with organized sector contributing to only around 12% of the feed requirement. Going forward, the demand for compound animal feed is expected to be driver by growing awareness among farmers on the benefits of the compound feed leading to shift from the unorganized sector to the organized sector. However, the animal feed industry in India is highly localized and our Company competes with multiple players in each geography. Further, fluctuations in the raw material prices also impact volumes in key product categories.

The strategy for our animal feed business is to focus on achieving cost leadership by improving the operational efficiency through R&D initiatives. Our R&D efforts are also focused on developing innovative livestock nutrition products that give us the product differentiation, which we believe will help us in improving our profit margins and market share. For the financial year 2017-18, on a consolidated basis, the animal feed business segment registered a volume growth of around 7.4% driven by pick up in the cattle feed and layer feed segments. But commodity prices were low which led to marginal decline in revenues and profitability levels for the year. In future, we believe that the Company's focus on cost leadership and product innovation should help our growth objectives.

Crop Protection Business

Your Company manufactures a wide range of products including plant growth regulators, organic manures, generic agrochemicals and specialized herbicides. Currently, the distribution network of crop protection business includes approximately 6,000 distributors on a pan-India basis. In October 2015, Godrej Agrovet acquired a majority equity interest in Astec LifeSciences Limited (Astec LifeSciences), which manufactures agrochemical active ingredients (technical), bulk and formulations, intermediate products. The company sells its products in India as well as exports them to approximately 24 countries, including the United States of America and countries across Europe, West Asia, South East Asia and Latin America. Astec LifeSciences also undertakes contract development and manufacturing services for other agro chemical companies. Currently, Godrej Agrovet owns 57.45% of the outstanding equity shares of Astec LifeSciences.

Over the last five years the Indian crop protection market, comprising domestic consumption and exports, is estimated to have grown at a compound annual growth rate of around 10%. The domestic crop protection demand is mainly driven by higher pesticide use per hectare to boost agricultural production and an increased penetration of pesticides. Export demand is driven by high demand from US and Brazil. Over the next three years also, the crop protection demand is expected to grow a healthy rate of around 8%- 9% mainly driven by an increase in penetration and a rise in per-hectare expenditure. India has one of the lowest application rates on per-hectare consumption basis. Farmers are also likely to increase the intensity of application to achieve better crop yields and pare losses.

Your Company, along with Astec LifeSciences, has been continuously increasing the product portfolio and will continue to focus on introducing new products. R&D initiatives have increasingly focused on off-patented chemistry synthesis, which can help in expanding product portfolio. The focus is also on increasing the market share of our existing core products by developing products for additional crops and increasing our geographic presence. For example, we intend to achieve deeper market penetration with our niche plant growth regulators (‘Vipul’, ‘Double’, ‘Combine’, ‘Bountee’ and ‘Zymegold’) and extend our target crop segment through our products like cotton

herbicide ('Hitweed') which we believe bring innovation over existing substitutes.

For the current year also, the segment witnessed good traction in new product launches. Performance in the crop protection business was strong with revenues and segmental profits showing good growth in current fiscal. We believe, that in future also, the performance will continue to remain strong driven by secular industry demand and our focus on continuously increasing our bouquets of products.

Vegetable Oil Business

Your Company is engaged in producing a range of palm plantation products including crude palm oil, crude palm kernel oil and palm kernel cake. Your Company purchases Fresh Fruit Bunches (FFBs) from palm oil farmers and works closely with them by providing planting material, agricultural inputs and technical guidance. The Government of India regulates the oil palm business in India and the Company participates in the Oil Palm Development Programme (OPDP) for accessing the FFB produce from farmers in areas designated. The Company has entered into memoranda of understanding with state governments, which provides access to approximately 64,125 hectares under oil palm plantation to the Company.

India occupies a prominent place in the global oilseeds scenario as it forms 9%-10% share of the total edible oil consumption and around 13.6% share of the global vegetable oil imports. India currently imports approximately 70% of total vegetable oil requirement and palm oil forms a significant share in overall edible oil imports. Overall, potential area identified for cultivation of irrigated oil palm in the country is high at around 2.0 million hectare, area brought under oil palm

plantation in India has been around only 3,00,000 hectare. Hence, there is huge potential for this industry to grow. Currently, Your Company is the the largest crude palm oil and crude palm kernel oil producer in India with around 35% market share. Your Company's oil palm operations are spread across Andhra Pradesh, Tamil Nadu, Gujarat, Goa, Odisha, Telangana, Mizoram and Chhattisgarh.

In the current year, your Company has received allotment of 4 (four) mandals in Chittoor district of Andhra Pradesh. This will help enhance the area under oil palm plantation. Our strategy for oil palm business is to grow our presence in certain regions, create additional revenue streams from oil palm biomass and continue to focus on R&D to improve FFB yield. Your Company will opportunistically evaluate tenders issued under the OPDP and apply for additional areas to increase the area under oil palm cultivation that is accessible to the Company. The Company intends to diversify its oil palm business and create additional revenue streams and lower operational costs, including through the use of oil palm biomass in our animal feed business, which we believe will reduce our dependence on the prices of crude palm oil and crude palm kernel oil. Your Company has an exclusive R&D facility at Chintampalli, Andhra Pradesh and continues to focus on R&D to improve FFB yields.

Dairy Business

In the dairy business, your Company operates through its subsidiary, Creamline Dairy Products Limited, where it sells a majority of milk and milk based products under the 'Jersey' brand across the states of Telangana, Andhra Pradesh, Tamil Nadu, Karnataka and Maharashtra (Nagpur region). In this business, our dairy distribution network included approximately 4,000 milk distributors, approximately 3,000 milk product distributors and around 50 retail parlours, as well as direct sales to institutional customers.

India is the world's biggest producer and consumer of milk on a country-wise basis. However, the per capita consumption of milk at 97 litres per year is well below that of other major milk markets, except for China. As regards to latest seasonal estimation, the total milk production has increased to 167 million tonnes during 2017-18 from around 150 million tonnes during 2016-17. Going forward, the growth in the industry will continue to be driven by rising middle class and urban population, changing dietary patterns towards protein based foods and increasing population. However, the industry is highly fragmented organised sector forming only 15%-20% of overall market, that also in specific regions. In the organised sector, private players which plan to develop pan India distribution network and presence are expected to benefit in long-run.

Our growth strategy for dairy business will be to increase our market share in southern states of India, increase the salience of value-added product portfolio, automate a majority of our operations and increase our procurement base. Your Company also seek to strengthen existing relationships with milk farmers and vendors through methods including providing farmers with cattle feed, assisting with veterinary health-care and vaccinations.

CREAMLINE
JERSEY
Be Healthy, Have Fun...
Ghee
Fresh premium
Paneer
Enrich D
Toned Milk
Curd
Rich & Tasty
Sweet
Lassi
DARK CHOCOLATE
ICE CREAM
ANJEER HONEY
ICE CREAM

Poultry & Processed Foods Business

Your Company, through its Associate Company, Godrej Tyson Foods Limited (Godrej Tyson) manufactures and markets processed poultry and vegetarian products through its brands 'Real Good Chicken' and 'Yummiez'. In 1994, your Company ventured into the poultry business by launching the 'Real Good Chicken' brand. In 2008, with an objective to grow its poultry and processed foods business, it entered into a joint venture with Tyson India Holdings Limited, a subsidiary of Tyson Foods Inc., U.S.A. We believe that this joint venture with Tyson India Holdings Limited provides the technical and operational expertise to compete successfully in India. Tyson Foods Inc., U.S.A. has approximately 75 years of experience producing, distributing and marketing poultry and other animal protein related products.

In India, overall poultry meat consumption has been increasing at a healthy pace over the last decade and is expected to remain high in near future. This growth has been led primarily by an increase in average household incomes, increase in popularity and number of fast food restaurants and quick service restaurants (QSR), as well as a shift in preference of white meat over red meat. The key markets are concentrated in Tamil Nadu, Andhra Pradesh, Maharashtra, Karnataka, and West Bengal.

In the current year, your Company's focus has been to increase the distribution network across product categories. Your Company's strategy will continue to introduce new products and increase the product reach. The customer base is diverse comprising retail customers, QSR, fine dining restaurants, food service companies and hotels. We intend to continue to provide variants of existing, and new, value-added poultry products. We believe that value-added products will continue to be one of the fastest growing and most profitable segments of the processed foods industry in India. We believe the QSR market has been growing rapidly and provides a market for processed and value-added ready-to-eat and ready-to-cook products. Modern retail stores, which include super markets and hyper markets, are expected to increase demand for hygienically processed food products.

D.COMPANY'S FINANCIAL AND OPERATIONAL PERFORMANCE:

Standalone Performance:

For the Financial Year 2017-18, your Company reported standalone total income of ₹ 371,935.39 Lakh compare to ₹ 3,67,024.03 Lakh in the previous Financial Year. Profit before Exceptional Items and Tax rose to ₹ 28,132.50 Lakh, registering a year-on-year growth of around 8%.

The key highlights of the Standalone Financials for the Financial Year ended March 31, 2018 are as under:

Particulars	Amount (₹ in Lakh)
Total Income	3,71,935.39
Earnings Before Interest, Tax, Depreciation and Amortization	36,650.81
Profit / (Loss) After Tax for the Year	19,086.58
Total Comprehensive Income for the Year	18,664.79

Consolidated Performance:

For the Financial Year 2017-18, your Company reported consolidated total income of ₹ 5,23,772.60 Lakh compared to ₹ 4,98,540.14 Lakh in the previous Financial Year. Profit before exceptional items and tax rose by ₹ 35,969.28 Lakh in Financial Year 2017-18 from ₹ 35,456.27 Lakh in the previous Financial Year.

The key highlights of the Consolidated Financials for the Financial Year ended March 31, 2018 are as under:

Particulars	Amount (₹ in Lakh)
Total Income	5,23,772.60
Earnings Before Interest, Tax, Depreciation and Amortization	47,485.07
Profit / (Loss) After Tax for the Year	25,103.80
Total Comprehensive Income for the Year	24,424.55

E. OPPORTUNITIES, STRENGTHS THREATS, RISKS & CONCERNS:

(i) Opportunities and Strengths:

- **Increase market share by leveraging presence in existing business verticals:** Your Company will continue to focus on improving the market share across all business verticals. Since several sectors in which your Company operates are largely unorganized, cost leadership will be a key enabler for your Company to increase the market share of products. Your Company's ability to increase sales will be strengthened by continued focus on offering a wide range of innovative products across all business verticals which will help in gaining market share.
- **Focus on inorganically growing business offerings:** Your Company will evaluate inorganic growth opportunities, in keeping with the strategy to grow and develop market share or to add new product categories. Your Company may consider opportunities for inorganic growth, such as through mergers and acquisitions, if, among other things, they consolidate our market position in existing

business verticals or achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits. Your Company can also look at opportunities which strengthen and expand product portfolio and increase sales and distribution network.

- **Pan-India presence with extensive supply and distribution network to benefit the Company in long-run:** Your Company has a pan-India presence and operations spanning across 5 (five) business verticals. Your Company has set up processing facilities and supporting infrastructure as well as R&D to develop a modern operating platform across key agriculture verticals. As a result of widespread network and significant operational experience, your Company is well placed to identify key market trends and introduce a range of innovative and value added products in the market to cater to the evolving needs of our customers. Our nationwide footprint also allows your Company to leverage the competitive advantages of each location to enhance our competitiveness and reduce geographic and political risks in businesses.

- **Diversified businesses with synergies in operations:** Segmental and geographical diversification across business verticals provides a hedge against the risks associated with any particular industry segment or geography while benefiting from the synergies of operating in diverse but related businesses. Our synergies across diverse businesses provide ability to drive growth, optimize capital efficiency and maintain our competitive advantage. Your Company also derives operational efficiencies by centralizing and sharing certain key functions across our businesses such as finance, legal, information technology, strategy, procurement and human resources.

- **Strong Research & Development (R&D) Capabilities:** Your Company's emphasis on R&D has been critical to its success and a differentiating factor from competitors. Dedicated R&D is undertaken in existing products primarily with a focus to improve yields and process efficiencies. Your Company also focuses on R&D efforts in areas where there is significant growth potential. Acquisition of Astec LifeSciences Limited provided us access to strong R&D capabilities in the agrochemical active ingredients category. The Company has leveraged the same to introduce new fungicide products such as 'Kemplar' and 'Casper'. Investment is also being made in developing innovative technologies to further grow our product portfolio across businesses.

(ii) Threats, Risks & Concerns:

The Indian agriculture industry faces a few risks that can temporarily impact the business. Few key risks which can impact our businesses are:

- **Unfavorable local and global weather patterns may have an adverse effect on our business, results of operations**: As an agri-based company, our businesses are sensitive to weather conditions, including extremes such as drought and natural disasters. The availability of raw materials that are required for operations and the demand for products may be adversely affected by longer than usual periods of heavy rainfall in certain regions or a drought. Occurrence of any unfavorable weather patterns may adversely affect business, results of operations and financial condition.

- **Availability of raw materials and arrangements with suppliers for raw materials:** Each of the businesses depend on the availability of reasonably priced, high quality raw materials in the quantities required by operations. The price and availability of such raw materials depend on several factors beyond your Company's control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. It typically sources raw materials from third-party suppliers or the open market which exposes to volatility in the prices of raw materials and dependence on third-party for delivery of raw material. Also, any inability to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect operations.

- **Improper handling, processing or storage of raw materials or products:** The products that your Company manufactures or processes are subject to risks such as contamination, adulteration and product tampering during their manufacture, transport or storage. Inherent business risks exists in form of product liability or recall claims in the event that products fail to meet the required quality standards or are alleged to result in harm to customers. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. Although your Company has product liability insurance cover for our domestic and international markets for certain of our businesses, it cannot assure that this insurance coverage is adequate or that any losses will be adequately compensated by our insurers in the event of a product liability claim.

- **Seasonal variations in our businesses:** Certain of your Company's businesses are subject to seasonal variations that could result in fluctuations in our results of operations. For example, in animal feed business, your Company sells lower volumes of cattle feed during the monsoons due to the availability of green fodder. In our poultry and processed foods business, the demand for poultry products is higher in the second half of financial year since the consumption of poultry meat and eggs are higher during winter months, while the sale of such products is lower during certain religious festivals. As a result of such seasonal fluctuations, sales and results of operations may vary by fiscal quarter, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of future performance.

  In additions, financial performance is also impacted by other risks such as inability to manage our diversified operations, dependency of our revenue from our animal feed business, and dependency of utilisation of services of third parties for our operations.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

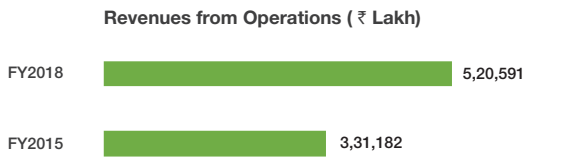
Your Company remains committed to improve the effectiveness of internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. Your Company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly.

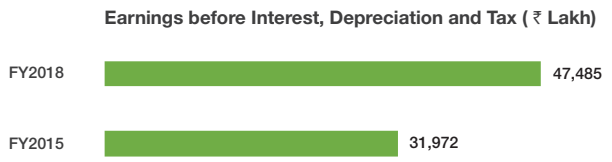
G. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

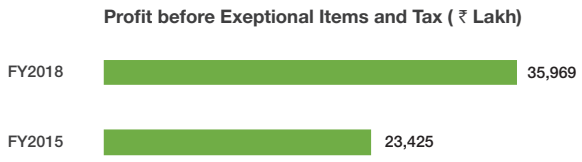
Our work force is a critical factor in maintaining quality and safety, which strengthens our competitive position and our human resource policies focus on training and retaining our employees. The Company trains employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. Employees are offered performance-linked incentives and benefits and conduct employee engagement programs from time to- time. Your Company also hires contract labor at few facilities, from time to time. Our employees at certain facilities have formed registered unions. However, the Company believes it has good relations with our employees. As on March 31, 2018, the total number of permanent employees was 2598.

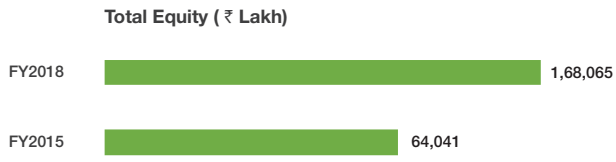
Further, your Company would like to sincerely appreciate the valuable contribution and support of employees towards the performance and growth of the Company. The management team comprises of professionals with proven track record. Your Company continues to remain focused and sensitive to the role of human resources in optimizing results in all its areas of working and its industrial relations also continue to be cordial.

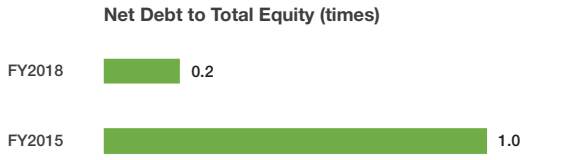
GAVL has delivered strong performance over the years



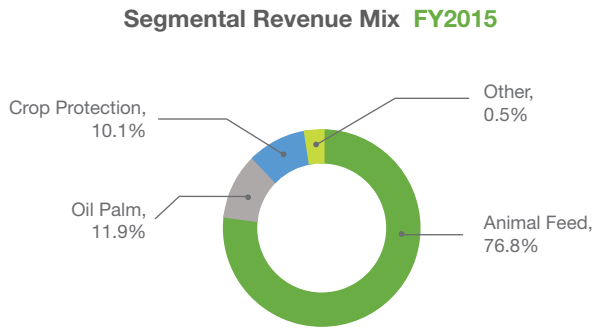


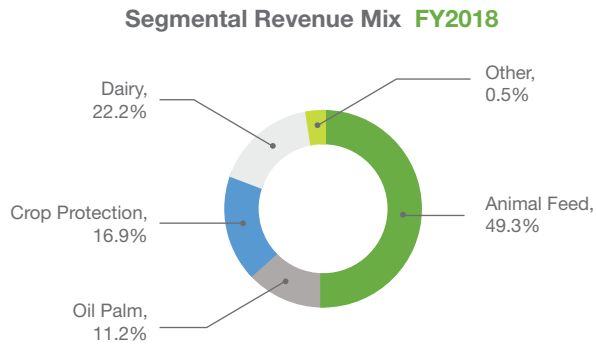






GAVL has diversified the product portfolio





BUSINESS RESPONSIBILITY REPORT

BUSINESS RESPONSIBILITY REPORT OF GODREJ AGROVET LIMITED

[Corporate Identity Number (CIN): L15410MH1991PLC135359]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

Godrej Agrovet Limited ("the Company") is pleased to present this Business Responsibility Report for the Financial Year (F.Y.) 2017-18, in accordance with sub-regulation (2) of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015 issued by the Securities and Exchange Board of India (SEBI), to describe the initiatives taken by the Company from an environmental, social and governance perspective. This Report is prepared in accordance with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs) notified by the Ministry of Corporate Affairs (MCA), Government of India, in July 2011.

The Company recognizes the underlying idea of NVGs that a corporate needs to act as a 'Responsible Business' and ensure that its economic growth is socially and environmentally sustainable. The concept of parting with a portion of one's surplus wealth for the good of the society is a part of the Indian tradition over the centuries, prevalent in the business community as well. Further, there is an increasing concern from all stakeholders, who are demanding that businesses of all types and sizes should function with fairness and responsibility.

This Business Responsibility Report describes the activities of the Company under each of the following 9 (nine) principles as outlined in the NVGs:

PRINCIPLE 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

PRINCIPLE 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

PRINCIPLE 3

Businesses should promote the well-being of all employees.

PRINCIPLE 4

Businesses should respect the interests of, and be responsive, towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

PRINCIPLE 5

Businesses should respect and promote human rights.

PRINCIPLE 6

Businesses should respect, protect and make efforts to restore the environment.

PRINCIPLE 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

ABOUT THE GODREJ GROUP & ITS PHILANTHROPIC EFFORTS:

The Company is a part of the "Godrej" Group, one of the largest professionally run private-sector groups in the country which has emerged as a major industrial and agricultural conglomerate acclaimed for the excellent quality of its products and services. "Godrej" Group has a well-established presence in varied businesses ranging from foods and consumer durables to chemicals and real estate. The Group has completed over 100 years of service to the nation and is amongst the admired business groups in India, delivering quality products and services to its customers at competitive costs, with highest international standards of customer care.

It is important to note that the Godrej Group has been at the forefront of philanthropic and social activities for several decades, including but not limited to environmental protection, healthcare and education.

In the words of Mr. N. B. Godrej, the Chairman of the Company, the sustainability efforts by the Godrej Group can be described as:

Much benefit can be seen
From our program Good and Green
Society and business gain
From all the people that we train
We thought we'd have to pay a price
For green energy but it's very nice
The costs have fallen very low
And every day our savings grow!

About twenty-four per cent of the shares of the Godrej Group are held in trusts that invest back in initiatives that support the environment as well as improve the quality and availability of healthcare and education. Through investment and oversight by the trust, a large tract of mangrove forests in Mumbai (Maharashtra) have been protected, developed, and maintained for several years and serve as a second set of lungs for the city. The Godrej Group has continually supported education and supports the Udayachal pre-primary and primary schools, which focus on the all-round development of children. The Udayachal high school has been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching. In addition, the Godrej Group has supported initiatives in healthcare through the Godrej Memorial Hospital at Vikhroli, Mumbai (Maharashtra), which aims to provide quality healthcare at affordable costs. One such initiative is our partnership with 'Smile Train', a US-based NGO, which helps in performing corrective cleft lip and palate surgeries for children from low-income families. The Group offers surgery and hospitalization to the patients free of cost.

All the businesses in the Godrej Group are inspired by the Brighter Giving philosophy and have imbibed Godrej values. "Brighter Giving" is a structured, skill-based, long-term volunteering programme or platform through which the employees can offer their time, knowledge and skills in meaningful, volunteering projects. This programme has a long-term goal of seeking to enable and drive meaningful initiatives for the Godrej Group's non-profit partners and/or their beneficiaries. It also

Ensuring Employability

Creating a Greener India

Innovating for Good & Green Products

serves as a channel through which the employees can connect with and learn more about "Good & Green". In conjunction with the Godrej Group's vision for "Brighter Living" for all stakeholders, the Group has developed a long term vision of "Godrej Good & Green" for playing an active part in creating a more inclusive and greener India.

Operationalizing Good & Green is founded on shared value initiatives. The concept of "shared value" is defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. As part of Good & Green, the Group aspires by 2020, to create a more employable Indian workforce, a greener India and innovate for good and green products.

Godrej Group-level ambitious targets or goals till the year 2020 are as follows:-

- Train 1 (one) million rural and urban youth in skilled employment;
- Achieve zero waste to landfill, carbon neutrality, and a positive water balance along with reducing our specific energy consumption and increasing the proportion of renewable energy use; and
- Have one-third of our portfolio revenues comprise good and/or green products and services, defined as products that are environmentally superior or address a critical social issue (e.g. health, sanitation, and disease prevention) for consumers at the bottom of the income pyramid.

ABOUT GODREJ AGROVET LIMITED & ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company is one of India's foremost diversified agribusiness companies, mainly engaged in the business of animal feed, crop protection and oil palm. The Company's mission is to improve the productivity of Indian farmers by innovating products and services that sustainably increase crop and livestock yields. The Company has nurtured a close relationship with Indian farmers across the length and breadth of the country, by bringing world class farming practices and techniques to them and offering end-to-end solutions for issues faced by them, thereby enabling them to enhance their financial gains. In its journey of growth, the Company has set new standards of corporate performance, reliably and consistently delivering excellent quality products and services to all our customers at competitive prices.

The Company, as a part of the larger Godrej Group, shares the Group's vision and initiatives in creating a more employable Indian workforce, a greener India and innovating for good and green products by 2020.

The Company has a comprehensive Corporate Social Responsibility (CSR) Policy in place, which is posted on the Company's website www.godrejagrovet.com. The CSR Policy outlines programmes and projects which the Company undertakes to create a positive impact on its stakeholders. The CSR Committee reviews, monitors and provides strategic inputs for our sustainability efforts. Over the years, the Company has aligned its sustainability efforts with the priorities of the nation and the needs of local communities to deliver high-impact programmes that are easy to scale up.

ABOUT THIS BUSINESS RESPONSIBILITY REPORT:

This Business Responsibility Report of the Company is divided into the following 5 (five) sections, as per the format prescribed in SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015:-

Section A :	General Information about the Company
Section B :	Financial Details of the Company
Section C :	Other Details
Section D :	Business Responsibility (BR) Information
Section E :	Principle-wise Performance

SECTION A:

GENERAL INFORMATION ABOUT THE COMPANY:

1. **Corporate Identity Number (CIN):** L15410MH1991PLC135359
2. **Name of the Company:** GODREJ AGROVET LIMITED
3. **Registered Office Address :** Godrej One, 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079, Maharashtra, India.
4. **Website:** www.godrejagrovet.com
5. **E-mail ID:** gavlinvestors@godrejagrovet.com
6. **Financial Year reported:** From April 1, 2017 to March 31, 2018
7. **Sector(s) that the Company is engaged in / List of three key products / services that the Company manufactures / provides (as in the Balance Sheet, industry activity code wise):**

Sr. No.	Name and Description of Main Products	National Industrial Classification (NIC) Code of the Product (as per NIC 2008)
1.	Animal Feeds	10801, 10802, 10803
2.	Agricultural Inputs / Crop Protection	20121, 20211, 20213, 20219
3.	Vegetable Oils	10402

Moreover, the Company has subsidiaries and Joint Ventures engaged in the business of agrochemicals, pharmaceuticals intermediates, dairy products, poultry, chicken processing and value-added vegetarian and non-vegetarian products.

8. Total Number of Locations where Business Activity is undertaken by the Company:

Number of National Locations	The Company has plants at various locations across the country, including the following:- • **Animal Feed:** Khanna (Punjab), Ikolaha (Punjab), Miraj (Maharashtra), Dhule (Maharashtra), Sachin (Gujarat), Kharagpur (West Bengal), Khurda (Orissa), Hanuman Junction (Andhra Pradesh), Kondapalli (Andhra Pradesh), Tumkur (Karnataka), Hajipur (Bihar), Erode (Tamil Nadu), Chandauli (Uttar Pradesh) • **Agri Inputs:** Jammu (Jammu & Kashmir), Lote Parshuram (Maharashtra) • **Oil Palm:** Pothepally (Andhra Pradesh), Chintampalli (Andhra Pradesh), Ariyalur (Tamil Nadu), Valpoi (Goa), Kolasib (Mizoram)
Number of International Locations	ACI Godrej Agrovet Private Limited, a Joint Venture of the Company, is a company incorporated and operating in Bangladesh.

9.Markets served by the Company (Local / State / National / International):

The Company has spread its wings both in the domestic market and to some extent in the international markets.

SECTION B:

FINANCIAL DETAILS OF THE COMPANY:

Financial Year (F.Y.) 2017-18	Amount
Paid-up Capital (in ₹)	1,92,02,87,390
Total Turnover (₹ in Lakh)	5,23,772.60
Net Profit After Tax (₹ in Lakh)	25,103.78
Total Spending on Corporate Social Responsibility (CSR) (₹ in Lakh)	438.97

In compliance with the CSR norms as per Companies Act, Godrej Agrovet has undertaken various projects in line with activities mentioned under Schedule VII, as follows:

- Rural development
- Livelihoods enhancement
- Water conservation
- Promotion of Agriculture & Animal husbandry
- Promotion of Education,
- Promotion of Sports and games
- Environmental Sustainability
- Promotion of Sanitation, health and hygiene

SECTION C:

OTHER DETAILS:

1. Subsidiary Companies:

The Company has 7 (seven) subsidiaries as on March 31, 2018, in or outside India, which includes 3 (three) direct subsidiaries and 4 (four) sub-subsidiaries.

The list of subsidiaries of the Company is given below:-

1. Godvet Agrochem Limited
2. Astec LifeSciences Limited
3. Behram Chemicals Private Limited (a subsidiary of Astec LifeSciences Limited)
4. Astec Europe Sprl (a subsidiary of Astec Life Sciences Limited)
5. Comercializadora Agricola Agroastrachem Cia Ltda (a subsidiary of Astec LifeSciences Limited)
6. Creamline Dairy Products Limited
7. Nagavalli Milkline Private Limited (a subsidiary of Creamline Dairy Products Limited)

2. Participation of subsidiary companies in the Business Responsibility (BR) Initiatives of the parent company:

Out of the subsidiaries of the Company specified above, 2 (two) subsidiaries which are required to comply with Section 135 of the Companies Act, 2013, viz., Astec LifeSciences Limited and Creamline Dairy Products Limited have their own CSR projects.

3. Participation and percentage of participation of other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, in the Business Responsibility (BR) Initiatives of the Company:

The other entities with whom the Company does business, viz., suppliers, distributors, etc. do not participate in the business responsibility initiatives of the Company.

SECTION D:

BUSINESS RESPONSIBILITY (BR) INFORMATION:

1 (a) Details of Director / Directors responsible for implementation of the BR policy/ies:

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, comprising of the following Directors as its Members (as on March 31, 2018):-

Sr. No.	Name	Position in the Committee	Director Identification Number (DIN)
1.	Dr. R. A. Mashelkar	Chairman (Non-Executive, Independent Director)	00074119
2.	Mr. N. B. Godrej	Member (Non-Executive, Non-Independent Director)	00066195
3.	Mr. B. S. Yadav	Member (Executive, Non-Independent Director)	00294803
4.	Ms. Roopa Purushothaman	Member (Non-Executive, Independent Director)	02846868

The CSR Committee of the Board of Directors is responsible for approving and overseeing the CSR projects implemented by the Godrej Good & Green team and reports to the Board of Directors of the Company.

The CSR Committee has formulated and recommended to the Board and the Board has approved a CSR Policy, which outlines the Company's strategy to bring about a positive impact on society through various CSR activities and programmes. This Policy focuses on addressing critical social, environmental and economic needs of the marginalized / underprivileged sections of the society. Through this Policy, the Company aligns its CSR strategy with the Godrej Group's Good & Green vision and goals. The Company adopts an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create a positive social and environmental impact.

There were two Meetings of the CSR Committee during the Financial Year 2017-18 (i.e., on May 12, 2017 and February 7, 2018).

(b) Details of Business Responsibility (BR) Head:

Name : Mr. B. S. Yadav

Designation : Managing Director

Telephone : 022 - 2519 4437

Email id : bs.yadav@godrejagrovet.com

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] Business Responsibility Policy(ies):

(a)Details of Compliance [Reply in Yes (Y) / No (N)]:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics, Transparency & Accountability	Sustainability	Employees' Well-being	Stakeholders' Welfare	Human Rights	Environment	Influencing Regulatory Policy	Equitable Development	Customer Responsibility
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The Company has formulated the policies and adopted best practices in its own volition, while being sensitive to the interest of all stakeholders.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Company's policies are aligned with the Godrej Group policies incorporating the global best practices.								
4	Has the policy being approved by the Board?	Since all the policies are not required to be approved by the Board of Directors, the approval of the Board has been obtained wherever it is mandatory.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

6	Indicate the link for the policy to be viewed online?	The policies formulated and adopted by the Company are available on the website of the Company www.godrejagrovet.com .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent applicable.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of all the policies is internally monitored. Audit / evaluation by external agencies is carried out wherever mandatory.								

3. Governance related to Business Responsibility:

(a) Frequency with which the Board of Directors, Committee of the Board or the Managing Director assess the Business Responsibility Performance of the Company:

The Corporate Social Responsibility Committee and the Board of Directors assess various initiatives forming part of the Business Responsibility performance of the Company twice in a year.

(b) Whether the Company publishes Business Responsibility Report or Sustainability Report and if yes, the hyperlink to view the Report and frequency of publication:

Financial Year 2017-18 is the first year when the Company is publishing its Business Responsibility Report as a part of its Annual Report. The same can be viewed on the website of the Company www.godrejagrovet.com.

SECTION E:

PRINCIPLE-WISE PERFORMANCE:

The following are the updates for the Company on each of the Principles stated in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs (MCA).

PRINCIPLE 1:

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY:

The Company pursues good Corporate Governance by ensuring regulatory compliance, transparency in disclosures, efficient operational practices, strong internal controls, risk management systems, and by engaging and operating with fairness and integrity with all its stakeholders, namely, shareholders, customers, employees, suppliers, regulatory authorities and general public.

The Company, as a responsible corporate citizen, is fully aware of its obligations to make appropriate and timely disclosures as mandated under various laws. The Company also refrains from engaging in any practices that are abusive, corrupt or anti-competition.

Organization Structure:

At the apex, is the Board of Directors headed by a non-executive Chairman and having half of its composition as Independent Directors. The Board provides guidance and support to the management in terms of broad strategy, direction, governance and compliance. The Company's Board of Directors has the following 6 (six) mandatory / non-mandatory committees:

i. Audit Committee;

ii. Nomination & Remuneration Committee;

iii. Stakeholders' Relationship Committee;

iv. Corporate Social Responsibility (CSR) Committee;

v. Risk Management Committee;

vi. Management Committee.

These Committees have clearly defined areas of operation and they operate as empowered by the Board. These Committees monitor and provide direction to the senior leadership team. This ensures greater focus on specific aspects of corporate governance and expeditious resolution of issues of governance if and when they arise.

Code of Conduct:

The Board of Directors and Senior Management of the Company comply with the Code of Conduct. An annual confirmation affirming compliance with the Code of Conduct from Board Members and senior management has been obtained for the Financial Year ended March 31, 2018.

The Company also has a Code of Conduct which is applicable to all employees the Company.

Whistle Blower Policy & Mechanism:

A Whistle Blower Policy has also been put in place by the Company. The purpose of this Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their supervisors. A Whistleblowing Officer has been designated for the purpose of receiving and recording any complaints under this Policy. The Policy provides adequate safeguards against victimization of persons who use Whistle Blower mechanism and make provision for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

3 (Three) stakeholder complaints were received under the Whistle Blower Mechanism during the Financial Year 2017-18.

Dealings with Business Partners:

The Company encourages its business partners, viz., group companies, joint ventures, suppliers, distributors, contractors, etc. to follow ethics, transparency and accountability in their dealings with the Company.

PRINCIPLE 2:

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

The Company believes that in order to function effectively and profitably, the Company needs to endeavor to improve the quality of life of people and to ensure this, the Company is required to to thoroughly work upon all stages of the product life cycle, right from design to final disposal of the goods after use.

Godrej Group's Good & Green vision supports the development of goods which are environmentally sustainable. As part of the vision, the Company aspires to develop products which consume fewer resources (energy, water), emit fewer greenhouse gases and include recyclable, renewable, and/or natural materials to the maximum possible extent, through extensive research.

The Company aims to bring in world class farming practices and techniques to Indian farmers and to offer end-to-end solutions for issues faced by them, thereby enabling them to enhance their financial gains. The Company works closely with Indian farmers to develop over 61,700 hectares of smallholder Oil Palm Plantations to bridge the demand and supply of edible oil. Innovation is a key driver of our strategy. The Company is constantly engaged in experimentation and looks for research-based solutions to improve farm productivity and thereby, the profitability of farmers.

The Company stays committed to making environmental sustainability a key part of its manufacturing processes. At the Company's factories, there is a relentless focus on productivity and environmental sustainability. To strengthen this approach, the Company has invested in a robust technology solution that has revolutionized the speed and accuracy of data monitoring and work towards achieving the targets. The Company is continuously working on energy efficiency and trying to get the best possible technology available in the market. The Company is moving from low efficient to high efficient

utility. Technologies implemented by the Company are not only energy efficient but also more reliable. This has helped the Company to reduce down time, enhance productivity and build a more sustainable business. The Company recognizes the fact that over-consumption results in unsustainable exploitation of the planet's resources, and therefore, it is necessary to promote sustainable consumption of resources, including recycling of resources.

The Company endeavours to raise consumer awareness through appropriate labelling and helpful marketing communication. While being vigilant about protection of the Company's own intellectual property, the Company respects the rights of other owners of intellectual property rights in the society at large.

PRINCIPLE 3:

BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

The Company has amicable employee relations at all locations and would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees.

The Company constantly makes concerted efforts towards creating learning and development opportunities on a non-discriminatory basis, that continually enhance the employee value in line with the organizational objectives. Also, the safety and health of employees is utmost important to the Company and the Company is committed to building and maintaining a safe and healthy workplace. There are several policies formulated for the benefit of employees, which promote gender diversity, equal opportunities, prevention of sexual harassment, safety and health of employees.

The details of the Company's workforce are given in the table below:-

Total number of permanent employees	2598
Total number of employees hired on temporary / contractual / casual basis	3450
Number of permanent women employees	88
Number of permanent employees with disabilities	
Whether the Company has an employee association that is recognized by management	Yes
Percentage of permanent employees of the Company who are members of recognized employee association/s	19%
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the Financial Year 2017-18 and pending, as on the end of the said Financial Year, i.e., March 31, 2018	As regards complaints relating to child labour, forced labour, involuntary labour, sexual harassment: • No such complaints were received during the Financial Year 2017-18 • No such complaints were pending as on March 31, 2018
Percentage of employees who were given safety and skill upgradation training during the Financial Year 2017-18	27%

All employees who join the Company demonstrate their commitment to follow the Code of Conduct by

signing in their acceptance to adhere to the same.

Some of the measures / initiatives taken at the Company-level or at Godrej Group-level are as follows:-

DIVERSITY AND EQUAL OPPORTUNITIES:

The Company values diversity and is committed to offering equal opportunities in employment. The Company does not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, creed, gender, gender identity / expression, sexual orientation, disability, age, or marital status and always allows for equal opportunities for all team members. Diversity and inclusion initiatives are taken care of at the corporate level by the 'Diversity & Inclusion' team, and are supported by the Diversity Council comprising of business leaders and HR representatives from across businesses in the Godrej Industries Limited & Associated Companies (GILAC) Group.

Some of the initiatives taken by our Diversity & Inclusion Team include the following:-

- **Godrej Careers 2.0:**

  The Careers 2.0 programme offers live business projects of 6-9 months duration to women who are currently on a career break. This programme is designed to integrate women back into the workforce who have taken a break due to various reasons.

- **Godrej Women's Leadership Network:**

  The Godrej Women's Leadership Network provides women at Godrej several opportunities to network, learn and grow.

- **Godrej Alliance for Parents [GAP]:**

  Godrej Alliance for Parents is a great resource for working parents and their spouses to share experiences and discuss issues ranging from childcare to children's education and their own worklife balance.

- **Diversity Sensitization Workshops:**

  A special diversity sensitization workshop focusing on gender inclusion is being conducted for all people managers across the GILAC group. The workshop focuses on unconscious biases and how managers can tackle them in the workplace to create an inclusive culture.

  The Company is committed to creating and maintaining an atmosphere in which all employees can work together, without fear of sexual harassment, exploitation or intimidation. A gender- neutral policy on prevention of sexual harassment has been in place for years. The existing policy was further strengthened by adoption of a Policy and constitution of Internal Complaints Committee at Head Office (HO) as well as at regional levels under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 and the Rules framed thereunder.

  All employees are required to go through mandatory training on prevention of sexual harassment.

HEALTH & SAFETY:

- **On-campus:**

  We have canteen facility at Head Office (HO) and certain locations, where food and refreshments are provided to ensure that hygienic and healthy food is available at the premises. All Company premises are non-smoking zones. Smoking is strictly prohibited in the campus. Initiatives like fire safety training are also regularly undertaken.

- **Health Check-up:**

  The Company has initiated a policy for annual health checkup of employees.

GOOD WORKING ENVIRONMENT:

- Progressive Human Resource (HR) Policies:

  The Company prides itself as a great place to work, a fact recognized and acknowledged externally as well. HR policies like flexible working hours, work from home arrangements, part-time work, leave and benefits, adoption leave and benefits, extended maternity leave and benefits, paternity leave and benefits - to name a few - go a long way in ensuring that the employees successfully strike a work-life balance.

- **Engagement Forums:**

  There are multiple touch points for leadership team to interact with employees through forums like long range plan, annual operating plan, engagement surveys, HR connect sessions, etc. The organization invests in functional training for all employees in line with their current and future career aspirations. The learning suite encompasses functional training, leadership development programs and behavioral training geared towards leading self, leading others and leading business.

PRINCIPLE 4:

BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE, TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

The Company recognizes that it has the responsibility to think and act beyond the interests of its shareholders, to include all its stakeholders.

The stakeholder engagement process consists of a variety of activities from stakeholder identification, consultation, prioritisation, collaboration and reporting. The identification of all relevant stakeholders and understanding their expectations is of high concern for the Company in its quest to be sustainable. The Company identifies key stakeholders on the basis of their influence on the Company's operations and the Company's impact on them. The Company has already identified and prioritized key stakeholders and continues its engagement with them through various mechanisms such as consultations with local communities, supplier / vendor meets, customer / employee satisfaction surveys, investor forums, etc.

In order to align the Company's community development programmes to United Nations' (UN) sustainable development goals, a detailed community needs assessment in priority plant locations was carried out through an external third-party consultant. The team followed a three-step approach, where they connected with the plant and corporate office, held extensive field based assessments, backed by thorough secondary research to validate key facts and add on additional information available from official sources. The result is a comprehensive report of the community, their needs, gaps in the system and the Company's way forward. The Company is now in the process of implementing high impact community development programmes based on the recommendations from the assessment.

The Company is working in partnership with the government, people of the village and local village communities. This approach helps the Company to distribute accountability and ensure long-term impact of its community development initiatives.

- **Integrated Rural Livelihoods Programme:**

  The Company endeavours to build capacities of marginalised farmers in some of the poorest districts of the country. The programme aims to work with primarily women and marginalized groups to diversify their income streams,

enhance their access to government schemes and thereby help reduce their vulnerability to climate change. The programme is a long term participatory engagement with community non-profit partners and local communities to ensure local needs are addressed and indigenous knowledge is harnessed.

The Company strongly believes in supporting education, health and sanitation in these communities and supports local institutions with their present infrastructure gaps that prevent them from creating an enabling, holistic eco system for education and health provision.

- **Integrated Watershed Management:**

  Around the world, climate change is affecting seasonal weather patterns, leading to either intense precipitation or drought-like events. In 2016-17, the Company initiated an integrated watershed management programme in the drought prone district, Magadi, Karnataka and Bharwani, Madhya Pradesh. The Company is working in partnership with NABARD to help restore the ecological balance of the region and mitigate the risk of climate change for the local farmers. The projects cover over 5350 hectares of land and will aim to recharge groundwater and make more water available for irrigation. The Company is also working to support farmers in adopting sustainable farming practices, and mitigating the impact of climate change. It estimates that the project will offset GHG emissions to the tune of 35,000 tCO2e and restore 2.5 million kl of water. The Company has reached out to 1164 farmers across 11 villages.

- **Renewable energy for electrification:**

  Rural electrification is a major challenge today for India given the spread of the country. The Company is working in the energy dark villages of the rural India to address the shortage of energy supply. Through this project, renewable energy is provided through decentralized, off-grid renewable energy systems through community-level installations. These mini and micro-grids are being installed in 27 energy-dark villages, illuminating upto 830 households in Khargone region of Madhya Pradesh. In addition, we are also training the local youth and building awareness on the potential of renewable energy systems for meeting rural energy needs

- **Disaster Relief:**

  India saw one of the worst floods in August 2017 and the states of Assam and Gujarat were the most affected with thousands of homes destroyed and lakhs of people displaced from their habitat. The Company and its employees through a non-profit partner reached out to the affected people to provide relief and rehabilitation to the displaced citizens.

- **Agri-vocational training:**

  The agriculture sector in India today faces a major manpower/labor shortage. While the mouths to feed in the country are growing at a fast pace, the hands to work on farm lands is reducing drastically. The Company aspires to see a change in the mindset of the young students towards farming and dairy management and for the said purpose has attempted to gathered its expertise and knowledge of agriculture and animal husbandry in a curriculum and share it with young students from 41 schools in Satara, Maharashtra. The purpose is to acquaint 2000+ students each year with the basic know how of agriculture and animal husbandry. By engaging them each year in various projects and building their knowledge and hands on learning on subjects like growing vegetables, milking animals, constructing small irrigation channels in the agricultural plots.

PRINCIPLE 5:

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company strongly believes in the principle of respect for human rights of all, which imbibes its spirit from the Constitution of India.

The Company has in place, a Human Rights Policy which demonstrates the Company's commitment to respect human rights and treat people with dignity and respect in the course of conduct of its business.

Further, the Company's Code of Conduct covers aspects like diversity, anti-discrimination, equal

opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights.

The Company also has policies like Whistle Blower Policy, Policy on Prevention of Sexual Harassment at Workplace, which encourage respect and promotion of human rights.

Any violation of the Code of Conduct or the aforesaid policies can result in stern disciplinary action including termination of employment and / or other appropriate actions as permissible under the law.

The Company encourages its business partners to respect human rights.

No complaints pertaining to violation of human rights were received by the Company during the Financial Year 2017-18.

PRINCIPLE 6:

BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

Godrej as a group believes in conserving the various resources of Mother Earth. As part of its Good & Green vision there is a specific commitment at Godrej Group to create a "Greener India". The details of the Company's strategy are available on www.godrejgoodandgreen.com.

The Company focuses on 5 (five) major areas related to climate change, i.e.:

- Energy Conservation
- Water Conservation
- Use of Renewable Energy
- GHG Mitigation
- Waste Minimization

A dedicated team of 'Good & Green' has been set up to identify the risks and opportunities for individual manufacturing facilities. After identifying the risks and opportunities, the team proposes necessary action to be taken. Several measures proposed by the 'Good & Green' team have been implemented which yielded excellent benefits. The Company is proud to share that the emissions / waste generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the Financial Year 2017-18.

Specific Efforts Energy Conservation:

At our manufacturing plants we have a relentless focus on productivity and environmental sustainability. To strengthen our approach, we have invest in a robust technology solutions that has revolutionized the speed and accuracy of our data monitoring and work towards achieving our targets. We are continuously working on energy efficiency and trying to get the best possible technology available in the market. Our efforts for energy conservation have resulted in reducing our specific energy consumption by 2.9% from last year. We identified high-energy consumption equipment and replaced them with cost effective energy efficient equipment. We monitored the operations and build capacity optimization of pumps, compressors, motors and other utilities.

- **Increasing Use of Renewable Energy:**

  During Financial Year 2010-11 itself, the Management identified the need of mitigating the GHG emissions, and the Company agreed to off-set its emissions by 2020 and to become a carbon neutral company. In line with this vision, every year the Company adopts various projects such as clean technologies, low carbon technology, and promoting renewable energy.

  Since last 3-4 years, the Company has been switching from fossil to renewable applications and high carbon to low carbon intensive initiatives.

Renewable energy usage as a percentage of overall energy used has increased substantially over the years. During the Financial Year 2017-18, more than 68% of the total energy consumed by the Company was through renewable sources with businesses such as OPP having 99.8% and Animal Feed having 68% of its energy derived from renewable sources.

- **Becoming carbon neutral and Water positive:**

  The Company's specific GHG emission has reduced substantially during the Financial Year 2010-11. The Company achieved this through various environment friendly projects such as replacing of fossil fuel with biomass for boilers. The Company has watershed projects which are going to be a carbon sink to make it water and carbon positive.

- **Reducing Waste to Landfill:**

  The Company segregates its waste at source and follows the 5R principle to minimize its waste. The Company is also in a process to develop waste management policy and technical standard.

At Godrej, we believe that employee awareness and engagement is a key factor in driving sustainability. The Company has demonstrated employee engagement in the form of trainings, education, communication, activities and recognition. It has annual training plan for all the manufacturing plants. This annual plan includes training in each aspect of environment for all the categories. The Company also has specific training based on the requirement. From last year, it started celebrating Energy Conservation Week, Water Day, Earth Day, etc. with a lot of passion. The Company started with "Train the Trainer" activities and continues the awareness campaign for one week, "Environment Quiz", "Posters and Slogans competitions" etc. which help to engage the employees and increase the awareness at various levels on sustainability.

PRINCIPLE 7:

BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

For any policy advocacy, the Company ensures that it does so with the highest degree of responsible and ethical behaviour and also works with collective platforms such as trade and industry chambers and associations to take up matters with the relevant government bodies.

The Company is a member of Bombay Chamber of Commerce and Industry (BCCI), Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI).

PRINCIPLE 8:

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company recognizes the fact that corporate growth and equitable development are interdependent and that the Company owes a responsibility to play its role in the social and economic development agenda of the country.

The 'Good & Green' vision inspires each one at Godrej Agrovet Limited to continue to work towards building a brighter, greener and more inclusive India. Sustainability is intrinsically linked not just to the Company's growth strategy, but also to its legacy and values. The Company strongly believes that it is accountable to the communities while the Company

continues to drive shareholder value. This helps the Company to improve the lives of those at the base of the pyramid, preserve and protect the environment, improve efficiency of operations and generate innovations.

As a part of sustainability strategy 'Good & Green', the Company addresses a critical need of enhancing livelihoods of low-income group youth. It collaborates with non-profit organizations and social enterprises to design and run a number of livelihood training programmes for marginal farmers from low-income communities. The focus of these programmes is to improve the earning potential of trainees, by building their skills and empowering them. The Company builds vocational skills and also provides post-training support.

The Company works in collaboration with Non-Governmental Organizations (NGOs) and social enterprises to design and run a number of employability or livelihoods training programmes across the Company. The focus of these programmes is to improve the earning potential of small holder farmers' men and women both. Through a third party assessment conducted with the beneficiaries, the following was reported:

- 83% reported increase in milk production
- 75% reported cattle free from illness
- 16% reported increase in rate/litre (rate at which milk is sold seen to be static given market factors)

During the Financial Year 2017-18, the Company has trained more than 7720 farmers in skills that will enhance their earning potential. Through the agri vocational skilling program, 15000+ students across 41 schools of Maharashtra have been trained.

Since the inception of these programmes, the Company has trained over 30,000 farmers.

PRINCIPLE 9:

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

The Company has a customer-centric approach and greatly values the trust, satisfaction and loyalty of its customers. Its primary focus is delighting customers, both external and internal. The Company honours the freedom of choice of its customers and does not restrict free competition in any manner.

The Company continues to invest significantly in Research & Development (R&D) to develop newer products or variants to suit the needs of the customers at competitive prices. The Company is investing significantly in cutting-edge R&D to support our innovation pipeline. In 2015, the Company has set up the Nadir Godrej Centre for Animal Research and Development in Nashik, Maharashtra; a one-of-its-kind animal husbandry research centre in the private sector in India. Our focus will be to leverage

capabilities at this centre, to develop cost effective solutions to improve animal productivity.

There are no undisputed customer complaints pending as at the end of the Financial Year 2017-18.

The Company does display or disseminate adequate and truthful factual information to enable safe and effective usage of its products, which is over and above what is mandated by the applicable laws. The Company does not indulge in any kind of misleading or confusing advertisement.

There are no cases filed against the Company regarding unfair or anti-competitive trade practices during the preceding 5 (five) Financial Years.

The Company regularly conducts customer surveys to know the customer satisfaction trends.

For and on behalf of the Board of Directors of Godrej Agrovet Limited

N. B. Godrej

Chairman

(DIN: 00066195)

Mumbai, May 14, 2018

NOTICE OF ANNUAL GENERAL MEETING (AGM) & EXPLANATORY STATEMENT

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **27TH (TWENTY SEVENTH) ANNUAL GENERAL MEETING** of the Members of **GODREJ AGROVET LIMITED** will be held on **Thursday, August 9, 2018** at **4.00 p.m. (IST)** at the Registered Office of the Company at "Godrej One", Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079 (Maharashtra), to transact the following **BUSINESS:**

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and the Statutory Auditors thereon, including Annexures thereto;

2. To declare Final Dividend on Equity Shares @ 45% [i.e., @ ₹ 4.50 (Rupees Four Paise Fifty Only) per Equity Share] for the Financial Year 2017-18;

3. To appoint a Director in place of Mr. N. B. Godrej, Director [having Director Identification Number (DIN): 00066195], who retires by rotation and being eligible, offers himself for re-appointment, as a "Director" of the Company:

   The Members are requested to consider, and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. N. B. Godrej [having Director Identification Number (DIN): 00066195] who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a "Director" of the Company."

4. To appoint a Director in place of Ms. Tanya A. Dubash, Director [having Director Identification Number (DIN): 00026028], who retires by rotation and being eligible, offers herself for re-appointment, as a "Director" of the Company:

   The Members are requested to consider, and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Tanya A. Dubash [having Director Identification Number (DIN): 00026028] who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a "Director" of the Company."

5. To ratify the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) as the 'Statutory Auditors' of the Company, to hold office from the conclusion of this 27th (Twenty Seventh) Annual General Meeting (AGM) till the conclusion of the 31st (Thirty First) Annual General Meeting (AGM), i.e., for the Financial Years from 2018-19 to 2021-22 and to authorise the Directors to fix their remuneration:

   The Members are requested to consider, and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 [as amended by the Companies (Audit and Auditors) Amendment Rules, 2018], the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) as the 'Statutory Auditors' of the Company be and is hereby ratified, to hold office from the conclusion of this 27th (Twenty Seventh) Annual General Meeting (AGM) till the conclusion of the 31st (Thirty First) Annual General Meeting (AGM), i.e., for the Financial Years from 2018-19 to 2021-22, at such remuneration as may be mutually agreed upon between them and the Company."

   "**RESOLVED FURTHER THAT** the Directors of the Company and / or the Chief Financial Officer and / or the Company Secretary be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto."

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to Section 148 and all applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. P. M. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No.: 00012), appointed as the Cost Auditors of the Company, to conduct an audit of the cost records of the Company for the Financial Year ending on March 31, 2019, at ₹1,20,000/- (Rupees One Lakh Twenty Thousand Only) plus Goods and Service Tax and reimbursement of out-of-pocket expenses, be and is hereby ratified."

   "**RESOLVED FURTHER THAT** the Directors of the Company and / or the Chief Financial Officer and / or the Company Secretary be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto."

7. To consider, and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION:**

   "**RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Companies Act, 2013, Mr. K. N. Petigara [Director Identification Number (DIN): 00066162] who has been appointed as an "Independent Director" upto March 31, 2019, be and is hereby re-appointed as an "Independent Director" of the Company to hold office for a further term of 3 (three) years, from April 1, 2019 upto March 31, 2022, not liable to retire by rotation."

8. To consider, and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Companies Act, 2013 and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Amit B. Choudhury [Director Identification Number (DIN): 00557547] who has been appointed as an "Independent Director" upto March 31, 2019, be and is hereby re-appointed as an "Independent Director" of the Company to hold office for a further term of 3 (three) years, from April 1, 2019 upto March 31, 2022, not liable to retire by rotation."

9. To consider, and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby granted to the continuation of appointment of Mr. A. B. Godrej [Director Identification Number (DIN): 00065964] as a 'Non-Executive, Non-Independent Director' of the Company, liable to retire by rotation."

10. To consider, and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to the approval granted by the Members at their Extra-ordinary General Meeting held on July 18, 2017, approval of the Members be and is hereby granted to the continuation of appointment of Dr. Raghunath A. Mashelkar [Director Identification Number (DIN): 00074119] as a 'Non-Executive, Independent Director' of the Company upto July 17, 2022, not liable to retire by rotation."

11. To consider, and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** based on the recommendations of the Nomination and Remuneration Committee of the Board of Directors, the provisions of Section 197 of the Companies Act, 2013 (the "Act") read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed thereunder (including any statutory amendment/s, modification/s or re-enactment/s thereof) and the Articles of Association of the Company, and without requiring approval of the Central Government, the approval of the Members be and is hereby accorded for the remuneration paid to Mr. B. S. Yadav, Managing Director [Director Identification Number (DIN): 00294803] during the Financial Year (F.Y.) 2016-17, which is in excess of maximum remuneration permissible under the Act."

"**RESOLVED FURTHER THAT** the approval of the Members be and is hereby accorded for waiver of recovery of the excess remuneration paid to Mr. B. S. Yadav, Managing Director, if permissible by the Act and the Rules framed thereunder."

12. To consider, and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** in accordance with the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder and the Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations, rules and circulars / guidelines in force, from time to time, the approval of the Members be and is hereby accorded for carrying out alteration / amendment in "Godrej Agrovet Limited – Employees Stock Grant Scheme, 2018" ("ESGS 2018") by insertion of a provision / clause to permit re-issue of stock grants made by the Company under ESGS 2018 which may either lapse or be forfeited in terms of ESGS 2018."

"**RESOLVED FURTHER THAT** ESGS 2018 be administered directly by the Company and a clause / provision to that effect be inserted in ESGS 2018."

"**RESOLVED FURTHER THAT** the Board of Director's be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESGS 2018 and to take all such steps and do all acts as may be incidental or ancillary thereto."

By Order of the Board of Directors

Vivek Raizada
Head – Legal & Company Secretary & Compliance Officer

Mumbai, July 3, 2018

Registered Office:
"Godrej One", 3rd Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai – 400 079
Maharashtra, India.
Tel. No.: 022- 2519 4416
Fax: 022-2519 5124
Website: www.godrejagrovet.com
Email: gavlinvestors@godrejagrovet.com
CIN: L15410MH1991PLC135359

NOTES:

1. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("the Act"), relating to the Special Business under Item Nos. 6, 7, 8, 9, 10, 11 and 12 to be transacted at this AGM, is annexed herewith.

2. **A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE AGM INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.**

   Pursuant to Section 105 of the Act, a person can act as a Proxy on behalf of not more than 50 (Fifty) Members and holding in aggregate, not more than 10% (ten per cent) of the total share capital of the Company. Members holding more than 10% (ten per cent) of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. A proxy so appointed shall not have any right to speak at the Meeting. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 (forty-eight) hours before the commencement of the AGM. Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

   Corporate Members intending to send their Authorized Representative(s) to attend the AGM, pursuant to Section 113 of the Act, are requested to send to the Company, a certified true copy of the Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the AGM.

   In case of joint holders attending the AGM, only such joint holder who is higher in the order of names shall be entitled to vote.

3. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Company from 10.00 a.m. (IST) to 4.00 p.m. (IST).

4. Shareholder(s) / Proxy(ies) / Authorised Representative(s) should bring the duly filled Attendance Slip enclosed in the Annual Report to the AGM.

5. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act, will be available for inspection by the Members at the AGM.

6. The Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members during the AGM.

7. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, July 25, 2018 to Saturday, July 28, 2018 (both days inclusive)** for annual closing and determining the entitlement of the Members to the Final Dividend for the Financial Year 2017-18.

8. All documents in connection with the accompanying Notice are available for inspection at the Registered Office of the Company from 10.00 a.m. (IST) to 4.00 p.m. (IST) on all days except Saturdays, Sundays and Public Holidays, upto the date of the AGM.

9. Members holding shares in dematerialised form are requested to direct change of address notifications and update of bank account details to their respective Depository Participants.

10. Pursuant to Sections 101 and 136 of the Act read with relevant Rules framed thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members holding shares in dematerialised form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

    Members are requested to support this Green Initiative by registering / updating their e-mail address(es) with the Depository Participant(s) (in case of Shares held in dematerialised form) or with Karvy Computershare Private Limited, Registrar and Share Transfer Agent ("Karvy") (in case of Shares held in physical form).

    Members may also note that the Notice of 27th this Annual General Meeting and the Annual Report for the Financial Year 2017-18 will also be available on the Company's website www.godrejagrovet.com for download.

11. The Notice of AGM, Annual Report, Attendance Slip, Route Map for the AGM Venue and Proxy Form are being sent in electronic mode to the Members whose email address(es) are registered with the Company or the Depository Participant(s), unless the Members have requested for hard copies of the same. Physical copy of the Notice of AGM, Annual Report, Attendance Slip, Route Map for the AGM Venue and Proxy Form are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report, Attendance Slip, Route Map for the AGM Venue and Proxy Form in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM Venue. Members are requested to furnish the printed Attendance Slip along with a valid identity proof such as PAN Card, Passport, Aadhaar Card or Driving License while entering the AGM Hall.

12. The Dividend, if declared at the AGM, would be paid / dispatched on **Friday, August 17, 2018** to those persons or their mandates:

    a) whose names appear as Beneficial Owners as at the end of the business hours on **Tuesday, July 24, 2018** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

    b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share

transfers in physical form lodged with the Company / Karvy on or before **Tuesday, July 24, 2018**.

13. Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed / unpaid for a period of 7 (seven) years and/or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).

14. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Karvy at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

15. The Securities and Exchange Board of India has made it mandatory for all listed companies to use the Bank Account details furnished by the Depositories and the Bank Account details maintained by the Registrar and Share Transfer Agents for payment of Dividend through Electronic Clearing Service (ECS) to investors wherever ECS and Bank details are available. In the absence of ECS facilities, the Company will print the Bank Account details, if available, on the payment instrument for distribution of Dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such Bank Account details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participant(s) about such change, with complete details of Bank Account.

16. a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available Reserve Bank of India (RBI) locations or National Electronic Fund Transfer (NEFT). The dividend would be credited to their bank account as per the mandate given by the Members to their Depository Participant(s). In the absence of availability of NECS / ECS / NEFT facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.

    b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their Depository Participants (DPs) in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.

17. The details of the Directors seeking appointment and re-appointment under Item Nos. 3, 4, 7, 8, 9 and 10 of this Notice is annexed hereto in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings.

18. Since Item Nos. 7, 8, 9, 10 and 12 have been considered by the Board by way of circulation after the approval of the Directors' Report for the Financial Year ended March 31, 2018 on May 14, 2018 and then placed for approval of the Members at this 27th Annual General Meeting, the disclosure of the same has not been made in the Directors' Report for the Financial Year 2017-18.

19. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the Meeting.

20. E-VOTING:

    a) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as per Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory amendment(s) / modification(s) / re-enactment(s) thereto], your Company has provided a facility to the Members to cast their votes, electronically, through the electronic voting service facility arranged by Karvy Computershare Private Limited ("Karvy") on all resolutions set forth in this Notice. The Facility for voting through Electronic Voting System ("Insta Poll") will also be made available at the AGM and the Members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their voting right at the AGM through Insta Poll.

    b) During the voting period, Members can login to Karvy's e-voting platform any number of times till they have voted on all the resolutions. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.

    c) Members can opt for only one mode of voting, that is, either by e-voting or Insta Poll. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes casted through Insta Poll will be treated as "**INVALID**".

    d) The Members who wish to cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again, and if casted again then the same will not be counted.

    e) The remote e-voting period commence on **Sunday, August 5, 2018 (at 9.00 a.m. IST)** and ends on **Wednesday, August 8, 2018 (at 5.00 p.m. IST)**. During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e.,

Thursday, August 2, 2018, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is caste by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

f) In case of any query / grievance with respect to e-voting, please visit the "Help and FAQ's" section available on Karvy's website: https://evoting.karvy.com or send e-mail to einward.ris@karvy.com or call Karvy on toll free number 1800-3454-001 (from 9.00 a.m. IST to 6:00 p.m. IST) for further clarifications.

g) Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrars and Transfer Agents / Depository Participant(s) for sending future communication(s) in electronic form.

h) A Member need not use all his / her / its votes nor does he / she / it need to cast all his / her / its votes in the same way.

i) The Scrutinizer's decision on the validity of the Insta Poll shall be final.

INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:

(a) In case of Members receiving an e-mail from Karvy Computershare Private Limited [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

(i) Launch an internet browser by typing the URL https://evoting.karvy.com.

(ii) Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. close of business hours of **Thursday, August 2, 2018** may cast their vote electronically.

(iii) Enter the login credentials i.e. User ID and password, provided in the email received from Karvy Computershare Private Limited. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(iv) After entering the above details click on - LOGIN.

(v) Password change menu will appear. Please change the password with a new password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After changing the password, you need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the E-Voting EVEN (i.e. Electronic Voting Event Number).

(vii) Select 'EVEN' of Godrej Agrovet Limited – AGM 2018 and click on – Submit.

(viii) Now you are ready for e-voting as 'Ballot Form' page opens.

(ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

(x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(xi) Please note that, once you have confirmed your vote on the resolution, you cannot modify your vote.

(xii) The e-voting portal will remain open for voting from 9.00 a.m. (IST) on Sunday, August 5, 2018 to 5.00 p.m. (IST) on Wednesday, August 8, 2018.

(xiii) Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer by an e-mail at support@pkpandya.com.

(xiv) They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVEN NO."

(b) In case of Members receiving Ballot Form by post and opting for voting through Electronic means [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

(i) Initial password is provided as below/at the bottom of the Ballot Form.

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD/PIN
3933		

(ii) Please follow all steps from Sr. No. (a)(i) to Sr. No. (a)(xi) mentioned above, to cast vote.

I. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'E-voting User Manual' available in downloads section of the e-voting website of Karvy Computershare Private Limited, viz., https://evoting.karvy.com.

II. The voting rights shall be as per the number of Equity Shares held by the Member(s) as on the cut-off date. i.e., close of business hour of **Thursday, August 2, 2018.** Members are eligible to cast vote electronically only if they are holding shares as on that date.

III. The results declared along with the report of the scrutinizer shall be placed on the Notice Board at the Registered Office of the Company and also on the website of the Company, viz., www.godrejagrovet.com immediately after the declaration of result by the Managing Director and at the website of e-voting agency, viz., Karvy Computershare Private Limited at https://evoting.karvy.com and shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited.

IV. If you have forgotten your password, you can reset your password by using "Forgot Password" option available on https://evoting.karvy.com or contact Karvy Computershare Private Limited at toll free No. 1800-345-4001 or email at evoting.karvy.com. In case of any other queries/grievances connected with voting by electronic means, you may also contact Mr. Kishore B V, Assistant Manager – Corporate Registry of Karvy Computershare Private Limited, at Telephone No. +91 40 6716 1500.

V. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.

VI. Members may utilize the facility extended by the Registrar and Transfer Agent for redressal of queries. Members may visit http://karisma.karvy.com and click on Members option for query registration through free identity registration process.

21. Members holding shares in physical form are requested to consider converting their holdings into dematerialized form to eliminate all risks associated with physical shares and for ease of Portfolio Management. Members can contact the Company or Karvy for assistance in this regard.

    Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.

22. Mr. Prakash K. Pandya, Practicing Company Secretary, Mumbai (Certificate of Practice No. 12133) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the voting by Insta Poll, to be conducted at the AGM, in a fair and transparent manner.

23. The Results shall be declared not later than 48 (forty-eight) hours from the conclusion of the AGM. The Results declared along with the Scrutiniser's Report will be placed on the website of the Company at www.godrejagrovet.com immediately after the Result is declared by the Chairman and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed.

24. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., **Thursday, August 9, 2018.**

25. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Karvy / the Company.

26. Route Map showing directions to reach to the venue of the AGM forms part of the Annual Report as per the requirement of the Secretarial Standards - 2 on "General Meetings."

By Order of the Board of Directors

Vivek Raizada
Head – Legal & Company Secretary & Compliance Officer

Mumbai, July 3, 2018

Registered Office:
"Godrej One", 3rd Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai – 400 079,
Maharashtra, India
Tel. No.: 022- 2519 4416
Fax: 022-2519 5124
Website: www.godrejagrovet.com
Email: gavlinvestors@godrejagrovet.com
CIN: L15410MH1991PLC135359

ANNEXURE TO THE NOTICE FOR THE 27TH (TWENTY SEVENTH) ANNUAL GENERAL MEETING (AGM) OF GODREJ AGROVET LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement as required by Section 102 of the Companies Act, 2013, sets out all material facts relating to the Special Business mentioned in the accompanying Notice for convening the 27th (Twenty Seventh) Annual General Meeting of Godrej Agrovet Limited on **Thursday, August 9, 2018 at 4.00 p.m. (IST):-**

Ordinary Resolution under Item No. 6:

Based on the recommendations of the Audit Committee, the Board of Directors of the Company, at its Meeting held on May 14, 2018, has appointed M/s. P. M. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No.: 00012) as the "Cost Auditors" of the Company for the Financial Year (F.Y.) 2018-19, pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014.

The remuneration of ₹1,20,000/- (Rupees One Lakh Twenty Thousand Only), plus Goods and Service Tax and reimbursement of out-of-pocket expenses, if any, payable to the Cost Auditors has been recommended by the Audit Committee and approved by the Board of Directors. Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, payment of such remuneration to the Cost Auditors shall require subsequent ratification by the Members. Hence, this Ordinary Resolution at Item No. 6 is placed for the consideration and approval by the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 6 for approval of the Members.

Special Resolution under Item No. 7:

The Members of the Company, at their 23rd (Twenty Third) Annual General Meeting (AGM) held on June 25, 2014, had appointed Mr. K. N. Petigara [Director Identification Number (DIN): 00066162] as an "Independent Director" of the Company for a term upto March 31, 2019, pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder, read with Schedule IV to the Act.

The term of Mr. K. N. Petigara as an "Independent Director" shall, thus, expire on March 31, 2019.

Mr. K. N. Petigara holds a Bachelor's degree in Chemical Engineering, a Masters degree in Chemical Engineering and a Chemical Engineer degree in Chemical Engineering from the Massachusetts Institute of Technology. He has been associated with the Company since January 30, 1992. He has 44 of years' experience in chemical and allied industries in India and abroad since 1974. He is the founder-partner of Scitech Corporation, which manufactures a range of industrial, institutional and household chemical specialties and surface finishing compounds for metal-finishing industry. He was appointed as a Director of our Company with effect from August 24, 1992. A brief resume of Mr. K. N. Petigara also forms part of this Notice.

Mr. K. N. Petigara satisfies the criteria for independence as specified in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee of the Board of Directors has recommended the re-appointment of Mr. K. N. Petigara as an "Independent Director" of the Company, since he possesses the requisite qualifications and attributes for re-appointment.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the re-appointment of Mr. K. N. Petigara as an "Independent Director" of the Company to hold office for a further term of 3 (three) years, from April 1, 2019 upto March 31, 2022, not liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives (except Mr. K. N. Petigara) is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set forth in Item No. 7 for approval of the Members.

Special Resolution under Item No. 8:

The Members of the Company, at their 23rd (Twenty Third) Annual General Meeting (AGM) held on June 25, 2014, had appointed Mr. Amit B. Choudhury [Director Identification Number (DIN): 00557547] as an "Independent Director" of the Company for a term upto March 31, 2019, pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder, read with Schedule IV to the Act.

The term of Mr. Amit B. Choudhury as an "Independent Director" shall, thus, expire on March 31, 2019.

Moreover, pursuant to sub-regulation (1A) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years.

Mr. Amit B Choudhury holds a Masters degree in Arts (Economics) from University of Poona and a Masters degree in Management Studies (Marketing) from The Jamnalal Bajaj Institute of Management Studies, Mumbai. He has extensive experience in Animal Feeds and Commodities, Sales, Marketing and Exports of Consumer Products including Foods. He was the Managing Director of Godrej Properties Limited from 1995, and was appointed as a Director of our Company with effect from December 2004. A brief resume of Mr. Amit B. Choudhury also forms part of this Notice.

Mr. Amit B. Choudhury satisfies the criteria for independence as specified in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee of the Board of Directors has recommended the re-appointment of Mr. A. B. Choudhury

as an "Independent Director" of the Company, since he possesses the requisite qualifications and attributes for re-appointment.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the re-appointment of Mr. Amit B. Choudhury as an "Independent Director" of the Company to hold office for a further term of 3 (three) years, from April 1, 2019 upto March 31, 2022, not liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives (except Mr. Amit B. Choudhury) is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set forth in Item No. 8 for approval of the Members.

Special Resolution under Item No. 9:

Pursuant to sub-regulation (1A) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years.

Mr. A. B. Godrej is a Non-Executive Director of the Company liable to retire by rotation.

Mr. Godrej holds a Bachelor's and a Master's Degree from the Sloan School of Management at Massachusetts Institute of Technology.

He has been the President of several Indian Trade and Industrial Bodies and associations. He is the Past Chairman of the Board of the Indian School of Business, and Past President of the Confederation of Indian Industry. He has been a Member of the Dean's Advisory Council of the MIT Sloan School of Management, Chairman of the Board of Governors of the Narsee Monjee Institute of Management Studies and a Member of the Wharton Asian Executive Board.

Mr. Godrej is the recipient of several awards and recognitions including the Padma Bhushan, the Rajiv Gandhi Award, The Entrepreneur of the Year for the Asia Pacific Entrepreneurship Awards 2010, AIMA-JRD Tata Corporate Leadership Award 2010, Bombay Management Association - Management Man of the Year Award 2010- 2011, Ernst & Young Entrepreneur of the year 2012, The Asian Awards - Entrepreneur of the Year 2013, the All India Management Association Business Leader of the Year 2014 and the Clinton Global Citizen Award 2016, the Lifetime Achievement Award at the Forbes India Leadership Awards 2017 and the All India Management Association (IMA) Life Time Achievement Award for Management for the Year 2017.

Mr. A. B. Godrej has been as a Director of our Company since its incorporation, i.e., November 25, 1991. A brief resume of Mr. A. B. Godrej also forms part of this Notice.

The Nomination and Remuneration Committee of the Board of Directors has recommended the continuation of appointment of Mr. A. B. Godrej as a "Non-Executive Director" of the Company, considering his rich experience, expertise and immense contribution in the growth of the Company since its incorporation.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the continuation of appointment of Mr. A. B. Godrej [Director Identification Number (DIN): 00065964] as a 'Non-Executive Director' of the Company, liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives [except Mr. A. B. Godrej, Mr. N. B. Godrej (Brother of Mr. A. B. Godrej), Ms. Tanya A. Dubash (Daughter of Mr. A. B. Godrej) and Ms. Nisaba Godrej (Daughter of Mr. A. B. Godrej)] is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set forth in Item No. 9 for approval of the Members.

Special Resolution under Item No. 10:

Pursuant to sub-regulation (1A) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years.

The Members of the Company, at their Extra-ordinary General Meeting held on July 18, 2017, granted approval for appointment of Dr. Raghunath A. Mashelkar [Director Identification Number (DIN): 0007419] as a "Non-Executive, Independent Director" of the Company for a term of 5 (five) years w.e.f. July 18, 2017, upto July 17, 2022, not liable to retire by rotation.

Dr. Raghunath A. Mashelkar holds a degree of Doctor of Philosophy (Technology) from the University of Mumbai. He is presently National Research Professor and also the President of Global Research Alliance. He is a Fellow of the Royal Society, London. He was elected Foreign Associate of the U.S. National Academy of Science and also the National Academy of Engineering, Associate Foreign Member of the American Academy of Arts & Sciences, Fellow of Royal Academy of Engineering, U.K., Foreign Fellow of Australian Academy of Technological Sciences and Engineering, Fellow of World Academy of Arts & Science, U.S.A. and Fellow of U.S. National Academy of Inventors. He is currently the Chairman of National Innovation Foundation - India, Reliance Innovation Council, the innovation council KPIT Technologies Limited Committee and is a Member of the Governing Council of the Marico Innovation Foundation. He was also a Member of the Scientific Advisory Council to the Prime Minister. He was the Director-General of the Council of Scientific and Industrial Research. Currently, he is the Chairman of High Powered Technology Expert Committee set up by the Ministry of Urban Development. He is the recipient of the Padma Shri, Padma Bhushan and the Padma Vibhushan. A brief resume of Dr. Raghunath A. Mashelkar also forms part of this Notice.

The Nomination and Remuneration Committee of the Board of Directors has recommended the continuation of Dr. Raghunath A. Mashelkar as an "Independent Director" of the Company, considering his rich experience, expertise and valuable contribution made to the Board of Directors of the Company.

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the continuation of appointment of Dr. Raghunath A. Mashelkar as a "Non-Executive, Independent Director" of the Company upto July 17, 2022, not liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives (except Dr. Raghunath A. Mashelkar) is in any way,

concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set forth in Item No. 10 for approval of the Members.

Special Resolution under Item No. 11:

The managerial remuneration paid to Mr. B. S. Yadav, Managing Director, during the Financial Year (F.Y.) 2016-17 exceeded the limit under Section 197 of the Companies Act, 2013 ("the Act") on account of perquisite value of the Equity Shares under Employees Stock Option Plan ("ESOP") vested in and exercised by Mr. B. S. Yadav during the said F.Y. and the managerial remuneration excluding the perquisite value of ESOP shares would have fallen well within the prescribed limits.

The Company has made an application to the Central Government for waiver of recovery of excess managerial remuneration paid to Mr. B. S. Yadav during the said Financial Year consequent to:

a) Recommendation made by the Nomination and Remuneration Committee of the Board of Directors at its Meeting held on May 12, 2017;

b) Approval granted by the Board of Directors at its Meeting held on May 12, 2017; and

c) Approval granted by the Members of the Company by way of a Special Resolution at the Extra-Ordinary General Meeting (EGM) held on May 12, 2017.

During the pendency of the application made to Central Government, the Companies (Amendment) Act, 2017, has been introduced and certain provisions of the same are yet to be notified. Sub-section (1) of Section 197 of the Companies Act, 2013 read with Schedule V to the Act, as amended by the Companies (Amendment) Act, 2017 (if notified), shall allow the Members of the Company to ratify the excess managerial remuneration by way of a Special resolution without requiring approval of the Central Government.

However, relevant amendment in Schedule V of the Act in alignment with the amended sub-section (1) of Section 197 (yet to be notified) is yet to be made.

Therefore, the Members are requested to grant their approval for wavier of recovery of the excess remuneration paid to Mr. B. S. Yadav during the Financial Year (F.Y.) 2016-17, without requiring approval of the Central Government.

None of the Directors / Key Managerial Personnel of the Company / their relatives, except Mr. B. S. Yadav, is, in any way, concerned or interested, financially or otherwise, in the said Special Resolution.

The Board recommends the Special Resolution set forth in Item No. 11 for approval of the Members.

Special Resolution under Item No. 12:

Pursuant to approval granted by the Members of the Company by way of a Special Resolution by Postal Ballot whose result has been declared on June 19, 2018, the Company has implemented the Employees Stock Grant Scheme, 2018 ("ESGS 2018"), a Scheme administered by the Company, for certain eligible employees of the Company and its Subsidiary Companies, in accordance with the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder, Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits) Regulations, 2014, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations, rules, circulars or guidelines for the time being in force.

ESGS 2018 is based Recommendation made by the Nomination and Remuneration Committee of the Board of Directors at its Meeting held on May 14, 2018 and approval granted by the Board of Directors at its Meeting held on May 14, 2018.

The Company had submitted applications for in-principle approval for listing of 25,00,000 (Twenty Five Lakh) Equity Shares for options to be granted under ESGS 2018 with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and has received in-principle approval from BSE dated June 28, 2018 and NSE dated July 2, 2018. The in-principle approvals have been granted by the Stock Exchanges subject to the Company making suitable changes in ESGS 2018 in respect of the following:-

(1) Insertion of a provision / clause to permit re-issue of stock grants made by the Company under ESGS 2018 which may either lapse or be forfeited in terms of ESGS 2018; and

(2) Insertion of a provision / clause that ESGS 2018 shall be administered directly by the Company.

The above amendments have been recommended by the Nomination and Remuneration Committee of the Board and also approved by the Board, subject to approval of the Members of the Company.

Therefore, the Members are requested to grant their approval for the above amendment by way of a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the said Special Resolution.

The Board recommends the Special Resolution set forth in Item No. 12 for approval of the Members.

By Order of the Board of Directors

Vivek Raizada
Head – Legal & Company Secretary & Compliance Officer

Mumbai, July 3, 2018

Registered Office:
"Godrej One", 3rd Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai – 400 079
Maharashtra, India
Tel. No.: 022- 2519 4416
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Website: www.godrejagrovet.com
Email: gavlinvestors@godrejagrovet.com
CIN: L15410MH1991PLC135359

Brief Resume of Directors seeking Re-appointment at the 27th (Twenty Seventh) Annual General Meeting of the Company

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Mr. N. B. Godrej	Ms. Tanya Dubash	Mr. A. B. Godrej	Mr. K. N. Petigara	Mr. Amit B. Choudhury	Dr. Raghunath A. Mashelkar
Director Identification Number (DIN)	00066195	00026028	00065964	00066162	00557547	00074119
Date of Birth (DD/MM/YYYY)	26/08/1951	14/09/1968	03/04/1942	10/07/1948	26/12/1942	1/10/1943
Age (in years)	66	49	76	69	75	74
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment (DD/MM/YYYY)	November 25, 1991	April 10, 2003	November 25, 1991	August 24, 1992	December 8, 2004	July 18, 2017
Qualification	B.S.Chem.Engg. (MIT, USA), M.S.Chem.Engg. (Stanford, USA), MBA	A.B. (Economics)	B.S., M. S., Engg & Industrial Management, (MIT, USA)	S.B., S.M, Chem. Engg, (MIT USA)	M.A. , M.M.S.	Doctor of Philosophy (Technology) (University of Mumbai)
Nature of expertise in specific functional areas	Engineering and Management	Marketing	Engineering and Management	Chemical Engineering and Management	Management	Technology
Number of Equity Shares held in the Company	16,49,502	5,49,834	5,096	Nil	Nil	Nil
Number of Board Meetings attended during the Financial Year 2017-18	5	7	8	8	8	6 (Appointed w.e.f. July 18, 2017)
Directorships held in other Companies*	• Godrej Consumer Products Limited • Godrej Industries Limited • Godrej Properties Limited • Astec LifeSciences Limited • Mahindra & Mahindra Limited • The Indian Hotels Company Limited	• Godrej Consumer Products Limited • Godrej Industries Limited • Godrej Properties Limited	• Godrej Consumer Products Limited • Godrej Industries Limited	• Godrej Industries Limited	• Godrej Properties Limited • Godrej Industries Limited	• Reliance Industries Limited • Piramal Enterprises Limited • Thermax Limited
Chairmanships of Committees in other companies**	• Godrej Consumer Products Limited: o Stakeholders' Relationship Committee o Corporate Social Responsibility Committee • The Indian Hotels Company Limited: o Stakeholders' Relationship Committee • Godrej Industries Limited: o Corporate Social Responsibility Committee o Risk Management Committee	• Natures Basket Limited: o Audit Committee	• Godrej Industries Limited: o Stakeholders' Relationship Committee o Management Committee	• Godrej & Boyce Manufacturing Company Limited: o Stakeholders' Relationship Committee	• Godrej Properties Limited: o Stakeholders' Relationship Committee • Godrej Landmark Redevelopers Private Limited: o Corporate Social Responsibility Committee o Audit Committee • Godrej Redevelopers (Mumbai) Private Limited: o Corporate Social Responsibility Committee o Audit Committee o Nomination & Remuneration Committee • Godrej Buildcon Private Limited: o Corporate Social Responsibility Committee o Audit Committee • Godrej Projects Development Limited: o Audit Committee o Nomination & Remuneration Committee	Nil

Name of Director	Mr. N. B. Godrej	Ms. Tanya Dubash	Mr. A. B. Godrej	Mr. K. N. Petigara	Mr. Amit B. Choudhury	Dr. Raghunath A. Mashelkar
Memberships of Committees in other companies**	• Godrej Consumer Products Limited: o Stakeholders' Relationship Committee o Corporate Social Responsibility Committee • The Indian Hotels Company Limited: o Stakeholders' Relationship Committee o Audit Committee o Nomination and Remuneration Committee o Corporate Social Responsibility Committee o Risk Management Committee • Godrej Industries Limited: o Corporate Social Responsibility Committee o Risk Management Committee o Stakeholders' Relationship Committee • Mahindra & Mahindra Limited: o Audit Committee o Governance, Nomination & Remuneration Committee o Strategic Investment Committee o R&D Committee o Risk Management Committee • Godrej Tyson Foods Limited: o Nomination and Remuneration Committee	• Natures Basket Limited: o Nomination and Remuneration Committee o Audit Committee • Godrej Industries Limited: o Stakeholders' Relationship Committee o Corporate Social Responsibility Committee o Risk Management Committee • Godrej Consumer Products Limited: o Corporate Social Responsibility Committee	• Godrej Industries Limited: o Stakeholders' Relationship Committee o Management Committee • Godrej Consumer Products Limited: o Stakeholders' Relationship Committee	• Godrej Industries Limited: o Audit Committee o Corporate Social Responsibility Committee o Nomination & Compensation Committee • Godrej & Boyce Manufacturing Company Limited: o Audit Committee o Nomination and Remuneration Committee o Stakeholders' Relationship Committee	• Godrej Industries Limited: o Audit Committee o Nomination & Compensation Committee o Corporate Social Responsibility Committee • Godrej Properties Limited: o Audit Committee o Nomination & Remuneration Committee o Allotment Committee o Stakeholders' Relationship Committee o Corporate Social Responsibility Committee • Godrej Landmark Redevelopers Private Limited: o Corporate Social Responsibility Committee o Audit Committee o Nomination & Remuneration Committee • Godrej Redevelopers (Mumbai) Private Limited: o Corporate Social Responsibility Committee o Audit Committee o Nomination & Remuneration Committee • Godrej Buildcon Private Limited: o Corporate Social Responsibility Committee o Audit Committee o Nomination & Remuneration Committee • Godrej Projects Development Limited: o Corporate Social Responsibility Committee o Audit Committee o Nomination & Remuneration Committee	• Reliance Industries Limited: o Audit Committee o Corporate Social Responsibility Committee o Human Resources, Nomination and Remuneration Committee o Health, Safety and Environment Committee • Piramal Industries Limited: o Audit Committee o Risk Management Committee • Thermax Limited: o Corporate Social Responsibility Committee
Relationships between Directors of the Company inter-se	Brother of Mr. A. B. Godrej	1. Daughter of Mr. A B. Godrej 2. Sister of Ms. Nisaba Godrej	1. Brother of Mr. N. B. Godrej 2. Father of Ms. Tanya A. Dubash 3. Father of Ms. Nisaba Godrej	N/A	N/A	N/A
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	• Entitled to Commission on Profits as a Non-Executive Director.	• Entitled to Commission on Profits as a Non-Executive Director	• Last drawn sitting fees are given in the Corporate Governance Report • Entitled to Commission on Profits and Sitting Fees for attending Meetings of the Board as a Non-Executive Director.	• Last drawn sitting fees are given in the Corporate Governance Report • Entitled to Commission on Profits and Sitting Fees for attending Meetings of the Board as a Non-Executive Director.	• Last drawn sitting fees are given in the Corporate Governance Report • Entitled to Commission on Profits and Sitting Fees for attending Meetings of the Board as a Non-Executive Director.	• Last drawn sitting fees are given in the Corporate Governance Report • Entitled to Commission on Profits and Sitting Fees for attending Meetings of the Board as a Non-Executive Director.

* Includes names of Listed Companies in which the person holds the Directorship. (Other than Godrej Agrovet Limited)

** Includes names of other Companies in which the person holds the Membership and Chairmanship of Committees of the Board of Directors. (Other than Godrej Agrovet Limited)

ANNEXURE TO THE NOTICE OF 27TH (TWENTY SEVENTH) ANNUAL GENERAL MEETING:

Statement as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013:

I. GENERAL INFORMATION:

(1) Business Object of the Company / Nature of Industry:

The Company's Main Object as per the Memorandum of Association of the Company is to carry on the business of processing, converting, producing, manufacturing, formulation, using, buying, acquiring, storing, packing, selling, transporting, distributing, importing, exporting, trading and disposing off all types of animal, poultry feeds, articles of food for consumption of animals, birds, insects, fish, plants of any other living organism, agro chemicals including long chain alcohols, its precursors and derivatives, sterols, futures, chemical pesticides, plant growth promoters, plant growth suppressors, including succericide, bio-fertilizers, organic and inorganic fertilizers, manures, herbal pesticides including neem based pesticides, slow nitrogen release urea, and other chemicals based agricultural inputs, agricultural implements, including tractors, harvesters, pumps, drip irrigation, sprinklers, bore-well, plant protection appliance, sprayers, dusting equipments, veterinary medicines, diagnostics, vaccines, syringes, tissue culture, aqua culture, vegetable and oil seeds pulses, cereals and multiplication thereof.

(2) Date or Expected Date of Commencement of Commercial Production: The Company is in business since November 25, 1991.

(3) In case of New Companies, Expected Date of Commencement of Activities as per Project approved by Financial Institutions appearing in the Prospectus: Not Applicable as the Company is an existing Company

(4) Financial Performance based on given indicators:

(₹ in Lakh)

Particulars	2017-18	2016-17	2015-16
Revenue from Operations	3,69,172.72	3,61,785.06	3,36,598.88
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	36,650.81	37,754.21	34,714.28
Profit / (Loss) Before Exceptional Items and Tax	28,132.50	26,066.93	21,189.93
Profit / (Loss) Before Tax	28,132.50	28,066.93	21,189.93
Profit / (Loss) After Tax	19,086.58	20,796.95	15,826.76
Other Comprehensive Income (Net of Tax)	(421.79)	28.21	(153.93)
Total Comprehensive Income	18,664.79	20,825.16	15,672.83
Earnings Per Share – Basic (in Rs.)	9.99	10.24	8.13
Earnings Per Share – Diluted (in Rs.)	9.99	9.80	7.77
Total Equity	1,28,888.35	90,261.58	69,655.73
Total Debt	21,672.17	48,306.22	1,22,363.82

(5) Foreign Investments and collaborations, if any:

The Company has made investment in the following foreign entities:

1. ACI Godrej Agrovet Private Limited, Bangladesh
2. Al Rahba International Trading LLC, Abu Dhabi, United Arab Emirates (UAE)

II. INFORMATION ABOUT MR. B. S. YADAV, MANAGING DIRECTOR:

(1) Background Details:

Mr. B. S. Yadav holds a Bachelor's degree of Science in Agriculture from The Haryana Agricultural University and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He has completed agribusiness seminar from Harvard Business School. He has been associated with our Company since March 1, 1992. He has experience in sales, marketing and operations in animal feed, crop protection, poultry and oil palm businesses. He began his career with the Godrej group in 1990 and over the years he has handled various roles across businesses and regions. He became a business head in 1999 for the integrated poultry business. He was involved in establishing the Real Good Chicken and Yummiez brands in India. In 2007, he was appointed the Executive Director and President of our Company and as the Managing Director of our Company in 2009. He is the former chairman of Compound Livestock Feed Manufacturers Association of India, an association of livestock industry. He was appointed as a Director of the Company with effect from September 1, 2007.

Thus, it may please be noted that Mr. B. S. Yadav possesses adequate qualification with expert and specialized knowledge in the field of his profession.

(2) Past Remuneration:

Period of Payment		Total Cost to the Company (in ₹)
From (DD/MM/YYYY)	To (DD/MM/YYYY)	
01/04/2015	31/03/2016	3,08,75,379
01/04/2016	31/03/2017	95,70,27,108*
01/04/2017	31/03/2018	6,36,62,628

* Includes perquisite value of Shares granted under Employees Stock Option Plan (ESOP).

(3) Recognition / Awards / Accolades: B.Sc. (Agronomy) – 2nd Rank holder - and PGDM.

(4) Job profile and his Suitability:

Job Profile: Mr. B. S. Yadav, Managing Director looks after the overall management of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.

Suitability: Considering the qualification and experience of BSY and his excellent performance as the "Executive Director & President" of the Company (from September 1, 2007 to May 19, 2009) and as the "Managing Director" (since May 20, 2009), the Nomination and Remuneration Committee and thereafter the Board of Directors, have recommended waiver of recovery of excess managerial remuneration paid to him.

(5) Remuneration:

The approval of the Shareholders is being sought for waiver of recovery of excess managerial remuneration paid to Mr. B. S. Yadav, Managing Director as follows:-

	Particulars	Amount in ₹	Amount in ₹
(A)	Ceiling on managerial remuneration as per the Companies Act, 2013		9,09,15,000
(B)	Amount actually paid as Remuneration:		
	(i) Remuneration on account of Equity Shares acquired under Employee Stock Option Scheme	92,27,85,450	
	(ii) Other Remuneration	3,42,41,658	
	Total Remuneration		95,70,27,108
(C)	Excess Remuneration		86,61,12,108

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

a) **Comparative remuneration profile with respect to industry:**

The remuneration of Mr. B. S. Yadav, Managing Director is in tune with the remuneration in similar sized industries in same segment of business. The proposed remuneration compares favourably with that being offered to similarly qualified and experienced persons from the industry and the professionals with an entrepreneurial background. The remuneration is considered to be appropriate, having regard to factors such as past experience, position held, his contribution as Managing Director to the growth of the Company, its business and its profitability, age and merits of Mr. B. S. Yadav

b) **Size of the Company:**

The Revenue from Operations of the Company for the Financial Year ended March 31, 2018 is Rs. 3,69,172.72 Lakh.

c) **Profile of the Position and Person:**

Apart from job profile as stated at Point no. (4) above, Mr. B. S. Yadav provides guidance and professional advice to various subsidiaries and investee companies of the Company as he is on the Board of these companies and is actively pursuing their business objectives.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Other than the remuneration stated above, Mr. B. S. Yadav has no other pecuniary relationship directly or indirectly with the Company, except that he is holding 2.22% of the Paid-up Equity Share Capital of the Company.

III. OTHER INFORMATION

Reasons of loss or inadequate profitability / Steps taken / proposed to be taken for improvement of Performance / Expected increase in productivity and profitability in measurable terms:

It may be noted that the excess remuneration has arisen only on account of perquisite value of Equity Shares under Employees Stock Option Plan (ESOP) vested in and exercised by Mr. Yadav during the Financial Year (F.Y.) 2016-17 and that managerial remuneration excluding the perquisite value of ESOP shares would have fallen well within the prescribed limits.

DIRECTORS' REPORT
AND ANNEXURES

DIRECTORS' REPORT OF GODREJ AGROVET LIMITED

[Corporate Identity Number (CIN): L15410MH1991PLC135359]
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

TO THE MEMBERS:

Your Directors have pleasure in presenting the Directors' Report along with the Audited Financial Statements for the Financial Year (F.Y.) 2017-18.

1. FINANCIAL SUMMARY:

Your Company's Standalone and Consolidated performance during the Financial Year 2017-18 as compared with that of the previous Financial Year 2016-17 is summarized below:-

₹ in Lakh

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Total Income	371,935.39	367,024.03	5,23,772.60	4,98,540.14
Profit Before Exceptional Items & Taxation	28,132.50	26,066.93	35,969.28	35,456.27
Add: Exceptional Items	-	2,000.00	1,205.00	2,000.00
Profit Before Taxation (PBT)	28,132.50	28,066.93	37,174.28	37,456.27
Less : Provision for Taxation	9,045.92	7,269.98	12,070.48	10,164.51
Profit After Taxation (PAT)	19,086.58	20,796.95	25,103.80	27,291.76

2. REVIEW OF OPERATIONS / STATE OF AFFAIRS OF THE COMPANY, ITS SUBSIDIARIES, JOINT VENTURES & OTHER ASSOCIATES:

Review of Operations / State of Affairs of the Company:

There has been no change in the nature of business of your Company during the Financial Year (F.Y.) 2017-18.

Businesses of the Company:

Animal Feed:

The Animal Feed business has shown a volume growth of 7.4% during the Financial Year 2017-18 driven by strong growth in the cattle feed and layer feed segments. Your Company was also successful in arresting the volume decline seen in past few years in the broiler feed segment, despite intense competition. However, the volumes in the shrimp feed and fish feed segments saw a decline compared to previous year. The sales of the Animal Feed vertical were flat at ₹ 2,57,597.69 Lakh in Financial Year 2017-18 against ₹ 2,62,082.16 Lakh in the previous year. But, decline in the commodity prices during the year impacted profitability of the segment. The Company continues to remain committed to invest in Research & Development in the animal feed space to create differentiated offering to our customers over competition.

Crop Protection:

In the current financial year, Crop Protection business (excluding Astec LifeSciences Limited) has registered a growth of 13.2% in the overall sales. The business was able to witness strong momentum as the company introduced new products which helped in increasing penetration both in the strategic crops and in the new geographies. Co-marketing initiatives and increase in market share in the herbicides segment significantly contributed to the growth. The Company will continue to focus on creating more demand for its product at farmer level by taking steps to continuously engage with them.

Vegetable Oil:

In the crude palm oil business, volumes growth remained robust for both Crude Palm Oil and Palm Kernel Oil. The sales of the business grew to ₹ 58,541.78 Lakh in the Financial Year 2017-18, a growth of 15.5%. Your Company is also expected to start production in the new plant which is scheduled to be commissioned this year. Latest technology has been deployed in this plant which will lead to higher operational efficiencies.

Review of Operations / State of Affairs of Subsidiaries, Joint Ventures & Other Associates:

Your Company has interests in several businesses including dairy products, poultry, value added vegetarian and non-vegetarian products, cattle breeding and dairy farming, through its Subsidiaries, Joint Ventures and other Associates.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of our Subsidiaries, Associates and Joint Ventures in the Form AOC-1 is annexed and forms part of the Financial Statement. The statement provides the details of performance and financial position of each of the Subsidiaries, Associates and Joint Ventures. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the consolidated financial statements, audited accounts of all the subsidiaries and other documents attached thereto are available on our website: www.godrejagrovet.com.

Your Directors present herewith a broad overview of the operations and financials of Subsidiaries, Joint Ventures and other Associates of your Company:

A. Review of Operations / State of Affairs of the Subsidiaries of the Company:

1. Godvet Agrochem Limited:

Godvet Agrochem Limited is a wholly-owned subsidiary of your Company. During the Financial Year 2017-18, Godvet Agrochem recorded a Profit before Tax of ₹ 62.74 Lakh as compared to Profit before Tax of ₹ 36.09 Lakh recorded in the Financial Year 2016-17.

2. Astec LifeSciences Limited & Its Subsidiaries:

Astec LifeSciences Limited manufactures agrochemical active ingredients (technical), bulk and formulations, intermediate products and sells its products in India as well as exports them to approximately 24 countries. In financial year 2017-18, Astec's performance remains robust as it posted revenues from operations of ₹ 37,084.52 Lakh, a growth of 18.3% over the previous financial year sales. Profit before exceptional items and tax also increased to ₹ 5,155.95 Lakh during financial year 2017-18 compared to ₹ 3,934.51 Lakh during the financial year 2016-17. Strong performance across business segments- enterprise and bulk sales and contract manufacturing, contributed to growth.

Subsidiaries of Astec LifeSciences Limited:

Astec LifeSciences Limited had the following 3 (three) subsidiaries during the Financial Year (F.Y.) 2017-18:-

(i) Behram Chemicals Private Limited:

During the Financial Year 2017-18, Behram Chemicals Private Limited reported a Profit Before Tax of ₹ 6.53 Lakh compared to Profit Before Tax of ₹ 9.33 Lakh reported during the last year.

(ii) Comercializadora Agricola Agroastrachem Cia Ltda (Bogota, Columbia):

For the period ended March 31, 2018, Comercializadora Agricola Agroastrachem Cia Ltda reported Loss Before Tax of ₹ 1.42 Lakh, as compared to Loss Before Tax of ₹ 5.75 Lakh reported during the corresponding period last year.

(iii) Astec Europe Sprl (Belgium, Europe):

During the period ended March 31, 2018, Astec Europe Sprl reported Loss Before Tax of ₹ 1.75 Lakh, as compared to Profit Before Tax of ₹ 8.02 Lakh reported during the corresponding period last year.

3. Creamline Dairy Products Limited (Creamline) & Its Subsidiary:

The Company's focus remained on increasing the market share in the four southern states in which Creamline operates. Further, Creamline also increased the share of value added products in the portfolio. During the Financial Year 2017-18, Creamline recorded sales of ₹1,15,765.54 Lakh, registering a growth of around 14.6% over the previous Financial Year.

Subsidiary of Creamline Dairy Products Limited:

(i) Nagavalli Milkline Private Limited: Nagavalli Milkline Private Limited has been a subsidiary of Creamline during the Financial Year 2017-18. The Company is principally engaged in milk procurement, processing of milk and manufacturing of milk products.

B. Review of Operations / State of Affairs of Joint Ventures (JVs):

(i) Godrej Tyson Foods Limited:

Godrej Tyson Foods Limited recorded sales of ₹ 43,197.77 Lakh during the Financial Year 2017-18 as compared to sales of ₹ 44,586.94 Lakh recorded during the Financial Year 2016-17. The joint venture continues to focus on building the current brands namely 'Real Good Chicken' and 'Yummiez'.

(ii) ACI Godrej Agrovet Private Limited, Bangladesh:

ACI Godrej Agrovet Private Limited posted sales of ₹67,534.93 Lakh during Financial Year 2017-18, registering a year-on-year growth of 11.8%. The joint venture continues to remain among top four players in all the feed categories it operates in Bangladesh.

(iii) Omnivore India Capital Trust:

The Company has investment in the units of Omnivore India Capital Trust, a venture capital organization that invests in Indian startups developing breakthrough technologies for food and agriculture. This investment is considered as a joint venture as the Company participates in the key activities jointly with the Investment Manager.

C. Review of Operations / State of Affairs of Other Associates of the Company:

(i) Godrej Maxximilk Private Limited:

Godrej Agrovet Limited (GAVL) has 49.9% stake in the associate and GAVL has planned to foray into Dairy cattle breeding under this entity.

(ii) Al Rahba International Trading Limited Liability Company, United Arab Emirates (UAE):

GAVL currently has a 24.0% stake in the associate (with a 33.33% share in profits), however, during the year, the management has decided to divest its stake in Al Rahba International Trading Limited Liability Company. Consequently, the same has been reclassified as a current investment in the current Financial Year.

3. FINANCE:

Your Company continues to manage its treasury operations efficiently and has been able to borrow funds for its operations at competitive rates. During the Financial Year under review, the credit rating granted by ICRA Limited to your Company has been reaffirmed at "[ICRA]AA" with respect to Long Term Fund Based Bank facilities and "[ICRA]A1+" with respect to Short Term Fund Based facilities (including for Commercial Paper).

4. INFORMATION SYSTEMS:

During the Financial Year under review, the Company has successfully implemented the GST Project and automated the GST returns filing process within the Company as well as its subsidiaries (viz., Astec LifeSciences Limited and Creamline Dairy Products Limited) and its Joint Venture Company (viz., Godrej Tyson Foods Limited). The Core ERP Infrastructure for Creamline Dairy Products Limited was further strengthened to ensure business continuity.

The Company has rolled out a Mobile Based Application to capture market intelligence to improve decision making based on data. It has also introduced e-Procurement solution to bring in improved efficiency and transparency in the buying process.

5. MANUFACTURING FACILITIES:

Your Company has several manufacturing facilities across the country, including but not limited to, the following:-

Animal Feed :	Ikolaha (Punjab), Miraj (Maharashtra), Dhule (Maharashtra), Sachin (Gujarat), Kharagpur (West Bengal), Khurda (Orissa), Hanuman Junction (Andhra Pradesh), Kondapalli (Andhra Pradesh), Tumkur (Karnataka), Hajipur (Bihar), Erode (Tamil Nadu), Chandauli (Uttar Pradesh)
Crop Protection :	Jammu (Jammu & Kashmir), Lote Parshuram (Maharashtra)
Oil Palm :	Pothepally (Andhra Pradesh), Chintampalli (Andhra Pradesh), Ariyalur (Tamil Nadu), Valpoi (Goa), Kolasib (Mizoram)

6. HUMAN RESOURCES:

Your Company has amicable employee relations at all locations and would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees.

Your Company constantly makes concerted efforts towards creating learning and development opportunities on a non-discriminatory basis, that continually enhance the employee value in line with the organizational objectives. Also, the safety and health of employees is utmost important to your Company and your Company is committed to building and maintaining a safe and healthy workplace. There are several policies formulated for the benefit of employees, which promote gender diversity, equal opportunity, prevention of sexual harassment, safety and health of employees.

7. MATERIAL CHANGES AND COMMITMENTS SINCE THE FINANCIAL YEAR END:

There have been no material changes and commitments affecting the financial position of your Company which have occurred between March 31, 2018 and the date of this Directors' Report.

8. DIVIDEND:

The Board of Directors of your Company recommend a Final Dividend for the Financial Year 2017-18 at the rate of 45% (Forty Five per cent) i.e. ₹ 4.50 (Rupees Four Paise Fifty Only) per Equity Share of Face Value of ₹ 10/- (Rupees Ten Only) each, subject to approval of the Members at the ensuing, 27th (Twenty Seventh) Annual General Meeting.

The Dividend will be paid to the Shareholders whose names appear in the Register of Members of the Company as on Tuesday, July 24, 2018 and in respect of shares held in dematerialised form, it will be paid to Shareholders whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as the beneficial owners as on that date.

9. SHARE CAPITAL:

The Company's Equity Share Capital position as at the beginning of the Financial Year 2017-18 (i.e., as on April 1, 2017) and as at the end of the said Financial Year (i.e., as on March 31, 2018) is as follows:-

Category of Share Capital	Authorized Share Capital			Issued, Subscribed & Paid-up Share Capital		
	No. of Shares	Face Value per Share (₹)	Total Amount (₹)	No. of Shares	Face Value per Share (₹)	Total Amount (₹)
As on April 1, 2017:						
Equity	22,49,94,000	10	2,24,99,40,000	18,51,30,876	10	1,85,13,08,760
Preference	6,000	10	60,000	6,000	10	60,000
TOTAL	**22,50,00,000**		**2,25,00,00,000**	**18,51,36,876**		**1,85,13,68,760**
As on March 31, 2018:						
Equity	22,49,94,000	10	2,24,99,40,000	19,20,28,739	10	1,92,02,87,390
Preference	6,000	10	60,000	-	-	-
TOTAL	**22,50,00,000**		**2,25,00,00,000**	**19,20,28,739**		**1,92,02,87,390**

During the Financial Year 2017-18, the Company has redeemed its Preference Share Capital.

Also, during the Financial Year under review, the Company has made the following issues of its Equity Shares:-

Particulars	Issue of Equity Shares on Private Placement basis	Issue of Equity Shares under Employee Share Purchase Scheme (ESPS)	Issue of Equity Shares in Initial Public Offer (IPO)
Date of Approval of the Board of Directors	July 18, 2017 & September 8, 2017	July 18, 2017 & September 11, 2017	May 12, 2017
Date of Approval of the Shareholders	September 8, 2017 (Extra-ordinary General Meeting)	July 18, 2017 (Extra-ordinary General Meeting)	July 18, 2017 (Extra-ordinary General Meeting)
Date of Allotment of Shares	September 14, 2017	October 12, 2017	October 12, 2017
No. of Equity Shares allotted	1,92,901 (One Lakh Ninety Two Thousand Nine Hundred One)	3,67,737 (Three Lakh Sixty Seven Thousand Seven Hundred Thirty Seven)	63,37,225 (Sixty Three Lakh Thirty Seven Thousand Two Hundred Twenty Five)
Face Value per Equity Shares	₹10/- (Rupees Ten Only)	₹10/- (Rupees Ten Only)	₹10/- (Rupees Ten Only)
Issue Price per Equity Share (including Premium)	₹440/- (Rupees Four Hundred Forty Only)	₹460/- (Rupees Four Hundred Sixty Only)	₹460/- (Rupees Four Hundred Sixty Only)
Particulars of the Allottees	Identified employees of Group companies and Joint Venture companies	Eligible employees of the Company, its Holding Company and Subsidiary Companies	Allotment through Initial Public Offer (IPO)
Other Terms of Issue of the Equity Shares	Equity Shares allotted rank *pari passu* with the existing Equity Shares.	Equity Shares allotted rank *pari passu* with the existing Equity Shares.	Equity Shares allotted rank *pari passu* with the existing Equity Shares.

By virtue of the Initial Public Offer (IPO), the Company has listed its Equity Shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) during the Financial Year 2017-18.

The Company, during the Financial Year 2017-18, has not:

a) issued any Equity Shares with differential rights;

b) issued any Sweat Equity Shares;

c) bought back any Equity Shares.

10. EMPLOYEES SHARE PURCHASE SCHEME:

During the Financial Year 2017-18, the Company implemented an Employees Share Purchase Scheme (ESPS), pursuant to the approval granted by the Board of Directors at its Meetings held on July 18, 2017 and September 11, 2017 and by the Shareholders at their Extra-ordinary General Meeting held on July 18, 2017.

Pursuant to the ESPS, eligible employees of the Company, its Holding Company and Subsidiary Companies were allotted 3,67,737 (Three Lakh Sixty Seven Thousand Seven Hundred Thirty Seven) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each at a consideration of ₹ 460/- (Rupees Four Hundred Sixty Only) per Equity share.

11. DEPOSITS:

The details of deposits covered under Chapter V of the Companies Act, 2013, i.e., deposits within the meaning of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year 2017-18 are as follows:-

(i)	Deposits accepted during the year:	Nil
(ii)	Deposits remained unpaid or unclaimed during the year:	Nil
(iii)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and total amount involved:	
	a. At the beginning of the year:	Nil
	b. Maximum during the year:	Nil
	c. At the end of the year:	Nil
(iv)	Details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013:	Nil

12. HOLDING COMPANIES:

Your Company continues to be a subsidiary of Godrej Industries Limited (GIL) as defined under Section 2(87) of the Companies Act, 2013 as on March 31, 2018.

GIL is a subsidiary of Vora Soaps Limited (VSL), the Ultimate Holding Company of your Company.

13. SUBSIDIARY COMPANIES:

Your Company had the following subsidiaries [as defined under Section 2(87) of the Companies Act, 2013] during the Financial Year 2017-18:-

1. Godvet Agrochem Limited:

   (A wholly-owned subsidiary of your Company throughout the Financial Year 2017-18)

2. Astec LifeSciences Limited:

   (A subsidiary of your Company throughout the Financial Year 2017-18, in which your Company holds 57.45% of the Equity Share Capital as on March 31, 2018)

3. Behram Chemicals Private Limited:

   (A 65.63% subsidiary of Astec LifeSciences Limited throughout the Financial Year 2017-18)

4. Comercializadora Agricola Agroastrachem Cia Ltda (Bogota Columbia):

   (A wholly-owned subsidiary of Astec LifeSciences Limited throughout the Financial Year 2017-18)

5. Astec Europe Sprl (Belgium, Europe):

   (A 50.10% subsidiary of Astec LifeSciences Limited throughout the Financial Year 2017-18)

6. Creamline Dairy Products Limited:

   (A 51.91% subsidiary of your Company throughout the Financial Year 2017-18)

7. Nagavalli Milkline Private Limited:

   (A 99.99% subsidiary of Creamline Dairy Products Limited throughout the Financial Year 2017-18)

14. ASSOCIATE COMPANIES:

Godrej Tyson Foods Limited (GTFL) is an Associate Company [within the meaning of Section 2(6) of the Companies Act, 2013] of your Company. GTFL is a Joint Venture (JV) between Godrej Agrovet Limited (which held 49% equity as on March 31, 2018) and Tyson India Holdings Limited (TIHL) (a company belonging to the Tyson Group, USA) (which held 51% equity stake as on March 31, 2018). The shareholding of your Company in GTFL increased to 49.90% on and from May 10, 2018.

Your Company also holds 50% equity in ACI Godrej Agrovet Private Limited (ACI GAVPL) (a body corporate incorporated in and under the laws of Bangladesh), while the remaining 50% stake in ACI GAVPL is held by Advanced Chemical Industries (ACI) Limited, Bangladesh, pursuant to a JV arrangement.

Your Company has 33.33% profit share and 24% shareholding in Al Rahba International Trading LLC, Abu Dhabi, United Arab Emirates (UAE).

Your Company has acquired 49% equity stake in Godrej Maxximilk Private Limited (formerly known as “Maxximilk Private Limited”), a Company which is engaged in the business of producing high yielding heifers and embryos for Indian Market and whose operations are based out of Nashik (Maharashtra).

15. EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in Form MGT-9 pursuant to Sections 92(3) and 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 and forming part of the Directors’ Report is annexed hereto as “ANNEXURE ‘A’”.

16. DIRECTORS:

The Board of Directors of your Company presently comprises of the following Directors:

1.	Mr. N. B. Godrej	(Chairman)
2.	Mr. A. B. Godrej	(Director)
3.	Mr. J. N. Godrej	(Director)
4.	Mr. V. M. Crishna	(Director)
5.	Ms. Tanya A. Dubash	(Director)
6.	Ms. Nisaba Godrej	(Director)
7.	Mr. B. S. Yadav	(Managing Director)
8.	Mr. K. N. Petigara	(Independent Director)
9.	Dr. S. L. Anaokar	(Independent Director)
10.	Mr. Amit B. Choudhury	(Independent Director)
11.	Dr. Raghunath A. Mashelkar	(Independent Director)
12.	Dr. Ritu Anand	(Independent Director)
13.	Ms. Aditi Kothari Desai	(Independent Director)
14.	Ms. Roopa Purushothaman	(Independent Director)

At the Twenty Sixth Annual General Meeting (AGM) of the Company held on August 4, 2017, Mr. J. N. Godrej (Director) and Mr. V. M. Crishna (Director), who then retired by rotation, being eligible, were re-appointed as “Directors” of the Company.

Mr. Rohit Sipahimalani resigned from the directorship of the Company w.e.f. July 13, 2017.

Mr. B. S. Yadav has been re-appointed as the “Managing Director” of the Company for a further term of 5 (five) years w.e.f. September 1, 2017, i.e., upto August 31, 2022.

Dr. Raghunath A. Mashelkar, Dr. Ritu Anand, Ms. Aditi Kothari Desai and Ms. Roopa Purushothaman have been appointed as “Independent Directors” of the Company for a term of 5 (five) years w.e.f. July 18, 2017, i.e., upto July 17, 2022.

Mr. N. B. Godrej (Chairman) and Ms. Tanya A. Dubash (Director) retire by rotation at the ensuing Twenty Seventh Annual General Meeting (AGM) of the Company in accordance with Section 152 of Companies Act, 2013 and being eligible offer themselves for re-appointment.

17. KEY MANAGERIAL PERSONNEL:

The following are the Key Managerial Personnel (KMP) of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013, throughout the Financial Year 2017-18:-

1. Mr. B. S. Yadav, Managing Director
2. Mr. S. Varadaraj, Head – Finance, Systems & Legal (Chief Financial Officer)
3. Mr. Vivek P. Raizada, Head – Legal & Company Secretary & Compliance Officer

Mr. Vivek Raizada has been appointed as the "Compliance Officer" of the Company, pursuant to Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year under review.

18. POLICY ON APPOINTMENT & REMUNERATION OF DIRECTORS:

The Nomination and Remuneration Policy of the Company is annexed hereto as "ANNEXURE 'B'".

The criteria for determining qualification, positive attributes and independence of Directors is given in "ANNEXURE 'C'" to this Directors' Report.

19. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 134(3)(d) of the Companies Act, 2013, disclosure is hereby given that the Company has received declaration / confirmation of independence from all the 7 (seven) Independent Directors of the Company.

The certificates of independence received from all the Independent Directors have been duly noted by the Board.

20. MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board of Directors are pre-scheduled and intimated to all the Directors in advance to order to help them plan their schedule. However, in case of special and urgent business needs, approval is taken either by convening meetings at a shorter notice with consent of all the Directors or by passing resolutions through circulation.

There were 8 (eight) Meetings of the Board of Directors held during the Financial Year (F.Y.) 2017-18 (i.e., May 12, 2017, July 18, 2017 (two meetings), August 4, 2017, September 11, 2017, September 22, 2017, November 3, 2017 and February 7, 2018). The maximum gap between two Board Meetings did not exceed 120 (one hundred twenty) days.

21. AUDIT COMMITTEE:

Pursuant to the provisions of Section 177(8) of the Companies Act, 2013, Rule 6 of the Companies (Meetings of Board & its Powers) Rules, 2014 and Regulation 18 read with Part C of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted an Audit Committee of the Board of Directors.

The Audit Committee as on April 1, 2017 consisted of the following Members:-

1.	Mr. K. N. Petigara	(Chairman - Non-Executive, Independent Director)
2.	Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)
3.	Dr. S. L. Anaokar	(Member - Non-Executive, Independent Director)
4.	Mr. Amit B. Choudhury	(Member - Non-Executive, Independent Director)
5.	Mr. Rohit Sipahimalani	(Member - Non-Executive, Non-Independent Director)

The Audit Committee has been re-constituted on July 18, 2017, comprising of the following Members (as on March 31, 2018):-

1.	Mr. K. N. Petigara	(Chairman - Non-Executive, Independent Director)
2.	Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)
3.	Dr. Ritu Anand	(Member - Non-Executive, Independent Director)
4.	Ms. Aditi Kothari Desai	(Member - Non-Executive, Independent Director)

The Statutory Auditors, Internal Auditors and Chief Financial Officer attend the Audit Committee Meetings as invitees. The Company Secretary and Compliance Officer acts as Secretary to the Audit Committee. The Audit Committee has made observations and recommendations to the Board of Directors, which have been noted and accepted by the Board.

There were 6 (six) Meetings of the Audit Committee held during the Financial Year (F.Y.) 2017-18 (i.e., May 12, 2017, July 18, 2017, August 4, 2017, September 11, 2017, November 3, 2017 and February 7, 2018).

22. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013, Rule 6 of the Companies (Meetings of Board & its Powers) Rules, 2014 and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Nomination and Remuneration Committee of the Board of Directors.

The Nomination and Remuneration Committee as on April 1, 2017 consisted of the following Members:-

1.	Mr. K. N. Petigara	(Chairman - Non-Executive, Independent Director)
2.	Mr. Amit B. Choudhury	(Member - Non-Executive, Independent Director)
3.	Dr. S. L. Anaokar	(Member - Non-Executive, Independent Director)

The Nomination and Remuneration Committee has been re-constituted on July 18, 2017, comprising of the following Members (as on March 31, 2018):-

1.	Dr. Ritu Anand	(Chairperson - Non-Executive, Independent Director)
2.	Ms. Nisaba Godrej	(Member - Non-Executive, Non-Independent Director)
3.	Ms. Roopa Purushothaman	(Member - Non-Executive, Independent Director)

There were two Meetings of the Nomination and Remuneration Committee during the Financial Year 2017-18 (i.e., on May 12, 2017 and July 18, 2017).

23. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Stakeholders' Relationship Committee of the Board of Directors on July 18, 2017, comprising of the following Members:-

1.	Mr. N. B. Godrej	(Chairman - Non-Executive, Non-Independent Director)
2.	Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)
3.	Mr. A. B. Choudhury	(Member - Non-Executive, Independent Director)

24. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE & CSR POLICY:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors.

The CSR Committee as on April 1, 2017 consisted of the following Members:-

1.	Mr. N. B. Godrej	(Chairman - Non-Executive, Non-Independent Director)
2.	Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)
3.	Dr. S. L. Anaokar	(Member - Non-Executive, Independent Director)

The CSR Committee has been re-constituted on July 18, 2017, comprising of the following Members (as on March 31, 2018):-

1.	Dr. Raghunath A. Mashelkar	(Chairman - Non-Executive, Independent Director)
2.	Mr. N. B. Godrej	(Member - Non-Executive, Non-Independent Director)
3.	Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)
4.	Ms. Roopa Purushothaman	(Member - Non-Executive, Independent Director)

There were two Meetings of the CSR Committee during the Financial Year 2017-18 (i.e., on May 12, 2017 and February 7, 2018).

25. RISK MANAGEMENT COMMITTEE & RISK MANAGEMENT POLICY:

Pursuant to the provisions of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Risk Management Committee of the Board of Directors on July 18, 2017, comprising of the following Members:-

1.	Mr. N. B. Godrej	(Chairman - Non-Executive, Non-Independent Director)
2.	Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)
3.	Mr. A. B. Choudhury	(Member - Non-Executive, Independent Director)

The details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Annual Report.

The Company has developed and implemented a risk management policy and in the opinion of the Board of Directors, no risks have been identified which may threaten the existence of the Company.

Your Company continuously monitors business and operational risks. All key functions and divisions are independently responsible to monitor risks associated within their respective areas of operations such as production, insurance, legal and other issues like health, safety and environment.

Your Company endeavours to become aware of different kinds of business risks and bring together elements of best practices for risk management in relation to existing and emerging risks. Rather than eliminating these risks, the decision-making process at your Company considers it appropriate to take fair and reasonable risk which also enables the Company to effectively leverage market opportunities.

The Board determines the fair and reasonable extent of principal risks that your Company is willing to take to achieve its strategic objectives. With the support of the Audit Committee, it carries out a review of the effectiveness of your Company's risk management process covering all material risks.

Your Company has substantial operations spread all over the country and its competitive position is influenced by the economic, regulatory and political situations and actions of the competitors.

26. MANAGING COMMITTEE:

Your Company has constituted the Managing Committee of the Board of Directors consisting of the following Directors, pursuant to Article 144 of the Articles of Association of the Company:-

1.	Mr. N. B. Godrej	(Chairman - Non-Executive, Non-Independent Director)
2.	Mr. A. B. Godrej	(Member - Non-Executive, Non-Independent Director)
3.	Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)
4.	Ms. Nisaba Godrej	(Member - Non-Executive, Non-Independent Director)
5.	Dr. S. L. Anaokar	(Member - Non-Executive, Independent Director)

The Managing Committee met 8 (eight) times during the year (i.e., on April 20, 2017, May 30, 2017, July 18, 2017, August 28, 2017, November 3, 2017, November 15, 2017, February 8, 2018 and March 19, 2018).

27. INITIAL PUBLIC OFFER (IPO) COMMITTEE:

In order to facilitate compliance with the statutory and regulatory requirements in connection with the Initial Public Offer (IPO) made by the Company during the year under review in a timely manner, your Board of Directors has constituted IPO Committee of the Board of Directors on July 18, 2017, consisting of the following members:-

1.	Mr. N. B. Godrej	(Chairman - Non-Executive, Non-Independent Director)
2.	Mr. A. B. Godrej	(Member - Non-Executive, Non-Independent Director)
3.	Mr. B. S. Yadav	(Member - Executive, Non-Independent Director)

The IPO Committee met 5 (five) times during the year (i.e., on September 14, 2017, September 25, 2017, October 3, 2017, October 7, 2017 and October 12, 2017).

28. PERFORMANCE EVALUATION:

The Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The performance evaluation of the Board as a whole, Chairman and Non-Independent Directors was carried out by the Independent Directors.

A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The confidential online questionnaire was responded to by the Directors and vital feedback was received from them on how the Board currently operates and how it can enhance its effectiveness.

The Board of Directors has expressed its satisfaction with the evaluation process.

29. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE & INTERNAL COMPLAINTS COMMITTEE:

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation.

The Board of Directors of your Company has constituted Internal Complaints Committees (ICCs) at Head Office as well as regional levels pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 and the Rules framed thereunder.

The ICC at the Head Office level consists of the following Members as on March 31, 2018:

1.	Ms. Sanjivani Sadani	(Chairperson)
2.	Mr. S. Varadaraj	(Member)
3.	Mr. Salil Chinchore	(Member)
4.	Ms. Megha Goel	(Member)
5.	Ms. Sharmila Khair	(External Member)

The Company has formulated and circulated to all the employees, a policy on prevention of sexual harassment at workplace, which provides for a proper mechanism for redressal of complaints of sexual harassment.

There were no complaints of sexual harassment received by the ICC during the Financial Year 2017-18.

30. SIGNIFICANT REGULATORY OR COURT ORDERS:

During the Financial Year 2017-18, there were no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future.

31. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

As required to be reported pursuant to the provisions of Section 186 and Section 134(3)(g) of the Companies Act, 2013, the particulars of loans, guarantees or investments by the Company under the aforesaid provisions during the Financial Year (F.Y.) 2017-18 have been provided in the Notes to the Standalone Financial Statement.

32. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013:

All Related Party Transactions entered into by your Company during the Financial Year 2017-18 were on arm's length basis and in the ordinary course of business. There are no material significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. Requisite prior approval of the Audit Committee of the Board of Directors was obtained for

Related Party Transactions. Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Sections 134(3)(h) and 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. Attention of Shareholders is also drawn to the disclosure of transactions with related parties set out in Note No. 63 of the Standalone Financial Statements, forming part of the Annual Report. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

33. FRAUD REPORTING:

There have been no instances of frauds reported by the auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

34. INTERNAL FINANCIAL CONTROLS WITH RESPECT TO FINANCIAL STATEMENTS:

Your Company is committed to constantly improve the effectiveness of internal financial controls and processes for efficient conduct of its business operations and ensuring security to its assets and timely preparation of reliable financial information. In the opinion of the Board, the internal financial control system of the Company commensurate with the size, scale and complexity of business operations of the Company.

Further, the internal financial controls with reference to the Financial Statements are adequate in the opinion of the Board of Directors and were operating effectively.

The Company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

The Company's Corporate Audit & Assurance Department which is ISO 9001: 2008 certified, issues well documented operating procedures and authorities, with adequate built-in controls at the beginning of any activity and during the continuation of the process, if there is a major change.

The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the Management. This system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

The Audit Committee of the Board of Directors met 6 (six) times during the Financial Year (F.Y.) 2017-18 (i.e., May 12, 2017, July 18, 2017, August 4, 2017, September 11, 2017, November 3, 2017 and February 7, 2018). The Statutory Auditors and the Internal Auditors were, *inter alia*, invited to attend the Audit Committee Meetings and present their observations on adequacy of internal financial controls and the steps required to bridge gaps, if any. The Board of Directors note the observations and accept the recommendations of the Audit Committee.

35. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions contained in sub-sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, the Directors of your Company confirm that:-

a) in the preparation of the annual accounts for the Financial Year (F.Y.) 2017-18, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year (i.e., March 31, 2018) and of the profit and loss of the Company for that period (i.e., the Financial Year 2017-18);

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis; and

e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

36. CORPORATE GOVERNANCE:

As required by the existing Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a detailed report on Corporate Governance is included in the Annual Report.

M/s. BNP & Associates, Company Secretaries have certified the Company's compliance of the requirements of Corporate Governance in terms of Regulation 34 of the Listing Regulations and their Compliance Certificate is annexed to the Report on Corporate Governance.

37. STATUTORY AUDITORS:

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) have been appointed as the Statutory Auditors of the Company at the 26th (Twenty Sixth) Annual General Meeting (AGM) of the Shareholders held on August 4, 2017, pursuant to Sections 139 to 144 of the Companies Act, 2013 and Rules 3 to 6 of the Companies (Audit And Auditors) Rules, 2014, for a term of 5 (five) years, to hold office from the conclusion of the 26th (Twenty Sixth) AGM, till the conclusion of the 31st (Thirty First) AGM.

M/s. B S R & Co. LLP have conveyed / confirmed their independence and eligibility to continue as the Statutory Auditors of the Company.

38. COST AUDITORS:

M/s. P. M. Nanabhoy & Co., Cost Accountants, Mumbai (Firm Registration No.: 00012) have been appointed by the Board of Directors as the Cost Auditors of the Company for all the applicable products pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, for the Financial Year (F.Y.) 2018-19. The Shareholders are requested to ratify the remuneration payable to the Cost Auditors in terms of Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

39. SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT:

The Board of Directors of your Company appointed M/s. BNP & Associates, Company Secretaries (Firm Registration No.:P2014MH037400) as the Secretarial Auditors of the Company for the conduct of Secretarial Audit for the Financial Year 2017-18, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report submitted by the Secretarial Auditor is annexed as "ANNEXURE 'D'" to this Board's Report.

40. RESPONSES TO QUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS & DISCLAIMERS MADE BY THE STATUTORY AUDITORS AND THE SECRETARIAL AUDITORS:

There are no qualifications, reservations, adverse remarks and disclaimers of the Statutory Auditors in their report on Financial Statements for the Financial Year (F.Y.) 2017-18 except that the managerial remuneration paid to Mr. B. S. Yadav, Managing Director for the Financial Year (F.Y.) 2016-17 is in excess of the limits specified under Section 197 of the Companies Act, 2013. The Company has already applied to the Central Government for waiver of recovery of excess managerial remuneration and the application is pending.

There are no qualifications, reservations, adverse remarks and disclaimers of the Secretarial Auditors in their Secretarial Audit Report for the Financial Year (F.Y.) 2017-18.

41. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information in respect of matters pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report is given in the "ANNEXURE 'E'" to this Directors' Report.

42. POLICIES OF THE COMPANY:

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") have mandated the formulation of certain policies for all listed companies. All our Corporate Governance Policies are available on the Company's website, www.godrejagrovet.com.

The key policies that have been adopted by the Company pursuant to the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws are as follows:

Sr. No.	Name of the Policy	Brief Particulars of the Policy
1.	Risk Management Policy	The Company has in place, a Risk Management Policy which is framed by the Board of Directors of the Company. This Policy deals with identifying and assessing risks such as operational, strategic, financial, security, property, regulatory, reputational and other risks and the Company has in place an adequate Risk Management infrastructure capable of addressing these risks. The Board of Directors of your Company is of the opinion that, at present, there are no elements of risks which may threaten the existence of the Company.
2.	Corporate Social Responsibility Policy	The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board and the Board has approved a Corporate Social Responsibility Policy (CSR Policy), which outlines the Company's strategy to bring about a positive impact on society through various CSR activities and programmes.
3.	Policy for determining Material Subsidiaries	This Policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Currently, Creamline Dairy Products Limited is a material unlisted subsidiary of your Company.
4.	Nomination and Remuneration Policy	This Policy formulates the criteria for determining qualifications, competencies, positive attributes and independence of a Director (Executive / Non-Executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other Senior Management Employees.
5.	Policy to promote Board Diversity	This Policy endeavours to promote diversity at Board level, with a view to enhance its effectiveness.
6.	Policy on Familiarization Programmes for Independent Directors	Your Company has a Policy on Familiarization Programmes for Independent Directors, which lays down the practices followed by the Company in this regard, on a continuous basis.
7.	Whistle Blower Policy / Vigil Mechanism	Your Company has a Vigil Mechanism / Whistle Blower Policy which provides adequate safeguards against victimization of persons who use Whistle Blower mechanism and make provision for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Sr. No.	Name of the Policy	Brief Particulars of the Policy
8.	Human Rights Policy	Your Company has in place, a Human Rights Policy which demonstrates the Company's commitment to respect human rights and treat people with dignity and respect in the course of conduct of its business.
9.	Policy on Prevention of Sexual Harassment at Workplace	Your Company has in place, a Policy on Prevention of Sexual Harassment at Workplace, which provides for a proper mechanism for redressal of complaints of sexual harassment and thereby encourages employees to work together without fear of sexual harassment, exploitation or intimidation.
10.	Policy on Related Party Transactions	This Policy regulates all transactions between the Company and its Related Parties.
11.	Code of Conduct for the Board of Directors and Senior Management Personnel	Your Company has in place, a Code of Conduct for the Board of Directors and Senior Management Personnel which reflects the legal and ethical values to which your Company is strongly committed.
12.	Code of Conduct for Insider Trading	This Policy sets up an appropriate mechanism to curb Insider Trading in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
13.	Policy on Criteria for determining Materiality of Events	This Policy applies to disclosures of material events affecting the Company. This Policy warrants disclosure to investors and has been framed in compliance with the requirements of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.
14.	Policy for Maintenance and Preservation of Documents	The purpose of this Policy is to specify the type of documents and time period for preservation thereof based on the classification mentioned under Regulation 9 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. This Policy covers all business records of the Company, including written, printed and recorded matter and electronic forms of records.
15.	Archival Policy	This Policy is framed pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. As per this Policy, your Company is required to disclose on its website, all such events or information which have been disclosed to the Stock Exchanges where the securities of the Company are listed. Further, such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per Archival Policy of the Company.

43. SECRETARIAL STANDARDS:

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from October 1, 2017. Your Company is in compliance with the revised Secretarial Standards.

44. CORPORATE SOCIAL RESPONSIBILITY (CSR) ANNUAL REPORT:

The Annual Report on Corporate Social Responsibility (CSR) activities of the Company prepared pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is has been annexed as **"ANNEXURE 'F'"** to this Report.

45. BUSINESS RESPONSIBILITY REPORT:

The Company has prepared its first Business Responsibility Report for the Financial Year (F.Y.) 2017-18, in accordance with sub-regulation (2) of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015 issued by the Securities and Exchange Board of India (SEBI), to describe the initiatives taken by the Company from an environmental, social and governance perspective. The said Report is prepared in accordance with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs) notified by the Ministry of Corporate Affairs (MCA), Government of India, in July 2011 and forms part of the Annual Report.

46. MANAGERIAL REMUNERATION & REMUNERATION PARTICULARS OF EMPLOYEES:

The remuneration paid to Directors and Key Managerial Personnel and the employees of the Company during the Financial Year 2017-18 was in accordance with the Nomination and Remuneration Policy of the Company.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as "ANNEXURE 'G'" to this Report.

The information required pursuant to Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the Members at Registered Office of the Company during all days expect Saturdays, Sundays and public holidays from 10.00 a.m. (IST) to 4.00 p.m. (IST) on working days upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

47. ADDITIONAL INFORMATION:

The additional information required to be given under the Companies Act, 2013 and the Rules made thereunder, has been laid out in the Notes attached to and forming part of the Accounts. The Notes to the Accounts referred to the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

The Consolidated Financial Statements of your Company form part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the Financial Statements of its subsidiaries. The Audited Annual Accounts and related information of the Company's subsidiaries will be made available upon request. These documents will also be available for inspection during all days expect Saturdays, Sundays and public holidays from 10.00 a.m. (IST) to 4.00 p.m at the Company's Registered Office. The subsidiary companies' documents are also available on the Company's website www.godrejgrovet.com.

48. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the Section 125 applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all the unpaid or unclaimed dividends are required to be transferred to the IEPF established by the Central Government, upon completion of 7 (seven) years. Further, according to the IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

Your Company does not have any unpaid or unclaimed dividend or shares relating thereto which is required to be transferred to the IEPF till the date of this Report.

49. LISTING FEES AND TRADING CONFIRMATION:

Your Company has paid requisite annual listing fees to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) where its securities are listed.

The Shares of your Company have not been suspended from trading on BSE and NSE at any point of time during the Financial Year 2017-18 since October 16, 2017 (i.e., the date of listing on NSE and BSE).

50. CAUTIONARY STATEMENT:

Statements in the Director's Report and the Management Discussion and Analysis Report describing the Company's objectives, projections, expectations, estimates or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied therein due to risks and uncertainties. Important factors that could influence the Company's operations, *inter alia*, include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic, political developments within the country and other factors such as litigations and industrial relations.

51. ACKNOWLEDGEMENT:

Your Directors wish to place on record sincere appreciation for the support and co-operation received from various Central and State Government Departments, organizations and agencies. The Directors also gratefully acknowledge all stakeholders of your Company, viz., Shareholders, customers, dealers, vendors, banks and other business partners for excellent support received from them during the Financial Year under review. Your Directors also express their warm appreciation to all the employees of the Company for their unstinted commitment and continued contribution to the growth of the Company.

For and on behalf of the Board of Directors
of Godrej Agrovet Limited

N. B. Godrej
Chairman
(DIN: 00066195)

Mumbai, May 14, 2018

ANNEXURE 'A' TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN IN FORM NO. MGT-9

GODREJ AGROVET LIMITED

As at the Financial Year ended March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	Corporate Identity Number (CIN):	L15410MH1991PLC135359
ii.	Registration Date:	25/11/1991
iii.	Name of the Company:	GODREJ AGROVET LIMITED
iv.	Category / Sub-Category of the Company:	Company limited by Shares – Indian Non-Government Company
v.	Address of the Registered Office and Contact details:	"Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India Tel. No.: (91 22) 2519 4416 Fax No.: (91 22) 2519 5124 Website: www.godrejagrovet.com Email: gavlinvestors@godrejagrovet.com
vi.	Whether listed company:	Yes (w.e.f. October 16, 2017)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot No. 31&32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana Tel.: (91 40) 6716 2222 Fax: (91 40) 2343 1551 Investor Grievance E-mail: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:-

Sr. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service (as per NIC 2008)	% to Total Turnover of the Company
1.	Animal Feeds	10801, 10802, 10803	69.8%
2.	Agricultural Inputs	20121, 20211, 20213, 20219	13.8%
3	Vegetable Oils	10402	15.9%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	Corporate Identity Number (CIN)	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Godrej Industries Limited Registered Office: Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India	L24241MH1988PLC097781	Holding Company	57.99%	Section 2(46) & Section 2(87)(ii)
2	Vora Soaps Limited Registered Office: Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India	U24241MH1979PLC021804	Holding Company (Ultimate Holding Company)	Holding Company of Godrej Industries Limited	Section 2(46) & Section 2(87)(ii)

Sl. No.	Name and Address of the Company	Corporate Identity Number (CIN)	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
3	Godvet Agrochem Limited Registered Office: "Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India	U01400MH2014PLC252382	Subsidiary Company	100.00%	Section 2(87)(ii)
4	Astec LifeSciences Limited Registered Office: "Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India	L99999MH1994PLC076236	Subsidiary Company	57.45%	Section 2(87)(ii)
5	Behram Chemicals Private Limited Registered Office: "Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India	U24100MH1993PTC071480	Subsidiary Company (Step-down subsidiary)	65.63% held by Astec LifeSciences Limited	Section 2(87)(ii)
6	Astec Europe Sprl Registered Office: Siege : 'rue de Pont, 33 7500 Tournai', Belgium, Europe	Not Applicable since a foreign company incorporated in Belgium, Europe	Subsidiary Company (Step-down subsidiary)	50.10% held by Astec LifeSciences Limited	Section 2(87)(ii)
7	Comercializadora Agricola Agroastrachem Cia Ltda Registered Office: Carrera 50 # 150 A-85 Tower 3-301, Bogota D.C. Columbia	Not Applicable since a foreign company incorporated in Bogota, Columbia	Subsidiary Company (Step-down subsidiary)	100.00% held by Astec LifeSciences Limited	Section 2(87)(ii)
8	Creamline Dairy Products Limited Registered Office: H.No.6-3-1238/B/21, Asif Avenue, Rajbhavan Road, Hyderabad - 500082, Telangana, India	U15201TG1986PLC006912	Subsidiary Company	51.91%	Section 2(87)(ii)
9	Nagavalli Milkline Private Limited Registered Office: H.No.6-3-1238/B/21, Asif Avenue, Rajbhavan Road, Hyderabad - 500082, Telangana, India	U15209TG1999PTC031625	Subsidiary Company (Step-down subsidiary)	100% held by Creamline Dairy Products Limited	Section 2(87)(ii)
10	Godrej Tyson Foods Limited Registered Office: "Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India	U15122MH2008PLC177741	Associate Company (Joint Venture)	49.00%	Section 2(6)
11	ACI Godrej Agrovet Private Limited Registered Office: ACI Centre, 245, Tejgaon I/A, Dhaka – 1208 Bangladesh	Not Applicable since a company incorporated in Bangladesh	Foreign Associate Company (Joint Venture)	50.00%	Section 2(6)
12	Al Rahba International Trading LLC Registered Office: P.O.Box. No. 10054 Sweihan, Al Ain, Abu Dhabi, UAE	Not Applicable since a foreign company incorporated in United Arab Emirates (UAE)	Associate Company	24.00%	Section 2(6)

IV. SHARE HOLDING PATTERN:

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual / HUF	41,51,252	-	41,51,252	2.24	2,07,35,876	-	2,07,35,876	10.80	8.56*
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	11,78,78,894	70	11,78,78,964	63.67	11,13,57,225	-	11,13,57,225	57.99	(5.68)*
Banks / FIs	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**12,20,30,146**	**70**	**12,20,30,216**	**65.91**	**13,20,93,101**	**-**	**13,20,93,101**	**68.79**	**2.88***
(2) Foreign									
NRIs - Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks / FIs	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	**12,20,30,146**	**70**	**12,20,30,216**	**65.91**	**13,20,93,101**	**-**	**13,20,93,101**	**68.79**	**2.88***
B. Public Shareholding									
(1) Institutions									
Mutual Funds	-	-	-	-	75,00,602	-	75,00,602	3.91	-
Banks / FI	-	-	-	-	20,606	-	20,606	0.01	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIIs	-	-	-	-	61,68,306	-	61,68,306	3.21	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	11,57,332	-	11,57,332	0.60	-
Sub-total (B) (1)	**-**	**-**	**-**	**-**	**1,48,46,846**	**-**	**1,48,46,846**	**7.73**	**-**
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian	16,17,084	-	16,17,084	0.87	34,70,372	5	34,70,377	1.81	0.94*
(ii) Overseas	3,70,07,698	-	3,70,07,698	19.99	2,47,07,698	-	2,47,07,698**	12.87	(7.12)*
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	75,83,932	583	75,84,515	3.95	-
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,44,75,878	-	2,44,75,878	13.22	46,39,998	-	46,39,998	2.42	(10.8)*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others (specify)									
NBFC's Registered with RBI	-	-	-	-	3,907	-	3,907	0.00	-
Trusts	-	-	-	-	6,704	-	6,704	0.00	-
Non Resident Indians	-	-	-	-	2,19,838	-	2,19,838	0.11	-
Clearing Members	-	-	-	-	1,25,591	-	1,25,591	0.07	-
Directors	-	-	-	-	42,69,204	-	42,69204	2.22	-
Non Resident Indian Non Repatriable	-	-	-	-	60,960	-	60,960	0.03	-
Sub-total (B) (2)	**6,31,00,660**	**-**	**6,31,00,660**	**34.08**	**4,50,88,204**	**588**	**4,50,88,792**	**23.48**	**-**
Total Public Shareholding (B) = (B) (1) + (B) (2)	**6,31,00,660**		**6,31,00,660**	**34.08**	**5,99,35,050**	**588**	**5,99,35,638**	**31.21**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (A + B +C)	**18,51,30,806**	**70**	**18,51,30,876**	**100.00**	**19,20,28,151**	**588**	**19,20,28,739**	**100.00**	**-**

*Change in % of shareholding is due to increase in Paid up Equity Share Capital from 18,51,30,876 to 19,20,28,739 on account of Listing of Equity Shares of the Company on the Bombay Stock Exchange and National Stock Exchange of India Limited.

** 12,300,000 Equity Shares were sold by V- Sciences Investments Pte Ltd by way of Offer for Sale in the Initial Public Offer (IPO) process.

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Chang Change in Share-holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged / encumbered to Total Shares	
1.	Mr. A.B. Godrej	5,096	0.003	Nil	5,096	0.003	0	-
2.	Mr. N.B. Godrej	41,46,156	2.239	Nil	16,49,502*	0.858	0	(1.38)
3.	Godrej Industries Limited	11,78,78,964	63.673	Nil	11,13,57,225**	57.989	0	(5.68)

*24,96,654 Equity Shares were transferred from Mr. Nadir Godrej to BNG Family Trust, HNG Family Trust and SNG Family Trust in equal proportion.

**65,21,739 Equity Shares were sold by Godrej Industries Limited (Offer for Sale) at the time of Initial Public Offer (IPO) of the Company.

(iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	12,20,30,216	65.91	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	(90,18,393)*	4.69
3	At the End of the Year	-	-	11,30,11,823	58.85

*24,96,654 Equity Shares were transferred from Mr. Nadir Godrej to BNG Family Trust, HNG Family Trust and SNG Family Trust in equal proportion.

*65,21,739 Equity Shares were sold by Godrej Industries Limited (Offer for Sale) at the time of Initial Public Offer (IPO) of the Company.

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

1. **V-SCIENCES INVESTMENTS PTE LTD**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	37,007,698	19.99	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	(1,23,00,000)*	6.41
3	At the End of the Year	-	-	2,47,07,698	12.87

* 12,300,000 Equity Shares were sold by V- Sciences Investments Pte Ltd by way of Offer for Sale in the Initial Public Offer (IPO) process.

2. **KOTAK OPPORTUNITIES / KOTAK MIDCAP/ KOTAK CLASSIC EQUITY /KOTAK EMERGING EQUITY SCHEME / KOTAK EQUITY SAVINGS FUND/ KOTAK INDIA GROWTH FUND SERIES I :**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	19,80,312*	1.03
3	At the End of the Year	-	-	19,80,312*	1.03

*Increase: Acquired 2,51,265 on 13-10-2017 in the Initial Public Offer (IPO) Process; Acquired 92,928 Equity Shares on 20-10-2017; Acquired 60,000 Equity Shares on 20-10-2017; Acquired 1,45,786 Equity Shares on 27-10-2017; Acquired 2,62,273 Equity Shares on 10-11-2017; Acquired 1,86,157 Equity Shares on 10-11-2017; Acquired 15,000 Equity Shares on 10-11-2017; Acquired 70,000 Equity Shares on 17-11-2017; Acquired 1,13,843 Equity Shares on 17-11-2017; Acquired 5,87,261 Equity Shares on 17-11-2017; Acquired 38,018 Equity Shares on 24-11-2017; Acquired 25,000 Equity Shares on 01-12-2017; Acquired 76,332 Equity Shares on 01-12-2017; Acquired 25,000 Equity Shares on 08-12-2017; Acquired 38,382 Equity Shares on 08-12-2017; Acquired 5,464 on 08-12-2017; Acquired 29,412 Equity Shares on 15-12-2017; Acquired 72,000 Equity Shares on 22-12-2017; Acquired 25000 Equity Shares on 29-12-2017; Acquired 30,000 Equity Shares on 05-01-2018; Acquired 50,000 Equity Shares on 19-01-2018; Acquired 6,936 Equity Shares on 02-02-2018; Acquired 20,000 Equity Shares on 23-02-2018;

* Decrease: Sold 88,349 Equity Shares on 09-03-2018; Sold 40,000 Equity Shares on 09-03-2018; Sold 10,000 Equity Shares on 16-03-2018; Sold 32,396 Equity Shares on 16-03-2018; Sold 19,892 Equity Shares on 16-03-2018; Sold 55,108 Equity Shares on 23-03-2018;

3. **RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND / RELIANCE CAPITAL TRUSTEE CO LTD - RELIANCE TOP 200 FUND:**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	17,38,574*	0.91
3	At the End of the Year	-	-	17,38,574*	0.91

* Increase: Acquired 3,37,366 Equity Shares on 13-10-2017 in the Initial Public Offer (IPO) Process; Acquired 3,60,208 Equity Shares on 24-11-2017; Acquired 8,78,000 Equity Shares on 08-12-2017; 1,39,112 Equity Shares on 23-02-2018; Acquired 23,888 Equity Shares on 02-03-2018.

4. **ICICI PRUDENTIAL RIGHT FUND / ICICI PRUDENTIAL BALANCED ADVANTAGE FUND:**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	9,76,240*	0.51
3	At the End of the Year	-	-	9,76,240*	0.51

*Increase: Acquired 4,34,783 Equity Shares on 20-10-2017; Acquired 19,619 Equity Shares on 24-11-2017; Acquired 1,17,761 Equity Shares on 15-12-2017; Acquired 45,897 Equity Shares on 22-12-2017; Acquired 3,26,080 Equity Shares on 29-12-2017; Acquired 32,100 Equity Shares on 30-12-2017.

5. **THE INDIA FUND INC :**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	9,76,080*	0.51
3	At the End of the Year	-	-	9,76,080*	0.51

*Increase: Acquired 3,26,080 Equity Shares in the Initial Public Offer (IPO) Process; on 13-10-2017; Acquired 3,00,000 Equity Shares on 20-10-2017; Acquired 3,50,000 Equity Shares on 27-10-2017.

6. **NOMURA FUNDS IRELAND PUBLIC LIMITED COMPANY :**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	9,49,842*	0.49
3	At the End of the Year	-	-	9,49,842*	0.49

*Increase: Acquired 3,26,080 on 13-10-2017 in the Initial Public Offer (IPO) Process; Acquired 2,02,853 Equity Shares on 10-11-2017; Acquired 2,23,790 Equity Shares on 17-11-2017; Acquired 1,78,890 Equity Shares on 23-02-2018; Acquired 100 Equity Shares on 02-03-2018; Acquired 14,364 Equity Shares on 23-03-2018; Acquired 3,765 Equity Shares on 30-03-2018.

7. **GOVERNMENT OF SINGAPORE:**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	8,81,935*	0.46
3	At the End of the Year	-	-	8,81,935*	0.46

*Increase: Acquired 5,17,509 Equity Shares on 13-10-2017 in the Initial Public Offer (IPO) Process; Acquired 1,15,024 Equity Shares on 09-02-2018; Acquired 1,11,927 Equity Shares on 16-02-2018; Acquired 1,37,475 Equity Shares on 23-02-2018.

8. **DSP ADIKO HOLDINGS PRIVATE LIMITED :**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	8,00,000*	0.43
3	At the End of the Year	-	-	8,00,000*	0.43

*Increase: Acquired 800000 Equity Shares from Anamudi Real Estates LLP on June 14, 2017.

9. **DSP HMK HOLDINGS PRIVATE LIMITED:**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	8,00,000	0.43
3	At the End of the Year	-	-	8,00,000*	0.43

*Increase: Acquired 800000 Equity Shares from Anamudi Real Estates LLP on June 14, 2017.

10. **MOTILAL OSWAL FOCUSED BUSINESS ADVANTAGE FUND:**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	7,75,000*	0.40
3	At the End of the Year	-	-	7,75,000*	0.40

*Increase: Acquired 13,612 Equity Shares in the Initial Public Offer (IPO) Process; on 13-10-2017; Acquired 7,58,000 Equity Shares on 20-10-2017; Acquired 3,388 Equity Shares on 27-10-2017.

(iv) Shareholding of Directors and Key Managerial Personnel:

A. Mr. A. B. Godrej:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	5,096	0.00	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	-	-
3	At the end of the year	-	-	5,096	0.00

B. Mr. N. B. Godrej:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	41,46,156	2.24	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	(24,96,654)*	1.30
3	At the end of the year	-	-	16,49,502	0.86

* 24,96,654 Equity Shares were transferred by Mr. Nadir Godrej to BNG Family Trust, HNG Family Trust and SNG Family Trust in equal proportion on March 28, 2018.

C. Mr. J. N. Godrej:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	20,73,078	1.11	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	(20,73,075)*	1.08
3	At the end of the year	-	-	3	0.00

* 20,73,075 Equity Shares were transferred by Mr. J. N. Godrej to Ms. Raika Godrej on March 28, 2018.

D. Ms. Tanya A. Dubash:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	13,82,052	0.74	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	(8,32,218)*	0.43
3	At the end of the year	-	-	5,49,834	0.29

* 8,32,218 Equity Shares were transferred by Ms. Tanya A. Dubash to NG Family Trust on March 28, 2018.

E. Ms. Nisaba Godrej:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	13,82,052	0.74	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	(8,32,218)*	0.43
3	At the end of the year	-	-	5,49,834	0.29

* 8,32,218 Equity Shares were transferred by Ms. Nisaba Godrej to PG Family Trust on March 28, 2018.

F. Mr. S. Varadaraj:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	2,01,890	0.11	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	6,056*	0.03
3	At the End of the Year	-	-	2,07,946	0.11

*5,000 Equity Shares were acquired through "Godrej Agrovet Limited- Employees Share Purchase Scheme" and 1,056 Equity Shares were acquired under the Employee reservation category in the Initial Public Offer (IPO) Process.

G. Mr. Vivek Raizada:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	6,056*	0.03
3	At the End of the Year	-	-	6,056*	0.03

**5,000 Equity Shares were acquired through "Godrej Agrovet Limited- Employees Share Purchase Scheme" and 1,056 Equity Shares were acquired under the Employee reservation category in the Initial Public Offer (IPO) Process.

H. Ms. Roopa Purushothaman:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	992*	0.00
3	At the end of the year	-	-	992*	0.00

* 992 Equity Shares were acquired by Ms. Roopa Purushothaman under the Employee reservation category in the Initial Public Offer (IPO) Process.

I. **Dr. S. L. Anaokar:**

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	-	-	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	480*	0.00
3	At the end of the year	-	-	480*	0.00

* 480 Equity Shares were acquired by Dr. S. L. Anaokar under the Employee reservation category in the Initial Public Offer (IPO) Process.

J. **Mr. B. S. Yadav:**

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	44,06,676	2.38	-	-
2	Date-wise Increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)	-	-	(1,38,944)*	0.072
3	At the end of the year	-	-	42,67,732	2.22

*Increase: 10,000 Equity Shares were acquired through "Godrej Agrovet Limited- Employees Share Purchase Scheme" and 1,056 Equity Shares were acquired under the Employee reservation category in the Initial Public Offer (IPO) Process.

* Decrease: Transfer of 1,50,000 Equity Shares Mr. B. S. Yadav by way of Gift on 13-11-2017.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in Lakh)

		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
(i)	Principal Amount	-	48,306.22	-	48,306.22
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	-	33.92		33.92
TOTAL (i +ii + iii)		**-**	**48,340.14**	**-**	**48,340.14**
Changes in Indebtedness during the financial year					
(i)	Principal Amount	891.65	(27,530.43)	-	(26,638.78)
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	-	(29.19)	-	(29.19)
Net Change		**891.65**	**(27,559.62)**	**-**	**(26,667.97)**
Indebtedness at the end of the financial year					
(i)	Principal Amount	891.65	20,775.79	-	21,667.44
(ii)	Interest due but not paid	-	-		-
(iii)	Interest accrued but not due	-	4.73	-	4.73
TOTAL (i +ii + iii)		**891.65**	**20,780.52**	**-**	**21,672.17**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

A. Remuneration to Managing Director:

Sr. No.	Particulars of Remuneration	Name of Managing Director – Mr. B. S. Yadav (₹)	Total Amount (₹)
1	Gross Salary	6,36,62,628	6,36,62,628
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4,39,99,158	4,39,99,158
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	1,96,63,470	1,96,63,470
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0	0
2	Stock Option	0	0
	Sweat Equity	0	0
	Commission	0	0
	As a % of profit	0	0
	Others (specify)	0	0
	Total (A)	**6,36,62,628**	**6,36,62,628**
	Ceiling as per the Companies Act, 2013 (₹ in lakh)		1,434.95

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Names of Directors (Amount in ₹)							Total Amount ₹
		Mr. K. N. Petigara	Dr. S. L. Anaokar	Mr. A. B. Choudhury	Dr. Raghunath A. Mashelkar	Dr. Ritu Anand	Ms. Aditi Kothari Desai	Ms. Roopa Purushothaman	
1.	**Independent Directors:**								
	Fee for attending Board & Committee Meetings	11,40,000	6,60,000	9,40,000	6,50,000	8,00,000	7,00,000	4,50,000	53,40,000
	Commission	-	-	-	-	-	-	-	-
	Others (please specify)	-	-	-	-	-	-	-	-
	TOTAL (1)	11,40,000	6,60,000	9,40,000	6,50,000	8,00,000	7,00,000	4,50,000	53,40,000
2.	**Other Non-Executive Directors:**								**Mr. A. B. Godrej**
	Fee for attending Board & Committee Meetings								8,00,000
	Commission								-
	Others (please specify)								-
	TOTAL (2)								8,00,000
	TOTAL (B) = (1) + (2)	11,40,000	6,60,000	9,40,000	6,50,000	8,00,000	7,00,000	4,50,000	8,00,000 61,40,000
	Total Managerial Remuneration	11,40,000	6,60,000	9,40,000	6,50,000	8,00,000	7,00,000	4,50,000	8,00,000 61,40,000
	Overall Ceiling as per the Companies Act, 2013	The sitting fees paid to Non-Executive Directors were within the limits prescribed under the Companies Act, 2013 and the Rules framed thereunder.							

C. Remuneration to Key Managerial Personnel (KMP) other than Managing Director:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Executive Officer	Company Secretary (Mr. Vivek Raizada) (₹)	Chief Financial Officer (Mr. S. Varadaraj) (₹)	(₹)
1	Gross Salary	N/A	66,05,060	1,45,32,127	2,11,37,187
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	N/A	65,83,460	1,09,20,204	1,75,03,664
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	N/A	21,600	36,11,923	36,33,523
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	N/A	0	0	0
2	Stock Option	N/A	0	0	0
	Sweat Equity	N/A	0	0	0
	Commission	N/A	0	0	0
	As a % of profit	N/A	0	0	0
	Others (specify)	N/A	0	0	0
	Total	**N/A**	**66,05,060**	**1,45,32,127**	**2,11,37,187**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fee imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors of
Godrej Agrovet Limited

N. B. Godrej
Chairman
(DIN: 00066195)

Date: May 14, 2018
Place: Mumbai

ANNEXURE 'B' TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

of GODREJ AGROVET LIMITED

Preamble

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the "Act") and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the "SEBI Listing Regulations"), the Board of Directors of every listed company is required to constitute the Nomination and Remuneration Committee.

I. Objective

In order to comply with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and any other applicable provisions, the Nomination and Remuneration Committee of the Board of Directors of the Company (the "Committee") had formulated this policy (the "Policy").

The key objectives of the Policy are as follows:

a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board of Directors of the Company (the "Board"), policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

c. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

e. To devise a Policy on Board Diversity.

f. To develop a succession plan for the Board and to regularly review the plan.

g. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

II. Definitions

a. "Act" means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

b. "Board" means the Board of Directors of the Company.

c. "Directors" shall mean Directors of the Company.

d. "Key Managerial Personnel" or "KMP" means:

i. Chief Executive Officer or the Managing Director or the Manager;

ii. Whole-time director;

iii. Chief Financial Officer;

iv. Company Secretary; and

v. Such other officer as may be prescribed under the Act.

e. "Senior Management" means personnel of the Company who are members of its core management team excluding the Board. This would include all members of management one level below the executive directors, including all the functional heads.

f. "Independent Director" means a director referred to in Section 149(6) of the Act.

III. Appointment and Removal of Directors, KMPs and Senior Management

a. Appointment Criteria and Qualifications:

i. The Committee may identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.

ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

b. Term / Tenure:

i. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.

c. Independent Director:

i. An Independent Director shall hold office for a term upto 5 (five) consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iii. At the time of appointment of Independent Director(s) it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act or the SEBI Listing Regulations.

d. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular intervals (yearly).

e. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations thereunder, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

f. Retirement:

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

g. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management:

i. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.

ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.

iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down as per the provisions of the Act.

h. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:

i. Fixed pay:

The Whole-time / Executive / Managing Director / KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund (P.F.), Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Executive / Managing Director in accordance with the provisions of Schedule V to the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

IV) Provisions for excess remuneration:

If any Whole-time / Executive / Managing Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company

shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

i. Remuneration to Non- Executive / Independent Director:

1) Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force.

2) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of t h e Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3) Limit of Remuneration/Commission:

Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

4) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

V. Membership

a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.

b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations.

c) Minimum two (2) members shall constitute a quorum for the Committee meeting.

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

VI. Chairperson

a) Chairperson of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

d) Chairman of the Nomination and Remuneration Committee meeting could be present at the annual general meeting or may nominate some other member to answer the shareholders' queries.

VII. Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

VIII. Committee Members' interests

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

IX. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

X. Duties of the Nomination &RemunerationCommittee

Duties with respect to Nomination:

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

v Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

Duties with respect to Remuneration:

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.

XI. Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

XII. Deviations from this Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

of GODREJ AGROVET LIMITED

As at the Financial Year ended March 31, 2018

1. Qualifications of Independent Director:

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Technical Operations or other disciplines related to the Company's business.

2. Positive Attributes of Independent Directors:

An Independent Director shall be a person who shall:

i. uphold ethical standards of integrity and probity;

ii. act objectively and constructively while exercising his duties;

iii. exercise his responsibilities in a bona fide manner in the interest of the Company;

iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;

v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;

vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

vii. refrain from any action that would lead to loss of his independence;

viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;

ix. assist the Company in implementing the best corporate governance practices.

3. Independence of Independent Directors:

An Independent Director should meet the criteria for independence prescribed under Section 149(6) of the Companies Act, 2013 (as may be amended from time to time) and Regulation 16 (1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements)

For and on behalf of the Board of Directors of
Godrej Agrovet Limited

N. B. Godrej
Chairman
(DIN: 00066195)

Date: May 14, 2018
Place: Mumbai

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Godrej Agrovet Limited,
Godrej One, 3rd Floor,
Pirojshanagar Eastern Express Highway,
Vikhroli (East),
Mumbai- 400 079
Maharashtra

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej Agrovet Limited (hereinafter called the 'Company') for the audit period from April 1, 2017 to March 31, 2018 ("the Audit Period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and Authorized Representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

i. The Companies Act, 2013 ("the Act") and the Rules framed thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of equity shares of the Company kept in demat/fungible form;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment ('FDI) in relation to the investment under Initial Public Offer (IPO) / Offer for Sale;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (applicable with effect from October 16, 2017);

   c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and

   f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

vi. Other laws as specifically applicable to the Company:

   a) The Insecticides Act, 1968; and Rules framed thereunder and

   b) The Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act, 1993.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute Company Secretaries of India.

During the Audit Period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

During the Audit Period under review, provisions of the following Act/ Regulations were not applicable to the Company: -

a) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;

b) The following Regulations and Guidelines prescribed under the SEBI Act: -

   i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was change in the composition of the Board of Directors that took place during the audit period.

Adequate notice is given to all the directors to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent at least 7 (seven) days in advance, and in case where the Meetings were held at a shorter notice (i.e., notice was given less than 7 (Seven) days), proper consent thereof were obtained. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and there was no instance of any of the Directors expressing dissent on any of the items placed before it.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period the Company has following specific events:

1. On May 12, 2017, the Board of Directors approved acquisition / purchase of agrochemicals business of Kashmir Chemicals, a partnership firm in Jammu in the State of Jammu & Kashmir.

2. The Company at its Meeting held on May 12, 2017 gave their approval to waiver of recovery of excess remuneration as prescribed under the Companies Act, 2013 to its Managing Director due to exercise of ESOP by him. The Company thereafter applied to the Ministry of Corporate Affairs (MCA) seeking its approval to waiver of the recovery of the said excess remuneration. While the application of the Company was pending before the MCA, the Companies (Amendment) Act, 2017 was notified and consequently the application pending before the MCA stood abated. As per the Companies (Amendment) Act, 2017 only approval of the Members would suffice.

   We have been informed that the Members approval for the same is being sought at the ensuing Annual General Meeting, provided that relevant provisions of the Companies (Amendment) Act, 2017 are notified before the notice of the ensuing Annual General Meeting.

3. On July 18, 2017, the Board of Directors had approved the Redemption of 6000 (Six Thousand) 8% Redeemable Preference Shares at a face value of ₹ 10/- (Rupees Ten Only) each.

4. On July 18, 2017, the Company instituted the Employees Share Purchase Scheme to grant, issue and allot upto 4,05,500 Equity Shares of face value ₹10/- (Rupees Ten Only) under Godrej Agrovet Limited- Employee Share Purchase Scheme.

5. On September 14, 2017, IPO Committee of Board of Directors approved Preferential allotment 1,92,901 Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each at a premium of ₹ 430/- (Rupees Four Hundred Thirty Only) to the investor of the Group Companies and Joint Venture Companies of the Company.

On October 16, 2017, the Company's IPO in respect of issue of 2,55,26,701 shares of ₹10/- (Rupees Ten Only) each at a premium of ₹ 450/- (Rupees Four Hundred Fifty Only) consisting of a fresh issue of 63,37,225 Equity Share aggregating to ₹ 2915.2 million and Offer for Sale of 65,21,739 Equity Shares by Godrej Industries Limited aggregating to ₹3,000 million and 12,300,000 Equity Shares by V-Sciences Investment Pte Ltd aggregating to ₹ 5,658 million and Issue of 3,67,737 Equity Shares aggregating to ₹169.16 million to identified employees of our Company, Holding and Subsidiary Company(ies) under the Godrej Agrovet Limited- Employee Share Purchase Scheme (ESPS) was completed and the Company got listed on the Stock Exchanges [Bombay Stock Exchange (BSE) & National Stock Exchange of India Limited (NSE)].

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Prakash K. Pandya
Partner
FCS No.: 3901
C P No.: 2311

Date: May 14, 2018
Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A to the Secretarial Audit Report

To,
The Members,
Godrej Agrovet Limited,

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Godrej Agrovet Limited (the 'Company') is the responsibility of the Management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the Management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and major events during the Audit Period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Prakash K. Pandya
Partner
FCS No.: 3901
C P No.: 2311

Date: May 14, 2018
Place: Mumbai

ANNEXURE 'E' TO THE DIRECTORS' REPORT

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO OF GODREJ AGROVET LIMITED

As at the Financial Year ended March 31, 2018

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy:

Your Company has a relentless focus on productivity and environmental sustainability at its manufacturing plants and continues to adopt various energy conservation measures.

Some of the measures adopted by your Company for conservation of energy are as follows:

1. Investment in robust technology solutions that have revolutionized the speed and accuracy of data monitoring.
2. Identification of high-energy consumption equipment and replacing it with cost effective energy efficient equipment.
3. Monitoring operations and build capacity optimization of pumps, compressors, motors and other utilities.
4. Diversion from fossil based fuel to renewable biomass
5. Reduction of dependency on grid by switching to renewable electricity via solar rooftop and open access

The adoption of above energy conservation measures has resulted in the following benefits to the Company:-

a) Direct decrease in the levels of energy consumption

b) Reduction in water consumption level

c) Reduction in process losses and storage losses

d) Reduction in idle time running of machines

e) Increase in the useful life of plant and machinery

The capital investment on energy conservation equipments is approximately ₹115 Lakh.

B. Technology Absorption, Adaptation and Innovation:

Your Company endeavours to implement various technological upgradations in order to obtain improved quality output at a reduced cost.

Your Company's In-house Research & Development (R&D) Centre at Vikhroli, Mumbai (Maharashtra) conducts research related to agriculture and development of environmentally benign agrochemical products and technologies that increase agricultural productivity and farm efficiency in a sustainable manner.

Your Company also has a R&D Centre for Animal Feed at Nashik (Maharashtra) which conducts research related to cattle feed and poultry feed to enhance the productivity of livestock, reduce cost of production and increase the profitability of farmers.

The benefits derived out of R&D activities include product improvement and cost reduction.

The Company's expenditure on R&D is given below:-

		Current Year (2017-18) ₹ In Lakh	Previous Year (2016-17) ₹ In Lakh
(a)	Capital	48.67	227.28
(b)	Recurring	1,175.44	938.61
(c)	Total	1,224.11	1,165.89
(d)	Total R&D expenditure as a percentage of total turnover	0.33%	0.3%

C. Foreign Exchange Earnings and Outgo:

The details of Foreign Exchange earnings and outgo of the Company during the Year under review are as follows:-

		Current Year (2017-18) ₹ In Lakh	Previous Year (2016-17) ₹ In Lakh
A.	Foreign Exchange Earned	1,155.64	1,564.63
B.	Foreign Exchange Used	7,148.01	6,765.46

For and on behalf of the Board of Directors of Godrej Agrovet Limited

N. B. Godrej
Chairman
(DIN: 00066195)

Date: May 14, 2018
Place: Mumbai

ANNEXURE 'F' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF GODREJ AGROVET LIMITED

As at the Financial Year ended March 31, 2018

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR Policy and projects or programs

The Corporate Social Responsibility (CSR) Policy of Godrej Agrovet Limited (GAVL) aligns itself with the Godrej Group's (Group) 'Good & Green' vision of creating a more inclusive and greener India. Each of GAVL's CSR projects are aligned with the Good & Green goals of the Group and correspond to different items listed in Schedule VII of Companies Act, 2013.

GAVL aspires to be a sustainable company through leadership commitment, multiple stakeholder engagement and disciplined value chain mechanisms. GAVL's holistic approach towards sustainability not only manages its externalities but also integrates the prevalent social and environmental issues into business strategies to provide tangible solutions, which benefit the underserved communities and deliver competitive advantage to the business.

For instance, GAVL's employability projects are committed to the Good & Green goals that aims to "Train 1 million rural and urban youth in skills that enhance their earning potential" These projects fall under the second item listed in Schedule VII "Promoting employment and enhancing vocational skill." Similarly, Greener India projects contributes to goals that aim to "Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption and increase utilization of renewable energy sources". Activities under these projects fall under "Ensuring Environmental Sustainability, Ecological Balance, Protection of Flora and Fauna" of Schedule VII. Our goals are well in line with the Sustainable Development Goals and the National Action Plan on Climate Change; this enables us to gather a holistic view and understanding for the objectives of our CSR activities/programs.

The web-link to the CSR Policy and projects or programs is www.godrejagrovet.com / codes-and-policies.aspx.

2. The composition of the CSR Committee

The Company has constituted a CSR Committee of the Board of Directors. The Members of the CSR Committee as on March 31, 2018 are:

Name	Designation
Dr. Raghunath A. Mashelkar	Chairman – Independent Director
Mr. N. B. Godrej	Member – Non-Executive, Non-Independent Director
Mr. B. S. Yadav	Member – Executive, Non-Independent Director
Ms. Roopa Purushothaman	Member – Independent Director

3. Average Net Profit of the Company for last three financial years (₹ In Lakh)

Financial Year (as per Section 198)	2014-15	2015-16	2016-17
Net Profit for the year (₹)	22,872	18,334	23,459

Average Net Profit of the Company for last three Financial Years: ₹ 21,555/- Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

- The prescribed CSR expenditure: ₹ 431.10/- Lakh (2% of average net profit for last three preceding financial years)

5. Details of CSR Spend during the Financial Year

- Total amount spent during the financial year: ₹ 438.97/- Lakh
- Amount unspent, if any: NIL

- Manner in which the amount spent during the financial year is detailed below (all numbers are in INR):

Sr. No	CSR Project or Activity identified	Sector in which the Project is covered	Project/ Programme: 1.Local area or other 2.Specify the State and district where the projects or programs were undertaken	Amount outlay (budget) project or programs wise (in INR Lakh)	Amount spent on projects 1. Direct expenditure 2. Overheads (in INR Lakh)	Cumulative expenditure up to the reporting period (in INR Lakh)	Amount spent direct or through the implementing agency (Implementing agency name; Legal structure of the agency; Year of establishment of implementing agency)
1	Rural Livelihoods Program for marginal farmers on sustainable agriculture and animal husbandry to increase household income	Schedule (VII) (x) Rural development (ii) Livelihoods enhancement (iv) Agriculture & animal husbandry	1. (a)Local 2.Locations a. Nashik, Maharashtra b. Lote Parshuram, Maharashtra c. Tilda, Chattisghar d. Hajipur, Bihar 1. (b) Other 2. Locations e. Reheti (Madhya Pradesh) f.Chickballapur (Karnataka) g.Aruppakkottai, Vellore & Pudukkottai (Tamil Nadu) h.Coochbehar (West Bengal) i. Khargone, Madhya Pradesh j. Almora (Uttrakhand) k. Sitapur (Uttar Pradesh) l. Indore, (Madhya Pradesh)	175.00	Direct expenditure – 231.98 Overheads - NIL	231.98 a. 10.88 b. 03.05 c. 07.20 d. 04.70 e. 60.00 f. 46.00 g. 06.50 h. 10.00 i. 13.60 j. 23.00 k. 15.75 l. 31.30	Implementing Agency: a. Sampada Trust, Registered Trust 2002 b. Parivartan, Registered Society, 1995 c. Ambuja Cement Foundation, Registered Section 25 Company, 1993 d. Aga Khan Rural Support Programme India, Registered Section 25 Company, 1983 e,f,g.Vrutti Livelihoods Resource Center, Bangalore; Registered Society, 1960 h. Satmile Satish Club; Registered Society; 2001 i. Aga Khan Rural Support Programme India, Registered Section 25 Company, 1983 j. Udyogini, Delhi; Registered Society; 1860 k. Goat Trust, Lucknow; Registered Trust, 2008 l. JK Trust; Registered Trust; 1955
2	Community development initiatives focusing on education, sanitation and clean drinking water in schools and anganwadis, health awareness and environmental sustainability with community stakeholders across manufacturing sites	Schedule (VII) (ii) Promoting Education (i) Sanitation, health and hygiene (vii) Promotion of sports and games	1. Local Area 2. Factory locations (Samba, Tumkur, Chandauli, Erode, Chintampalley, Baramati, Miraj, Sachin, Chitradurga, Hanuman Junction, Vijaymanaglam Pothepalli, Kondapal)	50.00	1. Direct expenditure – 34.20 2. Overheads – NIL	34.20	Direct Implementation
3	Integrated watershed management	Schedule (VII) (x) Rural development (ii) Livelihoods enhancement (iv) Water Conservation	1. Other 2. Locations a. Magadi (Karnataka) b. Bhirwani (Madhya Pradesh)	100.00	1. Direct expenditure – 84.33 2. Overheads – NIL	84.33 a. 54.60 b. 16.53 c. 13.20	Implementing Agency: a. IRIDS (Indian Rural Integrated Development Society); Registered Society; Karnataka; 1960 b. Aga Khan Rural Support Programme India, Registered Section 25 Company, 1983 c. Centre for Energy & Environment Development

Sr. No	CSR Project or Activity identified	Sector in which the Project is covered	Project/ Programme: 1.Local area or other 2.Specify the State and district where the projects or programs were undertaken	Amount outlay (budget) project or programs wise (in INR Lakh)	Amount spent on projects 1. Direct expenditure 2. Overheads (in INR Lakh)	Cumulative expenditure up to the reporting period (in INR Lakh)	Amount spent direct or through the implementing agency (Implementing agency name; Legal structure of the agency; Year of establishment of implementing agency)
4	Solar electrification for energy dark villages of tribal households in Madhya Pradesh for overall development and improve overall quality of life	Schedule (VII) (x) Rural development (ii) Livelihoods enhancement (iv) Environmental Sustainability	1. Other 2. Khargone & Khandwa (Madhya Pradesh)	50.00	1. Direct expenditure – 23.99 2. Overheads - NIL	23.99	Implementing Agency: Aga Khan Rural Support Programme India, Registered Section 25 Company, 1983
5	Promotion of Agricultural vocational training skills for students	Schedule (VII) (x) Rural development (ii) (ii) promoting education	1. Other 2. Locations a. Maharashtra b. Telangana	35.00	1. Direct expenditure – 30.00 2. Overheads - NIL	30.00 a. 25.00 b. 05.00	Implementing Agency: a.Gandhi Research Foundation; Section 25 Company; 2006 b.Vande Mataram, Registered Trust, 2005
6	Relief and rehabilitation support for Assam and Gujarat flood victims	Schedule (VII) (x) Others - Disaster Relief	1. Other 2. Assam and Gujarat	NIL	Direct: 13.59 Overheads: NIL	13.59	SEED, Registered Society, 1998
7	Overheads			21.90		20.88	
	TOTAL			431.00		438.97	

In case the Company has failed to spend the two per cent, of the average net profit of last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

During the Financial Year 2017–18, the Company has spent ₹ 438.97/- Lakhs of the required prescribed expenditure for CSR. During this year, the Company has collaborated with implementing agencies of repute and has committed to incur expenditure for CSR initiatives in the coming years through structured programs and projects. These projects and programmes are ongoing and have a longer socio economic development agenda aimed at both qualitative and qualitative long -term development for the beneficiaries. GAVL has met the required expenditure for Financial Year 2017–18 and stays committed to its social responsibilities towards society. GAVL intends to continuously create a holistic impact through its CSR initiatives undertaken. The Company makes concerted efforts to spend the prescribed CSR amount in the subsequent years.

6. Responsibility Statement of the CSR committee

Through this Report, the Company seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of our CSR Policy complies with the CSR objectives and policies as laid down in this Report. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

For and on behalf of the Board of Directors of

Godrej Agrovet Limited

Raghunath A. Mashelkar
Independent Director & Chairman of CSR Committee
(DIN: 00074119)

B. S. Yadav
Managing Director & Member of CSR Committee
(DIN: 00294803)

Date: May 14, 2018
Place: Mumbai

ANNEXURE 'G' TO THE DIRECTORS' REPORT

PARTICULARS IN RESPECT OF REMUNERATION OF GODREJ AGROVET LIMITED

As at the Financial Year ended on March 31, 2018

Disclosure as per provisions of Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 is as under:

Sr. No.	Name of Director / Key Managerial Personnel (KMP)	Designation of Director / KMP	Remuneration of Director / KMP for the Financial Year 2017-18 (in ₹)	% Increase in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Mr. N. B. Godrej	Chairman - Promoter, Non-Executive, Non-Independent Director	Nil	Nil	Nil
2	Mr. A. B. Godrej (*)	Promoter, Non-Executive, Non-Independent Director	Nil	Nil	Nil
3	Mr. J. N. Godrej	Non-Promoter, Non-Executive, Non-Independent Director	Nil	Nil	Nil
4	Mr. V. M. Crishna	Non-Promoter, Non-Executive, Non-Independent Director	Nil	Nil	Nil
5	Ms. Tanya A. Dubash	Non-Promoter, Non-Executive, Non-Independent Director	Nil	Nil	Nil
6	Ms. Nisaba Godrej	Non-Promoter, Non-Executive, Non-Independent Director	Nil	Nil	Nil
7	Mr. B. S. Yadav	Managing Director - Non-Promoter, Executive, Non-Independent Director	6,36,62,628	14.67%	158.36:1
8	Mr. K. N. Petigara (*)	Non-Promoter, Non-Executive, Independent Director	Nil	Nil	Nil
9	Mr. A. B. Choudhury (*)	Non-Promoter, Non-Executive, Independent Director	Nil	Nil	Nil

Sr. No.	Name of Director / Key Managerial Personnel (KMP)	Designation of Director / KMP	Remuneration of Director / KMP for the Financial Year 2017-18 (in ₹)	% Increase in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director to Median Remuneration of Employees
10	Dr. S. L. Anaokar (*)	Non-Promoter, Non-Executive, Independent Director	Nil	Nil	Nil
11	Dr. Raghnath A. Mashelkar (w.e.f. July 18, 2017) (*)	Non-Promoter, Non-Executive, Independent Director	Nil	Nil	Nil
12	Dr. Ritu Anand (w.e.f. July 18, 2017) (*)	Non-Promoter, Non-Executive, Independent Director	Nil	Nil	Nil
13	Ms. Aditi Kothari Desai (w.e.f. July 18, 2017) (*)	Non-Promoter, Non-Executive, Independent Director	Nil	Nil	Nil
14	Ms. Roopa Purushothaman (w.e.f. July 18, 2017) (*)	Non-Promoter, Non-Executive, Independent Director	Nil	Nil	Nil
15	Mr. Rohit Sipahimalani (Upto July 12, 2017)	Non-Promoter, Non-Executive, Non-Independent Director	Nil	Nil	Nil
16	Mr. S. Varadaraj	Chief Financial Officer	1,45,32,127	10.00%	Not Applicable
17	Mr. Vivek Raizada	Company Secretary	66,05,060	10.97%	Not Applicable
	(*) – Not paid any remuneration other than sitting fees during the Financial Year 2017-18.				
	(ii) The percentage increase in the median remuneration of employees in the Financial Year				12.70%
	(iii) The number of permanent employees on the rolls of Company				2,598 as on 31st March, 2018
	(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration				Average percentile increase in remuneration of employees during the Financial Year 2017-18 was 12.67% as compared to average percentile increase in remuneration of managerial personnel which was 13.36%.

For and on behalf of the Board of Directors of
Godrej Agrovet Limited

N. B. Godrej
Chairman
(DIN: 00066195)

Date: May 14, 2018
Place: Mumbai

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT OF GODREJ AGROVET LIMITED

For the Financial Year ended March 31, 2018

In accordance with the provisions of Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Directors of Godrej Agrovet Limited ("the Company") have pleasure in presenting the Company's Report on Corporate Governance for the Financial Year 2017-18.

1. Company's Philosophy on Code of Corporate Governance:

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance for listed companies, which is implemented through the Listing Regulations and the Listing Agreement/s executed with the Stock Exchange/s with which a Company's shares are listed. Corporate Governance is a set of systems and practices to ensure that the affairs of a Company are being managed in a manner which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet the aspirations and expectations of the stakeholders and the society as a whole. Corporate Governance necessitates professionals to raise their competency and capability levels and upgrade systems and processes to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

The Company is a part of the Godrej Group which has an established reputation of honesty, integrity and sound governance over the years. The Company is, therefore, committed to maintaining the highest standards of Corporate Governance in its conduct towards shareholders, employees, regulators, customers, suppliers, lenders and other stakeholders.The Company strongly believes that good Corporate Governance is a journey which leads to corporate growth and long term gain in shareholder value.This philosophy adopted by the Company since its inception has contributed to the Company's sustained growth.

2. Board of Directors – Composition, *Inter-se* Relationships amongst Directors and their Other Directorships & Committee Positions:

The Board of Directors is the apex body constituted by the Shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic directions, management policies and their effectiveness, and ensures that Shareholders' long-term interests are being served. The Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

The Board of Directors of the Company comprises of 14 (fourteen) Directors as on March 31, 2018 and as on the date of this Report, which is an optimum mix of Executive, Non-Executive and Independent Directors, diverse in terms of qualifications, competence, professional experience and expertise. Detailed profile of the Directors is available on the Company's website www.godrejagrovet.com.

The composition of the Board of Directors is summarized below:-

1 (One) - Chairman (Non-Executive, Non-Independent Director)

1 (One) - Managing Director (Executive, Non-Independent Director)

5 (Five) - Non-Executive, Non-Independent Directors

7 (Seven) - Non-Executive, Independent Directors

None of the Directors of the Company is:

(a) a Director in more than 10 (ten) public limited companies - As per Section 165 of the Companies Act, 2013;

(b) an Independent Director in more than 7 (seven) listed companies OR 3 (three) listed companies (in case he / she serves as a Whole Time Director in any listed Company) - As per Regulation 25 of the Listing Regulations;

(c) a Member of more than 10 (ten) Committees and Chairman / Chairperson of more than 5 (five) Committees across all the Indian public limited companies in which he / she is a Director - As per Regulation 26 of the Listing Regulations.

The following details of Directors are provided in the table hereunder:-

1. Names of Directors along with their Director Identification Number (DIN)
2. Categorization of Directors;
3. *Inter-se* relationships between the Directors [in terms of the provisions of the Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014];

4. Other directorships and Committee positions of Directors as on March 31, 2018.

Sr. No.	Name of the Director	Category of Director	*Inter-se* Relationship amongst Directors	No. of Other Directorships (#)	No. of Board Committees of Other Companies in which acts as a Member or Chairperson ($)	
					As a Member	As a Chairperson
1	Mr. N. B. Godrej (Chairman) (DIN: 00066195)	Promoter, Non-Executive, Non-Independent	Brother of Mr. A. B. Godrej	9	5	2
2	Mr. A. B. Godrej (DIN: 00065964)	Promoter, Non-Executive, Non-Independent	1. Brother of Mr. N. B. Godrej 2. Father of Ms. Tanya A. Dubash 3. Father of Ms. Nisaba Godrej	3	2	1
3	Mr. J. N. Godrej (DIN: 00076250)	Non-Promoter, Non-Executive, Non-Independent	-	5	1	0
4	Mr. V. M. Crishna (DIN: 00066267)	Non-Promoter, Non-Executive, Non-Independent	-	3	1	0
5	Ms. Tanya A. Dubash (DIN: 00026028)	Non-Promoter, Non-Executive, Non-Independent	1. Daughter of Mr. A. B. Godrej 2. Sister of Ms. Nisaba Godrej	6	2	1
6	Ms. Nisaba Godrej (DIN: 00591503)	Non-Promoter, Non-Executive, Non-Independent	1. Daughter of Mr. A. B. Godrej 2. Sister of Ms. Tanya A. Dubash	3	0	0
7	Mr. B. S. Yadav (Managing Director) (DIN: 00294803)	Non-Promoter, Executive, Non-Independent	-	6	3	1
8	Mr. K. N. Petigara (DIN: 00066162)	Non-Promoter, Non-Executive, Independent	-	3	3	0
9	Mr. A. B. Choudhury (DIN: 00557547)	Non-Promoter, Non-Executive, Independent	-	3	4	2
10	Dr. S. L. Anaokar (DIN: 00236819)	Non-Promoter, Non-Executive, Independent	-	0	0	0
11	Dr. Raghunath A. Mashelkar (w.e.f. July 18, 2017) (DIN: 00074119)	Non-Promoter, Non-Executive, Independent	-	3	2	0
12	Dr. Ritu Anand (w.e.f. July 18, 2017) (DIN: 00363699)	Non-Promoter, Non-Executive, Independent	-	1	0	0
13	Ms. Aditi Kothari Desai (w.e.f. July 18, 2017) (DIN: 00426799)	Non-Promoter, Non-Executive, Independent	-	0	0	0
14	Ms. Roopa Purushothaman (w.e.f. July 18, 2017) (DIN: 02846868)	Non-Promoter, Non-Executive, Independent	-	0	0	0
15	Mr. Rohit Sipahimalani (Upto July 12, 2017) (DIN: 00904065)	Non-Promoter, Non-Executive, Non-Independent, Nominated by equity investor	-	Disclosure not applicable since resigned w.e.f. July 13, 2017		

(#) - Alternate directorships and directorships in private companies, companies governed by Section 8 of the Companies Act, 2013 and foreign companies have been excluded.

($) - In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Godrej Agrovet Limited) have been considered.

3. Committees of the Board of Directors– Composition and Terms of Reference:

A. Composition of the Committees:

The composition of various Committees constituted by the Board of Directors during the Financial Year 2017-18 is summarized below:-

Name of the Director	Independent / Non-Independent	Position in the Committee (whether Chairperson / Member)						
		Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility (CSR) Committee	Risk Management Committee	Managing Committee	Initial Public Offer (IPO) Committee
Mr. N. B. Godrej	Non-Independent	N/A	N/A	Chairman (w.e.f. July 18, 2017)	Chairman (upto July 17, 2017) Member (w.e.f. July 18, 2017)	Chairman (w.e.f. July 18, 2017)	Chairman	Chairman (w.e.f. July 18, 2017)
Mr. A. B. Godrej	Non-Independent	N/A	N/A	N/A	N/A	N/A	Member	Member (w.e.f. July 18, 2017)
Mr. J. N. Godrej	Non-Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. V. M. Crishna	Non-Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Tanya A. Dubash	Non-Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Nisaba Godrej	Non-Independent	N/A	Member (w.e.f. July 18, 2017)	N/A	N/A	N/A	Member	N/A
Mr. B. S. Yadav	Non-Independent	Member	N/A	Member (w.e.f. July 18, 2017)	Member	Member (w.e.f. July 18, 2017)	Member	Member (w.e.f. July 18, 2017)
Mr. K. N. Petigara	Independent	Chairman	Chairman (upto July 17, 2017)	N/A	N/A	N/A	N/A	N/A
Mr. A. B. Choudhury	Independent	Member (upto July 17, 2017)	Member (upto July 17, 2017)	Member (w.e.f. July 18, 2017)	N/A	Member (w.e.f. July 18, 2017)	N/A	N/A
Dr. S. L. Anaokar	Independent	Member (upto July 17, 2017)	Member (upto July 17, 2017)	N/A	Member (upto July 17, 2017)	N/A	Member	N/A
Dr. Raghunath A. Mashelkar (*)	Independent	N/A	N/A	N/A	Chairman (w.e.f. July 18, 2017)	N/A	N/A	N/A
Dr. Ritu Anand (*)	Independent	Member (w.e.f. July 18, 2017)	Chairperson (w.e.f. July 18, 2017)	N/A	N/A	N/A	N/A	N/A
Ms. Aditi Kothari Desai (*)	Independent	Member (w.e.f. July 18, 2017)	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Roopa Purushothaman (*)	Independent	N/A	Member (w.e.f. July 18, 2017)	N/A	Member (w.e.f. July 18, 2017)	N/A	N/A	N/A
Mr. Rohit Sipahimalani (@)	Non-Independent	Member (upto July 12, 2017)	N/A	N/A	N/A	N/A	N/A	N/A

(*) Appointed as an Independent Director w.e.f. July 18, 2017

(@) Resigned w.e.f. July 13, 2017

Note: "N/A" denotes "Not Applicable" as not being a Chairperson / Member of the Committee.

Mr. Vivek Raizada, Company Secretary & Compliance Officer acts as the Secretary to the Committees.

B. Terms of Reference of the Committees:

(i) Audit Committee:

The role of the Audit Committee emerges directly from the function of the Board of Directors to review corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The primary role of the Audit Committee is to review the Company's financial statements, internal financial controls, reporting and audit process and their adequacy, reliability and effectiveness, vigil mechanism, related party transactions and monitoring process for compliance with the applicable laws. The Audit Committee also reviews the reports, observations and presentations of the auditors and the management responses thereon.

The terms of reference of the Audit Committee are as follows:-

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) To recommend the appointment, remuneration and terms of appointment of Auditors of the Company as may be applicable;

c) To approve payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

d) To review and monitor the Auditors' independence and performance, and effectiveness of audit process;

e) To examine / review the financial statement and the Auditors' Report thereon with the Management, before submission to the board of directors for approval, with particular reference to:

   i. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act;

   ii. changes, if any, in accounting policies and practices and reasons for the same;

   iii. major accounting entries involving estimates based on the exercise of judgment by management;

   iv. significant adjustments made in the financial statements arising out of audit findings;

   v. compliance with listing and other legal requirements relating to financial statements;

   vi. disclosure of any related party transactions; and

   vii. modified opinion(s) in the draft audit report.

f) Reviewing, with the Management, the quarterly financial statements before submission to the Board of Directors for approval;

g) To grant approval for or any subsequent modification of transactions of the Company with related parties;

h) To scrutinize of inter-corporate loans and investments;

i) To consider valuation of undertakings or assets of the Company, wherever it is necessary;

j) To evaluate internal financial controls and risk management systems;

k) Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;

l) To monitor the end use of funds raised through public offers and related matters;

m) Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;

n) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o) Discussion with Internal Auditors of any significant findings and follow up there on;

p) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;

q) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

s) To review the functioning of the whistle blower mechanism;

t) To approve of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

u) To investigate into any above matter or referred to it by the Board of Directors and for this purpose, it to have full access to information contained in the records of the Company and external professional advice, if necessary;

v) To mandatorily review the following information:

i. Management Discussion and Analysis of financial condition and results of operations;

ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

iii. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

iv. Internal Audit Reports relating to internal control weaknesses;

v. Review of the appointment, removal and terms of remuneration of the Chief Internal Auditor;

vi. Statements of deviations:

1. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

2. annual statement of funds utilized for purposes other than those stated in the document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

w) To perform such other functions and duties as may be required to be performed by the Audit Committee under the applicable provisions of the Companies Act and/or the Rules made thereunder and/or the Listing Regulations, including any amendment(s) thereto as may be made from time to time.

(ii) Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee are as follows:-

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

b) To identify persons who are qualified to become directors and persons who may be appointed in Senior Management Position including Key Managerial Personnel in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

c) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.

d) To recommend to the Board of Directors, qualifications, appointment, remuneration and removal of directors, key managerial personnel and persons in senior management positions in accordance with the Nomination and Remuneration policy.

e) To devise a policy on diversity of Board of Directors.

f) To carry out performance evaluation of every Director in accordance with the Nomination and Remuneration policy.

g) To consider grant of stock options to eligible Directors, to formulate detailed terms and conditions of Employee Stock Option Scheme (ESOS) and to administer and exercise superintendence over ESOS.

h) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

(iii) Stakeholders' Relationship Committee:

Mr. N. B. Godrej (Chairman) heads the Stakeholders' Relationship Committee as the Chairman of the said Committee.

Mr. Vivek Raizada is the Head – Legal & Company Secretary & Compliance Officer of the Company who acts as the Secretary to the Committee.

The terms of reference of the Stakeholders' Relationship Committee are as follows:-

a) Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal; and

d) Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, the Listing Regulations or by any other regulatory authority.

(iv) Corporate Social Responsibility (CSR) Committee:

The terms of reference of the CSR Committee are as follows:-

a) To formulate and recommend to the Board of Directors, the Corporate Social Responsibility Policy, indicating the corporate social responsibility activities to be undertaken;

b) To recommend the amount of expenditure to be incurred on the corporate social responsibility activities;

c) To monitor the Corporate Social Responsibility Policy and its implementation by the Company from time to time; and

d) To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the Rules.

(v) Risk Management Committee:

The terms of reference of the Risk Management Committee are as follows:-

a) To lay down procedures to inform Board members about the risk assessment and minimization procedures;

b) To frame, implement and monitor the risk management plan for the Company;

c) To monitor and review the risk management plan.

(vi) Managing Committee:

The terms of reference of the Managing Committee include handling of various administrative and other matters of the Company, which have been delegated to the Managing Committee by the Board of Directors from time to time.

(vii) Initial Public Offer (IPO) Committee:

The terms of reference of the Initial Public Offer (IPO) Committee include handling of various matters pertaining to the IPO of Equity Shares of the Company, which had been delegated to the Managing Committee by the Board of Directors.

4. Attendance of the Directors at the Meetings of the Board, Committees thereof and the last Annual General Meeting (AGM):

The Board of Directors meets at regular intervals to discuss and decide on business strategies / polices and reviews the financial and operational performance of the Company and its Subsidiaries. The Committees of the Board also meet at such intervals as may be mandated by law or the terms of reference of such Committees, to transact the matters of business as may be delegated to such Committees by the Board. In case of business exigencies, the approval of the Board or Committee/s thereof is taken through resolutions passed by the Directors or Committee Members by way of circulation. The resolutions by circulation are noted at the subsequent Board or Committee Meetings.

The notice of each Board or Committee Meeting is given in writing to each Director or Committee Member in advance. The Agenda along with the relevant notes and other material information are also sent in advance separately to each Director or Committee Member. This ensures timely and informed decisions by the Board and the Committees thereof.

The details of number of Board Meetings, Committee Meetings and last Annual General Meeting (AGM) held and attended by each of the Directors (out of the total number of meetings entitled to attend as a Director or member of the Committee) during the Financial Year 2017-18 are given below:-

	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility (CSR) Committee	Risk Management Committee	Managing Committee	Initial Public Offer (IPO) Committee	(26th) AGM held on August 4, 2017
NO. OF MEETINGS	8	6	2	-	2	-	8	5	
DATES OF MEETINGS	12/05/2017 18/07/2017 18/07/2017 04/08/2017 11/09/2017 22/09/2017 03/11/2017 07/02/2018	12/05/2017 18/07/2017 04/08/2017 11/09/2017 03/11/2017 07/02/2018	12/05/2017 18/07/2017	-	12/05/2017 07/02/2018	-	20/04/2017 30/05/2017 18/07/2017 28/08/2017 03/11/2017 15/11/2017 08/02/2018 19/03/2018	14/09/2017 25/09/2017 03/10/2017 07/10/2017 12/10/2017	

	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility (CSR) Committee	Risk Management Committee	Managing Committee	Initial Public Offer (IPO) Committee	(26th) AGM held on August 4, 2017
ATTENDANCE OF DIRECTORS (No. of Meetings attended):									
Mr. N. B. Godrej	5 out of 8	N/A	N/A	0 out of 0	2 out of 2	0 out of 0	7 out of 8	2 out of 5	Present
Mr. A. B. Godrej	8 out of 8	N/A	N/A	N/A	N/A	N/A	8 out of 8	5 out of 5	Present
Mr. J. N. Godrej	2 out of 8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Absent
Mr. V. M. Crishna	3 out of 8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Present
Ms. Tanya A. Dubash	7 out of 8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Present
Ms. Nisaba Godrej	6 out of 8	N/A	0 out of 0	N/A	N/A	N/A	1 out of 8	N/A	Present
Mr. B. S. Yadav	8 out of 8	6 out of 6	N/A	0 out of 0	2 out of 2	0 out of 0	8 out of 8	5 out of 5	Present
Mr. K. N. Petigara	8 out of 8	6 out of 6	2 out of 2	N/A	N/A	N/A	N/A	N/A	Present
Mr. A. B. Choudhury	8 out of 8	2 out of 2	2 out of 2	0 out of 0	N/A	0 out of 0	N/A	N/A	Present
Dr. S. L. Anaokar	5 out of 8	2 out of 2	2 out of 2	N/A	1 out of 1	N/A	3 out of 8	N/A	Present
Dr. Raghunath A. Mashelkar (*)	6 out of 6	N/A	N/A	N/A	1 out of 1	N/A	N/A	N/A	Absent
Dr. Ritu Anand (*)	6 out of 6	4 out of 4	0 out of 0	N/A	N/A	N/A	N/A	N/A	Present
Ms. Aditi Kothari Desai (*)	5 out of 6	4 out of 4	N/A	N/A	N/A	N/A	N/A	N/A	Present
Ms. Roopa Purushothaman (*)	4 out of 6	N/A	0 out of 0	N/A	1 out of 1	N/A	N/A	N/A	Present
Mr. Rohit Sipahimalani ($)	1 out of 1	1 out of 1	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(*) – Appointed as Independent Director w.e.f. July 18, 2017

($) – Resigned from directorship w.e.f. July 13, 2017

Note: Leave of absence was granted to the Directors in case of inability to attend the Meetings.

5. Independent Directors:

One-half of the composition of the Board of Directors consists of Independent Directors.

(i) Familiarisation Programmes for Independent Directors:

At the time of appointing a Director, a formal Letter of Appointment is given to him / her, which *inter alia* explains the role, function, duties and responsibilities of a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Companies Act, 2013 and the Listing Regulations and other relevant Regulations and his / her affirmation is taken with respect to the same.

The Directors are provided with the requisite documents and reports to enable them to familiarize with the Company's performance and practices. Periodic presentations are made at the meetings of the Board and Committees thereof, on the business and performance of the Company. Quarterly updates on relevant statutory changes covering important applicable laws are discussed at the meetings of the Board.

The details of familiarization programme conducted for Independent Directors have been disclosed on the Company's website www.godrejagrovet.com .

(ii) Performance Evaluation Criteria for Independent Directors:

Performance evaluation of Directors is carried out through a structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

In particular, an Independent Director shall be a person who shall:

i. uphold ethical standards of integrity and probity;

ii. act objectively and constructively while exercising his duties;

iii. exercise his responsibilities in a bona fide manner in the interest of the Company;

iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;

v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;

vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

vii. refrain from any action that would lead to loss of his independence;

viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;

ix. assist the Company in implementing the best corporate governance practices.

6. Remuneration of the Managing Director & Shareholding:

The remuneration of Mr. B. S. Yadav, Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company. The remuneration and the terms of appointment of the Managing Director are governed by an agreement executed by the Company with him.

During the Financial Year 2017-18, Mr. B. S. Yadav has been re-appointed as the "Managing Director" of the Company for a further term of 5 (five) years w.e.f. September 1, 2017, i.e., upto August 31, 2022.

The details of remuneration paid to Mr. B. S. Yadav, Managing Director during the Financial Year 2017-18 are as follows:-

Amount in ₹

Gross Salary	**6,36,62,628**
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4,39,99,158
(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	1,96,63,470
(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
Stock Option	-
Sweat Equity	-
Commission	-
As a % of profit	-
Others (specify)	-
Total	**6,36,62,628**

The details of remuneration and terms of appointment of Mr. B. S. Yadav as the Managing Director are as follows:-

Remuneration:

A. Fixed Compensation

Fixed Compensation shall include Basic Salary, Company's Contribution to Provident Fund and Gratuity.

The Basic Salary shall be in the range of ₹ 908,333/- to ₹ 2,000,000/- per month, payable monthly. The annual increments will be decided by the Board of Directors and will be merit-based and will take into account other relevant factors.

The Company's contribution to Gratuity shall be according to the rules of the Company, in force from time-to-time.

B. Performance Linked Variable Remuneration (PLVR)

PLVR shall be according to the applicable rules of the Company for each of the Financial Years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 or as may be decided by the Board of Directors.

C. Flexible Compensation

In addition to the fixed compensation and PLVR, Mr. B. S. Yadav will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the rules of the Company and subject to the relevant provisions of the Companies Act, 2013 and Rules framed thereunder (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to Mr. B. S. Yadav in such form and manner as the Board of Directors may decide.

- Housing as per rules of the Company (i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company's rules OR House Rent Allowance as per the Company's rules);

- Furnishing at residence as per the rules of the Company;
- Education Allowance;
- Supplementary Allowance;
- Leave Travel Assistance for self and family in accordance with the rules of the Company;
- Payment / reimbursement of medical expenses / hospitalization / Medical Allowance for self and family in accordance with the rules of the Company.
- Group insurance cover, group mediclaim cover;
- Payment / reimbursement of Club Fees (including Club Membership Fees);
- Payment / reimbursement of Food Vouchers,
- Company car with driver for official use, petrol reimbursement, car washing reimbursement, reimbursement of driver's salary;
- Provision of telephone(s) at residence and payment / reimbursement of telephone expenses;
- Housing Loan and Contingency Loan as per the rules of the Company, subject to Central Government and/or other requisite approval(s), if any;
- Consolidated privilege leave, on full pay and allowance, not exceeding 25 (twenty-five) days in a financial year; Encashment/ accumulation of leave will be permissible in accordance with the rules specified by the Company; Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy / rules of the Company in force and that may be introduced in future by the Company and/or as may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board, from time to time.

Explanation:

a) For the Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse and dependent children of the Managing Director.

b) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable, the same shall be valued as per Income Tax Rules.

Overall Remuneration:

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board of Directors, in its absolute discretion, may pay to the Managing Director from time-to-time, shall not exceed the limits prescribed from time-to-time under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may, for the time being, be in force unless specific approvals are taken as may be applicable under relevant laws.

Minimum Remuneration:

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule V to the Companies Act, 2013.

Other terms and conditions:

a) The Managing Director is not liable to retire by rotation. The appointment is terminable by giving 3 (three) months' notice in writing on either side.

b) The Managing Director shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever, or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment concerning / in connection with the business or affairs or other matters whatsoever of the Company and it shall be the Managing Director's endeavor, during the continuance of his employment, to prevent any other person from disclosing the aforesaid information.

c) If the Managing Director be guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as a Director or any breach of this Agreement, as in the opinion of all other Directors renders his retirement from the office desirable, the opinion of such other Directors shall be final, conclusive and binding on the Managing Director and the Company may, by giving 30 (thirty) days' notice in writing to the Managing Director, determine this Agreement and he shall cease to be the Managing Director of the Company, upon expiration of such notice.

d) In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendment(s) thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 2013 or the Income Tax Act,

1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendment(s) thereto or the Rules and notifications issued thereunder.

e) The terms and conditions of the Agreement are subject to such alterations / variations as may be mutually agreed upon in writing between the Company and the Managing Director from time to time.

Mr. B. S. Yadav, Managing Director holds 42,67,732 Equity Shares of Face Value of ₹ 10/- each in the Company.

7. Remuneration of the Non-Executive Directors & their Shareholding in the Company:

Certain Non-Executive Directors are entitled to receive sitting fees for attending the Meetings of the Board and of Committees thereof in which they are Members.

The details of sitting fees paid to Non-Executive Directors during the Financial Year 2017-18 and the number of Equity Shares of the Company held by them as on March 31, 2018 are as follows:-

Sr. No.	Name of the Non-Executive Director	Sitting Fees (in ₹)			No. of Equity Shares held in the Company (Face Value of ₹10/- each)
		For Board Meetings	For Committee Meetings	Total	
1.	Mr. N. B. Godrej	Nil	Nil	Nil	16,49,502
2.	Mr. A. B. Godrej	8,00,000	Nil	8,00,000	5,096
3.	Mr. J. N. Godrej	Nil	Nil	Nil	3
4.	Mr. V. M. Crishna	Nil	Nil	Nil	Nil
5.	Ms. Tanya A. Dubash	Nil	Nil	Nil	5,49,834
6.	Ms. Nisaba Godrej	Nil	Nil	Nil	5,49,834
7.	Mr. K. N. Petigara	8,00,000	3,40,000	11,40,000	Nil
8.	Mr. A. B. Choudhury	8,00,000	1,40,000	9,40,000	Nil
9.	Dr. S. L. Anaokar	5,00,000	1,60,000	6,60,000	480
10.	Dr. Raghunath A. Mashelkar	6,00,000	50,000	6,50,000	Nil
11.	Dr. Ritu Anand	6,00,000	2,00,000	8,00,000	Nil
12.	Ms. Aditi Kothari Desai	5,00,000	2,00,000	7,00,000	Nil
13.	Ms. Roopa Purushothaman	4,00,000	50,000	4,50,000	992
	TOTAL	**50,00,000**	**11,20,000**	**61,20,000**	**27,55,738**

The Shareholders of the Company have also approved payment of commission to Non-Executive Directors not exceeding in aggregate 1% (one percent) of the net profits of the Company for each Financial Year (as computed in the manner laid down in Section 198 of the Companies Act, 2013).

No stock options have been granted to Non-Executive Directors.

8. Stakeholders' Grievances:

The Stakeholders' Relationship Committee (constituted on July 18, 2017) and Karvy Computershare Private Limited, the Registrar and Transfer Agent (RTA) attend to all grievances of investors received directly or through the Securities Exchange Board of India (SEBI), Stock Exchanges, etc.

The details of investor complaints during the Financial Year 2017-18 (since October 16, 2017) are as follows:-

Complaints outstanding as on April 1, 2017	Nil
Complaints received during the period from October 16, 2017 upto March 31, 2018	399
Complaints resolved during the period from October 16, 2017 upto March 31, 2018	399
Complaints outstanding as on March 31, 2018	Nil

There are no pending share transfers as on March 31, 2018.

9. General Body Meetings:

(i) Details of last three Annual General Meetings:

The date, time and venue of Annual General Meetings (AGMs) held during the preceding 3 (three) Financial Years are as follows:

AGM for the Financial Year	Date	Time	Venue
2014-15 (24th AGM)	July 24, 2015	1.00 p.m.	Conference Room, 3rd Floor, "Godrej One", Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India
2015-16 (25th AGM)	August 2, 2016	4.00 p.m.	
2016-17 (26th AGM)	August 4, 2017	4.00 p.m.	

(ii) Details of Special Resolutions passed during the previous three Financial Years (i.e., 2015-16, 2016-17 and 2017-18):

(a) Special Resolutions passed in Annual General Meetings (AGMs):

Date of AGM	Number of Special Resolutions passed	Details of Special Resolution passed
July 24, 2015	3	1. Approval for borrowing under Section 180(1)(c) of the Companies Act, 2013 upto a limit of ₹ 750 Crore (Rupees Seven Hundred Fifty Crore Only)
		2. Approval for issuance of Non-Convertible Debentures (NCDs) / Bonds upto a limit of ₹ 300 Crore (Rupees Three Hundred Crore Only)
		3. Approval for making of investments and loans and providing guarantee or security under Section 186 of the Companies Act, 2013 upto a limit of ₹ 750 Crore (Rupees Seven Hundred Fifty Crore Only)
August 2, 2016	-	-
August 4, 2017	-	-

(b) Special Resolutions passed in Extra-ordinary General Meetings (EGMs):

Date of EGM	Number of Special Resolutions passed	Details of Special Resolution passed
March 3, 2017	4	1. Approval for increase in Authorized Share Capital from ₹100 Crore to ₹ 225 Crore
		2. Alteration of Clause V (Capital Clause) of the Memorandum of Association consequent to increase in Authorized Share Capital from ₹100 Crore to ₹225 Crore
		3. Alteration of Article 3 of the Articles of Association consequent to increase in Authorized Share Capital from ₹ 100 Crore to ₹ 225 Crore
		4. Approval for Bonus Issue of Equity Shares in the ratio of 1 (one) fully paid-up Equity Share to be issued for every 1 (one) fully paid-up Equity Share held
May 12, 2017	3	1. Approval for waiver of recovery of excess remuneration paid to Mr. B. S. Yadav, Managing Director during the Financial Year 2016-17
		2. Approval for re-appointment of Mr. B. S. Yadav as the "Managing Director" for a further term of 5 (five) years w.e.f. September 1, 2017 upto August 31, 2022
		3. Approval for making of Initial Public Offer (IPO) of Equity Shares of the Company
July 18, 2017 (11.30 a.m.)	1	1. Adoption of new set of Articles of Association in order to align the same with the Companies Act, 2013 and the requirements of stock exchanges and other applicable laws for the purpose of Initial Public Offer (IPO)
July 18, 2017 (3.30 p.m.)	3	1. Approval for offer and issue upto 4,05,500 Equity Shares of Face Value of ₹ 10/- each to certain employees under the Employees Share Purchase Scheme (ESPS)

Date of EGM	Number of Special Resolutions passed		Details of Special Resolution passed
		2.	Approval for offer and issue of Equity Shares to employees of Subsidiary Company(ies) and Holding Company under the Employees Share Purchase Scheme (ESPS)
		3.	Approval for Pre-IPO Private Placement of Equity Shares
September 8, 2017	1	1.	Approval for pre-IPO private placement / preferential issue of upto 2,50,000 Equity Shares of Face Value of ₹ 10/- each at a premium of ₹430/- per Equity Share, to identified employees of Group Companies and Joint Venture (JV) companies

(c) Special Resolutions passed by Postal Ballot:

There are no resolutions passed by Postal Ballot during the preceding 3 (three) Financial Years.

(iii) Details of Special Resolutions proposed to be conducted through Postal Ballot & Procedure thereof:

The Board of Directors of the Company, at its Meeting held on May 14, 2018, has granted approval for passing of the following resolutions by way of Postal Ballot:-

Item No.	Description	Type of Resolution (Ordinary / Special)
1	Approval of the "Godrej Agrovet Limited- Employees Stock Grant Scheme, 2018" ("ESGS 2018") and allotment of Equity Shares thereunder to the eligible Employees of the Company.	Special
2	Extension of the benefits of "Godrej Agrovet Limited- Employees Stock Grant Scheme, 2018" ("ESGS 2018") to the eligible Employees of the Subsidiary Companies.	Special
3	Increase in the investment limit of the Company upto ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only) under Section 186 of the Companies Act, 2013.	Special
4	Increase in the borrowing powers of the Company upto a limit of ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only) under Section 180 (1) (c) of the Companies Act, 2013.	Special
5	Approval of creation of Charge / Mortgage / Hypothecation under Section 180 (1) (a) of the Companies Act, 2013 against the assets / properties of the Company.	Special

Procedure adopted for Postal Ballot:

Although the Company has not passed any resolution through Postal Ballot during the Financial Year 2017-18, the following will be the procedure to be adopted by the Company whenever such resolutions are passed:-

(i) The Board of Directors approves the items to be passed through Postal Ballot and authorizes one of the Directors and the Company Secretary to be responsible for the entire process of Postal Ballot.

(ii) A professional such as a Chartered Accountant / Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.

(iii) Notice of Postal Ballot, along with the ballot papers, are sent to the Shareholders along with a self-addressed envelope addressed to the Scrutinizer. E-voting facility is also offered to eligible Shareholders to enable them to cast their votes electronically.

(iv) An advertisement is published in a national newspaper and a vernacular newspaper about the dispatch of ballot papers and notice of Postal Ballot.

(v) The duly completed Postal Ballot papers are received by the Scrutinizer.

(vi) The Scrutinizer gives his report to the Chairman / authorized Director.

(vii) The Chairman / authorized Director announces the results of the Postal Ballot on receipt of the Scrutinizer's Report.

(viii) The results are intimated to the Stock Exchange(s) and are put up on your Company's website, www.godrejagrovet.com .

10. Means of Communication:

All vital information relating to the Company and its performance, including Quarterly and Annual Financial Results, official press releases, disclosures of material events are posted on the website of the Company, viz., www.godrejagrovet.com. The Quarterly Financial Results of the Company's performance are published in leading English daily newspapers 'Financial Express' and 'Business Standard' and regional language (Marathi) daily newspapers 'Loksatta' and 'Mumbai Lakshadeep'. The Financial Results of the Company are also available on the websites of BSE Limited and National Stock Exchange of India Limited, viz., www.bseindia.com and www.nseindia.com, respectively.

The Company files electronically the Quarterly and Annual Financial Results, Corporate Governance Report, Shareholding Pattern, etc. through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

The presentations made to analysts and institutional investors are being shared with the stock exchanges and also being uploaded on the Company's website viz., www.godrejagrovet.com.

11. General Shareholder Information:

(a) Registered Office:

"Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India.

(b) 27th (Twenty Seventh) Annual General Meeting:

Date	Day	Time	Venue
August 9, 2018	Thursday	4.00 p.m.	"Godrej One", Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India

(c) Financial Calendar:

Financial Year: From 1st April to 31st March

During the Financial Year ended March 31, 2018, post listing of the Equity Shares of the Company, Financial Results were announced as under:

Date	Quarter / Annual
February 7, 2018	Third Quarter
May 14, 2018	Annual

(d) Book Closure Dates and Dividend Payment Date:

The Book Closure dates are from Wednesday, July 25, 2018 to Saturday, July 28, 2018 (both days inclusive).

The date of dispatch of Dividend will be Friday, August 17, 2018.

(e) Listing Details & Listing Fees:

The Company is listed on the following Stock Exchanges [ISIN: INE850D01014], to which it has duly paid the Annual listing fee:-

Name of Stock Exchange	Scrip Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra	GODREJAGRO
BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai – 400 001, Maharashtra	540743

Annual Custody / Issuer fee for the Financial Year 2017-18 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), where the Equity Shares of the Company are available for dematerialization.

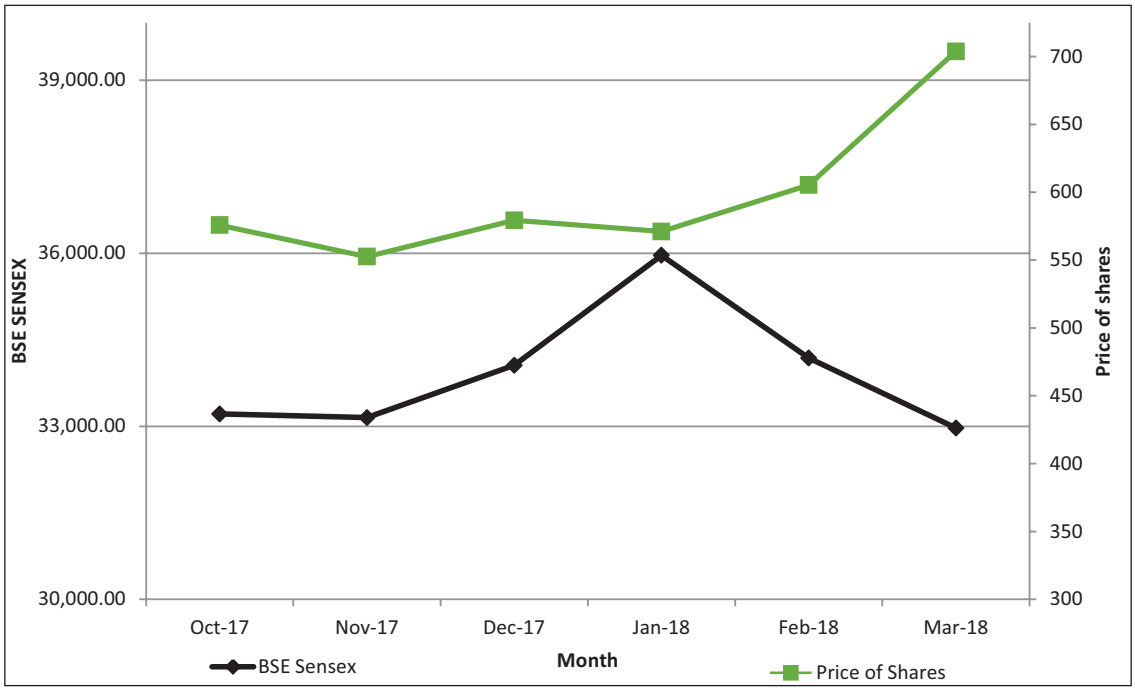
(f) Stock Data:

Monthly high and low prices and volumes of Equity Shares of the Company at NSE and BSE for the Financial Year ended March 31, 2018 (i.e., since October 2017, being the month during which the listing of Equity Shares took place):

Stock Exchange	BSE			NSE		
Month	HIGH (₹)	LOW (₹)	VOLUME (No. of Shares)	HIGH (₹)	LOW (₹)	VOLUME (No. of Shares)
October 2017	629.85	543.20	52,51,208	630.00	542.90	3,22,20,262
November 2017	582.75	524.00	16,29,946	582.80	522.15	49,93,342
December 2017	588.95	538.40	8,13,974	589.00	538.70	37,94,271
January 2018	635.00	565.15	11,65,958	636.00	562.10	45,29,646
February 2018	610.00	560.00	17,173	610.00	561.00	49,89,203
March 2018	707.35	591.10	46,039	707.05	606.00	95,53,753

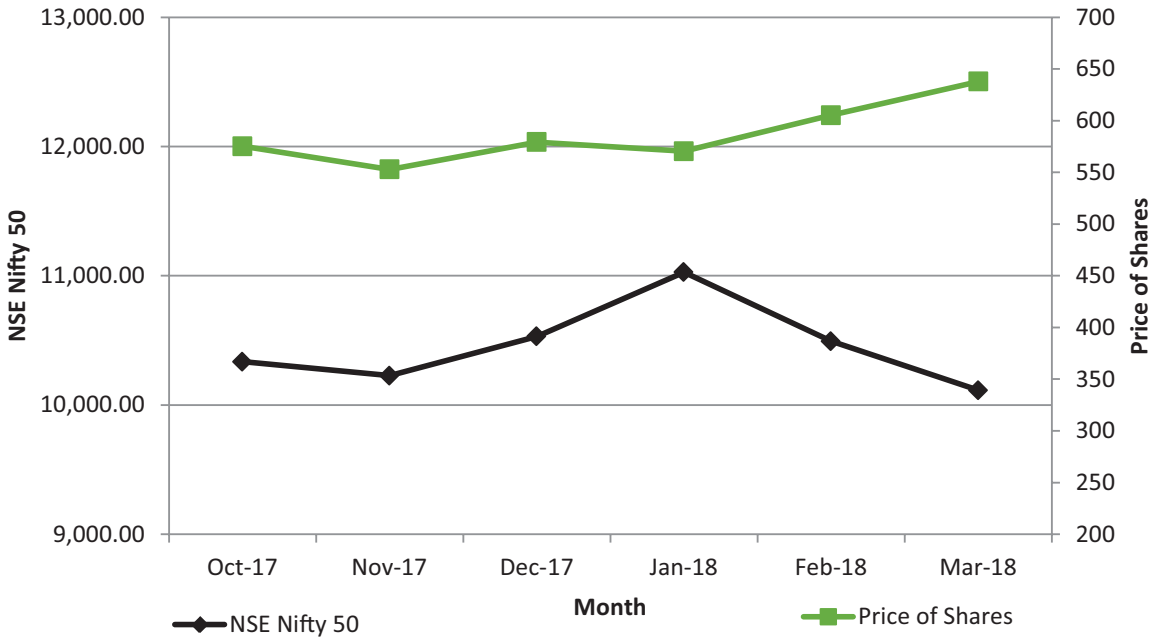
Company's Share Performance compared to BSE Sensex for the Financial Year 2017-18 (since October 2017):

Month	GAVL Monthly Close Price On BSE (in ₹)	BSE Monthly Sensex Close
October 2017	575.70	33,213.13
November 2017	552.50	33,149.35
December 2017	579.30	34,056.83
January 2018	571.00	35,965.02
February 2018	605.30	34,184.04
March 2018	703.80	32,968.68



Company's Share Performance compared to NSE Nifty 50 for the Financial Year 2017-18 (since October 2017):

Month	GAVL Monthly Close Price On NSE (in ₹)	NSE Monthly NIFTY Close
October 2017	575.20	10,335.30
November 2017	552.80	10,226.55
December 2017	579.25	10,530.70
January 2018	570.40	11,027.70
February 2018	605.20	10,492.85
March 2018	637.80	10,113.70



Distribution of Shareholding by Size as on March 31, 2018:

Number of Shares	Number of Shareholders	Shareholders %	Shareholding %
0001 - 5000	1,08,849	97.97	2.56
5001 - 10000	1,101	0.99	0.46
10001 - 20000	493	0.44	0.38
20001 - 30000	167	0.15	0.22
30001 - 40000	76	0.07	0.14
40001 - 50000	95	0.09	0.24
50001 - 100000	107	0.10	0.42
100001 & Above	214	0.19	95.58
Total	**1,11,102**	**100.00**	**100.00**

Distribution of Shareholding by Ownership as on March 31, 2018:

Category (as being reported to Stock Exchanges)	No. of Equity Shares	% of Shareholding
Alternative Investment Fund	11,57,332	0.60
Banks	838	0.00
Bodies Corporates	34,70,377	1.81
Clearing Members	1,25,591	0.07
Directors	42,69,204	2.22
Employees	35,14,123	1.83
Foreign Corporate Bodies	2,47,07,698	12.88
Foreign Portfolio Investors	61,68,306	3.21
Hindu Undivided Families (HUFs)	2,94,963	0.15
Indian Financial Institutions	19,768	0.01
Mutual Funds	75,00,602	3.91
Non-Banking Finance Companies (NBFCs)	3,907	0.00
Non Resident Indian Non Repatriable	60,960	0.03

Category (as being reported to Stock Exchanges)	No. of Equity Shares	% of Shareholding
Non Resident Indians	2,19,838	0.11
Promoter Director	16,54,598	0.86
Promoter Group	1,90,81,278	9.94
Promoters Bodies Corporate	11,13,57,225	57.99
Resident Individuals	84,15,427	4.38
Trusts	6,704	0.00
TOTAL	**19,20,28,739**	**100.00**

(g) Shares held in physical and dematerialized form:

As on March 31, 2018, the break-up of share capital of the capital of the Company held in dematerialized form is as under:

Mode	No. of Equity Shares	Percentage
Demat Shares with NSDL	18,23,92,511	94.9818%
Demat Shares with CDSL	96,35,640	5.0178%
Physical Shares	588	0.0003%
Total	**19,20,28,739**	**100**

(h) Liquidity:

Higher trading activity is witnessed on NSE. Relevant data for the daily turnover on Stock Exchange(s) for the period from October 16, 2017 upto March 31, 2018 is given below:

	BSE	NSE	Total
Equity Shares (nos.)	106,02,168	3,11,32,380	4,17,34,548
Value (in ₹ crore)	506.12	1,488.79	1,994.91

[Source: This information is compiled from the data available from the websites of BSE and NSE.]

(i) Reconciliation of Share Capital Audit Report:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and report thereon is submitted to the Stock Exchange(s) where the Company's shares are listed. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form held with NSDL and CDSL, as stated in the Reconciliation of Share Capital and Audit Report submitted to the Stock Exchange(s), pursuant to Section 55A of the Depositories Act, 1996.

(j) Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants / Any Convertible instruments and their likely impact on equity:

The Company does not have any outstanding GDRs / ADRs / warrants /convertible instruments.

(k) Registrar and Share Transfer Agents and Share Transfer System:

Share transfer is effected within a maximum period of 30 (thirty) days from the date of receipt, subject to documents being valid and complete in all respects. The Company obtains from a Company Secretary in Practice, a Half Yearly Certificate to the effect that all certificates have been issued within 30 (thirty) days from the date of lodgement of the transfer, sub-division, consolidation and renewal, as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges where the Company's shares are listed.

Contact details of Karvy, our Registrar and Share Transfer Agents are as under:-

Karvy Computershare Private Limited
Karvy Selenium, Tower B,
Plot No. 31 & 32, Gachibowli
Financial District, Nanakramguda
Hyderabad - 500 032, Telangana
Tel.: (91 40) 6716 2222
Fax: (91 40) 2343 1551
Investor Grievance E-mail: einward.ris@karvy.com

(l) SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are:

1. Centralised database of all complaints;

2. Online upload of Action Taken Reports (ATRs) by concerned companies; and

3. Online viewing by investors of actions taken on the complaint and its current status.

(m) Commodity Price Risk or Foreign Exchange Risk and Hedging activities:

Commodity Price Risk:

The Company is an agri company manufacturing agri products. Hence, raw material input price risk exists for the business (volatility).

Currency Risk:

The functional currency of Company is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are INR. The Company is exposed to currency risk in respect of transactions in foreign currency. Foreign currency revenues and expenses are in the nature of export sales and import purchases.

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

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

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

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

(n) Plant Locations:

The Company has plants at various locations across the country, including the following:-

- **Animal Feed:**

  Khanna (Punjab), Ikolaha (Punjab), Miraj (Maharashtra), Dhule (Maharashtra), Sachin (Gujarat), Kharagpur (West Bengal), Khurda (Orissa), Hanuman Junction (Andhra Pradesh), Kondapalli (Andhra Pradesh), Tumkur (Karnataka), Hajipur (Bihar), Erode (Tamil Nadu), Chandauli (Uttar Pradesh)

- **Agri Inputs:**

  Jammu (Jammu & Kashmir), Lote Parshuram (Maharashtra)

- **Oil Palm:**

  Pothepally (Andhra Pradesh), Chintampalli (Andhra Pradesh), Ariyalur (Tamil Nadu), Valpoi (Goa), Kolasib (Mizoram)

(o) Address for Correspondence:

Mr. S. Varadaraj

Chief Financial Officer
"Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India.
Phone: 022 – 2519 4416, Fax: 022 - 2519 5124
Email id: s.varadaraj@godrejagrovet.com, Website: www.godrejagrovet.com

Mr. Vivek Raizada
Company Secretary & Compliance Officer
"Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra, India.
Phone: 022 – 2519 4416, Fax: 022 - 2519 5124
Email id: vivek.raizada@godrejagrovet.com,
Website: www.godrejagrovet.com

Investor Correspondence should be addressed to:

Karvy Computershare Private Limited
Karvy Selenium, Tower B,
Plot No. 31 & 32, Gachibowli
Financial District, Nanakramguda
Hyderabad - 500 032, Telangana
Tel.: (91 40) 6716 2222
Fax: (91 40) 2343 1551
Investor Grievance E-mail: einward.ris@karvy.com

Exclusive e-mail id for Investors / Shareholders:

The Company has designated an e-mail id to enable the Shareholders and Investors to correspond with the Company. The e-mail id is gavlinvestors@godrejagrovet.com.

12. Other Disclosures:

(A) Related Party Transactions:

The Policy on Related Party Transactions is available on the website of the Company www.godrejagrovet.com.

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

Except for drawing remuneration by the Managing Director and payment of sitting fees and commission to Independent Directors, none of the Directors have any other material significant related party transactions, pecuniary or business relationship with the Company.

Attention of the Shareholders is drawn to the disclosures of transactions with Related Parties set out in Note No. 63 to the Standalone Financial Statement forming a part of the Annual Report.

In preparation of the Financial Statements, your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts. Suitable disclosures as required by the Indian Accounting Standards (IndAS - 24) has been made in the Notes to the Financial Statements.

(B) Penalty / Strictures relating to Capital Markets:

No penalty or strictures have been imposed on the Company by stock exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority, on any matter relating to capital markets, during the last 3 (three) years.

(C) Vigil Mechanism and Whistle Blower Policy:

Your Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal, unethical behavior and actual or suspected fraud or violations of Company's Code of Conduct.

The Company has a Whistle Blower Policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to the Audit Committee. No personnel / employee of the Company has been denied access to the Audit Committee of the Company during the Financial Year 2017-18. The confidentiality of the reported violations, if any, is maintained and the employees reporting violations are not subjected to any discriminatory practice.

Vigil Mechanism / Whistle Blower Policy is posted on the website of your Company, viz., www.godrejagrovet.com.

(D) Details of Compliance with Mandatory Requirements and Adoption of Non-Mandatory Requirements:

The Company complies with all mandatory requirements and has also complied with the following the non - mandatory requirements:-

1. Separate Positions of Chairperson and Managing Director:

   The Company has separate positions for Chairperson and Managing Director. Mr. N. B. Godrej is the "Chairman" of the Company and Mr. B. S. Yadav is the "Managing Director" of the Company.

2. Reporting of Internal Auditors:

   The Internal Auditors of the Company give their quarterly report to the Audit Committee and the same is taken for review at the time of meetings of the Audit Committee.

(E) Policy on Material Subsidiaries:

The Policy on Material Subsidiaries is used to determine the material subsidiaries and material non-listed Indian Subsidiaries of the

Company in order to comply with the requirements of Regulation 16(1)(c) and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Policy is available on the website of the Company www.godrejagrovet.com.

(F) Code of Conduct:

The Code of Conduct for the Board of Directors and the Senior Management Personnel has been disclosed on the website of your Company, viz., www.godrejagrovet.com. The declaration by the Managing Director stating that all the Board Members and Senior Management Personnel have affirmed their compliance with the laid down Code of Conduct for the Financial Year ended 31st March, 2018, is annexed to this Corporate Governance Report.

(G) Disclosures by Management to the Board of Directors:

The Company had received disclosures from all the Senior Management Personnel stating that none of them had any personal interest in any of the financial and commercial transactions entered into by the Company during the Financial Year 2017-18. Interested Directors, if any, neither participate in discussions, nor do they vote on such matters.

(H) CEO and CFO Certification:

Mr. B. S. Yadav, Managing Director and Mr. S. Varadaraj, Chief Financial Officer, have issued the Certificate in accordance with Regulation 17(8) of the Listing Regulations with regard to Quarterly and Annual Financial Statements for the Financial Year ended March31, 2018.

(I) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations:

The Company has complied with all the requirements in this regard, to the extent applicable.

Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations:

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/N.A.	Compliance observed for the following:
1	Board of Directors	17	Yes	• Board Composition • Meetings of Board of Directors • Review of Compliance Reports • Plans for orderly succession for appointments • Code of Conduct • Fees / Compensation • Minimum Information to be placed before the Board • Compliance Certificate • Risk Assessment and Management • Performance Evaluation of Independent Directors
2	Audit Committee	18	Yes	• Composition of Audit Committee • Meetings of Audit Committee • Powers of Audit Committee • Role of Audit Committee and Review of Information by the Audit Committee
3	Nomination and Remuneration Committee	19	Yes	• Composition of Nomination and Remuneration Committee • Role of Nomination and Remuneration Committee
4	Stakeholders' Relationship Committee	20	Yes	• Composition of Stakeholders' Relationship Committee • Role of Stakeholders' Relationship Committee
5	Risk Management Committee	21	Yes	• Composition of Risk Management Committee • Role of Risk Management Committee
6	Vigil Mechanism	22	Yes	• Formulation of Vigil Mechanism for Directors and Employees • Direct access to Chairperson of Audit Committee

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/N.A.	Compliance observed for the following:
7	Related Party Transactions	23	Yes	• Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions • Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee, Board of Directors and Shareholders. • Review of transactions pursuant to aforesaid Contracts.
8	Corporate Governance requirements with respect to subsidiary of Listed entity	24	Yes	• Review of investments made by unlisted subsidiary companies by the Audit Committee. • Minutes of Meetings of Board of Directors of unlisted subsidiary companies placed at the Meetings of the Board of Directors of the Company. • Review of significant transactions and arrangements entered by the Unlisted Subsidiary Companies.
9	Obligations with respect to Independent Directors	25	Yes	• Maximum Directorship and Tenure • Meetings of Independent Directors • Familiarisation of Independent Directors
10	Obligations with respect to Directors and Senior Management	26	Yes	• Memberships / Chairmanships in Committees • Affirmation with compliance to Code of Conduct and Ethics from Directors and Management
11	Other Corporate Governance Requirements	27	Yes	• Compliance with discretionary requirements • Filing of Quarterly Compliance Report on Corporate Governance
12	Website	46(2)(b) to (i)	Yes	• Terms and conditions of appointment of Independent Directors • Composition of various Committees of Board of Directors • Code of Conduct and Ethics for Directors Management Personnel • Details of establishment of Vigil Mechanism / Whistle Blower Policy • Policy on dealing with Related Party Transactions • Details of familiarization programmes imparted to Independent Directors

DECLARATION BY MANAGING DIRECTOR WITH RESPECT TO COMPLIANCE WITH CODE OF CONDUCT OF GODREJ AGROVET LIMITED ("THE COMPANY")

As provided under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said Regulations, this is to confirm that all the Members of the Board of Directors and the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2018.

For Godrej Agrovet Limited

B. S. Yadav
Managing Director
(DIN: 00294803)

Date: May 14, 2018
Place: Mumbai

To
The Members of
Godrej Agrovet Limited

We have examined the compliance of conditions of corporate governance by Godrej Agrovet Limited (the 'Company') for the period October 16, 2017[1], to March 31, 2018 as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries

Prakash K. Pandya
Partner
FCS No.: 3901
C P No.: 2311

Date: May 14, 2018
Place: Mumbai

[1] The company has been Listed w.e.f. October 16, 2017.

STANDALONE FINANCIALS AND AUDITORS' REPORT

Independent Auditors' Report

To the Members of
Godrej Agrovet Limited

Report on the standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of Godrej Agrovet Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's responsibility for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters 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/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the relevant rules issued thereunder.

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 standalone Ind AS 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.

Auditors' 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, 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 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 qualified audit opinion on the standalone Ind AS financial statements.

Basis for qualified opinion

During the year ended 31 March 2017, the Company had paid remuneration to its Managing Director which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 8,661.10 Lakh. Pending approval from the Central Government, impact thereof on the standalone Ind AS financial statements is not currently ascertainable. Refer Note 57 to the standalone Ind AS financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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, of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of matters

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

i. Note 54 to the standalone Ind AS financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor companies (Godrej Oil Palm Limited, Godrej Gokarna Oil Palm Limited and Cauvery Palm Oil Limited) have been taken over

and recorded at their book values as on 1 April 2011. Amortisation amounting to ₹ 425.12 Lakh for the years ended 31 March 2018 and 31 March 2017, on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve Account of the Company. Had this amount been charged to the standalone Ind AS statement of profit and loss, the profit for the year ended 31 March 2018 and 31 March 2017 would have been lower by ₹ 276.77 Lakh and ₹ 277.99 Lakh respectively.

ii. Note 53 to the standalone Ind AS financial statements wherein the Honorable High Court of Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor company (Goldmuhor Agrochem & Feeds Limited) have been taken over and recorded at their book values as on 01 October 2013. An amount of ₹ 2,000 Lakh has been transferred from the General Reserve Account and used to increase the Reserve for Employee Compensation Expenses, of which ₹ 1,986 Lakh has been utilised in the year ended 31 March 2017. Had the Scheme not prescribed this treatment, the profit for the year ended 31 March 2017 would have been lower by ₹ 1,986 Lakh.

iii. Note 55 to the standalone Ind AS financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme for the Reduction of Capital (Securities Premium Account). As per the Scheme an amount of ₹ 11,004 Lakh has been transferred from the Securities Premium account and used to create the reserve for Employee Compensation expenses, of which ₹ 389.81 Lakh has been utilised in the year ended 31 March 2017. Had the Scheme not prescribed this treatment, the profit for the year ended 31 March 2017 would have been lower by ₹ 389.81 Lakh.

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

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 financials 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 12 May 2017, had expressed a qualified opinion (qualification as more fully explained in the Basis for qualified opinion paragraph and which continues to apply to the accompanying standalone Ind AS financial statements for the year ended 31 March 2018).

Our opinion is not qualified 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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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, the 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, read with relevant rules thereunder;

   (e) on the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors are 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 standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 47 to the standalone Ind AS financial statements;

      ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 26 to the standalone Ind AS financial statements;

      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

      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. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer note 62 to the standalone Ind AS financial statements.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
14 May 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the above programme, the Company has verified certain fixed assets during the year and no material discrepancies were noticed in respect of assets verified during the year.

(c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except as mentioned in the table below. Further in respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement, except as mentioned in the table below:

Sr. No	Total No. of cases	Type of Assets	Gross block as at March 31, 2018	Net block as at March 31, 2018	Remarks
1	5	Free Hold Land	23.96	23.96	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds
2	1	Free Hold Land	45.89	45.89	Received on demerger of Godrej Soap Business. Company is in the process of transferring the title deeds.
3	2	Lease Hold Land	812.62	797.40	Company has received the allotment letter from GIDC. Company is in process of registration
4	1	Factory Building	124.20	114.67	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds.
5	1	Factory Building	21.87	15.34	Received on demerger of Godrej Soap Business. Company is in the process of transferring the title deeds.
6	1	Office Building	53.58	51.61	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds.
7	1	Office Building	32.77	30.83	Received on demerger of Godrej Soap Business. Company is in the process of transferring the title deeds.
8	1	Office Building	232.82	225.72	Company is in the process of transferring the title deeds

(ii) The inventory, except for goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

(iii) (a) The Company has granted unsecured loans to two companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not

granted any loans, secured or unsecured, to other body corporate, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. In our opinion, the rate of interest and other terms and conditions on which the unsecured loans has been granted to companies listed in the register maintained under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.

(b) The unsecured loans granted to the companies covered in the register maintained under Section 189 of the Act is repayable on demand. The borrower has been regular in the payment of interest.

(c) The unsecured loans granted to the companies covered in the register maintained under Section 189 of the Act is repayable on demand and there is no amount overdue for more than ninety days in respect of such loans.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments, providing guarantees and securities, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of Provident fund, Employees' State Insurance, Income tax, Service tax, Sales tax, Value added tax, Goods and service tax, Professional tax, Duty of customs, Duty of excise, Cess and other material statutory dues have generally been regularly deposited 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, Service tax, Sales tax, Value added tax, Goods and service tax, Professional tax, Duty of customs, Duty of excise, Cess 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 Sales tax, Value added tax and Goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax, Service tax, Duty of excise and Duty of customs have not been deposited as on 31 March 2018 by the Company on account of disputes:

Name of the statute	Nature of the Dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty (including interest)	1,070.48	April 2008 – March 2011	CESTAT/ Assessing officer
Central Excise Act, 1944	Excise duty (including interest)	529.34	April 2011-December 2015	CESTAT
Central Excise Act, 1944	Excise duty (including interest)	50.08	January 2014 – December 2015	CESTAT
Central Excise Act, 1944	Excise duty (including interest)	761.10	November 2006 – October 2014	CESTAT
Central Excise Act, 1944	Excise duty (including interest)	208.94	May 2009 – June 2017	CESTAT
Central Excise Act, 1944	Excise duty (including interest)	208.81	March 2003 – May 2006	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Excise duty (including interest)	73.15	March 2003 – May 2006	Bombay High Court
Customs Act, 1962	Custom duty (including interest)	42.36	April 2011 – March 2012	Joint Commissioner of Customs Group -I,Chennai
Customs Act, 1962	Custom duty (including interest)	47.75	April 2012 – March 2013	CESTAT
Income tax Act, 1961	Income tax (including interest)	606.89	AY 2013-14 AY 2014-15 AY 2015-16	Commissioner of Income tax (Appeals)

(viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank, government, financial institutions or debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company has raised moneys by way of initial

public offer and has utilised the proceeds arising out of the same during the year for the purposes for which they were raised. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of further public offer (including debt instruments) or term loans.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud 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 of the Company, the Company had paid remuneration to its Managing Director during the year ended 31 March 2017 which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 8,661 Lakh. Company has applied to the Central Government for approval of this excess payment which is currently pending.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such 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 of the Company, the Company has made preferential allotment of fully paid equity shares during the year and has complied with the requirements of Section 42 of the Act. According to the information and explanation given to us, the amounts raised through preferential allotment of fully paid equity shares have been used for the purpose for which funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into 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) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
14 May 2018

Annexure B to the Independent Auditors' Report – 31 March 2018

(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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Godrej Agrovet Limited ("the Company") as at 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 financial controls with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 with reference to standalone Ind AS financial statements 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 with reference to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to standalone Ind AS financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone Ind AS financial statements

A company's internal financial control with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone Ind AS financial statements includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements

to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal financial controls with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
14 May 2018

Standalone Balance Sheet

as at March 31, 2018

(₹ in lakh)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	ASSETS			
(I)	**Non-current assets**			
	(a) Property, plant and equipment	2	68,352.20	68,807.81
	(b) Capital work-in-progress		11,380.74	3,009.07
	(c) Intangible assets	3	654.10	1,159.82
	(d) Intangible assets under development		47.73	23.42
	(e) Biological assets other than bearer plants	4	426.17	466.98
	(f) Financial assets			
	(i) Investments			
	Investments in subsidiary, associate and joint venture	5 (a)	53,243.16	50,598.40
	Other investments	5 (b)	0.45	0.41
	(ii) Trade receivables	6	-	-
	(iii) Loans	7	902.66	1,090.01
	(iv) Others	8	146.76	174.93
	(g) Deferred tax assets		551.39	509.30
	(h) Other tax assets (net)		-	1,037.47
	(i) Other non-current assets	9	2,689.55	1,808.68
	Total Non-current assets		**1,38,394.91**	**1,28,686.30**
(II)	**Current assets**			
	(a) Inventories	10	55,119.42	57,304.35
	(b) Financial assets			
	(i) Investments	11	4.32	-
	(ii) Trade receivables	12	50,110.08	40,744.54
	(iii) Cash and cash equivalents	13	1,157.23	3,737.19
	(iv) Bank balances other than (iii) above	14	79.46	708.97
	(v) Loans	15	2,410.56	3,166.35
	(vi) Others	16	2,101.74	1,316.41
	(c) Other current assets	17	8,804.57	4,220.51
	Total current assets		**1,19,787.38**	**1,11,198.32**
	TOTAL ASSETS		**2,58,182.29**	**2,39,884.62**
	EQUITY AND LIABILITIES			
(I)	**Equity**			
	(a) Equity share capital	18	19,202.87	18,513.09
	(b) Other equity	19	1,09,685.48	71,748.49
	Total equity		**1,28,888.35**	**90,261.58**
(II)	**Liabilities**			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	20	535.29	670.66
	(ii) Other financial liabilities	21	-	0.06
	(b) Provisions	22	336.29	309.62
	(c) Deferred tax liabilities (net)		7,232.59	7,294.43
	(d) Other non-current liabilities	23	1,224.16	1,325.29
	Total non-current liabilities		**9,328.33**	**9,600.06**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	24	20,949.02	47,531.38
	(ii) Trade payables	25	75,733.20	74,628.53
	(iii) Other financial liabilities	26	14,627.93	12,169.27
	(b) Other current liabilities	27	4,150.95	3,203.91
	(c) Provisions	28	3,042.36	2,489.89
	(d) Current tax liabilities (Net)		1,462.15	-
	Total current liabilities		**1,19,965.61**	**1,40,022.98**
	TOTAL EQUITY AND LIABILITIES		**2,58,182.29**	**2,39,884.62**

The notes 1 to 64 form an integral part of the financial statements

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I.	Revenue from operations	29	3,69,172.72	3,61,785.06
II.	Other income	30	2,762.67	5,238.97
III.	**TOTAL INCOME**		**3,71,935.39**	**3,67,024.03**
IV.	**Expenses**			
	Cost of materials consumed	31	2,61,758.02	2,63,488.82
	Purchases of stock-in-trade	32	17,081.35	18,360.49
	Changes in inventories of finished goods, stock under cultivation, work in progress and stock-in-trade	33	858.61	581.32
	Excise duty		1,686.51	-
	Employee benefits expense	34	19,516.00	16,469.95
	Finance costs	35	3,187.53	6,803.58
	Depreciation and amortisation expenses	36	5,330.78	4,883.70
	Other expenses	37	34,384.09	30,369.24
	TOTAL EXPENSES		**3,43,802.89**	**3,40,957.10**
V.	**Profit before exceptional items and tax**		28,132.50	26,066.93
VI.	Exceptional items (refer note 54 (ii))		-	2,000.00
VII.	**Profit before tax**		**28,132.50**	**28,066.93**
VIII.	**Tax expense:**		**9,045.92**	**7,269.98**
	1. Current tax		8,911.07	5,684.42
	2. Deferred tax		134.85	1,585.56
IX.	**Profit for the year**		**19,086.58**	**20,796.95**
X.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit liability		(323.88)	(278.00)
	Income tax related to Items that will not be reclassified to profit or loss		112.09	96.21
			(211.79)	**(181.79)**
	(B) Items that will be reclassified to profit or loss			
	Effective portion of gains/(losses) on hedging instruments in cash flow hedge		(321.14)	321.14
	Income tax related to items that will be reclassified to profit or loss		111.14	(111.14)
			(210.00)	210.00
	Other comprehensive income for the year		**(421.79)**	**28.21**
XI.	**Total comprehensive income for the year (IX+X)**		**18,664.79**	**20,825.16**
XII.	**Earnings per equity share (Nominal value of ₹ 10 each, fully paid-up)**			
	Basic (₹)	38	9.99	10.24
	Diluted (₹)		9.99	9.80

The notes 1 to 64 form an integral part of the financial statements

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Standalone Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from operating activities :**		
	Net profit before taxes	**28,132.50**	**28,066.93**
	Adjustment for:		
	Depreciation and amortisation	5,330.78	4,883.70
	Profit on sale of property, plant and equipment	115.00	(133.23)
	Profit on sale of investments (net)	-	(2,937.59)
	Unrealised foreign exchange gain/loss	-	44.97
	Dividend income	(400.26)	(0.04)
	Grant amortisation	(134.50)	(81.05)
	Interest income	(324.03)	(1,030.92)
	Finance cost	3,187.53	6,803.57
	Allowances for doubtful debts and advances	534.57	325.48
	Liabilities no longer required written back	(127.72)	(94.79)
	Exceptional income	-	(2,000.00)
	Inventory lost due to fire	262.90	-
	Bad debts written off	820.35	630.13
		9,264.62	**6,410.23**
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**37,397.12**	**34,477.16**
	Adjustments for:		
	Inventories	1,922.04	(5,020.34)
	Biological assets other than bearer plants	40.81	419.83
	Trade receivables	(10,720.53)	(5,182.56)
	Non-current financial assets- loans	187.35	(111.48)
	Non-current financial assets- others	28.17	(14.25)
	Other non-current assets	37.74	(189.18)
	Current financial assets- loans	1,641.49	12,243.52
	Current financial assets- others	(475.95)	4,441.48
	Other current assets	(4,584.06)	(1,065.32)
	Trade payables	1,232.38	51,243.47
	Long term provisions	(297.21)	126.11
	Non-current financial liabilities- others	-	(653.65)
	Other non-current liabilities	33.31	250.03
	Short term provisions	552.47	554.26
	Current financial liabilities- others	2,458.66	(5,107.73)
	Other current liabilities	947.05	(626.60)
		(6,996.28)	**51,307.59**
	CASH GENERATED FROM OPERATIONS	**30,400.84**	**85,784.75**
	Direct taxes paid (net of refunds received)	**(6,278.65)**	**(5,661.80)**
	NET CASH FLOW FROM OPERATING ACTIVITIES	**24,122.19**	**80,122.95**
B.	**Cash flow from investing activities :**		
	Acquisition of property, plant and equipment	(14,352.15)	(7,432.95)
	Proceeds from sale of property, plant and equipment	128.01	922.11
	Intercorporate deposits given	(885.70)	-

Standalone Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Purchase of investments	(2,649.12)	(2,589.93)
	Proceeds from sale of investments	-	3,105.74
	Interest received	323.02	1,030.92
	Dividend received	400.26	0.04
	NET CASH FLOW FROM INVESTING ACTIVITIES	**(17,035.68)**	**(4,964.07)**
C.	**Cash flow from financing activities :**		
	Proceeds from exercise of ESOP shares	-	58.68
	Repayment of short term borrowings	(3,56,511.51)	(5,15,765.89)
	Proceeds from short term borrowings	3,29,929.15	4,49,197.46
	Repayment of long term borrowings	(134.77)	(377.38)
	Proceeds from long term borrowings	-	670.66
	Finance cost	(3,187.53)	(7,151.70)
	Dividend paid	(8,330.89)	-
	Dividend tax paid	(1,696.00)	-
	Redemption of preference shares	(0.60)	-
	Proceed from issue of share	31,691.60	-
	Share issue expenses charged directly to reserves	(1,425.95)	-
	NET CASH FLOW FROM FINANCING ACTIVITIES	**(9,666.50)**	**(73,368.17)**
	Net (decrease) / increase in cash and cash equivalents	**(2,579.99)**	**1,790.71**
	Cash and cash equivalents (Opening balance)	**3,737.19**	**1,946.48**
	Cash and cash equivalents (Closing balance)	**1,157.20**	**3,737.19**

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

2 Figures in bracket indicate cash outflow.

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

As per our report of even date

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Standalone Statement of changes in equity

for the year ended March 31, 2018

(a) Equity share capital

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the reporting year	18,513.09	9,256.54
Changes in equity share capital during the year (refer note 18)	689.78	9,256.55
Balance at the end of the reporting year	**19,202.87**	**18,513.09**

(b) Other equity

(₹ in lakh)

	Retained earnings	General reserve	Reserve for employee compensation expense	Debenture redemption reserve	Employee share option outstanding	Share premium account	Treasury share reserve	Effective portion of cash flow hedges	Total
Balance at April 1, 2017	**58,439.94**	**108.66**	**-**	**-**	**-**	**12,989.89**	**-**	**210.00**	**71,748.49**
Total comprehensive income for the year									
Profit for the year (net of income tax)	19,086.58	-	-	-	-	-	-	-	19,086.58
Other comprehensive income for the year (net of income tax)	(211.79)	-	-	-	-	-	-	(210.00)	(421.79)
Total comprehensive income for the year	**18,874.79**	**-**	**-**	**-**	**-**	**-**	**-**	**(210.00)**	**18,664.79**
Transactions with the owners of the Company, recorded directly in equity									
Contributions and distributions									
Dividends	(8,330.89)	-	-		-	-	-	-	(8,330.89)
Dividend distribution tax	(1,696.00)	-	-	-	-	-	-	-	(1,696.00)
Others									
Amortisation of Intangibles (net of income tax) as per oil palm companies merger scheme approved by Bombay High Court (Refer Note No. 54)	-	(276.77)	-	-	-		-	-	(276.77)
Transfer from retained earnings to general reserve	(2,000.00)	2,000.00	-	-	-	-	-	-	-
Issue of equity shares during the year	-	-	-	-	-	31,001.81	-	-	31,001.81
Utilised towards share issue expenses	-	-	-	-	-	(1,425.95)	-	-	(1,425.95)
Balance at March 31, 2018	**65,287.84**	**1,831.89**	**-**	**-**	**-**	**42,565.75**	**-**	**-**	**1,09,685.48**
Balance at April 1, 2016	**45,206.33**	**372.55**	**2,389.81**	**1,875.00**	**10,614.18**	**-**	**(58.68)**	**-**	**60,399.19**
Profit for the year (net of income tax)	20,796.95	-	-	-	-	-	-	-	20,796.95
Other comprehensive income for the year (net of income tax)	(181.79)	-	-	-	-	-	-	-	(181.79)
Exchange difference arising on cash flow hedge reserve net of income tax (refer note 41)	-	-	-	-	-	-	-	210.00	210.00
Total comprehensive income for the year	**20,615.16**	**-**	**-**	**-**	**-**	**-**	**-**	**210.0**	**20,825.16**

(₹ in lakh)

	Retained earnings	General reserve	Reserve for employee compensation expense	Debenture redemption reserve	Employee share option outstanding	Share premium account	Treasury share reserve	Effective portion of cash flow hedges	Total
Transactions with the owners of the Company, recorded directly in equity									
Others									
Bonus shares issued	(9,256.55)	-	-	-	-	-	-	-	(9,256.55)
Transfer to share premium on ESOP shares subscribed by beneficiaries	-	-	-	-	(12,989.89)	12,989.89			-
ESOP shares subscribed by beneficiaries		-	-	-	-	-	58.68	-	58.68
Transfer from debenture redemption reserve to retained earnings	1,875.00	-	-	(1,875.00)	-	-	-	-	-
Transfer from reserve for employee compensation expenses		14.10	(14.10)						-
Employee compensation expenses recognized during the year (refer note 53 and 55)	-	-	(2,375.71)	-	2,375.71	-	-	-	-
Amortisation of Intangibles (net of income tax) as per oil palm companies merger scheme approved by Bombay High Court (Refer note 54)	-	(277.99)	-	-	-	-	-	-	(277.99)
Balance at March 31, 2017	**58,439.94**	**108.66**	**-**	**-**	**-**	**12,989.89**	**-**	**210.00**	**71,748.49**

The notes 1 to 64 form an integral part of the financial statements

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

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Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Notes to the Financial Statements

Note 1 Significant Accounting Policies

1. General information

Godrej Agrovet Ltd. ("the Company") is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at 3rd Floor, Godrej One, Pirojshanagar, Vikhroli (East), Mumbai – 400 079. The Company, an erstwhile division of Godrej Soaps Limited was incorporated under the Companies Act, 1956 on November 25, 1991. The Company is a diversified agribusiness company and its principal activities include manufacturing and marketing of high quality animal feed, innovative agricultural inputs and palm oil & allied products. The Company is a public company limited by shares and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

2. Basis of preparation and measurement

(i) Basis of preparation:

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

The financial statements of the Company for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the Board of Directors on May 14, 2018.

(ii) Basis of measurement

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

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

(iii) Functional and presentation currency

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

3. Key estimates and assumptions

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

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

Judgement, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

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

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

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

- **Recognition of deferred tax assets**

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

- **Recognition and measurement of other provisions**

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

Notes to the Financial Statements

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

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

- **Fair valuation of employee share options**

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

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

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

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

- **Rebates and sales incentives**

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

- **Fair value of financial instruments**

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

- **Biological Assets**

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

4. Measurement of fair values

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

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

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

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

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

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

5. Standards issued but not yet effective

<u>Ind AS 115, Revenue from Contracts with Customers</u>

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 *Revenue*, Ind AS 11 *Construction Contracts* and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The effect on adoption of Ind AS 115 is not expected to be material.

Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company may plan to apply the standard retrospectively to each prior reporting period presented in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

Notes to the Financial Statements

6. Significant accounting policies

A. Revenue

i. Sale of goods

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

ii. Dividend income

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

iii. Interest income

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

B. Foreign currency

i. Transactions and balances

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

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

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

Exchange differences are generally recognised in profit or loss, except exchange differences arising from the translation of the following item which are recognized in OCI:

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

C. Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on either Economic Value Added (EVA) or Profit before tax (PBT). The PLVR amount is related to actual improvement made in either EVA or PBT over the previous year when compared with expected improvements.

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

ii. Defined contribution plans

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

iii. Defined benefit plans

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

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

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

Notes to the Financial Statements

present value and the fair value of the plan asset is deducted.

- **Gratuity Fund**

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

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

iv. Other long-term employee benefits

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

v. Terminal Benefits:

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

D. Income Tax

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

i. Current tax

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

Current tax assets and liabilities are offset only if the Company:

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

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

ii. Deferred tax

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is recognized in equity or OCI.

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

Notes to the Financial Statements

Deferred tax assets and liabilities are offset only if:

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

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

E. Inventories

Inventories are carried in the balance sheet as follows:

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

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

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

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

F. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit or loss.

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

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

ii. Subsequent expenditure

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

iii. Depreciation/ Amortizations

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

(a) Plant and Machinery:- 20 Years

(b) Computer Hardware:

Depreciated over its estimated useful life of 4 years.

(c) Leasehold Land:

Amortized over the primary lease period.

(d) Leasehold improvements and equipments:

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

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

G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset that necessarily takes

Notes to the Financial Statements

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

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

H. Segment reporting

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

I. Intangible assets

Recognition and measurement

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

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

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of profit or loss, except in the case of certain intangibles, as per the provisions of various schemes of amalgamation.

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

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

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

J. Research and Development Expenditure

Research Expenditure:

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

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

K. Share-based payments:

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

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

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

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

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

L. Financial Instruments

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

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

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

Notes to the Financial Statements

i. **Financial assets**

Classification

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

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

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

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

Initial recognition & measurement

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

Notes to the Financial Statements

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

ii. Financial liabilities

Classification

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

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

Initial recognition and measurement

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

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

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

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

M. Provisions, contingent liabilities and contingent assets

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

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash

Notes to the Financial Statements

flows specific to the liability. The unwinding of the discount is recognised as finance cost.

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

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

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

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

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

N. Cash flow hedges that qualify for hedge accounting

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

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

O. Leases

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

i. Lease payments

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

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

ii. Lease assets

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

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

P. Impairment of non-financial assets

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

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

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

Q. Cash and cash equivalents

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

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

Notes to the Financial Statements

R. Government Grants

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

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

Revenue grants are recognized in the Statement of Profit and Loss in the same period as the related cost which they are intended to compensate are accounted for.

S. Construction contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract by reference to the stage of completion.

Contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.
Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

Measurement of construction contract revenue and expense:

The Company uses the 'percentage-of-completion' method to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

T. Earnings Per Share ("EPS")

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

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

U. Biological assets

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

Notes to the Financial Statements

Note 2 Property, plant and equipment

(₹ in lakh)

PARTICULARS	Freehold Land (refer note 2.1)	Leasehold Land (refer note 2.1)	Buildings (refer note 2.1)	Plant and Machinery	Furniture and Fixtures	Vehicles	Office & Other Equipment	Tree Development Cost	Leasehold Improvements	Livestock used for R&D	Total
As at March 31, 2018											
Gross Block											
Cost at April 1, 2017	3,550.68	3,072.59	25,534.33	40,228.04	771.72	2,378.66	1,903.76	80.49	109.08	45.69	77,675.04
Additions	-	-	542.24	3,439.48	95.01	448.50	383.47	-	103.78	4.55	5,017.03
Disposals	-	-	(15.70)	(130.28)	(2.94)	(144.24)	(3.90)	(80.49)	-	(19.14)	(396.69)
As at March 31, 2018	3,550.68	3,072.59	26,060.87	43,537.24	863.79	2,682.92	2,283.33	-	212.86	31.10	82,295.38
Accumulated depreciation											
At April 1 , 2017	-	60.45	1,670.07	5,952.43	141.54	496.24	443.21	80.49	15.41	7.39	8,867.23
Charge for the year	-	34.71	913.32	3,557.53	87.14	323.96	277.32	-	32.08	3.57	5,229.63
Disposals	-	-	(1.01)	(27.84)	(0.90)	(39.20)	(1.64)	(80.49)	-	(2.60)	(153.68)
As at March 31, 2018	-	95.16	2,582.38	9,482.12	227.78	781.00	718.89	-	47.49	8.36	13,943.18
Net Block as at March 31, 2018	3,550.68	2,977.43	23,478.49	34,055.12	636.01	1,901.92	1,564.44	-	165.37	22.74	68,352.20
As at March 31, 2017											
Gross Block											
Cost as at April1, 2016	3,371.54	3,072.59	23,589.72	36,650.52	659.22	1,801.85	1,431.64	80.49	29.05	45.82	70,732.44
Additions	800.39	-	1,944.77	3,663.48	137.75	708.52	480.97	-	80.03	5.57	7,821.48
Disposals	(621.25)	-	(0.16)	(85.96)	(25.25)	(131.71)	(8.85)	-	-	(5.70)	(878.88)
As at March 31, 2017	3,550.68	3,072.59	25,534.33	40,228.04	771.72	2,378.66	1,903.76	80.49	109.08	45.69	77,675.04
Accumulated depreciation											
At April 1, 2016	-	25.41	767.32	2,849.98	68.56	237.21	199.61	40.25	5.37	3.68	4,197.39
Charge for the year	-	35.04	902.77	3,143.38	78.70	295.60	249.61	40.24	10.04	4.48	4,759.86
Disposals	-	-	(0.02)	(40.93)	(5.72)	(36.57)	(6.01)	-	-	(0.77)	(90.02)
As at March 31, 2017	-	60.45	1,670.07	5,952.43	141.54	496.24	443.21	80.49	15.41	7.39	8,867.23
Net Block as at March 31, 2017	3,550.68	3,012.14	23,864.26	34,275.61	630.18	1,882.42	1,460.55	-	93.67	38.30	68,807.81

Note No. 2.1: Legal formalities relating to the transfer of title of immovable assets situated at Chennai (acquired as a part of the take over of Agrovet business from Godrej Industries Limited), Dhule (as part of the merger of Goldmohur Foods & Feeds Ltd), Ariyalur & Varanavasi (as part of the merger of Cauvery Oil Palm Limited), at Duhej and Kolkata are being complied with. Stamp duty payable thereon is not presently determinable.

Notes to the Financial Statements

Note 3 Intangible assets

(₹ in lakh)

PARTICULARS	Computer Software	Grant of Licenses	Total
Cost			
At April 1, 2017	631.32	1,700.46	2,331.78
Additions	20.55	-	20.55
Disposals	-	-	-
As at March 31, 2018	**651.87**	**1,700.46**	**2,352.33**
Accumulated amortisation			
At April 1, 2017	321.72	850.24	1,171.96
Charge for the year	101.15	425.12	526.27
Disposals	-	-	-
As at March 31, 2018	**422.87**	**1,275.36**	**1,698.23**
Net Block as at March 31, 2018	**229.00**	**425.10**	**654.10**
As at March 31, 2017			
Cost			
At April 1, 2016	568.30	1,700.46	2,268.76
Additions	63.02	-	63.02
Disposals	-	-	-
As at March 31, 2017	**631.32**	**1,700.46**	**2,331.78**
Accumulated amortisation			
At April 1, 2016	197.88	425.12	623.00
Charge for the year	123.84	425.12	548.96
Disposals	-	-	-
As at March 31, 2017	**321.72**	**850.24**	**1,171.96**
Net Block as at March 31, 2017	**309.60**	**850.22**	**1,159.82**

Note No. 3.1 To give effect to the Order of the Honorable High Court of Judicature at Bombay passed during 2011-12 regarding the scheme of Amalgamation of Godrej Gokarna Oil Palm Limited & Godrej Oil Palm Limited, the amortisation of Grant of Licenses are charged against the balance in the general reserve account. (refer note 54 i)

Note 4 Biological assets other than bearer plants

A. Reconciliation of carrying amount

March 31, 2018

(₹ in lakh)

Particulars	Oil palm saplings	
	Qty.	Amount
Balance as April 1, 2017	6,12,172	466.98
Add:		
Purchases	5,88,559	260.10
Production/ Cost of development		103.22
Less:		
Sales / Disposals	(5,24,186)	(395.37)
Change in fair value less cost to sell:	-	(8.76)
Realised	-	(25.73)
Unrealised	-	16.97
Balance as at March 31, 2018	**6,76,545**	**426.17**

Notes to the Financial Statements

March 31, 2017

(₹ in lakh)

Particulars	Oil palm saplings	
	Qty.	Amount
Balance as April 1, 2016	12,05,458	886.81
Add:		
Purchases	60,000	12.44
Production/ Cost of development	-	42.19
Less:		
Sales/ Disposals	(6,53,286)	(465.83)
Change in fair value less cost to sell:	-	(8.63)
Realised	-	(16.28)
Unrealised	-	7.65
Balance as at March 31, 2017	**6,12,172**	**466.98**

The Company has trading operations in oil palm plantations whereby the Company purchases the saplings and sells the saplings once it has achieved the desired growth. During the year ended March 31, 2018 , the Company purchased 5,88,559 (Previous year: 60,000) number of saplings, out of which 5,88,559 (Previous year: 60,000) were still under cultivation.

B. Measurement of Fair value

i. Fair Value hierarchy

The fair value measurements for oil palm saplings has been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii. Level 3 Fair values

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

(₹ in lakh)

Particulars	March 31, 2018	March 31, 2017
Gain/(loss) included in 'other operating revenue'	(8.76)	(8.63)
Change in fair value (realised)	(25.73)	(16.28)
Change in fair value (unrealised)	**16.97**	**7.65**

iii. Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Oil Palm Saplings - it comprises the stock under cultivation	Cost approach and percentage completion method	Estimated cost of completing the stock under cultivation ₹ 47.72 to ₹ 91.00 per sapling	The estimated fair valuation would increase/ (decrease) if - Estimated cost to complete was lower (higher)

C. Risk Management strategies related to agricultural activities

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

i. Regulatory and environmental risks

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

ii. Supply and demand risks

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

Notes to the Financial Statements

iii. Climate and other risks

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

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

	Profit or (loss) for the year ended March 31, 2018		Profit or (loss) for the year ended March 31, 2017	
	10% increase	10% decrease	10% increase	10% decrease
Variable cost	(0.80)	0.85	(0.70)	0.76
Cash flow sensitivity (net)	(0.80)	0.85	(0.70)	0.76

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 5 Investments		
A. Investments in subsidiary, associate and joint venture		
Investment in Equity Instrument (Fully Paid)		
(a) Investment in equity of subsidiaries		
i Quoted		
Astec LifeSciences Limited.	25,489.49	23,406.45
1,12,17,885 (Previous year 1,08,37,139) Equity shares of ₹10/- each.		
(Acquired 3,80,746 Equity Shares during the current year)		
ii Unquoted		
i Godvet Agrochem Limited	995.00	995.00
99,50,000 (Previous year 99,50,000) Equity Shares of ₹ 10/- each.		
ii Creamline Dairy Products Limited.	16,207.21	16,207.21
58,79,008 (Previous year 58,79,008) equity shares of ₹10/- each.		
(b) Investment in equity of associates (Unquoted)		
i Al Rahaba International Trading Limited Liability Company, Abu Dhabi, UAE.	-	4.32
During the year classified as current investment (Previous year 24) Equity Shares of AED. 1,500/- each (refer note 52)		
ii Godrej Maxximilk Private Limited	434.16	-
3,07,915 equity shares of ₹ 10 each, acquired during the year.		
(c) Investment in equity of joint ventures (Unquoted)		
i Godrej Tyson Foods Limited	6,602.71	6,602.71
97,461 (Previous year 97,461) Equity Shares of ₹10/- each.		
ii ACI Godrej Agrovet Private Limited, Dhaka, Bangladesh.	1,258.08	1,258.08
18,50,000 (Previous year 18,50,000) Equity Shares of ₹ 100/- each.		
iii Omnivore India Capital Trust	2,256.51	2,124.63
2,256.87 (Previous year 2,125) units of ₹ 1,00,000 each.		
Total (A)	**53,243.16**	**50,598.40**

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Non-current investments		
B. Investment in equity instruments at fair value through Statement of Profit & Loss (Unquoted)		
(a) Investment in co-operative society	0.27	0.27
(b) Investment in other corporates	0.18	0.14
Total (B)	**0.45**	**0.41**
Total	**53,243.61**	**50,598.81**
Note No. 5.1 Other disclosures		
Aggregate amount of quoted investment	25,489.49	23,406.45
Market value of quoted investment	65,187.13	65,394.01
Aggregate amount of unquoted investments	27,754.12	27,192.36
Aggregate amount of impairment in value of investments	-	-

Note No. 5.2

Name of subsidiary, associate and joint ventures - Place of business		% of holding	% of holding
1. Godvet Agrochem Limited	- Mumbai	100.00	100.00
2. Astec LifeSciences Limited	- Mumbai	57.45	55.54
3. Creamline Dairy Products Limited	- Hyderabad	51.91	51.91
4. ACI Godrej Agrovet Private Limited	- Dhaka, Bangladesh	50.00	50.00
5. Godrej Tyson Foods Limited	- Mumbai	49.00	49.00
6. Al Rahaba International Trading Limited Liability	- Abu Dhabi, UAE.	24.00	24.00
7. Godrej Maxximilk Private Limited	- Mumbai	49.90	-

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

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 6 : Non-current trade receivables		
Unsecured and considered doubtful	1,308.80	777.80
Less : Allowance for doubtful receivables	(1,308.80)	(777.80)
Total	-	-
Note 7 : Non-current loans		
Unsecured, considered good (unless otherwise stated)		
1 Security deposits		
i Considered good	845.64	1,038.82
ii Considered doubtful	22.61	22.61
Less : Allowance for bad and doubtful deposits	(22.61)	(22.61)
Net deposits	845.64	1,038.82
2 Loan to employees	57.02	51.19
Total	**902.66**	**1,090.01**

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 8 : Other non-current financial assets		
1 Claims receivable	146.15	146.15
2 Bank deposit with remaining maturity of more than 12 months	0.61	28.78
Total	**146.76**	**174.93**
Note 9 : Other non-current assets		
1 Capital advances	1,927.58	1,008.97
2 Balance with government authorities	575.07	355.43
3 Others		
i) Considered good	186.90	444.28
ii) Considered doubtful	23.38	19.81
Less : Allowance for doubtful advances	(23.38)	(19.81)
	186.90	**444.28**
Total	**2,689.55**	**1,808.68**
Note 10 : Inventories		
(Valued at lower of cost and net realizable value)		
1 Raw materials	33,135.25	35,899.00
2 Raw materials in transit	134.46	-
3 Work in progress	1,027.35	815.97
4 Project in progress	6,835.77	6,071.91
5 Finished goods	6,682.99	6,507.60
6 Stock-in-trade	5,220.08	6,424.65
7 Stores and spares	2,083.52	1,585.22
Total	**55,119.42**	**57,304.35**
Note 11: Current investments		
Investment in equity of associates (Unquoted)		
i Al Rahaba International Trading Limited Liability Company, Abu Dhabi, UAE.	4.32	-
24 Equity Shares of AED. 1,500/- each. During the year classified as current investment (refer note 52)		
Total	**4.32**	**-**
Aggregate amount of unquoted investments	4.32	-
Aggregate amount of impairment in value of investments	-	-
Note 12 : Current trade receivables		
i Secured and considered good (refer note 12.1)	6,666.47	7,544.62
ii Unsecured and considered good	43,443.61	33,199.92
Total	**50,110.08**	**40,744.54**

Note No. 12.1: Secured by security deposits collected from customers or bank guarantees held against them.

Note No. 12.2: Refer to note 24 for information on trade receivables pledged as security by the company.

Notes to the Financial Statements

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 13 : Cash and cash equivalents			
1	Cash on hand	58.44	62.48
2	Cheques, drafts on hand	0.13	299.01
3	Balances with banks:		
	(a) Current accounts	1,094.56	3,298.47
	(b) Saving bank account of company's ESOP Trust	4.10	77.23
Total		**1,157.23**	**3,737.19**
Note 14 : Bank balances other than cash and cash equivalents			
	Fixed deposits - maturity more than 3 months and less than 12 months (refer note 14.1)	79.46	708.97
Total		**79.46**	**708.97**
Note No. 14.1: Fixed deposits of ₹ Nil (Previous year ₹77.02 lakh) are pledged with banks for guarantees issued			
Note 15 : Current loans			
Unsecured, considered good, unless otherwise stated			
1	Loans and advances to related parties (refer note.63)		
	(a) Loan to ESOP Trust of holding company	-	1,633.76
	(b) Intercorporate deposits	1,874.20	988.50
2	Loans and advances - others		
	(a) Loans and advances to employees	74.81	53.66
	(b) Security deposits	447.18	58.34
	(c) Other loans and advances.	14.37	432.09
Total		**2,410.56**	**3,166.35**
Note 16 : Other current financial assets			
1	Interest on bank fixed deposit	9.30	3.54
2	Interest accrued on intercorporate deposits	-	6.72
3	Interest accrued on other deposits	2.03	2.08
4	Non-trade receivables	1,239.90	1,007.62
5	Others	850.51	296.45
Total		**2,101.74**	**1,316.41**
Note 17 : Other current assets			
1	Advances to suppliers	1,364.24	1,500.17
2	Balance with government authorities	4,023.40	254.53
3	Others (includes prepayments, inventory receivable on returns, etc.)	3,416.93	2,465.81
Total		**8,804.57**	**4,220.51**

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 18 : Share capital		
1 Authorised :		
(a) 22,49,94,000 (Previous year 22,49,94,000) Equity shares of the par value of ₹ 10 each	22,499.40	22,499.40
(b) 6,000 (Previous year 6,000) Preference shares of the par value of ₹ 10 each	0.60	0.60
Total	**22,500.00**	**22,500.00**
2 Issued, subscribed and paid-up:		
19,20,28,739 (Previous year 18,51,30,876) Equity shares of ₹ 10 each fully paid up.	19,202.87	18,513.09
Total	**19,202.87**	**18,513.09**

(₹ in lakh)

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ In Lakh	No. of shares	₹ In Lakh
3 Reconciliation of number of shares outstanding at the beginning and end of the year :				
Equity shares :				
Outstanding at the beginning of the year	18,51,30,876	18,513.09	9,25,65,438	9,256.54
Bonus shares issued during the year	-	-	9,25,65,438	9,256.55
Shares issued during the year	68,97,863	689.78	-	-
Outstanding at the end of the year	**19,20,28,739**	**19,202.87**	**18,51,30,876**	**18,513.09**
Preference shares :				
Outstanding at the beginning of the year	6,000	0.60	6,000	0.60
Redeemed during the year	(6,000)	(0.60)	-	-
Outstanding at the end of the year	**-**	**-**	**6,000**	**0.60**

4 Rights, preferences and restrictions attached to Equity shares

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

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

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

(₹ in lakh)

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	%	No. of shares	%
(a) Equity shares				
1 Godrej Industries Limited - Holding Company	11,13,57,225	57.99%	11,78,78,964	63.67%
2 V-Sciences Investments Pte Ltd	2,47,07,698	12.87%	3,70,07,698	19.99%

6 There are no shares reserved for issue under options.

Notes to the Financial Statements

7 Shares issued for consideration other than cash:

i. Equity shares allotted as fully paid up by way of bonus shares	Year ended	No. of Bonus shares
	March 31 2017	9,25,65,438
	March 31 2016	-
	March 31 2015	7,93,41,804
	March 31 2014	-
	March 31 2013	-

8 Initial public offering

The Company had made an Initial public issue of 2,51,58,964 equity shares of face value ₹ 10 each fully paid up for cash at a price of ₹ 460/- per equity share (including a share premium of ₹ 450/- per share) aggregating ₹ 1,15,731.23 Lakh consisting of a fresh issue of 63,37,225 equity shares by the Company and an offer for sale of 65,21,739 equity shares and 1,23,00,000 equity shares by Godrej Industries Limited and V-Sciences Investments Pte Ltd. respectively aggregating to ₹ 1,15,731.23 Lakh. Aforementioned 63,37,225 equity shares were allotted on October 12th, 2017. The equity shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on October 16th, 2017.

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 19 : Other equity		
1. Retained earnings	65,287.84	58,439.94
2. General reserve	1,831.89	108.66
3. Share premium account	42,565.75	12,989.89
4. Effective portion of cash flow hedges	-	210.00
Total equity	**1,09,685.48**	**71,748.49**

General reserve

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

Share premium account

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

Effective portion of cash flow hedges

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

Dividend	**(₹ in lakh)**
The following dividends were declared and paid by the company during the year:	Amount
Equity Dividend of 2016-17 paid @ ₹ 4.50 per share	8,330.89
Dividend distribution tax on the equity dividend paid	1,696.00
	10,026.89

The Board, in its meeting on May 14, 2018 has recommended a final dividend of ₹ 4.50 per equity share for the financial year ended March 31, 2018 subject to the approval at the Annual General Meeting. The cash outflow on account of dividend would be ₹ 10,417.77 Lakh including corporate dividend tax of ₹ 1,776.48 lakh.

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 20 : Non-current borrowings		
Unsecured		
1 6,000 8% Cumulative non-convertible redeemable preference shares of the par value of ₹10 each (refer note18.4.b)	-	0.60
2 Deferred payment liabilities (refer note 20.1)	308.87	411.82
3 Deferred sales tax loan (refer note 20.2)	226.42	258.24
Total	**535.29**	**670.66**

Note No.20.1: Deferred Loan against acquisition of Lease hold Land is availed at interest rate 14% under the scheme floated by the Directorate of Industries, Government of Uttar Pradesh. Loan repayment shall be performed on a half yearly basis 6 years from 1st July 2016 up to 1st Jan 2022. Total loan availed was ₹ 617.73 Lakh and outstanding for the year ended March 31, 2018 was ₹ 411.83 Lakh (Previous year ₹ 514.77 Lakh) with current maturity disclosed separately in note no. 26 at ₹ 102.96 Lakh (Previous year ₹ 102.96 Lakh).

Note No.20.2: Deferred Sales Tax Loan is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis 14 years from the year of collection, commencing from March 2014 up to March 2021. Total loan availed was ₹ 466.74 Lakh and outstanding for the year ended March 31, 2018 was ₹ 311.33 Lakh (Previous year ₹ 293.39 Lakh) with current maturity disclosed separately in note 26 at ₹ 84.90 Lakh (Previous year ₹ 35.15 Lakh).

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 21 : Other non-current financial liabilities		
1 Preference dividend payable	-	0.05
2 Tax on preference dividend payable	-	0.01
Total	-	0.06
Note 22 : Non-current provisions		
Provision for employee benefits :		
- Provision for compensated absences	336.29	309.62
Total	336.29	309.62
Note 23 : Other non-current liabilities		
Deferred grant	1,224.16	1,325.29
Total	1,224.16	1,325.29
Note 24 : Current borrowings		
1 Secured		
(a) Cash credit from banks (refer note 24.1)	891.65	-
2 Unsecured		
(a) Term loans from banks (refer note 24.2)	15,004.73	17,067.07
(b) Commercial paper (refer note 24.3)	5,000.00	27,500.00
(c) Cash credit (refer note 24.1)	52.64	2,964.31
Total	20,949.02	47,531.38

Notes to the Financial Statements

Note No. 24.1 : Cash credit from banks are repayable on demand and carries interest at 1 Year MCLR + 35 to 50 bps (Previous year 1 Year MCLR + 35 to 50 bps). This cash credit from bank is secured against inventories and receivables.

Note No. 24.2 : Term loans are from multiple banks for the year ended March 31, 2018 and carries various interest rates of 5.95% to 9.35%, 1 year T Bill + 14 bps, 1 month Mibor + 85 bps and 3 Month T Bill (Previous year 5.96% to 13.60 %). These loans are repayable on different dates upto 3 months from the date of the financial statements.

Note No. 24.3 : Commercial paper carries interest rate of 6.15% to 7.25% (Previous year 5.95% to 8.85%)

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 25 : Current -trade payables			
1	**Trade Payables**		
	a. Due to micro, small and medium enterprises (refer note 25.1)	-	-
	b. Others	23,462.02	21,818.37
2	**Acceptances**	52,271.18	52,810.16
Total		**75,733.20**	**74,628.53**
A	Principal amount remaining unpaid	-	-
B	Interest due thereon	-	-
C	Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
D	Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
E	Interest accrued and remaining unpaid	-	-
F	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	

Note No. 25.1: Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Accordingly, there is no undisputed amount overdue as on March 31, 2018, to Micro, Small and Medium Enterprises on account of principal or interest.

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 26 : Other financial liabilities			
1	Current maturities of long-term debt		
	Unsecured loan		
	From others - Deferred sales tax loan (refer note 20.2)	84.90	35.15
	From others - Deferred payment liabilities (refer note 20.1)	102.96	102.96
2	Liabilities towards beneficiaries of company's ESOP Trust	6.10	694.83
3	Security deposit	5,527.53	5,477.39
4	Non-trade payables	3,571.39	1,458.96
5	Derivative liability	9.10	44.82
6	Others (includes accrual for expenses, customer incentives, bonus, etc.)	5,325.95	4,355.16
Total		**14,627.93**	**12,169.27**

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 27 Other current liabilities		
1 Advances from customers	2,974.19	2,447.92
2 Statutory liabilities	1,072.87	649.20
3 Deferred grants	103.89	106.79
Total	**4,150.95**	**3,203.91**
Note 28 Current provisions		
1 Provision for employee benefits		
- Provision for compensated absences	36.18	32.77
- Provision for gratuity (refer note 39)	502.21	420.57
2 Provision for sales return (refer note. 28.1)	2,503.97	2,036.55
Total	**3,042.36**	**2,489.89**
Note. 28.1 Movement of provision for sales return		
Opening balance	2,036.55	1,212.34
Add: Provision created during the year	13,841.06	12,275.20
Less : Utilised during the year	13,373.64	11,450.99
Closing balance	2,503.97	2,036.55

Note. 28.2 : The Company makes a provision on estimated sales return based on historical experience. The Sales returns are generally expected within a year.

(₹ in lakh)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Note 29 Revenue from operations		
1 Sale of products (refer note 60)	3,65,805.50	3,59,204.57
2 Other operating revenue		
Sale of scrap and empties	2,632.74	2,409.48
Rebates/Incentives from government	743.24	179.64
Fair value of biological assets (refer note 4)	(8.76)	(8.63)
	3,367.22	2,580.49
Total	**3,69,172.72**	**3,61,785.06**

Notes to the Financial Statements

(₹ in lakh)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Note 30 Other income			
1	Interest income		
	(a) Instruments measured at amortised cost		
	(i) Interest received on deposits	218.97	313.82
	(ii) Interest received on ESOP loan	-	717.10
	(iii) Interest received from income tax	105.06	-
2	Dividend income		
	(i) Dividend received from joint venture company	60.78	0.04
	(ii) Dividend received from subsidiary company	339.48	-
	(iii) Dividend from others	0.08	-
3	Profit on sale of property, plant and equipment (net)	-	133.23
4	Profit on sale of investments (net)	-	2,937.59
5	Claims received	306.99	49.15
6	Liabilities no longer required written back	127.72	94.79
7	Recovery of bad debts written off	58.77	28.91
8	Royalty & technical knowhow	144.00	247.50
9	Other miscellaneous income	1,240.76	610.20
10	Grant amortization	134.50	106.64
11	VAT refund received	25.56	-
Total		**2,762.67**	**5,238.97**
Note 31 Cost of materials consumed			
a	Material at the commencement of the year	35,899.00	36,699.45
b	Add : Purchases	2,59,262.10	2,63,333.06
c	Less : Material sold	133.37	644.69
		2,95,027.73	**2,99,387.82**
d	Less: Material at the close of the year	33,269.71	35,899.00
Total		**2,61,758.02**	**2,63,488.82**
Note 32 Purchase of stock-in-trade			
Agri inputs		17,081.35	18,360.49
Total		**17,081.35**	**18,360.49**

Notes to the Financial Statements

(₹ in lakh)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Note 33 Changes In inventories of finished goods, work In progress, stock under cultivation and stock-in-trade		
1 Stocks at the commencement of the year		
(a) Finished goods	6,507.60	7,453.81
(b) Work In progress	815.97	655.25
(c) Stock under cultivation	466.98	886.81
(d) Stock-in-trade	6,424.65	5,800.65
Total Stock at the commencement of the year	**14,215.20**	**14,796.52**
2 Less : Stocks at the close of the year		
(a) Finished goods	6,682.99	6,507.60
(b) Work in progress	1,027.35	815.97
(c) Stock under cultivation	426.17	466.98
(d) Stock-in-trade	5,220.08	6,424.65
Total Stock at the close of the year	**13,356.59**	**14,215.20**
Change in the stock of finished goods, work in progress, stock under cultivation, stock in trade	**858.61**	**581.32**
Note 34 Employee benefits expense		
1 Salaries, wages, bonus and allowances	16,682.83	14,125.97
2 Contribution to provident, gratuity and other funds (refer note 39)	1,089.08	962.73
3 Expense on employee stock grant scheme (refer note 46)	220.00	190.00
4 Staff welfare expense	1,524.09	1,191.25
Total	**19,516.00**	**16,469.95**
Note 35 Finance costs		
1 Interest expense		
i. Paid to banks on loans and cash credit	1,076.18	1,445.50
ii. Others	1,985.10	5,120.54
2 Preference dividend and tax on preference dividend	(0.00)	0.07
3 Exchange differences regarded as a adjustment to borrowing cost	32.26	84.01
4 Other borrowing costs	93.99	153.46
Total	**3,187.53**	**6,803.58**
Note No.35.1: Finance costs are net of interest capitalised to Project in Progress ₹ 402.15 lakh (Previous year ₹ 294.15 lakh).		
Note 36 Depreciation and amortisation expenses		
1 Depreciation	5,229.63	4,759.86
2 Amortization	526.27	548.96
Less : Transfer to general reserve (refer note 54 (i))	(425.12)	(425.12)
Total	**5,330.78**	**4,883.70**

Notes to the Financial Statements

(₹ in lakh)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Note 37 Other expenses			
1	Stores and spares consumed	1,903.48	1,625.87
2	Power and fuel	4,591.27	4,289.32
3	Processing charges	7,616.34	6,965.28
4	Rent	1,706.23	1,556.42
5	Rates and taxes	356.93	582.74
6	Repairs and maintenance		
	(a) Machinery	638.64	516.16
	(b) Buildings	113.49	97.42
	(c) Other assets	127.62	108.51
7	Insurance	211.28	173.02
8	Auditor's remuneration (refer note 37.1)	60.74	117.60
9	Freight	3,164.93	2,721.96
10	Advertisement, selling and distribution expenses	4,317.13	3,716.93
11	Bad debts/advances written off	820.35	630.13
12	Allowances for doubtful debts and advances	534.57	325.48
13	Loss on sale/write off of property, plant and equipment	115.00	-
14	Inventory lost due to fire	262.90	-
15	Research expenses	32.50	127.21
16	Net gain/loss on foreign currency transactions and translation	63.01	95.45
17	Corporate social responsibility	438.97	406.02
18	Miscellaneous expenses	7,308.71	6,313.72
Total		**34,384.09**	**30,369.24**
Note No. 37.1: Auditor's remuneration (including to previous auditors)			
(a)	Audit fees (including limited reviews)	59.00	54.98
(b)	Audit under other statutes	-	19.18
(c)	Taxation matters	-	30.83
(d)	Other matters	-	2.84
(e)	Reimbursement of expenses	1.74	9.77
Total		**60.74**	**117.60**
Other services (in connection with filing of redherring prospectus with SEBI) (refer note. 58)		71.73	-
		132.48	**117.60**

Notes to the Financial Statements

Note 38 Earnings per share

Calculation of weighted average number of equity shares - Basic and Diluted

	Particulars	March 31, 2018	March 31, 2017
1	Calculation of weighted average number of equity shares - Basic		
	Number of shares at the beginning of the year	18,51,30,876	8,84,58,090
	Effect of bonus issue	-	8,84,58,090
	Revised number of shares at the beginning of the year	18,51,30,876	17,69,16,180
	Equity shares issued during the year	68,97,863	-
	Equity shares under ESOP scheme exercised during the year (refer note 38.1)	-	82,14,696
	Number of equity shares outstanding at the end of the year	19,20,28,739	18,51,30,876
	Weighted average number of equity shares for the year	18,83,77,275	17,71,41,240
2	Calculation of weighted average number of equity shares - Diluted		
	Number of potential equity shares at the beginning of the year	18,51,30,876	17,69,16,180
	Effect of potential equity shares (refer note 38.1)	-	82,14,696
	Revised number of potential equity shares at the beginning of the year	18,51,30,876	18,51,30,876
	Revised number of potential equity shares outstanding at the end of the year	19,20,28,739	18,51,30,876
	Weighted average number of potential equity shares for the year	18,83,77,275	18,51,30,876
3	**Profit attributable to ordinary shareholders (Basic/diluted)**		
	Profit (loss) for the year, attributable to the owners of the Company	19,086.58	20,796.95
	Income/(Expense) recognized in reserves		
	Amortisation of intangible assets	(276.77)	(277.99)
	Employee compensation expenses	-	(2,375.71)
	Profit for the year, attributable to ordinary shareholders	18,809.81	18,143.25
4	Basic Earnings per share (₹)	9.99	10.24
5	Diluted Earnings per share (₹)	9.99	9.80
6	Nominal Value of Shares (₹)	10	10

Note 38.1 The calculation of diluted earning per share is based on profit attributed to equity shareholders and weighted average number of equity shares outstanding after adjustments for the effects of all dilutive potential equity share i.e. shares reserved for employee share based payments. These shares, have been fully issued upto 31st March, 2017 under Employee Stock Option Plan.

Note. 39 Employee benefits

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

Defined Contribution Plans:

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

The Company recognised ₹ 737.03 lakh for the year ended March 31, 2018 (for Previous Year ₹ 682.46 lakh) towards provident fund contribution and ₹ 57.15 lakh for the year ended March 31, 2018 (Previous Year ₹ 57.07 lakh) towards super-annuation fund contribution in the Statement of Profit and Loss.

Defined Benefit Plan:

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.

Notes to the Financial Statements

(₹ in Lakh)

Particulars	Amount
Plan assets at period end, at fair value	9,907.36
Provident fund corpus	9,625.48
Valuation assumptions under deterministic approach:	
Weighted average yield	8.61%
Weighted average YTM	8.60%
Guaranteed rate of interest	8.55%

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

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

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

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

(₹ in lakh)

	March 31, 2018	March 31, 2017
Defined benefit obligation	(2,239.61)	(1,822.78)
Fair value of plan assets	1,737.39	1,402.22
Net defined benefit (obligation)/assets	**(502.22)**	**(420.56)**

i. Movement in net defined benefit (asset) liability

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

(₹ in Lakh)

	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Opening balance	1,822.78	1,407.57	1,402.22	1054.58	420.56	352.99
Included in profit or loss						
Current service cost	147.68	115.02	-	-	147.68	115.02
Past service cost	-	-	-	-	-	-
Interest cost (income)	132.88	113.17	102.22	84.79	30.66	28.38
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:	308.40	334.26	-	-	308.40	334.26
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(90.93)	115.37	-	-	(90.93)	115.37
Experience adjustment	399.33	218.89	-	-	399.33	218.89
Return on plan assets excluding interest income	-	-	(15.49)	56.25	15.49	(56.25)
	2,411.74	**1,970.02**	**1,488.95**	**1,195.62**	**922.79**	**774.40**
Other						
Contributions paid by the employer	-	-	420.57	353.84	(420.57)	(353.84)
Benefits paid	(172.13)	(147.24)	(172.13)	(147.24)	-	-
Closing balance	**2,239.61**	**1,822.78**	**1,737.39**	**1,402.22**	**502.22**	**420.56**

Notes to the Financial Statements

(₹ in lakh)

Represented by	March 31, 2018	March 31, 2017
Net defined benefit liability	502.22	420.56
	502.22	420.56
Amount recognised in other comprehensive income for the year		
Actuarial loss on obligation for the period	308.40	334.26
Return on plan assets	15.49	(56.25)
Net expense for the period recognised in OCI	323.89	278.01

ii. Plan assets

Plan assets comprise the following

(₹ in lakh)

	March 31, 2018	March 31, 2017
Insurer managed fund (100%)	1,737.39	1,402.22
	1,737.39	**1,402.22**

iii. Actuarial assumptions

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

	March 31, 2018	March 31, 2017
Discount rate	7.78%	7.29%
Future salary growth	5.00%	5.00%
Rate of employee turnover	For service 4 yrs & Below 15.00 % p.a. & For service 5 yrs and above 2.00 % p.a.	For service 4 yrs & Below 15.00 % p.a. & For service 5 yrs and above 2.00 % p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

iv. Sensitivity analysis

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

(₹ in lakh)

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(166.57)	192.96	(150.99)	176.41
Future salary growth (1% movement)	196.46	(172.18)	178.74	(155.41)
Rate of employee turnover (1% movement)	42.41	(48.11)	31.38	(35.91)

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

Notes to the Financial Statements

v. Expected future cash flows

The expected future cash flows in respect of gratuity were as follows

(₹ in lakh)

Expected future benefit payments	March 31, 2018	March 31, 2017
1st Following year	291.70	155.70
2nd Following year	77.47	110.70
3rd Following year	191.41	104.93
4th Following year	136.07	154.53
5th Following year	181.12	130.34
Thereafter	1,078.96	741.40

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the year ended March 31, 2018 based on actuarial valuation using the projected accrued benefit method is ₹ 117.23 Lakh (previous year ₹ 269.00 Lakh).

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

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

Note 40: Financial instruments – Fair values and risk management

Note 40.1: Accounting classification and fair values

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

(₹ in lakh)

March 31, 2018		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
I	**Non-current financial assets**								
1	Investments	0.45	-	-	0.45	-	-	0.45	0.45
2	Loans and advances	-	-	902.66	902.66	-	-	-	-
3	Others	-	-	146.77	146.77	-	-	-	-
II	**Current financial assets**								
1	Trade and other receivables	-	-	50,110.08	50,110.08	-	-	-	-
2	Cash and cash equivalents	-	-	1,157.23	1,157.23	-	-	-	-
3	Other bank balances	-	-	79.46	79.46	-	-	-	-
4	Loans and advances	-	-	2,410.56	2,410.56	-	-	-	-
5	Others	-	-	2,101.74	2,101.74	-	-	-	-
		0.45	**-**	**56,908.50**	**56,908.95**	**-**	**-**	**0.45**	**0.45**

Notes to the Financial Statements

(₹ in lakh)

March 31, 2018		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities									
I	**Non-current financial liabilities**								
1	Borrowings	-	-	535.29	535.29	-	226.42	-	226.42
2	Other non-current financial liabilities	-	-	-	-	-	-	-	-
II	**Current financial liabilities**								
1	Borrowings	-	-	20,949.02	20,949.02	-	-	-	-
2	Trade and other payables	-	-	75,733.20	75,733.20	-	-	-	-
3	Others	9.10	-	14,618.83	14,627.93	-	9.10	-	9.10
		9.10	**-**	**1,11,836.34**	**1,11,845.44**	**-**	**235.52**	**-**	**235.52**

(₹ in lakh)

March 31, 2017		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	**Non-current financial assets**								
1	Investments	0.41	-	-	0.41	-	0.41	-	0.41
2	Loans and advances	-	-	1,090.01	1,090.01	-	-	-	-
3	Others	-	-	174.92	174.92	-	-	-	-
II	**Current financial assets**								
1	Trade and other receivables	-	-	40,744.54	40,744.54	-	-	-	-
2	Cash and cash equivalents	-	-	3,737.19	3,737.19	-	-	-	-
3	Other bank balances	-	-	708.97	708.97	-	-	-	-
4	Loans and advances	-	170.28	3,166.35	3,336.63	-	170.28	-	170.28
5	Others	-	-	1,316.41	1,316.41	-	-	-	-
		0.41	**170.28**	**50,938.39**	**51,109.08**	**-**	**170.69**	**-**	**170.69**
I	**Non-current financial liabilities**								
1	Borrowings	-	-	670.66	670.66	-	258.24	-	258.24
2	Others	-	-	0.06	0.06	-	-	-	-
II	**Current financial liabilities**								
1	Borrowings	-	-	47,531.38	47,531.38	-	-	-	-
2	Trade and other payables	-	-	74,628.53	74,628.53	-	-	-	-
3	Others	44.82	-	12,124.45	12,169.27	-	44.82	-	44.82
		44.82	**-**	**1,34,955.08**	**1,34,999.90**	**-**	**303.06**	**-**	**303.06**

Valuation technique used to determine fair value

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

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

Notes to the Financial Statements

Financial risk management

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

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

i. Risk management framework

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

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

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

Note 40.2: Credit risk

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

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

Trade receivables and loans and advances.

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

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

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

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

The maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows.

(₹ in lakh)

	Carrying amount	
	March 31, 2018	March 31, 2017
Trade receivables	50,110.08	40,744.54
Exports		
Distributors	-	-
Other	19.97	372.41
Domestic		
Distributors	48,527.27	39,181.71
Other	1,562.84	1,190.42
Total of Trade receivables	**50,110.08**	**40,744.54**
Total of Other receivables	1,307.19	2,672.58

Notes to the Financial Statements

Impairment

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

(₹ in lakh)

	March 31, 2018	March 31, 2017
Neither past due nor impaired	34,380.34	25,442.36
Past due 1–30 days	4,053.84	6,045.42
Past due 31–90 days	3,455.13	3,956.31
Past due 91–180 days	2,012.14	1,488.24
> 180 days	6,208.63	3,812.21
	50,110.08	**40,744.54**

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

(₹ in lakh)

	March 31, 2018	March 31, 2017
For Trade receivables		
Balance as at April 1	777.80	424.52
Impairment loss recognised	1,326.10	948.77
Amounts written off	(795.10)	(595.49)
Balance as at March 31	**1,308.80**	**777.80**

(₹ in lakh)

	March 31, 2018	March 31, 2017
For other receivables		
Balance as at April 1	22.61	2,091.06
Impairment loss recognised	25.25	(2,033.81)
Amounts written off	(25.25)	(34.64)
Balance as at March 31	**22.61**	**22.61**

Cash and cash equivalents

The Company held cash and cash equivalents and other Bank balances of ₹1,236.69 lakh at March 31, 2018 (Previous Year ₹ 4,446.16 lakh). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Note 40.3: Liquidity risk

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

Exposure to liquidity risk

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

Notes to the Financial Statements

(₹ in lakh)

March 31, 2018	Contractual cash flows						More than 5 years
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	
Non-derivative financial liabilities							
Non-current, non-derivative financial liabilities							
Deferred sales tax loan	226.42	256.72	-	-	123.20	133.52	-
Deferred payment liability	308.87	308.87	-	-	102.95	205.92	-
Current, non-derivative financial liabilities							
Cash credit from bank	944.30	944.30	944.30	-	-	-	-
Term loans from banks	15,004.73	15,004.73	15,004.73	-	-	-	-
Commercial papers	5,000.00	5,000.00	5,000.00	-	-	-	-
Trade and other payables	23,462.02	23,462.02	22,407.27	1,054.75	-	-	-
Acceptances	52,271.18	52,271.18	52,271.18	-	-	-	-
Other current financial liabilities	14,618.81	14,618.80	14,471.50	147.30	-	-	-
Derivative liability	9.10	9.10	-	9.10	-	-	-
Total	**1,11,845.43**	**1,11,875.72**	**1,10,098.98**	**1,211.15**	**226.15**	**339.44**	**-**

(₹ in lakh)

March 31, 2017	Contractual cash flows						More than 5 years
	Carrying amount	Total	0-6 months	6-12 months	1-2 years	2-5 years	
Non-derivative financial liabilities							
Non-current, non-derivative financial liabilities							
6,000 8% Cumulative non-convertible redeemable preference shares of the par value of ₹10 each	0.60	0.60	-	-	-	-	0.60
Deferred sales tax loan	258.24	341.63	-	-	84.91	256.72	-
Deferred payment liability	411.82	411.82	-	-	102.96	308.86	-
Other non-current financial liabilities-others	0.06	0.06	-	-	-	-	0.06
Current, non-derivative financial liabilities							
Cash credit from bank	2,964.31	2,964.31	2,964.31	-	-	-	-
Term loans from banks	17,067.07	17,067.07	17,067.07	-	-	-	-
Commercial papers	27,500.00	27,500.00	27,500.00	-	-	-	-
Trade and other payables	21,818.37	21,818.37	21,818.37	-	-	-	-
Acceptances	52,810.16	52,810.16	52,810.16	-	-	-	-
Other current financial liabilities	12,124.45	12,124.44	12,037.81	86.63	-	-	-
Derivative liability	44.82	44.82	-	44.82	-	-	-
Total	**1,34,999.89**	**1,35,083.28**	**1,34,197.72**	**131.45**	**187.87**	**565.58**	**0.66**

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

Notes to the Financial Statements

Note 40.4 : Currency risk

Market risk

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

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

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

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

Currency risk

The functional currency of Company is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are INR. The Company is exposed to currency risk in respect of transactions in foreign currency. Foreign currency revenues and expenses are in the nature of export sales and import of purchases/services.

Exposure to currency risk

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

(₹ in lakh)

	March 31, 2018 USD	March 31, 2017 USD
Financial assets		
Trade receivables	19.97	362.40
Foreign exchange forward contracts	-	-
Net exposure to foreign currency risk (Assets)	**19.97**	**362.40**
Financial liabilities		
Foreign currency loan	-	(2,433.15)
Trade payables	(1,567.42)	(1,235.93)
Foreign exchange forward contracts	1,497.87	3,641.91
Net exposure to foreign currency risk (Liabilities)	**(69.55)**	**(27.17)**
Net exposure	**(49.58)**	**335.23**
Un-hedged foreign currency exposures		
Purchase	(69.55)	(27.17)
Sale	19.97	362.40

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at March 31, 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹ lakh	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD (1% movement)	(0.50)	0.50	(0.50)	0.50
	(0.50)	**0.50**	**(0.50)**	**0.50**

Notes to the Financial Statements

(₹ in lakh)

Effect in ₹ lakh	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2017				
USD (1% movement)	3.35	(3.35)	3.35	(3.35)
	3.35	**(3.35)**	**3.35**	**(3.35)**

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

Note 40.5: Interest rate risk

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

Exposure to interest rate risk

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

(₹ in lakh)

Nominal amount	March 31, 2018	March 31, 2017
Fixed-rate instruments		
Financial assets		
Loans and advances	57.02	51.19
Other financial assets	2,042.48	3,494.45
Total	**2,099.50**	**3,545.64**
Financial liabilities		
Borrowings	6,813.60	36,579.49
Other financial liabilities	5,630.49	5,580.35
Total	**12,444.09**	**42,159.84**
Variable-rate instruments		
Current borrowings		
Term loans from banks	13,500.00	8,400.00
Cash credit / WC demand loans from banks	944.29	2,964.31
	14,444.29	**11,364.31**

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Effect in ₹ lakh	Profit or (loss) and Equity (net of tax) March 31, 2018		Profit or (loss) and Equity (net of tax) March 31, 2017	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments				
Cash flow sensitivity (net)	(144.44)	144.44	(113.64)	113.64
	(144.44)	**144.44**	**(113.64)**	**113.64**

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

Notes to the Financial Statements

Note. 41 Hedge accounting

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

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

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

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

During the year the outstanding borrowings and the relevant forward contracts have been settled and hence, the amount in "Other Comprehensive Income" pertaining to cash flow hedge reserve (net of deferred tax) has been reclassified to the Profit & Loss.

a. Disclosure of effects of hedge accounting on financial position

March 31, 2017 (₹ in lakh)

Type of hedge	Nominal Value (in respective currencies)		Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities						
Forward exchange forward contracts on outstanding borrowings	-	2,665.30	170.28	-	Current Asset-Others	May 1, 2017 to Sep 25, 2017	1:1	71.02	237.13	(237.13)
Forward exchange forward contracts on account of future interest payments	-	9.70	0.54	-						
		2,675.00	**170.82**							

a. Disclosure of effects of hedge accounting on financial performance

March 31, 2018	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	NA	NA	NA	321.14	

March 31, 2017	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(321.14)	NA	NA	NA	

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

Movements in cash flow hedging reserve	Amount
As at April 1, 2016	-
Add : Changes in fair value	(321.14)
Less : Amounts reclassified to profit or loss	-
Less: Deferred tax relating to the above	111.14
As at March 31, 2017	**(210.00)**
As at April 1, 2017	**(210.00)**
Add : Changes in fair value	-
Less : Amounts reclassified to profit or loss	321.14
Less: Deferred tax relating to the above	(111.14)
As at March 31, 2018	-

Notes to the Financial Statements

Note 42. Tax expense

(a) Amounts recognised in profit and loss

(₹ in lakh)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	8,911.07	5,684.42
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	65.31	1,585.56
Increase in tax rate	69.54	
Deferred tax expense	**134.85**	**1,585.56**
Tax expense for the year	**9,045.92**	**7,269.98**

(b) Amounts recognised in other comprehensive income

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit liability (asset)	323.88	(112.09)	211.79	278.00	(96.21)	181.79
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	321.14	(111.14)	210.00	(321.14)	111.14	(210.00)
	645.02	**(223.23)**	**421.79**	**(43.14)**	**14.93**	**(28.21)**

(c) Amounts recognised directly in equity

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
General Reserve						
Less: Amortisation of Intangibles as per oil palm companies merger scheme approved by Bombay High Court (Refer Note No. 54).	425.12	148.35	276.77	425.12	147.13	277.99
	425.12	**148.35**	**276.77**	**425.12**	**147.13**	**277.99**

(d) Reconciliation of effective tax rate

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	28,132.38	28,066.93
Company's domestic tax rate	34.61%	34.61%
Tax using the company's domestic tax rate (current year 34.61% and previous year 34.61%)	9,736.05	9,713.40
Tax effect of:		
Expense not allowed for tax purposes	87.37	295.90
Additional allowance for tax purpose	(584.50)	(1,617.13)
Income not considered for tax purpose	(138.55)	(692.16)
Tax paid at lower rate for profit on sales of investment	-	(382.87)
Others	(54.45)	(47.16)
	9,045.92	**7,269.98**
Current tax	8,911.07	5,684.42
Deferred tax	134.85	1,585.56

The Company's effective tax rate for the year ended March 31, 2018 is 32.15% and for year ended March 31, 2017 is 25.90%.

The effective tax rate for the year ended March 31, 2018 was higher primarily as a result of absence of income with lower tax rates as compared to previous year and lower additional allowances for tax purposes.

Notes to the Financial Statements

Note. 43. Movement in deferred tax balances for the year ended March 31, 2018

(₹ in lakh)

	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Deferred tax liability	Deferred tax asset	Net Deferred Tax
Deferred tax asset/(liabilities)							
Property, plant and equipment & intangible assets	(7,195.73)	(527.53)	-	127.64	(8,048.30)	452.67	(7,595.63)
Compensated absences	51.17	78.99	-	-	130.16	-	130.16
Investments	95.69	3.03	-	-	-	98.72	98.72
Biological assets	(11.02)	2.95	-	-	(8.07)	-	(8.07)
Doubtful debtors	283.79	189.62	-	-	473.42	-	473.42
Other items	(9.03)	118.09	111.14	-	220.20	-	220.20
Tax assets (liabilities)	**(6,785.13)**	**(134.85)**	**111.14**	**127.64**	**(7,232.59)**	**551.39**	**(6,681.20)**

Movement in deferred tax balances for the year ended March 31, 2017

(₹ in lakh)

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Deferred tax liability (net)	Deferred tax asset	Net Deferred Tax
Deferred tax asset/(liabilities)							
Property, plant and equipment & intangible assets	(6,564.55)	(750.69)	-	119.51	(7,609.34)	413.61	(7,195.73)
Compensated absences	72.07	(20.90)	-	-	51.17	-	51.17
Investments	129.99	(34.30)	-	-	-	95.69	95.69
Biological assets	(14.01)	2.99	-	-	(11.02)	-	(11.02)
Doubtful debtors	185.30	98.49	-	-	283.79	-	283.79
Brought forward capital losses	308.67	(308.67)	-	-	-		-
MAT credit entitlment	606.87	(606.87)	-	-		-	-
Other items	67.73	34.38	(111.14)	-	(9.03)	-	(9.03)
Tax assets (liabilities)	**(5,207.93)**	**(1,585.57)**	**(111.14)**	**119.51**	**(7,294.43)**	**509.30**	**(6,785.13)**

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

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

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

Note 44 Capital management

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

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

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

Notes to the Financial Statements

The Company's adjusted net debt to equity ratio as at March 31, 2018 was as follows.

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Total borrowings	21,672.17	48,340.14
Less : Cash and cash equivalent	1,157.23	3,737.19
Adjusted net debt	**20,514.94**	**44,602.95**
Total equity	**1,28,888.35**	**90,261.58**
Adjusted net debt to adjusted equity ratio	0.16	0.49

Note 45: Segment information for the year ended March 31, 2018

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

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

1) Animal feed
2) Crop Protection
3) Vegetable Oil
4) Other Business Segment includes, Seed Business, Energy Generation through Windmill and Real Estate Business

(i) Information about primary business segments

(₹ in lakh)

Particulars	For the year ended March 31, 2018						
	Animal Feed	Vegetable Oil	Crop Protection	Other Business	Unallocated	Elimination	Total
Revenue from operations	2,57,597.69	58,541.78	51,095.03	2,476.82	-	(538.60)	3,69,172.72
Result							
Segment result	15,594.33	11,225.66	14,248.23	(501.10)	-		40,567.12
Unallocated expenditure net of unallocated income					(9,971.46)		(9,971.46)
Interest expenses					(3,187.53)		(3,187.53)
Interest Income					324.03		324.03
Dividend income and profit on sale of investments (net)					400.34		400.34
Profit before taxation					(12,434.62)		28,132.50
Provision for taxation					9,045.92		9,045.92
Profit after taxation					**-**		**19,086.58**
Other information							
Segment assets	96,199.40	30,484.39	50,464.70	11,216.43	69,817.37		2,58,182.29
Segment liabilities	69,454.78	9,648.33	15,382.06	757.63	34,051.14		1,29,293.94
Capital expenditure	1,714.27	11,579.67	356.32	6.43	695.45		14,352.14
Depreciation and amortisation	2,966.98	1,475.44	318.72	140.88	428.76		5,330.78

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

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

Notes to the Financial Statements

(₹ in lakh)

Particulars	For the year ended March 31, 2017						
	Animal Feed	Vegetable Oil	Crop Protection	Other Business	Unallocated	Elimination	Total
Revenue from operations	2,62,082.16	50,843.80	45,132.17	3,726.93	-	-	3,61,785.06
Result							
Segment result	16,637.33	10,268.53	11,696.58	(1,160.25)	-		37,442.19
Unallocated expenditure net of unallocated income					(8,540.23)		(8,540.23)
Interest expenses					(6,803.58)		(6,803.58)
Interest income					1,030.92		1,030.92
Dividend income and profit on sale of investments (net)					2,937.63		2,937.63
Profit before taxation and exceptional item					-		26,066.93
Exceptional item					2,000.00		2,000.00
Profit before taxation					-		28,066.93
Provision for taxation					7,269.98		7,269.98
Profit after taxation					**-**		**20,796.95**
Other information							-
Segment assets	94,766.14	19,102.05	42,255.50	6,488.45	77,272.48		2,39,884.62
Segment liabilities	71,989.40	1,730.73	13,784.07	2,192.29	59,926.55		1,49,623.04
Capital expenditure	4,627.55	1,746.25	694.54	11.41	353.20		7,432.95
Depreciation and amortisation	2,684.68	1,310.41	253.03	160.15	475.43		4,883.70

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

Note 46: Share-based payment arrangements:

Description of share-based payment arrangements

Employee stock options

The Company has participated in the Godrej Industries Limited Employee Stock Grant Scheme 2011 and on May 30, 2011 the Compensation Committee of the Company has approved the grant of stocks to certain eligible employees in terms of the Employee Stock Grant Scheme 2011. The grants would vest in three equal parts every year over the next three years. The exercise price is Re. 1 per equity share as provided in the scheme. The Company has provided ₹ 220 lakh (Previous Year ₹ 190 lakh) for the aforesaid eligible employees for the current financial year.

Employee stock options - equity settled

In December 2012, the Company instituted an Employee Stock Option Plan (GAVL ESOP) as approved by the Board of Directors and the Shareholders, for the allotment of 5,86,764 options convertible into 5,86,764 equity shares of ₹ 10 each and Bonus Shares issued against the initial allotment for 35,20,584 shares of ₹ 10 each to eligible employees of the company.

The scheme is administered by an independent ESOP Trust created. The Company has issued 5,86,764 equity shares and Bonus Shares issued against the initial allotment for 76,27,932 shares to the said ESOP Trust at face value of ₹ 10 each amounting to ₹ 58.68 lakh. During the previous year, all the stock options were vested, exercised and transferred to the eligible employees by March 31, 2017.

Notes to the Financial Statements

Category A

Particulars	For the year ended 31 March 2017			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	18,43,457	10.00	1.43	21.5 months
Add: Options granted during the year	1,48,463	10.00	1.43	-
Less: Options lapsed during the year	(1,48,463)	-	-	-
Bonus shares issue against the allotment	18,43,457	-	-	-
Less: Options exercised during the year	(36,86,914)	10.00	0.71	-
Options outstanding at the year end	-	-	-	-
Exercisable at the end of the period	-	-	-	-

The weighted average grant date fair value of par value options granted under Category A during the years ended March 31, 2017 was ₹ 154.60 per option, respectively. The weighted average share price during the years ended March 31, 2017 is ₹ 297.17 per share.

Category B

Particulars	For the year ended 31 March 2017			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	22,63,891	10.00	1.43	-
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	-
Bonus shares issue against the allotment	22,63,891	10.00	-	-
Less: Options exercised during the year	(45,27,782)	10.00	0.71	-
Options outstanding at the year end	-	-	-	-
Exercisable at the end of the period	-	-	-	-

The weighted average grant date fair value of par value options granted under Category B during the years ended March 31, 2017 was ₹ 154.60 per option, respectively. The weighted average share price during the years ended March 31, 2017 is ₹ 297.17 per share.

Valuation of stock options

The fair value of stock options granted during the previous year has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. They key inputs and assumptions used are as follows:

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

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

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

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

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

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

Notes to the Financial Statements

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

Grant date	16/01/2013
Fair value	154.14
Share price	154.60
Exercise price	10.00
Expected volatility (weighted-average)	0.00%
Expected life (weighted-average)	5
Expected dividends	0.00%
Risk-free interest rate (based on government bonds)	9.00%

Note 47 : Contingent liabilities

(₹ in lakh)

Particulars			March 31, 2018	March 31, 2017
Claims against the Company not acknowledged as debts:				
(i)	Excise Matter			
	Excise duty demands relating to disputed classification, assessable values, availment of credit etc. which the Company has contested and is in appeal at various levels		7,149.69	9,988.80
(ii)	Service Tax demands relating to reverse charge mechanism for the Services availed.		-	2.04
(iii)	Customs Matter			
	a	Customs duty demands relating to disputed classification which the Company has contested and is in appeal at various levels.	92.74	85.35
(iv)	Income Tax			
	a	The Company has received a rectification order u/s 154 of Income Tax Act 1961 for AY 2014-15 dated 23.01.2017, as per the said order amount determined to be payable is ₹132.43 lakh which includes interest amounting to ₹ 25.45 lakh.	132.43	132.43
	b	The Company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer for the A.Y 2013-14 in which a demand of ₹143.05 lakh has been determined to be payable by the Company.	143.05	143.05
	c	The company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the Order of the Assessing Officer in which he has disallowed against sec. 14A and in respect of additional depreciation claimed u/s 32 (1) (iia)	331.41	-
(v)	Surety Bond issued on behalf of related party.		120.67	120.67
(vi)	Guarantees issued by the Banks and counter guaranteed by the company which have been secured by deposits with bank.		1,313.92	410.12
(vii)	Claims against the Company not acknowledge as Debt		494.46	905.87

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

Notes to the Financial Statements

Note 48 : Commitments

(₹ in lakh)

	March 31, 2018	March 31, 2017
Estimated value of contracts remaining to be executed on capital account (net of Advances), to the extent not provided for:	1,102.47	6,455.35
Outstanding Export obligation Under EPCG Scheme	3,472.31	3,472.31

Based on the share purchase agreement ("SPA") entered into with the erstwhile promoter of its subsidiary company, Astec Lifesciences Limited, the Company has a commitment to purchase 10% of the subsidiary's Equity shares from erstwhile promoter for a consideration of ₹ 3,696.46 Lakh, in case, he exercises his put option available to him as per the SPA.

Note 49 : Leases

Operating lease:

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

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

(₹ in lakh)

Particulars	March 31, 2018	March 31, 2017
Future lease commitments		
- Within one year	341.18	295.68
- Later than one year and not later than five years	1,054.24	958.85
- Later than five years	-	279.70

b. Lease payments recognised in the Statement of Profit & Loss for the year :

(₹ in lakh)

Particulars	March 31, 2018	March 31, 2017
Minimum lease payments	**1,706.23**	**1,556.42**

Note 50 : Grants/subsidies from government

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

Note 51 : Investments in associate

On January 18, 2018, the Company has subscribed to 3,07,915 equity shares of Godrej Maxximilk Pvt. Ltd (GMPL) for a consideration of ₹ 434.16 Lakh. Pursuant to this acquisition of 49.90% stake, GMPL has become an associate of the Company.

Note 52 : Information in respect of current investment in associates

During the year, the management has decided to divest its stake in AL Rahaba International Trading Limited Liability Company. Consequently, the same has been reclassified as current investment in current year.

Note 53 : Amalgamation of Goldmuhor Agrochem & Feeds Limited.

A Scheme of Amalgamation ("the Scheme") for the amalgamation of Goldmuhor Agrochem & Feeds Limited (called "the Transferor Company") with Godrej Agrovet Limited (the "Transferee Company"), with effect from October 1, 2013, ("the Appointed date") was sanctioned by the Honorable High Court of Judicature at Bombay ("the Court"), vide its Order dated September 20, 2013 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on December 13, 2013 (the "Effective Date").

To give effect to the Honourable Bombay High Court's Order dated September 20, 2013 regarding Scheme of the Arrangement, the following entry has been recorded.

An amount of ₹ 2,000 lakh has been transferred from the General Reserve Account and used to increase the Reserve for Employee Compensation Expenses, of which ₹ 1,986 Lakh has been utilised for the Financial Year ended March 31, 2017. Had the Scheme not prescribed this treatment the profit for the Financial Year ended March 31, 2017 would have been lower by ₹ 1,986 Lakh.

Notes to the Financial Statements

Note 54 : Amalgamation of oil palm companies.

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

i. Amortisation of Intangible Assets of the Transferor Companies amounting to ₹ 425.12 Lakh each for the Financial year ended March 31, 2018 and March 31, 2017 recorded in the books of the Transferee Company are charged against the balance in the General Reserve Account of the Transferee Company. The Gross Book value of these Assets now held by the Transferee Company is ₹ 4,251.18 Lakh.

ii. Provision created against the loan advanced to the ESOP Trust of Godrej Industries Limited amounting to ₹ 2,000 lakh was directly charged against the balance in the Securities Premium Account of the Transferee Company. During the Financial Year ended March 31, 2017, the Company has written back this provision of ₹ 2,000 lakh as the said advance has been recovered and hence, no longer doubtful and the same has been shown as exceptional item.

Had the Scheme not prescribed the above treatment, profit for the Financial year ended March 31, 2018 would have been lower by ₹ 276.77 Lakh (previous year ₹ 277.99 Lakh).

Note 55 : Reserve created for employee compensation expenses

To give effect to the Honorable Bombay High Court's Order dated March 8, 2013, an amount of ₹ 11,004.00 Lakh standing to the credit of the Securities Premium Account of the Company has been utilised to create Reserve for Employee Compensation Account of the Company. The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for Employee Compensation Account, of which ₹ 389.81 Lakh has been utilised for the Financial Year ended March 31, 2017.

Had the Scheme not prescribed this treatment the profit for the Financial Year ended March 31, 2017 would have been lower by ₹ 389.81 Lakh.

Note 56 : Corporate social responsibility (CSR) expenditure

As per Section 135 of the Companies Act, 2013 a CSR Committee has been formed by the company. The funds are utilised during the year on activities which are specified in schedule VII of the Act. The utilisation is done by the way of direct contribution towards various activities. Gross amount required to be spent by the company during the year ₹ 431.10 lakh (Previous year ₹ 405.60 lakh).

Amount spent during the period on:

(₹ in lakh)

		In cash	Yet to be paid in cash	TOTAL
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	438.97	-	438.97

Note 57 : Managerial remuneration

During the year ended March 31, 2017, the stock options granted under the Company's stock option scheme were fully vested, exercised and transferred to the eligible employees including the Managing Director of the Company. The perquisite value of the said stock options have been included in the managerial remuneration which resulted in the same exceeding the limits prescribed under Section 197 of the Companies Act, 2013 by an amount of ₹ 8,661.10 Lakh. The Company is in the process of obtaining approval from Central Government of India for ratification of payment of excess remuneration.

Note 58 :IPO utilisation

The proceeds from Initial Public Offer is ₹ 29,151.24 Lakh (including issue related expenses of ₹ 1,425.95 Lakh.). The utilisation of the same are as follows.

(₹ in lakh)

Particulars	Object of the issue as per the Prospectus	Utilised upto March 31, 2018
Repayment or prepayment of working capital facilities availed by the Company	10,000.00	10,000.00
Repayment of commercial papers issued by the Company	15,000.00	15,000.00
General corporate purposes (including repayment of debts)	2,725.00	2,725.00
TOTAL	**27,725.00**	**27,725.00**

The Company has incurred ₹ 5,661.06 Lakh of IPO expenses. These IPO expenses have been allocated between the Company ₹ 1,425.95 Lakh (which has been adjusted against the securities premium account) and the selling shareholders ₹ 4,235.11 Lakh in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders.

Notes to the Financial Statements

Note 59: Research and development

Units of the Company has been recognized by DSIR as in-house Research and Development unit. The Company claims exemption under Sec 35(2AB) of Income Tax Act, 1961 for expenditure incurred on in-house R&D activities, detailed below.

(₹ in lakh)

	March 31, 2018			March 31, 2017		
	Vikhroli R&D Centre	Nashik R&D Centre	Total	Vikhroli R&D Centre	Nashik R&D Centre	Total
Capital expenditure	9.40	39.27	48.67	0.86	226.41	227.27
Revenue expenditure	308.46	866.98	1,175.44	194.37	744.24	938.61
Total expenditure incurred	**317.86**	**906.25**	**1,224.11**	**195.23**	**970.65**	**1,165.88**
Less: Income earned by R&D	-	112.66	112.66	-	117.60	117.60
Net expenditure incurred	**317.86**	**793.59**	**1,111.45**	**195.23**	**853.05**	**1,048.28**

Note No. 60 : The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017, consequently revenue from operations for the year ended March 31, 2018 is net of GST, however revenue for quarter ended June 30, 2017 is inclusive of excise duty and hence, total income from operations for year ended March 31, 2018 and year ended March 31, 2017 are not comparable.

Note No. 61 : Movement in borrowings

(₹ in lakh)

Particulars	March 31, 2017	Cash Flow	Non - cash changes	March 31, 2018
Long term borrowings	808.77	(137.64)	52.02	723.15
Short term borrowings	47,531.38	(26,582.36)	-	20,949.02
Total borrowings	**48,340.14**	**(26,720.00)**	**52.02**	**21,672.17**

Note No. 62 : Specified bank notes

Disclosure of the details of Specified bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, required as per Notification G.S.R 308 (E) dated 30 March 2017 issued by the Ministry of Corporate Affairs.

(₹ in lakh)

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

The opening balance includes imprest/advance with employees and amounts collected by field staff on or before 8th November 2016, which has been deposited into the group's bank account subsequently.

Notes to the Financial Statements

Note No. 63: Related Party Disclosures

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

			GODREJ AGROVET LIMITED
(a)	(i)	**Key management personnel**	Mr. N. B. Godrej (Chairman)
			Mr. A. B. Godrej
			Mr. J. N. Godrej
			Mr. V. M. Crishna
			Ms. Tanya A. Dubash
			Ms. Nisaba Godrej
			Mr. B. S. Yadav (Managing Director)
			Mr. K. N. Petigara
			Mr. A. B. Choudhury
			Dr. S. L. Anaokar
			Dr. R. A. Mashelkar (w.e.f. July 18, 2017)
			Dr. Ritu Anand (w.e.f. July 18, 2017)
			Ms. Aditi Kothari Desai (w.e.f. July 18, 2017)
			Ms. Roopa Purushothaman (w.e.f. July 18, 2017)
			Mr. Rohit Sipahimalani (Resigned w.e.f. July 13, 2017)
			Mr. Vivek Raizada (Company Secretary)
			Mr. S. Varadaraj (Chief Financial Officer)
(b)	(i)	**Holding companies**	Godrej & Boyce Manufacturing Company Limited (ultimate holding company upto March 29, 2017)
			Godrej Industries Limited (holding company)
			Vora Soaps Limited (ultimate holding company w.e.f. March 30, 2017)
	(ii)	**Subsidiary companies**	Godvet Agrochem Limited
			Godrej Seeds & Genetics Limited (subsidiary company upto March 18, 2017)
			Astec LifeSciences Limited
			Creamline Dairy Products Limited
	(iii)	**Fellow subsidiary companies**	Godrej Properties Ltd.
			Natures Basket Limited
			Godrej One Premises Management Private Limited
			Godrej Vikhroli Properties India Limited
	(iv)	**Joint ventures**	Godrej Tyson Foods Limited
			ACI Godrej Agrovet Private Limited, Bangladesh
			Omnivore India Capital Trust
	(v)	**Associates**	Godrej Maxximilk Private Limited
			AL Rahba international Trading LLC
			Polchem Hygiene Laboratories Private Limited (upto December 12, 2016)
	(vi)	**Other related parties**	Godrej & Boyce Manufacturing Company Limited (w.e.f. March 30, 2017)
			Godrej Consumer Products Limited (w.e.f. March 30, 2017)
			Godrej Seeds & Genetics Limited (w.e.f. March 19, 2017)
			Godrej Infotech Limited (w.e.f. March 30, 2017)
			Anamudi Real Estates LLP
	(vii)	**Post-employment benefit plan (entities) for the benefit of employees of the company**	Godrej Agrovet Limited Provident Fund Trust
			Godrej Agrovet Limited Superannuation Scheme
			Godrej Agrovet Limited Group Gratuity Trust

Notes to the Financial Statements

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

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

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

(₹ in lakh)

Sr. No.	Nature of Transactions	Holding Companies	Subsidiaries	Fellow Subsidiaries	Joint Ventures	Associates	Other related Parties
		(i)	(ii)	(iii)	(iv)	(v)	(vi) & (vii)
1	Purchase / Transfer of property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**63.44**
		76.71	-	-	-	-	-
2	Investment in share capital / acquisition of shares	**-**	**2,083.04**	**-**	**131.88**	**434.16**	**-**
		-	2,339.93	-	250.00	-	-
3	Sundry deposits placed	**4.05**	**-**	**0.39**	**-**	**-**	**-**
		6.60	-	9.00	-	-	-
4	Intercorporate deposits placed during the year	**-**	**102.00**	**-**	**-**	**783.70**	**-**
		-	6,119.08	-	-	-	-
5	Intercorporate deposits returned	**-**	**-**	**-**	**-**	**-**	**-**
		-	10,453.83	-	-	-	-
6	Sale of materials / finished goods	**-**	**493.73**	**-**	**22,763.47**	**8.40**	**-**
		-	361.55	-	24,098.59	-	-
7	Purchase of materials / finished goods / services	**431.33**	**937.84**	**-**	**162.07**	**-**	**67.52**
		188.12	1,306.58	5,205.18	292.64	574.69	-
8	Expenses charged to / reimbursement received from other companies	**-**	**244.51**	**0.74**	**307.30**	**152.04**	**-**
		11.81	214.13	21.39	288.16	-	-
9	Expenses charged by / reimbursement made to other companies	**872.31**	**216.15**	**281.97**	**4.40**	**-**	**67.25**
		756.43	283.19	17.60	1.48	-	294.63
10	Dividend income	**-**	**339.48**	**-**	**60.78**	**-**	**-**
		-	-	-	-	-	-
11	Dividend paid	**5,304.55**	**-**	**-**	**-**	**-**	**-**
		-	-	-	-	-	-
12	Interest income on intercorporate deposits placed / loans given	**-**	**98.53**	**-**	**-**	**13.71**	**3.89**
		-	208.23	6.98	-	-	21.78
13	Sundry income	**-**	**-**	**-**	**131.00**	**-**	**1.41**
		-	-	1.39	247.50	-	-
14	Outstanding intercorporate deposit receivable	**-**	**1,090.50**	**-**	**-**	**783.70**	**-**
		-	988.50	-	-	-	-
15	Capital advance given during the year	**-**	**-**	**449.69**	**-**	**-**	**-**
		-	-	185.24	-	-	-
16	Outstanding capital advance	**-**	**-**	**814.47**	**-**	**-**	**-**
		-	-	364.78	-	-	-
17	Outstanding receivables (net of payables)	**(75.29)**	**(25.82)**	**9.09**	**652.41**	**220.01**	**(578.34)**
		69.16	83.04	11.04	1,212.72	-	(544.93)
18	Guarantees outstanding	**-**	**-**	**-**	**-**	**-**	**120.67**
		-	-	120.67	-	-	-
19	Contribution to post-employment benefit plans	**-**	**-**	**-**	**-**	**-**	**2,058.87**
		-	-	-	-	-	1,867.10

Notes to the Financial Statements

(ii) Details relating to persons referred to in items 1 (iv) & (v) above

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
1	**Remuneration to key management personnel**		
	Salary and short term employee benefit	639.91	405.40
	Post employee gratuity & medical benefits	8.64	7.89
	Share based payment	229.67	9,952.12
2	Dividend paid	602.78	-
3	Director's sitting fees	63.11	26.80

3. Significant Related Party Transactions :

(₹ in lakh)

Sr. No.	Nature of Transaction	As at March 31, 2018	As at March 31, 2017
1	**Purchase of property, plant and equipment**		
	Godrej & Boyce Mfg Co Limited	63.44	76.71
2	**Investment in share capital / acquisition of shares**		
	Astec LifeSciences Ltd.	2,083.04	2,339.93
	Godrej Maxximilk Pvt. Ltd.	434.16	-
	Omnivore India Capital Trust	131.88	250.00
3	**Sundry deposits placed**		
	Godrej Industries Limited	4.05	6.60
	Godrej One Premises Management Pvt. Ltd.	0.39	9.00
4	**Intercorporate deposits placed during the year**		
	Godvet Agrochem Limited	102.00	1,119.08
	Astec LifeSciences Ltd.	-	5,000.00
	Godrej Maxximilk Pvt. Ltd.	783.70	-
5	**Intercorporate deposits returned**		
	Godvet Agrochem Limited	-	5,453.83
	Astec LifeSciences Ltd.	-	5,000.00
6	**Sale of materials / finished goods**		
	ACI Godrej Agrovet Private Limited	610.12	916.40
	Godrej Maxximilk Pvt. Ltd.	8.40	-
	Godrej Seeds & Genetics Limited	-	0.38
	Godrej Tyson Foods Limited	22,153.35	23,182.20
	Creamline Dairy Products Limited	493.73	361.17
7	**Purchase of materials / finished goods / services**		
	Godrej & Boyce Mfg Co Limited	23.75	24.39
	Godrej Industries Limited	431.33	163.73

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of Transaction	As at March 31, 2018	As at March 31, 2017
	Godrej Consumer Products Limited	43.76	30.18
	Godrej Tyson Foods Limited	162.07	292.64
	Godrej Seeds & Genetics Limited	-	414.81
	Astec LifeSciences Ltd.	937.84	891.76
	Polchem Hygiene Laboratories Private Limited	-	574.69
	Godrej Properties Limited	-	5,175.00
8	**Expenses charged to / reimbursement received from other companies**		
	ACI Godrej Agrovet Private Limited	5.26	-
	Omnivore India Capital Trust	8.37	-
	Godrej Industries Limited	-	11.81
	Godrej Seeds & Genetics Limited	-	53.59
	Godrej Tyson Foods Limited	293.67	288.16
	Godvet Agrochem Limited	44.87	79.91
	Creamline Dairy Products Limited	20.94	16.47
	Astec LifeSciences Ltd.	178.70	64.16
	Natures Basket Limited	-	21.39
	Godrej Properties Limited	0.74	-
	Godrej Maxximilk Pvt. Ltd.	152.04	-
9	**Expenses charged by / reimbursement made to other companies**		
	Godrej Infotech Limited	2.45	3.62
	Godrej & Boyce Mfg Co Limited	33.90	13.18
	Godrej Consumer Products Limited	30.90	13.71
	Godrej Industries Limited	872.31	743.25
	Godrej Tyson Foods Limited	4.40	1.48
	Godvet Agrochem Limited	189.78	282.09
	Creamline Dairy Products Limited	0.40	1.08
	Natures Basket Limited	2.04	0.27
	Godrej One Premises Management Pvt. Ltd.	279.92	294.63
	Astec LifeSciences Ltd.	25.98	0.03
10	**Dividend income**		
	Creamline Dairy Products Limited	176.37	-
	Astec LifeSciences Ltd.	163.11	-
	Omnivore India Capital Trust	60.78	-
11	**Dividend paid**		
	Godrej Industries Limited	5,304.55	-
	Mr. N. B. Godrej (Chairman)	186.58	-
	Mr. A. B. Godrej	0.23	-

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of Transaction	As at March 31, 2018	As at March 31, 2017
	Mr. B. S. Yadav (Managing Director)	198.30	-
	Mr. J. N. Godrej	93.29	-
	Ms. Tanya A. Dubash	62.19	-
	Ms. Nisaba Godrej	62.19	-
12	**Interest income on intercorporate deposits placed / loans given**		
	Godvet Agrochem Limited	98.53	93.86
	Natures Basket Limited	-	6.98
	Anamudi Real Estates LLP	-	21.78
	Astec LifeSciences Ltd.	-	57.45
	Godrej Seeds & Genetics Limited	3.89	56.91
	Godrej Maxximilk Pvt. Ltd.	13.71	-
13	**Sundry income**		
	ACI Godrej Agrovet Private Limited	131.00	247.50
	Godrej Consumer Products Limited	1.41	1.39
14	**Outstanding intercorporate deposit receivable**		
	Godvet Agrochem Limited	1,090.50	988.50
	• Maximum amount of Intercorporate Deposit outstanding during the year	1,090.50	988.50
	Godrej Maxximilk Pvt. Ltd.	783.70	-
	• Maximum amount of Intercorporate Deposit outstanding during the year	783.70	-
15	**Capital advance given during the year**		
	Godrej Vikhroli Properties India Limited	449.69	185.24
16	**Outstanding capital advance**		
	Godrej Vikhroli Properties India Limited	814.47	364.78
17	**Outstanding receivables (net of payables)**		
	Godrej & Boyce Mfg Co Limited	1.23	-
	Godrej Industries Limited	(75.29)	69.16
	Godrej Seeds & Genetics Limited	(16.84)	-
	Godvet Agrochem Limited	(13.98)	0.03
	Godrej Properties Limited	-	13.95
	Godrej Consumer Products Limited	(2.55)	(2.48)
	Godrej Infotech Limited	(2.25)	(0.43)
	Natures Basket Limited	(0.47)	0.00
	Godrej Tyson Foods Limited	101.43	72.05
	ACI Godrej Agrovet Private Limited	445.98	933.29
	Creamline Dairy Products Limited	68.56	26.80

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of Transaction	As at March 31, 2018	As at March 31, 2017
	Omnivore India Capital Trust	105.00	207.38
	Godrej Maxximilk Pvt. Ltd.	220.01	-
	Astec LifeSciences Ltd.	(80.41)	56.21
	Godrej One Premises Management Pvt. Ltd.	9.56	-
	Godrej Agrovet Limited Employees Provident Fund Trust.	(50.68)	(119.32)
	Godrej Agrovet Limited Employees Superannuation Scheme.	(5.03)	(5.05)
	Godrej Agrovet Limited Employees Group Gratuity Trust.	(502.21)	(420.57)
18	**Guarantees outstanding**		
	Godrej Consumer Products Limited	120.67	120.67
19	**Director's sitting fees**		
	Mr. A. B. Godrej, (Director)	8.18	6.00
	Mr. K. N. Petigara, (Independent Director)	11.67	6.40
	Dr. S. L. Anaokar, (Independent Director)	6.60	6.80
	Mr. Amit B. Choudhury, (Independent Director)	9.58	7.60
	Dr. Ritu Anand, (Independent Director)	8.27	-
	Ms. Aditi Kothari Desai, (Independent Director)	7.27	-
	Dr. Raghunath A. Mashelkar, (Independent Director)	6.77	-
	Ms. Roopa Purushothaman, (Independent Director)	4.77	-
20	**Contribution to post-employment benefit plans**		
	Godrej Agrovet Limited Employees Provident Fund Trust.	1,581.15	1,456.19
	Godrej Agrovet Limited Employees Superannuation Scheme.	57.15	57.07
	Godrej Agrovet Limited Employees Group Gratuity Trust.	420.57	353.84

Note No. 64 : The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure that include changes consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013".

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

CONSOLIDATED FINANCIALS AND AUDITORS' REPORT

Independent Auditors' Report

To the Members of
Godrej Agrovet Limited

Report on the consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of Godrej Agrovet Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates and its joint ventures which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

Management's responsibility for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub section (10) of Section 143 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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, as well as evaluating the overall presentation of the consolidated 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 ability of Group and of its associates and joint ventures 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associates and joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (b) of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for qualified opinion

During the year ended 31 March 2017, the Company had paid remuneration to its Managing Director which is in excess of the limits given under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 8,661.10 Lakh. Pending approval from the Central Government, impact thereof on the consolidated Ind AS financial statements is not currently ascertainable. Refer Note 56 to the consolidated Ind AS financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above and based

on the consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Emphasis of matters

We draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

i. Note 54 to the consolidated Ind AS financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor companies (Godrej Oil Palm Limited, Godrej Gokarna Oil Palm Limited and Cauvery Palm Oil Limited) have been taken over and recorded at their book values as on 1 April 2011. Amortisation amounting to ₹ 425.12 Lakh for the years ended 31 March 2018 and 31 March 2017, on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve Account of the Company. Had this amount been charged to the consolidated Ind AS statement of profit and loss, the profit for the year ended 31 March 2018 and 31 March 2017 would have been lower by ₹ 276.77 Lakh and ₹ 277.99 Lakh respectively.

ii. Note 52 to the consolidated Ind AS financial statements wherein the Honorable High Court of Judicature at Bombay had approved a Scheme of Arrangement whereby the assets and liabilities of the transferor company (Goldmuhor Agrochem & Feeds Limited) have been taken over and recorded at their book values as on 01 October 2013. An amount of ₹ 2,000 Lakh has been transferred from the General Reserve Account and used to increase the Reserve for Employee Compensation Expenses, of which ₹ 1,986 Lakh has been utilised in the year ended 31 March 2017. Had the Scheme not prescribed this treatment, the profit for the year ended 31 March 2017 would have been lower by ₹ 1,986 Lakh.

iii. Note 53 to the consolidated Ind AS financial statements wherein the Honorable High Court of the Judicature at Bombay had approved a Scheme for the Reduction of Capital (Securities Premium Account). As per the Scheme an amount of ₹ 11,004 Lakh has been transferred from the Securities Premium account and used to create the reserve for Employee Compensation expenses, of which ₹ 389.81 Lakh has been utilised in the year ended 31 March 2017. Had the Scheme not prescribed this treatment, the profit for the year ended 31 March 2017 would have been lower by ₹ 389.81 Lakh.

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

Other matters

(a) The comparative financial information of the Group, its associates and joint ventures for the year ended 31 March 2017, prepared in accordance with Ind AS, included in these consolidated 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 12 May 2017, had expressed a modified opinion (modification as more fully explained in the Basis for qualified opinion paragraph and which continues to apply to the accompanying consolidated Ind AS financial statements for the year ended 31 March 2018).

(b) We did not audit the financial statements of three subsidiaries included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 2,514.34 Lakh as at 31 March 2018, total revenues of ₹ 172.83 Lakh and net cash outflows amounting to ₹ 2.50 Lakh for year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 631.06 Lakh for the year ended 31 March 2018, in respect of one joint ventures and one associate whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the reports of the other auditors.

(c) We did not audit the financial statements/ financial information of two subsidiaries included in the Consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 10.02 Lakh as at 31 March 2018, total revenues of ₹ Nil and net cash outflows amounting to ₹ 2.18 Lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 479.36 Lakh for the year ended 31 March 2018, in respect of one joint ventures and one associate whose financial statements have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements/ financial information certified by the Management.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiaries, joint

ventures and associates, as noted in the 'Other matter' paragraph (b) and (c) above, we report, to the extent applicable, that:

(a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

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

(c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules thereunder;

(e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associates and joint ventures incorporated in India, are 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 Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report "Annexure A"; and

(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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. the consolidated Ind AS financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer Note 46 to the consolidated Ind AS financial statements;

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

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2018; and

iv. the disclosures in the consolidated Ind AS 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 However amounts as appearing in the audited consolidated Ind AS financial statements for the year ended 31 March 2017 have been disclosed. Refer Note 61 to the consolidated Ind AS financial statements.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
14 May 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

(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 Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to the consolidated Ind AS financial statements of Godrej Agrovet Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India (the Holding Company and its subsidiary companies incorporated in India together referred to as "the Group") and its associate company and jointly controlled company incorporated in India and to whom the internal financial reporting is applicable, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, the subsidiary companies, the associate company and jointly controlled company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with respect to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to consolidated Ind AS financial statements financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements 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 with reference to the consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to consolidated Ind AS financial statements

A Holding Company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements 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 Holding company, its subsidiary companies, its associate company and jointly controlled company, which are companies incorporated in India and to whom the internal financial reporting is applicable, have, in all material respects, an adequate internal financial controls system with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to consolidated Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements insofar as it relates to three subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

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

Koosai Lehery
Partner
Membership No: 112399

Mumbai
14 May 2018

Balance Sheet

as at March 31, 2018

(₹ in lakh)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	ASSETS			
(I)	**Non-current assets**			
	(a) Property, plant and equipment	2	1,24,754.63	1,22,205.19
	(b) Capital work-in-progress		18,984.59	5,020.80
	(c) Goodwill		19,486.72	19,486.72
	(d) Other intangible assets	3	4,952.75	5,587.78
	(e) Intangible assets under development		56.26	23.42
	(f) Biological assets other than bearer plants	4	426.17	466.98
	(g) Equity accounted investees	5 (a)	19,522.47	17,544.99
	(h) Financial assets			
	(i) Investments	5 (b) & (c)	1.15	0.93
	(ii) Trade receivables	6	-	-
	(iii) Loans	7	1,376.98	1,497.85
	(iv) Others	8	148.44	491.94
	(i) Deferred tax assets		654.87	678.05
	(j) Other tax assets (net)		320.08	1,426.67
	(k) Other non-current assets	9	5,701.82	4,841.01
	Total non-current assets		**1,96,386.93**	**1,79,272.33**
(II)	**Current assets**			
	(a) Inventories	10	76,285.59	73,806.86
	(b) Financial assets			
	(i) Trade receivables	11	63,151.68	52,194.99
	(ii) Cash and cash equivalents	12	2,985.18	5,381.95
	(iii) Bank balances other than (ii) above	13	197.29	847.75
	(iv) Loans	14	1,469.18	2,284.57
	(v) Others	15	2,183.91	1,390.29
	(c) Other current assets	16	12,587.51	6,264.53
	Total current assets		**1,58,860.34**	**1,42,170.94**
	TOTAL ASSETS		**3,55,247.27**	**3,21,443.27**
	EQUITY AND LIABILITIES			
(I)	**Equity**			
	(a) Equity share capital	17	19,202.87	18,513.09
	(b) Other equity	18	1,21,934.11	82,364.97
	Equity attributable to equity holders of the parent		**1,41,136.98**	**1,00,878.06**
	Non-controlling interests		26,927.73	25,406.75
	Total equity		**1,68,064.71**	**1,26,284.81**
(II)	**Liabilities**			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	19	1,414.46	2,055.81
	(ii) Other financial liabilities	20	-	3,532.71
	(b) Provisions	21	643.74	501.50
	(c) Deferred tax liabilities (net)		17,302.80	16,633.63
	(d) Other non-current liabilities	22	1,404.59	1,523.69
	Total non-current liabilities		**20,765.59**	**24,247.34**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	23	38,866.30	63,925.24
	(ii) Trade payables	24	95,501.49	84,084.61
	(iii) Other financial liabilities	25	22,696.07	16,761.73
	(b) Other current liabilities	26	4,687.78	3,565.28
	(c) Provisions	27	3,201.77	2,574.26
	(d) Current tax liabilities (net)		1,463.56	-
	Total current liabilities		**1,66,416.97**	**1,70,911.12**
	TOTAL EQUITY AND LIABILITIES		**3,55,247.27**	**3,21,443.27**

The notes 1 to 66 form an integral part of the financial statements

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I.	Revenue from operations	28	5,20,591.21	4,92,640.18
II.	Other income	29	3,181.39	5,899.96
III.	**TOTAL INCOME**		**5,23,772.60**	**4,98,540.14**
IV.	**Expenses**			
	Cost of materials consumed	30	3,79,047.40	3,61,965.02
	Purchases of stock-in-trade	31	17,081.35	18,362.75
	Changes in inventories of finished goods, stock under cultivation, work in progress and stock-in-trade	32	(766.47)	(1,276.54)
	Excise duty		2,038.69	1,531.51
	Employee benefits expense	33	27,634.20	23,274.89
	Finance costs	34	4,531.33	8,634.18
	Depreciation and amortization expenses	35	8,592.45	7,466.48
	Other expenses	36	51,252.36	44,981.34
	TOTAL EXPENSES		**4,89,411.31**	**4,64,939.63**
V.	**Profit before exceptional items, tax and share of equity accounted investees**		**34,361.29**	**33,600.51**
	Share of profit of equity-accounted investees, net of tax		1,607.99	1,855.76
VI.	**Profit before exceptional items and tax**		**35,969.28**	**35,456.27**
VII.	Exceptional items (refer note 59 and 54(ii))		1,205.00	2,000.00
VIII.	**Profit before tax**		**37,174.28**	**37,456.27**
IX.	**Tax expense:**		**12,070.48**	**10,164.51**
	1. Current tax		**11,075.27**	**7,608.45**
	- for current year		11,157.65	7,406.47
	- for earlier years		(82.38)	201.98
	2. Deferred tax		**995.21**	**2,556.06**
	-for current year		995.21	2,556.06
X.	**Profit for the year**		**25,103.80**	**27,291.76**
XI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit liability		(479.78)	(393.56)
	Equity accounted investee's share of other comprehensive income		(98.67)	(23.69)
	Income tax related to items that will not be reclassified to profit or loss		170.77	144.41
			(407.68)	**(272.84)**
	(B) Items that will be reclassified to profit or loss			
	Exchange difference on translation of financial statements of foreign operations		(42.42)	5.67
	Effective portion of gains/(losses) on hedging instruments in cash flow hedges		(350.43)	315.17
	Income tax related to items that will be reclassified to profit or loss		121.28	(109.07)
			(271.57)	**211.77**
	Other comprehensive income for the year		**(679.25)**	**(61.07)**
XII.	**Total comprehensive income for the year (X + XI)**		**24,424.55**	**27,230.69**
	Profit attributable to:			
	Equity holders of the company		22,920.90	24,881.68
	Non-controlling interest		2,182.90	2,410.08
			25,103.80	**27,291.76**
XIII.	**Other comprehensive income is attributable to :**			
	Equity holders of the company		(620.50)	(25.70)
	Non-controlling interests		(58.75)	(35.37)
			(679.25)	**(61.07)**
XIV.	**Total comprehensive income is attributable to :**			
	Equity holders of the company		22,300.40	24,855.98
	Non-controlling interests		2,124.15	2,374.71
			24,424.55	**27,230.69**
XV.	**Earnings per equity share (Nominal value of ₹ 10 each, fully paid-up)**	37		
	Basic (₹)		12.02	12.55
	Diluted (₹)		12.02	12.01

The notes 1 to 66 form an integral part of the financial statements

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from operating activities :**		
	Net profit before taxes	**37,174.28**	**37,456.27**
	Adjustment for:		
	Depreciation	8,592.46	7,466.48
	Profit on sale of property, plant and equipment	158.44	238.07
	Profit on sale of investments (net)	(17.96)	(2,763.43)
	Unrealised foreign exchange gain/loss	(92.47)	(110.45)
	Dividend income	-	(0.04)
	Grant amortisation	(149.29)	(116.22)
	Interest income	(349.69)	(1,480.10)
	Employee share based compensation cost	-	87.66
	Share of equity-accounted investees, net of tax	(1,607.99)	(1,855.76)
	Finance cost	4,531.33	8,634.18
	Allowances for doubtful debts and advances	688.37	420.62
	Liabilities no longer required written back	(380.52)	(233.02)
	Exceptional income/others	(1,205.00)	(1,983.69)
	Inventory lost due to fire	262.90	-
	Employee stock options expense	42.52	-
	Bad debts written off	820.57	799.23
		11,293.67	**9,103.53**
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**48,467.95**	**46,559.80**
	Adjustments for:		
	Inventories	(3,469.46)	(7,524.99)
	Biological assets other than bearer plants	40.81	419.83
	Trade receivables	(12,260.96)	(8,168.37)
	Current / non-current financial assets- loans	1,701.44	14,090.51
	Current / non-current financial assets- others	(197.67)	4,386.97
	Other current / non-current assets	(6,648.38)	3,493.50
	Trade payables and acceptances	11,512.00	50,957.65
	Current / non-current provisions	280.70	1,075.35
	Current / non-current financial liabilities- others	3,166.90	(7,198.57)
	Other current / non-current liabilities	1,164.44	(365.55)
		(4,710.18)	**51,166.33**
	CASH GENERATED FROM OPERATIONS	**43,757.77**	**97,726.13**
	Direct taxes paid (net of refunds received)	(8,373.77)	(7,995.77)
	NET CASH FLOW FROM OPERATING ACTIVITIES	**35,384.00**	**89,730.36**
B.	**Cash flow from investing activities :**		
	Acquisition of property, plant and equipment	(24,613.79)	(20,489.75)
	Proceeds from sale of property, plant and equipment	138.24	998.44
	Intercorporate deposits given	(783.70)	3,000.00
	Purchase of investments	(566.08)	(241.89)

Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Proceeds from sale of investments	17.96	8,685.70
	Deposits redeemed	22.16	241.27
	Interest received	445.01	1,472.36
	Dividend received	60.85	0.04
	NET CASH FLOW FROM INVESTING ACTIVITIES	**(25,279.35)**	**(6,333.83)**
C.	**Cash flow from financing activities :**		
	Proceeds from exercise of ESOP shares	19.84	78.33
	Repayment of short term borrowings	(3,54,687.12)	(5,15,765.89)
	Proceeds from short term borrowings	3,30,031.15	4,49,760.96
	Repayment of long term borrowings	(1,051.38)	(601.85)
	Proceeds from long term borrowings	-	(3,664.09)
	Finance cost	(4,548.39)	(8,614.22)
	Dividend paid	(8,682.37)	-
	Dividend tax paid	(1,765.16)	-
	Transactions with non-controlling interests	(2,083.04)	(2,348.04)
	Redemption of preference shares	(0.60)	-
	Proceed from fresh issue of shares	31,691.60	-
	Share issue expenses charged directly to reserves	(1,425.95)	-
	NET CASH FLOW FROM FINANCING ACTIVITIES	**(12,501.42)**	**(81,154.80)**
	Net (decrease)/ increase in cash and cash equivalents	**(2,396.77)**	**2,241.73**
	Cash and cash equivalents (Opening balance)	**5,381.95**	**3,142.99**
	Less: Opening cash & cash equivalents removed	**-**	**(2.77)**
	Cash and cash equivalents (Closing balance)	**2,985.18**	**5,381.95**

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

2 Figures in bracket indicate cash outflow.

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

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Statement of changes in equity

for the year ended March 31, 2018

(a) Equity share capital

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the reporting year	18, 513.09	9, 256.54
Changes in equity share capital during the year (refer note 17)	689.78	9, 256.55
Balance at the end of the reporting year	**19, 202.87**	**18, 513.09**

(b) Other equity

(₹ in lakh)

	Retained earnings	Capital reserve	General reserve	Reserve for employee compensation expense	Debenture redemption reserve	Employee share option outstanding	Share premium account	Treasury share reserve	Non controlling interest reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of a foreign operation	Total attributable to the owners of the Company	Non - controlling interest	Total
Balance at April 1, 2017	**74,602.45**	**172.95**	**368.41**	**-**	**-**	**162.15**	**13,062.14**	**-**	**(5,500.47)**	**207.89**	**(710.55)**	**82,364.97**	**25,406.75**	**1,07,771.72**
Total comprehensive income for the year														
Profit for the year (net of income tax)	22,920.90	-	-	-	-	-	-	-	-	-	-	22,920.90	2,182.90	25,103.80
Other comprehensive income for the year (net of income tax)	(358.91)	-	-	-	-	-	-	-	-	(219.42)	(42.17)	(620.50)	(58.75)	(679.25)
Total comprehensive income for the year	**22,561.99**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(219.42)**	**(42.17)**	**22,300.40**	**2,124.15**	**24,424.55**
Transactions with the owners of the Company, recorded directly in equity														
Contributions and distributions														
Dividends	(8,330.89)	-	-	-	-	-	-	-	-	-	-	(8,330.89)	(293.01)	(8,623.90)
Dividend distribution tax	(1,765.00)	-	-	-	-	-	-	-	-	-	-	(1,765.00)	(59.76)	(1,824.76)
Others														
Amortisation of Intangibles (net of income tax) as per oil palm companies merger scheme approved by Bombay High Court (refer note 54.i)	-	-	(276.77)	-	-	-	-	-	-	-	-	(276.77)	-	(276.77)
Employee compensation expenses recognised during the year (refer note 39)	-	-	-	-	-	42.52	-	-	-	-	-	42.52		42.52
Exercise of employee stock options	-	-	-	-	-	(33.86)	20.87	-		-	-	(12.99)	15.69	2.70
Issue of equity shares during the year	-	-	-	-	-	-	31,001.81	-	-	-	-	31,001.81	16.77	31,018.58
Utilised towards share issue expenses			-	-	-	-	(1,425.95)	-	-	-	-	(1,425.95)	-	(1,425.95)
Liability towards put option arrangement	(163.81)	-	-	-	-	-	-	-	-	-	-	(163.81)	-	(163.81)
Transfer from retained earnings to general reserve	(2,000.00)	-	2,000.00	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests (refer note 63 (IV))	-	-	-	-	-	-	-	-	(1,800.18)	-		(1,800.18)	(282.86)	(2,083.04)
Balance at March 31, 2018	**84,904.74**	**172.95**	**2,091.64**	**-**	**-**	**170.81**	**42,658.87**	**-**	**(7,300.65)**	**(11.53)**	**(752.72)**	**1,21,934.11**	**26,927.73**	**1,48,861.84**

(₹ in lakh)

	Retained earnings	Capital reserve	General reserve	Reserve for employee compensation expense	Debenture redemption reserve	Employee share option outstanding	Share premium account	Treasury share reserve	Non controlling interest reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of a foreign operation	Total attributable to the owners of the Company	Non - controlling interest	Total
Balance at April 1, 2016	**57,714.64**	**-**	**507.30**	**2,389.82**	**1,875.00**	**10,747.04**	**-**	**(58.68)**	**(3,410.71)**	**-**	**(713.62)**	**69,050.79**	**23,290.32**	**92,341.11**
Total comprehensive income for the year														
Profit for the year	24,881.68	-	-	-	-	-	-	-	-	-	-	24,881.68	2,410.08	27,291.76
Other comprehensive income for the year (net of income tax)	(236.66)	-	-	-	-	-	-	-	-	207.89	3.07	(25.70)	(35.37)	(61.07)
Total comprehensive income for the year	**24,645.02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**207.89**	**3.07**	**24,855.98**	**2,374.71**	**27,230.69**
Transactions with the owners of the Company, recorded directly in equity														
Others														
Transfer from debenture redemption reserve to retained earnings	1,875.00	-	-	-	(1, 875.00)	-	-	-	-	-	-	-	-	-
Employee compensation expenses recognised during the year (refer note no. 39 & note no. 53)	-	-	-	(2, 375.72)	-	2, 463.37	-	-	-	-	-	87.65	-	87.65
Transfer to general reserve from reserve for employee compensation expenses	-	-	14.10	(14.10)	-	-	-	-	-	-	-	-	-	-
Additions during the year	-	172.95	-	-	-	-	-	-		-	-	172.95	-	172.95
Transferred to share premium on exercise of stock options	-	-	-	-		(12, 989.89)	13, 062.14	-	-	-	-	72.25		72.25
Other adjustments related to subsidiaries	16.24		-	-	-	-	-	-	-	-	-	16.24	-	16.24
Bonus share issued	(9,256.55)		-	-	-	-	-	-	-	-	-	(9,256.55)	-	(9,256.55)
Acquisition of non-controlling interests (refer note 63 (IV))	-		-	-	-	-	-	-	(2,089.76)	-	-	(2,089.76)	(258.28)	(2,348.04)
Transfer from retained earnings to general reserve	(125.00)	-	125.00	-	-	-	-	-	-	-	-	-	-	-
Amortisation of Intangibles (net of income tax) as per oil palm companies merger scheme approved by Bombay High Court (refer note 54.i)	-	-	(277.99)	-	-	-	-	-	-	-	-	(277.99)	-	(277.99)
Liability towards put option arrangement	(266.90)	-	-	-	-	-	-	-	-	-	-	(266.90)	-	(266.90)
Exercise of stock options	-	-	-	-	-	(58.37)	-	58.68	-	-	-	0.31		0.31
Balance at March 31, 2017	**74,602.45**	**172.95**	**368.41**	**-**	**-**	**162.15**	**13,062.14**	**-**	**(5,500.47)**	**207.89**	**(710.55)**	**82,364.97**	**25,406.75**	**1,07,771.72**

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

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As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
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KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

For and on behalf of the Board of Directors of Godrej Agrovet Limited
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DIN: 00294803

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Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Notes to the Consolidated Financial Statements

NOTE 1. Significant Accounting Policies.

1. General information

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

2. Basis of preparation and presentation

(i) Basis of preparation:

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

The consolidated financial statements of the Group for the year ended March 31, 2018 were authorized for issue in accordance with a resolution of the Board of Directors on May 14, 2018.

(ii) Basis of measurement

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

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

(iii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts have been rounded off to the nearest Lakh, unless otherwise indicated.

3. Basis of consolidation

(i) Subsidiaries :

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

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

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

(ii) Equity method :

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

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

4. Business combinations

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

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions,

Notes to the Financial Statements

measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at their fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expenses as incurred.

The excess of the

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

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

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

5. Key estimates and assumptions

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

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

Judgement, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

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

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

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

- **Recognition of deferred tax assets**

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

- **Recognition and measurement of other provisions**

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

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

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

Notes to the Consolidated Financial Statements

- **Fair valuation of employee share options**

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

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

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

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

- **Rebates and sales incentives**

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

- **Fair value of financial instruments**

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

- **Biological Assets**

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

6. Measurement of fair values

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

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

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

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

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

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

7. Standards issued but not yet effective

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 *Revenue,* Ind AS 11 *Construction Contracts* and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Group has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Group may plan to apply the standard retrospectively to each prior reporting period presented in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

8. Significant accounting policies

A. Revenue

i. Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks

Notes to the Financial Statements

and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii. Dividend income

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

iii. Interest income

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

B. Foreign currency

i. Transactions and balances

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

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

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

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

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

C. Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on either Economic Value Added (EVA) or Profit before tax (PBT). The PLVR amount is related to actual improvement made in either EVA or PBT over the previous year when compared with expected improvements.

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

ii. Defined contribution plans

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

iii. Defined benefit plans

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

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

  The Group's contribution to the Provident Fund Trust as established by the Group, is also considered as a Defined Benefit Plan because, as per the rules of Group's Provident Fund Scheme, 1952, if the return on investment is less or for any other reason, then the deficiency shall be made good by the Group.

The Group's net obligations in respect of such plans is calculated by estimating the amount of future benefit that the employees have earned in return for their services and the current and prior periods that benefit is discounted to determine its present value and the fair value of the plan asset is deducted.

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

- Gratuity Fund

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

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

iv. Other long-term employee benefits

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

v. Terminal Benefits:

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

D. Income Tax

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

i. **Current tax**

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

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

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

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

ii. **Deferred tax**

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is

Notes to the Financial Statements

recognized in equity or OCI and not in the consolidated statement of profit and loss.

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

Deferred tax assets and liabilities are offset only if:

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

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

E. Inventories

Inventories are carried in the consolidated balance sheet as follows:

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

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

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

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

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

F. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation/ Amortizations

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

Notes to the Consolidated Financial Statements

(a) Plant and Machinery: - 20 Years

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

Depreciated over the estimated useful life of 4 years.

(c) Leasehold Land:

Amortized over the primary lease period.

(d) Leasehold improvements and equipments:

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

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

G. Borrowing costs

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

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

H. Segment reporting

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

I. Intangible assets

Recognition and measurement

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

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

Amortisation

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

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

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

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

Research and Development Expenditure

Research Expenditure:

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

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

J. Share-based payments:

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

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

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

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

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

Notes to the Financial Statements

K. Financial Instruments

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

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

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

i. Financial assets

Classification

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

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

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

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

Initial recognition & measurement

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

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

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

Derecognition

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

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

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

are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

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

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

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

ii. Financial liabilities

Classification

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

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

Initial recognition and measurement

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

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

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

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Notes to the Financial Statements

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

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

L. Provisions, contingent liabilities and contingent assets

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

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

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

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

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

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

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

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

M. Cash flow hedges that qualify for hedge accounting

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

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

N. Leases

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

i. Lease payments

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

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

ii. Lease assets

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

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

O. Impairment of non-financial assets

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

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

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

Notes to the Consolidated Financial Statements

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

P. Cash and cash equivalents

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

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

Q. Government Grants

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

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

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

R. Construction contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract by reference to the stage of completion.

Contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

Measurement of construction contract revenue and expense:

The Group uses the 'percentage-of-completion' method to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

S. Earnings Per Share ("EPS")

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

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

T. Biological assets

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

Notes to the Financial Statements

Note 2 Property, plant and equipment

(₹ in lakh)

PARTICULARS	Freehold Land (refer note 2.1)	Leasehold Land (refer note 2.1)	Buildings (refer note 2.1)	Plant and Machinery	Furniture and Fixtures	Vehicles	Office & Others Equipment	Tree Development Cost	Leasehold Improvements	Livestock used for R&D	Total
As at March 31, 2018											
Gross Block											
Cost as at April 1, 2017	32,530.11	3,322.59	35,476.02	55,785.61	951.53	3,383.65	2,346.78	80.49	109.08	45.69	1,34,031.55
Additions	133.56	-	2,050.23	7,761.97	107.83	529.99	419.93	-	103.78	4.55	11,111.84
Disposals	-	-	(15.70)	(191.25)	(2.95)	(151.29)	(5.49)	(80.49)	-	(19.14)	(466.31)
As at March 31, 2018	32,663.67	3,322.59	37,510.55	63,356.33	1,056.41	3,762.35	2,761.22	-	212.86	31.10	1,44,677.08
Accumulated depreciation											
As at April 1, 2017	-	64.18	2,021.24	8,292.18	182.57	606.88	555.92	80.49	15.41	7.39	11,826.26
Charge for the year	-	37.48	1,275.67	5,942.87	121.69	464.29	388.17	-	32.08	3.57	8,265.82
Disposals	-	-	(1.01)	(41.00)	(0.90)	(41.99)	(1.64)	(80.49)	-	(2.60)	(169.63)
As at March 31, 2018	-	101.66	3,295.90	14,194.05	303.36	1,029.18	942.45	-	47.49	8.36	19,922.45
Net Block as at March 31, 2018	32,663.67	3,220.93	34,214.65	49,162.28	753.05	2,733.17	1,818.77	-	165.37	22.74	1,24,754.63
As at March 31, 2017											
Gross Block											
Cost as at April 1, 2016	29,868.85	3,322.59	30,005.83	46,622.32	827.50	2,286.04	1,659.72	80.49	29.05	45.82	1,14,748.21
Taken over	1,638.78	-	2,480.31	1,841.89	9.43	472.53	22.09	-	-	-	6,465.03
Additions	1,644.04	-	2,990.08	7,913.59	141.60	827.63	692.83	-	80.03	5.57	14,295.37
Disposals	(621.56)	-	(0.20)	(592.29)	(27.00)	(202.55)	(27.86)	-	-	(5.70)	(1,477.16)
As at March 31, 2017	32,530.11	3,322.59	35,476.02	55,785.51	951.53	3,383.65	2,346.78	80.49	109.08	45.69	1,34,031.45
Accumulated depreciation											
As at April 1, 2016	-	26.37	835.87	3,397.46	76.74	264.97	224.87	40.25	5.37	3.68	4,875.58
Charge for the year	-	37.81	1,185.41	5,070.92	111.78	389.01	339.07	40.24	10.04	4.48	7,188.76
Disposals	-	-	(0.04)	(176.20)	(5.95)	(47.10)	(8.02)	-	-	(0.77)	(238.08)
As at March 31, 2017	-	64.18	2,021.24	8,292.18	182.57	606.88	555.92	80.49	15.41	7.39	11,826.26
Net Block as at March 31, 2017	32,530.11	3,258.41	33,454.78	47,493.33	768.96	2,776.77	1,790.86	-	93.67	38.30	1,22,205.19

Note No. 2.1: Legal formalities relating to the transfer of title of immovable assets situated at Chennai (acquired as a part of the take over of Agrovet business from Godrej Industries Limited), Dhule (as part of the merger of Goldmohur Foods & Feeds Ltd), Ariyalur & Varanavasi (as part of the merger of Cauvery Oil Palm Limited), at Duhej and Kolkata are being complied with. Stamp duty payable thereon is not presently determinable.

Note No. 2.2: Capital work in progress as at March 31, 2018 of ₹ 18,984.59 Lakh (31 March 2017: ₹ 5,020.80 Lakh) includes the borrowing costs capitalised during the year ₹ 94.23 Lakh, salary & consultancy expenses amounting to ₹ 39.16 Lakh.

Note No. 2.3: Refer to note 19 and 23 for information on property, plant and equipment pledged as security by the group.

Notes to the Financial Statements

Note 3 : Intangible assets

(₹ in lakh)

Particulars	Computer Software	Brand	Grant of Licences	Product Registration	Total
As at March 31, 2018					
Cost					
As at April 1, 2017	1,261.85	3,822.17	1,700.46	270.55	7,055.03
Additions	116.72	-	-	-	116.72
Disposals	-	-	-	-	-
As at March 31, 2018	**1,378.57**	**3,822.17**	**1,700.46**	**270.55**	**7,171.75**
Accumulated amortisation					
As at April 1, 2017	445.18	-	850.24	171.83	1,467.25
Charge for the year	270.22	-	425.12	56.41	751.75
Disposals	-	-	-	-	-
As at March 31, 2018	**715.40**	**-**	**1,275.36**	**228.24**	**2,219.00**
Net Block as at March 31, 2018	**663.17**	**3,822.17**	**425.10**	**42.31**	**4,952.75**
As at March 31, 2017					
Cost					
As at April 1, 2016	855.29	3,822.17	1,700.46	270.55	6,648.47
Additions	406.56	-	-	-	406.56
Disposals	-	-	-	-	-
As at March 31, 2017	**1,261.85**	**3,822.17**	**1,700.46**	**270.55**	**7,055.03**
Accumulated amortisation					
As at April 1. 2016	223.87	-	425.12	115.42	764.41
Charge for the year	221.31	-	425.12	56.41	702.84
Disposals	-	-	-	-	-
As at March 31, 2017	**445.18**	**-**	**850.24**	**171.83**	**1,467.25**
Net Block as at March 31, 2017	**816.67**	**3,822.17**	**850.22**	**98.72**	**5,587.78**

Note No. 3.1 : To give effect to the Order of the Honorable High Court of Judicature at Bombay passed during 2011-12 regarding the scheme of Amalgamation of Godrej Gokarna Oil Palm Limited & Godrej Oil Palm Limited, the amortisation of Grant of Licenses are charged against the balance in the general reserve account. (Refer Note No. 54.i)

Note 4 : Biological assets other than bearer plants

A. Reconciliation of carrying amount

March 31, 2018

(₹ in lakh)

Particulars	Oil palm saplings	
	Qty.	Amount
Balance as April 1, 2017	6,12,172	466.98
Add:		
Purchases	5,88,559	260.10
Production/ Cost of development	-	103.22
Less:		
Sales / Disposals	(5,24,186)	(395.37)
Change in fair value less cost to sell:	-	(8.76)
Realised	-	(25.73)
Unrealised	-	16.97
Balance as at March 31, 2018	**6,76,545**	**426.17**

Notes to the Financial Statements

March 31, 2017

(₹ in lakh)

Particulars	Oil palm saplings	
	Qty.	Amount
Balance as April 1, 2016	12,05,458	886.81
Add:		
Purchases	60,000	12.44
Production/ Cost of development	-	42.19
Less:		
Sales / Disposals	(6,53,286)	(465.83)
Change in fair value less cost to sell:	-	(8.63)
Realised	-	(16.28)
Unrealised	-	7.65
Balance as at March 31, 2017	**6,12,172**	**466.98**

The Group has trading operations in oil palm plantations whereby the group purchases the saplings and sell the saplings once it has achieved the desired growth. During the year ended 2017-18 the group purchased 5,88,559 (Previous year 60,000) number of saplings, out of which 5,88,559 (Previous year 60,000 sapling) were still under cultivation .

B. Measurement of Fair value

i. Fair Value hierarchy

The fair value measurements for oil palm saplings has been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii. Level 3 Fair values

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

(₹ in lakh)

Particulars	March 31, 2018	March 31, 2017
Gain/(loss) included in 'other operating revenue'	**(8.76)**	**(8.63)**
Change in fair value (realised)	(25.73)	(16.28)
Change in fair value (unrealised)	16.97	7.65

iii. Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Oil Palm Saplings - it comprises the stock under cultivation	Cost approach and percentage completion method	Estimated cost of completing the stock under cultivation ₹ 47.72 to ₹ 91.00 per sapling	The estimated fair valuation would increase/ (decrease) if - Estimated cost to complete was lower (higher)

C. Risk Management strategies related to agricultural activities

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

i. Regulatory and enviromental risks

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

ii. Supply and demand risks

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

Notes to the Financial Statements

iii. Climate and other risks

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

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

	Profit or (loss) for the year ended March 31, 2018		Profit or (loss) for the year ended March 31, 2017	
	10% increase	10% decrease	10% increase	10% decrease
Variable cost	(0.80)	0.85	(0.70)	0.76
Cash flow sensitivity (net)	(0.80)	0.85	(0.70)	0.76

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 5 : Investments		
A. Equity accounted investees		
(a) Investment in equity of associates (Unquoted)		
i Al Rahaba International Trading Limited Liability Company, Abu Dhabi, UAE.	-	20.36
24 (Previous Year 24) Equity Shares of AED. 1500/- each.(refer note 51)		
ii Godrej Maxximilk Private Limited	413.55	-
3,07,915 equity shares of ₹ 10 each, acquired during the year.		
(b) Investment in joint ventures (Unquoted)		
i Godrej Tyson Foods Limited	8,893.55	8,465.42
97,461 (Previous Year 97461) Equity Shares of ₹ 10/- each.		
ii ACI Godrej Agrovet Private Limited, Dhaka, Bangladesh.	6,797.37	6,272.82
18,50,000 (Previous Year 18,50,000) Equity Shares of ₹ 100/- each.		
iii Omnivore India Capital Trust	3,418.00	2,786.39
2,256.87 (Previous Year 2,125) units of ₹ 1,00,000 each.		
Total (A)	**19,522.47**	**17,544.99**
B. Non-current investments		
Investment in equity instruments at fair value through Statement of Profit & Loss (Unquoted)		
(a) Investment in co-operative society	0.79	0.79
(b) Investment in other corporates	0.19	0.14
Total (B)	**0.98**	**0.93**
C. Investments at amortised cost (Unquoted)		
Investments in Government or Trust Securities	0.17	-
Total (C)	**0.17**	**-**
Total	**19,523.62**	**17,545.92**
Note No. 5.1 Other disclosures		
Aggregate amount of unquoted investments (other than equity accounted investees)	1.15	0.93
Aggregate amount of impairment in value of investments	-	-

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 6 : Non-current trade receivables		
Unsecured and considered doubtful	1,578.12	777.80
Less : Allowance for doubtful receivables	(1,578.12)	(777.80)
Total	-	-
Note 7 : Non-current loans		
Unsecured, considered good (unless otherwise stated)		
1 Security deposits		
i Considered good	1,319.96	1,438.50
ii Considered doubtful	57.53	59.31
Less : Allowance for bad and doubtful deposits	(57.53)	(59.31)
Net deposits	1,319.96	1,438.50
2 Loan to employees	57.02	59.35
Total	**1,376.98**	**1,497.85**
Note 8 : Other non-current financial assets		
1 Claims receivable	146.15	146.15
2 Lease receivable	-	316.08
3 Bank deposit with remaining maturity of more than 12 months (refer note 8.1)	2.29	29.71
Total	**148.44**	**491.94**
Note No. 8.1: Fixed deposits with scheduled banks are lien marked for issue of bank guarantees.		
Note 9 : Other non-current assets		
1 Capital advances	3,697.48	2,675.28
2 Balance with government authorities	575.07	1,694.66
3 Others		
i) Considered good	1,429.27	471.07
ii) Considered doubtful	27.11	98.27
Less : Allowance for doubtful advances	(27.11)	(98.27)
	1,429.27	**471.07**
Total	**5,701.82**	**4,841.01**
Note 10 : Inventories		
(Valued at lower of cost and net realizable value)		
1 Raw materials	42,001.00	41,825.60
2 Raw materials in transit	134.46	-
3 Work in progress	3,548.87	4,545.80
4 Project in progress	6,835.77	6,071.91
5 Finished goods	15,786.52	12,816.74
6 Stock-in-trade	5,220.08	6,385.65
7 Stores and spares	2,758.89	2,161.16
Total	**76,285.59**	**73,806.86**

Notes to the Financial Statements

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 11 : Current trade receivables		
i. Secured and considered good (refer note. 11.1)	7,542.23	7,544.62
ii. Unsecured and considered good	55,609.45	44,650.37
Total	**63,151.68**	**52,194.99**
Note No. 11.1: Secured by security deposits collected from customers or Bank Guarantees held against them.		
Note No. 11.2: Refer to note 23 for information on trade receivables pledged as security by the group.		
Note 12 : Cash and cash equivalents		
1 Cash on hand	399.50	444.82
2 Cheques, drafts on hand	75.33	299.01
3 Balances with banks:		
(a) Current accounts	2,506.25	4,560.89
(b) Saving bank account of company's ESOP Trust	4.10	77.23
Total	**2,985.18**	**5,381.95**
Note 13 : Bank balances other than cash and cash equivalents		
1 Fixed deposits -more than 3 months and less than 12 months (Refer note. 13.1)	79.46	708.97
2 Margin money deposits	110.93	133.46
3 Unclaimed dividend accounts	6.90	5.32
Total	**197.29**	**847.75**
Note No. 13.1 : Fixed deposits of ₹ nil (Previous year ₹ 77.02 Lakh) are pledged with banks for guarantees issued.		
Note No. 13.2 : Margin money deposits are restricted and the same is held towards security of letter of credit and bank guarantees		
Note 14 : Current loans		
Unsecured, considered good, unless otherwise stated		
1 Loans and advances to related parties (refer note. 64)		
(a) Loan to ESOP Trust of holding company	-	1,633.76
(b) Intercorporate deposits	783.70	-
2 Loans and advances - others		
(a) Loans and advances to employees	87.71	65.22
(b) Security deposits	583.40	150.49
(c) Other loans & advances	14.37	435.10
Total	**1,469.18**	**2,284.57**

Notes to the Financial Statements

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 15 : Other current financial assets			
1	Interest on bank fixed deposit	11.73	3.54
2	Interest accrued on other deposits	2.03	12.87
3	Lease receivable	-	56.08
4	Non-trade receivables	1,239.90	1,021.73
5	Derivatives	21.70	-
	- Foreign exchange forward contracts not designated as hedge	0.70	-
	- Foreign exchange forward contracts designated as hedge	21.00	-
6	Others	908.55	296.07
Total		**2,183.91**	**1,390.29**
Note 16 : Other current assets			
1	Advances to suppliers	1,741.85	1,743.19
	Less: Allowance for doubtful advance	(44.87)	(36.70)
2	Balance with government authorities	7,227.83	1,847.94
3	Others (includes prepayments, inventory receivable on returns, etc.)	3,662.70	2,710.10
Total		**12,587.51**	**6,264.53**

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 17 : Share capital			
1	**Authorised :**		
	(a) 22,49,94,000 (Previous year 22,49,94,000) Equity shares of the par value of ₹ 10 each	22,499.40	22,499.40
	(b) 6,000 (Previous year 6,000) Preference shares of the par value of ₹ 10 each	0.60	0.60
	TOTAL	**22,500.00**	**22,500.00**
2	**Issued, Subscribed and Paid-up:**		
	19,20,28,739 (Previous Year 18,51,30,876) Equity shares of ₹ 10 each fully paid up.	19,202.87	18,513.09
	Total	**19,202.87**	**18,513.09**

(₹ in lakh)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares	₹ In Lakh	No. of shares	₹ In Lakh
3	**Reconciliation of number of shares outstanding at the beginning and end of the year :**				
	Equity shares :				
	Outstanding at the beginning of the year	18,51,30,876	18,513.09	9,25,65,438	9,256.54
	Bonus shares issued during the year	-	-	9,25,65,438	9,256.55
	Shares issued during the year	68,97,863	689.78		
	Outstanding at the end of the year	**19,20,28,739**	**19,202.87**	**18,51,30,876**	**18,513.09**
	Preference shares :				
	Outstanding at the beginning of the year	6,000	0.60	6,000	0.60
	Redeemed during the year	(6,000)	(0.60)	-	-
	Outstanding at the end of the year	-	-	6,000	0.60

Notes to the Financial Statements

4 Rights, preferences and restrictions attached to Equity shares

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

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

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

(₹ in lakh)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares	%	No. of shares	%
(a)	Equity shares				
1	Godrej Industries Limited (the holding Company)	11,13,57,225	57.99%	11,78,78,964	63.67%
2	V-Sciences Investments Pte Ltd	2,47,07,698	12.87%	3,70,07,698	19.99%

6 There are no shares reserved for issue under options.

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

Year ended	No. of Bonus shares
March 31 2017	9,25,65,438
March 31 2016	-
March 31 2015	7,93,41,804
March 31 2014	-
March 31 2013	-

8 Initial public offering

The Company had made an Initial public issue of 2,51,58,964 equity shares of face value ₹ 10 each fully paid up for cash at a price of ₹ 460/- per equity share (including a share premium of ₹ 450/- per share) aggregating ₹ 1,15,731.23 Lakh consisting of a fresh issue of 63,37,225 equity shares by the Company and an offer for sales of 65,21,739 equity shares and 1,23,00,000 equity shares by Godrej industries Limited and V Science Pte. Ltd. respectively aggregating ₹ 1,15,731.23 Lakh. Aforementioned 63,37,225 equity shares were allotted on October 12, 2017. The equity shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on October 16, 2017.

(₹ in Lakh)

		As at March 31, 2018	As at March 31, 2017
Note 18 : Other equity			
1	Retained earnings	84,904.74	74,602.45
2	Capital reserve	172.95	172.95
3	General reserve	2,091.64	368.41
4	Exchange differences on translating the financial statements of a foreign operation	(752.72)	(710.55)
5	Effective portion of cash flow hedges	(11.53)	207.89
6	Employee stock options outstanding	170.81	162.15
7	Non-controlling interest reserve	(7,300.65)	(5,500.47)
8	Share premium account	42,658.87	13,062.14
		1,21,934.11	**82,364.97**

Notes to the Financial Statements

General reserve

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

Capital reserve

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

Exchange differences on translating the financial statements of a foreign operation

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

Effective portion of cash flow hedges

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

Non-controlling interest reserve

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

Employee stock options outstanding:

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

Share premium account:

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

9	**Dividend**	**(₹ in lakh)**
	The following dividends were declared and paid by the company during the year:	Amount
	Equity Dividend of 2016-17 paid @ ₹ 4.50 per share	8,330.89
	Dividend distribution tax on the equity dividend paid	1,695.95
		10,026.84

The Board, in its meeting on May 14, 2018 has recommended a final dividend of ₹ 4.50 per equity share for the financial year ended March 31, 2018 subject to the approval at the Annual General Meeting. The cash outflow on account of dividend would be ₹ 10,417.77 Lakh including corporate dividend tax of ₹ 1,776.48 Lakh.

(₹ in lakh)

			As at March 31, 2018	As at March 31, 2017
Note 19 : Non-current borrowings				
1	**Secured**			
	a.	Vehicle loans from bank and NBFC (refer note. 19.1)	26.08	57.55
2	**Unsecured**			
	a.	Term loans from banks (refer note. 19.2)	853.09	1,327.60
	b.	6,000 8% Cumulative non-convertible redeemable preference shares of the par value of ₹ 10 each (refer note. 17.4.b)	-	0.60
	c.	Deferred payment liabilities (refer note.19.3)	308.87	411.82
	d.	Deferred sales tax loan (refer note.19.4)	226.42	258.24
TOTAL			**1,414.46**	**2,055.81**

Notes to the Financial Statements

Note No. 19.1: Note no. 19.1:Vehicle Loan from Banks taken by subsidiary companies for ₹ 26.08 Lakh (Previous Year ₹ 57.55 Lakh) are at an Interest Rate of 9.50% to 11.50%, which are payable in 36 / 60 instalments from the date of disbursements with current maturity disclosed separately in note no. 28 at ₹ 31.48 Lakh(Previous Year ₹ 62.71 Lakh) and are secured by hypothecation of the respective vehicles.

Note No.19.2: Unsecured Term loans from Banks for ₹ 853.09 Lakh (Previous Year ₹ 1,327.60 Lakh) the details of which are as follows:

(a) Term loan of ₹ 375.00 Lakh, Outstanding as of March 31, 2018 ₹ 295.31 Lakh as on 31st March, 2017 ₹ 375.00 Lakh carries MCLR interest currently @ 8.50% p.a. The term loan is unsecured and is repayable Post Moratorium in 16 structured quarterly instalments commencing from January 2018 to December 2022

(b) Rupee term loan - Unsecured of ₹ 521.00 Lakh outstanding as on March 31, 2018 ₹ 297.78 Lakh (31st March 2017 ₹ 596.00 Lakh) carries MCLR interest currently at 8.65% p.a. Term loans have been drawn in multiple tranches and repayable in 18 equal quarterly instalments commencing from six months from the date of first disbursement i.e. March 30, 2016.

(c) Term loan of ₹ 520.00 Lakh Outstanding as on March 31, 2018 ₹ 260.00 Lakh (31st March, 2017 ₹ 520.00 Lakh) carries interest at T.Bill+0.19 spread p.a. The term loan is unsecured and is repayable to the extent of 50% at the end of 18 months from the date of drawn down and balance 50% at the end of 36 months from the date of drawn down.

Note No.19.3: Deferred Loan against acquisition of Lease hold Land is availed at interest rate 14% under the scheme floated by the Directorate of Industries, Government of Uttar Pradesh. Loan repayment shall be performed on a half yearly basis 6 years from 1st July 2016 up to 1st Jan 2022. Total loan availed was ₹ 617.73 Lakh and outstanding for the year ended March 31, 2018 was ₹ 411.83 Lakh (Previous year ₹ 514.77 Lakh) with current maturity disclosed separately in note no. 26 at ₹ 102.96 Lakh (Previous year ₹ 102.96 Lakh).

Note No.19.4: Deferred Sales Tax Loan is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis 14 years from the year of collection, commencing from March 2014 up to March 2021. Total loan availed was ₹ 466.74 Lakh and outstanding for the year ended March 31, 2018 was ₹ 311.33 Lakh (Previous year ₹ 293.39 Lakh) with current maturity disclosed separately in note 26 at ₹ 84.90 Lakh (Previous year ₹ 35.15 Lakh).

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Note 20 : Other non-current financial liabilities		
1 Preference dividend payable	-	0.05
2 Tax on preference dividend payable	-	0.01
3 Put option liability (refer note 47)	-	3,532.65
Total	**-**	**3,532.71**
Note 21 : Non-current provisions		
Provision for employee benefits :		
- Provision for compensated absences	486.92	384.71
- Provision for gratuity (refer note.38)	156.82	116.79
Total	**643.74**	**501.50**
Note 22 : Other non-current liabilities		
Deferred grant	1,404.59	1,523.69
Total	**1,404.59**	**1,523.69**

Notes to the Financial Statements

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 23 : Current borrowings			
1	**Secured**		
	(a) Cash credit from banks (refer note 23.1)	1,101.08	2,142.09
	(b) Buyers credit (refer note 23.1)	645.98	99.80
	(c) Working capital loan	-	1,453.78
2	**Unsecured**		
	(a) Term loans from banks (refer note 23.2)	20,504.73	20,033.15
	(b) Commercial paper (refer note 23.3)	5,000.00	27,500.00
	(c) Cash credit (refer note 23.1)	2,222.25	2,964.31
	(d) Working capital loans from banks (refer note. 23.4)	5,103.19	9,732.11
	(e) Foreign currency loan (refer note 23.5)	3,799.13	-
	(f) Buyers credit (refer note 23.3)	489.94	-
Total		**38,866.30**	**63,925.24**

Note No. 23.1 : Cash Credit from banks are repayable on demand and carries interest at 1 Year MCLR + 35 to 50 bps (Previous year 1 Year MCLR + 35 to 50 bps). This cash credit from Bank is secured against inventories and receivables.

Cash Credit of a subsidiary from banks are repayable on demand and carries interest at MCLR + 0.55% to 1.10% have first pari passu charge on the current cssets of the subsidiary, including inventory and receivables both present & future and second charge on property, plant and equipments of the company present & future (including equitable mortgage/hypothecation of factory land & building / plant & machinery).

Buyers credit are at an interest rate of 3 month LIBOR + 40 to 100 bps and are repayable within 6 months.

Note No. 23.2 : Term loans from banks for the year are at an interest rate of 5.95% to 9.35%, 1 year T Bill + 14 bps, 1 month Mibor + 85 bps and 3 Month T Bill (Previous year 5.96% to 13.60 %). These loans are repayable on different dates up to three months from the date of financial statements.

Note No. 23.3 : Commercial paper carries interest rate of 6.15% to 7.25% (Previous Year 5.95% to 8.85%)

Note No. 23.4 : Working capital loan (Rupee) from banks carries interest rate of 7.50% to 7.85% (Previous Year at interest rates linked to MCLR). These loans are repayable on different dates within 3 months.

Note No. 23.5 : Foreign currency loans from Banks are at an interest rate of LIBOR + 75 bps and are repayable in 30 days.

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 24 : Current trade payables			
1	**Trade payables**		
	(a) Due to micro, small and medium enterprises (refer note. 24.1)	242.48	220.65
	(b) Others	37,868.01	31,053.80
2	**Acceptances**	57,391.00	52,810.16
Total		**95,501.49**	**84,084.61**
A	Principal amount remaining unpaid	242.48	220.65
B	Interest due thereon	-	-
C	Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
D	Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
E	Interest accrued and remaining unpaid	-	-
F	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Note No. 24.1: Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the group on the basis of the information available with the Group and the auditors have relied on the same.

Notes to the Financial Statements

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
Note 25 : Other financial liabilities			
1	Current maturities of long-term debt		
	Secured loan		
	Current maturities of long-term debt	36.77	125.66
	Unsecured loan		
	From others - Deferred sales tax loan (refer note. 19.4)	84.90	35.15
	From others - Deferred payment liabilities (refer note. 19.3)	102.96	102.96
	Current maturities of long-term debt - term loan	474.51	162.95
2	Liabilities towards beneficiaries of company's ESOP Trust	6.10	694.83
3	Security deposit	6,688.69	6,413.11
4	Non-trade payables	5,489.37	3,392.11
5	Derivative liability	9.10	222.90
6	Unclaimed dividend	6.90	5.32
7	Put option liability (refer note 47)	3,696.46	-
8	Others (includes accrual for expenses, customer incentives, bonus, etc.)	6,100.31	5,606.74
Total		**22,696.07**	**16,761.73**
Note 26 : Other current liabilities			
1	Advances from customers	3,256.28	2,560.47
2	Statutory liabilities	1,300.19	870.67
3	Deferred grants	113.23	112.94
4	Others	18.09	21.21
Total		**4,687.79**	**3,565.29**
Note 27 : Current provisions			
1	Provision for employee benefits		
	- Provision for compensated absences	84.10	57.06
	- Provision for gratuity (refer note. 38)	591.42	442.06
2	Provision for sales return (refer note. 27.1)	2,526.25	2,075.14
Total		**3,201.77**	**2,574.26**
Note. 27.1 : Movement of provision for sales return			
Opening provision		2,075.14	1,660.11
Add : Provision made for the year		13,863.34	12,313.79
Less: Utilised during the year		13,381.37	11,898.76
Less:- Reversed during the year		30.86	-
Closing provision		**2,526.25**	**2,075.14**

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

Notes to the Financial Statements

(₹ in lakh)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Note 28 : Revenue from operations			
A	**Sale of products (refer note 58)**	5,15,650.05	4,89,210.81
B	**Other operating revenue**		
1	Sale of scrap and empties	2,712.36	2,457.41
2	Export incentives	602.49	210.07
3	Rebates / Incentives from government	743.24	179.64
4	Conversion, handling and storage charges	30.68	6.20
5	Service tax rebate	6.41	17.72
6	Duty drawback	21.56	19.79
7	Processing income	409.91	547.17
8	Others	423.27	-
Other operating revenue		**4,949.92**	**3,438.00**
Fair value of biological assets (refer note. 4)		(8.76)	(8.63)
Total		**5,20,591.21**	**4,92,640.18**
Note 29 : Other income			
1	Interest income		
(a)	Instruments measured at amortised cost		
(i)	Interest received on deposits	130.69	271.37
(ii)	Interest received on loans & advance	21.68	747.29
(iii)	Interest received from income tax	131.03	-
(iv)	Interest - others	31.23	400.95
(v)	Interest income on finance lease	35.06	60.49
2	Dividend received	0.07	0.04
3	Profit on sale of investments (net)	17.96	2,763.43
4	Claims received	306.99	49.15
5	Liabilities no longer required written back	380.52	233.02
6	Recovery of bad debts written off	58.77	28.91
7	Royalty & technical knowhow	144.00	247.50
8	Foreign exchange difference (net)	419.80	-
9	Other miscellaneous income	1,328.74	981.59
10	Grant amortization	149.29	116.22
11	VAT refund received	25.56	-
Total		**3,181.39**	**5,899.96**
Note 30 : Cost of materials consumed			
(a)	Raw material stocks at the commencement of the year	41,825.60	42,467.85
(b)	Add : Purchases	3,79,490.64	3,61,989.09
(c)	Less : Raw material sold	133.38	666.32
		4,21,182.86	**4,03,790.62**
(d)	Less: Raw material stocks at the close of the year	42,135.46	41,825.60
Total cost of raw material consumed		**3,79,047.40**	**3,61,965.02**

Notes to the Financial Statements

(₹ in lakh)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Note 31 : Purchase of stock-in-trade			
1	Agri inputs	17,081.35	18,360.49
2	Others	-	2.26
Total		**17,081.35**	**18,362.75**
Note 32 : Changes in inventories of finished goods, work In progress, stock under cultivation and stock-in-trade			
1	**Stocks at the commencement of the year**		
	(a) Finished goods	12,816.74	13,653.00
	(b) Work in progress	4,545.80	2,236.97
	(c) Stock under cultivation	466.98	886.81
	(d) Stock-in-trade	6,385.65	6,161.85
	Total stock at the commencement of the year	**24,215.17**	**22,938.63**
2	**Less : Stocks at the close of the year**		
	(a) Finished goods	15,786.52	12,816.74
	(b) Work In progress	3,548.87	4,545.80
	(c) Stock under cultivation	426.17	466.98
	(d) Stock-in-trade	5,220.08	6,385.65
	Total stock at the close of the year	**24,981.64**	**24,215.17**
Change in the stock of finished goods, work in progress, stock under cultivation, stock in trade		**(766.47)**	**(1,276.54)**
Note 33 : Employee benefit expense			
1	Salaries, wages, bonus and allowances	23,965.92	20,162.11
2	Contribution to provident, gratuity and other funds (refer note 38)	1,593.35	1,343.78
3	Expense on employee stock based payments (refer note. 39)	262.52	355.35
4	Staff welfare expense	1,812.41	1,413.65
Total		**27,634.20**	**23,274.89**
Note 34 : Finance costs			
1	Interest expense		
	i Paid to banks on loans and cash credit	2,339.20	1,869.52
	ii Others	1,985.17	6,364.32
2	Other borrowing costs	174.70	316.26
3	Exchange differences regarded as a adjustment to borrowing cost	32.26	84.01
4	Preference dividend and tax on preference dividend	(0.00)	0.07
Total		**4,531.33**	**8,634.18**

Note No.34.1: Finance costs are net of interest capitalised to Project in Progress ₹ 402.15 Lakh (Previous Year ₹ 294.15 Lakh).

Notes to the Financial Statements

(₹ in lakh)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Note 35 : Depreciation and amortisation expenses			
1	Depreciation	8,265.82	7,188.76
2	Amortization	751.75	702.84
	Less : Transfer from general reserve (refer note.54.i)	(425.12)	(425.12)
Total		**8,592.45**	**7,466.48**
Note 36 : Other expenses			
1	Stores and spares consumed	2,723.11	2,138.84
2	Power and fuel	8,572.58	7,686.34
3	Processing charges	10,696.38	8,890.61
4	Rent	1,638.67	1,506.09
5	Rates and taxes	695.34	865.01
6	Repairs and maintenance		
	(a) Machinery	1,435.99	1,095.38
	(b) Buildings	166.01	204.13
	(c) Other assets	425.34	422.75
7	Insurance	349.18	281.90
8	Auditor's remuneration (refer note 36.1)	110.14	119.47
9	Freight	3,770.43	2,728.03
10	Advertisement, selling and distribution expenses	8,650.39	7,584.59
11	Bad debts/advances written off	820.57	799.23
12	Allowances for doubtful debts and advances	688.37	454.30
13	Inventory lost due to fire	262.90	-
14	Loss on sale/write off of property, plant and equipments	158.44	238.07
15	Research expenses	118.40	182.48
16	Net gain/loss on foreign currency transactions and translation	-	95.45
17	Corporate social responsibility expenses	516.70	484.03
18	Miscellaneous expenses	9,453.42	9,204.64
Total		**51,252.36**	**44,981.34**
Note No. 36.1: Auditor's remuneration (including to previous auditors)			
(a)	Audit fees (including limited reviews)	104.37	56.85
(b)	Audit under other statutes	0.93	19.18
(c)	Taxation matters	1.00	30.83
(d)	Other matters	0.28	2.84
(e)	Reimbursement of expenses	3.56	9.77
Total		**110.14**	**119.47**
Other services (in connection with filing of red herring prospectus with SEBI)		71.73	-
		181.87	**119.47**

Notes to the Financial Statements

Note 37 : Earnings per share

Calculation of weighted average number of equity shares - basic and diluted

(₹ in lakh)

	Particulars	March 31, 2018	March 31, 2017
1	Calculation of weighted average number of equity shares - Basic		
	Number of shares at the beginning of the year	18,51,30,876	8,84,58,090
	Effect of bonus issue	-	8,84,58,090
	Revised number of shares at the beginning of the year	18,51,30,876	17,69,16,180
	Equity shares issued during the year	68,97,863	-
	Equity shares under ESOP scheme exercised during the year	-	82,14,696
	Number of equity shares outstanding at the end of the year	19,20,28,739	18,51,30,876
	Weighted average number of equity shares for the year	18,83,77,275	17,71,41,240
2	Calculation of weighted average number of equity shares - Diluted		
	Number of potential equity shares at the beginning of the year	18,51,30,876	17,69,16,180
	Effect of potential equity shares (refer note 37.1)	-	82,14,696
	Revised number of potential shares at the beginning of the year	18,51,30,876	18,51,30,876
	Revised number of potential equity shares outstanding at the end of the year	19,20,28,739	18,51,30,876
	Weighted average number of potential equity shares for the year	18,83,77,275	18,51,30,876
3	**Profit attributable to ordinary shareholders (Basic/diluted)**		
	Profit for the year, attributable to the owners of the Company	22,920.90	24,881.68
	Income/(Expense) recognized in reserves		
	Amortisation of intangiable assets	(276.77)	(277.99)
	Employee compensation expenses	-	(2,375.71)
	Profit for the year, attributable to ordinary shareholders	22,644.13	22,227.98
4	Basic Earnings per share (₹)	12.02	12.55
5	Diluted Earnings per share (₹)	12.02	12.01
6	Nominal Value of Shares (₹)	10.00	10.00

Note 37.1 : The calculation of diluted earning per share is based on profit attributed to equity shareholders and weigthed average no. of equity shares outstanding after adjustments for the effects of all dilutive potential equity share i.e. shares reserved for employee share based payments. These share, have been fully issued upto 31st March, 2017 under Employee Stock Option Plan.

Note 38 : Employee benefits

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

Defined Contribution Plans:

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

The group recognised ₹ 1,051.80 Lakh for the year ended March 31, 2018 (Previous Year ₹ 929.08 Lakh) towards provident fund contribution and ₹ 57.15 Lakh for the year ended March 31, 2018 (Previous Year ₹ 57.94 Lakh) towards super-annuation fund contribution in the Statement of Profit and Loss.

Defined Benefit Plan:

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

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

Notes to the Financial Statements

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.

Particulars	Amount
Plan assets at period end, at fair value	9,907.36
Provident fund corpus	9,625.48
Valuation assumptions under deterministic approach:	
Weighted average yield	8.61%
Weighted average YTM	8.60%
Guaranteed rate of interest	8.55%

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

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

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the ICICI Prudential Life insurance, a funded defined benefit plan for qualifying employees. Trustees administer the contributions made by the Company to the gratuity scheme. The employee gratuity fund scheme for other Indian subsidiaries is managed by Life Insurance Corporation of India.

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

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

(₹ in lakh)

	March 31, 2018	March 31, 2017
Defined benefit obligation	(2,848.72)	(2,264.86)
Fair value of plan assets	2,100.48	1,706.87
Net defined benefit (obligation)/assets	**(748.24)**	**(557.99)**

i. Movement in net defined benefit (asset) liability

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

(₹ in lakh)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Opening balance	2,264.86	1,708.54	1,706.88	1,288.36	557.98	420.18
Included in profit or loss	-	-	-	-	-	-
Current service cost	220.90	151.48	-	-	220.90	151.48
Past service cost	34.70	-	-	-	34.70	-
Interest cost (income)	167.84	137.23	125.32	103.97	42.52	33.26
Liability / Assets transferred in / Acquisitions	22.65	-	22.65	-	-	-
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:	369.08	439.97	-	-	369.08	439.97

Notes to the Financial Statements

(₹ in lakh)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Demographic assumptions	44.16		-	-	44.16	-
Financial assumptions	(77.68)	118.22	-	-	(77.68)	118.22
Experience adjustment	402.60	321.75	-	-	402.60	321.75
Return on plan assets excluding interest income	-	-	(22.08)	59.78	(22.08)	(59.78)
	3,080.03	**2,437.22**	**1,832.77**	**1,452.11**	**1,247.26**	**985.11**
Other						
Contributions paid by the employer	-	-	499.02	427.12	(499.02)	(427.12)
Benefits paid	(231.31)	(172.36)	(231.31)	(172.36)	-	-
Closing balance	**2,848.72**	**2,264.86**	**2,100.48**	**1,706.87**	**748.24**	**557.99**
Represented by						
Net defined benefit liability	748.24	557.99				
	748.24	**557.99**				

ii. Plan assets

Plan assets comprise the following

(₹ in lakh)

	March 31, 2018	March 31, 2017
Insurer managed fund (100%)	2,100.48	1,706.87
	2,100.48	**1,706.87**

iii. Actuarial assumptions

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

	March 31, 2018	March 31, 2017
Discount rate	7.69%	7.56%
Future salary growth	5.00%	5.00%
Rate of employee turnover	For service 4 yrs & Below 15.00% p.a. & For service 5 yrs and above 2.00% p.a.	For service 4 yrs & Below 15.00% p.a. & For service 5 yrs and above 2.00% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

iv. Sensitivity analysis

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

(₹ in lakh)

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(196.22)	226.04	(195.37)	229.28
Future salary growth (1% movement)	229.13	(201.95)	230.50	(199.19)
Rate of employee turnover (1% movement)	60.36	(79.67)	71.92	(84.24)

Notes to the Financial Statements

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

v. Expected future cash flows

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

(₹ in lakh)

	March 31, 2018	March 31, 2017
Expected future benefit payments		
1st Following year	433.12	176.62
2nd Following year	179.46	172.27
3rd Following year	271.78	169.24
4th Following year	202.68	239.34
5th Following year	186.20	133.95
Therafter	1,491.95	917.93

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement. The charge towards compensated absences for the period ended March 31, 2018 based on actuarial valuation using the projected accrued benefit method is ₹ 171.83 Lakh (Previous Year ₹ 368.75 Lakh)

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

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

Note 39 : Share-based payment arrangements:

Description of share-based payment arrangements

A. Godrej Agrovet Limited

Employee Stock Grant Scheme of Godrej Industries Limited.

The Company has participated in the Godrej Industries Limited Employee Stock Grant Scheme 2011 and on May 30, 2011 the Compensation Committee of the Company has approved the grant of stocks to certain eligible employees in terms of the Employee Stock Grant Scheme 2011. The grants would vest in three equal parts every year over the next three years. The exercise price is Re. 1 per equity share as provided in the scheme. The Company has provided ₹ 220.00 Lakh (Previous Year ₹ 190.00 Lakh) for the aforesaid eligible employees for the current period.

Employee stock options - equity settled

In December 2012, the Company instituted an Employee Stock Option Plan (GAVL ESOP) as approved by the Board of Directors and the Shareholders, for the allotment of 5,86,764 options convertible into 5,86,764 equity shares of ₹ 10 each and Bonus Shares issued against the initial allotment for 35,20,584 shares of ₹ 10 each to eligible employees of the company.

The scheme is administered by an independent ESOP Trust created. The Company has issued 5,86,764 equity shares and Bonus Shares issued against the initial allotment for 76,27,932 shares to the said ESOP Trust at face value of ₹ 10 each amounting to ₹ 58.68 Lakh. All the stock options were vested, exercised and transferred to the eligible employees by March 31, 2017.

Notes to the Financial Statements

Category A

Particulars	For the year ended 31 March 2017			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	18,43,457	10.00	1.43	21.5 months
Add: Options granted during the year	1,48,463	10.00	1.43	-
Less: Options lapsed during the year	(1,48,463)	-	-	-
Bonus shares issue against the allotment	18,43,457	-	-	-
Less: Options exercised during the year	(36,86,914)	10.00	0.71	-
Options outstanding at the year end	-	-	-	-
Exercisable at the end of the period	-	-	-	-

The weighted average grant date fair value of par value options granted under Category A during the years ended March 31, 2017 was ₹ 154.60 per option, respectively. The weighted average share price during the years ended March 31, 2017 is ₹ 297.17 per share.

Category B

Particulars	For the year ended 31 March 2017			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining contractual life
Options outstanding at the beginning of the year	22,63,891	10.00	1.43	-
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	-	-	-	-
Bonus shares issue against the allotment	22,63,891	10.00	-	-
Less: Options exercised during the year	(45,27,782)	10.00	0.71	-
Options outstanding at the year end	-	-	-	-
Exercisable at the end of the period	-	-	-	-

The weighted average grant date fair value of par value options granted under Category B during the years ended March 31, 2017 was ₹ 154.60 per option, respectively. The weighted average share price during the years ended March 31, 2017 is ₹ 297.17 per share.

Valuation of stock options

The fair value of stock options granted during the previous year has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

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

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

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

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

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

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

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite

Notes to the Financial Statements

service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.The weighted average inputs used in computing the fair value of options granted were as follows:

	Grant date
Grant date	16/01/2013
Fair value	154.14
Share price	154.60
Exercise price	10.00
Expected volatility (weighted-average)	0.00%
Expected life (weighted-average)	5
Expected dividends	0.00%
Risk-free interest rate (based on government bonds)	9.00%

B. Astec Lifescience Limited

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

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

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

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

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

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

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

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

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

	March 31, 2018		March 31, 2017	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	34.00	50,000	34	1,21,000
Granted during the period	-	-	-	-
Exercised during the period	34.00	12,800	34	57,800
Lapsed during the period	-	-	34	13,200
Closing balance	**-**	**37,200**	**-**	**50,000**
Vested and exercisable	**-**	**21,500**	**-**	**11,900**

Notes to the Financial Statements

	March 31, 2018		March 31, 2017	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	387.35	50,000	-	-
Granted during the period	-	-	387.35	50000
Exercised during the period	34.00	4,000	-	-
Lapsed during the period	-	6,000	-	-
Closing balance	**-**	**40,000**	**-**	**50,000**
Vested and exercisable	**-**	**16,000**	**-**	**11,900**

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

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

Grant date	Expiry date	Exercise price	March 31, 2018	March 31, 2017
			Share options	Share options
January 31, 2015	January 30, 2023	34.00	-	800
January 31, 2015	January 30, 2024	34.00	4,500	11,100
January 31, 2015	January 30, 2025	34.00	11,400	13,400
January 31, 2015	January 30, 2026	34.00	6,700	6,700
May 16, 2015	May 15, 2023	34.00	-	-
May 16, 2015	May 15, 2024	34.00	5,600	9,000
May 16, 2015	May 15, 2025	34.00	6,000	6,000
May 16, 2015	May 15, 2026	34.00	3,000	3,000
July 26, 2016	July 25, 2020	387.35	16,000	20,000
July 26, 2016	July 25, 2021	387.35	12,000	15,000
July 26, 2016	July 25, 2022	387.35	8,000	10,000
July 26, 2016	July 25, 2023	387.35	4,000	5,000
Total			**77,200**	**1,00,000**
Weighted average remaining contractual life of options outstanding at end of period			5.07	6.02

(i) Fair value of options granted

The fair value of grant date of options granted during the year ended March 31, 2018 and March 31, 2017 is mentioned in the table below. The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Grant date	Expiry date	Fair Value	March 31, 2018	March 31, 2017
			Share options	Share options
January 31, 2015	January 30, 2023	95.84	-	800
January 31, 2015	January 30, 2024	109.41	4,500	11,100
January 31, 2015	January 30, 2025	109.91	11,400	13,400
January 31, 2015	January 30, 2026	110.49	6,700	6,700
May 16, 2015	May 15, 2023	105.77	-	-
May 16, 2015	May 15, 2024	118.18	5,600	9,000
May 16, 2015	May 15, 2025	119.30	6,000	6,000
May 16, 2015	May 15, 2026	119.67	3,000	3,000
July 26, 2016	July 25, 2020	100.00	16,000	20,000
July 26, 2016	July 25, 2021	159.00	12,000	15,000
July 26, 2016	July 25, 2022	278.00	8,000	10,000
July 26, 2016	July 25, 2023	297.00	4,000	5,000
Total			**77,200**	**1,00,000**

Notes to the Financial Statements

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

ESOS, 2015 granted on 26 July 2016

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

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

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

ESOP, 2012- Option B granted on 16 May 2015

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

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

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

ESOP, 2012- Option A granted on 31 January 2015

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

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

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

Notes to the Financial Statements

Note 40: Financial instruments – fair values and risk management

Note 40.1: Accounting classification and fair values

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

(₹ in lakh)

March 31, 2018		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Financial assets								
I	**Non-current financial assets**								
1	Investments	0.98	-	0.17	1.15	-	-	0.98	0.98
2	Loans and advances	-	-	1,376.98	1,376.98	-	-	-	-
3	Others	-	-	148.44	148.44	-	-	-	-
II	**Current financial assets**								
1	Trade and other receivables	-	-	63,151.68	63,151.68	-	-	-	-
2	Cash and cash equivalents	-	-	2,985.18	2,985.18	-	-	-	-
3	Other bank balances	-	-	197.29	197.29	-	-	-	-
4	Loans and advances	-	-	1,469.18	1,469.18	-	-	-	-
5	Others	58.74	21.00	2,104.17	2,183.91	-	79.74	-	79.74
		59.72	**21.00**	**71,433.09**	**71,513.81**	**-**	**79.74**	**0.98**	**80.72**
Financial liabilities									
I	**Non-current financial liablities**								
1	Borrowings	-	-	1,414.46	1,414.46	-	24.88	-	24.88
2	Others	-	-	-	-	-	-	-	-
II	**Current financial liabilities**								
1	Borrowings	-	-	38,866.30	38,866.30	-	-	-	-
2	Trade and other payables	-	-	95,501.49	95,501.49	-	-	-	-
3	Others	9.10	-	22,686.97	22,696.07	-	24.42	-	24.42
		9.10	**-**	**1,58,469.22**	**1,58,478.32**	**-**	**49.30**	**-**	**49.30**

(₹ in lakh)

March 31, 2017		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	**Non-current financial assets**								
1	Investments	0.93	-	-	0.93	-	0.93	-	0.93
2	Loans and advances	-	-	1,497.85	1,497.85	-	-	-	-
3	Others	-	-	491.94	491.94	-	447.85	-	447.85
II	**Current financial assets**								-
1	Investments	-	-	-	-	-	-	-	-
2	Trade and other receivables	-	-	52,194.99	52,194.99	-	-	-	-
3	Cash and cash equivalents	-	-	5,381.95	5,381.95	-	-	-	-
4	Other bank balances	-	-	847.75	847.75	-	-	-	-
5	Loans and advances	-	170.28	2,114.29	2,284.57	-	170.28	-	170.28
6	Others	-	-	1,390.29	1,390.29	-	-	-	-
		0.93	**170.28**	**63,919.06**	**64,090.27**	**-**	**619.06**	**-**	**619.06**

Notes to the Financial Statements

(₹ in lakh)

March 31, 2017		Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
I	**Non-current financial liabilities**								
1	Borrowings		-	2,055.81	2,055.81	-	298.43	-	298.43
2	Others	-	-	3,532.71	3,532.71	-		-	-
II	**Current financial liabilities**								
1	Borrowings	-	-	63,925.24	63,925.24	-	12,615.78	-	12,615.78
2	Trade and other payables	-	-	84,084.61	84,084.61	-	-	-	-
3	Others	222.90	-	16,538.83	16,761.73	-	222.90	-	222.90
		222.90	**-**	**1,70,137.20**	**1,70,360.10**	**-**	**13,137.11**	**-**	**13,137.11**

Valuation technique used to determine fair value

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

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

Financial risk management

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

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

i. Risk management framework

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

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

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

Note 40.2: Credit risk

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

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

Notes to the Financial Statements

Trade receivables and loans and advances.

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

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

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

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

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

(₹ in lakh)

	Carrying amount	
	March 31, 2018	March 31, 2017
Trade receivables	63,151.68	52,194.99
Exports		
Distributors	-	-
Other	5,795.58	4,088.01
Domestic		
Distributors	48,697.32	39,223.86
Other	8,658.78	8,883.12
	63,151.68	**52,194.99**
Other receivables	1,319.96	3,072.26

Impairment

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

(₹ in lakh)

	March 31, 2018	March 31, 2017
Neither past due nor impaired	43,947.93	31,795.75
Past due 1–30 days	5,788.61	7,217.57
Past due 31–90 days	4,213.68	6,926.30
Past due 91–180 days	2,358.91	2,115.21
> 180 days	6,842.55	4,140.16
	63,151.68	**52,194.99**

Notes to the Financial Statements

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

(₹ in lakh)

	March 31, 2018	March 31, 2017
For trade receivable		
Balance as at April 1	777.80	424.52
Impairment loss recognised	1,620.89	1,119.01
Amounts written off	(820.57)	(765.73)
Balance as at March 31	**1,578.12**	**777.80**

(₹ in lakh)

	March 31, 2018	March 31, 2017
For other receivable		
Balance as at April 1	59.31	2,091.06
Impairment loss recognised	23.47	(1,998.25)
Amounts written off	(25.25)	(33.50)
Balance as at March 31	**57.53**	**59.31**

Cash and cash equivalents and other bank balances

The group held cash and cash equivalents and other bank balances of ₹ 3,182.47 Lakh at March 31, 2018 (Previous Year ₹ 6,229.70 Lakh). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

Note 40.3: Liquidity risk

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

Exposure to liquidity risk

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

Notes to the Financial Statements

(₹ in lakh)

March 31, 2018	Carrying amount	Contractual cash flows					More than 5 years
		Total	0-6 months	6-12 months	1-2 years	2-5 years	
Non-derivative financial liabilities							
Non-current, non-derivative financial liabilities							
Deferred sales tax loan	226.42	256.72	-	-	123.20	133.52	-
Deferred payment liablities	308.87	308.87	-	-	102.95	205.92	-
Term loans from bank and NBFC (Unsecured) & vehicle loans (Secured)	879.17	879.17	-	-	524.21	354.96	-
Current, non-derivative financial liabilities							
Cash credit from bank	3,323.33	3,323.33	3,323.33	-	-	-	-
Term loans from banks	20,504.73	20,504.73	20,388.76	115.97	-	-	-
Commercial papers	5,000.00	5,000.00	5,000.00	-	-	-	-
Buyers Credit	1,135.92	1,135.92	1,135.92	-	-	-	-
Working capital loans from banks	8,902.32	8,902.32	8,902.32	-	-	-	-
Trade and other payables	38,110.49	38,110.49	37,055.74	1,054.75	-	-	-
Acceptances	57,391.00	57,391.00	57,391.00	-	-	-	-
Other current financial liabilities	18,990.51	18,890.69	18,735.54	155.14	-	-	-
Derivative liability							
MTM on forward exchange contract	9.10	9.10	-	9.10	-	-	-
Put option liability	3,696.46	3,696.46	3,696.46	-	-	-	-
Total	**1,54,772.76**	**1,54,703.24**	**1,51,932.61**	**1,325.86**	**750.36**	**694.40**	**-**

(₹ in lakh)

March 31, 2017	Carrying amount	Contractual cash flows					More than 5 years
		Total	0-6 months	6-12 months	1-2 years	2-5 years	
Non-derivative financial liabilities							
Non-current, non-derivative financial liabilities							
6, 000 8% Cumulative non-convertible redeemable preference shares of the par value of ₹ 10 each	0.60	0.60	-	-	-	-	0.60
Deferred sales tax loan	258.24	341.63	-	-	84.91	256.72	-
Deferred payment liablities	411.82	411.82	-	-	102.96	308.86	-
Term loan from bank	1,327.60	1,456.13	-	110.97	490.87	854.29	-
Term loans from bank and NBFC - Secured	57.55	57.55	-	-	31.68	25.88	-
Other non-current financial liabilities - Others	0.06	0.06	-	-	-	-	0.06
Current, non-derivative financial liabilities							
Cash credit from bank	5,106.39	5,106.39	5,106.39	-	-	-	-
Term loans from banks	20,033.15	20,033.15	20,033.15	-	-	-	-
Commercial papers	27,500.00	27,500.00	27,500.00	-	-	-	-
Buyers credit	99.80	99.80	99.80	-	-	-	-
Working capital loans from banks	11,185.89	11,185.89	11,185.89	-	-	-	-
Trade and other payables	31,274.46	31,274.46	31,274.46	-	-	-	-
Acceptances	52,810.16	52,810.16	52,810.16	-	-	-	-
Other current financial liabilities	16,538.84	16,475.89	16,270.46	205.43	-	-	-
Derivative liability							
MTM on forward exchange contract	222.90	222.90	-	222.90			
Put option liability	3,532.65	3,532.65	3,532.65				
Total	**1,70,360.11**	**1,70,509.09**	**1,67,812.96**	**539.30**	**710.42**	**1,445.75**	**0.66**

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

Notes to the Financial Statements

Note 40.4 : Currency risk

Market risk

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

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

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

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

Currency risk

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

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

Exposure to currency risk

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

(₹ in lakh)

	March 31, 2018			March 31, 2017		
	USD	EUR	GBP	USD	EUR	GBP
Financial assets						
Trade receivables	5,794.19	-	-	3,954.01	91.61	-
Foreign exchange forward contracts	(678.64)	-	-	-	-	-
Net exposure to foreign currency risk (Assets)	**5,115.55**	**-**	**-**	**3,954.01**	**91.61**	**-**
Financial liabilities						
Borrowings	(3,756.25)	-	-	(5,791.14)	-	-
Buyers credit	(1,131.92)	-	-	(99.80)	-	-
Trade payables	(8,129.05)	(349.72)	(6.82)	(3,341.72)	-	(7.01)
Derivative liabilities	-	-	-	-	-	-
Foreign exchange forward contracts	5,266.67	-	-	7,328.81	-	-
Net exposure to foreign currency risk (Liabilities)	**(7,750.55)**	**(349.72)**	**(6.82)**	**(1,903.85)**	**-**	**(7.01)**
Net exposure	**(2,635.00)**	**(349.72)**	**(6.82)**	**2,050.16**	**91.61**	**(7.01)**
Un-hedged foreign currency exposures						
Purchase	(7,750.55)	(349.72)	(6.82)	(1,903.85)	-	(7.01)
Sale	5,115.55	-	-	3,954.01	91.61	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes to the Financial Statements

Effect in ₹ lakh	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD (1% movement)	(26.35)	26.35	(26.35)	26.35
EUR (4% movement)	(13.99)	13.99	(13.99)	13.99
GBP (3% movement)	(0.20)	0.20	(0.20)	0.20
	(40.54)	**40.54**	**(40.54)**	**40.54**

Effect in ₹ lakh	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2017				
USD (1% movement)	21.29	(21.29)	21.29	(21.29)
EUR (2% movement)	(1.83)	1.83	(1.83)	1.83
GBP (2% movement)	0.14	(0.14)	0.14	(0.14)
	19.60	**(19.60)**	**19.60**	**(19.60)**

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

Note 40.5: Interest rate risk

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

Exposure to interest rate risk

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

(₹ in lakh)

Nominal amount	March 31, 2018	March 31, 2017
Fixed-rate instruments		
Loans and advances	57.02	51.19
Other financial assets	2,153.41	2,761.34
Borrowings	12,355.84	49,584.88
Inter corporate deposits	1,090.50	-
Other financial liabilities	5,645.81	5,580.35
Total	**21,302.58**	**57,977.76**
Variable-rate instruments		
Term loans from banks	20,327.60	13,718.45
Cash credit / WC demand loans from banks	8,426.52	15,464.39
Buyers credit	1,135.92	99.80
Foreign currency loan	3,799.13	-
Total	**33,689.17**	**29,282.64**
TOTAL	**54,991.75**	**87,260.40**

Cash flow sensitivity analysis for variable-rate instruments

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

Notes to the Financial Statements

(₹ in lakh)

	Profit or (loss) and Equity (net of tax) March 31, 2018		Profit or (loss) and Equity (net of tax) March 31, 2017	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments	(336.89)	336.89	(292.83)	292.83
Cash flow sensitivity (net)	**(336.89)**	**336.89**	**(292.83)**	**292.83**

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

Fair value sensitivity analysis for fixed-rate instruments

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

Note 41 : Hedge accounting

The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

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

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

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

a. Disclosure of effects of hedge accounting on financial position

March 31, 2018

(₹ in lakh)

Type of hedge	Nominal Value	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Forward exchange forward contracts on outstanding borrowings	3,768.80	21.00	-	Other Financial Assets - current	April 25, 2018	1:1	65.00	35.28	(35.28)
	3,768.80	**21.00**	-						

March 31, 2017

(₹ in lakh)

Type of hedge	Nominal Value	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Average strike price/ rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities						
Forward exchange forward contracts on outstanding borrowings	2,675.00	170.82	178.08	Derivative asset and derivative liablity	May 1, 2017 to September 25, 2017	1:1	71.02	237.13	(237.13)
	3,698.72		-		August 2017 to January 2018		70.26	(142.00)	142.00
	6,373.72	**170.82**	**178.08**					95.13	(95.13)

Notes to the Financial Statements

a. Disclosure of effects of hedge accounting on financial performance

March 31, 2018	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(23.05)	-	-	315.17	-

March 31, 2017	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	(315.17)	-	-	-	-

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

Movements in cash flow hedging reserve	(₹ in lakh)
As at 31 March 2016	
Add : Changes in the fair value	-
Less : Amounts reclassified to profit or loss	315.17
Less: Deferred tax relating to the above	(109.07)
As at March 31, 2017	**206.10**
As at April 1, 2017	**206.10**
Add : Changes in fair value	(35.26)
Less : Amounts reclassified to profit or loss	315.17
Less: Deferred tax relating to the above	(121.28)
As at March 31, 2018	**(23.05)**

Note 42. Tax expense

(a) Amounts recognised in profit and loss

(₹ in lakh)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	11,157.65	7,406.47
Adjustments in respect of earlier years	(82.38)	201.98
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	925.67	2,486.96
Reduction in tax rate	-	69.10
Increase in tax rate	69.54	-
Deferred tax expense	**995.21**	**2,556.06**
Tax expense for the year	**12,070.48**	**10,164.51**

Notes to the Financial Statements

(b) Amounts recognised in other comprehensive income

(₹ in lakh)

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability	479.78	(166.05)	313.73	(393.56)	136.21	(257.35)
Items that will be reclassified to profit or loss						
Exchange difference on translation of financial statements of foreign operations	42.42	-	42.42	5.67	-	5.67
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	350.43	(121.28)	229.15	315.17	(109.07)	206.10
Associate's share of other comprehensive income	98.67	(4.72)	93.95	(23.69)	8.20	(15.49)
	971.30	**(292.05)**	**679.25**	**(96.41)**	**35.34**	**(61.07)**

(c) Amounts recognised directly in equity

(₹ in lakh)

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
General reserve						
Amortisation of intangibles as per oil palm companies merger scheme approved by Bombay High Court (Refer Note No. 61(i)).	425.12	148.35	276.77	425.12	147.13	277.99
	425.12	**148.35**	**276.77**	**425.12**	**147.13**	**277.99**

(d) Reconciliation of effective tax rate

(₹ in lakh)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	37,174.14	37,456.27
Company's domestic tax rate	34.61%	34.61%
Tax using the company's domestic tax rate (Current year 34.61%)	12,865.23	12,962.87
Tax effect of:		
Expenses not allowed for tax purpose	137.95	351.12
Additional allowance for tax purpose	(584.50)	(1,783.03)
Income not considered for tax purpose	(25.31)	(692.16)
Tax paid at lower rate	(18.50)	(382.87)
Share of profit of JV/Associate	(336.34)	(470.80)
Adjustment for current tax of earlier years	(82.38)	-
Others	114.33	179.38
	12,070.48	**10,164.51**

Difference

The Group's weighted average tax rates for the year ended March 31, 2018 and 2017 was 32.47% and 27.13% respectively.

The effective tax rate for the year ended March 31, 2018 was lower primarily as result of a weighted deduction on research and development expenses and other specific deductions under Section 35 of the Income Tax Act, 1961.

Notes to the Financial Statements

Note. 43 : Movement in deferred tax balances for the year ended March 31, 2018

(₹ in lakh)

	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Deferred tax asset	Deferred tax liability	Deferred Tax Net
Deferred tax asset/(liabilities)							
Property, plant and equipment & Intangible assets	(16,361.14)	(1,376.20)	-	127.64	525.75	(18,135.45)	(17,609.70)
Compensated absences	51.17	78.99	-	-	-	130.16	130.16
Investments	95.69	33.43	-	-	129.12	-	129.12
Biological assets	(11.02)	2.95	-	-	-	(8.07)	(8.07)
Doubtful debts	323.65	252.16	-	-	-	575.81	575.81
Brought forward capital losses	-	-	-	-	-	-	-
Employee benefits	111.32	(30.75)	49.11	-	-	129.68	129.68
MAT credit entitlment	763.44	(762.71)	-	-	-	0.73	0.73
Others	(928.69)	806.92	126.12	-	-	4.34	4.34
Total assets/ (liabilities)	**(15,955.58)**	**(995.21)**	**175.23**	**127.64**	**654.87**	**(17,302.80)**	**(16,647.93)**

Movement in deferred tax balances for the year ended March 31, 2017

(₹ in lakh)

	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Deferred tax asset	Deferred tax liability	Deferred Tax Net
Deferred tax asset/(liabilities)							
Property, plant and equipment & Intangible assets	(13,774.72)	(2,705.93)	-	119.51	582.36	(16,943.50)	(16,361.14)
Compensated absences	-	51.17	-	-	-	51.17	51.17
Investments	180.17	(84.48)	-	-	95.69	-	95.69
Biological assets	(14.01)	2.99	-	-	-	(11.02)	(11.02)
Doubtful debts	215.55	108.10	-	-	-	323.65	323.65
Brought forward capital losses	376.28	(376.28)	-	-	-	-	-
Employee benefits	13.00	210.94	(112.62)	-	-	111.32	111.32
MAT credit entitlement	606.87	156.57	-	-	-	763.44	763.44
Others	(912.24)	80.86	(97.31)	-	-	(928.69)	(928.69)
Total assets/ (liabilities)	**(13,309.10)**	**(2,556.06)**	**(209.93)**	**119.51**	**678.05**	**(16,633.63)**	**(15,955.58)**

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

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

During the year, the group has accounted tax credits in respect of Minimum Alternative Tax (MAT credit) of ₹ Nil (March 31, 2017 : ₹ 156.57 Lakh. The group is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

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

Deferred tax liabilities of undistributed earnings of subsidiaries was not recoginised because the company control the dividend policy of its subsidiaries.

Notes to the Financial Statements

Note 44 : Capital management

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

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

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

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

(₹ in lakh)

	As at March 31, 2018	As at March 31, 2017
Total Borrowings	40,979.90	66,407.78
Less : Cash and cash equivalent	2,985.18	5,381.95
Adjusted net debt	**37,994.72**	**61,025.83**
Total equity (including non-controlling interests)	**1,68,064.71**	**1,26,284.81**
Adjusted net debt to adjusted equity ratio	0.23	0.48

Note 45 : Segment information for the period ending March 31, 2018

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

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

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

Segment information

(i) Information about primary business segments

(₹ in lakh)

Revenue	For the year ended March 31, 2018							
	Animal Feeds	Vegetable Oil	Crop Protection	Dairy	Other Business	Unallocated	Elimination	Total
Total sales	2,57,597.69	58,541.78	88,179.55	1,15,765.54	2,476.82	-	(1,970.17)	5,20,591.21
Result								
Segment result	**15,594.33**	**11,225.66**	**20,704.47**	**1,299.60**	**(339.82)**	**-**	**12.27**	**48,496.51**
Unallocated expenditure net of unallocated income	-	-	-	-	-	(9,971.62)	-	(9,971.62)
Interest expenses	-	-	(1,066.03)	(277.77)	(98.53)	(3,187.53)	98.53	(4,531.33)
Interest Income	-	-	88.31	35.69	0.19	324.03	(98.53)	349.69
Dividend income and profit on fair valuation / sale of investments	-	-	-	17.96	-	400.34	(400.26)	18.04

Notes to the Financial Statements

(₹ in lakh)

Revenue	For the year ended March 31, 2018							
	Animal Feeds	Vegetable Oil	Crop Protection	Dairy	Other Business	Unallocated	Elimination	Total
Profit before exceptional, tax & share of equity accounted investees	**15,594.33**	**11,225.66**	**19,726.75**	**1,075.48**	**(438.16)**	**(12,434.78)**	**(387.99)**	**34,361.29**
Share of equity accounted investees net of tax						1,607.99		1,607.99
Exceptional items						1,205.00		1,205.00
Profit before taxation	**15,594.33**	**11,225.66**	**19,726.75**	**1,075.48**	**(438.16)**	**(9,621.79)**	**(387.99)**	**37,174.28**
Provision for taxation	-	-	2,455.37	369.81	3.26	9,045.92	196.12	12,070.48
Profit after taxation	**15,594.33**	**11,225.66**	**17,271.38**	**705.67**	**(441.42)**	**(18,667.71)**	**(584.11)**	**25,103.80**
Other information								
Segment assets	96,199.41	30,484.39	1,03,700.41	76,575.04	13,445.24	78,814.66	(43,971.88)	3,55,247.27
Segment liabilities	69,454.82	9,648.33	43,477.53	29,656.41	1,851.03	34,347.89	(1,253.45)	1,87,182.56
Capital expenditure	1,714.27	11,579.67	4,725.17	2,570.57	6.43	695.45	-	21,291.56
Depreciation and amortisation	2,966.97	1,475.44	1,455.64	2,124.76	140.88	428.76	-	8,592.45

Segment information

(i) Information about Primary business segments

(₹ in lakh)

Revenue	**For the year ended March 31, 2017**							
	Animal Feeds	**Vegetable Oil**	**Crop Protection**	**Dairy**	**Other Business**	**Unallocated**	**Elimination**	**Total**
Total sales	2,62,082.16	50,664.16	76,472.52	1,00,991.70	4,097.78	-	(1,668.14)	4,92,640.18
Result								
Segment result	16,637.34	10,268.53	17,079.72	3,666.99	(1,082.22)	-	(39.00)	46,531.36
Unallocated expenditure net of unallocated income	-	-	-	-	-	(8,540.20)	-	(8,540.20)
Interest expenses	-	-	(1,223.53)	(492.96)	(356.39)	(6,803.57)	242.27	(8,634.18)
Interest income	-	-	99.18	392.44	199.82	1,030.92	(242.26)	1,480.10
Dividend income and profit on sale of investments	-	-	-	266.32	-	2,937.63	(440.52)	2,763.43
Profit before exceptional, tax & share of equity accounted investees	**16,637.34**	**10,268.53**	**15,955.37**	**3,832.79**	**(1,238.79)**	**(11,375.22)**	**(479.51)**	**33,600.51**
Share of equity accounted investees net of tax						1,855.76		1,855.76
Exceptional items						2,000.00		2,000.00
Profit before taxation	**16,637.34**	**10,268.53**	**15,955.37**	**3,832.79**	**(1,238.79)**	**(7,519.46)**	**(479.51)**	**37,456.27**
Provision for taxation	-	-	1,446.35	1,509.72	(4.05)	7,269.97	(57.48)	10,164.51
Profit after taxation	**16,637.34**	**10,268.53**	**14,509.02**	**2,323.07**	**(1,234.74)**	**(14,789.43)**	**(422.03)**	**27,291.76**
Other information								
Segment assets	94,766.13	19,102.05	86,737.00	69,356.68	8,590.74	84,609.87	(41,719.20)	3,21,443.27
Segment liabilities	71,989.40	1,730.73	36,870.76	22,642.06	3,218.65	59,778.40	(1,071.54)	1,95,158.46
Capital expenditure	4,627.55	1,746.25	2,727.75	11,003.99	542.06	353.20	-	21,000.80
Depreciation and amortisation	2,684.68	1,310.41	1,216.35	1,619.47	160.15	475.42	-	7,466.48

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

Notes to the Financial Statements

Note 46 : Contingent liabilities

(₹ in lakh)

Particulars			As at March 31, 2018	As at March 31, 2017
Claims against the group not acknowledged as debts:				
(i)	Excise Matter			
	Excise duty demands relating to disputed classification, assessable values, availment of credit etc. which the group has contested and is in appeal at various levels		13,411.09	16,269.85
(ii)	Service Tax Matter			
	a	Service Tax demands relating to reverse charge mechanism for the Services availed.	-	2.04
(iii)	Customs Matter			
	a	The group has preferred an appeal with the Customs Dept. in the matter of Assessable value of imported Capital goods and presently the case is pending with the Commissioner of Customs, Chennai.	106.44	99.05
(iv)	Income Tax			
	a	The group has received a rectification order u/s 154 of Income Tax Act 1961 for AY 2014-15 dated 23.01.2017, as per the said order amount determined to be payable is ₹ 132.43 Lakh which includes interest amounting to ₹ 25.45 Lakh.	132.43	132.43
	b	The group has preferred an appeal before the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer for the A.Y 2013-14 in which a demand of ₹ 143.05 Lakh has been determined to be payable by the Company.	143.05	143.05
	c	The Group has preferred appeal against the order of assessing officer and CIT in which demand of ₹ 437.86 Lakh has been determined for various assessment years as under. The said demand also included interest payable up to the date of passing order by the competent authority i.e. assessing officer / CIT.	857.33	437.86
	d	The group had preferred an Appeal against the dis-allowance of deduction U/s 80-I of the Income Tax Act, 1961, the details of which are given below. The Appellate Tribunal Hyderabad has passed an order to, partly allow deduction under section 80-I of the Income Tax Act, in respect of Milk products manufactured. The Assessing Officer order for part refund of Income tax paid is still pending.	-	51.30
	e	The group has preferred an appeal against the disallowance of deduction U/s 32(1)(iia) of the Income Tax Act, 1961.Against the aforesaid demand, the group has deposited / adjusted payment aggregating to ₹ 33.72 Lakh.	38.21	38.21
	f	The group has preferred an appeal against the dis-allowance of deduction U/s 36(1)(iva) of the Income Tax Act, 1961 and other expenditure, the details of which are given below. Against the aforesaid demand, the company has deposited the demand amount of tax.	-	12.75
	g	The group has preferred an appeal against the dis-allowance u/s 14A & u/s.36 of the Income Tax Act, 1961, the details of which are given below. Against the aforesaid demand, the refund has adjusted (Tax Deposited)	-	10.75
(v)	Sales Tax Matters			
	a	Pending before JSCT (Appeal)	-	148.47
	b	Pending before Dy. Comm. Sales tax, Thane	-	3,613.05
	c	Contingent Liabilities against pending C & H Forms	124.90	163.29
	d	The group has preferred an appeal against levy of Sales Tax on sale of cream and has deposited the entire demand of tax.	15.05	26.22
	e	The group has preferred an appeal against levy of Sales Tax on sale of flavoured milk and has deposited the entire demand of tax.	1.05	-
	f	The group has received assessment orders for the F.Y.2010-11 in respect of assessment of Value Added Tax from the Assistant Commissioner (CT) for ₹ 1.08 Lakh. This pertains to disallowance of VAT input credit claimed. The group has gone on appeal and the same was remanded to assessing officer. The revision order from the assessing officer is awaited.	-	1.08

Notes to the Financial Statements

(₹ in lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
g	The group has filed writ petition in Telangana High Court against levy of Sales tax on sale of flavoured milk. The details of which are given below.The Honurable High Court of Telangana had passed a favourable order allowing the writ petition filed by the group.The order stating that the writ petition is allowed and impugned order is set aside only in so far as the taxing of flavoured milk @ 14.5%, the miscellaneous petitions, if any pending in this writ petition shall stand closed.	-	206.05
h	The group has filed writ petition in Telangana High Court against levy of Sales tax on sale of flavoured milk. The details of which are given below.The Honurable High Court of Telangana had passed a favourable order allowing the writ petition filed by the group.The order stating that the writ petition is allowed and impugned order is set aside only in so far as the taxing of flavoured milk @ 14.5%, the miscellaneous petitions, if any pending in this writ petition shall stand closed. (ADC Appeal)	13.84	-
(vi)	Civil Matter		
	Nath Bio-Genes (India) Ltd has filed a suit against the Group alleging that some product supplied by the Group was responsible for the poor germination of its seeds.	6,500.00	6,500.00
(vii)	Suit was filed by Model Financial Corporation Ltd (O.S. No.479/98) for recovery of dues from Ushodaya Agro Products Ltd and Creamline Dairy Products Ltd (CDPL) as borrowers and as alleged guarantor respectively. However, in case of OS No: 479/98, the company has deposited the title deeds of land along with the buildings therein and equipments pertaining to milk chilling center located at Kothapallimitta village Chittor Dist. as security, pending final orders. CDPL has deposited ₹ 47.00 Lakh as per the orders of Honourable City Civil Court, Hyderabad passed in C.M.P No.2777 of 2007 in C.M.P No.282 of 2006 in C.C.C.A no.94 of 2006 dt.14.6.2007. The Company is also liable to pay Interest at the rate of 6% p.a. on the balance due amount of ₹ 47 Lakh which is coming to ₹ 31.84 Lakh. The aggregate contingent liability would be ₹ 78.84 Lakh.	81.66	-
(viii)	The group has cancelled the Milk distributorhip for Hanamkonda (Warangal) due to large overdue outstanding to the extent of ₹ 6.07 Lakh. Consequent to the cancellation of distributionship, the distributor filed case against the group demanding ₹ 10 laksh Subseuently the group filed a counter claim and the matter is pending for listing in the Court.	10.00	-
(ix)	The complainant has been filed regarding the quality of products in Consumer Court towards grievance and expenses incurred by the applicant seeking damage. The complainant has not appeared before the forum during the last four hearings and the group has requested the President of the Consumer Forum to dismiss the case.	2.00	-
(x)	A Complaint has been filed under FSSAI for quality of curd in Guntur on the group and penalty has been levied The group has preferred an appeal in the Guntur sessions Court against the referred order.	3.00	-
(xi)	Food safety Officer imposed a penalty under FSSAI rules based on the FSSAI lab report declaring that jersey gold plus full cream milk, sample of which was picked up from a sales point in Vijayawada, is substandard/misbranded. The preferred an Appeal vide Crl. Apl. No.152/17 before Metropolitan Sessions Judge, Vijayawada. (for Summons).	3.00	-
(xii)	SE- Tangedco-Tirunelveli sent a demand notice to a subsidiary and included the same in the electricty bill for the month of January, 2018, based on an audit slip. The company challenged the same by filing writ petition on 5th February, 2018.	54.36	-
(xiii)	Surety Bond issued on behalf of related party.	120.67	120.67
(xiv)	Letters of Credit given by Group (Different letter of credits issued to various suppliers for supply of material to us.)	3,451.86	199.90
(xv)	Guarantees issued by the Banks and counter guaranteed by the group which have been secured by deposits with bank.	2,170.14	1,218.02
(xvi)	Claims against the company not acknowledged as debt	494.46	987.71

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

Notes to the Financial Statements

Note 47 : Commitments

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated value of contracts remaining to be executed on capital account (net of Advances), to the extent not provided for:	3,892.49	9,832.89
Outstanding Export obligation Under EPCG Scheme	3,936.17	3,895.62

Based on the share purchase agreement ("SPA") entered into with the erstwhile promoter of its subsidiary company, Astec Lifesciences Limited, the Company has a commitment to purchase 10% of the subsidiary's Equity shares from erstwhile promoter and the same has been disclosed as Put option liability.

Note 48 : Leases

Operating lease:

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

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

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Future lease commitments		
- Within one year	341.18	304.30
- Later than one year and not later than five years	1,054.24	964.91
- Later than five years	-	279.70

b. Lease payments recognised in the Statement of Profit & Loss for the year :

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Minimum lease payments	**1,638.67**	**1,506.09**

Finance leases

A. Leases as lessor

The Group assessed one of its arrangements as an embedded lease transaction and determined the same as finance lease. Accordingly, Property, plant and equipment have been derecognised and finance lease receivable have been accounted at present value of minimum lease payments and resultant difference have been charged to retained earnings. Revenue elements identified as fixed charges towards leasing as per the agreement which are covered under minimum lease receivable definition for finance lease accounting is adjusted partly against finance lease receivable to the extent of principal amount and partly recognised as finance income.

i. Future minimum lease receivables

At March 31, the future minimum lease receivable under finance lease arrangement as follows.

(₹ in lakh)

	March 31, 2018			March 31, 2017		
	Future value of minimum lease receivables	Unearned finance income	Present value of minimum lease receivables	Future value of minimum lease receivables	Unearned finance income	Present value of minimum lease receivables
Less than one year	-	-	-	108.93	52.85	56.08
Between one and five years	-	-	-	435.72	119.64	316.08
More than five years	-	-	-	-	-	-
	-	**-**	**-**	**544.65**	**172.49**	**372.16**

Notes to the Financial Statements

Note 49 : Grants/subsidies from government

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

Note 50 : Investments in associates

On January 18, 2018, the Company has subscribed to 307,915 equity shares of Godrej Maxximilk Pvt. Ltd (GMPL) for a consideration of ₹ 434.16 Lakh. Pursuant to this acquisition of 49.90% stake, GMPL has become an associate of the Company.

Note 51 : Information in respect of investment in associates.

During the year, the management has decided to divest its stake in AL Rahaba International Trading Limited Liability Company. Further the equity accounted investment in Al Rahba is ₹ Nil as at March 31, 2018 on account of losses for the year.

Note 52 : Amalgamation of Goldmuhor Agrochem & Feeds Limited.

A Scheme of Amalgamation ("the Scheme") for the amalgamation of Goldmuhor Agrochem & Feeds Limited (called "the Transferor Company") with Godrej Agrovet Limited (the "Transferee Company"), with effect from October 1, 2013, ("the Appointed date") was sanctioned by the Honorable High Court of Judicature at Bombay ("the Court"), vide its Order dated September 20, 2013 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on December 13, 2013 (the "Effective Date").

To give effect to the Honourable Bombay High Court's Order dated September 20, 2013 regarding Scheme of the Arrangement, the following entry has been recorded.

An amount of ₹ 2,000 Lakh has been transferred from the General Reserve Account and used to increase the Reserve for Employee Compensation Expenses, of which ₹ 1,986 Lakh has been utilised for the Financial Year ended March 31, 2017. Had the Scheme not prescribed this treatment the profit for the Financial Year ended March 31, 2017 would have been lower by ₹ 1,986 Lakh.

Note 53 : Reserve created for employee compensation expenses.

To give effect to the Honorable Bombay High Court's Order dated March 8, 2013, an amount of ₹ 11,004.00 Lakh standing to the credit of the Securities Premium Account of the Company has been utilised to create Reserve for Employee Compensation Account of the Company. The expenses in respect of the Company's ESOP scheme will be charged against the Reserve for Employee Compensation Account, of which ₹ 389.81 Lakh has been utilised for the Financial Year ended March 31, 2017.

Had the Scheme not prescribed this treatment the profit for the Financial Year ended March 31, 2017 would have been lower by ₹ 389.81 Lakh.

Note 54 : Amalgamation of oil palm companies.

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

i. Amortisation of Intangible Assets of the Transferor Companies amounting to ₹ 425.12 Lakh each for the Financial year ended March 31, 2018 and March 31, 2017 recorded in the books of the Transferee Company are charged against the balance in the General Reserve Account of the Transferee Company. The Gross Book value of these Assets now held by the Transferee Company is ₹ 4,251.18 Lakh.

ii. Provision created against the loan advanced to the ESOP Trust of Godrej Industries Limited amounting to ₹ 2,000 lakh was directly charged against the balance in the Securities Premium Account of the Transferee Company. During the Financial Year ended March 31, 2017, the Company has written back this provision of ₹ 2,000 Lakh as the said advance has been recovered and hence, no longer doubtful and the same has been shown as exceptional item.

Had the Scheme not prescribed the above treatment, profit for the Financial year ended March 31, 2018 would have been lower by ₹ 276.77 Lakh (previous year ₹ 277.99 Lakh).

Notes to the Financial Statements

Note 55 :Goodwill and other intangible assets with indefinite useful life.

The Goodwill and Indefinite life intangible assets (Brand) are tested for impairment and accordingly no impairment charges were identified for the year ended March 31, 2018

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

(₹ in lakh)

Particulars	March 31, 2018	March 31, 2017
Astec Lifesciences Limited (Crop Protection)	**11,816.50**	**11,816.50**
Creamline Dairy Products Limited (Dairy)		
- Goodwill	7,670.22	7,670.22
- Brand	3,822.17	3,822.17
Total	**23,308.89**	**23,308.89**

Astec Lifesciences Limited

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

Creamline Dairy Products Limited

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

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

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

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

Note 56 : Managerial remuneration.

During the year ended March 31, 2017, the stock options granted under the Company's stock option scheme were fully vested, exercised and transferred to the eligible employees including the Managing Director of the Company. The perquisite value of the said stock options have been included in the managerial remuneration which resulted in the same exceeding the limits prescribed under Section 197 of the Companies Act, 2013 by an amount of ₹ 8,661.10 Lakh. The Company is in the process of obtaining approval from Central Government of India for ratification of payment of excess remuneration.

Note 57 : IPO utilisation

The proceeds from Initial Public Offer is ₹ 29,151.24 Lakh (including issue related expenses of ₹ 1,425.95 Lakh.). The utilisation of the same are as follows.

(₹ in lakh)

Particulars	Object of the issue as per the Prospectus	Utilised upto March 31, 2018
Repayment or prepayment of working capital facilities availed by the Company	10,000	10,000
Repayment of commercial papers issued by the Company	15,000	15,000
General corporate purposes (including repayment of debts)	2,725	2,725
Total	27,725	27,725

Notes to the Financial Statements

The Company has incurred ₹ 5,661.06 Lakh of IPO expenses. These IPO expenses have been allocated between the Company ₹ 1,425.95 Lakh (which has been adjusted against the securities premium account) and the selling shareholders ₹ 4,235.11 Lakh in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders.

Note 58 :

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

Note 59 : Exceptional item

Exceptional Items of the Financial year ended March 31, 2018 comprises gain recognised by a subsidiary company on cancellation of an agreement for supply of product with one of its customer of ₹ 1932.83 Lakh and loss due to inventory written off by the subsidiary company aggregating ₹ 727.83 Lakh.

Note 60 : Movement in borrowings

(₹ in lakh)

Particulars	March 31, 2017	Cash Flow	Non-cash changes	March 31, 2018
Long term borrowings	2,482.54	(420.95)	52.02	2,113.61
Short term borrowings	63,925.24	(25,286.40)	227.46	38,866.30
Total borrowings	**66,407.78**	**(25,707.35)**	**279.48**	**40,979.90**

Note 61 : Specified bank notes

Disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, required as per Notification G.S..R 308 (E) dated 30 March 2017 issued by the Ministry of Corporate Affairs.

(₹ in lakh)

SBNs other denomination notes total	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	236.10	96.26	332.36
(+) Permitted receipts	844.28	6,770.64	7,614.92
(-) Permitted payments	11.37	796.36	807.72
(-) Amount deposited in banks	1,069.02	5,773.53	6,842.55
Closing cash in hand as on 30.12.2016	-	297.01	297.01

The opening balance includes imprest/advance with employees and amounts collected by field staff on or before 8th November 2016, which has been deposited into the group's bank account subsequently.

Notes to the Financial Statements

Note 62 : Additional information, as required under Schedule III to the Companies Act, 2013

(₹ in lakh)

Name of the entity in	Net assets - total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Godrej Agrovet Limited	74.10%	1,24,537.33	74.66%	18,502.49	46.18%	(421.79)	74.93%	18,080.70
Subsidiaries								
Indian								
2. Godvet Agrochem Limited	0.68%	1,135.43	0.24%	59.49	0.00%	-	0.15%	59.49
3. Astec Lifesciences Limited	1.95%	3,277.12	16.84%	4,228.14	-8.13%	(28.89)	10.31%	4,199.25
4. Creamline Dairy Products Limited	17.94%	30,148.17	2.81%	705.67	-112.69%	(92.79)	8.28%	612.88
Minority interest in all subsidiaries associates (investment as per equity method)								
Indian								
Godrej Maxximilk Private Limited	-0.01%	(20.61)	-0.08%	(20.61)	0.00%	-	0.23%	(20.61)
Foreign								
Al Rahaba International Trading Limited Liability Company	0.00%	(4.32)	-1.08%	(20.36)	0.00%	-	-1.08%	(20.36)
Joint Ventures (as per proportionate consolidation / investment as per equity method)								
Indian								
Godrej Tyson Foods Limited	1.36%	2,290.84	3.73%	436.80	-25.36%	(8.67)	3.68%	428.13
Omnivore India Capital Trust	0.69%	1,161.48	-0.21%	560.50	0.00%	-	-0.21%	560.50
Foreign								
ACI Godrej Agrovet Private Limited	3.30%	5,539.29	4.13%	651.67	0.00%	(127.12)	4.14%	524.55
Total	**100.00%**	**1,68,064.73**	**100.00%**	**25,103.78**	-100.00%	**(679.25)**	**100.00%**	**24,424.53**

Notes to the Financial Statements

Note 63 : Disclosure of joint venture and associates

Equity accounted investees

Financial information of joint ventures and associates that are material to the Group is provided below : (₹ in lakh)

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amounts	
					March 31, 2018	March 31, 2017
Godrej Tyson Foods Limited*	Maharashtra	49.0%	Joint Venture	Equity method	8,893.55	8,465.42
ACI Godrej Agrovet Private Limited*	Bangladesh	50.0%	Joint Venture	Equity method	6,797.37	6,272.82
Omnivore India Capital Trust	Maharashtra		Investment entity	Equity method	3,418.00	2,786.39
Al Rahaba International Trading Limited Liability Company	Abu Dhabi	24.0%	Associate	Equity method	-	20.36
Godrej Maxximilk Private Limited.	Maharashtra	49.9%	Associate	Equity method	413.55	-
Total equity accounted investments					**19,522.47**	**17,544.99**

* Unlisted equity, no quoted prices available

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

(₹ in lakh)

Pariculars	Godrej Tyson Foods Limited		ACI Godrej Agrovet Private Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Ownership	49%	49%	50%	50%
Cash and cash equivalent	878.00	1,953.31	859.79	335.16
Other current assets	4,350.82	4,845.70	13,781.57	11,186.33
Total current assets	5,228.82	6,799.01	14,641.36	11,521.49
Total non-current assets	17,790.72	15,935.75	17,839.86	20,004.99
Total assets	**23,019.54**	**22,734.76**	**32,481.22**	**31,526.48**
Current liabilites				
Financial liabilities (excluidng trade payables and provisions)	1,946.01	2,168.00	12,971.49	8,079.77
Other liabilities	1,731.95	1,497.49	1,963.23	3,173.68
Total current liabilities	3,677.96	3,665.49	14,934.72	11,253.45
Total non-current liabilities	1,095.94	1,220.69	3,861.78	6,352.58
Total liabilities	**4,773.90**	**4,886.18**	**18,796.50**	**17,606.03**
Net assets	**18,245.64**	**17,848.58**	**13,684.72**	**13,920.45**
Groups' share of net assets	**8,940.36**	**8,745.81**	**6,842.36**	**6,960.23**
Carrying amount of interest in joint venture	**8,893.55**	**8,465.42**	**6,797.37**	**6,272.82**

Particulars	Godrej Tyson Foods Limited		ACI Godrej Agrovet Private Limited	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenues	43,352.68	44,754.42	67,534.93	60,404.72
Interest income	68.31	97.22	7.13	7.87
Depreciation and amortisation	(1,506.40)	(1,512.38)	(1,993.95)	(1,607.33)
Interest expense	(1.88)	(0.69)	(908.30)	(1,090.90)
Income tax expense	(227.56)	(991.81)	(868.25)	(549.44)
Profit from continuing opertaions	**414.77**	**1,599.42**	**1,303.33**	**2,256.12**
Profit from discontinued opertaions	-	-		-
Profit for the year	**414.77**	**1,599.42**	**1,303.33**	**2,256.12**
Other comprehensive income	(17.69)	(15.49)	(200.68)	
Total comprehensive income	**397.08**	**1,583.93**	**1,102.65**	**2,256.12**
Group's share of profit - As per JV's books	203.24	783.72	651.67	1,128.06
Add: Adjustments at GAVL	233.56	233.56	-	
Group's share of profit	**436.80**	**1,017.28**	**651.67**	**1,128.06**
Group's share of Other comprehensive income	**(8.67)**	**(7.59)**	**(100.34)**	**-**
Group's share of Total comprehensive income	**428.13**	**1,009.69**	**551.33**	**1,128.06**

Notes to the Financial Statements

Note 64 : Non-Controlling Interest

Non controlling interest

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

Name of the entity	Place of business / country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interest		Principal activities
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
Godvet Agrochem Limited	India	100.00%	100.00%	0.00%	0.00%	Investment Property
Astec LifeSciences Ltd.	India	57.45%	55.53%	42.55%	44.47%	Manufacturing and distribution of agrochemical active ingredients and pharmaceutical intermediates.
Creamline Dairy Products Limited	India	51.91%	51.91%	48.09%	48.09%	The Company is principally engaged in milk procurement, processing of milk and manufacturing of milk products. The Company is also engaged in generation of power through renewable energy sources.

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

I. Summarised statement of profit or loss

(a) Astec LifeSciences Ltd. (₹ in lakh)

	March 31, 2018	March 31, 2017
Total revenue	37,895.14	31,340.35
Profit for the year	4,228.14	2,812.44
Other comprehensive income	(28.64)	(6.74)
Profit allocated to non-controlling interests	**1,841.63**	**1,292.99**
OCI allocated to non-controlling interests	**(14.13)**	**(2.28)**
Dividends paid to non-controlling interests	**-**	

(b) Creamline Dairy Products Limited (₹ in lakh)

	March 31, 2018	March 31, 2017
Total revenue	116,025.07	100,991.70
Profit for the year	705.67	2,323.07
Other comprehensive income	(92.79)	(68.82)
Profit allocated to non-controlling interests	**341.27**	**2,323.07**
OCI allocated to non-controlling interests	**(44.62)**	**(33.09)**
Dividends paid to non-controlling interests	**-**	

II. Summarised balance sheet

(a) Astec LifeSciences Ltd. (₹ in lakh)

	March 31, 2018	March 31, 2017
Non-current liabilities	560.22	181.75
Current liabilities	23,838.78	19,372.29
	24,399.00	19,554.04
Non-current assets	18,249.57	12,827.70
Current assets	23,167.91	19,837.30
	41,417.48	32,665.00
Net assets	**17,018.48**	**13,110.96**
Net assets attributable to non-controlling interest	**7,270.49**	**5,830.44**

Notes to the Financial Statements

(b) Creamline Dairy Products Limited

(₹ in lakh)

	March 31, 2018	March 31, 2017
Non-current liabilities	8,770.40	9,270.33
Current liabilities	19,084.72	11,560.48
	27,855.12	20,830.81
Non-current assets	51,556.04	49,259.04
Current assets	17,183.84	12,252.53
	68,739.88	61,511.57
Net assets	**40,884.76**	**40,680.76**
Net assets attributable to non-controlling interest	**19,660.20**	**19,562.10**

III. Summarised cash flow information

(a) Astec LifeSciences Ltd.

(₹ in lakh)

	March 31, 2018	March 31, 2017
Cash flows from (used in) in operating activities	6,467.43	1,862.97
Cash flows from (used in) in investing activities	(4,894.16)	(1,709.05)
Cash flows from (used in) in financing activities	(1,824.48)	(94.34)
Net increase /(decrease) in cash and cash equivalents	**(251.21)**	**59.58**

(b) Creamline Dairy Products Limited

(₹ in lakh)

	March 31, 2018	March 31, 2017
Cash flows from (used in) in operating activities	4,821.04	2,208.25
Cash flows from (used in) in investing activities	(5,142.41)	(1,550.88)
Cash flows from (used in) in financing activities	759.81	(255.00)
Net increase /(decrease) in cash and cash equivalents	**438.44**	**402.37**

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

During the current year, the Group has acquired 1.92% (previous year acquired 1.90%) of subsequent interest in Astec Lifescience Limited. The carrying amount of such additional NCI stake acquired is ₹ 282.86 Lakh (previous year 258.28 Lakh).

(₹ in lakh)

	March 31, 2018	March 31, 2017
Carrying amount of non-controlling interests acquired	282.86	258.28
Consideration paid	2,083.04	2,348.04
Decrease in equity attributable to the owners of the Company	1,800.18	2,089.76

Notes to the Financial Statements

Note No. 65 : Related Party Disclosures.

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

		GODREJ AGROVET LIMITED
(a) (i)	**Key management personnel**	**Mr. N. B. Godrej (Chairman)**
		Mr. A. B. Godrej
		Mr. J. N. Godrej
		Mr. V. M. Crishna
		Ms. Tanya A. Dubash
		Ms. Nisaba Godrej
		Mr. B. S. Yadav (Managing Director)
		Mr. K. N. Petigara
		Mr. A. B. Choudhury
		Dr. S. L. Anaokar
		Dr. R. A. Mashelkar (w.e.f. July 18, 2017)
		Dr. Ritu Anand (w.e.f. July 18, 2017)
		Ms. Aditi Kothari Desai (w.e.f. July 18, 2017)
		Ms. Roopa Purushothaman (w.e.f. July 18, 2017)
		Mr. Rohit Sipahimalani (Resigned w.e.f. July 13, 2017)
		Mr. Vivek Raizada (Company Secretary)
		Mr. S. Varadaraj (Chief Financial Officer)
(b) (i)	**Holding companies**	Godrej & Boyce Manufacturing Company Limited (ultimate holding company upto March 29, 2017)
		Godrej Industries Limited (holding company)
		Vora Soaps Limited (ultimate holding company w.e.f. March 30, 2017)
(ii)	**Fellow subsidiary companies**	Godrej Properties Ltd.
		Natures Basket Limited
		Godrej One Premises Management Private Limited
		Godrej Vikhroli Properties India Limited
(iii)	**Joint ventures**	Godrej Tyson Foods Limited
		ACI Godrej Agrovet Private Limited, Bangladesh
		Omnivore India Capital Trust
(iv)	**Associates**	Godrej Maxximilk Private Limited
		AL Rahba international Trading LLC, (UAE)
		Polchem Hygiene Laboratories Private Limited (upto December 12, 2016)
(v)	**Other related parties**	Godrej & Boyce Manufacturing Company Limited (w.e.f. March 30, 2017)
		Godrej Consumer Products Limited (w.e.f. March 30, 2017)
		Godrej Seeds & Genetics Limited (w.e.f. March 19, 2017)
		Godrej Infotech Limited (w.e.f. March 30, 2017)
		Anamudi Real Estates LLP
		Astec Crop Care Private Limited
		Hikal Limited
		Nichem Solutions
		Khammam Milkline Private Limited
		Dhulipalla Milkline Private Limited
		Mohan Milkline Private Limited
		Vidya Milkline Private Limited

Notes to the Financial Statements

		GODREJ AGROVET LIMITED
		Ongole Milkline Private Limited
		Pamuru Milkline Private Limited
		Kavali Milkline
		Pragathi Milkline
		Orga Farms Private Limited
		Nutramaax Food Specialities Private Limited
		Asha Holdings Private Limited
		PVR Enterprises
		PSR Enterprises
		Prima Food tech Pvt Ltd
(vi)	**Post-employment benefit plan (entities) for the benefit of employees of the company**	Godrej Agrovet Limited Provident Fund Trust
		Godrej Agrovet Limited Superannuation Scheme
		Godrej Agrovet Limited Group Gratuity Trust

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

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

(i) Details relating to parties referred to in items (b) - (i), (ii), (iii), (iv), (v), (vi) & (vii)

(₹ in lakh)

Sr. No.	Nature of transactions	Holding Companies	Fellow Subsidiaries	Joint Ventures	Associates	Other related Parties
		(i)	(iii)	(iv)	(v)	(vi) & (vii)
1	Purchase of property, plant and equipment	**-**	**-**	**-**	**-**	**63.44**
		76.71	-	-	-	3,037.79
2	Sale / transfer of fixed assets	**-**	**-**	**-**	**-**	**-**
		-	-	-	-	300.00
3	Investment in share capital	**-**	**-**	**131.88**	**434.16**	**-**
		-	-	250.00	-	-
4	Sundry deposits placed	**4.05**	**0.39**	**-**	**-**	**-**
		6.60	9.00	-	-	-
5	Intercorporate deposits placed during the year	**-**	**-**	**-**	**783.70**	**-**
		-	5,000.00	-	-	-
6	Intercorporate deposits taken during the year	**-**	**-**	**-**	**-**	**-**
		-	7,700.00	-	-	-
7	Intercorporate deposits returned	**-**	**-**	**-**	**-**	**-**
		-	7,700.00	-	-	-
8	Sale of materials / finished goods	**-**	**-**	**22,763.47**	**8.40**	**67.43**
		-	-	24,098.59	-	289.31
9	Purchase of materials / finished goods	**431.33**	**-**	**162.07**	**-**	**15,753.32**
		213.33	5,205.18	292.64	574.69	17,849.94
10	Expenses Charged to / reimbursement received from other companies	**-**	**0.74**	**307.30**	**152.04**	**6.74**
		11.81	21.39	288.16	-	-
11	Expenses charged by / reimbursement made to other companies	**872.32**	**282.00**	**4.40**	**-**	**74.18**
		764.53	312.22	1.48	-	-
12	Dividend income	**-**	**-**	**60.78**	**-**	**-**
		-	-	-	-	-

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transactions	Holding Companies	Fellow Subsidiaries	Joint Ventures	Associates	Other related Parties
		(i)	(iii)	(iv)	(v)	(vi) & (vii)
13	Dividend paid	**5,304.55**	**-**	**-**	**-**	**-**
		-	-	-	-	-
14	Interest income on intercorporate deposits placed	**-**	**-**	**-**	**13.71**	**3.89**
		83.73	6.98	-	-	151.35
15	Interest expenses on intercorporate deposits placed	**-**	**-**	**-**	**-**	**-**
		-	250.26	-	-	-
16	Sundry income	**-**	**-**	**131.00**	**-**	**1.41**
		-	1.39	247.50	-	-
17	Outstanding intercorporate deposit receivable	**-**	**-**	**-**	**783.70**	**-**
		-	-	-	-	-
18	Capital advance given during the year	**-**	**449.69**	**-**	**-**	**-**
		-	185.24	-	-	-
19	Outstanding capital advance	**-**	**814.47**	**-**	**-**	**-**
		-	364.78	-	-	-
20	Outstanding receivables (net of payables)	**(75.30)**	**9.07**	**652.41**	**220.01**	**(979.65)**
		69.16	13.52	1,005.34	-	(1,067.23)
21	Guarantees outstanding	**-**	**-**	**-**	**-**	**120.67**
		-	120.67	-	-	-
22	Contribution to post-employment benefit plans	**-**	**-**	**-**	**-**	**2,058.87**
		-	-	-	-	1,867.10

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

(₹ in lakh)

		As at March 31, 2018	As at March 31, 2017
1	**Remuneration to key management personnel**		
	Salary and short term employee benefit	639.91	405.40
	Post employee gratuity & medical benefits	8.64	7.89
	Share based payment	229.67	9,952.12
2	Dividend paid	602.78	-
3	Director's sitting fees	63.11	26.80

3. Significant Related Party Transactions :

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
1	**Purchase of property, plant and equipment**		
	Godrej & Boyce Mfg Co Limited	63.44	76.71
	Nutramaax Food Specalities Private Limited	-	3,037.79
2	**Sale / Transfer of property, plant and equipment**		
	Asha Holdings Private Limited	-	300.00
3	**Investment in share capital / acquisition of shares**		
	Godrej Maxximilk Pvt. Ltd.	434.16	-
	Omnivore India Capital Trust	131.88	250.00

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
4	**Sundry deposits placed**		
	Godrej Industries Limited	4.05	6.60
	Godrej One Premises Management Pvt. Ltd.	0.39	9.00
5	**Intercorporate deposits placed during the year**		
	Natures Basket Limited	-	5,000.00
	Godrej Maxximilk Pvt. Ltd.	783.70	-
6	**Intercorporate deposits taken during the year**		
	Natures Basket Limited	-	7,700.00
7	**Intercorporate deposits returned**		
	Natures Basket Limited	-	7,700.00
8	**Sale of materials / finished goods**		
	ACI Godrej Agrovet Private Limited	610.12	916.40
	Godrej Maxximilk Pvt. Ltd.	8.40	-
	Godrej Tyson Foods Limited	22,153.35	23,182.20
	Astec Crop Care Private Limited	47.11	282.64
	Nichem Solutions	0.95	0.16
	Khammam Milkline Private Limited	19.37	1.35
	Kavali Milkline Private Limited	-	5.16
9	**Purchase of materials / finished goods / services**		
	Godrej & Boyce Mfg Co Limited	63.03	49.60
	Godrej Industries Limited	431.33	163.73
	Godrej Consumer Products Limited	43.76	30.18
	Godrej Tyson Foods Limited	162.07	292.64
	Polchem Hygiene Laboratories Private Limited	-	574.69
	Nutramaax Food Specalities Private Limited	-	23.91
	Ongole Milkline Private Limited	3,371.27	2,556.33
	Mohan Milkline Private Limited	3,916.71	3,469.07
	Vidya Milkline Private Limited	1,063.40	1,289.59
	Khammam Milkline Private Limited	1,763.91	1,889.67
	Pamuru Milkline Private Limited	1,300.45	1,218.35
	Kavali Milkline Private Limited	3,011.86	4,710.68
	Pragathi Milkline Private Limited	648.82	1,202.22
	Dhulipalla Milkline Private Limited	171.88	1,023.07
	Orga Farms Private Limited	188.78	120.04
	PVR Enterprises	140.54	55.01
	PSR Enterprises	42.90	292.01
	Prima Food Tech Private Limited	25.99	-
	Godrej Properties Limited	-	5,175.00

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
10	**Expenses charged to / reimbursement received from other companies**		
	ACI Godrej Agrovet Private Limited	5.26	-
	Omnivore India Capital Trust	8.37	-
	Godrej Consumer Products Limited	6.74	-
	Godrej Industries Limited	-	11.81
	Godrej Tyson Foods Limited	293.67	288.16
	Natures Basket Limited	-	21.39
	Godrej Properties Limited	0.74	-
	Godrej Maxximilk Pvt. Ltd.	152.04	-
11	**Expenses charged by / reimbursement made to other companies**		
	Godrej Infotech Limited	2.45	3.62
	Godrej & Boyce Mfg Co Limited	33.90	19.67
	Godrej Consumer Products Limited	31.83	13.71
	Godrej Industries Limited	872.32	744.86
	Godrej Tyson Foods Limited	4.40	1.48
	Natures Basket Limited	2.04	0.27
	Godrej One Premises Management Pvt. Ltd.	279.95	294.63
	Nichem Solutions	6.00	-
12	**Dividend income**		
	Omnivore India Capital Trust	60.78	-
13	**Dividend paid**		
	Godrej Industries Limited	5,304.55	-
	Mr. N. B. Godrej (Chairman)	186.58	-
	Mr. A. B. Godrej	0.23	-
	Mr. B. S. Yadav (Managing Director)	198.30	-
	Mr. J. N. Godrej	93.29	-
	Ms. Tanya A. Dubash	62.19	-
	Ms. Nisaba Godrej	62.19	-
14	**Interest income on intercorporate deposits placed / loans given**		
	Natures Basket Limited	-	6.98
	Anamudi Real Estates LLP	-	137.87
	Vora Soaps Limited	-	83.73
	Astec Crop Care Private Limited	-	13.48
	Godrej Seeds & Genetics Limited	3.89	-
	Godrej Maxximilk Pvt. Ltd.	13.71	-
15	**Interest expenses on intercorporate deposits taken**		
	Natures Basket Limited	-	250.26
16	**Sundry income**		
	ACI Godrej Agrovet Private Limited	131.00	247.50
	Godrej Consumer Products Limited	1.41	1.39

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
17	**Outstanding intercorporate deposit receivable**		
	Godrej Maxximilk Pvt. Ltd.	783.70	-
18	**Capital advance given during the year**		
	Godrej Vikhroli Properties India Limited	449.69	185.24
19	**Outstanding capital advance**		
	Godrej Vikhroli Properties India Limited	814.47	364.78
20	**Outstanding receivables (net of payables)**		
	Godrej & Boyce Mfg Co Limited	0.81	(208.30)
	Godrej Industries Limited	(75.30)	69.16
	Godrej Seeds & Genetics Limited	(16.84)	-
	Godrej Properties Limited	-	13.95
	Godrej Consumer Products Limited	(3.48)	(11.68)
	Godrej Infotech Limited	(2.25)	(0.43)
	Natures Basket Limited	(0.47)	0.00
	Godrej Tyson Foods Limited	101.43	72.05
	ACI Godrej Agrovet Private Limited	445.98	933.29
	Kavali Milkline Private Limited	(56.03)	(32.58)
	Khammam Milkline Private Limited	(65.32)	(77.65)
	Mohan Milkline Private Limited	(98.95)	(49.82)
	Orgaa Farms Private Limited	(6.56)	(0.90)
	Pamuru Milkline Private Limited	(12.70)	(27.16)
	Pragathi Milkline	(12.34)	(9.57)
	PSR Enterprises	(16.94)	(16.10)
	PVR Enterprises	(13.46)	(9.38)
	Vidya Milkline Private Limited	(26.24)	(10.02)
	Ongole Milkline Private Limited.	(74.04)	(19.15)
	Dhulipalla Milkline Private Limited.	(5.65)	(13.74)
	Nutramaax Food Specalities Private Limited	-	1.71
	Prima Food Tech Private Limited	(8.49)	-
	Omnivore India Capital Trust	105.00	-
	Godrej Maxximilk Pvt. Ltd.	220.01	-
	Hikal Limited	-	(37.97)
	Nichem Solutions	(3.24)	-
	Godrej One Premises Management Pvt. Ltd.	9.53	-
	Godrej Agrovet Limited Employees Provident Fund Trust.	(50.68)	(119.32)
	Godrej Agrovet Limited Employees Superannuation Scheme.	(5.03)	(5.05)
	Godrej Agrovet Limited Employees Group Gratuity Trust.	(502.21)	(420.57)
21	**Guarantees outstanding**		
	Godrej Consumer Products Limited	120.67	120.67

Notes to the Financial Statements

(₹ in lakh)

Sr. No.	Nature of transaction	As at March 31, 2018	As at March 31, 2017
22	**Director's sitting fees**		
	Mr. A. B. Godrej, (Director)	8.18	6.00
	Mr. K. N. Petigara, (Independent Director)	11.67	6.40
	Dr. S. L. Anaokar, (Independent Director)	6.60	6.80
	Mr. Amit B. Choudhury, (Independent Director)	9.58	7.60
	Dr. Ritu Anand, (Independent Director)	8.27	-
	Ms. Aditi Kothari Desai, (Independent Director)	7.27	-
	Dr. Raghunath A. Mashelkar, (Independent Director)	6.77	-
	Ms. Roopa Purushothaman, (Independent Director)	4.77	-
23	**Contribution to post-employment benefit plans**		
	Godrej Agrovet Limited Employees Provident Fund Trust.	1,581.15	1,456.19
	Godrej Agrovet Limited Employees Superannuation Scheme.	57.15	57.07
	Godrej Agrovet Limited Employees Group Gratuity Trust.	420.57	353.84

Note 66 : The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure that include changes consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013".

As per our report of even date attached

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

KOOSAI LEHERY
Partner
Membership Number: 112399
Mumbai, May 14, 2018

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

FORM AOC-1, Statement pursuant to Section 129 of the Companies Act, 2013

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(₹ in lakh)

1.	Sl. No.	1	2	3	4	5	6	7
2.	Name of the subsidiary	Godvet Agrochem Limited	Astec Lifesciences Limited	Astec Europe Splr	Behram Chemicals Private Limited	Comercializadora Agricola Agroastrachem Cia Ltda	Creamline Dairy Products Limited	Nagavalli Milkline Private Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018
4.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA	EURO	NA	Columbian peso	NA	NA
5.	Share capital	995.00	1,952.77	11.40	60.00	1.00	1132.47	201.04
6.	Reserves & surplus	140.43	15,015.92	(14.22)	26.45	(11.03)	18,635.61	(9.52)
7.	Total assets	2,228.81	41,313.85	9.65	90.32	0.37	40,692.76	195.20
8.	Total liabilities	1,093.40	24,345.16	12.47	3.87	10.40	20,924.68	3.68
9.	Investments	-	49.42	-	-	-	563.08	-
10.	Turnover	-	37,084.52	-	10.80	-	1,15,765.54	-
11.	Profit before taxation	62.75	5,567.78	(1.75)	6.53	(1.42)	1,416.93	(0.41)
12.	Provision for taxation	3.26	2,070.70	-	(3.27)	-	487.90	-
13.	Profit after taxation	59.49	3,497.08	(1.75)	9.80	(1.42)	929.03	(0.41)
14.	Other comprehensive income before tax	-	(43.29)	-	-	-	(141.90)	-
15.	Tax on other comprehensive income	-	14.99	-	-	-	(49.11)	-
16.	Other comprehensive income	-	(28.30)	-	-	-	(92.79)	-
17.	Proposed dividend	-	292.91	-	-	-	339.74	-
18.	% of shareholding	100.0%	57.5%	50.1%	65.6%	100.0%	51.9%	100.0%
	Names of subsidiaries which have been liquidated or sold during the year		NIL					

Part "B": Associates and Joint Ventures

(₹ in lakh)

Name of Associates/Joint Ventures	ACI Godrej Agrovet Private Limited	Godrej Tyson Foods Limited	Omnivore India Capital Trust	Al Rahaba International Trading Limited Liability Company	Godrej Maxximilk Private Limited
1. Latest audited balance sheet date	31.03.2018	31.03.2018	31.03.2017	31.03.2017	31.03.2018
2. Shares of associate/joint ventures held by the company on the year end	50.0%	49.0%	10.1%	24.0%	49.9%
No.	18,50,000	97,461	2125Units	24	3,07,915
Amount of investment in associates	1,248.58	6,602.71	2,124.63	4.32	434.16
3. Description of how there is significant influence	due to percentage(%) of Share Capital	due to percentage(%) of Share Capital	The Company participates in the key activities jointly with the Investment Manager.	due to percentage(%) of Share Capital	due to percentage(%) of Share Capital
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA
5. Networth attributable to shareholding as per latest audited balance sheet	6,842.35	8,940.38	1,639.90	498.01	191.18
6. Profit / Loss for the year - 2017-18					
i. Considered in consolidation	651.67	436.80	560.50	(20.36)	(20.61)
ii. Not Considered in consolidation	-	-	-	-	
Names of associate which have been liquidated or sold during the year			NA		

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

N. B. GODREJ
Chairman
DIN: 00066195

B.S.YADAV
Managing Director
DIN: 00294803

S. VARADARAJ
Chief Financial Officer
ICAI Membership No. 047959

VIVEK RAIZADA
Company Secretary
ICSI Membership No. ACS 11787

Mumbai, May 14, 2018

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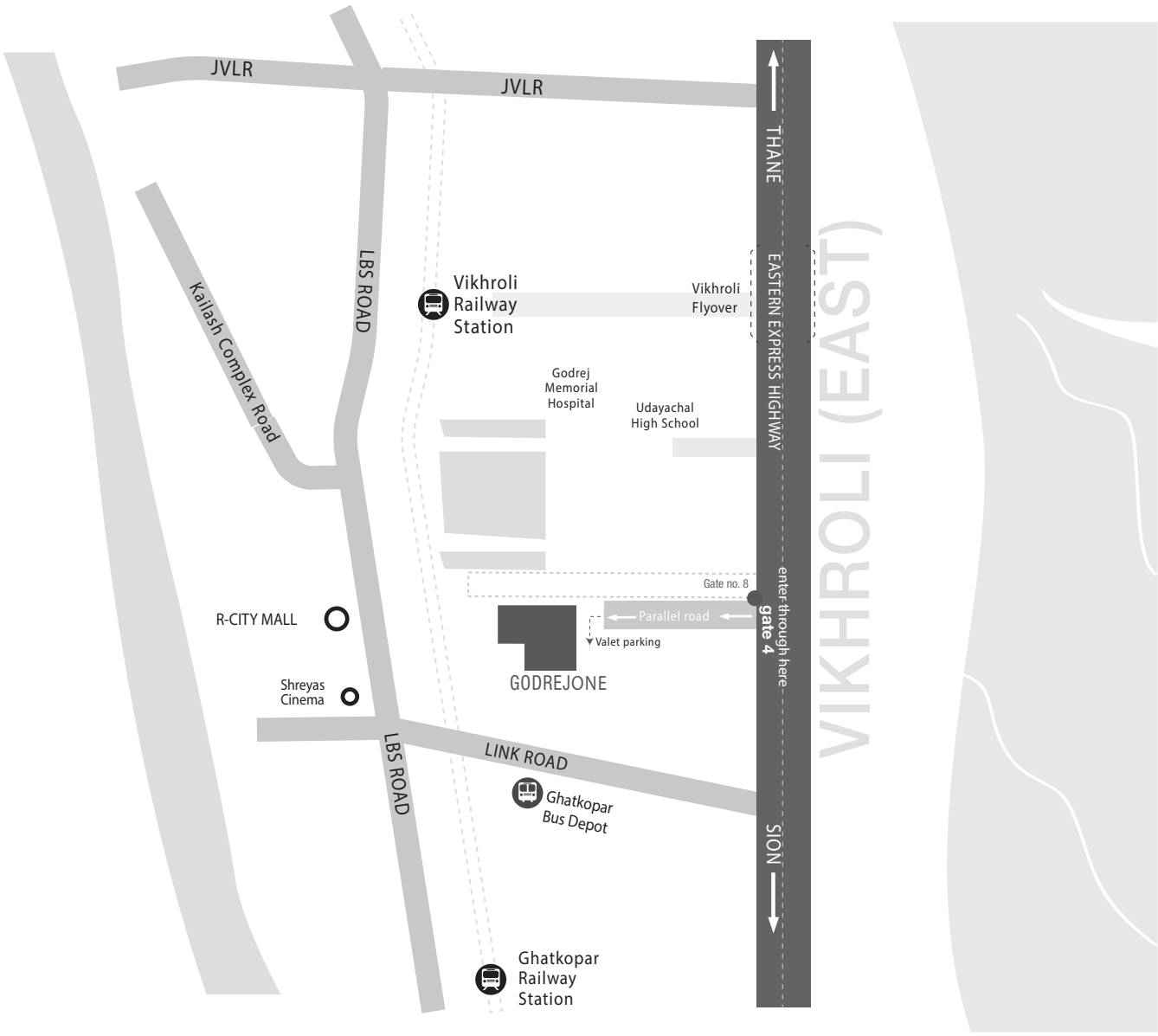
ROAD MAP FOR AGM VENUE



GODREJ AGROVET LIMITED

Corporate Identity Number (CIN): L15410MH1991PLC135359

Registered Office: "Godrej One", 3rd Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079, Maharashtra
Tel.: (91 22) 2519 4416, **Fax:** (91 22) 2519 5124, **Website:** www.godrejagrovet.com , **Email:** gavlinvestors@godrejagrovet.com

Form No. MGT-11

PROXY FORM

**[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name(s) of the Member(s):	
Registered Address:	
Email Id:	
Folio No. / *DP ID- Client ID:	

* Applicable for Members holding shares in electronic form

I/We, being the Member(s) of **Godrej Agrovet Limited** holding _____ Equity Shares of the Company, hereby appoint:

1. Name:_____	Address: _____
E-mail ID: _____	Signature: _____

or failing him / her,

2. Name:_____	Address: _____
E-mail ID: _____	Signature: _____

or failing him / her,

3. Name:_____	Address: _____
E-mail ID: _____	Signature: _____

as my/our proxy and to attend and vote (on a poll) for me/us on my/our behalf at the **27TH (TWENTY SEVENTH) ANNUAL GENERAL MEETING** of the Company scheduled to be held on **Thursday, August 9, 2018 at 4.00 p.m. (IST)** at Auditorium, "Godrej One", Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of the Resolution
ORDINARY BUSINESS:	
1	To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and the Statutory Auditors thereon, including Annexures thereto.
2	To declare Final Dividend on Equity Shares @ 45% [i.e., @ Rs. 4.50 (Rupees Four Paise Fifty Only) per Equity Share] for the Financial Year 2017-18.
3	To appoint a Director in place of Mr. N. B. Godrej, Director [having Director Identification Number (DIN): 00066195], who retires by rotation and being eligible, offers himself for re-appointment, as a "Director" of the Company.
4	To appoint a Director in place of Ms. Tanya A. Dubash, Director [having Director Identification Number (DIN): 00026028], who retires by rotation and being eligible, offers herself for re-appointment, as a "Director" of the Company.
5	To ratify the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) as the 'Statutory Auditors' of the Company, to hold office from the conclusion of this 27th (Twenty Seventh) Annual General Meeting (AGM) till the conclusion of the 31st (Thirty First) Annual General Meeting (AGM), i.e., for the Financial Years from 2018-19 to 2021-22 and to authorise Board of Directors of the Company to fix their remuneration.
SPECIAL BUSINESS:	
6	To ratify remuneration to be paid to M/s. P. M. Nanabhoy & Co., Cost Accountants, Mumbai, to conduct an audit of the cost records of the Company for the Financial Year ending on March 31, 2019.
7	To re-appoint Mr. K. N. Petigara, as a Non- Executive Independent Director of the Company [having Director Identification Number (DIN): 00066162] for an additional term of 3 (three) years w.e.f April 1, 2019 upto March 31, 2022.
8	To re-appoint Mr. A. B. Choudhury, as a Non- Executive Independent Director of the Company [having Director Identification Number (DIN): 00557547] for an additional term of 3 (three) years w.e.f April 1, 2019 upto March 31, 2022, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9	To approve the continuation of Mr. A. B. Godrej, as a Non-Executive Director of the Company [having Director Identification Number (DIN): 00065964], pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10	To approve the continuation of Dr. R. A. Mashelkar, as a Non- Executive Independent Director of the Company [having Director Identification Number (DIN): 00074119] upto July 17, 2022, pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
11	To approve waiver of recovery of excess remuneration paid to Mr. B. S. Yadav, Managing Director [having Director Identification Number (DIN) : 00294803], during the Financial Year (F.Y.) 2016-17, without requiring approval of Central Government.
12	To approve amendment of the "Godrej Agrovet Limited – Employees Stock Grant Scheme, 2018" ("ESGS 2018")

Signed this_____ day of _____ 2018

Signature of Member: _____ Signature of Proxy Holder(s): _____

Affix Revenue Stamp of ₹ 1/-

Notes:

1. **THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and proxy need not be a Member. A person can act as a Proxy on behalf of not more than 50 (fifty) Members and holding in aggregate, not more than 10% (Ten percent) of the total share capital of the Company. Members holding more than 10% (Ten per cent) of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other person / Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable. A proxy so appointed shall not have any right to speak at the Meeting.
3. The Proxy-holder is required to carry an identity proof at the time of attending the Meeting.
4. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 27th (Twenty Seventh) Annual General Meeting.

GODREJ AGROVET LIMITED

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www.sapprints.com

GODREJ AGROVET LIMITED

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Vikhroli (East), Mumbai-400079, Maharashtra
Tel.: (91 22) 2519 4416, **Fax:** (91 22) 2519 5124, **Website:** www.godrejagrovet.com, **Email:** gavlinvestors@godrejagrovet.com

ATTENDANCE SLIP

27TH (TWENTY SEVENTH) ANNUAL GENERAL MEETING

Registered Folio No./ DP ID and Client ID	
Name and Address of the Member(s)	

I / We, hereby record my / our presence at the 27th (Twenty Seventh) Annual General Meeting of the Company at the Auditorium, "Godrej One", Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, Maharashtra on Thursday, August 9, 2018 at 4.00 p.m. (IST).

.....	.....	.....
Member's Folio / DP ID- Client ID	Member's / Proxy's Name in BLOCK Letters	Member's / Proxy's Signature

Notes:

1. Please fill up the details of the Folio / DP ID- Client ID No. and Name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. **Members are requested to bring this slip along with them as duplicate slips will not be issued at the venue of the Meeting.**
3. Please read carefully the instructions given in the Notice of the 27th (Twenty Seventh) Annual General Meeting under the heading "E-voting".

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP AT THE MEETING HALL.

ELECTRONIC VOTING PARTICULARS

The Company has engaged the services of Karvy Computershare Private Limited ("KCPL" or "Karvy") as the Authorized Agency to provide remote e-voting facilities. The remote e-voting particulars are set out below:

EVEN (E-Voting Event Number)	User ID	Password / PIN

The remote e-voting facility will be available during the following voting period:

E-Voting Start date and time	Sunday, August 5, 2018	9:00 AM (IST)
E-Voting End date and time	Wednesday, August 8, 2018	5:00 PM (IST)

The cut-off date (i.e. the record date) for the purpose of e-voting is Thursday, August 2, 2018

Please read the instructions printed overleaf before exercising the vote.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The Procedure and Instructions for remote e-voting are as follows:

i) Open your web browser during the e-voting period and navigate URL to **https://evoting.karvy.com**

ii) Enter your Login Credentials (i.e., User-ID & Password) which will be sent to you separately.

Your Folio No. / DP-ID & Client-ID will be your User-ID. (Please refer below table for specifications & instructions).

User – ID	**For Members holding shares in Demat Form:** a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID. b) For CDSL: 16 digits beneficiary ID. **For Members holding shares in Physical Form:** Event Number followed by Folio Number registered with the Company.
Password	Your Unique password will be sent to you separately by courier / via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

Please contact Karvy's toll free No. **1-800-34-54-001** for any further clarifications.

iii) After entering these details appropriately, click on "LOGIN".

Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum 8 (eight) characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform.** System will prompt you to change your password and update any contact details like mobile, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

iv) You need to login again with the new credentials.

v) On successful login, system will prompt to select the '**Event**' i.e., **'Godrej Agrovet Limited'.**

vi) If you are holding shares in Demat form and had logged on to https://evoting.karvy.com and casted your vote earlier for any company, then your exiting login id and password are to be used.

vii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member does not want to cast, select 'ABSTAIN'.

viii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL "and accordingly modify your vote.

ix) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

x) Corporate/Institutional Members (corporate /FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to support@pkpandya.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."

(1) In case a Member receives Physical copy of the Notice of AGM and Attendance Slip

[For Members whose E-Mail-IDs are not registered with the Company / Depository Participants (DP)] or requesting Physical Copy:

- Initial password will be sent separately.
- Please follow all steps from Sl. No. (ii) to Sl. No. (x) Above, to cast vote.

(2) Voting at AGM: The Members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The facility for voting through Electronic Voting System ("Insta Poll") will also be made available to the Members attending the AGM, who have not already cast their votes by remote e-voting.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of https://evoting.karvy.com. If you are already registered with Karvy for e-voting then you can use your existing USER ID AND PASSWORD/PIN for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The Scrutinizer shall, immediately after the conclusion of voting at Annual General Meeting (AGM), count the votes cast at the AGM, unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company. Scrutinizer shall within 48 hours of conclusion of the AGM submit the Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairman / Authorised Director.

The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website, viz., www.godrejagrovet.com and on the website of Karvy, viz., https://evoting.karvy.com, immediately after their declaration, and will be communicated to the Stock Exchanges where the shares of the Company are listed, viz., BSE Limited and The National Stock Exchange of India Limited.

Note: Karvy e-voting system introduces new facility as "**Web Check-In**" to advance registration by the Member directly through our website https://agm.karvy.com/webcheckin/WebReg.aspx for attending AGM and avoid standing in queue at Venue.

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