Godrej & Boyce Manufacturing Company Limited

ANNUAL REPORT
For the year ended 31st March, 2019

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED

Established 1897

(Incorporated with limited liability on 3rd March, 1932 under the Indian Companies Act, 1913)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31st MARCH, 2019

CORPORATE INFORMATION

Board of Directors

JAMSHYD N. GODREJ, Chairman & Managing Director
ADI B. GODREJ
NADIR B. GODREJ
VIJAY M. CRISHNA, Executive Director
KAVAS N. PETIGARA
PRADIP P. SHAH
Ms. ANITA RAMACHANDRAN
ANIL G. VERMA, Executive Director & President
KEKI M. ELAVIA
Ms. NYRIKA HOLKAR, Executive Director - Corporate Affairs
NAVROZE J. GODREJ

Company Secretary	**Chief Financial Officer**
PERCY E. FOUZDAR	PURVEZ K. GANDHI

Auditors

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Bankers

CENTRAL BANK OF INDIA	ICICI BANK LTD.
UNION BANK OF INDIA	AXIS BANK LTD.
STATE BANK OF INDIA	HDFC BANK LTD.
CITIBANK N.A.	KOTAK MAHINDRA BANK LTD.

EXPORT-IMPORT BANK OF INDIA

Registered Office and Head Office

Pirojshanagar, Vikhroli, Mumbai 400 079
Telephone: (022) 6796 5656, 6796 5959; Fax: (022) 6796 1518
E-mail: info@godrej.com | Website: http://www.godrejandboyce.com

Corporate Identity Number (CIN)

U28993MH1932PLC001828

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighty-Eighth Annual General Meeting of the Members of GODREJ & BOYCE MANUFACTURING COMPANY LIMITED will be held on Friday, 20th September, 2019 at 10.00 a.m. at Pirojshanagar, Vikhroli, Mumbai, 400079 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. N.J. Godrej (DIN: 03049821), who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. A. B. Godrej (DIN: 00065964), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To approve payment of commission to the Non-Executive Directors of the Company and to consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to Article 132 of the Articles of Association of the Company and the provisions of Section 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, a sum not exceeding 1% of the net profits of the Company per annum computed in the manner prescribed therein, in respect of the profits for each of the five financial years commencing from 1st April, 2019 be determined and distributed as commission amongst the Non-Executive Directors of the Company in such amounts or proportions and in such manner as may be directed by the Board of Directors (or any Committee thereof for the time being), and further that the commission paid to each of the Non-Executive Directors of the Company pursuant to this Resolution shall be in addition to the fee for attending Meetings of the Board or any Committee thereof which each such Non-Executive Director may be entitled to receive under the Articles of Association of the Company."

5. To ratify the remuneration payable to the Cost Auditors for the financial year 2019-20 and to consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, 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) or re-enactment thereof, for the time being in force)-

(a) Remuneration of Rs. 18,00,000 (excluding all taxes and reimbursement of out-of-pocket expenses) payable to M/s. P. D. Dani & Associates, Cost Accountants, (Firm Registration No. 000593) appointed by the Board of Directors as the Cost Auditors of the Company to conduct the audit of the cost records of the Company in respect of Appliances, Vending Machines and Electric Motors businesses, for the financial year 2019-20, as approved by the Board of Directors, be and is hereby ratified; and

(b) Remuneration of Rs. 24,00,000 (excluding all taxes and reimbursement of out-of-pocket expenses) payable to Mr. A. N. Raman, Cost Accountant, (Membership No. 5359) appointed by the Board of Directors as the Cost Auditor of the Company to conduct the audit of the cost records of the Company in respect of Construction, Electricals & Electronics, Material Handling Equipment, Aerospace, Process Equipment, Precision Engineering, Toolings, Interio, and Security Solutions businesses, for the financial year 2019-20, as approved by the Board of Directors, be and is hereby ratified.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

NOTES:

a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business mentioned under Item Nos. 4 and 5 as set out in the Notice is annexed hereto.

b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. Proxies in order to be effective should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. A proxy so appointed shall not have any right to speak at the Meeting. A Proxy Form in Form MGT-11 is annexed to this Annual Report and marked **Enclosure 5**.

   Proxies submitted on behalf of the limited companies, societies, partnership firms, etc., must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.

c) Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, are requested to send a certified copy of the board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting.

d) Brief Resume of Directors proposed to be re-appointed, as stipulated in Secretarial Standards as issued by the Institute of Company Secretaries of India is provided after the Explanatory Statement to this Notice.

e) Relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Sundays and public holidays, upto the date of the Annual General Meeting. The aforesaid documents will also be available for inspection by Members at the Annual General Meeting.

f) Pursuant to Section 101 of the Companies Act, 2013, read with relevant rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members whose email addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company, electronically.

g) Members may please note that in terms of Section 124 of the Companies Act, 2013, any dividend which has not been paid or claimed within thirty days from the date of declaration, shall be transferred within seven days from the date of expiry of the said period of thirty days to the Unpaid Dividend Account with a scheduled bank. Any money transferred to the Unpaid Dividend Account which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) set up by the Government of India under Section 125 of the Companies Act, 2013.

For and on behalf of the Board

J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

Mumbai, 20th August, 2019
Registered Office:
Pirojshanagar, Vikhroli,
Mumbai 400 079.

ANNEXURE TO NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT:

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013, sets out all material facts relating to the business mentioned under Item Nos. 4 and 5 of the accompanying Notice dated 20th August, 2019.

Item No. 4

Article 132 of the Articles of Association of the Company, inter alia, provides for payment of commission to a Director who is neither in the whole-time employment of the Company nor a Managing Director of the Company. Section 197 of the Companies Act, 2013, provides, inter alia, that a Director who is neither in the whole-time employment of the Company nor a Managing Director of the Company (the "Non-Executive Director") may be paid remuneration by way of commission not exceeding 1% (one per cent) of the net profits of the Company, if the Company has a Managing or Whole-time Director, provided such payment is authorised by a Special Resolution passed in that behalf by the Members of the Company at a General Meeting.

Having regard to the time and attention devoted by the Non-Executive Directors to the affairs of the Company, and the contribution they make to the business and operations of the Company, the Members of the Company had, at the Annual General Meeting of the Company held on 15th September, 2014, granted their approval by way of a Special Resolution under Section 197, 198 of the Companies Act, 2013, for the determination and distribution among the Non-Executive Directors, a sum not exceeding 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, for each of the five financial years of the Company commencing from 1st April, 2014; the amount to be determined by the Board to be distributed amongst the Non-Executive Directors in such manner as the Board may decide from time to time. The validity of the aforesaid Resolution was upto 31st March, 2019. It is now proposed to seek the approval of the Members to extend the validity of the said Resolution for a further period of five financial years commencing from 1st April, 2019, as set out in the Special Resolution under Item No. 4 of this Notice.

Accordingly, the Directors commend the Resolution to the Members for their acceptance.

None of the Directors and/or, Key Managerial Personnel and their relatives, except Mr. A.B. Godrej, Mr. N.B. Godrej, Mr. K.N. Petigara, Mr. P.P. Shah, Ms. A. Ramachandran, Mr. K.M. Elavia, Mr. N.J. Godrej and Mr. J.N. Godrej, being father of Mr. N.J Godrej are concerned with or interested, financially or otherwise, in the said Resolution.

Item No. 5

In accordance with the provisions of Section 148 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) or re-enactment thereof, for the time being in force), the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of (i) M/s. P. D. Dani & Associates, Cost Accountants, and (ii) Mr. A.N. Raman, Cost Accountant, as the Cost Auditors of the Company for the financial year 2019-20, for conducting the audit of the cost records of certain applicable businesses of the Company (as specified in the Resolution), at a remuneration of Rs. 18,00,000 and Rs. 24,00,000, respectively, (excluding all taxes and reimbursement of out-of-pocket expenses). M/s. P.D. Dani & Associates to be the Lead Cost Auditors.

The remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for passing Ordinary Resolution as set out in Item No. 5 of this Notice for ratification of remuneration payable to the Cost Auditors for the financial year 2019-20.

None of the Directors and/or, Key Managerial Personnel and their relatives are concerned with or interested, financially or otherwise, in the said Resolution.

For and on behalf of the Board

J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

Mumbai, 20th August, 2019
Registered Office:
Pirojshanagar, Vikhroli,
Mumbai 400 079.

Pursuant to the Secretarial Standards issued by 'The Institute of Company Secretaries of India', the following information is furnished about the Directors proposed to be re-appointed:

Brief Resume of the Directors

Name of the Director Particulars	**Mr. N. J. Godrej (DIN: 03049821)**	**Mr. A. B. Godrej (DIN: 00065964)**
Age	37 years	77 years
Nationality	Indian	Indian
Date of Appointment	6th November, 2017	30th April, 1973
Shares held in the Company	10,379	5
Qualification	Bachelor's degree in Mass Communication and French from Boston College, Boston, USA; Master of Design Degree in Innovation and Design Strategy from the Illinois Institute of Technology, Institute of Design, Chicago, Illinois, USA	B.S., M.S. from Massachusetts Institute of Technology, USA
Expertise in specific functional area	Business Experience and Management Expertise	A leading industrialist and Business Experience of over 50 years
Terms & Conditions of re-appointment/ variation of remuneration	Appointment as an Non-Executive Director subject to retirement by rotation	Appointment as an Non-Executive Director subject to retirement by rotation
Remuneration last drawn	Nil	Nil
Directorships held in other companies	Mukteshwar Realty Private Limited.	Godrej Consumer Products Limited Godrej Industries Limited Indian School of Business (Section 8 Company)
Chairman/Membership in other committees of the Board	Nil	Godrej Consumer Products Limited: Member of Stakeholders Relationship Committee Godrej Industries Limited: Chairman of Stakeholders Relationship Committee
Inter-se relationship with other directors/ Key Managerial Personnel	Son of Mr. J.N. Godrej	Brother of Mr. N.B. Godrej
No. of Board meetings attended during the year	1 (One)	5 (Five)

BOARD'S REPORT

TO THE MEMBERS,

The Directors hereby present the Eighty-Eighth Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL RESULTS (STANDALONE)

The Company's performance during the financial year ended 31st March, 2019 as compared to the previous financial year, is summarized below:

(Rupees in crore)

	Current Year	Previous Year
Revenue from Operations	11,051.55	9,796.76
Other Income	115.64	107.40
TOTAL REVENUE	11,167.19	9,904.16
Profit before Interest, Depreciation, and Tax	739.49	774.59
Less: (i) Interest and Finance Costs	168.00	180.42
Less: (ii) Depreciation and Amortization Expense	215.61	201.43
Profit before Exceptional Items and Tax	355.88	392.74
Add: Profit on Sale of TDR	-	2.66
Less: Diminution in the Value of Investment in a Subsidiary	-	38.54
Profit before Tax	355.88	356.86
Less: Provision for Current/Deferred Taxes	126.62	124.85
Profit after Tax	229.26	232.01
Surplus brought forward	2,880.50	2,567.01
Amount available for appropriation	3,109.76	2,799.02
Which the Directors recommend should be appropriated as follows:		
(a) First Interim Equity Dividend: 1000% (Previous Year: 1500%)	67.84	101.77
(b) Second Interim Equity Dividend: 1000% (Previous Year: 750%)	67.85	50.88
(c) Dividend Distribution Tax (Net)	27.89	31.08
(d) Realised gain on sale of equity shares reclassified to retained earnings	(54.25)	(311.05)
(e) Reclassification of excess amount transferred in earlier years	196.12	-
(f) Transfer to Debenture Redemption Reserve	8.33	45.84
(g) Adjustments to Opening Retained Earnings Ind AS 115	3.49	-
(h) Surplus carried forward	2,792.49	2,880.50
TOTAL	3,109.76	2,799.02

2. DIVIDEND

During the financial year 2018-19, the Board of Directors declared and paid two Interim Dividends each at the rate of Rs. 1,000 per Equity Share of Rs. 100 each, absorbing in aggregate Rs.163.57 crore inclusive of taxes. The Directors do not recommend payment of any final dividend for the financial year 2018-19. The total dividend for the financial year 2017-18 was Rs. 2,250 per Equity Share.

3. STATE OF THE COMPANY'S AFFAIRS

During the year under review, the Company's Revenue from Operations (net) was up from Rs. 9,796.76 crore to Rs. 11,051.55 crore and Profit before Exceptional Items and Tax was Rs. 355.88 crore as against Rs. 392.74 crore for the previous year.

The Company operates in four major clusters – consumer, institutional, industrial products and projects. Overall, FY 2018-19 was a year of progress, notwithstanding some challenges. While payouts from the 7th Pay Commission to Central and State Government employees should have helped increase discretionary spending, uncertainty stemming from the future political scenario as well as lower liquidity in the market led to consumer demand being muted. Government spending continued but private sector investments continue to be deferred. During the year, inflation reduced slightly and while commodity prices finally softened during the second half of the year with zinc being the exception. Efforts to build capacity and capability in the strategic sectors of space and defence continue, auguring well for some of our industrial businesses.

The Management expects supportive macroeconomic indicators to prevail. With a more stable political scenario in place, the long-term India story continues to be positive. GDP growth is forecasted to be around 7%, a near-normal monsoon is expected, commodity prices are likely to be stable, interest rates should soften, and inflation is likely to be under control. However, the pace of private investment and consumption needs to pick up for all the supportive macro-economic factors to result in stronger performance in our consumer and institutional businesses.

4. DEPOSITORY SYSTEM

The Company's Equity Shares are available for dematerialisation through National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2019, 76.56% of the Equity Shares of the Company were held in dematerialised Form.

5. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-9 of the Companies (Management and Administration) Rules, 2014, as amended from time to time is enclosed separately with this Report as Enclosure 2 and is also available on the Company's website viz.
http://www.godrejandboyce.com/godrejandboyce/statutoryReport.aspx?id=16&menuid=2897

6. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of Association of the Company and the provisions of Section 152(6)(e) of the Companies Act, 2013, Mr. A.B. Godrej (DIN: 00065964) and Mr. N.J. Godrej (DIN: 03049821), will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

In terms of Section 149 of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. K. N. Petigara (DIN: 00066162), Mr. P. P. Shah (DIN: 00066242), Ms. A. Ramachandran (DIN: 00118188) and Mr. K. M. Elavia (DIN: 00003940) have been appointed as Independent Directors of the Company, to hold office for a period of five consecutive years with effect from the 83rd Annual General Meeting i.e. from 15th September, 2014 till 15th September, 2019, and they are not liable to retire by rotation. The Members have, in the Extraordinary General Meeting held on 30th May, 2019, approved the re-appointment of all the Independent Directors of the Company for a second term of five years commencing from 15th September, 2019. The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence as prescribed by Section 149(6) of the Companies Act, 2013. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Nomination and Remuneration Committee, in terms of the provisions of Section 178 of the Companies Act, 2013, had recommended to the Board framing of a Policy for selection and appointment of Directors & Senior Management and their remuneration, which was adopted by the Company.

The Company's Policy on Appointment of Directors, is stated below:

- The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status.
- The Company recognizes merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for effective corporate governance, it is important that the Board has the appropriate balance of skills, experience and diversity of perspectives.
- Board appointments will be made on merit basis and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders.
- The Board will review this Policy on a regular basis to ensure its effectiveness.

The Board of Directors has carried out an annual evaluation of its own performance, Board committees, and individual Directors pursuant to the provisions of the Companies Act, 2013. The performance of the Board is evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of Board processes, information and functioning, etc. In a separate Meeting of the Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non- Executive Directors. The Board reviews the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Non-Executive Directors received Sitting Fees and Commission in accordance with the provisions of the Companies Act, 2013.

Mr. J.N. Godrej, Chairman & Managing Director, Mr. V.M. Crishna, Executive Director, Mr. A.G. Verma, Executive Director & President, Ms. Nyrika Holkar, Executive Director- Corporate Affairs, Mr. P. E. Fouzdar, Executive Vice President (Corporate Affairs) & Company Secretary and Mr. P. K. Gandhi, Chief Financial Officer, are the Key Managerial Personnel of the Company as at the date of this Report.

7. NUMBER OF MEETINGS OF THE BOARD

The Board met five times during the financial year 2018-19, viz., 27th April, 2018, 6th July, 2018, 4th September, 2018, 20th December, 2018 and 4th February, 2019. The maximum interval between any two Meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

8. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards had been followed;

(b) the Directors had 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 as at 31st March, 2018 and of the profit of the Company for the year ended on 31st March, 2019;

(c) the Directors had 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 had prepared the annual accounts on a going concern basis;

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

9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE AND POLICY

The Corporate Social Responsibility (CSR) Committee has been constituted in accordance with Section 135 of the Companies Act, 2013 and comprises of Mr. V. M. Crishna, Chairman, Mr. J. N. Godrej, Mr. A. G. Verma, Mr. K. M. Elavia and Mr. P. P. Shah.

The Company Secretary acts as the Secretary of the CSR Committee.

The CSR Committee met twice during the year under review.

Based on the recommendation of the CSR Committee, the Board has approved the CSR Policy of the Company, including the CSR activities and the projects proposed to be undertaken by the Company, and its governance structure and the CSR Policy is placed on the website of the Company at http://www.godrejandboyce.com/godrejandboyce/pdf/CSR_policy.pdf.

The details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in the CSR Report, which is appended as **Annexure II** to this Report.

10. AUDIT COMMITTEE

The Audit Committee has been constituted in accordance with the provisions of the erstwhile Companies Act, 1956, and comprises of Mr. K. M. Elavia, Chairman, Mr. K. N. Petigara and Ms. A. Ramachandran. The Chief Financial Officer, Internal Auditor and Statutory Auditors of the Company are the permanent invitees to the Meetings of the Audit Committee.

The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee met four times during the year under review.

The Audit Committee had at its Meeting held on 19th August, 2019 met the Company’s Statutory Auditors and reviewed the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements for the financial year 2018-19, for further approval of the Board of Directors and the Members of the Company.

11. VIGIL MECHANISM/ WHISTLE-BLOWER POLICY

The Company has adopted the Code of Ethics & Business Conduct, which lays down the principles and standards that should govern the actions of the Company, its employees and other stakeholders. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

As per the provisions of Section 177(9) and (10) of the Companies Act, 2013, the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Ethics & Business Conduct. The Company has a Whistle-Blower Policy in place to report concerns about unacceptable, improper and/or unethical behavior and practices, actual/suspected frauds and violation of Company's Code of Ethics and Business Conduct. For protected disclosure and protection to the Whistle-Blower, the policy provides for adequate safeguards against victimisation of persons who avail the same, and provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Company has disclosed information about the establishment of the Whistle-Blower Policy on its website at the Weblink:

http://www.godrejandboyce.com/godrejandboyce/pdf/Whistleblower.pdf

12. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has been constituted by the Board of Directors of the Company in accordance with the provisions Section 178 of the Companies Act, 2013 and comprises of Ms. A Ramachandran, Chairperson, Mr. K. N. Petigara and Mr. K. M. Elavia.

The Company Secretary acts as the Secretary of the NRC.

The NRC met once during the year under review.

13. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) has been constituted by the Board of Directors of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and comprises of Mr. K. N. Petigara, Chairman, Mr. K. M. Elavia and Mr. V.M. Crishna.

The Company Secretary acts as the Secretary of the SRC.

The SRC met twice during the year under review.

14. FIXED DEPOSITS FROM MEMBERS AND FROM PUBLIC

During the current financial year, the Company accepted/ renewed Fixed Deposits from its Members and from Public, in accordance with the provisions of Sections 73 and 76, and other applicable provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

The details relating to Deposits in terms of Rule 8(5)(v) of the Companies (Accounts) Rules, 2014, are given hereinunder:

Sr. No.	Particulars	Amount in Crore (Rs.)
1	Deposits accepted during the year from Members and Public	403.28
2	Deposits from Public remaining unpaid or unclaimed at the end of the year	10.30
3	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 the total amount involved:	
	(i) At the beginning of the year	-
	(ii) Maximum during the year	-
	(iii) At the end of the year	-
4	Details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013	-

15. TRANSFER OF UNCLAIMED AMOUNT TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

The Company sends letters to all deposit holders, whose deposits or interest due thereon are unclaimed so as to ensure that they receive their rightful dues. Efforts are also made to communicate with the deposit holders in cases wherein they have relocated and failed to intimate the Company of the new address.

As provided in Section 125 of the Companies Act, 2013, during the year the Company had transferred a sum of Rs. 50,943 comprising interest due on deposits to the IEPF, the amount which was due and payable but remained unclaimed and unpaid for a period of seven years.

The Company has appointed a Nodal Officer under the provisions of IEPF Regulations, the details of which are available on the website of the Company, which can be accessed through the following link: http://www.godrejandboyce.com/godrejandboyce/pdf/Appointment-NO.pdf

The Company has uploaded the details of unpaid and unclaimed amounts being sum of matured Deposits and interest due thereon lying with the Company as on 28th September, 2018 (date of last AGM) on the Company's website, which can be accessed through the following link: http://www.godrejandboyce.com/godrejandboyce/PDF/IEPFStatus2018.pdf and of the Ministry of Corporate Affairs website at www.iepf.gov.in.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated a Related Party Transaction Policy for entering into transactions by the Company with related parties, pursuant to the requirements of the Companies Act, 2013.

All transactions entered into during the financial year 2018-19 with related parties as defined under the Companies Act, 2013, were in the ordinary course of business and on an arm's length basis, details of which are given in the notes to the financial statements, except transactions entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013, which have been disclosed under item 1 of Form AOC-2, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014; the said Form AOC-2 is enclosed separately with this Report as **Enclosure 3**. Since there have been no material contracts or arrangements or transactions on arm's length basis, disclosure under item 2 of Form AOC-2 is not applicable.

17. PARTICULARS OF INVESTMENTS MADE, GUARANTEES PROVIDED AND LOANS GIVEN BY THE COMPANY

The details of loans, guarantees, and investments as required by the provisions of Section 186 of the Companies Act, 2013 and the Rules made thereunder are set out in the Notes to the Standalone Financial Statements of the Company.

18. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between 31st March, 2019 and the date of this Report.

19. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the regulators/ courts/ tribunals which would impact the going concern status of the Company and its future operations.

20. INTERNAL FINANCIAL CONTROLS

The Company has aligned its Internal Financial Control systems in line with the requirements of Companies Act, 2013.

The Company has an Internal Financial Control framework, commensurate with the size, scale and complexity of its operations. The Company maintains Internal Control Systems designed to provide reliable and timely financial and operational information, ensure compliance with applicable Laws and Regulations, safeguard assets from unauthorized use or disposal, execute transactions with proper authorization, and comply with corporate policies and procedures. Internal control framework ensures the integrity of financial statements.

The Internal Control Framework is developed on a strong base laid down by the Company's code of conduct and ethics policies, elaborate policies and procedures, business planning and management reviews, organisation structure which clearly defines segregation of duties and responsibilities and risk management framework.

The business scenario is dynamic due to the change in strategy by the competition, Statutory Laws and Regulations, micro and macro-economic scenarios. Hence, the processes and systems are upgraded from time to time as the need be by implementing newer and/or improved controls wherever the identified control gaps are material in nature. The Internal Financial Controls have been documented, embedded in the business processes.

The Company has its own independent Internal Audit Department which is ISO 9001:2015 certified. The Internal Audit team prepares an annual audit plan based on the risk profiles of the businesses. The Audit plan is approved by the Audit Committee, which also reviews the compliance of the plan.

The Internal audit function independently reports to the Audit Committee and Chairman and Managing Director of the Company. The Internal Audit team carries out periodic audits at all locations and of all functions and inter alia, tests the design, adequacy and efficacy of Internal Controls Systems in the Company. It also evaluates the compliance of the accounting procedures and policies. Significant observations of the Internal Audit reports including recommendations or improvements of business processes are reviewed by the process owners who undertake corrective actions in their respective areas. The Audit Committee reviews the Internal Audit report in each of its Meetings and monitors the implementation of Audit recommendations.

21. RISK MANAGEMENT

The Company recognizes that Enterprise Risk Management ('ERM') is an integral part of business management and is committed to manage risks in a structured manner. The Company understands that effective ERM is essential to achieve strategic business objectives and long-term sustainable growth. The Company has well documented ERM policy which lays down the framework of Risk Management giving guidelines for proactive approach of identifying, assessing, prioritizing and mitigating the risks associated with business.

The Company has a sound and structured ERM framework to address and manage the volatility and complexity of external environment associated with its business by alignment of strategy, processes, people, technology and knowledge. The current ERM framework is in line with global ERM standards which is aimed at creating a culture of Risk Enabled Performance Management(REPM) which integrates the ERM framework with strategy and planning process. The framework for ERM and the Risk management policy has been reviewed by the Audit Committee and has been approved by the Board.

The Company has created risk infrastructure by setting up an ERM Executive Committee headed by the President of the Company. The committee periodically reviews the Risk Management framework and ensures the same is working effectively. It also reviews the risks and mitigation plans drawn by various businesses and functional risk teams to avoid unforeseen events. The individual Businesses/Functions are responsible for risk identification and mitigation plan, who as risk owners review and monitor the key risks to avoid undue deviations and adverse events and thus create value for the business. Top entity levels risks have been identified at the ERM Executive Committee level taking in the consideration the following: -

(a) Bottom up approach – assessing the risks identified by businesses to identify critical risk having impact at entity level.

(b) Top down approach – assessing risks emanating from long term planning.

(c) Assessing and identifying risks which need mitigation at central level.

For each of the risk identified, risk owner, policies and procedures are put in place for monitoring, mitigating and reporting the risks on a periodic basis.

The ERM Executive Committee also helps to prioritize these entity-wide risks identified and steer mitigation efforts in line with the Company's risk capacity and appetite which in turn are reported to the Audit Committee and the Board. The entire process is independently reviewed by Internal Audit Department to ensure that the risk management framework is operating effectively.

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

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is appended as **Annexure I** to this Report.

23. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

In terms of Section 129 of the Companies Act, 2013, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable accounting standards, and form part of this Report. A statement containing the salient features of the financial statements of the Company's Subsidiaries, Joint Ventures and Associates, in Form AOC-1 as required under Rule 5 of the Companies (Accounts) Rules, 2014 forms part of the Notes to the Consolidated Financial Statements, and provides details on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture companies included in the Consolidated Financial Statements.

24. AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration no. 117366W/W-100018) were appointed as the Statutory Auditors of the Company by the Members at the 86th Annual General Meeting (AGM) held on 24th November, 2017 for a term of 5 consecutive years upto the 91st AGM to be held in 2022, subject to ratification by the Members at every AGM.

The first proviso to Section 139 of the Companies Act, 2013 which provided for the ratification of appointment of the Statutory Auditors by the Members at every AGM has been omitted by the Companies Amendment Act, 2017 w.e.f. 7th May 2018. Hence, the appointment of Statutory Auditors shall continue to be valid till the conclusion of the 5 consecutive AGMs and no ratification of appointment of Statutory Auditor is required at the ensuing AGM. Hence the Resolution to this item is not being included in the Notice to the AGM.

25. COST AUDITORS

Pursuant to Section 148(1) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has maintained cost records as specified by the Central Government.

Pursuant to Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, had appointed M/s. P. D. Dani & Associates, Cost Accountants (Firm Registration No. 000593) and Mr. A.N. Raman, Cost Accountant, (Membership No. 5359) as the Cost Auditors of the Company for the financial year ended 31st March 2019, for conducting the audit of the cost records maintained as per the provisions of Section 148 (1) of the Companies Act, 2013, for the applicable products and services of the Company. The Cost Audit Reports will be filed with the Central Government within the stipulated time period of 180 days from the close of the financial year.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, approved the appointments of:

(a) M/s. P. D. Dani & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year ending 31st March 2020, to conduct the audit of the cost records of the Company in respect of Appliances, Vending Machines and Electric Motors businesses, at a remuneration of Rs. 18,00,000 (Rupees Eighteen Lakhs) (excluding all taxes and reimbursement of out-of-pocket expenses). They are appointed as the Lead Cost Auditors and;

(b) Mr. A.N. Raman, Cost Accountant, as the Cost Auditors of the Company for the financial year ending 31st March 2020, to conduct the audit of the cost records of the Company in respect of Construction, Electricals & Electronics, Material Handling Equipment, Aerospace, Process Equipment, Precision Engineering, Toolings, Interio, and Security Solutions businesses, at a remuneration of Rs. 24,00,000 (Rupees Twenty-Four Lakhs) (excluding all taxes and reimbursement of out-of-pocket expenses).

The remuneration of the Cost Auditors is required to be ratified by the Members of the Company at the ensuing Annual General Meeting.

26. SECRETARIAL AUDITORS

During the year under review, the Board appointed M/s. A.N. Ramani & Co., Practising Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013, issued by them is annexed and marked as **Annexure III** to this Report. There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. A.N. Ramani & Co., Practising Company Secretaries, in their Secretarial Audit Report.

27. SECRETARIAL STANDARDS

The Board of Directors confirm that the Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India.

28. FRAUD REPORTING

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

29. PARTICULARS OF EMPLOYEES

Disclosures of details with respect to the remuneration of employees as required under Section 197 of the Companies Act, 2013 and Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are separately enclosed with and form part of this Report as **Enclosure 4**.

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is available for inspection by the Members at the Registered Office of the Company during business hours 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.

30. POLICY TO PREVENT SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is deeply committed to the creation and maintenance of an atmosphere where every employee is treated with dignity and respect and afforded equitable treatment. It strives to create conditions in which employees can work together without fear of sexual harassment, exploitation or intimidation. As per the requirements of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act, 2013"), the Company has instituted a Policy on Prevention of Sexual Harassment at the Workplace (Policy) and under the purview of the same a Complaints Committee ("the Committee") has also been formed. Pursuant to the relevant provisions of the SHWW Act, 2013 and the Rules made thereunder, as amended from time to time, since there were no complaints during the year, the Committee filed a 'NIL Report' with the 'Office of the Deputy Collector, Mumbai Suburban District'.

31. 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

J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

Mumbai, 20th August, 2019
Registered Office:
Pirojshanagar, Vikhroli,
Mumbai 400 079.

ANNEXURE I TO THE BOARD'S REPORT

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

1. Installation of Energy Efficient 2 Stage Air Compressor
2. Realtime Specific Energy consumption monitoring of compressed air for Energy efficiency improvement
3. Modification of Air comp intake/Exhaust air duct for better energy efficiency
4. Compressed Air flow metering & pipe modification to minimize distribution & unmetered loss.
5. New energy efficient air compressor installation, Asset optimization & effective capacity utilization of air compressor
6. Reduced Compressed Air Leakages across various plant by continuous Air Leakage Monitoring & Arresting
7. Installation of IFC (Intelligent low controller) at various plants
8. Replacement of pneumatic Grinder with HF Grinder
9. Installation of screw compressor chillers for energy efficient HVAC with BMS system
10. Installation of new generation Energy efficient VRV at plants
11. Installation of Evaporative Cooling system for Office area
12. Installation of IE-3 & IE-4 Energy Efficient Motor at Plants
13. Installation of Temperature sensor based auto cut off system for Cooling Tower
14. Installation of Energy Efficient Pump at Various Plants
15. Installation of Energy Efficient AHU at plants
16. Installation of VFD for Pumps, Blower, Compressed Air at various plants
17. Installation of turbo ventilators at rooftop and translucent sheets for natural day lighting
18. Installation of Auto ignition and cut off system for IDRA furnace burner
19. Use of Low Temperature Chemical at pretreatment Process to reduce Energy consumption
20. Installation of LED lights at Shop floor & office area
21. Installation of Light Pipe across Plants for using natural daylight.
22. Installation of Hydraulic Power Pack with Servo motor
23. Installation of Waste Heat Recovery system at Ovens
24. Installation of Heat Pipe to reuse the Waste Heat in the Process
25. Facilitated Energy Audits and helped in Implementation of energy conservation projects to the divisions/plants
26. IOT: Online Energy Management System & Data Analytics
27. Celebration of energy conservation week, earth hour, posting green tips/facts, Energy Efficient Product offering to Employees to spread the energy conservation awareness
28. CII-GreenCo certification by business units

(ii) The steps taken for utilising alternate sources of energy

1. Installation of solar water heating system for colony premises.
2. Installation of rooftop solar PV (Photovoltaic) at plants.
3. Purchase of solar power for offsite locations.
4. Installation of Solar Pump & Street Light at Plants
5. Waste Heat Recovery at Ovens/Processes

(iii) The capital investment on energy conservation equipment

1. Installation of online Energy Monitoring System.
2. Installation of Energy Efficient Air Compressor.
3. Installation of Energy Efficient Chillers/HVAC system
4. Installation of VFD (Variable Frequency Drive) on machines, pumps, blowers and AHU (Air Handling Unit).
5. Installation of Energy Efficient Pump, Motors, Blowers, AHU etc
6. Installation of Rooftop Solar PV Plants
7. Installation of Solar Hot Water System

B. TECHNOLOGY ABSORPTION

(i) The efforts made and the benefits derived from technology absorption

a. Development of 2 Ton and 5 Ton Electric Tow trucks with superior aesthetics, ergonomics and improved drive features.

b. Development of Specialized Linear Actuator Motors for international markets confirming to international certification standards of UL (Underwriters laboratories), CSA (Canadian Standards Association), CE (Conformite Europeenne) and CCC (China Compulsory Certification).

c. Development of pro type of Smart Parcel Lockers with integrated metal carcass and electronic circuity with software programme for getting access to lockers placed in public places through pass codes or links via smart phones.

d. Development of SMART DIE concept tested in line with Digitization initiative of developing future dies with SMART Technology.

e. Development of manufacturing facility for production of rubber fuel tanks for aircrafts and helicopters.
f. Development of safe deposit locker cabinets with central electronic locking.
g. Development of glass door bottom mount refrigerator in 430 litres capacity.
h. Development and design for in-house manufacturing of 1 ton and 1.5-ton 3star & 5star air conditioners with ecofriendly refrigerants.
i. Development of Smart AC with Wi-Fi, to control its operations with smart-phone and to monitor its power consumption through dedicated internet-based application.
j. Development of Vaccine Deep Freezers (125 litres and 300 litres) which can store vaccines up to negative 25-degree Celsius and freeze water packs at subzero temperature.
k. Development of seismic compliance racking systems to understand the steadiness of racking structure in case of seismic activity.
l. Development of canned pump motors which are used to build seal-less pumps for transfer of hazardous fluids.
m. Development of small compressors in refrigerators to get cost advantage and improving energy efficiency.

(ii) The details of technology imports and absorption

a. Development of Wi-fi standalone locks along with programmable and configurable smart cards for operations.
b. Development of Medical Refrigerators by using Sure chill technology.
c. Development of 3 needle BLDC (Brushless Direct Current Motor Technology) Motor Winding Machines.
d. Development of alternate energy sources such as Super Capacitors for Electric Forklift to replace Lead Acid batteries.
e. Development of new Forklift diesel engines complying with BSIV (Bharat stage IV) emission norms.
f. Development of new Transmission Dies for automobile and allied companies.
g. Development of Ultra sonic technology in fully automatic washing machines for cleaning shirt cuffs and collars.
h. Development of manual and motorized mobistack bank locker systems improving customer convenience of accessing bank lockers.
i. Development of digital key pad technology in locking systems with remote and encrypted communication.

(iii) During the year under review, the Company spent Rs. 70.41 crore on Research & Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings and outgo for the year amounted to Rs. 742.36 crore and Rs. 1,645.48 crore respectively.

ANNEXURE II TO THE BOARD'S REPORT

Annual Report On Corporate Social Responsibility Activities

[as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. CSR Reporting Framework

We, Godrej & Boyce Mfg Co. Ltd (G&B), are happy to present to you our **fifth** CSR compliance report. We have continued to work with integrity, have trust, service to mankind, respect for each other and conserving environment to pursue our vision of Godrej being in every home and workplace. We strive for enriching the quality of life, every day and everywhere. We grow with our values system, inculcating it in our CSR and Sustainability initiatives. The CSR projects undertaken are in line with Godrej Group's Good & Green goals and the areas of intervention specified in the Schedule VII of the Companies Act, 2013.

This Annual Report presents our approach towards new initiatives which is gaining momentum like community development and work done in employability by following our CSR philosophy, highlighting our commitment to our stakeholders. This Report mentions about CSR committee, its role and responsibilities, taskforces and monitoring and review by them, project details including budgets and total spends.

2. Outline of CSR Policy

2.1. Objective of CSR Reporting

At G&B, our CSR policy applies to all activities that are undertaken as part of our Good & Green goals. In Godrej Good & Green, the focus is on increasing the employability of underprivileged youth through vocational training thus improving their socio-economic condition, go green by creating a greener India to encourage a sustainable approach towards business, and innovating environment-friendly and /or solutions benefiting bottom of the pyramid. In the year 2014-15 we have started community development initiatives around the area of operations in Maharashtra, Uttarakhand, Goa, Gujarat, Tamil Nadu and Punjab as it is critical to build sustainable communities by addressing their needs around livelihood, environment, health & sanitation and education that is aligned to Schedule VII of the Companies Act, 2013.

While this CSR policy is drafted as per the Godrej Groups' Good and Green policy, it includes the CSR programs that meets the requirement of the CSR Rules as per the Section 135 of the Companies Act, 2013.

The G&B CSR Policy is available in the Company's website:

http://www.godrejandboyce.com/godrejandboyce/pdf/CSR_policy.pdf

2.2 CSR Committee

This Committee comprises of the following Members:

1. Mr. V. M. Crishna, Executive Director, Godrej & Boyce Mfg. Co. Ltd, (Chairman of CSR Committee)
2. Mr. Jamshyd N. Godrej, Chairman and Managing Director, Godrej & Boyce Mfg. Co. Ltd
3. Mr. Anil G. Verma, Executive Director & President, Godrej & Boyce Mfg. Co. Ltd
4. Mr. Pradip P. Shah, Independent Director, Godrej & Boyce Mfg. Co. Ltd
5. Mr. Keki Elavia, Independent Director, Godrej & Boyce Mfg. Co. Ltd

The Company Secretary serves as the Secretary of the CSR Committee.

2.3 Responsibilities

1. Formulate and update the Company's CSR Policy, and have it approved by the Board.
2. Suggest areas of intervention to the Board.
3. Approve projects that are in line with the CSR Policy.
4. Put monitoring mechanism in place to track the progress of each project.
5. Recommend the CSR budget and expenditures to the Board of the Company, for approval
6. Meet twice a year to review the progress made.

2.4 Task Forces

Project specific task forces are constituted for implementation and monitoring of the CSR projects. The task forces would be responsible for carrying out day-to-day operations of CSR and will submit reports to the CSR Committee for the bi-annual review meetings.

2.5 CSR Budget & Expenditures (Table 1 and 2)

Table 1

1. Average net profit of last 3 years: Rs. 277 crore
2. Calculated 2% spend for the current financial year: Rs. 5.53 crore
3. Amount spent during the current financial year: Rs. 5.59 crore
4. Amount overspent of the recommended 2% budget, if any: Rs. 0.06 crore

Table 2
Details of the expenditures incurred by G&B during the current financial year 2018-19

(Amount in Rs. Lakhs)

CSR Project Activity	Sub activity for CSR	Sector in which the project is covered	1) Local area 2) State /district 3) project or programme	Institute/ organization / person involved	Amount outlay (Budget) Project or Programme wise	Amount spent on projects, 1) Direct expenditure 2)Overheads,	Total expenditure in the corresponding area	Cumulative expenditure up to the reporting period	Amt spent direct or through the implementing agency	Audit proof available
A. Livelihood										
i. Disha	Vocational Skill training for Rural & Urban youth in trades like –Fitter, Welder, Machinist, RAC, Flt Driver, FST, Lock ST Stipend cost of government apprentices	Employment enhancing vocational skills development	88 cities, 23 states, across india (Schedule A: List of States & Cities)	29 Pvt Vocational Training Centres & 51 ITIs (Schedule B & C)	177	169	169	169	167 Lakhs implementng Agency 2 Lakhs Direct expense	Invoices & Bills
ii.Rural develop-ment	Women Empowerment, SHG Formation, Eco -Tourism development, Agriculture scheme awareness, Surveys,	Livelihood enhancement projects	Shirwal (Satara), Khalapur (Raigad), Bhiwandi (Thane) Maharashtra, Bhagwanpur (Haridwar), Uttarakhand, Dahej, (Bharuch), Vadodara, Gujarat	Partners, Villagers, (Schedule D)	80	72	72	72	72 Lakhs through implementing agency	Invoices & Bills
B. Support education	Uplifting education, Sanitation & cleanliness in rural schools, career guidance, E- learning, Science lab, Activity based learning, Model school	Promoting Education	Shirwal (Satara),Khalapur (Raigad), Kudal (Sindhudurg) Maharashtra, Bhagwanpur (Haridwar), Uttarakhand, Madkai(Goa), Vadodra (Gujarat)	Schools, villagers, partners (Schedule D)	90	83	83	83	83 Lakh direct expense	Invoices & Bills
C. Promoting Health Care	Preventive health checkups, safe drinking water, awareness, Waste water management, renovation of washrooms, road pathway for safety	Promoting preventive health care	Shirwal(Satara), Khalapur (Raigad), Bhiwandi(Thane), Maharashtra, Bhagwanpur (Haridwar), Uttarakhand, Madkai, Goa, Dahej (Bharuch) Vadodara , Gujarat, Chennai (Tamil Nadu)	Hospitals Villagers, partners (Schedule D)	137	157	157	157	157 Lakhs Through implementng Agency	Invoices & Bills
D. Environ-ment	Tree plantation, rain water harvesting, environment awareness	Ensuring environmental sustainability, ecological balance	Shirwal (Satara), Khalapur (Raigad), Maharashtra	Water Organization Trust Resources (WOTR) Partners, villagers, (Schedule C&D)	45	50	50	50	20 Lakhs Through implementng Agency 30 Lakhs direct expense	Invoice / receipts
E. CSR Overhead	Salary, Travel	CSR management	Mumbai,	Dedicated CSR Resource, Project Management	28	28	28	28	28	Invoices /Salary slips

Other details of coverage and partners are given in Schedules A,B,C and D attached to this Report.

3. Responsibility Statement

Through this Report, G&B seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The Board of the Company and the CSR Committee are responsible for the integrity and the objectivity of all the information provided in this Report. In alignment with our Good & Green goals provided in our CSR Policy, all projects reported have been selected based on careful consideration of the extent to which they create sustainable outcomes in the communities around the area of operations. We have undertaken measures to ensure these projects are implemented in an effective and efficient manner so that they are able to deliver maximum impact. In line with the Companies Act, 2013, we have also instituted monitoring mechanisms to track the progress of projects and ensure their smooth implementation.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

J. N. Godrej	**V.M. Crishna**
Chairman & Managing Director	**Chairman of the CSR Committee**

ANNEXURE II TO THE BOARD'S REPORT
DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR
Schedule A: List of States and Cities

State presence	**23**
City presence	**88**

Sr. No.	State	No of training centres	Cities/town/district
1	Andhra Pradesh	2	Hyderabad, Vishakhapattanam
2	Assam	4	Guwahati (2), Rowta, Byrnihat,
3	Bihar	2	Kurji, Khajpura
4	Chattisgarh	1	Ambikapur
5	Dadra and Nagar Haveli	1	Silvasa
6	Delhi	2	Noida, Okhala-Delhi
7	Goa	1	Corlim (North Goa),
8	Gujarat	7	Vaghaldhara, Narukot, Valsad, Atul, Dharampur, Sevasi, Jhagadia
9	Haryana	1	Faridabad
10	Jammu & Kashmir	1	Jammu
11	Jharkhand	1	Jamshedpur
12	Karnataka	8	Bangalore, Chitradurga, Chimmanchod, Kodli, kamlapur, narona, ratkal, kalaburgi
13	Kerala	3	kannur, Cochin, Kalamsury,
14	Madhya Pradesh	1	Bhopal,
15	Maharashtra	25	Ambernath, Andheri, Byculla, Borivali, Chakan, Chinchwad, Chiplun, Dahanu, Kalyan, Karjat, Khalapur, Kurla, Mulund, Mumbra, Nagpur, Pinguli, Shahapur, Sakwar, Shirwal, Sindhudurg, Thane, Vasai, Vikhroli, Wadavali, Walwanda,
16	Odisha	5	Bhubaneshwar (Jatani), Cuttack, Paralakhemundi, Balangir, Raygada,
17	Punjab	3	Ludhiana, Mohali, Lalru
18	Rajasthan	5	Ajmer, Bhilwara, Chitorgarh, Jaipur, Udaipur,
19	Tamil Nadu	4	Ambattur, Basin Bridge, Egmore, Padappai,
20	Telangana	1	Hyderabad,
21	Tripura	1	Agartala
22	Uttar Pradesh	3	Lucknow 2, Najafgarh,
23	West Bengal	6	Farakka, Liluah, Seldah, Barasat, Bherampore, Siliguri,
	Total	**88**	

ANNEXURE II TO THE BOARD'S REPORT
DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR
Schedule B: List of Disha Partners

Sr. No.	Name of the Partner	Address Head Office	Trades	No of locations
1	Don Bosco Yuva Kendra - Central Province	Najafgarh, New Delhi	Welding, Fitting, Refrigeration& Air Conditioning (RAC)	5
2	Don Bosco Tech -Western Province	Don Bosco Centre for Learning (DBCL), Premier Automobiles, Kurla, Mumbai -70	Welding, Fitting, Electrical	8
3	Fr. Agnel	Agnel Technical Education Complex, Fr. Agnel Ashram, Band Stand, Bandra, Mumbai -50	Welding, Fitting, Electrical, RAC	6
4	Gram Tarang Employability Training Services Pvt. Ltd./ Centurion University	HIG-5, Phase-I, BDA Duplex, Pokhariput, Bhubaneshwar- 751020	Fitting, Welding, Refrigeration& Air Conditioning (RAC), CNC Operator, Diesel forklift, Furniture service, VMT, EMS Tech	8
5	George Telegraph Training Institute	31A, S.P. Mukherjee Road, Kolkata- 700 025	Refrigeration& Air Conditioning (RAC)	6
6	Laurus Edutech	Laurus Edutech Life skills Pvt Ltd, DP 110, 2nd phase ,F19, Ambattur Industrial Estate, Chennai -600058	RAC,	1
7	RK Mission	Sakwar, Dahanu,	Electrical	1
8	Art of Living SSRDP (Sri Sri Rural Development Program)	Art of Living Foundation, 21st km, Kanakpura Road, Udaipalia, Bangalore, Karanataka	Refrigeration & Air Conditioning (RAC)	2
9	VVTC	Vaghaldhara Vibhag Kelavni Mandal, Vocational Training Centre, Vaghaldhara 396375, Taluka & District Valsad, Gujarat	Welding, Advance welding, CNC operator, Fitting, Plumbing, (RAC)	1
10	Montfort	Brother of St. Gabriel Educational Society, Montfort Bhavan, Provincial House, 116-862, Red Hills, Hyderabad, AP -500004	Refrigeration& Air Conditioning (RAC), Electrical	3
11	Myrada	No.2, Service Road, Domlur layout, Bangalore- 560071	Welding, Basic woodworking, Masonry & plastering, Plumbing,	18
12	Atul IVE	C.K.Park, Prasar Row House, Par River, N.H.No 8, Atul-396020, Valsad, Gujarat,	Electrical	1
13	Rustomjee	Rustomjee Academy for Global Careers Pvt. Ltd, Near ESIC Hospital, Ambika Nagar, Wagle Estate, Thane (W) 400 602	Electrical	2
14	S & S Care Skills Academy	a 56, Sector 6-7 Road, Block a, Sector 6, Noida, Uttar Pradesh 201301	Refrigeration & Air Conditioning	7
15	Indo German Institute	Vishakhapattnam	Refrigeration & Air Conditioning (RAC)	1
16	Sure tech Education	Jamal Manzal, Opp. Cooperative Arts College, Main Road, Olavakode, Palakkad	Refrigeration & Air Conditioning (RAC)	1
17	Aditya Birla Skills Foundation	Delhi	Refrigeration & Air Conditioning (RAC)	1

Sr. No.	Name of the Partner	Address Head Office	Trades	No of locations
18	SSRDP	Sri Sri Rural Development Program (SSRDP) -Jammu	Refrigeration & Air Conditioning (RAC)	1
19	Bangalore Electronic Services	309, 1st floor, 10th Cross, Wilson Garden, Bangalore 560027 Karnataka	Refrigeration & Air Conditioning (RAC)	1
20	MS Ramaiah Polytechnic	MSRP -MSR Nagar, MSRIT Post, Bangalore-560054	Refrigeration & Air Conditioning (RAC)	1
21	Morning Star	Bhopal (New)	Refrigeration & Air Conditioning (RAC)	1
22	Future Sharp	Future retail home office,tower C,247 park, L.B.S Marg, Vikroli west, Mumbai 400083	Refrigeration & Air Conditioning (RAC)	1
23	Pratham	Pratham, Mumbai	Refrigeration & Air Conditioning (RAC)	1
24	Fun first	Fun first –Mumbai	Refrigeration & Air Conditioning (RAC)	1
25	National Institute of technology	Mohali	Refrigeration & Air Conditioning (RAC)	1
26	Universal Institute of Engg & technology	Lalru	Refrigeration & Air Conditioning (RAC)	1
27	Dhaanish Ahmed College of Engg	Vanchuvancherry, Padappai,	Refrigeration & Air Conditioning (RAC)	1
28	Ascent Educational welfare society	127 / 3A Choulakhi Baradari, B.N. Road; Near Old Nishat Cinema; Kaiserbagh, Lucknow	Refrigeration & Air Conditioning (RAC)	1
29	Kalyan Bharti	Ward No : 22,Near Soni Dharmshala, College road , Bhilwara Kaushal Soni 9829073450	Locks service technician	5
			TOTAL TRAINING LOCATIONS	**88**

ANNEXURE II TO THE BOARD'S REPORT
DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR
Schedule C: DISHA ITI List

S.No	ITI	Trade	City/District	State	Division
1	ITI Kalyan	Fitter	Thane	Maharashtra	Corporate training center
		Welding	Thane	Maharashtra	
		Sheet Metal	Thane	Maharashtra	SSD
2	ITI Borivali	Welding	Mumbai	Maharashtra	Corporate training center
3	ITI Mandvi	Fitter	Mumbai	Maharashtra	Corporate training center
		Welding	Mumbai	Maharashtra	
4	ITI Ulhasnagar	Fitter	Thane	Maharashtra	Corporate training center
		Welding	Thane	MH	
5	ITI Nehru Nagar	Welding	Mumbai	Maharashtra	Corporate training center
6	ITI, Thane	Welding	Thane	Maharashtra	Corporate training center
		Fitter	Thane	Maharashtra	
		Machinist	Thane	Maharashtra	Tooling
		Turner	Thane	Maharashtra	
7	ITI Kannur	RAC	Kannur	Kerela	Godrej Appliances -RAC
8	ITI Govt.	RAC	Chandigarh	Punjab	Godrej Appliances -RAC
9	ITI Lalru	RAC	Lalru	Punjab	Godrej Appliances -RAC
10	ITI Merut	RAC	Meerut	Uttar Pradesh	Godrej Appliances -RAC
11	ITI Boys town	RAC	Hyderabad	Telengana	Godrej Appliances -RAC
12	Shrimati Techno	RAC	Kolkata	West Bengal	Godrej Appliances -RAC
13	ITI Govt. Hubli	RAC	Bangalore	Karnataka	Godrej Appliances -RAC
14	ITI RVVS, Davangeri	RAC	Davangere	Karnataka	Godrej Appliances -RAC
15	ITI Ajmera	RAC	Jaipur	Rajasthan	Godrej Appliances -RAC
16	ITI Karad	RAC	Pune	Maharashtra	Godrej Appliances -RAC
17	Govt. ITI	RAC	Jaipur	Rajasthan	Godrej Appliances -RAC
18	ITI Charbagh	RAC	Lucknow	Uttar Pradesh	Godrej Appliances -RAC
19	ITI Rajguru	RAC	Khed	Maharashtra	Godrej Appliances -RAC
20	Satara ITI	Fitter	Satara	Maharashtra	Lawkim
		Tool &Die Maker	Satara	Maharashtra	
21	ITI Lonand	Fitter	Satara	Maharashtra	Lawkim
		Electrical	Satara	Maharashtra	
22	ITI Wai	Electronics	Satara	Maharashtra	Lawkim
23	ITI Sangli	Diesel Mechanic	Sangli	Maharashtra	Material Handling
24	ITI Dharavi	Diesel Mechanic	Mumbai	Maharashtra	Material Handling
25	ITI Byculla	Diesel Mechanic	Mumbai	Maharashtra	Material Handling
		Turner	Mumbai	Maharashtra	Godrej Aerospace
		Machinist	Mumbai	Maharashtra	
		Electro plater	Mumbai	Maharashtra	
		Sheet Metal	Mumbai	Maharashtra	SSD
26	ITI Ambernath	Diesel Mechanic	Thane	Maharashtra	Material Handling
		Turner	Thane	Maharashtra	Godrej Aerospace
		Machinist	Thane	Maharashtra	
		Fitter	Thane	Maharashtra	
		Machinist	Thane	Maharashtra	Tooling
		Tool & Die Maker	Thane	Maharashtra	
		Welding	Thane	Maharashtra	Corporate training center
		Fitter	Thane	Maharashtra	
		Sheet Metal	Thane	Maharashtra	SSD

S.No	ITI	Trade	City/District	State	Division
27	ITI Vidyavihar	Welding	Mumbai	Maharashtra	Process Equipment
28	ITI Mulund	Welding	Mumbai	Maharashtra	Corporate training center
		Machinist	Mumbai	Maharashtra	Precision Engineering
29	ITI Chinchwad	Fitter	Pune	Maharashtra	Godrej PRIMA
30	ITI Ambattur	Fitter	Chennai	Tamil Nadu	Storage Solutions
31	ITI Panvel	Machinist	Raigad	Maharashtra	Tooling
32	ITI Kurla	Fitter	Mumbai	Maharashtra	Corporate training center
33	ITI Govandi	Welding	Mumbai	Maharashtra	Corporate training center
34	ITI Jawhar	Welding	Thane	Maharashtra	Corporate training center
35	ITI Jawhar	Welding	Thane	Maharashtra	Corporate training center
36	Govt Polytechnic	RAC	Mumbai	Maharashtra	GVTS
37	ITI Govt. Panipat	RAC	Panipat	Hariyana	GVTS
38	Govt. ITI, Narender Nagar	RAC	Dist -Sonipat	Hariyana	GVTS
39	khichiripur ITI	RAC	Delhi	Delhi	GVTS
40	Kakatiya ITI	RAC	Hyderabad	Andhra	GVTS
41	UNITY ITI Lucknow	RAC	Lucknow	Uttar Pradesh	GVTS
42	ITI-Rewari (women)	RAC	Rewari -Patudi Rd	Hariyana	GVTS
43	Mangalore ITI	RAC	Mangalore	karnataka	GVTS
44	Udipi ITI	RAC	Udipi	Karnataka	GVTS
45	Aloysius ITI	RAC	Mangalore	karnataka	GVTS
46	Trinity ITI	RAC	Karnataka	karnataka	GVTS
47	Kubernagar ITI	RAC	Ahmedabad	Gujrat	GVTS
48	Maninagar ITI	RAC	Ahmedabad	Gujrat	GVTS
49	BHUSHAN ITI	RAC	Jaipur	Rajsthan	GVTS
50	Kalka ITI	RAC	Chandigarh	Punjab	GVTS
51	ITI Kharkhoda - Matindu Road	RAC	Dist -Sonipat	Hariyana	GVTS

ANNEXURE II TO THE BOARD'S REPORT
DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR
Schedule D: List of partners for Community Development

Sr. No.	Partners	Address of Head office	Partnership	Pillars	Area of intervention
1	WOTR	"Paryavaran" Behind Market Yard, Sarasnagar Rd, Ahmednagar, MH 414001	Knowledge & project Implementation	Health & Sanitation	Waste water Management
2	Greenway Grameen Pvt. Ltd.	805, 2, LodhaSupremus, SenapatiBapat Marg, Railway Colony, Lower Parel, Mumbai, Maharashtra 400013	Project Implementation	Health & Sanitation	Smokeless Chulha
3	Bharti Vidyapeeth University	LBS Road, 13 Sadashiv Peth, Next to Alka Talkies, Pune, Maharashtra 411030	Knowledge partner	Environment	Environment Awareness
4	Agnel Institute of technical training & entrepreneurship	Agnel Technical Education Complex, Fr. Agnel Ashram, Band Stand, Bandra West, Mumbai-400050	Project Implementation	Livelihood	Welding, Fitting, Electrical
5	Urmee (Urban Rural Management Empowerment & Establishment)	15-A, Bhale Estate, Behind Pratham Motors, Mumbai-Pune Road, Wakde wadi, Pune-411003	Project Implementation	Education	Promoting Education
6	Idea Foundation	IDEA, Flat No 10, Fountain Head Apartment, Opp. Karishma Society, Kothrud, Pune 411038, Ph. No. 09890119732	Project Implementation	Education	Promoting Education
7	Idobro	121, East West Industrial Estate, Andheri-Kurla Road, Safed Pool, Mumbai – 72	Project Implementation	Surveys	Surveys
8	Karve Institute of Social Studies	No 18, Hill Side, Karve Nagar, Behind Vana Devi Temple, Pune, Maharashtra 411052	Knowledge & project Implementation	Surveys	Surveys
9	Navneet	Navneet Education Limited Navneet Bhavan, Bhavani Shankar Road, Dadar (W). Mumbai -28. India.	Project Implementation	Education	e-learning
10	NABARD	No. 54, Wellesly Road, Shivaji Nagar, Pune, Maharashtra 411005	Financial Support partner	Consultant	Watershed
11	Sevamob	B-5, TEZ KUMAR PLAZA, Trilok Nath Road, HAZRATGANJ, Lucknow PIN - 226001	Project Implementation	Health & Sanitation	Preventive health
12	Ethica Strategy	Ethica Strategy India Private Limited, D-626, 3rd Floor, Chittaranjan Park, New Delhi, 110019 India	Project Implementation	Surveys	Surveys, Communication, Strategy
13	Fuel	Office No 62, Amrut Ganga Complex, Sinhgad Road, Pune 411051 with Reg. No: E4913	Project Implementation	Education	Career counselling and scholarship
14	Award	Sanket Complex, 1st Floor, Near Gite Building, Pantacha Got, Satara –415001, (Maharashtra) Contact Ph. No. 02162 -233526	Project Implementation	Livelihood	Agricultural schemes awareness, organic farming

Sr. No.	Partners	Address of Head office	Partnership	Pillars	Area of intervention
15	UNDP	UNDP India, Office in Mantralaya Mumbai	Financial Support partner	Livelihood	Skill development, Tourism Development, women empowerment, agriculture projects
16	Vasundhara	Vasundhara Science Center, At Post –Nerurpar, Tal -Kudal, Dist. Sindhudurg, Maharashtra.	Knowledge partner	Education	Science education
17	Ankidyne	#46, 1st Main Road, New Colony, Chromepet, Chennai- 600 044.	Project Implementation	Education	Science education
18	ICRISAT	International Crops Research Institute for the Semi-Arid Tropics, Address: Patancheru, Hyderabad, Telangana - 502324, India	Knowledge partner	Livelihood	Integrated Agricultural management
19	Stem learning	C/ Gandharv Dharshan,, 103, Shankar Rao Naram Path, Mumbai, Maharashtra 400013	Project Implementation	Education	Science education
20	TARA	B-32, TARA Crescent Qutub Institutional Area New Delhi 110016.	Project Implementation	Skills Development & Entrepreneurship	Livelihood
21	Deepak Foundation	Nr. Laxmi Studio, Adjoining L&T Knowledge City, On NH-8, Ta. & Dist. Vadodara-390 019	Project Implementation	Health Sanitation & Livelihood	Health Sanitation & Livelihood
22	ALEAP	Door No.8-3-677/6, Sri Krishna devaraya nagar, Near Ganapathi Complex,Yellareddyguda,Srinagar colony post, Hyderabad - 500073.	Project Implementation	Livelihood	Livelihood
23	SBMA	Plan India & Shri Bhuvneshwari Mahila Ashram, Uttarkashi Opp - LIC Building, Joshiyara Uttarkashi, Uttrakhand Phone # 01374223208,	Project Implementation	Health Sanitation & Livelihood	Health Sanitation & Livelihood
24	CEE	Pinewood Apartments S. No.233/1/2, Vidhate Colony Behind Medipoint Hospital Baner, Pune - 411045	Project Implementation	Education	Education
25	Grassroutes Journey pvt ltd	Purushwadi, Maharashtra 422604 Phone: 088794 77437	Project Implementation	Livelihood	Livelihood
26	Sattva	101, Classic Pentagon, 11, Western Express Hwy, Chakala, Andheri East, Mumbai, Maharashtra 400053 | M: +91 9619968128 E: smita.kumar@sattva.co.in	Assessments	Surveys	Surveys, Communication, Strategy
27	MILAP	Maharashtra State Rural Livelihoods CIDCO building Belapur	Knowledge & market linkages for SHGs	Livelihood	Livelihood

ANNEXURE III TO THE BOARD'S REPORT

Form No MR – 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

Godrej & Boyce Manufacturing Company Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej & Boyce Manufacturing Company Limited (hereinafter called the Company). 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 covering the financial year ended on 31st March, 2019 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 financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contract (Regulation) Act 1956 ('SCRA') and the rules framed thereunder – NOT APPLICABLE;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - the Company is an unlisted Public Company and hence compliance limited to the extent applicable in respect of the Company's holdings in listed public companies;

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) The Management has identified and confirmed the following laws as specifically applicable to the company: -

  1 Arms Act, 1959 and Indian Arms Rules 1962.
  2 Atomic Energy Act, 1962 and Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987.
  3 Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004.
  4 Energy Conservation Act, 2001 and Bureau of Energy Efficiency (Manner and Intervals of Time for Conduct of Energy Audit) Regulations, 2010.
  5 Energy Conservation Act, 2001 read with Energy Consumption Standard for star labelled room A/Cs of the vapour compression type which are of window A/C and 1:1 high wall split A/C.
  6 Energy Conservation Act, 2001 read with Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Household Frost Free Refrigerators) Regulations, 2009.
  7 Energy Conservation Act, 2001 read with Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Room Air Conditioners) Regulations, 2009.
  8 Energy Conservation Act, 2001 read with Energy Consumption Standard for star labelled household frost free refrigerator and Notification issued by BEE dated 16 December 2015.
  9 Explosives Act, 1884 and Gas Cylinder Rules, 2004.
  10 Explosives Act, 1884 and Static and Mobile Pressure Vessels (Unfired) Rules, 1981.
  11 Forest (Conservation) Act 1980 and Forest (Conservation) Rule 2003.

12 Jammu and Kashmir Industrial Establishments (National and Festival) Holidays Act, 1974 and Jammu and Kashmir Industrial Establishments (National and Festival) Holidays Rules.
13 Petroleum Act, 1934 read with Petroleum Rules 2002.
14 Environment (Protection) Act, 1986 and Bio-Medical Waste (Management and Handling) Rules, 1998.
15 Maharashtra Acquisition of Private Forests Act, 1975.
16 Maharashtra Felling of Trees (Regulation) Act, 1984.
17 Building & Other Construction Workers' Welfare Cess Act, 1996 Child Labour (Prohibition & Regulation) Act,1986
18 Building & Other Construction Workers' (Regulation of Employment & Conditions of Service) Act, 1996.
19 Industrial Employment (Standing Orders) Act, 1946
20 Inter-State Migrant Workmen Regulation of Employment and Conditions of Service Act, 1979.
21 Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.
22 Bio-Medical Waste (Management and Handling) Rules, 1998 / 2003.
23 The Gujarat SEZ Act, 2004 – Dahej.
24 The Special Economic Zones Act, 2005 (Act No. 28 of 2005).
25 The Special Economic Zones Rules, 2006.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;
(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Listing Agreements entered into by the Company with BSE Limited & The National Stock Exchange of India Limited: - NOT APPLICABLE.
During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. During the year, there is no change in composition of board of directors

- Adequate Notice is given to all Directors to schedule the Board Meetings. The Agenda and Detailed Notes on Agenda were sent as per the provisions of the Secretarial Standard on Meetings of the Board of Directors (SS1) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.
- All the decisions were taken unanimously in the Meetings of the Board.

We report that, based on review of compliance mechanism established by the company and on the basis of compliance certificate (s) issued by the company secretary /occupier and taken on record by the board of directors at their meeting(s), we are of the opinion that there are adequate system and process in place in the company which is 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:

1. issued Advertisement for acceptance of Deposits from Public.
2. approved the Scheme of Amalgamation of India Circus Retail Private Limited with the Company.
3. passed Special Resolution under Section 185, 186 for granting loan to Godrej UEP Pvt. Ltd.

For A. N. Ramani & Co.,
Company Secretaries
Unique code - P2003MH000900

Place:- Thane
Date:- 20th August, 2019

Bhavana Shewakramani
Partner
FCS – 8636, COP –9577

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 Members
Godrej & Boyce Manufacturing Company Limited

Our Report of even date is to be read along with this letter.

1. Maintenance of Statutory and other secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes & practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness, adequacy and appropriateness of financial records and books of Accounts of the Company. We have relied on the report of the Statutory Auditors in respect of the same and the other matters dealt with in their report as per the guidance of the Institute of Company Secretaries of India.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The Company has implemented electronic system for compliance management to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, however, as reporting tools, certificates for compliance are being obtained from various departments to ensure compliance with applicable laws.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. 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 A. N. Ramani & Co.,
Company Secretaries
Unique Identification code - P2003MH000900

Place:- Thane
Date:- 20th August, 2019

Bhavana Shewakramani
Partner
FCS – 8636, COP - 9577

Godrej & Boyce Manufacturing Company Limited

LIST OF ENCLOSURES TO THE ANNUAL REPORT AND ACCOUNTS Year ended 31st March, 2019

Enclosure 1: Consolidated Financial Statements for the year ended 31st March, 2019
(Paragraph 1 of the Directors' Report)

Enclosure 2: Extract of Annual Return
(Paragraph 5 of the Directors' Report)

Enclosure 3: Form No. AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013
(Paragraph 16 of the Directors' Report)

Enclosure 5: Form No. MGT - 11 (PROXY FORM)

Godrej & Boyce Manufacturing Company Limited

ANNUAL REPORT AND ACCOUNTS
Year ended 31st March, 2019

ENCLOSURE 2

EXTRACT OF ANNUAL RETURN
Referred to in paragraph 5 of the Directors' Report

ENCLOSURE 2
GODREJ & BOYCE MFG. CO. LTD
EXTRACT OF ANNUAL RETURN IN FORM MGT-9
REQUIRED TO BE ATTACHED WITH THE BOARD'S REPORT AS ON THE FINANCIAL YEAR ENDED 31.03.2019
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i	CIN	U28993MH1932PLC001828
ii	Registration Date	03-03-1932
iii	Name of the Company	GODREJ & BOYCE MANUFACTURING COMPANY 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	PIROJSHANAGAR, VIKHROLI, MUMBAI- 400 079 Email: info@godrej.com Tel: 022 67965656/5959 Fax: 022 6796 1518 Website: http://www.godrejandboyce.com
vi	Whether listed company (Yes/No)	NO
vii	Name , Address & Contact details of Registrar & Transfer Agent, if any.	COMPUTECH SHARECAP LIMITED 147, MAHATMA GANDHI ROAD, 3RD FLOOR, FORT, MUMBAI- 400 001 Email: helpdesk@computechsharecap.in Tel: 022 22635000/01 Fax: 022-22635005 Website: http://www.computechsharecap.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Domestic electric appliances such as refrigerators, washing machines and airconditioners	27501, 28192	35.65%
2	Furniture	31003	20.43%
3	Electricals & Electronics	422, 432	7.82%
4	Storage and warehousing	52109	6.40%
5	Locks	25934	6.24%
	TOTAL		**76.54%**

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Godrej Infotech Ltd., Pirojshanagar, Vikhroli, Mumbai 400079	U32100MH1997PLC106135	Subsidiary Company	52.06%	2(87)
2	Godrej (Singapore) Pte. Ltd. 11 Lok Yang Way, Jurong, Singapore 628632	NA	Subsidiary Company	100%	2(87)
3	Veromatic International B.V. Donker Duyvisweg 56; 3316 BM Dordrecht, The Netherlands	NA	Subsidiary Company	99.95%	2(87)
4	Godrej Americas Inc. 808 Harris Avenue Austin, Texas, USA 78705	NA	Subsidiary Company	100%	2(87)
5	Sheetak Inc. 4020. S. Industrial Dr, Suite 100, Austin, Texas, 78744 USA	NA	Subsidiary Company	56.51%	2(87)
6	Godrej Consoveyo Logistics Automation Limited A Wing, 701, Reliable Tech Park, off. Thane, Belapur Road, Airoli, Navi Mumbai Thane- 400708	U28990MH1996PLC104088	Associate Company	49%	2(6)
7	Urban Electric Power Inc. 401 N. Middletown Building, 155 Pearl River, NY 10965, USA	NA	Associate Company	23.76%	2(6)
8	Godrej Infotech Americas Inc. 1019, Classic Road, Apex, NC 27539	NA	Subsidiary of Godrej Infotech Limited	Nil	2(87)
9	Godrej Infotech (Singapore) Pte. Ltd. 11, Lok Yank Way, Singapore – 628632	NA	Subsidiary of Godrej Infotech Limited	Nil	2(87)
10	LVD Godrej Infotech N.V. Hondschotestraat, 8560, Gullegem	NA	Subsidiary of Godrej Infotech Limited	Nil	2(87)
11	JT Dragon Pte. Ltd. 11, Lok Yang, Jurong, Singapore 628632	NA	Subsidiary of Godrej (Singapore) Pte. Ltd.	Nil	2(87)
12	Godrej (Vietnam) Co. Ltd. 10 Tu Do Avenue, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	NA	Subsidiary of J.T. Dragon Pte. Ltd.	Nil	2(87)
13	Godrej UEP (Singapore) Pte. Ltd. 11, Lok Yang, Singapore 628632	NA	Assoicate of Godrej (Singapore) Pte. Ltd.	Nil	2(6)
14	Godrej & Khimji (Middle East) LLC P.O Box: 45, Road 2A, Sohar Industrial Estate, Sohar, Sultanate of Oman, Postal Code- 327	NA	Assoicate of Godrej (Singapore) Pte. Ltd.	Nil	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up 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									
a) Individual/HUF	5,09,048	1,506	5,10,554	75.25	5,09,048	1,506	5,10,554	75.25	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other…	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):	**5,09,048**	**1,506**	**5,10,554**	**75.25**	**5,09,048**	**1,506**	**5,10,554**	**75.25**	**0**
(2) Foreign									
a) NRI - Individuals	10,380	0	10,380	1.53	10,380	0	10,380	1.53	0
b) Other - Individuals		0	0	0		0	0	0	0
c) Bodies Corp.		0	0	0		0	0	0	0
d) Banks/FI		0	0	0		0	0	0	0
e) Any other…		0	0	0		0	0	0	0
Sub-total(A)(2):	**10,380**	**0**	**10,380**	**1.53**	**10,380**	**0**	**10,380**	**1.53**	**0**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**5,19,428**	**1,506**	**5,20,934**	**76.78**	**5,19,428**	**1,506**	**5,20,934**	**76.78**	**0**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
C) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non - Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	11	11	0	11	0	11	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	1,57,500	1,57,500	23.21	0	1,57,500	1,57,500	23.21	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2):	**0**	**1,57,511**	**1,57,511**	**23.22**	**11**	**1,57,500**	**1,57,511**	**23.22**	**0**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**0**	**1,57,511**	**1,57,511**	**23.22**	**11**	**1,57,500**	**1,57,511**	**23.22**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**5,19,428**	**1,59,017**	**6,78,445**	**100.00**	**5,19,439**	**1,59,006**	**6,78,445**	**100.00**	**0**

(ii) SHARE HOLDING OF PROMOTERS (EQUITY SHARES)

Sl. No.	Shareholder's Name	Shareholding at the begginning of the year			Shareholding at the end of 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	% change in share holding during the year
1	Ms. Tanya A. Dubash	6,922	1.02%	0	6,922	1.02%	0	0.00%
2	Ms. Tanya A Dubash (Trustee of TAD Family Trust)	14,107	2.08%	0	14,107	2.08%	0	0.00%
3	Ms. Nisaba Godrej	6,923	1.02%	0	6,923	1.02%	0	0.00%
4	Ms. Nisaba Godrej (Trustee of NG Family Trust)	14107	2.08%	0	14,107	2.08%	0	0.00%
5	Mr. Pirojsha A. Godrej	6,922	1.02%	0	6,922	1.02%	0	0.00%
6	Mr. Pirojsha A. Godrej (Trustee of PG Family Trust)	14,107	2.08%	0	14,107	2.08%	0	0.00%
7	Mr. Adi B. Godrej	5	0.00%	0	5	0.00%	0	0.00%
8	Mr. Adi B. Godrej (Trustee of ABG Family Trust)	41,095	6.06%	0	41,095	6.06%	0	0.00%
9	Mr. Nadir B. Godrej jointly held with Ms. Rati N. Godrej	21,345	3.15%	0	21,345	3.15%	0	0.00%
10	Mr. Nadir B. Godrej (Trustee of NBG Family Trust)	32,023	4.72%	0	32,023	4.72%	0	0.00%
11	Mr. Nadir B. Godrej (Trustee of BNG Family Trust)	15,480	2.28%	0	15,480	2.28%	0	0.00%
12	Mr. Nadir B. Godrej (Trustee of SNG Family Trust)	16,892	2.49%	0	16,892	2.49%	0	0.00%
13	Mr. Nadir B. Godrej (Trustee of HNG Family Trust)	16,939	2.50%	0	16,939	2.50%	0	0.00%
14	Ms. Nyrika Holkar jointly held with Ms. Smita G. Crishna	10,381	1.53%	0	10,381	1.53%	0	0.00%
15	Ms. Freyan C. Bieri jointly held with Ms. Smita G. Crishna	10,370	1.53%	0	10,370	1.53%	0	0.00%
16	Ms. Freyan C. Bieri jointly held with Ms. Smita G. Crishna and Mr. Vijay M. Crishna	10	0.00%	0	10	0.00%	0	0.00%
17	Ms. Smita G. Crishna, Ms. Freyan C. Bieri and Ms. Nyrika Holkar (Trustees of FVC Family Trust)	24,040	3.54%	0	24,040	3.54%	0	0.00%
18	Mr. Vijay M. Crishna jointly held with Ms. Smita G. Crishna	13	0.00%	0	13	0.00%	0	0.00%
19	Ms. Smita G. Crishna, Ms. Freyan C. Bieri and Ms. Nyrika Holkar (Trustees of NVC Family Trust)	24,040	3.54%	0	24,040	3.54%	0	0.00%
20	Ms. Smita G. Crishna jointly held with Mr. Vijay M. Crishna	20	0.00%	0	20	0.00%	0	0.00%
21	Ms. Smita G. Crishna, Mr. Vijay M. Crishna and Ms. Nyrika Holkar (Trustees of SGC Family Trust)	35,313	5.20%	0	35,313	5.20%	0	0.00%
22	Mr. Jamshyd N. Godrej, Ms. Pheroza J. Godrej and Mr. Navroze J. Godrej (Trustees of The Raika Godrej Family Trust)	10,376	1.53%	0	10,376	1.53%	0	0.00%
23	Ms. Pheroza J. Godrej jointly held with Mr. Jamshyd N. Godrej	33	0.00%	0	33	0.00%	0	0.00%
24	Ms. Raika J. Godrej	1	0.00%	0	1	0.00%	0	0.00%

(ii) SHARE HOLDING OF PROMOTERS (EQUITY SHARES)

Sl. No.	Shareholder's Name	Shareholding at the begginning of the year			Shareholding at the end of 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	% change in share holding during the year
25	Mr. Jamshyd N. Godrej, Ms. Pheroza J. Godrej and Mr. Navroze J. Godrej (Trustees of Raika Lineage Trust)	25,342	3.74%	0	25,342	3.74%	0	0.00%
26	Mr. Navroze J. Godrej jointly held with Mr. Jamshyd N. Godrej	10,369	1.53%	0	10,369	1.53%	0	0.00%
27	Mr. Navroze J. Godrej jointly held with Ms. Pheroza J. Godrej and Mr. Jamshyd N. Godrej	10	0.00%	0	10	0.00%	0	0.00%
28	Mr. Jamshyd N. Godrej, Ms. Pheroza J. Godrej and Mr. Navroze J. Godrej (Trustees of Navroze Lineage Trust)	25,342	3.74%	0	25,342	3.74%	0	0.00%
29	Mr. Jamshyd N. Godrej	5	0.00%	0	5	0.00%	0	0.00%
30	Mr. Jamshyd N. Godrej, Ms. Pheroza J. Godrej and Mr. Navroze J. Godrej (Trustees of JNG Family Trust	32,710	4.82%	0	32,710	4.82%	0	0.00%
31	Mr. Rishad K. Naoroji	1	0.00%	0	1	0.00%	0	0.00%
32	Mr. Rishad K. Naoroji, Mr. Nadir B. Godrej and Ms. Nyrika Holkar, Partners, M/s. RKN Enterprises	1,04,185	15.36%	0	1,04,185	15.36%	0	0.00%
33	Mr. Sohrab N. Godrej jointly held with Ms. Rati N. Godrej	47	0.01%	0	47	0.01%	0	0.00%
34	Mr. Burjis N. Godrej jointly held with Ms. Rati N. Godrej	1,459	0.22%	0	1,459	0.22%	0	0.00%
	Total	**5,20,934**	**76.78%**	**0**	**5,20,934**	**76.78%**	**0**	**0.00%**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name	Shareholding		Date	Increase (+)/ Decrease (-) in Shareholding	Reason	Cumulative Shareholding	
		No. of Shares at the beginning of the year	% of total shares of the company				No. of shares	% of total shares of the company
NIL								

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	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	1,57,500	23.21%		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)			1,57,500	23.21%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director and KMP and their designation	Shareholding		Date	Increase (+)/ Decrease (-) in Shareholding	Reason	Cumulative Shareholding during the year/ end of the period	
		No. of Shares at the beginning of the year	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Jamshyd N. Godrej *	93,775	13.82%	01 April 2018				
	Chairman & Managing Director			31 March 2019			93,775	13.82%
2	Mr. Adi B. Godrej**	41,100	6.06%	01 April 2018				
	Non-Executive Director			31 March 2019			41,100	6.06%
3	Mr. Nadir B. Godrej#	1,02,679	15.13%	01 April 2018				
	Non-Executive Director			31 March 2019			1,02,679	15.13%
4	Mr. Vijay M. Crishna	13	0.00%	01 April 2018				
	Executive Director			31 March 2019			13	0.00%
5	Ms. Nyrika Holkar	10,381	1.53%	01 April 2018				
	Executive Director- Corporate Affairs			31 March 2019			10,381	1.53%
6	Mr. Navroze J. Godrej	10,379	1.53%	01 April 2018				
	Non-Executive Director			31 March 2019			10,379	1.53%
7	Mr. Anil G. Verma	0	0.00%	01 April 2018				
	Executive Director & President			31 March 2019			0	0.00%
8	Mr. Kavas N. Petigara	0	0.00%	01 April 2018				
	Independent Director			31 March 2019			0	0.00%
9	Mr. Pradip P. Shah	0	0.00%	01 April 2018				
	Independent Director			31 March 2019			0	0.00%
10	Ms. Anita Ramachandran	0	0.00%	01 April 2018				
	Independent Director			31 March 2019			0	0.00%
11	Mr. Keki M. Elavia	0	0.00%	01 April 2018				
	Independent Director			31 March 2019			0	0.00%
12	Mr. P.E. Fouzdar	0	0.00%	01 April 2018				
	Executive Vice President (Corporate Affairs) & Company Secretary			31 March 2019			0	0.00%
13	Mr. P.K. Gandhi	0	0.00%	01 April 2018				
	Chief Financial Officer			31 March 2019			0	0.00%

**** Out of 93,775 Equity Shares held, 32,710 Equity Shares held as a Trustee of 'JNG Family Trust,' 10,376 Equity Shares held as a Trustee of 'The Raika Godrej Family Trust', 25,342 Equity Shares held as a Trustee of 'Navroze Lineage Trust' and 25,342 Equity Shares held as a Trustee of 'Raika Lineage Trust'.***

***** Out of 41,100 Equity Shares held, 41,095 Equity Shares held as a Trustee of 'ABG Family Trust'.***

 # Out of 1,02,679 Equity Shares held, 32,023 Equity Shares held a a Trustee of 'NBG Family Trust', 16,892 Equity Shares held a Trustee of 'SNG Family Trust', 15,480 Equity Shares held as a Trustee of 'BNG Family Trust' and 16,939 Equity Shares held as a Trustee of 'HNG Family Trust'.

V INDEBTEDNESS

				Rs. In Crore
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year				
i) Principal Amount	1,329.02	643.26	689.46	2,661.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.06	0.62	-	11.68
Total (i+ii+iii)	**1,340.08**	**643.88**	**689.46**	**2,673.42**
Change in Indebtedness during the financial year				
> Addition	-	659.75	13.89	673.64
> Reduction	-416.24	-	-	-416.24
Net Change	**-416.24**	**659.75**	**13.89**	**257.40**
Indebtedness at the end of the financial year				
i) Principal Amount	912.78	1,303.01	703.35	2,919.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.94	4.39	-	13.33
Total (i+ii+iii)	**921.72**	**1,307.40**	**703.35**	**2,932.47**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	**Particulars of Remuneration**	**Name of MD/WTD/Manager**				**Total Amount (Rs. In crore)**
		Jamyshyd N. Godrej	**Vijay M. Crishna**	**Anil G. Verma**	**Nyrika Holkar**	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	4.23	3.23	6.83	2.64	16.93
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.16	0.01	0.03	0.01	0.21
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	- others, specify…					
5	Others, please specify					
	Total (A)	4.39	3.24	6.86	2.65	**17.14**
	Ceiling as per the Act					**38.87**

B. Remuneration to other directors

Sl. No.	**Particulars of Remuneration**	**Name of Directors**				**Total Amount (Rs. In crore)**
1	Independent Directors	**Kavas N. Petigara**	**Pradip P. Shah**	**Anita Ramachandran**	**Keki M. Elavia**	
	(a) Fee for attending board/committee meetings	0.12	0.06	0.10	0.15	0.43
	(b) Commission	0.08	0.08	0.08	0.08	0.30
	(c) Others, please specify					
	Total (1)	0.20	0.14	0.18	0.23	**0.73**
2	Other Non-Executive Directors	**Adi B. Godrej**	**Nadir B. Godrej**	**Navroze J. Godrej**		
	(a) Fee for attending board/committee meetings	0.05	0.04	0.01		0.10
	(b) Commission	0.08	0.08	0.08		0.23
	(c) Others, please specify					0.00
	Total (2)	0.13	0.12	0.09		**0.33**
	Total (B)=(1+2)					**1.06**
	Total Managerial Remuneration					**18.20**
	Overall Ceiling as per the Act.					**42.76**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs. In crore)
		CEO	Company Secretary	CFO	
1	Gross Salary	NA	Percy E. Fouzdar	Purvez K. Gandhi	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		1.91	2.03	3.94
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		0.01	-	0.01
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify…				
5	Others, please specify				
	Total		**1.92**	**2.03**	**3.95**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Godrej & Boyce Manufacturing Company Limited

ANNUAL REPORT AND ACCOUNTS
Year ended 31st March, 2019

ENCLOSURE 3

Form No. AOC - 2 pursuant to section 134 (3) (h) of the Companies Act, 2013.

Referred to in paragraph 16 of the Directors' Report

ENCLOSURE 3

GODREJ & BOYCE MFG. CO. LTD.
FORM NO. AOC -2
required to be attached with the Director's Report

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mrs. P J Godrej, spouse of Mr. J N Godrej, Chairman and Managing Director and mother of Mr. N. J. Godrej, Non-Executive Director
b)	Nature of contracts/arrangements/transaction	Employment Contract
c)	Duration of the contracts/arrangements/transaction	Permanent Employee
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Re-designation and revision in remuneration payable with effect from 1st April, 2015 as Sr. Vice President (Welfare Co-ordination)as under: **Salary: Rs. 2 Lakh per month and Rs. 24 Lakh per annum** **Perquisites and allowances: Rs. 0.39 Lakhs per annum** Provision of Company maintained car with driver for official use **Terminal Benefits: Rs. 2.88 Lakhs per annum** Company's contribution to Provident Fund, Gratuity or any other Annuity Fund in accordance with the Rules of the Company, in force from time to time
e)	Justification for entering into such contracts or arrangements or transactions'	Rendering of professional services
f)	Date of approval by the Board	23rd February, 2015
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mrs. S G Crishna, spouse of Mr. V M Crishna, Whole-time Director, sister of Mr. J N Godrej, Chairman and Managing Director and mother of Ms. Nyrika Holkar, Executive Director-Corporate Affairs
b)	Nature of contracts/arrangements/transaction	Employment Contract
c)	Duration of the contracts/arrangements/transaction	Permanent Employee
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Re-designation and revision in remuneration payable with effect from 1st April, 2015 as Sr. Vice President (Welfare Co-ordination)as under: **Salary of Rs. 2 Lakh per month and Rs. 24 Lakh per annum** **Perquisites and allowances: Rs. 0.39 Lakhs per annum** Provision of Company maintained car with driver for official use **Terminal Benefits: Rs. 2.88 Lakhs per annum** Company's contribution to Provident Fund, Gratuity or any other Annuity Fund in accordance with the Rules of the Company, in force from time to time
e)	Justification for entering into such contracts or arrangements or transactions'	Rendering of professional services
f)	Date of approval by the Board	23rd February, 2015
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Date of approval by the Board	N.A.
f)	Amount paid as advances, if any	N.A.

For and on behalf of the Board

J. N. Godrej
Chairman and Managing Director
DIN: 00076250

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Godrej & Boyce Manufacturing Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Godrej & Boyce Manufacturing Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit and total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon ("Other Information")

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report and its annexures but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's reports thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Management 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 of the aforesaid Standalone Financial Statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the Directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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 Financial Statements.

ii. The Company has made provision in its Standalone Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320
UDIN: 19038320AAAAAE6099

Mumbai
20th August, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of Godrej & Boyce Manufacturing Company Limited

We have audited the internal financial controls over financial reporting of Godrej & Boyce Manufacturing Company Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of Internal controls stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
20th August, 2019

Annexure "B" to Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Godrej & Boyce Manufacturing Company Limited

i. In respect of the Company's property, plant and equipment and investment property:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.

(b) The property, plant and equipment and investment property were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all property, plant and equipment at regular intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed, court orders approving schemes of arrangements / amalgamations and other documents provided to us, 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 for the following:

Particulars	Gross Block (Rs. In crore)	Net block (Rs. In crore)	Remarks
Freehold Land	0.23	0.23	One of the land parcels pertaining to a recent amalgamation is in the process of being registered.

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the Standalone Financial Statements, the lease agreements are in the name of the Company.

ii. As explained to us, the inventories other than goods-in-transit, stocks lying with third parties and Construction work-in-progress (which have substantially been confirmed by third parties / certified by Management) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the Balance Sheet date.

iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act in respect of specified products of the Company. For such products, we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a)The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

We were informed that the provisions of Excise duty is not applicable.

(b)There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Entry Tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as at March 31, 2019 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount (Rs. in crore)**
Central Excise Act, 1944	Excise Duty	Appellate Authority – Commissioner / Tribunal/ High Court	Various years from 1987 to 2018	34.75
Finance Act, 1994	Service Tax	Appellate Authority – Commissioner / Tribunal	Various years from 2003 to 2018	11.72
Central Sales Tax Act, 1956, and State Sales Tax / VAT Acts	Sales Tax / VAT	Appellate / Revisional Authority – upto Commissioner/ Tribunal/ High Court	Various years from 1981 to 2018	23.91
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry tax	High Court	Upto 31st March, 2019	37.58

There were no dues of Goods and Service Tax which have not been deposited as at March 31, 2019 on account of dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to financial institutions, banks, government and debenture holders.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

x. To the best of our knowledge and 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 year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

xvi. According to 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
20th August, 2019

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH, 2019

(Rupees in crore)

	Note		As at 31-03-2019	As at 31-03-2018
ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	2 A	2,031.42		1,892.89
(b) Capital Work-in-progress	2 A	797.39		533.53
(c) Investment Property	2 B	362.54		371.24
(d) Intangible Assets	2 A	15.09		19.56
(e) Intangible Assets under development	2 A	6.40		3.04
		3,212.84		2,820.26
(f) Financial Assets				
(i) Investments in Subsidiaries, Associates and Joint Venture	3	101.65		95.04
(ii) Other Non-Current Investments	4	6,087.43		6,475.51
(iii) Loans	5	58.04		69.99
		6,247.12		6,640.54
(g) Deferred Tax Assets (Net)	17B	-		37.44
(h) Other Non-Current Assets	6	53.85		56.93
			9,513.81	9,555.17
(2) CURRENT ASSETS				
(a) Inventories	7	2,378.95		2,334.42
(b) Financial Assets				
(i) Trade Receivables	8	2,248.21		2,352.95
(ii) Cash and Cash Equivalents	9(A)	250.53		288.42
(iii) Bank Balances other than (ii) above	9(B)	123.79		122.79
(iv) Other Financial Assets	10	55.67		382.05
		2,678.20		3,146.21
(c) Current Tax Assets (net)		48.58		-
(d) Other Current Assets	11	958.34		514.14
			6,064.07	5,994.77
Total Assets			15,577.88	15,549.94
EQUITY AND LIABILITIES				
(1) EQUITY				
(a) Equity Share Capital	12	6.78		6.78
(b) Other Equity	13	9,199.69		9,385.51
			9,206.47	9,392.29
LIABILITIES				
(2) NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	14	798.54		794.19
(ii) Other Financial Liabilities	15	182.72		186.25
		981.26		980.44
(b) Provisions	16	84.54		79.42
(c) Deferred Tax Liabilities (Net)	17	1.50		-
(d) Other Non-Current Liabilities	18	15.05		15.84
			1,082.35	1,075.70
(3) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	19	1,713.32		1,429.72
(ii) Trade Payables	20	1,539.28		1,536.89
(iii) Other Financial Liabilities	21	1,060.79		1,149.45
		4,313.39		4,116.06
(b) Current Tax Liabilities (net)		-		12.52
(c) Other Current Liabilities	22	938.43		914.63
(d) Provisions	23	37.24		38.74
			5,289.06	5,081.95
Total Equity and Liabilities			15,577.88	15,549.94
Statement of Significant Accounting Policies and Notes forming part of the Financial Statements	1-49			

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

SHYAMAK R TATA
PARTNER
Membership No.: 038320
Mumbai, 20th August, 2019

J. N. GODREJ
Chairman &
Managing Director
DIN: 00076250

A. G. VERMA
Executive Director
& President
DIN: 02366334

P. K. GANDHI
Chief Financial
Officer

P. E. FOUZDAR
Executive Vice President
(Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(Rupees in crore)

		Note		Current Year	Previous Year
I.	**REVENUE FROM OPERATIONS**	25	11,051.55		9,796.76
II.	**OTHER INCOME**	26	115.64		107.40
	TOTAL INCOME			11,167.19	9,904.16
III.	**EXPENSES**				
	(1) Cost of Materials consumed	27	2,528.64		2,650.06
	(2) Excise duty		-		161.35
	(3) Purchases of Stock-in-Trade	28	3,482.76		2,585.87
	(4) Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	29	17.53		(63.77)
	(5) Property Development and Construction Expenses	30	1,040.38		854.07
	(6) Employee Benefits Expense	31	1,170.71		1,097.17
	(7) Finance Costs	32	168.00		180.42
	(8) Depreciation and Amortization Expense	2	215.61		201.43
	(9) Other Expenses	33	2,190.92		1,866.50
	(10) Less: Expenditure transferred to Capital Accounts		(3.24)		(21.68)
	TOTAL EXPENSES			10,811.31	9,511.42
IV.	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			355.88	392.74
V.	EXCEPTIONAL ITEMS	34		-	(35.88)
VI.	**PROFIT BEFORE TAX**			355.88	356.86
VII.	TAX EXPENSES				
	(1) Current tax	17	105.00		149.53
	(2) Prior years' current tax adjustments	17	15.44		(4.62)
	(3) Deferred tax (credit) / charge	17	(1.82)		(20.06)
	(4) Prior years' deferred tax adjustments	17	8.00		-
				126.62	124.85
VIII.	**PROFIT / (LOSS) AFTER TAX FOR THE YEAR**			229.26	232.01
IX.	**OTHER COMPREHENSIVE INCOME (OCI)**				
	Items that will not be reclassified to Statement of Profit and Loss				
	(i) Remeasurement of defined employee benefit plans			4.66	(5.97)
	(ii) Change in Fair Value of Equity Instruments through OCI			(252.91)	1,650.12
	(iii) Deferred tax charge/(credit) on above			(1.63)	2.07
				(249.88)	1,646.22
	Items that will be reclassified to Statement of Profit and Loss				
	(i) Change in Fair Value of Other Instruments through OCI			1.87	(1.87)
	TOTAL OTHER COMPREHENSIVE INCOME			(248.01)	1,644.35
X.	**TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR**			(18.75)	1,876.36
XI.	EARNINGS PER EQUITY SHARE				
	Basic and Diluted Earnings per Equity Share of Rs. 100 each	40		Rs. 3,379	Rs. 3,420
XII.	Statement of Significant Accounting Policies and Notes forming part of the Financial Statements	1-49			

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

SHYAMAK R TATA
PARTNER
Membership No.: 038320
Mumbai, 20th August, 2019

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DIN: 00076250

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DIN: 02366334

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Chief Financial
Officer

P. E. FOUZDAR
Executive Vice President
(Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

(Rupees in crore)

(A) Equity Share Capital

	Note	For the year ended 31/03/2019	For the year ended 31/03/2018
Balance at the beginning of the year		6.78	6.78
Changes in equity share capital during the year		-	-
Balance at the end of the year	12	6.78	6.78

(B) Other Equity

Particulars	Note	Reserves & Surplus						Items of Other Comprehensive Income (OCI)		
		Capital Reserve	Securities Premium	Capital Reserve on Business Combinations	General Reserve	Debenture Redemption Reserve	Retained Earnings	Not Reclassified to Profit or Loss	Reclassified to Profit or Loss	Total Other Equity
Balance as at 31/03/2017 - Restated		**72.70**	**20.08**	**(19.76)**	**645.85**	**20.83**	**2,567.01**	**4,386.36**	**-**	**7,693.07**
Adjustment pursuant to business combination		-	-	(0.19)	-	-	-	-	-	(0.19)
Profit / (Loss) after tax for the year		-	-	-	-	-	232.01	-	-	232.01
Remeasurement of defined employee benefit plans		-	-	-	-	-	-	(5.97)	-	(5.97)
Fair valuation of investments in equity instruments		-	-	-	-	-	-	1,650.12	(1.87)	1,648.25
Deferred tax credit on items of OCI		-	-	-	-	-	-	2.07	-	2.07
Total comprehensive income for the year 2017-18		72.70	20.08	(19.95)	645.85	20.83	2,799.02	6,032.58	(1.87)	9,569.24
First Interim Equity Dividend declared and paid during the year		-	-	-	-	-	(101.77)	-	-	(101.77)
Second Interim Equity Dividend declared and paid during the year		-	-	-	-	-	(50.88)	-	-	(50.88)
Dividend Distribution Tax (DDT) on Interim Dividend		-	-	-	-	-	(31.08)	-	-	(31.08)
Transfer to Debenture Redemption Reserve		-	-	-	-	45.84	(45.84)	-	-	-
Realised gain on sale of equity shares reclassified to retained earnings		-	-	-	-	-	311.05	(311.05)	-	-
Balance as at 31/03/2018	13	**72.70**	**20.08**	**(19.95)**	**645.85**	**66.67**	**2,880.50**	**5,721.53**	**(1.87)**	**9,385.51**
Profit / (Loss) after tax for the year		-	-	-	-	-	229.26	-	-	229.26
Remeasurement of defined employee benefit plans		-	-	-	-	-	-	4.66	-	4.66
Fair valuation of investments in equity instruments		-	-	-	-	-	-	(252.91)	1.87	(251.04)
Deferred tax credit on items of OCI		-	-	-	-	-	-	(1.63)	-	(1.63)
Total comprehensive income for the year 2018-19		-	-	-	-	-	229.26	(249.88)	1.87	(18.75)
Adjustments to Opening Retained Earnings Ind AS 115							(3.49)			(3.49)
First Interim Equity Dividend declared and paid during the year		-	-	-	-	-	(67.84)	-	-	(67.84)
Second Interim Equity Dividend declared and paid during the year		-	-	-	-	-	(67.85)	-	-	(67.85)
Dividend Distribution Tax (DDT) on Interim Dividend		-	-	-	-	-	(27.89)	-	-	(27.89)
Transfer to Debenture Redemption Reserve		-	-	-	-	8.33	(8.33)	-	-	-
Reclassification of excess amount transferred in earlier years							(196.12)	196.12		-
Realised gain on sale of equity shares reclassified to retained earnings		-	-	-	-	-	54.25	(54.25)	-	-
Balance as at 31/03/2019	13	**72.70**	**20.08**	**(19.95)**	**645.85**	**75.00**	**2,792.49**	**5,613.52**	**-**	**9,199.69**

Notes forming part of the financial statements 1 - 49

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

SHYAMAK R TATA
PARTNER
Membership No.: 038320
Mumbai, 20th August, 2019

J. N. GODREJ
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DIN: 00076250

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Executive Director
& President
DIN: 02366334

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Chief Financial
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Executive Vice President
(Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2019

(Rupees in crore)

		Current Year	Previous Year
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAX	355.88	356.86
	ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH USED IN:		
	Depreciation and Amortisation Expense	215.61	201.43
	Provisions for Doubtful Debts/Advances/Deposits	14.43	26.37
	Bad Debts written off (net)	12.12	61.95
	Diminution in the Value of Investment in a Subsidiary	-	38.54
	Profit on Sale of Investments (Net): Current	(1.63)	(10.84)
	(Profit)/Loss on Sale of Property, Plant and Equipment (Net): Immovable Property	0.57	(9.19)
	Unrealised Foreign Currency Loss / (Gain)	(10.58)	1.06
	Interest Income	(20.90)	(16.79)
	Dividend Income	(92.76)	(56.60)
	Finance Costs	168.00	180.42
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	640.74	773.21
	MOVEMENT IN CURRENT ASSETS AND LIABILITIES:		
	Inventories	(44.53)	(207.19)
	Trade and other Receivables	(13.03)	(309.59)
	Trade and other Payables and Provisions	52.01	249.02
	CASH GENERATED FROM/(USED IN) OPERATIONS	635.19	505.45
	Direct Taxes paid	(150.41)	(63.37)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES	484.78	442.08
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Property, Plant and Equipment acquired	(557.34)	(445.75)
	Sale of Property, Plant and Equipment	2.14	15.04
	Purchase of Investment in Subsidiaries and Associates	(6.26)	(5.44)
	Sale of Other Investments and Current Investments	138.68	430.08
	Loan to associate	(13.21)	-
	Net decrease /(increase) in bank deposits (having original maturities of more than 3 months)	(1.00)	(41.88)
	Proceeds (residual bank balance) received from a wholly-owned subsidiary on its liquidation	-	-
	Interest received	20.90	16.79
	Dividend received	92.76	56.60
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(323.33)	25.44
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Net increase/(decrease) in short-term Bank Borrowings	(368.62)	(36.42)
	Other Borrowings: Loans and Deposits taken	3,460.28	2,885.37
	Loans and Deposits repaid	(2,800.21)	(2,932.54)
	Redemption of Debentures	(100.00)	-
	Finance Cost	(227.22)	(199.96)
	Dividend paid, including Dividend Distribution Tax	(163.58)	(183.73)
	NET CASH FROM/(USED) IN FINANCING ACTIVITIES	(199.35)	(467.28)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(37.90)	0.24
	Cash and Cash Equivalents at the beginning of the year	288.43	288.19
	Cash and Cash Equivalents at the end of the year	250.53	288.43
	Add: Other Bank Balances (not considered as cash and cash equivalents):		
	Fixed Deposits with Banks	104.90	98.50
	Other Earmarked Accounts	18.89	24.29
	CLOSING CASH AND BANK BALANCES (NOTE 9)	374.32	411.22
D.	**COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR**		
	Cash in hand	1.27	1.40
	Cheques on Hand	207.66	236.41
	Balances with Banks in Current Accounts	41.60	50.61

Notes forming part of the financial statements 1 - 49

NOTES:

1. The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) on "Statement of Cash Flows," and presents cash flows by operating, investing and financing activities.
2. Figures in brackets are outflows/deductions.
3. Cash and cash equivalents for the purposes of this Statement comprise of cash in hand, cheques on hand cash at bank and fixed deposits with maturity of three months or less.

As per our Report of even date For **DELOITTE HASKINS & SELLS LLP** CHARTERED ACCOUNTANTS Firm Registration No.: 117366W/W-100018	For and on behalf of the Board of Directors			
SHYAMAK R TATA PARTNER Membership No.: 038320 Mumbai, 20th August, 2019	J. N. GODREJ Chairman & Managing Director DIN: 00076250	A. G. VERMA Executive Director & President DIN: 02366334	P. K. GANDHI Chief Financial Officer	P. E. FOUZDAR Executive Vice President (Corporate Affairs) & Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Godrej & Boyce Manufacturing Company Limited ('the Company') incorporated on 3rd March, 1932 is a major company of the Godrej Group. The Company has diverse business divisions offering a wide range of consumer, office, and industrial products and related services of the highest quality to customers in India and abroad. The Company is domiciled in India and its registered office is at, Pirojshanagar, Vikhroli, Mumbai 400 079.

B. Basis of preparation of financial statements

These financial statements as at, and for the year ended, 31st March, 2019 have been prepared in accordance with Indian Accounting standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The financial statements have been prepared and presented under the historical cost convention, on accrual and going concern basis except for certain financial assets and financial liablities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the Resolution passed by the Board of Directors at their meeting held on 20th August, 2019.

C. Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest crore, unless otherwise indicated; a crore is equal to ten million. Where changes in presentation are made, comparitive figures for the previous year are restated /regrouped accordingly.

D. Uses of Estimates and Judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

(i) Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from those prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(ii) 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, vested future benefits 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. The same is disclosed in Note 42.

(iii) Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

(iv) Recognition and measurement of provisions

The recognition and measurement of 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 figure included in other provisions.

(v) Determining whether an arrangement contains a lease

At the 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, all payments under the arrangement are treated as lease payments.

(vi) 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.

(vii) Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes Foreign Currency Forward Contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts are determined using the fair value reports provided by the respective merchant bankers. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

(viii] Impairment of Financial Assets

The Company reviews its carrying value of investments in subsidiaries and associates on an annual basis or more frequently when there is an indication of other than temporary impairment in the carrying value of its investments. The recoverable amount is measured using future cash flows projections provided by the management. A significant degree of judgment is required in establishing these recoverable values. Judgments include considerations such as change in business strategy, liquidity risk, credit risk and volatility which provide objective evidence of an impairment which is other than temporary in the long term inherent value of the investment.

(ix) Assurance Product Warranty Obligations

The estimates for assurance product warranty obligations are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences.

(x) Expected Cost of Completion of Contracts

For the purpose of arriving at Revenue from construction contracts, the Company's Management estimates the cost to completion for each project. Management systematically reviews future projected costs and compares the aggregate of costs incurred to date and future costs projections against budgets, on the basis of which, proportionate revenue (or anticipated losses), if any, are recognised.

E. Standards issued but not effective

On 30th March, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind As 116 on Leases. Ind AS 116 would replace the existing lease standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and required a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value. Currently for operating lease rentals are charged to the Statement of Profit and Loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from 1st April, 2019.

1. Ind AS 12 - Income taxes - Appendix C on uncertainty over income tax treatments
2. Ind AS 12 - Income taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23 - Borrowing Costs
4. Ind AS 28 - Investments in associates and joint ventures
5. Ind AS 103 and Ind AS 111 - Business Combinations and joint arrangements
6. Ind AS 109 - Financial Instruments
7. Ind AS 19 - Employee benefits

The Company is in the process of evaluating the impact of such amendments.

F. Measurement of fair values

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

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

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

Level 1 : inputs are 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). Fair values are determined in whole or part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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.

G. Significant accounting policies

i. Property, plant and equipment

a. Recognition and measurement

Property, plant and equipment is recognised when it is probable that future economic benefit associated with the asset will flow to the Company, and the cost of the asset can be measured reliably.

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

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.

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 and Loss.

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

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

All property, plant and equipment received in exchange for non-monetary assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. Measurement of an exchange at fair value will result in the recognition of a gain or loss based on the carrying amount of the asset surrendered. If a fair value can be determined reliably for either the asset received or the asset given up, then the fair value of the asset given up should be used unless the fair value of the asset received is more clearly evident. Accordingly, Transferable Development Rights (TDR's) obtained by the Company in respect of its freehold lands situated at Mumbai, are carried at fair value of land given up unless the fair value of TDR received is more clearly evident, and are shown under Freehold Land. Any gain or loss arising from such exchange is immediately recognised in profit or loss.

Any transfer of such TDR's / land from fixed asset to inventory is done at cost.

b. 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.

c. Depreciation / Amortisation

The Company has followed the Straight Line method for charging depreciation on all items of property, plant and equipment, at the rates specified in Schedule II to the Act; these rates are considered as the minimum rates. If management's estimate of the useful life of the property, plant and equipment is shorter than that envisaged in Schedule II, depreciation is provided at a higher rate based on management's estimate of the useful life. Accordingly, in respect of the commercial construction projects, on some items of equipment at the project sites, depreciation is provided at a higher rate based on useful life of the assets estimated at 5 years, compared to 15 years specified in Schedule II.

Moreover, in respect of special-purpose machinery used in the contract-manufacturing of precision components and systems, depreciation is charged over the period of such manufacturing contracts. In respect of additions to/deductions from the assets, the depreciation on such assets is calculated on a pro rata basis from/upto the month of such addition/deduction. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase/acquisition. Leasehold Land and Buildings are amortised over the period of the lease. The cost of property, plant and equipment not ready for their intended use at the balance sheet date is disclosed under capital work-in-progress.

Intangible assets comprising of Technical Know-how and Trade Marks are amortised on straight-line basis at the rate of 16.67%; capitalised Computer Software costs relating to the ERP system, are amortised on straight line basis at the rate of 20%.

ii. Investment properties

a. Properties held to earn rentals and / or capital appreciation (including property under construction for such purposes) are classified as investment properties.

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

c. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

d. The Company follows the straight line method for charging depreciation on investment property over estimated useful lives prescribed in Schedule II to the Companies Act, 2013.

e. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

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

iii. Intangible assets

a. Recognition and measurement

Intangible assets, including patents and trademarks, which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

b. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Statement of Profit and Loss as incurred.

c. Amortisation

Intangible assets are amortised over their estimated useful life on straight line method.

iv. Investment in Subsidiaries, Joint Ventures and Associates

Non-current investments in subsidiaries, associates and joint ventures are stated at cost (unless otherwise stated); however, for any diminution other than temporary in the value of investments, the book value is reduced to recognise the decline. In cases where these investments are carried at their book values, which are higher than their fair values, the diminution in the value of such investments is considered to be of a temporary nature, in view of the Company's long-term financial involvement in such investee companies.

v. 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.

A. Financial Assets

<u>(a) Initial recognition and measurements:</u>

The Company recognises a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of the financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

(b) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria;

(i) The Company's business model for managing the financial asset and

(ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

(i) Financial assets measured at amortised cost

(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

(iii) Financial assets measured at fair value through profit or loss (FVTPL)

(i) Financial asset measured at amortised cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) 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 principle amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer Note 43 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method.

Under the effective interest rate method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal/repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortised cost of financial asset is also adjusted for loss of allowance, if any.

(ii) Financial asset measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial asset, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer Note 3 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the other Comprehensive Income (OCI). However, the Company recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer Note 43 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Company recognises dividend income from such instruments in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to the Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

(iii) Financial asset measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies (Refer Note 43 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

(c) Derecognition:

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

(i) The contractual rights to cash flows from the financial asset expires;

(ii) The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset.

(iii) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

(iv) The Company neither transfers nor retains substantially all risk and rewards of ownerships and does not retain control over the financial assets.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

(d) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables, Contract assets and lease receivables.

ii. Financial assets measured at amortised cost (other than trade receivables, contract assets and lease receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, contract assets and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial assets since initial recognition, if the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured as recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset, 12month ECL, are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcome, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

B. Financial Liabilities

(a) Initial recognition and measurement:

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

(b) Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method (Refer Note 43 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

(c) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When the existing financial liability is replaced by another from the same lender or 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 between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

C. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks . Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

vi. Inventories

Trade Inventories:

Raw Materials, Loose Tools, Stores, Spares, etc. are valued at lower of weighted average cost and estimated net realisable value. Estimated Net realisable value of raw materials is determined on the basis of the price of the finished products in which they will be used are expected to be sold.

Work-in-Process (other than Construction Projects) is valued at lower of estimated cost (consisting of direct material and direct labour costs plus appropriate factory overheads) and estimated net realisable value.

Finished Goods, goods in transit and goods with third parties are valued at lower of weighted average cost and estimated net realisable value; cost includes purchase, conversion, appropriate factory overheads, any taxes or duties and other costs incurred for bringing the inventories to their present location and condition. Spares and Components for after-sales service are valued at lower of average cost and estimated net realisable value on an item-by-item basis.

Obsolete and damaged inventories, and other anticipated losses are adequately provided for, wherever considered necessary.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Construction Projects:

In respect of the commercial construction projects promoted / developed on the company's land, construction work-in-progress is valued at estimated cost consisting of the cost of land (forming part of the project), development, construction and other related costs. Construction Work in progress includes projects for Industrial Products / Equipment.

Work in process is valued at lower of specifically identified costs or net realisable value.

vii. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash as cash and cash equivalents. Cash and cash equivalents in the Balance Sheet comprises of cash on hand, bank balances which are unrestricted for withdrawal and usage and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

viii. Borrowing costs

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

ix. Provisions and Contingent Liabilities and Contingent Assets

A provision is recognised only when there is a present legal / constructive obligation as a result of a past event that probably requires an outflow of resources to settle the obligation and in respect of which a reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will 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 or disclosure is made.

Provisions and Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date. Contingent Assets and related income are recognised when there is virtual certainty that inflow of economic benefit will arise.

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.

x. Revenue Recognition

Effective 1st April, 2018, the Company has applied Ind AS 115 'Revenue from Contracts with Customers' which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company elected to transition using the modified retrospective method and has taken the cumulative effect of initially applying the standard as an adjustment to the opening balance sheet as at 1st April, 2018 on the contracts that are not completed as at that date.

<u>Performance obligation and transaction price (Fixed and variable)</u>

At inception of the contract, the Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

(a) a goods or services (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of sale of products and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of the outflow. Revenue is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(a) Sale of products

The Company recognises revenue on the sale of products, net of discounts, sales incentives and rebates granted when control of the goods is transferred to the customer. The performance obligation in case of sale of products is satisfied at a point of time i.e. when the goods are shipped to the customer or on delivery to the customer, as may be specified in the contract. Control is considered to be transferred to customer when customer has ability to direct the use of such goods, obtain substantially all the benefits and bears all risks in respect of such goods.

Accumulated experience is used to estimate and accrue for the discounts and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from the customers before transferring control of the goods being sold.

(b) Lease Rentals

The Company has determined that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly rental income arising from operating leases on investment properties is accounted for on an accrual basis as per the terms of the lease contract and is included in Revenue from Operations in the Statement of Profit and Loss due to its operating nature.

(c) Revenue from construction contracts for industrial products / equipments

Industrial products / equipments are constructed based on specifically negotiated contracts with customers. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of such contracts can be estimated reliably, then contract revenue is recognised in the Statement of Profit and Loss in proportion to the stage of completion. The stage of completion is based on percentage of actual cost incurred upto the reporting date to the total estimated cost of the contract. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

In the case of certain industrial products, the stage of completion is based on either survey of the work performed or completion of a physical proportion of contract work.

An expected loss on a contract is recognised immediately in the Statement of Profit and Loss.

(d) Revenue from rendering of services

Revenue from service transactions is recognised as per agreements / arrangements with the customer when the related services are rendered / provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a time proportion basis. Each distinct service, results in a simultaneous benefit to the corresponding customer and the Company has an enforceable right to payment from the customer for the performance completed to date.

(e) Revenue from Real Estate Transaction

The Company develops and sells residential properties. The Company enters into arrangements with customers for sale of units of such residential properties. These arrangements generally meet the criteria for considering the sale of units as distinct performance obligation. The Company recognises revenue when its performance obligations are satisfied and customer obtains control of the asset. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service.

Income from operation of commercial complexes is recognised over the tenure of the lease / service agreement.

Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities. Contract assets are classified as non-financial assets.

On account of adoption of Ind AS 115, opening reserves as on 1st April, 2018 is adjusted for impact on revenue recognition in earlier years with corresponding effect to contract assets and inventories.

xi. Employee benefits

a. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Company's contributions paid/payable to Managerial Superannuation 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.

b. Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Short-term employee benefits (payable within twelve months of rendering the service)

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for an 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.

Re-measurement of net defined benefit liability

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

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

Further, the Rules of the Company's Provident Fund (PF) administered by an approved Trust, require that if the Board of Trustees is unable to pay interest at the rate declared for the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952, for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognised in the Statement of Profit and Loss in the period in which they arise. Other employee benefits include leave encashment/long-term compensated absences schemes.

xii. Other Operating Revenue

Other Operating Revenue represents income earned from the activities incidental to business and is recognised when the right to receive is established as per the terms of the contract.

xiii. Finance costs

Finance costs are recorded using the effective interest rate method.

xiv. Other Income

The Company's other income includes Interest and Dividend income.

Interest income is recognised using the effective interest rate method. Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive is established.

xv. Foreign currency transactions

Income and expenses in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

xvi. Income Taxes

Income tax expense comprises current tax expense and the net change in deferred taxes recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

a. Current tax

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

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

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

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

b. 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:

(i) 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; and

(ii) 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;

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.

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Minimum Alternate Tax (MAT) Credit Entitlement is recognised as a Deferred Tax Asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period in which such credit can be carried forward for set-off within the time frame prescribed by the Income Tax Act, 1961. The carrying amount of MAT Credit Entitlement is reviewed at each Balance Sheet date.

xvii. Leases (where the Company is the lessor)

The Company's assets subject to operating leases in its Estate Leasing Operations are included in Investment Property. Lease income is recognised and included in Revenue from Operations in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

xviii. Leases (where the Company is the lessee)

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. In respect of assets taken on operating lease, lease rentals are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless;

(a) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or

(b) the payments to the lessor are structured to increase in the line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

xix. Product warranty expense under service warranty obligation

In respect of products sold by the Company, which carry a specified warranty, future costs that will be incurred by the Company in carrying out its contractual warranty obligations are estimated and accounted for on accrual basis.

xx. Research And Development Expenses

Research and product development costs incurred are recognised as intangible assets when feasibility has been established and it is probable that the asset will generate probable future economic benefits. Other research costs are charged to the Statement of Profit and Loss under the respective natural head of expense.

xxi. Earnings per share

Basic and diluted earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

xxii. Segment Reporting

Operating Segments are defined as components of the Company for which discrete financial information is available and are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company's CODM is the Managing Director and President.

xxiii. Business Combinations of entities under common control

Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital or the transferor entity or business is recognised as capital reserve under equity.

The financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period.

xxiv. Impairment

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in the arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

xxv. Events after reporting date

Where events occurring after the balance sheet date till the date when the financial statements are approved by the Board of Directors of the Company, provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the reporting balance sheet date of material size or nature are only disclosed.

H. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realised/settled in the Company's normal operating cycle;
ii. the asset is intended for sale or consumption;
iii. the asset/liability is held primarily for the purpose of trading;
iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;
v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting date;
vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the reporting date.

All other assets and liabilites are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.A. PROPERTY, PLANT AND EQUIPMENT

(Rupees in crore)

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles/ Vessels	Office Equipment	Total
	Tangible Assets								
COST OF ASSETS									
Gross Block as at 1/4/2018	331.32	89.49	711.60	25.54	1,089.67	60.90	14.19	64.66	2,387.37
Capital Work-in-Progress as at 1/4/2018	-	-	451.60	-	74.66	1.50	-	5.77	533.53
Capital Expenditure during the year	8.62	-	317.67	5.17	255.23	5.74	2.73	12.21	607.37
Capital Work-in-Progress as at 31/3/2019	-	-	(629.80)	-	(162.51)	(0.75)	-	(4.33)	(797.39)
Additions	8.62	-	138.96	5.17	167.38	6.49	2.73	13.65	343.00
Deductions	-	-	(0.47)	(0.77)	(5.53)	(0.57)	(0.25)	(0.69)	(8.28)
Gross Block as at 31/3/2019	339.94	89.49	850.09	29.94	1,251.52	66.82	16.67	77.62	2,722.09
DEPRECIATION									
Total Depreciation as at 1/4/2018	-	3.83	54.57	7.00	367.11	25.25	2.90	33.82	494.48
Depreciation for the year	-	2.35	30.72	3.94	143.33	7.72	1.21	12.51	201.78
Depreciation on Deductions / Adjustments	-	-	(0.11)	(0.39)	(3.98)	(0.42)	(0.11)	(0.58)	(5.59)
Total Depreciation as at 31/3/2019	-	6.18	85.18	10.55	506.46	32.55	4.00	45.75	690.67
NET BOOK VALUE									
Net Block as at 31/3/2019	339.94	83.31	764.91	19.39	745.06	34.27	12.67	31.87	2,031.42
Capital Work-in-progress	-	-	629.80	-	162.51	0.75	-	4.33	797.39
Total as at 31/3/2019	339.94	83.31	1,394.71	19.39	907.57	35.02	12.67	36.20	2,828.81

Particulars	Computer Software	Technical Know-how	Trademarks	Total
	Intangible Assets (other than internally generated)			
COST OF ASSETS				
Gross Block as at 1/4/2018	29.37	0.96	0.13	30.46
Additions	0.17	-	-	0.17
Deductions	(0.17)	-	-	(0.17)
Gross Block as at 31/3/2019	29.37	0.96	0.13	30.46
AMORTIZATION				
Total Amortisation as at 1/4/2018	9.82	0.96	0.12	10.90
Charge for the year	4.61	-	0.01	4.62
Deductions	(0.15)	-	-	(0.15)
Total Amortization as at 31/3/2019	14.28	0.96	0.13	15.37
NET BOOK VALUE				
As at 31/3/2019	15.09	-	-	15.09
Capital Work-in-progress	6.40	-	-	6.40

Refer Note 24 for disclosure of contractual commitments for the recognition of Property, Plant and Equipments

2.A. PROPERTY, PLANT AND EQUIPMENT

(Rupees in crore)

Particulars	Tangible Assets								
	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles/ Vessels	Office Equipment	Total
COST OF ASSETS									
Gross Block as at 1/4/2017	300.70	89.49	581.08	17.88	930.36	56.31	14.01	58.62	2,048.45
Capital Work-in-Progress as at 1/4/2017	-	-	329.82	-	72.39	2.17	0.02	6.91	411.31
Capital Expenditure during the year	31.00	-	252.58	7.66	165.91	4.12	0.37	5.52	467.16
Capital Work-in-Progress as at 31/3/2018	-	-	(451.60)	-	(74.66)	(1.50)	-	(5.77)	(533.53)
Additions	31.00	-	130.80	7.66	163.64	4.79	0.39	6.66	344.94
Deductions	(0.38)	-	(0.28)	-	(4.33)	(0.20)	(0.21)	(0.62)	(6.02)
Gross Block as at 31/3/2018	331.32	89.49	711.60	25.54	1,089.67	60.90	14.19	64.66	2,387.37
DEPRECIATION									
Total Depreciation as at 1/4/2017	-	1.48	27.23	4.11	233.80	17.40	1.93	22.60	308.55
Depreciation for the year	-	2.35	26.65	2.89	134.38	7.89	0.97	11.68	186.81
Depreciation on Deductions / Adjustments	-	-	0.69	-	(1.07)	(0.04)	-	(0.46)	(0.88)
Total Depreciation as at 31/3/2018	-	3.83	54.57	7.00	367.11	25.25	2.90	33.82	494.48
NET BOOK VALUE									
Net Block as at 31/3/2018	331.32	85.66	657.03	18.54	722.56	35.65	11.29	30.84	1,892.89
Capital Work-in-progress	-	-	451.60	-	74.66	1.50	-	5.77	533.53
Total as at 31/3/2018	331.32	85.66	1,108.63	18.54	797.22	37.15	11.29	36.61	2,426.42

Particulars	Intangible Assets (other than internally generated)			
	Computer Software	Technical Know-how	Trademarks	Total
COST OF ASSETS				
Gross Block as at 1/4/2017	6.85	0.96	0.13	7.94
Additions	22.52	-	-	22.52
Deductions	-	-	-	-
Gross Block as at 31/3/2018	29.37	0.96	0.13	30.46
AMORTIZATION				
Total Amortisation as at 1/4/2017	4.57	0.86	0.08	5.51
Charge for the year	5.29	0.10	0.04	5.43
Deductions	(0.04)	-	-	(0.04)
Total Amortization as at 31/3/2018	9.82	0.96	0.12	10.90
NET BOOK VALUE				
As at 31/3/2018	19.55	-	0.01	19.56
Capital Work-in-progress	3.04	-	-	3.04

Notes:

(a) In respect of the Company's freehold land situated at Thane (transferred on Amalgamation of the erstwhile Lawkim Limited with the Company):

(i) Land admeasuring approximately one acre was the subject matter of dispute. The Company has filed an appeal in the Hon'ble High Court of Judicature at Bombay, against the Order dated 23rd December, 2004 passed by the Third Additional District Judge, Thane. The Company has also registered notice of lis pendens dated 17th May, 2005 with the Registrar of Sub-Assurance.

(ii) A part of the land was acquired by the Thane Municipal Corporation and the Company has an option for the Transferable Development Rights (TDR) as compensation for the said acquisition. Pending the receipt of such compensation by the Company in the form of TDR, no adjustment has been made in the books in this regard.

(b) Freehold Land includes (i) leasehold rights in perpetuity and (ii) transferable development rights (TDRs). Freehold Buildings include investments representing shares in ownership of flats.

2.B. INVESTMENT PROPERTY

	(Rupees in crore)
COST OF ASSETS	
Gross Block as at 1/4/2017	399.68
Additions	-
Deductions / Reclassification	(0.86)
Gross Block as at 31/3/2018	398.82
Additions	0.51
Deductions / Reclassification	-
Gross Block as at 31/3/2019	399.33
ACCUMULATED DEPRECIATION	
Total Depreciation upto 1/4/2017	19.11
Depreciation for the year	9.19
Depreciation on Deductions	(0.72)
Total Depreciation upto 31/3/2018	27.58
Depreciation for the year	9.21
Depreciation on Deductions	-
Total Depreciation upto 31/3/2019	36.79
NET BOOK VALUE	
Net Block as at 31/3/2019	362.54
Net Block as at 31/3/2018	371.24

(Rupees in crore)

	2018-19	2017-18
Rental Income derived from investment properties	226.92	249.37
Direct operating expenses (including repairs and maintenance) generating rental income	67.07	61.63
Profit arising from investment properties	159.85	187.74

As at 31st March, 2019 and 31st March, 2018, the fair values of the properties are Rs. 2,275.87 crore and Rs. 2,361 crore respectively. These valuations are based on discounted cash flow method.

Reconciliation of fair value:	(Rupees in crore)
Opening balance as at 1/4/2018	2,361.00
Fair value differences	(85.13)
Purchases	-
Closing balance as at 31/03/2019	2,275.87

The Company has applied the method of Discounted Cash Flow projections based on reliable estimates of future cash flows.

Description of valuation technique and key inputs to valuation on investment properties:

Valuation technique: Discounted Cash Flow

Significant unobservable inputs	Range (weighted average)
Rent growth p.a.	5%
Long term vacancy rate	10%
Discount rate	15%

(Rupees in crore)

3. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES
(at cost unless otherwise specified)

			As at 31-03-2019	As at 31-03-2018
GRAND SUMMARY				
TRADE INVESTMENTS				
(a)	Subsidiary companies			
	Equity Shares	31.83		31.83
	Preference Shares/Preferred Stock	28.85		22.59
			60.68	54.42
(b)	Associate companies			
	Equity Shares			
	Common Stock	36.84		36.84
	Contribution towards Capital of an LLP	3.38		3.03
			40.22	39.87
(c)	Joint Venture company			
	Equity Shares		0.75	0.75
			101.65	95.04

UNQUOTED INVESTMENTS AT COST

		As at 31-03-2019	As at 31-03-2018
(1)	Investments in Equity Shares in direct Subsidiary Companies		
(i)	5,050 Equity Shares of Rs.100 each in Godrej Infotech Limited	1.05	1.05
(ii)	48,723 Equity Shares of S$ 10 each in Godrej (Singapore) Pte. Limited	24.83	24.83
(iii)	98,170 Equity Shares of € 46 each in Veromatic International BV.	4.09	42.63
	Less: Impairment Loss	-	(38.54)
		4.09	4.09

The break-up value of shares in Veromatic International BV ('Veromatic') as per the Balance Sheet as at 31st December, 2017 is much lower than their book value (cost), signifying a substantial decline in the value of this investment, which has been determined by the management as one that is other than temporary. The Company has accordingly, accounted for the reduction in the value of this investment amounting to Rs. 38.54 crore to recognise this decline, as required by Ind AS-109, Financial Instruments. Veromatic is currently evaluating a transition of manufacturing in India.

		As at 31-03-2019	As at 31-03-2018
(iv)	3,00,000 Shares ("common stock with no par value") of Godrej Americas Inc. USA.	1.86	1.86
		31.83	31.83
(2)	Investments in Preference Shares of Subsidiary Companies		
(i)	6,70,121 Series A Preferred Stock shares of par value $0.001 each in Sheetak Inc., USA	6.71	6.71
(ii)	12,61,533 (as at 31-03-2018: 9,42,506) Series B Preferred Stock shares of par value $0.001 each in Sheetak Inc., USA	22.14	15.88
		28.85	22.59

	As at 31-03-2019	As at 31-03-2018
	(Rupees in crore)	
(3) Investments in Equity Shares of Joint Ventures		
(i) 7,50,000 Equity Shares of Rs. 10 each in Godrej Consoveyo Logistics Automation Limited (formerly, Godrej Efacec Automation & Robotics Limited)	0.75	0.75
(4) Investments in Equity Shares of Associates		
(i) Contribution towards 23.76% (as at 31-03-2018: 23.91%) of an Associate, Urban Electric Power Inc,USA [17,75,385 (as at 31-03-2018: 17,75,385) common units @ USD 3.25 per unit]	36.84	36.84
(5) Investments in Limited Liability Partnership Firms		
(i) Contribution towards 50% of the Fixed Capital of Godrej & Boyce Enterprises LLP*	-	-
(ii) 68% profit sharing in Godrej Property Developers LLP.	-	-
(iii) Contribution towards 20% of the Capital of Future Factory LLP (including share of profit of Rs. 0.35 crore booked during the year; previous year: Rs.0.36 crore)	3.38	3.03
(a) Total capital of the Firm: Rs. 10.31 crore		
(b) Names of other Partners and % share in Capital:		
Mr. Jashish Navin Kambli - 56%		
Mrs. Geetika Kambli - 24%		
**(Amount less than Rs.50,000)*	3.38	3.03
Total Unquoted Non-current Trade Investments	101.65	95.04
C. DISCLOSURE		
(a) Aggregate amount of Unquoted Investments	101.65	95.04
(b) Aggregate amount of Impairment in the value of Investments	81.56	81.56

Notes:
Non-current investments in Subsidiaries, Associates and Joint Ventures are stated at cost (unless otherwise stated) as per Ind AS 27; however, for any diminution, other than temporary in the value of investments, the book value is reduced to recognise the decline. In cases where these investments are carried at their book values, which are higher than their fair values, the diminution in the value of such investments is considered to be of a temporary nature, in view of the Company's long-term financial involvement in such investee companies.

4. OTHER INVESTMENTS

	As at 31-03-2019	As at 31-03-2018
(a) QUOTED		
(1) Investments in Equity Shares (Fully Paid up unless stated otherwise) (At Fair Value Through Other Comprehensive Income):		
(i) 7,50,11,445 (as at 31-03-2018: 5,00,07,630) Equity Shares of Re. 1 each in Godrej Consumer Products Limited (2,50,03,815 Bonus shares issued during the year)	5,154.43	5,469.08
(ii) 1,06,50,688 Equity Shares of Rs. 5 each in Godrej Properties Limited	867.34	773.13
(iii) 12,000 Equity Shares of Rs. 10 each in Central Bank of India	0.04	0.09
(iv) 52,590 Equity Shares of Rs. 2 each in Housing Development Finance Corporation Limited	10.35	9.60
(v) 68,65,666 Common Shares of par value USD 0.001 in Verseon Corporation USA	52.31	83.59

		As at 31-03-2019	As at 31-03-2018
(2) Investments in Preference Shares			
(i)	Nil (as at 31-03-2018: 2,01,54,008) 7% Redeemable Preference Shares of Rs. 68 each in 3DPLM Software Solutions Limited (redeemed during the year)	-	135.18
(3) Investments in Tax-Free Bonds			
(i)	1,236 National Highway Authority of India Bonds of Rs.1,000 each	0.13	0.14
	Total Quoted Non-current Non-Trade Other Investments	6,084.60	6,470.81
(b) UNQUOTED			
(1) Investments in Equity Shares (At Fair Value Through Other Comprehensive Income):			
(i)	50 Equity Shares of Rs. 50 each in Godrej & Boyce Employees' Co-operative Consumer Society Limited*	-	-
(ii)	1,000 Equity Shares of Rs. 10 each in Super Bazar Cooperative Stores Limited*	-	-
(iii)	1,000 Equity Shares of Rs. 10 each in Saraswat Co-operative Bank Limited	0.02	0.02
(iv)	4,000 Equity Shares of Rs. 25 each in The Zoroastrian Co-operative Bank Limited	0.11	0.10
(v)	2 Equity Shares of Rs. 10 each in Brihat Trading Private Limited*	-	-
(vi)	100 Equity Shares of Rs. 100 each in Gharda Chemicals Limited (Shares have not been registered in the Company's name)	0.10	0.10
(vii)	1,823 Equity Shares of Rs.10 each in Edayar Zinc Limited (erstwhile Binani Zinc Ltd)- At Book Value*	-	-
(viii)	15,000 Equity Shares of Rs. 1,000 each in Global Innovation and Technology Alliance (a limited company under the purview of Section 8 of the Companies Act. 2013)	1.48	3.41
(ix)	84,375 Equity Shares of Rs.10 each in Nimbua Greenfield (Punjab) Limited	1.12	1.07
(x)	Contribution towards 19.61% of the Capital of Proboscis Inc., USA (25,000 shares of par value USD 0.01)	-	-
(xi)	1,400 Shares of Rs. 10 each in Godrej One Premises Management Private Limited*	-	-
Total Unquoted Non-current Non-Trade Other Investments		2.83	4.70
Grand Total		6,087.43	6,475.51

**(Amount less than Rs.50,000)*

	As at 31-03-2019	As at 31-03-2018
C. DISCLOSURE		
(a) Aggregate amount of Quoted Investments and market value thereof	6,084.60	6,470.81
(b) Aggregate amount of Unquoted Investments	2.83	4.70
	6,087.43	6,475.51
(c) Aggregate amount of Impairment in the value of Investments	-	-

	(Rupees in crore) As at 31-03-2019	As at 31-03-2018
5. LOANS (Unsecured, Considered Good)		
(a) Deposits	58.04	69.99
Total	58.04	69.99
6. OTHER NON-CURRENT ASSETS		
(a) Capital Advances	18.42	16.67
(b) Prepaid Expenses	3.46	5.76
(c) Other Advances	31.97	34.50
Total	53.85	56.93
7. INVENTORIES (At lower of Cost and Net Realisable Value)		
(a) Raw Materials (includes raw materials in transit: Rs. 35.08 crore; as at 31-03-2018: Rs. 36.77 crore)	532.37	538.13
(b) Work-in-Process	123.93	210.44
(c) Finished Goods	716.50	631.09
(d) Stock in Trade (includes goods in transit: Rs. 68.66 crore; as at 31-03-2018: Rs. 61.37 crore)	533.65	543.35
(e) Spares and Components for after-sales service	94.43	101.16
(f) Consumable Stores and Spares	84.00	52.36
(g) Loose Tools	23.54	18.05
(h) Construction Work-in-Progress [includes goods in transit Rs. Nil (as at 31-03-2018: Rs. 13.99 crore)	270.53	239.84
Total	2,378.95	2,334.42
Break-up of Inventories		
(a) Raw Materials		
(i) Mild Steel	158.94	145.93
(ii) Others	373.43	392.20
	532.37	538.13
(b) Work-in-Process		
(i) Consumer Durables	46.61	94.81
(ii) Industrial Products	77.32	115.63
	123.93	210.44
(c) Finished Goods		
(i) Manufactured		
(1) Consumer Durables	647.60	591.63
(2) Industrial Products	68.90	39.46
	716.50	631.09
(ii) Traded		
(1) Consumer Durables	398.56	418.57
(2) Industrial Products	134.99	121.49
(3) Others	0.10	3.29
	533.65	543.35
Total	1,250.15	1,174.44

The cost of inventories recognised as an expense includes Rs. 112.81 crore (Rs. 82.27 crore as at 31st March, 2018) in respect of write-downs of inventory to net realisable value.

		As at 31-03-2019	As at 31-03-2018
8. TRADE RECEIVABLES			
Unsecured, Considered Good		2,248.21	2,352.95
Unsecured and considered doubtful	144.11		165.62
Less: Allowances for doubtful receivables	(144.11)		(165.62)
		-	-
Total		2,248.21	2,352.95
Note: For amounts due from related parties - Refer Note 47.			
9. CASH AND BANK BALANCES			
(A) Cash and Cash Equivalents			
(i) Balances with Banks on Current Accounts		41.60	50.61
(ii) Cheques on Hand		207.66	236.41
(iii) Cash on Hand		1.27	1.40
Total Cash and Cash Equivalents		250.53	288.42
(B) Bank Balance other than Cash and Cash Equivalents			
(i) Deposit Accounts (Earmarked for Statutory Fixed Deposit Repayment Reserve net of amounts utilised for repayment of public deposits)		104.90	98.50
(ii) Other earmarked Accounts		18.89	24.29
Total Bank Balance		123.79	122.79
Total		374.32	411.21
10. OTHER CURRENT FINANCIAL ASSETS (Unsecured, Considered Good)			
(a) Deposits		36.89	33.30
(b) Derivative Assets		5.57	0.39
(c) Convertible Promissory Notes subscribed - Urban Electric Power Inc. (Associate) (Refer Note 47)		13.21	-
(d) Unbilled Revenue		-	348.36
Total		55.67	382.05
11. OTHER CURRENT ASSETS (Unsecured, Considered Good)			
(a) Advances to Suppliers		110.28	207.08
(b) Balances with Customs, Central Excise, Port Trust and other Authorities		259.59	211.85
(c) Prepaid Expenses		13.77	11.21
(d) Unamortised Guarantee Commission		2.30	1.89
(e) Contract Assets	455.90		
Less: Expected Credit Loss	31.28		
Net Contract Assets		424.62	-
(f) Other Current Assets		147.78	82.11
Total		958.34	514.14

Note: There were no impairment losses recognised on any contract asset in the reporting period.

(Rupees in crore)

	As at 31-03-2019	As at 31-03-2018
12. EQUITY SHARE CAPITAL		
(a) Authorised:		
(i) 1,100,000 Equity Shares of Rs. 100 each	11.00	11.00
(ii) 900,000 Cumulative Redeemable Preference Shares of Rs. 100 each	9.00	9.00
	20.00	20.00
(b) Issued, Subscribed and Paid Up:		
678,445 Equity Shares of Rs. 100 each fully paid up	6.78	6.78

(c) Reconciliation of shares outstanding at the beginning and at the end of the year:

	As at 31-03-2019		As at 31-03-2018	
Fully paid Equity Shares	No. of Shares	Rs. in crore	No. of Shares	Rs. in crore
At the beginning of the year	6,78,445	6.78	6,78,448	6.78
Add: Issued during the year [see note (4) below]	-	-	1,77,429	1.77
Less: Cancelled during the year [see note (4) below]	-	-	1,77,432	1.77
At the end of the year	6,78,445	6.78	6,78,445	6.78

(1) The Company does not have any holding company.

(2) Details of Equity Shareholders holding more than 5% shares in the Company are given below:

	As at 31/03/2019		As at 31/03/2018	
	Number	% holding	Number	% holding
(i) Mr. A.B. Godrej individually and as a Trustee of ABG Family Trust	41,100	6.06%	41,100	6.06%
(ii) Mr. N.B. Godrej individually and as a Trustee of NBG Family Trust, BNG Family Trust, SNG Family Trust and HNG Family Trust	1,02,679	15.13%	1,02,679	15.13%
(iii) Ms. S.G. Crishna individually and as a Trustee of SGC Family Trust and FVC Family Trust	59,373	8.75%	59,373	8.75%
(iv) Ms. Nyrika Holkar individually and as a Trustee of NVC Family Trust	34,421	5.07%	34,421	5.07%
(v) Mr. J.N. Godrej individually and as a Trustee of JNG Family Trust, Raika Lineage Trust, The Raika Godrej Family Trust and Navroze Lineage Trust	93,770	13.82%	93,770	13.82%
(vi) Mr. R.K. Naoroji individually and as a Partner of M/s. RKN Enterprises	1,04,186	15.36%	1,04,186	15.36%
(vii) Trustees, Pirojsha Godrej Foundation - a public charitable trust	1,57,500	23.21%	1,57,500	23.21%

(3) Terms/rights attached to Equity Shares: The Company has only one class of Equity Shares having a par value of Rs.100 per share. Each holder of Equity Shares is entitled to one vote per share. Accordingly, all Equity Shares rank equally with regard to dividend and share in the Company's residual assets. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of Equity Shares held.

(4) The National Company Law Tribunal, Mumbai Bench had by its Order dated 23rd August, 2017, approved the Scheme of Amalgamation of Godrej Investments Pvt. Ltd. (GIPL) with the Company. Accordingly, GIPL stood dissolved without being wound up and the Board of Directors, at their Meeting held on 6th November, 2017 issued 1,77,429 Equity Shares to the Shareholders of GIPL in lieu of 1,77,432 Equity Shares of Rs.100 each held by GIPL in the Company.

(Rupees in crore)

13. OTHER EQUITY		As at 31-03-2019	As at 31-03-2018
(a)	Capital Reserve	52.75	52.75
(b)	Securities Premium	20.08	20.08
(c)	General Reserve	645.85	645.85
(d)	Debenture Redemption Reserve	75.00	66.67
(e)	Retained Earnings	2,792.49	2,880.50
(f)	Items of Other Comprehensive Income	5,613.52	5,719.66
	Total	9,199.69	9,385.51

(1) The Directors do not propose any Final Dividend for the year.

(2) Capital Reserve: During amalgamation, the excess of net assets taken, over the cost of consideration paid by the Company are treated as capital reserve. Further, it includes capital reserve on business combinations.

(3) Securities Premium: The amount received in excess of the face value of equity shares, is recognised as Securities Premium. The reserve can be utilised in accordance with the provisions of the Act.

(4) General Reserve: The Company transferred a portion of the net profits before declaring dividend, to general reserve, pursuant to the provisions of the Companies Act, 1956. Transfer to general reserve is not mandatory under the Act.

(5) Debenture Redemption Reserve: Reserve has been created out of profits of the Company available for payment of dividend at 25% of the value of debentures, apportioned over the tenure of the debentures pursuant to the provisions of the Act. The amounts credited to Debenture Redemption Reserve may not be utilised by the Company except to redeem debentures.

(6) Retained Earnings: Retained earnings are the profits earned till date, less transfers to / from general reserve, debenture redemption reserve and other comprehensive income and distribution of dividend and dividend distribution tax thereon.

(Rupees in crore)

	As at 31/03/2019		As at 31/03/2018	
14. NON-CURRENT BORROWINGS	Non-current portion	Current maturities	Non-current portion	Current maturities
(a) Secured Redeemable Non-Convertible Debentures (NCDs)				
(i) 8.90% (3 Years) 2019 Series I Debentures (alloted on 01/03/2016)	-	150.00	249.54	-
(ii) 9.00% (5 Years) 2021 Series II Debentures (alloted on 08/03/2016)	249.59	-	249.42	-
	249.59	150.00	498.96	-
(b) Secured Term Loans from Banks and Financial Institutions				
(i) Term Loan from The Zoroastrian Co-operative Bank Ltd.	-	-	-	2.55
	-	-	-	2.55
(c)Unsecured				
(i) Interest-free Loans under the Sales Tax Deferral Scheme of Maharashtra State Government	19.11	9.78	29.65	10.37
(ii) Fixed Deposits	529.84	163.21	265.58	416.18
	548.95	172.99	295.23	426.55
Total	798.54	322.99	794.19	429.10

(i) Privately-placed NCDs issued by the Company are secured by a first ranking charge by way of a registered mortgage on the specified immovable properties of the Company situated at Mumbai. These NCDs are redeemable at par on 22-04-2019 Rs. 250 crore (Series I) and 22-04-2021 Rs. 250 crore (Series II). Out of the Rs. 250 crore (Series I) NCDs, Rs 100 crore were prepaid on 28-03-2019 on communication from investor "ICICI Prudential Asset Management Company Limited". Interest on these NCDs is payable quarterly. As per the Companies (Share Capital and Debentures) Rules, 2014, para 18(7), the Company is required to create a Debenture Redemption Reserve of 25% of the value of debentures; it is also required to invest as earmarked 15% of the amount of its debentures maturing during the next financial year. The Company has created a debenture redemption reserve of Rs. 75 crore.

(ii) Term Loan from The Zoroastrian Co-operative Bank Ltd. was secured by way of hypothecation of specified machinery and equipment. It carried a floating interest rate of 10.50% p.a. (10.50% p.a. as at 31-03-2018), which was 2% p.a. below Bank's Minimum Lending Rate of 12.50% p.a., subject to a minimum of 9.00% p.a. and a maximum of 12.50% p.a., and was repayable in 4 quarterly installments (3 installments of Rs. 0.63 crore each and last installment of Rs. 0.66 crore was repaid on 25/03/2019).

(iii) Interest-free Loans under the Sales Tax Deferral Schemes of Maharashtra State Government is payable in annual instalments as may be prescribed in the Schemes, beginning from 21-04-2019 and continuing upto 21-04-2023.

(iv) Fixed Deposits from employees and public carry interest rates ranging from 7.85% p.a. to 9.75% p.a. payable monthly or half-yearly, and have a maturity period of 3 years from the respective dates of deposit.

(v) Current maturities of Long-term Borrowings are disclosed under the head "Other Current Financial Liabilities" (Note 21)

(Rupees in crore)

	As at 31-03-2019	As at 31-03-2018
15. OTHER NON-CURRENT FINANCIAL LIABILITIES		
(a) Dealers' Deposits	45.28	42.24
(b) Sundry Deposits and Advances	134.92	134.56
(c) Other Liabilities	2.52	9.45
Total	182.72	186.25

Sundry Deposits and Advances include:

(a) Rs. 24.80 crore (as at 31-3-2018: Rs. 24.80 crore) received towards hand-over of possession of land to a public utility, and

(b) Rs. 0.75 crore (as at 31-3-2018: Rs. 0.75 crore) received towards Compensation against Land acquired. These amounts have not been adjusted in the accounts in view of pending suit/proceedings.

(Rupees in crore)

	Current Provisions		Non-current Provisions	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
16. NON-CURRENT PROVISIONS				
(a) Provision for Free Service under Product Warranties	25.19	25.05	45.96	40.14
(b) Provision for Employee Benefits	8.55	6.53	38.58	39.28
(c) Provision for Onerous Contracts	3.50	7.17	-	-
Total	37.24	38.75	84.54	79.42

(i) Current provisions are disclosed under the head "Current Provisions" (Note 23)

	As at 31-03-2019	As at 31-03-2018
(ii) Movement of Provisions during the year:		
Provision for Free Service under Product Warranties during the year:		
Opening Balance	65.19	53.22
Add: Provision during the year	64.61	42.37
	129.80	95.59
Less: Utilisation during the year	58.65	30.40
Closing Balance	71.15	65.19

17. DEFERRED TAX ASSETS / LIABILITIES AND TAX EXPENSE

(A) INCOME TAXES

(a) Amounts recognised in Profit and Loss

(Rupees in crore)

Particulars	Current Year	Previous Year
Current income tax	105.00	149.53
Prior years' current tax adjustments	15.44	(4.62)
Deferred tax charged / (credit)	(1.82)	(20.06)
Prior years' deferred tax adjustments	8.00	-
Tax expense for the year	126.62	124.85

(b) Amounts recognised in other comprehensive income

(Rupees in crore)

Particulars	For the year ended 31/03/2019 Before tax	Tax (expense) benefit	Net of tax	For the year ended 31/03/2018 Before tax	Tax (expense) benefit	Net of tax
Remeasurements of defined benefit plans	4.66	(1.63)	3.03	(5.97)	2.07	(3.90)

(c) Reconciliation of effective tax rate

(Rupees in crore)

Particulars	Current Year	Previous Year
Profit before tax	355.88	356.86
Tax Rate	34.94%	34.61%
Tax using the Company's domestic tax rate	124.36	123.51
Tax effect of:		
Tax impact of income not subject to tax	(32.54)	(19.51)
Tax impact of expenses subject to tax	0.80	36.47
Impact of 80IC	(4.68)	(5.86)
Disallowance u/s 14A of expenses (not interest)	0.12	0.09
Tax impact of realised gain on sale of equity shares through OCI	15.23	-
Adjustment for current tax of prior period	15.44	(7.89)
Adjustment for deferred tax of prior period	8.00	-
Others	(0.11)	(1.96)
Tax Expense Recognised	**126.62**	**124.85**

17. (B) DEFERRED TAX ASSETS / LIABILITIES (NET)

MOVEMENT IN DEFERRED TAX BALANCES

(Rupees in crore)

Particulars	**Net balance 01/04/2018**	**Movement during the year: Recognised in the Statement of profit and loss**	**Recognised in OCI**	**Charge / (Credit) to Retained Earnings**	**As at 31/03/2019: Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax assets / (liabilities)							
Property, plant and equipment	(163.89)	(6.09)	-	-	(169.98)	-	(169.98)
Provision for Doubtful Debts / Advances	57.60	6.37	-	-	63.97	63.97	-
Expenditure accrued but disallowed and to be	-						
claimed in future on payment basis (43B items) :	-						
Leave Encashment Provision	16.01	0.46	-	-	16.47	16.47	-
Kolkatta Branch Entry Tax	9.21	3.93	-	-	13.14	13.14	-
Others	2.69	(2.85)	-	1.87	1.71	1.71	-
Remeasurement of Defined Benefit Liability	5.64	-	(1.63)	-	4.01	4.01	-
Fair valuation of investments	-	-	-	-	-	-	-
Tax Adjustments of prior years	-	8.00	-	-	8.00	8.00	
Adjustments pursuant to Ind AS 115	-	-	-	-	-	-	
	(72.74)	9.82	(1.63)	1.87	(62.68)	107.30	(169.98)
MAT Credit Entitlement *	110.18	(16.00)	-	-	61.18	61.18	-
Deferred Tax Assets / (Liabilities)	**37.44**	**(6.18)**	**(1.63)**	**1.87**	**(1.50)**	**168.48**	**(169.98)**

* MAT utilised during the year is Rs. 33 crore (previous year: Rs.Nil) and adjustment on account of prior years is Rs. 16 crore (previous year: Rs. Nil).

(Rupees in crore)

Particulars	Net balance 01/04/2017	Recognised in the Statement of profit and loss	Recognised in OCI	Charge / (Credit) to Retained Earnings	Net	Deferred tax asset	Deferred tax liability
	Movement during the year				As at 31/03/2018		
Deferred tax assets / (liabilities)							
Property, plant and equipment	(155.00)	(8.89)	-	-	(163.89)	-	(163.89)
Provision for Doubtful Debts / Advances	70.00	(12.40)	-	-	57.60	57.60	-
Expenditure accrued but disallowed & to be claimed in future on payment basis (43B items) :							
Leave Encashment Provision	15.00	1.01	-	-	16.01	16.01	-
Kolkatta Branch Entry Tax	7.00	2.21	-	-	9.21	9.21	-
Others	(0.13)	2.83	-	-	2.69	2.69	-
Remeasurement of Defined Benefit Liability	3.57	-	2.07	-	5.64	5.64	-
Fair valuation of investments	0.06	(0.06)	-	-	-	-	-
Adjustments pursuant to business combinations	(4.36)	4.36			-	-	-
	(63.86)	(10.94)	2.07	0.00	(72.74)	91.15	(163.89)
MAT Credit Entitlement	79.18	31.00	-	-	110.18	110.18	-
Deferred Tax Assets / (Liabilities)	**15.32**	**20.06**	**2.07**	**0.00**	**37.44**	**201.33**	**(163.89)**

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

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

As on 31-03-2019, the tax liability with respect to the dividends proposed is Rs. Nil (as at 31-03-2018 : Rs. Nil)

(Rupees in crore)

	As at 31-03-2019	As at 31-03-2018
18. OTHER NON-CURRENT LIABILITIES		
Revenue received in advance	15.05	15.84
Total	15.05	15.84

	As at 31-03-2019	As at 31-03-2018
19. CURRENT BORROWINGS		
(a) Secured		
(i) Working Capital Facilities from Banks (Net)	328.78	488.47
(ii) Export Credits from Export-Import Bank of India under a revolving credit limit	184.00	338.00
	512.78	826.47
(b) Unsecured		
(i) Deposits/Short-term Loans from Companies	0.25	0.25
(ii) Deposits from Shareholders	176.00	128.50
(iii) Negotiable Commercial Paper	600.00	-
(iv) Short-term Loans from Banks	120.00	225.01
(v) Acceptances	89.04	134.87
(vi) Other Borrowings	215.25	114.62
	1,200.54	603.25
Total	1,713.32	1,429.72

(i) Working Capital Facilities from Banks are secured by a first pari passu charge by way of hypothecation of inventories and book debts. They carry interest rates ranging from 8.45% p.a. to 12.80% p.a. and are generally renewable each year.

(ii) Export Credits from Export-Import Bank of India are secured by first equitable mortgage of specified immovable properties situated at Mumbai. They carry an interest rate ranging from 8.00% to 9.00% p.a (excluding interest subvention of 3%) and are payable/ renewable after 180/365 days.

(iii) Deposits/Short-term Loans from Companies carry an interest rate of 8.00% p.a. payable quarterly, and have a maturity period of 6 months from the respective dates of deposit.

(iv) Deposits from Shareholders have a maturity period of 3 months from the respective dates of deposit, and carry an interest rate of 8.25% to 8.50% p.a. payable at the month-end and at maturity.

(v) In respect of Negotiable Commercial Paper, the maximum balance outstanding during the year was Rs. 600 crore (Previous Year: Rs. 600 crore).

(vi) Short-term Loan from Banks carry an interest rate of 8.80% payable after 45 days.

(vii) Other Borrowings are Buyers Credit from Banks, due and payable in foreign currency, and carry interest rates ranging from 3.21% to 3.28% p.a.

	As at 31-03-2019	As at 31-03-2018
20. TRADE PAYABLES		
(a) Due to Micro and Small Enterprises (Refer note below)	100.86	12.18
(b) Other Trade Payables	1,421.73	1,517.94
(c) Due to Related Parties (Refer note i below)	16.69	6.77
Total	1,539.28	1,536.89

Notes:

(i) For amounts due to related parties - Refer Note 47.

		As at 31-03-2019	As at 31-03-2018
			(Rupees in crore)
	Disclosure Under the Micro, Small and Medium Enterprises Developments Act, 2006 are provided as under for the year 2018-2019, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.		
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due dates as per the MSMED Act)		
	Principal amount due to micro and small enterprise	100.86	12.18
	Interest due on above	-	-
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	0.70	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.70	-
(v)	Interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
21.	**OTHER CURRENT FINANCIAL LIABILITIES**		
	(a) Current maturities of long-term borrowings (Note 14)	322.99	429.10
	(b) Interest accrued but not due on borrowings	11.99	14.06
	(c) Employee benefits payable	237.72	222.60
	(d) Unclaimed Fixed Deposits (matured deposits not claimed on due dates)	10.30	7.70
	(e) Derivative Liability	8.62	0.55
	(f) Other payables	469.17	475.44
	Total	1,060.79	1,149.45
	(i) There is no amount due and outstanding to be credited to the Investor Education and Protection Fund, in respect of matured but unclaimed Fixed Deposits and any unclaimed interest.		
	(ii) Other Payables include accrued expenses and creditors for capital procurement.		
22.	**OTHER CURRENT LIABILITIES**		
	(a) Contract Liability (Advances from Customers and Deferred Revenue)	855.36	819.40
	(b) Statutory dues including provident fund and tax deducted at source	83.07	95.23
	Total	938.43	914.63
	The above amount of Deferred Revenue of Rs. 12.28 crore (previous year Rs. 15.54 crore) is the revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.		
23.	**CURRENT PROVISIONS**		
	(a) Provision for Free Service under Product Warranties	25.19	25.04
	(b) Provision for Employee Benefits	8.55	6.53
	(c) Provision for Loss on Onerous Contracts	3.50	7.17
	Total	37.24	38.74

24. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Performance Guarantees given by the Company's Bankers against counter-guarantees given by the Company: Rs. 1629.56 crore (as at 31-03-2018: Rs. 1,412.04 crore).

(b) Guarantees given by the Company's Bankers on behalf of subsidiary/associate companies against counter-guarantees given by the Company: Rs. 0.22 crore (as at 31-03-2018: Rs. 0.22 crore).

(c) Corporate Guarantees given to Bankers to secure credit facilities extended by them to a subsidiary and an associate company: Rs. 227.76 crore (as at 31-03-2018: Rs. 148.31 crore)

(d) Guarantees given by Export-Import Bank of India, against the security of first equitable mortgage of specified immovable properties situated at Vikhroli, Mumbai: Rs. 100.63 crore (as at 31-03-2018: Rs. 213.16 crore).

(e) Excise Duty/Service Tax/Sales Tax/Property Tax demands/Non-Agricultural Tax/Income tax in dispute and pending at various stages of appeal: Rs. 120.49 crore (as at 31-3-2018: Rs. 93.40 crore).

(f) The State of Maharashtra has filed a suit against the Company, being Suit No. 679 of 1973, in the High Court of Judicature at Bombay, claiming ownership of part of the Company's lands at Vikhroli, Mumbai. In the said Suit, which is still pending, various claims have been raised, which are undetermined and not acknowledged as debts due by the Company. According to the Company's legal advisers, the Company has a complete defence against the plaintiff in the said Suit, and the said Suit is not sustainable.

(g) Claims against the Company under the Industrial Disputes Act, 1947 - amount indeterminate.

(h) Other Contingent Liabilities: Rs. 0.58 crore (as at 31-3-2018: Rs. 0.58 crore)

(i) Disputed Provident Fund liability for the period March 1996 to September 1997 arising on account of disapproval of infancy benefit: Rs. 0.54 crore (as at 31-3-2018: Rs. 0.50 crore). The Supreme Court of India has allowed the Company's appeal and set aside the judgment of the High Court of Punjab & Haryana; the matter has been remanded to the Regional Provident Fund Commissioner for a fresh decision: Regional Provident Fund Commissioner, again passed an order, raising a demand. An appeal was preferred against the above order with the EPF Appellate Tribunal, New Delhi. As the EPF Appellate Tribunal has been dissolved by the Government of India, the case has been transferred to the Central Government Industrial Tribunal at Chandigarh where it is under adjudication.

(j) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 129.11 crore (as at 31-03-2018: Rs. 135.22 crore).

Note: Future cash outflows in respect of items (f) and (g) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(Rupees in crore)

		Current Year	Previous Year
25 A. REVENUE FROM OPERATIONS			
(a) Sale of Products		8,878.29	8,187.52
(b) Sale of Services		1,988.76	1,426.63
Net Sales (Products and Services)		10,867.05	9,614.15
(c) Other Operating Revenue:			
(i) Scrap Sales	99.96		106.20
(ii) Leave and License Dues and Rent	30.28		27.26
(iii) Export Incentives	24.42		16.09
(iv) Sundry Receipts	29.84		33.06
		184.50	182.61
Revenue from Operations		11,051.55	9,796.76

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 115 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended 31st March, 2019 are not strictly relatable to previous year.
The following additional information is being provided to faciliate such understanding:

	Current Year	Previous Year
Revenue from Operations (A)	11,051.55	9,796.76
Excise Duty on Sale (B)	-	152.86
Revenue from Operations excluding excise duty on sale (A-B)	11,051.55	9,643.90

(Rupees in crore)

	Current Year	Previous Year
25 A. Disaggregation of Revenue		
(a) Consumer Durables		
At a point in time	6,811.16	6,329.99
Over time	216.76	155.94
Total	7,027.92	6485.93
(b) Industrial Products		
At a point in time	1,534.37	1,327.05
Over time	1,789.31	1,570.97
Total	3,323.68	2,898.02
(c) Others		
At a point in time	515.45	542.58
Over time	-	-
Total	515.45	542.58

	Current Year	Previous Year
26. OTHER INCOME		
(a) Interest Income (on financial assets carried at amortised cost)	20.90	16.79
(b) Dividends from Subsidiary Companies	0.24	0.23
(c) Other Dividends	92.52	56.37
(d) Profit on Sale of Current Investments (Net)	1.63	10.84
(e) Share of Profit in a firm (LLP)	0.35	0.36
(f) Profit on Sale/Disposal of Fixed Assets (Net)	-	6.53
(g) Net foreign exchange gains	-	16.28
Total	115.64	107.40
27. COST OF MATERIALS CONSUMED		
Stocks of Raw Materials at the beginning of the year	538.13	394.94
Add: Raw Materials purchased during the year	2,701.69	2,884.68
Less: Sale of Raw Materials	178.81	91.43
	3,061.01	3,188.19
Less: Stocks of Raw Materials at the close of the year	532.37	538.13
Total	2,528.64	2,650.06
28. PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)		
(a) Consumer Durables	2,793.35	2,141.75
(b) Industrial Products	603.00	373.92
(c) Others	86.41	70.20
Total	3,482.76	2,585.87
29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
(a) Stocks at the beginning of the year:		
(i) Finished Goods	1,275.60	1,039.36
(ii) Work-in-Process	210.44	386.86
	1,486.04	1,426.22
(b) Less: Stocks at the end of the year:		
(i) Finished Goods	1,344.58	1,275.60
(ii) Work-in-Process	123.93	210.44
	1,468.51	1,486.04
	17.53	(59.82)
Net change in Excise Duty on Finished Goods	-	(3.95)
Total	17.53	(63.77)

(Rupees in crore)

	Current Year	Previous Year
30. PROPERTY DEVELOPMENT AND CONSTRUCTION EXPENSES (COMMERCIAL PROJECTS)		
(a) Construction Work-in-Progress at the beginning of the year	239.84	277.78
(b) Add: Project Expenses incurred during the year:		
(i) Development and Construction Expenses	988.71	690.31
(ii) Employee Remuneration and Benefits	53.27	44.96
(iii) Professional Charges	-	3.47
(iv) Others	29.09	77.39
	1,071.07	816.13
(c) Less: Construction Work-in-Progress at the end of the year	270.53	239.84
Total	1,040.38	854.07
31. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries, Wages and Bonus	1,084.01	1,012.10
(b) Company's contribution to Employees' Provident and other Funds	46.12	42.53
(c) Company's contribution to Employees' Gratuity Trust Fund	14.27	12.70
(d) Workmen and Staff Welfare Expenses	26.08	29.67
(e) Voluntary Retirement Compensation	0.23	0.17
Total	1,170.71	1,097.17
32. FINANCE COSTS		
(a) Interest on Term Loans and Debentures	48.32	46.66
(b) Interest on Fixed Deposits and other Unsecured Loans	57.67	66.66
(c) Other Interest costs	113.54	86.48
	219.53	199.80
(d) Less: Adjustments for Interest Capitalised	55.29	32.66
	164.24	167.14
(e) Finance Charges	12.16	5.87
(f) Net (gain)/loss on foreign currency transactions/translations (attributable to finance costs)	(8.40)	7.41
Total	168.00	180.42
33. OTHER EXPENSES		
(a) Stores, Spare Parts and Other Materials consumed	179.95	129.08
(b) Power and Fuel	148.51	138.44
(c) Rates and Taxes	34.28	46.52
(d) Insurance	14.84	14.52
(e) Repairs and Maintenance of Buildings	44.61	29.17
(f) Repairs and Maintenance of Machinery	10.47	11.21
(g) Technical Fees	10.62	4.06
(h) Royalty	2.45	1.46
(i) Rent [Note 49(a)]	134.76	110.98
(j) Establishment and Other Expenses [Notes 49(a)]	541.73	412.02
(k) Donations and Contributions	1.40	0.92
(l) Motor Car and Lorry Expenses [Note 49(a)]	14.87	15.98
(m) Freight, Transport and Delivery Charges	507.23	449.40
(n) Advertisement and Publicity	294.28	245.27
(o) Commission	48.79	34.77
(p) Professional Fees	145.04	118.24
(q) CSR Expenditure [Note 38]	5.59	4.62
(r) Bad Debts/Advances written off	12.12	61.95
(s) Allowances for doubtful debts, advances and contract assets	14.43	26.37
(t) Provision for Free Service under Product Warranties	5.02	11.52
(u) Loss on account of Finished Goods damaged/destroyed by fire (Net)	3.86	-

	Current Year	(Rupees in crore) Previous Year
(v) Loss on Sale/Disposal of Fixed Assets (Net)	0.57	-
(w) Net foreign exchange loss	15.50	-
Total	2,190.92	1,866.50

Note: Research and Development expenses for the year amounting to Rs. 70.41 crore (previous year: Rs. 53.72 crore), have been charged to the Statement of Profit and Loss under the various heads of account

34. EXCEPTIONAL ITEMS

	Current Year	Previous Year
(a) Profit on Sale of TDR	-	2.66
(b) Diminution in the Value of investments in Subsidiaries	-	(38.54)
Total	-	(35.88)

35. DISCLOSURE IN RESPECT OF PROPERTY DEVELOPMENT PROJECTS AND CONSTRUCTION CONTRACTS

	Current Year	Previous Year
(a) Contract revenue recognised and shown under Sales for the year	1,146.25	931.56
(b) For all contracts in progress at the year-end:		
(i) Aggregate amount of costs incurred and profits recognised (less recognised losses) upto the balance sheet date	1,798.46	1,969.58
(ii) Advances received from customers as at the balance sheet date	441.37	214.53
(iii) Work-in-Progress at the end of the year	270.53	239.84
(iv) Excess of revenue recognised over actual bills raised	455.90	346.52
(v) Gross amount due from customers as at the balance sheet date	451.61	376.34

(c) The Company follows the Percentage of Completion Method to determine the project revenue to be recognised for the year.

(d) The Company follows the Project Costs Incurred Method to determine the stage of completion of each project.

36. COMMON EXPENSES SHARED BY A SUBSIDIARY COMPANY

	Current Year	Previous Year
Amounts recovered from a subsidiary company, Godrej Infotech Limited, towards its share of various common expenses incurred by the Company.	3.31	3.00

37. AUDITORS' REMUNERATION AND COST AUDIT FEES

	Current Year	Previous Year
Establishment & Other Expenses [Note 33 (j)] include:		
(a) Remuneration of Auditors (net of Service Tax / Goods and Service Tax):		
(i) For Statutory Audit	1.60	1.40
(ii) For Certification	0.13	0.07
(iii) Reimbursement of Expenses	0.05	-
(b) Cost Audit Fees (including Reimbursement of Expenses) (net of Service Tax)	0.40	0.40

	Current Year	Previous Year
38. EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES	5.59	4.62

As per Section 135 of the Companies Act 2013 (the Act), the Company was required to spend Rs. 5.53 crore, being 2% of the average net profits for the three immediately preceding financial years (calculated in accordance with the provisions of Section 198 of the Act), in pursuance of its Corporate Social Responsibility Policy. The Company has, however, spent a sum of Rs. 5.59 crore [refer note 33(q)] during the year on the following corporate social responsibility activities: promoting education through employment enhancing vocational skills to rural and urban youth; promoting healthcare and community awareness campaigns about healthcare and sanitation in rural areas; and environmental sustainability projects for maintaining quality of soil, air and water.

Amount spent during the year on:	Already Paid	Yet to be Paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	5.59	-	5.59
	5.59	-	5.59

(Rupees in crore)

		Current Year	Previous Year
39.	**EXCHANGE DIFFERENCES ON FOREIGN CURRENCY TRANSACTIONS**		
(a)	Net exchange (gain)/loss arising on foreign currency transactions / translations dealt with in the Statement of Profit and Loss under the related heads of expenses/income	4.04	(17.65)
(b)	Net exchange (gain) / loss on mark to market of outstanding foreign exchange contracts at the year end.	3.97	2.17

		Current Year	Previous Year
40.	**EARNINGS PER SHARE**		
	(a) Profit after Taxes for the Year attributable to Equity Shareholders	229.26	232.01
	(b) Number of Equity Shares of Rs.100 each issued and outstanding:		
	(i) At the end of the year	6,78,445	6,78,445
	(ii) Weighted average number of Shares outstanding during the year	6,78,445	6,78,445
	(c) Basic and Diluted Earnings per Share (a/b) (Statement of Profit and Loss, item XI)	Rs. 3,379	Rs. 3,420

		Current Year	Previous Year
41.	**CONTRACT COSTS**		
	(a) Change in Contract Assets		
	Opening Balance of Contract Assets (net of expected credit loss)	348.36	
	Less: Adjustment on account of Ind AS 115 transition	35.71	
	Revenues recognised during the year	1,146.25	
	Less: Progress Billing during the year	1,003.00	
	Closing Balance of Contract Assets	455.90	
	(b) The aggregate value of unexecuted Order Book. (Out of this the Company expects to recognise revenue of around 51% within next one year and the remaining thereafter).	2,982.74	2,893.99
	(c) Cost to Obtain the Contract:		
	I. Amount of amortisation recognised in the Statement of Profit and Loss during the year	2.95	-
	II. Amount recognised as an asset	4.20	

The Company has not adjusted the promised amount of consideration for the efforts of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be less than one year.

The Company has recognised the incremental costs of obtaining a contract as an expense in the Statement of Profit and Loss when incurred, if the amortisation period of the asset that the Company otherwise would have recognised is one year or less.

	Current Year	Previous Year
(d) Reconciliation of revenue recognised in the Statement of Profit and Loss with contracted price		
Revenue from contracts with customers (as per Statement of Profit and Loss)	1,146.25	
Add: Discounts, Rebates, Refunds, Credits, Price Concessions	-	
Less: Incentives, performance bonuses	-	
Contracted price with customers	1,146.25	

(e) Applying the practical expedient given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures as the revenue recognised corresponds directly with the value to the customer of the Company's performance obligation till date.

42. DETAILS OF EMPLOYEE BENEFITS:

	Current Year	Previous Year
		(Rupees in crore)
(a) DEFINED BENEFIT PLAN - PROVIDENT FUND:		
Amount contributed by the Company to the Employees' Provident and other Funds recognized as an expense and included under Employee Benefits Expense	46.12	42.53
The details of the plan assets position as at 31st March, 2019 is given below:		
	As at 31-03-2019	As at 31-03-2018
Present value of benefit obligation at year end	987.98	901.26
Plan assets at year end, at fair value, restricted to	987.98	901.26
Asset recognised in balance sheet	-	
Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):		
Discounting Rate	7.69%	7.83%
Expected Guaranteed interest rate. Rate mandated by Employee Provident Fund Organisation (EPFO) and the same is used for valuation purposes.	8.65%	8.55%
(b) DEFINED BENEFIT PLAN – GRATUITY:		
(i) Change in Present Value of Obligation :		
Liability at the beginning of the year	179.89	171.89
Interest cost	14.09	12.26
Current service cost	12.88	11.45
Benefit paid	(12.97)	(22.66)
Actuarial (gain)/loss on obligations due to:		
Financial Assumptions	(4.97)	5.37
Experience Adjustments	2.41	1.58
Demographic Assumptions	(1.72)	-
Liability at the end of the year	189.61	179.89
(ii) Change in Plan Assets:		
Fair value of plan assets at the beginning of the year	161.10	153.93
Assets transferred in	0.11	0.35
Expected return on plan assets	12.59	11.06
Contributions by Employer	19.09	17.44
Benefit paid	(12.97)	(22.66)
Actuarial gain/(loss) on plan assets	0.38	0.98
Fair value of plan assets at the end of the year	179.92	161.10
Total actuarial gain/(loss) to be recognised	4.66	(5.97)
(iii) Amounts recognised in the Balance Sheet:		
Liability at the end of the year	189.61	179.89
Fair value of plan assets at the end of the year	179.92	161.10
Difference	(9.69)	(18.79)
Amount recognised in the Balance Sheet	(9.69)	(18.79)

(Rupees in crore)

	Current Year	Previous Year
(iv) Amounts recognised in the Statement of Profit and Loss:		
Current service cost	12.88	11.45
Interest cost	14.09	12.26
Interest Income	(12.59)	(11.06)
Total Expense recognised in the Statement of Profit and Loss	14.38	12.65
(v) Amounts recognised in the Other Comprehensive Income (OCI):		
Acturial Gains/(Losses) on Obligation for the year	(4.28)	6.95
Return on plan assets, excluding interest income	(0.38)	(0.98)
Net (Income)/Expense for the year recognised in OCI	(4.66)	5.97
(vi) Actuarial Assumptions:		
Discount rate	7.69%	7.83%
Rate of return on plan assets	7.69%	7.83%
Salary escalation	7.50%	8.00%
(vii) Estimated Contribution to be made in next financial year	21.80	23.64

(c) GENERAL DESCRIPTION OF DEFINED BENEFIT PLAN – GRATUITY:

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972, or as per the Company's Scheme, whichever is more beneficial.

(d) MAJOR CATEGORY OF PLAN ASSETS RELATING TO GRATUITY:

(as a percentage of total plan assets:)

	Current Year	Previous Year
Government Securities	41.54%	40.92%
Special Deposit Scheme	14.87%	16.66%
Corporate Bonds	37.37%	36.79%
Equity	3.18%	2.72%
Others	3.04%	2.91%
Total	100.00%	100.00%

(e) DEFINED BENEFIT OBLIGATIONS

Year ending 31-March	(Rupees in crore)
2020	33.12
2021	12.53
2022	16.93
2023	15.69
2024	15.00
Thereafter	74.11

(f) SENSITIVITY ANALYSIS

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

(Rupees in crore)

	Current Year		Previous Year	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(12.56)	14.53	(13.77)	16.16
Future Salary Growth (1% movement)	14.41	(12.69)	15.97	(13.87)

(Rupees in crore)

	Current Year	Previous Year
(g) OTHER LONG-TERM BENEFITS:		
The defined benefit obligations in respect of Leave Encashment Benefit to employees, which are provided for but not funded	47.13	45.81

Gratuity is a defined benefit plan and the Company is exposed to the following risks:

Interest rate risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(I). A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include 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.

(Rupees in crore)

	Carrying Value				Fair value			
As at 31/03/2019	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non-current								
Investments in Subsidiaries, Associates and Joint Venture	-	-	101.65	101.65	-	-	-	-
Investments:								
Quoted Equity Shares	-	6,084.60	-	6,084.60	6,084.60	-	-	6,084.60
Unquoted Equity Shares	-	2.83	-	2.83	-	-	2.83	2.83
Loans								
Deposits	-	-	58.04	58.04	-	-	-	-
Other Loans	-	-	-	-	-	-	-	-
Current								
Current Investments (Mutual Funds)	-	-	-	-	-	-	-	-
Trade Receivables	-	-	2,248.21	2,248.21	-	-	-	-
Cash and cash equivalents	-	-	250.53	250.53	-	-	-	-
Other Balances with Banks	-	-	123.79	123.79	-	-	-	-
Other Financial asset	-	-	50.10	50.10	-	-	-	-
Derivative asset	5.57	-	-	5.57	-	5.57	-	5.57
	5.57	6,087.43	2,832.32	8,925.32	6,084.60	5.57	2.83	6,093.00
Financial liabilities								
Non-current								
Borrowings								
Secured Redeemable Non-Convertible Debentures (NCDs)	-	-	249.59	249.59	-	-	-	-
Unsecured Borrowings		-	548.95	548.95	-	-	-	-
Other financial liabilities	-	-	182.72	182.72	-	-	-	-
Current								
Borrowings	-	-	1,713.32	1,713.32	-	-	-	-
Trade and other payables	-	-	1,539.28	1,539.28	-	-	-	-
Other financial liabilities:								
Current maturities of long-term borrowings	-	-	322.99	322.99	-	-	-	-
Derivative Liability	8.62	-	-	8.62	-	8.62	-	8.62
Others	-	-	729.18	729.18	-	-	-	-
	8.62	-	5,286.03	5,294.65	-	8.62	-	8.62

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(Rupees in crore)

As at 31/03/2018	Carrying value: FVTPL	Carrying value: FVTOCI	Carrying value: Amortised Cost	Carrying value: Total Carrying Value	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
Financial assets								
Non-current								
Investments in Subsidiaries, Associates and Joint Venture	-	-	95.04	95.04	-	-	-	-
Investments								
Quoted Equity Shares	-	6,470.81	-	6,470.81	6,470.81	-	-	6,470.81
Unquoted Equity Shares	-	4.70	-	4.70	-	-	4.70	4.70
Loans								
Deposits	-	-	69.99	69.99	-	-	-	-
Other Loans	-	-	-	-	-	-	-	-
Current								
Current Investments (Mutual Funds)	-	-	-	-	-	-	-	-
Trade Receivables	-	-	2,352.95	2,352.95	-	-	-	-
Cash and Cash Equivalents	-	-	288.42	288.42	-	-	-	-
Other Balances with Banks	-	-	122.79	122.79	-	-	-	-
Other Financial Assets	-	-	381.66	381.66	-	-	-	-
Derivative asset	0.39	-	-	0.39	-	0.39	-	0.39
	0.39	6,475.51	3,310.85	9,786.75	6,470.81	0.39	4.70	6,475.90
Financial liabilities								
Non-current								
Borrowings								
Secured Redeemable Non-Convertible Debentures (NCDs)	-	-	498.96	498.96	-	-	-	-
Secured Term Loans from Banks and Financial Institutions	-	-	-	-	-	-	-	-
Unsecured Borrowings	-	-	295.23	295.23	-	-	-	-
Other Financial Liabilities	-	-	186.25	186.25	-	-	-	-
Current								
Borrowings	-	-	1,429.72	1,429.72	-	-	-	-
Trade payables	-	-	1,536.89	1,536.89	-	-	-	-
Other Financial Liabilities:								
Current maturities of long-term borrowings	-	-	429.10	429.10	-	-	-	-
Derivative Liability	0.55	-	-	0.55	-	0.55	-	0.55
Others	-	-	719.80	719.80	-	-	-	-
	0.55	-	5,095.95	5,096.50	-	0.55	-	0.55

B. Measurement of fair values

Valuation techniques and significant observable/unobservable inputs:
The following tables show the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique
Non-Current Investments - quoted	The use of quoted market prices
Non-Current Investments - unquoted	Net book value based on the last available financial statements
Forward contracts	The fair value is determined using forward exchange rates at the reporting dates.

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

FVTPL - Fair Value Through Profit and Loss
FVTOCI - Fair Value Through Other Comprehensive Income

(1) The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently valued them using the cost approach to arrive at their fair value and include in Level 3. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

(2) Carrying amounts of cash and cash equivalents, trade receivables, unbilled revenues, loans and trade and other payables as at 31-03-2019, and 31-03-2018 approximate the fair values because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

(3) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables amounting to Rs. 1,012.19 crore as at 31-03-2019 and Rs. 571.07crore as at 31-03-2018, respectively, are not included.

(4) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals amounting to Rs. 953.48 crore as at 31-03-2019 and Rs. 930.47 crore as at 31-03-2018, respectively, are not included.

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

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

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.

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Paticulars	(Rupees in crore)
Opening Balance (01-04-2018)	4.70
Net change in fair value (unrealised)	(1.87)
Purchases	-
Closing Balance (31-03-2019)	2.83

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(II). Liquidity risk

Liquidity risk is the risk that the Company will encounter, 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 manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

(Rupees in crore)

		Contractual cash flows					
As at 31/03/2019	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Non-Current							
Debentures	249.59	249.59	-	-	249.59	-	-
Interest-free Loans under the Sales Tax Deferral Scheme of Maharashtra State Government	19.11	19.11	-	-	15.41	3.70	-
Fixed Deposits	529.84	529.84	-	-	529.84	-	-
Other Non-current Financial Liabilities	182.72	182.72	-	-	182.72	-	-
Current							
Secured Borrowings	512.78	512.78	427.78	85.00	-	-	-
Unsecured Borrowings	991.50	991.50	962.78	28.72	-	-	-
Short term loans from banks	120.00	120.00	120.00	-	-	-	-
Trade Payables	1,539.28	1,539.28	1,539.28	-	-	-	-
Other Current Financial Liabilities	1,052.17	1,052.17	1,038.18	13.99	-	-	-
Derivative Liability	8.62	8.62	8.62				
Acceptances	89.04	89.04	89.04	-	-	-	-

		Contractual cash flows					
As at 31/03/2018	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Non-Current							
Debentures	498.96	498.96	-	-	249.54	249.42	-
Interest-free Loans under the Sales Tax Deferral Scheme of Maharashtra State Government	29.65	29.65	-		9.79	19.86	
Fixed Deposits	265.58	265.58	-	-	265.58	-	-
Other Non-current Financial Liabilities	186.25	186.25	-	-	186.25	-	-
Current							
Secured Borrowings	826.47	826.47	746.47	80.00	-	-	-
Unsecured Borrowings	243.37	243.37	243.37	-	-	-	-
Short term loans from banks	225.01	225.01	225.01	-	-	-	-
Trade Payables	1,536.89	1,536.89	1,536.89	-	-	-	-
Other Current Financial Liabilities	1,148.90	1,148.90	1,148.90	-	-	-	-
Derivative Liability	0.55	0.55	0.55	-	-	-	-
Acceptances	134.87	134.87	134.87	-	-	-	-

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(III). Market risk

The Company is exposed to market risks such as price, interest rate fluctuation and foreign currency rate fluctuation risks, capital structure and leverage risks.

A. Currency risk

The Company is exposed to currency risk on account of its borrowings and other payables/receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March, 2019 and 31st March, 2018 are as below:

	Currency	Amount in Foreign Currency		Equivalent amount (Rupees in crore)	
		As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
Financial assets					
Trade and other receivables	USD	1,88,16,193	2,58,21,984	130.13	168.29
	EURO	4,73,924	6,13,329	3.68	4.96
	GBP	3,51,512	2,73,363	3.18	2.52
	OTHERS	13,86,804	14,81,199	6.85	8.18
				143.84	183.95
Hedged Exposures	USD	27,41,364	46,72,818	(18.96)	(30.46)
				124.88	153.49
Financial liabilities					
Trade and other payables (includes foreign currency borrowings)	USD	4,66,07,025	8,11,14,269	322.33	528.66
	EURO	52,80,584	73,56,128	41.01	59.44
	GBP	1,32,828	7,22,332	1.20	6.67
	OTHERS	68,64,234	7,66,75,566	2.55	8.26
				367.09	603.03
Hedged Exposures	USD	3,40,88,637	3,96,68,871	(235.76)	(258.54)
	EURO	-	5,15,753	-	(4.17)
				131.33	340.32

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

	Year-end spot rate	
(Rupees)	31-03-2019	31-03-2018
USD 1	69.16	65.18
EUR1	77.67	80.81
GBP1	90.53	92.28

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars 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.

	As at 31/03/2019 Profit or (loss)		**As at 31/03/2018 Profit or (loss)**	
Effect in Rs. Crore	Strengthening	Weakening	Strengthening	Weakening
USD - 3% movement	(0.74)	0.74	3.97	(3.97)
EUR - 3% movement	1.12	(1.12)	1.51	(1.51)
GBP - 3% movement	(0.06)	0.06	0.12	(0.12)

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

B. Interest rate risk

The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. It is the Company's policy to obtain the most favourable interest rate available, and to retain flexibility of fund-raising options in future between fixed and floating rates of interest, across maturity profiles and currencies.

Company's interest rate risk arises from borrowings. Borrowings issued at floating rates exposes to fair value 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:

Rupees in Crore

Nominal amount	As at 31/03/2019	As at 31/03/2018
Fixed-rate instruments		
Financial liabilities: Long-term	798.54	794.19
Financial liabilities: Short-term	1,713.32	1,427.17
	2,511.86	2,221.36
Variable-rate instruments		
Financial liabilities: Long-term	-	-
Financial liabilities: Short-term	-	2.55
	-	2.55
Total	2,511.86	2,223.91

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) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
(Rupees in crores)	**100 bp increase**	**100 bp decrease**
As at 31/03/2018		
Variable-rate instruments	(0.03)	0.03
Cash flow sensitivity (net)	(0.03)	0.03

Fair value sensitivity analysis for fixed-rate instruments

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

43. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

C. 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 investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the businesses periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable.

The Company establishes an allowance for doubtful receivables that represents its estimate of expected losses in respect of trade and other receivables.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as at 31st March, 2019 and 31st March, 2018.

Impairment

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

(Rupees in crore)

	As at 31/03/2019	As at 31/03/2018
Neither past due nor impaired	1,645.93	1,385.88
More than 6 months and less than 1 year	110.28	229.75
More than 1 year and less than 3 years	232.11	448.45
More than 3 years	259.89	288.87
	2,248.21	2,352.95

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, on a case to case basis, with reference to the customer's credit quality and prevailing market conditions. Based on past experience, the Company does not expect any material loss on these receivables and hence no allowance is deemed necessary on account of Expected Credit Loss (ECL).

The movement in the allowance for doubtful receivables and contract assets during the year was as follows:

(Rupees in crore)

	Collective impairments
Balance as at 31/03/2018	165.62
Allowance for doubtful receivables recognised during the year ended 31st March, 2019.	9.77
Balance as at 31/03/2019	175.39
Bad debts written off during the year ended 31st March, 2019.	12.12
Allowance for doubtful advances recognised during the year ended 31st March, 2019.	4.66

Loans and advances are monitored by the Company on a regular basis and these are neither past due nor impaired.

Cash and cash equivalents

The Company maintains its cash and cash equivalents with credit worthy banks and financial institustions and reviews it on ongoing basis. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

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 Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. The Company's adjusted net debt to equity ratio for two years is given below:

(Rupees in crore)

	As at 31/03/2019	As at 31/03/2018
Non-Current Borrowings	798.54	794.19
Current Borrowings	1,713.32	1,429.72
Current Maturity of long-term borrowings	322.99	429.10
Gross Debt	**2,834.85**	**2,653.01**
Less : Cash and cash equivalent	250.53	288.42
Less : Other balances with banks	123.79	122.79
Adjusted net debt	2,460.53	2,241.80
Total equity	9,206.47	9,392.29
Adjusted net debt to equity ratio	0.27	0.24

45. ADDITIONAL INFORMATION ABOUT BUSINESS SEGMENTS

(Rupees in crore)

	Current Year					Previous Year				
	Consumer Durables	Industrial Products	Others	Corporate/ Unallocated	Total Company	Consumer Durables	Industrial Products	Others	Corporate/ Unallocated	Total Company
REVENUE										
Domestic Sales	6,781.33	2,810.61	508.25	-	10,100.19	6,161.87	2,257.80	537.75	-	8,957.42
Export Sales	246.59	513.07	7.20	-	766.86	177.24	479.30	0.19	-	656.73
SALE OF PRODUCTS AND SERVICES (Gross)	7,027.92	3,323.68	515.45	-	10,867.05	6,339.11	2,737.10	537.94	-	9,614.15
Inter-Segment Transfers	11.76	111.52	3.24	-	126.52	58.17	69.38	2.22	-	129.77
Other Operating Revenue	87.99	94.11	2.40	-	184.50	88.65	91.54	2.42	-	182.61
SEGMENT REVENUE	7,127.67	3,529.31	521.09	-	11,178.07	6,485.93	2,898.02	542.58	-	9,926.53
Less: Inter-Segment Revenue					(126.52)					(129.77)
TOTAL REVENUE					11,051.55					9,796.76
RESULTS FROM OPERATIONS										
Profit before Corporate / Common Expenses, Interest, Depreciation and Amortization	660.20	238.90	264.19	-	1,163.29	674.56	195.57	221.25	-	1,091.38
Less: Non Cash Expenses:										
Depreciation	115.36	69.55	30.70	-	215.61	104.87	66.28	30.28	-	201.43
SEGMENT RESULTS (Profit before Corporate / Common Expenses and Interest)	544.84	169.35	233.49	-	947.68	569.69	129.29	190.97	-	889.95
Add: Income from Dividends					92.76					56.60
Total Profit/(Loss) on Sale of Fixed Assets (Net)					(0.57)					9.19
Total Profit on Sale of Investments (Net)					1.63					10.84
					1,041.50					966.58
Add/(Less): Interest (Net of Interest Income)					(147.10)					(163.63)
Diminution in value of Investments					-					(38.54)
Other Unallocated Corporate / Common Expenses					(538.52)					(407.55)
PROFIT BEFORE TAX					355.88					356.86
Provision for Taxes					126.62					124.85
PROFIT / (LOSS) FOR THE YEAR					229.26					232.01
CAPITAL EMPLOYED (at the end of the year)										
Segment Assets	3,883.65	2,535.89	121.10	2,848.16	9,388.80	3,570.62	2,342.66	121.00	2,945.11	8,979.39
Segment Liabilities	1,240.55	1,092.62	48.30	960.38	3,341.85	1,318.28	870.85	49.44	1,065.76	3,304.33
SEGMENT CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)	2,643.10	1,443.27	72.80	1,887.78	6,046.95	2,252.34	1,471.81	71.56	1,879.35	5,675.06
Investments					6,189.08					6,570.55
Borrowings					(2,846.84)					(2,667.07)
Other Financial Liabilities (Non-current)					(182.72)					(186.25)
TOTAL CAPITAL EMPLOYED (NET ASSETS) (as per Balance Sheet)					9,206.47					9,392.29
CAPITAL EXPENDITURE										
TOTAL CAPITAL EXPENDITURE (as per Balance Sheet)	269.56	87.84	5.00	244.97	607.37	152.15	95.77	4.94	214.30	467.16

(a) Identification of Business Segments

The Indian Accounting Standard 108 (Ind AS-108) on “Segment Reporting” requires disclosure of segment information to facilitate better understanding of the performance of an enterprise’s business operations. The Company has identified Business Segments to comply with the operating segment disclosures as per Ind AS-108, considering the organization structure, internal financial reporting system, and the risk-return profiles of the businesses. The Company’s organisation structure and management processes are designated to support effective management of multiple businesses while retaining focus on each one of them.

The Consumer Durables segment includes Furniture and Interiors, Office Equipment, Home Appliances, Locks and Security Equipment.

The Industrial Products segment includes Process Plant and Equipment, Toolings, Special Purpose Machines, Precision Components/Engineering, Electricals and Electronics, Electric Motors, Storage Solutions and Material Handling Equipment. Estate leasing, Property Development and Ready-mix Concrete operations are included under the Others segment.

The Company’s exports constitute less than 10% of its total revenue. All of the Company’s manufacturing operations are conducted in India. The commercial risks and returns involved on the basis of geographic segmentation are relatively insignificant. Accordingly, segment disclosures based on geographic segments are not considered relevant.

(b) Segment Revenue, Results, Assets and Liabilities

Segment revenue and results are arrived at based on amounts identifiable to each of the segments. Inter-segment transfers are valued at cost or market-based prices, as may be negotiated between the segments with an overall optimization objective for the Company. Other unallocated expenses include corporate expenses, as well as expenses incurred on common shared-services provided to the segments. Segment assets include all operating assets used by the business segment and consist mainly of net fixed assets, debtors and inventories. Segment liabilities primarily include creditors and advances from customers. Unallocated assets mainly relate to the factory, administrative, employee welfare, and marketing infrastructure at Vikhroli, Mumbai and at up-country establishments, not directly identifiable to any business segment. Liabilities which have not been identified between the segments are shown as unallocated liabilities.

46. SCHEMES OF AMALGAMATION

Amalgamation of wholly-owned subsidiary India Circus Retail Private Ltd. with the Company:

(a) A Scheme of Amalgamation ("the Scheme") of India Circus Retail Private Ltd. 'ICRPL' with the Company with effect from 1st April 2017, 'appointed date' was sanctioned by the National Company Law Tribunal ("NCLT"), Mumbai Bench, on 30th, August, 2018 and certified copies of the Order of the NCLT sanctioning the Scheme were received. The entire undertaking of erstwhile ICRPL stands transferred to and vested in the Company as a going concern and ICRPL, without any further act, stands dissolved without winding up. ICRPL was mainly engaged in e-commerce and offline retail business of home décor and life style products . The amalgamation was accounted for as specified in the Scheme. The asset, liabilities and reserves of ICRPL have been taken over at their carrying values and adjusted in the financial statements on 1st April, 2016, since the entities are under common control.

(b) The details of adjustments made in the accounts pursuant to the Scheme are set out below:

Value of Net Assets of India Circus Retail Private Ltd. taken over as at 1st April, 2017 (See Notes below):

		Rupees in crore
Total Value of Net Assets taken over [(A) – (B)]		(13.99)
Adjusted against: Retained Earnings		22.17
		8.18
Less: Book Value of equity shares held by the Company in ICRPL written off		(0.20)
Less: Book Value of preference shares held by the Company in ICRPL written off	(23.00)	
As reduced by the amount considered as long term borrowings above	15.21	(7.79)
Adjusted as Capital Reserve under Business Combination		0.19

(c) All assets and liabilities, have been recorded in the books of the Company at the values appearing in the books of ICRPL as at the closing balance sheet as at 31st March, 2017.

(d) With effect from 1st April, 2017, all debts, liabilities, duties and obligations of ICRPL as at the close of business on the date preceding the aforesaid date, whether or not provided in the books of ICRPL, and all liabilities which arise or accrue on or after 1st April, 2017 shall be deemed to be the debts, liabilities, duties and obligations of the Company.

(e) Pending completion of the relevant formalities for transfer of some of the assets and liabilities, acquired pursuant to the Scheme, in the name of the Company, such asset and liabilities continue to be in the name of ICRPL.

(f) The amalgamation of the wholly-owned subsidiary does not entail issue of shares.

47. RELATED PARTY DISCLOSURES

(a) NAMES OF RELATED PARTIES AND NATURE OF RELATIONSHIPS:

(i) Subsidiaries (including step-down subsidiaries):

A. Subsidiaries (with the Company's direct equity holdings in excess of 50%):

1. Godrej Infotech Limited
2. Godrej (Singapore) Pte. Limited (a wholly-owned subsidiary incorporated in Singapore)
3. Veromatic International BV (a wholly-owned subsidiary incorporated in the Netherlands)
4. Godrej Americas Inc. (a wholly-owned subsidiary incorporated in the USA)
5. Sheetak Inc. (incorporated in USA)

The following companies are step-down subsidiaries (where the Company's subsidiaries listed above, directly and/or indirectly through one or more subsidiaries, hold more than one-half of equity share capital):

B. Subsidiaries of Godrej Infotech Limited:

1. Godrej Infotech Americas Inc. (a wholly-owned subsidiary incorporated in North Carolina, USA)
2. Godrej Infotech (Singapore) Pte. Ltd. (a wholly-owned subsidiary incorporated in Singapore)
3. LVD Godrej Infotech NV (incorporated in Belgium)

C. Subsidiaries of Godrej (Singapore) Pte. Ltd.:

1. JT Dragon Pte. Ltd. (Incorporated in Singapore)
2. Godrej (Vietnam) Co. Ltd. (Incorporated in Vietnam) (a wholly owned subsidiary of JT Dragon Pte. Ltd.)

D. Joint Ventures:

1. Godrej Consoveyo Logistics Automation Ltd. (formerly Godrej Efacec Automation & Robotics Ltd.)
2. Godrej & Khimji (Middle East) LLC (incorporated in Sultanate of Oman) [a Joint Venture of Godrej (Singapore) Pte. Limited]
3. Godrej UEP (Singapore) Pte. Limited (incorporated in Singapore, a Joint venture between Godrej (Singapore) Pte. Limited and Urban Electric Power Inc.)
4. Godrej UEP Pvt. Limited [a wholly-owned subsidiary of Godrej UEP (Singapore) Pte. Limited]

(ii) Other Associates and Limited Liability Partnerships:

1. Godrej & Boyce Enterprises LLP (applied for closure)
2. Godrej Property Developers LLP
3. Future Factory LLP
4. Urban Electric Power Inc.

(iii) Key Managerial Personnel:

(a) Whole-time Directors:
1. Mr. J. N. Godrej, Chairman & Managing Director
2. Mr. V. M. Crishna, Executive Director
3. Mr. A. G. Verma, Executive Director & President
4. Mrs. N. Y. Holkar Executive Director - Corporate Affairs

(b) Non-Executive Directors:
1. Mr. A. B. Godrej
2. Mr. N. B. Godrej
3. Mr. N. J. Godrej
4. Mr. K. N. Petigara
5. Mr. P. P. Shah
6. Ms. A. Ramchandran
7. Mr. K. M. Elavia

(c) Others:
1. Mr. P. E. Fouzdar, Executive Vice President and Company Secretary
2. Mr. P. K. Gandhi, Chief Financial Officer

(d) Close members of the family of Key Management Personnel:
1. Mrs. P. J. Godrej (spouse of Mr. J. N. Godrej)
2. Mr. N. J. Godrej (son of Mr. J. N. Godrej)
3. Ms. R. J. Godrej (daughter of Mr. J. N. Godrej)
4. Mrs. S. G. Crishna (spouse of Mr. V. M. Crishna)
5. Mrs. F. C. Bieri (daughter of Mr. V. M. Crishna)
6. Mrs. N. Y. Holkar (daughter of Mr. V. M. Crishna)

(iv) Companies under common control:
1. Godrej Industries Limited
2. Godrej Agrovet Limited
3. Godrej Consumer Products Limited
4. Godrej Properties Limited
5. Godrej Seeds and Genetics Limited

(v) Post Employment Benefit Trust with whom the Company has transactions:
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund

(b) PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES: (Rupees in crore)

	Current Year		Previous Year	
	Subsidiaries	Associates / Common Ownership	Subsidiaries	Associates / Common Ownership
	[Item (a)(i)]	[Items (a)(ii), (iii), (iv) and (v)]	[Item (a)(i)]	[Items (a)(ii), (iii), (iv) and (v)]
(i) Transactions carried out with the related parties, referred to in Items (a) above:				
(a) Purchase of Materials/Finished Goods/Services	62.12	31.02	50.26	14.74
(b) Sales, Services Rendered and Other Income	6.75	35.67	5.48	40.41
(c) Dividends Received	0.24	90.01	0.23	45.01
(d) Common Expenses shared with Subsidiaries	3.31	-	3.00	-
(e) Investments purchased	6.26	-	-	3.25
(f) Loans to Associate Company	-	13.21	-	-
(g) Trade and other Receivables	0.77	15.48	1.23	12.90
(h) Trade and other Payables	14.79	1.90	2.92	3.85
(i) Bank Guarantees given against counter-guarantees given by the Company, outstanding at year-end	0.22	-	0.22	-
(j) Corporate Guarantees given to bankers, outstanding at year-end	147.75	80.01	86.39	61.92

(Rupees in crore)

	Current Year	Previous Year
(ii) Transactions carried out with Mr. J. N. Godrej, Chairman & Managing Director		
(a) Dividends paid		
Individually	0.00	7.36
As a Trustee of The Raika Godrej Family Trust	2.08	8.04
As a Trustee of JNG Family Trust	6.54	-
As a Trustee of Raika Lineage Trust	5.07	-
As a Trustee of Navroze Lineage Trust	5.07	-
(b) Unsecured Deposits outstanding	30.00	17.00
(c) Interest paid on Deposits taken	1.74	1.30
(iii) Transactions carried out with Mr. V. M. Crishna, Executive Director:		
(a) Dividends paid *	0.00	0.00
(b) Unsecured Deposits outstanding	-	7.00
(c) Interest paid on Deposits taken	0.18	0.49
(iv) Transactions carried out with Ms. N. Y. Holkar, Executive Director:		
(a) Dividends paid	2.08	7.74
(b) Unsecured Deposits outstanding	-	1.50
(c) Interest paid on Deposits taken	0.01	0.02
(v) (a) Remuneration paid/payable to Key Managerial Personnel:		
(i) Whole-time Directors	17.14	15.66
(ii) Other Key Managerial Personnel	3.94	3.59
(v) (b) Retiral benefits paid/payable to Key Managerial Personnel:		
(i) Whole-time Directors	0.98	0.91
(ii) Other Key Managerial Personnel	0.15	0.13
(vi) Transactions carried out with the relatives of Whole-time Directors:		
(a) Mrs. P. J. Godrej:		
Remuneration	0.27	0.27
Dividend paid	0.01	0.00
Unsecured Deposits outstanding	2.00	3.00
Interest paid on Deposits taken	0.19	0.14
(b) Ms. R. J. Godrej		
Dividend paid	0.00	0.00
Unsecured Deposits outstanding	46.50	23.50
Interest paid on Deposits taken	2.61	1.63
(c) Mrs. S. G. Crishna:		
Remuneration	0.27	0.27
Dividend paid		
Individually	0.00	7.95
As a Trustee of SGC Family Trust	7.06	-
As a Trustee of FVC Family Trust	4.81	-
As a Trustee of NVC Family Trust	4.81	-
(d) Mrs. F. C. Bieri:		
Dividend paid	2.08	7.74
(e) Mr. N. J. Godrej:		
Dividend paid	2.08	8.04
(vii) Transactions with Non-Executive Directors:		
Commission	0.53	0.53
Sitting Fees	0.53	0.50
Others	-	-
(viii) Contribution to post-employment benefit plans:		
(a) Advance received and repaid to the Company by:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	4.19	13.13
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	-	-
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	-	0.71
(b) Towards Employer's contribution:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	19.29	16.95
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	19.09	16.99
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	7.83	7.49

	Current Year	Previous Year
		(Rupees in crore)
(c) Balance payable by the Company to:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	1.79	1.53
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	9.71	19.09
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	8.78	7.64

**(Amount less than Rs.50,000)*

48. DISCLOSURE IN RESPECT OF JOINT VENTURES

Pursuant to the Indian Accounting Standard (Ind AS 28) – Investments in Associates and Joint Ventures, the disclosures relating to the Company's Indian Joint Venture (JV) Godrej Consoveyo Logistics Automation Limited, (formerly, Godrej Efacec Automation and Robotics Limited) are as follows:

(a) The financial interest of the Company in the JV is by way of equity participation with Consoveyo S.A. (formerly, Efacec Handling Solutions S.A.) in the ratio of 49:51

(b) The aggregate amounts of assets, liabilities, income and expenses related to the Company's share in the JV.

(Rupees in crore)

	Current Year	Previous Year
(i) Assets at close	28.70	37.12
(ii) Liabilities at close	24.73	29.65
(iii) Income	26.48	50.26
(iv) Expenses	31.91	53.52

(c) The JV does not have any contracts remaining to be executed on Capital Account or any contingent liabilities at close.

49. DISCLOSURE IN RESPECT OF LEASES

(a) The Company's significant leasing arrangements, where the Company is a lessee, are in respect of operating leases for motor cars, laptop computers and premises (office, godown, show-room, retail store, residential, etc.) occupied by the Company. The aggregate lease rentals payable by the Company are charged to the Statement of Profit and Loss as Rent [Note 33(i)], Establishment and Other Expenses [Note 33(j)] and Motor Car and Lorry Expenses [Note 33(l)].

The total charge to the Statement of Profit and Loss is Rs. 25.94 crore (Previous Year: Rs. 25.86 crore).

The future minimum lease payments under non-cancellable operating leases in respect of premises, motor cars and laptop computers, due within a period of one year are estimated at Rs. 13.53 crore (as at 31-3-2018: Rs. 16.53 crore), those due later than one year but not later than five years at Rs. 10.11 crore (as at 31-3-2018: Rs. 9.01 crore), and those due later than five years at Nil (as at 31-3-2018: Nil).

(b) Lease income from operating leases where the Company is a lessor, is recognised in the Statement of Profit and Loss. Initial direct costs incurred specifically to earn revenues from operating leases of fixed assets are charged to the Statement of Profit and Loss as incurred. These assets pertain to land, commercial/residential premises, forklifts and vending machines given on lease on varying tenure and other terms.

In respect of assets given on operating leases, the gross book value and the accumulated depreciation at the end of the year, aggregate to Rs. 399.33 crore and Rs. 36.79 crore, respectively (as at 31-3-2018: Rs. 398.82 crore and Rs. 27.58 crore, respectively); and the depreciation charge for the year corresponding to the period of lease rentals, is estimated at Rs. 9.21 crore (previous year: Rs. 9.19 crore).

The future minimum lease rentals receivable under non-cancellable operating leases within a period of one year are estimated at Rs. 92.38 crore (as at 31-3-2018: Rs. 78.36 crore), those due later than one year but not later than five years at Rs. 147.76 crore (as at 31-3-2018: Rs. 73.13 crore), and those due later than five years at Rs. Nil (as at 31-3-2018: Rs. Nil).

Godrej & Boyce Manufacturing Company Limited

ENCLOSURE 1

Referred to in paragraph 1 of the
Directors' Report

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31st March, 2019

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED

Established 1897

(Incorporated with limited liability on 3rd March, 1932 under the Indian Companies Act, 1913)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2019

CORPORATE INFORMATION

Board of Directors

JAMSHYD N. GODREJ, Chairman & Managing Director
ADI B. GODREJ
NADIR B. GODREJ
VIJAY M. CRISHNA, Executive Director
KAVAS N. PETIGARA
PRADIP P. SHAH
Ms. ANITA RAMACHANDRAN
ANIL G. VERMA, Executive Director & President
KEKI M. ELAVIA
Ms. NYRIKA HOLKAR, Executive Director - Corporate Affairs
NAVROZE J. GODREJ

Company Secretary	Chief Financial Officer
PERCY E. FOUZDAR	PURVEZ K. GANDHI

Auditors

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Bankers

CENTRAL BANK OF INDIA	ICICI BANK LTD.
UNION BANK OF INDIA	AXIS BANK LTD.
STATE BANK OF INDIA	HDFC BANK LTD.
CITIBANK N.A.	KOTAK MAHINDRA BANK LTD.

EXPORT-IMPORT BANK OF INDIA

Registered Office and Head Office

Pirojshanagar, Vikhroli, Mumbai 400 079
Telephone: (022) 6796 5656, 6796 5959; Fax: (022) 6796 1518
E-mail: info@godrej.com | Website: http://www.godrejandboyce.com

Corporate Identity Number (CIN)

U28993MH1932PLC001828

INDEPENDENT AUDITOR'S REPORT

To
The Members Of
Godrej & Boyce Manufacturing Company Limited

Report On The Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Godrej & Boyce Manufacturing Company Limited (hereinafter referred to as “the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), which includes Group’s share of profit / loss in its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated profit, their consolidated total comprehensive loss, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor’s Report Thereon (“Other Information”)

The Parent’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report and its annexures but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor’s reports thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and joint ventures, is traced from their financial statements audited by other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. 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 its joint ventures 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, 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 the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and 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 our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Parent included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

Other Matters

(a) We did not audit the financial statements / financial information of ten subsidiaries, whose financial statements / financial information reflect total assets of Rs. 330.26 crores as at 31st March, 2019, total revenues of Rs. 320.06 crores and net cash inflows amounting to Rs. 13.19 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of Rs. 17.95 crores for the year ended 31st March, 2019, as considered in the Consolidated Financial Statements, in respect of four associates and two joint ventures, 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 venture, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures is based solely on the reports of the other auditors.

Nine of these subsidiaries, three associates and one joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associates and joint venture located outside India is based solely on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

(b) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of Rs. 0.06 crores as at 31st March, 2019, total revenues of Rs. Nil and net cash inflows amounting to Rs. Nil 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 profit / (loss) of Rs. Nil for the year ended 31st March, 2019, as considered in the Consolidated Financial Statements, in respect of one associate whose financial statements / financial information 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 this subsidiary and this associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

Report On Other Legal And Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint venture companies incorporated in India, referred in the Other Matters paragraph above, 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 of the aforesaid Consolidated Financial Statements.

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS prescribed under section 133 of the Act.

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

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

    ii. The Group has made provision in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320
UDIN: 19038320AAAAAF5802

Mumbai
20th August, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of Godrej & Boyce Manufacturing Company Limited.

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of Godrej & Boyce Manufacturing Company Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint venture companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note")". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. The Guidance Note and those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal 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 Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint venture companies incorporated in India, in terms of the reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary companies, associate companies and joint venture companies incorporated in India, is based solely on the corresponding reports of the statutory auditors of such companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
20th August, 2019

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

(Rupees in crore)

	Note		As at 31-03-2019	As at 31-03-2018
ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	2 A	2,048.80		1,910.97
(b) Capital Work-in-progress	2 A	797.39		533.53
(c) Investment Property	2 B	362.54		371.24
(d) Intangible Assets	2 A	52.68		20.99
(e) Intangible Assets under Development	2 A	6.40		3.04
		3,267.81		2,839.77
(f) Financial Assets				
(i) Investments				
(a) Investments in associates	3A	16.39		28.81
(b) Investments in joint ventures	3A	4.43		8.64
(c) Other Non-Current Investments	3B	6,087.43		6,475.51
(ii) Loans	4	58.65		70.53
		6,166.90		6,583.49
(g) Deferred Tax Assets (Net)	5	4.04		41.78
(h) Other Non-current Assets	6	54.94		56.92
			9,493.69	9,521.96
(2) CURRENT ASSETS				
(a) Inventories	7	2,402.42		2,358.04
(b) Financial Assets				
(i) Investments	8	13.26		14.62
(ii) Trade Receivables	9	2,282.29		2,379.19
(iii) Cash and Cash Equivalents	10 A	315.93		318.06
(iv) Bank Balances other than (iii) above	10 B	131.41		147.87
(v) Loans	11	7.04		6.93
(vi) Other Financial Assets	12	56.20		382.52
		2,806.13		3,249.19
(c) Current Tax Assets (net)		49.64		2.34
(d) Other Current Assets	13	967.72		521.37
			6,225.91	6,130.94
Total Assets			15,719.60	15,652.90
EQUITY AND LIABILITIES				
(1) EQUITY				
(a) Equity Share Capital	14	6.78		6.78
(b) Other Equity	15	9,194.24		9,408.35
Equity attributable to equity holders of the parent		9,201.02		9,415.13
(c) Non-controlling interests		(15.37)		(16.77)
Total Equity			9,185.65	9,398.36
LIABILITIES				
(2) NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	16	812.05		801.82
(ii) Other Financial Liabilities	17	183.10		173.74
		995.15		975.56
(b) Provisions	18	87.99		84.81
(c) Other Non-Current Liabilities	19	15.05		15.84
(d) Deferred Tax Liabilities (Net)	5	0.15		-
			1,098.34	1,076.21
(3) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	20	1,827.32		1,475.75
(ii) Trade Payables	21	1,539.09		1,544.00
(iii) Other Financial Liabilities	22	1,083.66		1,180.50
		4,450.07		4,200.25
(b) Other Current Liabilities	23	947.61		926.52
(c) Provisions	24	37.63		39.04
(d) Current Tax Liabilities (Net)		0.30		12.52
			5,435.61	5,178.33
Total Equity and Liabilities			15,719.60	15,652.90
Statement of Significant Accounting Policies and Notes to the Financial Statements	1-49			

The accompanying notes are an integral part of the financial statements

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

SHYAMAK R TATA
PARTNER
Membership No.: 038320
Mumbai, 20th August, 2019

J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

A. G. VERMA
Executive Director & President
DIN: 02366334

P. K. GANDHI
Chief Financial Officer

P. E. FOUZDAR
Executive Vice President (Corporate Affairs) & Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(Rupees in crore)

		Note		Current Year	Previous Year
I.	**REVENUE FROM OPERATIONS**	26	11,231.87		9,966.72
II.	**OTHER INCOME**	27	117.78		108.78
	TOTAL INCOME			11,349.65	10,075.50
III.	**EXPENSES**				
	(1) Cost of Materials consumed	28	2,549.20		2,682.05
	(2) Excise duty		-		161.35
	(3) Purchases of Stock-in-Trade	29	3,529.23		2,645.86
	(4) Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	30	17.46		(66.86)
	(5) Property Development and Construction Expenses	31	1,040.38		854.07
	(6) Employee Benefits Expense	32	1,292.60		1,192.56
	(7) Finance Costs	33	171.05		185.19
	(8) Depreciation and Amortization Expense		223.19		203.84
	(9) Other Expenses	34	2,177.93		1,920.16
	(10) Less: Expenditure transferred to Capital Accounts		(3.24)		(21.68)
`	TOTAL EXPENSES			10,997.80	9,756.54
IV.	PROFIT BEFORE SHARE IN PROFIT OF EQUITY ACCOUNTED INVESTEES, EXCEPTIONAL ITEMS AND TAX			351.85	318.96
V.	SHARE IN LOSS OF EQUITY ACCOUNTED INVESTEES (NET OF INCOME TAX)			(16.58)	(15.04)
VI.	EXCEPTIONAL ITEMS	35		-	2.66
VII.	**PROFIT BEFORE TAX**			335.27	306.58
VIII.	TAX EXPENSE				
	(1) Current tax		110.89		155.74
	(2) Prior years' current tax adjustments		15.44		(4.64)
	(3) Deferred tax charge/(credit)		(2.41)		(15.27)
	(4) Prior years' deferred tax adjustments		8.00		-
				131.92	135.83
IX.	**PROFIT FOR THE YEAR**			203.35	170.75
X.	**OTHER COMPREHENSIVE INCOME (OCI)**				
	(i) Items that will not be reclassified to Statement of Profit and Loss				
	(a) Remeasurement of defined employee benefit plans			3.16	(6.46)
	(b) Change in fair value of equity instruments through OCI			(252.91)	1,650.12
	(c) Tax on above items			(1.19)	2.24
	(ii) Items that will be reclassified to Statement of Profit and Loss				
	(a) Exchange differences in translating financial statements of foreign operations			1.19	-
	(b) Change in fair value of other instruments through OCI			1.87	(1.87)
	(c) Tax on above items			(0.02)	-
	TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME			(247.90)	1,644.03
XI.	**TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR**			(44.55)	1,814.78
	PROFIT FOR THE YEAR ATTRIBUTABLE TO:				
	Owners of the Company			207.52	194.71
	Non-controlling interest			(4.17)	(23.96)
	OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
	Owners of the Company			(247.90)	1,644.03
	Non-controlling interest			-	-
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
	Owners of the Company			(40.38)	1,838.74
	Non-controlling interest			(4.17)	(23.96)
XII.	EARNINGS PER EQUITY SHARE				
	Basic and Diluted Earnings per Equity Share of Rs. 100 each	37		Rs. 3,059	Rs. 2,870
XIII.	Statement of Significant Accounting Policies and Notes to the Financial Statements	1-49			
	The accompanying notes are an integral part of the financial statements				

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

SHYAMAK R TATA
PARTNER
Membership No.: 038320
Mumbai, 20th August, 2019

J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

A. G. VERMA
Executive Director & President
DIN: 02366334

P. K. GANDHI
Chief Financial Officer

P. E. FOUZDAR
Executive Vice President (Corporate Affairs) & Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

Rupees in Crore

(a) Equity share capital

	For the year ended 31-03-2019	For the year ended 31-03-2018
Balance at the beginning of the year	6.78	6.78
Changes in equity share capital during the year	-	-
Balance at the end of the year	6.78	6.78

(b) Other equity

Particulars	Reserves and Surplus								Items of Other Comprehensive Income: Not Reclassified to Profit or Loss			Reclassified to Profit or Loss		Total Other Equity
	Securities Premium Reserve	General Reserve	Retained earnings	Debenture Redemption Reserve	Capital Reserve	Capital Reserve on Business Combinations	Legal and Statutory Reserves	Non-controlling interest	Remeasurements of the net defined benefit Plans	Revaluation surplus	Foreign Currency Translation Reserve	Foreign Operations Foreign Currency Translation difference	Revaluation surplus	
Balance as at 31/03/2017 - Restated	**20.10**	**658.35**	**6,811.64**	**20.83**	**72.70**	**(19.76)**	**0.37**	**7.19**	**(7.95)**	**150.13**	**38.75**	**-**		**7,752.35**
Profit / (Loss) after tax for the year	-	-	194.71	-	-	-	-	(23.96)	-	-	-	-		170.75
Fair valuation of investments in equity instruments	-	-	-	-	-	-	-	-	-	1,650.12	-	-	(1.87)	1,648.25
Remeasurement of defined employee benefit plans net of deferred tax	-	-	-	-	-	-	-	-	(4.22)	-	-	-		(4.22)
Total comprehensive income for the year 2017-18	20.10	658.35	7,006.35	20.83	72.70	(19.76)	0.37	(16.77)	(12.17)	1,800.25	38.75	-	(1.87)	9,567.13
Interim Equity Dividend declared and paid during the year	-	-	(152.65)	-	-	-	-	-	-	-	-	-		(152.65)
Dividend Distribution Tax (DDT) on Interim Dividend	-	-	(31.08)	-	-	-	-	-	-	-	-	-		(31.08)
Transfer to Debenture Redemption Reserve	-	-	(45.84)	45.84	-	-	-	-	-	-	-	-		-
Realised gain on sale of equity shares reclassified to retained earnings	-	-	311.05	-	-	-	-	-	-	(311.05)	-	-		-
Additions /(Deletions) during the year	-	(5.43)	(6.40)	-	-	(0.19)	(0.03)	-	-	-	20.23	-		8.18
Balance as at 31/03/2018	**20.10**	**652.92**	**7,081.43**	**66.67**	**72.70**	**(19.95)**	**0.34**	**(16.77)**	**(12.17)**	**1,489.20**	**58.98**	**-**	**(1.87)**	**9,391.58**
Profit / (Loss) after tax for the year	-	-	207.52	-	-	-	-	(4.17)	-	-	-	-		203.35
Fair valuation of investments in equity instruments	-	-	-	-	-	-	-	-	-	(252.91)	-	-	1.87	(251.04)
Remeasurement of defined employee benefit plans net of deferred tax	-	-	-	-	-	-	-	-	1.97	-	1.17			3.14
Total comprehensive income for the year 2018-19	20.10	652.92	7,288.95	66.67	72.70	(19.95)	0.34	(20.94)	(10.20)	1,236.29	60.15	-	-	9,347.03
Adjustments to Opening Retained Earnings Ind AS 115			(3.49)											(3.49)
Interim Equity Dividend declared and paid during the year	-	-	(135.70)	-	-	-	-	-	-	-	-	-		(135.70)
Dividend Distribution Tax (DDT) on Interim Dividend	-	-	(27.89)	-	-	-	-	-	-	-	-	-		(27.89)
Transfer to Debenture Redemption Reserve	-	-	(8.33)	8.33	-	-	-	-	-	-	-	-		-
Reclassification of excess amount transferred in earlier years			(196.12)	-						196.12				-
Realised gain on sale of equity shares reclassified to retained earnings	-	-	54.25	-	-	-	-	-	-	(54.25)	-	-		-
Additions /(Deletions) during the year	-	-	(5.57)	-	-	-	0.01	5.57	-	-	(1.09)	-		(1.08)
Balance as at 31/03/2019	**20.10**	**652.92**	**6,966.10**	**75.00**	**72.70**	**(19.95)**	**0.35**	**(15.37)**	**(10.20)**	**1,378.16**	**59.06**	**-**	**-**	**9,178.87**

Notes forming part of the financial statements 1-49

As per our Report of even date
For **DELOITTE HASKINS & SELLS LLP**
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

SHYAMAK R TATA
PARTNER
Membership No.: 038320
Mumbai, 20th August, 2019

J. N. GODREJ
Chairman & Managing Director
DIN: 00076250

A. G. VERMA
Executive Director & President
DIN: 02366334

P. K. GANDHI
Chief Financial Officer

P. E. FOUZDAR
Executive Vice President (Corporate Affairs)
& Company Secretary

GODREJ & BOYCE MANUFACTURING COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2019

(Rupees in crore)

		Current Year	Previous Year
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAXES	335.27	306.58
	ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH USED IN:		
	Depreciation and Amortization	223.19	203.84
	Provisions for Doubtful Debts/Advances/Deposits	13.17	26.37
	Bad Debts written off	13.03	62.66
	Provision for Free Service under Product Warranties	-	-
	Profit on Sale of Investments (Net)	(1.63)	(10.84)
	Loss / (Profit) on Sale of Fixed Assets (Net)	0.48	(9.16)
	Interest Received	(21.38)	(17.21)
	Dividend Received	(93.29)	(56.92)
	Interest and Finance Costs	171.05	185.19
	Unrealised Foreign Currency Gain/(Loss)	(10.58)	1.06
	Impairment of Goodwill	-	72.55
	Share of Loss of Associates and Joint Ventures	16.58	15.04
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	645.89	779.16
	MOVEMENT IN CURRENT ASSETS AND LIABILITIES:		
	Inventories	(44.38)	(208.83)
	Trade and other Receivables	(34.38)	(317.85)
	Trade and other Payables	50.62	257.65
	CASH GENERATED FROM OPERATIONS	617.75	510.13
	Direct Taxes paid	(119.66)	(68.93)
	NET CASH FROM OPERATING ACTIVITIES	498.09	441.20
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Fixed Assets acquired	(654.50)	(447.99)
	Proceeds from Sale of Fixed Assets	1.48	15.69
	Sale /(Purchase) of Investments	156.84	417.20
	Net (Increase) / Decrease in bank deposits	16.46	(60.25)
	Interest Income	21.38	17.21
	Dividend Income	93.29	56.92
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES	(365.05)	(1.22)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Net Increase / (Decrease) in short-term borrowings	(251.46)	265.09
	Fresh Loans and Deposits taken	3,918.32	2,886.30
	Loans and Deposits repaid	(3,309.21)	(2,961.72)
	Redemption of Debentures	(100.00)	-
	Interest and Finance Costs	(229.23)	(204.62)
	Dividend paid, including Dividend Distribution Tax	(163.59)	(183.73)
	NET CASH USED IN FINANCING ACTIVITIES	(135.17)	(198.68)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(2.13)	241.30
	Cash and Cash Equivalents at the beginning of the year	318.06	76.76
	Cash and Cash Equivalents at the end of the year	315.93	318.06
	Add: Other Bank Balances (not considered as cash and cash equivalents):		
	Fixed Deposits with Banks	112.52	123.58
	Other Bank Balances (including share in jointly controlled entities)	18.89	24.29
	CLOSING CASH AND BANK BALANCES (NOTE 10)	447.34	465.93
D.	**COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR**		
	Cash on hand	1.29	2.18
	Cheques on hand	207.66	236.42
	Balances with Banks in Current Accounts	106.98	79.46

Notes forming part of the financial statements 1-49

NOTES:

1. The Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 (Ind AS-7) on "Statement of Cash Flows," and presents cash flows by operating, investing and financing activities.
2. Figures in brackets are outflows/deductions.
3. Cash and cash equivalents for the purposes of this Statement comprise of cash in hand, cash at bank and fixed deposits with maturity of three months or less.

As per our Report of even date
For DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors

SHYAMAK R TATA
PARTNER
Membership No.: 038320
Mumbai, 20th August, 2019

J. N. GODREJ	A. G. VERMA	P. K. GANDHI	P. E. FOUZDAR
Chairman &	Executive Director	Chief Financial	Executive Vice President
Managing Director	& President	Officer	(Corporate Affairs)
DIN: 00076250	DIN: 02366334		& Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Godrej & Boyce Manufacturing Company Limited ('the Company') incorporated on 3rd March, 1932 is a major company of the Godrej Group. The Company has diverse business divisions offering a wide range of consumer, office, and industrial products and related services of the highest quality to customers in India and abroad. The Company is domiciled in India and its registered office is at, Pirojshanagar, Vikhroli, Mumbai 400 079.

The Consolidated Financial Statements comprise financial statements of Godrej and Boyce Manufacturing Company Limited and its subsidiaries (collectively, 'the Group') and includes share of loss of associates and joint ventures for the year ended 31st March, 2019.

B. Basis of preparation of financial statements

These consolidated financial statements as at, and for the year ended, 31st March, 2019 have been prepared in accordance with Indian Accounting standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The consolidated financial statements have been prepared and presented under the historical cost convention, on accrual and going concern basis except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The consolidated financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the Resolution passed by the Board of Directors at their meeting held on 20th August, 2019.

C. 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 to the nearest crore, unless otherwise indicated; a crore is equal to ten million. Where changes in presentation are made, comparative figures for the previous year are restated/regrouped accordingly.

D. Uses of Estimates and Judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

(i) Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised.

Useful lives of tangible assets 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, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers’ warranties and maintenance support. Assumptions also need to be made, when the Parent assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(ii) 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, vested future benefits 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. The same is disclosed in Note 38.

(iii) Income Taxes

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

(iv) Recognition and measurement of provisions

The recognition and measurement of 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 figure included in other provisions.

(v) 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 Company 's incremental borrowing rate. And in case of operating lease, all payments under the arrangement are treated as lease payments.

(vi) 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.

(vii) Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes Foreign Currency Forward Contracts and Interest Rate Swaps. Fair valued of Foreign Currency Forward Contracts are determined using the fair value reports provided by the respective merchant bankers. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

(viii) Impairment of Financial Assets

The Group reviews its carrying value of investments in subsidiaries and associates on an annual basis or more frequently when there is an indication of other than temporary impairment in the carrying value of its investments. The recoverable amount is measured using future cash flows projections provided by the management. A significant degree of judgment is required in establishing these recoverable values. Judgments include considerations such as change in business strategy, liquidity risk, credit risk and volatility which provide objective evidence of an impairment which is other than temporary in the long term inherent value of the investment.

(ix) Assurance Product Warranty Obligations

The estimates for product warranty obligations are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences.

(x) Expected Cost of Completion of Contracts

For the purpose of arriving at revenues from construction contracts, the Company's Management estimates the cost of completion for each project. Management systematically reviews further projected costand compares the aggregateof cost incurred to date and future costs projections against budgets, on the basis of which, proportionate revenue (or anticipated lossed), if any, are recognised.

E. Standards issued but not effective

On 30th March, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind As 116 on Leases. Ind AS 116 would replace the existing lease standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, ie. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and required a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from 1st April, 2019.

1. Ind AS 12 - Income taxes - Appendix C on uncertainty over income tax treatments
2. Ind AS 12 - Income taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23 - Borrowing Costs
4. Ind AS 28 - Investments in associates and joint ventures
5. Ind AS 103 and Ind AS 111 - Business Combinations and joint arrangements
6. Ind AS 109 - Financial Instruments
7. Ind AS 19 - Employee benefits

The Company is in the process of evaluating the impact of such amendments.

F. Measurement of fair values

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

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 : inputs are 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). Fair values are determined in whole or part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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.

G. Significant accounting policies

i. Property, plant and equipment

a. Recognition and measurement

Property, plant and equipment is recognised when it is probable that future economic benefit associated with the asset will flow to the Group, and the cost of the asset can be measured reliably.

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

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.

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 and Loss.

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

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

All property, plant and equipment received in exchange for non-monetary assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. Measurement of an exchange at fair value will result in the recognition of a gain or loss based on the carrying amount of the asset surrendered. If a fair value can be determined reliably for either the asset received or the asset given up, then the fair value of the asset given up should be used unless the fair value of the asset received is more clearly evident. Accordingly, Transferable Development Rights (TDR's) obtained by the Group in respect of its freehold lands situated at Mumbai, are carried at fair value of land given up unless the fair value of TDR received is more clearly evident, and are shown under Freehold Land. Any gain or loss arising from such exchange is immediately recognised in the Statement of Profit and Loss.

Any transfer of such TDR's / land from fixed asset to inventory is done at cost.

b. 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.

c. Depreciation / Amortisation

The Group has followed the Straight Line method for charging depreciation on all items of property, plant and equipment, at the rates specified in Schedule II to the Act; these rates are considered as the minimum rates. If management's estimate of the useful life of the property, plant and equipment is shorter than that envisaged in Schedule II, depreciation is provided at a higher rate based on management's estimate of the useful life. Accordingly, in respect of the commercial construction projects, on some items of equipment at the project sites, depreciation is provided at a higher rate based on useful life of the assets estimated at 5 years, compared to 15 years specified in Schedule II.

Moreover, in respect of special-purpose machinery used in the contract-manufacturing of precision components and systems, depreciation is charged over the period of such manufacturing contracts. In respect of additions to/deductions from the assets, the depreciation on such assets is calculated on a pro rata basis from/upto the month of such addition/deduction. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase/acquisition. Leasehold Land and Buildings are amortised over the period of the lease. The cost of property, plant and equipment not ready for their intended use at the balance sheet date is disclosed under capital work-in-progress.

Intangible assets comprising of Technical Know-how and Trade Marks are amortised on straight-line basis at the rate of 16.67%; capitalised Computer Software costs relating to the ERP system, are amortised on straight line basis at the rate of 20%.

ii. Investment properties

a. Properties held to earn rentals and / or capital appreciation (including property under construction for such purposes) are classified as investment properties.

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

c. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

d. The Group follows the straight line method for charging depreciation on investment property over estimated useful lives prescribed in Schedule II to the Companies Act, 2013.

e. Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

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

iii. Intangible assets

a. Recognition and measurement

Intangible assets, including patents and trademarks, which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

b. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c. Amortisation

Intangible assets are amortised over their estimated useful life on straight line method.

iv. Investment in Joint Ventures and Associates

Non-current investments in associates and joint ventures are carried at their book values, which are higher than their fair values, the diminution in the value of such investments is considered to be of a temporary nature, in view of the Group's long-term financial involvement in such investee companies.

v. 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.

A. Financial Assets

(a) Initial recognition and measurements:

The Group recognises a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of the financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

(b) Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria;

(i) The Group's business model for managing the financial asset and

(ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

(i) Financial assets measured at amortised cost

(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

(iii) Financial assets measured at fair value through profit or less (FVTPL)

(i). Financial assets measured at amortised cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) 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 principle amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer Note 39 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal/repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortised cost of financial asset is also adjusted for loss of allowance, if any.

(ii). Financial asset measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial asset, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer Note 16 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the other Comprehensive Income (OCI). However, the Group recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer Note 39 for further details). The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Group recognises dividend income from such instruments in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to the Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

(iii). Financial asset measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in associates and joint ventures (Refer Note 39 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

(c) Derecognition:

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

(i) The contractual rights to cash flows from the financial asset expires;

(ii) The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset.

(iii) The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

(iv) The Group neither transfers nor retains substantially all risk and rewards of ownerships and does not retain control over the financial assets.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

(d) Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables, Contract Assets and lease receivables.

ii. Financial assets measured at amortised cost (other than trade receivables, contract assets and lease receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables contract assets and lease receivables, the Group follows a simplified approach wherein a amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial assets since initial recognition, if the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured as recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset, 12month ECL, are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcome, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and contract assets and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

B. Financial Liabilities

<u>(a) Initial recognition and measurement:</u>

The Group recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

<u>(b) Subsequent measurement:</u>

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method (Refer Note 39 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

<u>(c) Derecognition:</u>

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When the existing financial liability is replaced by another from the same lender or 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 between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

C. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks . Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

vi. Inventories

Trade Inventories:

Raw Materials, Loose Tools, Stores, Spares, etc. are valued at lower of weighted average cost and estimated net realisable value. Estimated net realisable value of raw materials is determined on the basis of the price of the finished products in which they will be used are expected to be sold.

Work-in-Process (other than Construction Projects) is valued at lower of estimated cost (consisting of direct material and direct labour costs plus appropriate factory overheads) and estimated net realisable value.

Finished Goods, goods in transit and goods with third parties are valued at lower of weighted average cost and estimated net realisable value; cost includes purchase, conversion, appropriate factory overheads, any taxes or duties and other costs incurred for bringing the inventories to their present location and condition. Spares and Components for after-sales service are valued at lower of average cost and estimated net realisable value on an item-by-item basis.

Obsolete and damaged inventories, and other anticipated losses are adequately provided for, wherever considered necessary.
Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.
Construction Projects:
In respect of the commercial construction projects promoted / developed on the Group's land, construction work-in-progress is valued at estimated cost consisting of the cost of land (forming part of the project), development, construction and other related costs. Construction Work in progress includes projects for Industrial Products / Equipment.

Work in process is valued at lower of specifically identified costs or net realisable value.

vii. Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and cash equivalents. Cash and cash equivalents in the Balance Sheet comprises of cash on hand, bank balances which are unrestricted for withdrawal and usage and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

viii. Borrowing costs

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

ix. Provisions and Contingent Liabilities and Contingent Assets

A provision is recognised only when there is a present legal / constructive obligation as a result of a past event that probably requires an outflow of resources to settle the obligation and in respect of which a reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will 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 or disclosure is made.

Provisions and Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date. Contingent Assets and related income are recognised when there is virtual certainty that inflow of economic benefit will arise.
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.

x. Revenue Recognition

Effective 1st April, 2018, the Company has applied Ind AS 115 'Revenue from Contracts with Customers' which establishes a comprehensive framework, for determining whether, how much and when revenue is to be recognised. The Company elected to transition retrospectively with cumulative effect of initially applying the standard recognised as an adjustment to the opening balance sheet as at 1st April, 2018 on the contracts that are not completed contracts as at that date.

<u>Performance obligation and transaction price (Fixed and variable)</u>
At inception of the contract, the Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:
(a) a good or service (or a bundle of goods or services) that is distinct; or
(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of sale of products and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of the outflow. Revenue is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

(a) Sale of products

The Company recognizes revenue on the sale of products, net of discounts, sales incentives and rebates granted when control of the goods is transferred to the customer. The performance obligation in case of sale of products is satisfied at a point of time i.e. when the goods are shipped to the customer or on delivery to the customer, as may be specified in the contract. Control is considered to be transferred to customer when customer has ability to direct the use of such goods, obtain substantially all the benefits and bears all risks in respect of such goods.

Accumulated experience is used to estimate and accrue for the discounts and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from the customers before transferring control of the goods being sold.

(b) Lease Rentals

The Company has determined that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly rental income arising from operating leases on investment properties is accounted for on an accrual basis as per the terms of the lease contract and is included in Revenue from Operations in the Statement of Profit and Loss due to its operating nature.

(c) Revenue from construction contracts for industrial products / equipments

Industrial products / equipments are constructed based on specifically negotiated contracts with customers. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of such contracts can be estimated reliably, then contract revenue is recognised in the Statement of Profit and Loss in proportion to the stage of completion. The stage of completion is based on percentage of actual cost incurred upto the reporting date to the total estimated cost of the contract. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

In the case of certain industrial products, the stage of completion is based on either survey of the work performed or completion of a physical proportion of contract work.

An expected loss on a contract is recognised immediately in the Statement of Profit and Loss.

(d) Revenue from rendering of services

Revenue from service transactions is recognised as per agreements / arrangements with the customer when the related services are rendered / provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a time proportion basis. Each distinct service, results in a simultaneous benefit to the corresponding customer and the Company has an enforceable right to payment from the customer for the performance completed to date.

(e) Revenue from Real Estate Transaction

The Company develops and sells residential properties. The Company enters into arrangements with customers for sale of units of such residential properties. These arrangements generally meet the criteria for considering the sale of units as distinct performance obligation. The Company recognises revenue when its performance obligations are satisfied and customer obtains control of the asset. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service.

Income from operation of commercial complexes is recognised over the tenure of the lease / service agreement.

Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities. Contract Assets are classified as non-financial assets.

On account of adoption of Ind AS 115, opening reserves as on 1st April, 2018 is adjusted for impact on revenue recognition in earlier years with corresponding effect to unbilled revenue and inventories.

xi. Employee benefits

a. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group's contributions paid/payable to Managerial Superannuation 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.

b. Defined benefit plans

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.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Short-term employee benefits (payable within twelve months of rendering the service)

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.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

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

Further, the Rules of the Company's Provident Fund (PF) administered by an approved Trust, require that if the Board of Trustees is unable to pay interest at the rate declared for the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952, for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurement are recognised in profit or loss in the period in which they arise. Other employee benefits include leave encashment/long-term compensated absences schemes.

xii. Other Operating Revenue

Other Operating Revenue represents income earned from the activities incidental to business and is recognised when the right to receive is established as per the terms of the contract.

xiii. Finance costs

Finance costs are recorded using the effective interest rate method.

xiv. Other Income

The Group's other income includes interest and dividend income.

Interest income is recognised using the effective interest rate method. Dividend income is recognised in the Statement of Profit and Loss on the date on which the Group's right to receive is established.

xv. Foreign currency transactions

Income and expenses in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

xvi. Income Taxes

Income tax expense comprises current tax expense and the net change in deferred taxes recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

a. Current tax

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

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

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

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

b. 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:

(i) 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; and

(ii) 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;

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.

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the 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.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Minimum Alternate Tax (MAT) Credit Entitlement is recognised as a Deferred Tax Asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period in which such credit can be carried forward for set-off within the time frame prescribed by the Income Tax Act, 1961. The carrying amount of MAT Credit Entitlement is reviewed at each Balance Sheet date.

xvii. Leases (where the Group is the lessor)

The Group's assets subject to operating leases in its Estate Leasing Operations are included in Investment Property. Lease income is recognised and included in Revenue from Operations in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

xviii. Leases (where the Group is the lessee)

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are recognised as operating lease. In respect of assets taken on operating lease, lease rentals are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless;

(a) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or

(b) the payments to the lessor are structured to increase in the line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

xix. Product warranty expense under service warranty obligation

In respect of products sold by the Group, which carry a specified warranty, future costs that will be incurred by the Group in carrying out its contractual warranty obligations are estimated and accounted for on accrual basis.

xx. Research And Development Expenses:

Research and product development costs incurred are recognised as intangible assets when feasibility has been established and it is probable that the asset will generate probable future economic benefits. Other research costs are charged to the Statement of Profit and Loss under the respective natural head of expense.

xxi. Earnings per share

Basic and diluted earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

xxii. Segment Reporting

Operating Segments are defined as components of the Group for which discrete financial information is available and are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The Group's CODM is the Managing Director and President.

xxiii. Business Combinations of entities under common control

Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital or the transferor entity or business is recognised as capital reserve under equity.

The financial information in the consolidated financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period.

xxiv. Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of Goodwill is less than its carrying amount.

xxv. Impairment

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in the arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

xxvi. Events after reporting date

Where events occurring after the balance sheet date till the date when the consolidated financial statements are approved by the Board of Directors of the Group, provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the reporting balance sheet date of material size or nature are only disclosed.

H. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realised/settled in the Group's normal operating cycle;
ii. the asset is intended for sale or consumption;
iii. the asset/liability is held primarily for the purpose of trading;
iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;
v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting date;
vi. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for atleast twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, the Group has ascertained its normal cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2A. PROPERTY, PLANT AND EQUIPMENT

(Rupees in crore)

Particulars	Tangible Assets								
	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings & Improvements	Plant & Equipment	Vehicles/ Vessels	Furniture & Fixtures	Office Equipment	Total
COST OF ASSETS									
Gross Block as at 1/4/2018	331.32	89.49	711.60	35.65	1,103.33	16.38	63.44	65.36	2,416.57
Additions	8.62	-	138.96	5.38	167.93	3.22	6.93	14.29	345.33
Deductions	-	-	(0.47)	(0.76)	(5.59)	(0.67)	(1.54)	(0.89)	(9.92)
Other Adjustments (including foreign exchange on translation)	-	-	-	1.41	1.91	0.02	0.06	0.04	3.44
Gross Block as at 31/3/2019	339.94	89.49	850.09	41.68	1,267.58	18.95	68.89	78.80	2,755.41
DEPRECIATION									
Total Depreciation as at 1/4/2018	-	3.83	54.57	8.71	373.72	3.77	26.00	35.00	505.60
Depreciation for the year	-	2.35	30.72	4.65	145.48	1.55	8.76	12.71	206.22
Depreciation on Deductions	-	-	(0.11)	(0.39)	(3.96)	(0.65)	(1.33)	(1.54)	(7.98)
Other Adjustments (including foreign exchange on translation)	-	-	-	0.86	1.75	0.10	0.02	0.04	2.78
Total Depreciation upto 31/3/2019	-	6.18	85.18	13.83	516.99	4.78	33.45	46.21	706.62
NET BOOK VALUE									
Net Block as at 31/3/2019	339.94	83.31	764.91	27.85	750.59	14.18	35.44	32.59	2,048.80
Capital Work-in-progress	-	-	629.80	-	162.51	-	0.75	4.33	797.39
Total as at 31/3/2019	339.94	83.31	1,394.71	27.85	913.10	14.18	36.19	36.92	2,846.19

Particulars	Intangible Assets (other than internally generated)				
	Land Use Rights	Computer Software	Technical Know-how	Trademarks	Total
COST OF ASSETS					
Gross Block as at 1/4/2018	1.19	29.80	0.96	0.13	32.08
Additions	-	39.69	-	-	39.69
Deductions	-	(0.17)	-	-	(0.17)
Other Adjustments	0.16	(0.26)	-	-	(0.10)
Gross Block as at 31/3/2019	1.35	69.05	0.96	0.13	71.49
AMORTIZATION					
Total Amortization as at 1/4/2018	0.05	9.96	0.96	0.12	11.09
Charge for the year	0.04	7.73	-	0.01	7.78
Deductions during the year	-	(0.15)	-	-	(0.15)
Other Adjustments	0.08	0.01	-	-	0.09
Total Amortization as at 31/3/2019	0.17	17.55	0.96	0.13	18.81
Net Block as at 31/3/2019	1.18	51.50	-	-	52.68
Intangible Assets under development	-	6.40	-	-	6.40

Refer Note No 25 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.

2A. PROPERTY, PLANT AND EQUIPMENT

(Rupees in crore)

Particulars	Tangible Assets								
	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings & Improvements	Plant & Equipment	Vehicles/ Vessels	Furniture & Fixtures	Office Equipment	Total
COST OF ASSETS									
Gross Block as at 1/4/2017	300.70	89.49	581.08	27.89	944.58	16.09	58.48	58.92	2,077.23
Additions	31.00	-	130.80	7.75	164.10	0.47	5.94	7.37	347.43
Deductions	(0.38)	-	(0.28)	-	(4.33)	(0.21)	(1.08)	(0.94)	(7.22)
Other Adjustments	-	-	-	0.01	(1.02)	0.03	0.10	0.01	(0.87)
Gross Block as at 31/3/2018	331.32	89.49	711.60	35.65	1,103.33	16.38	63.44	65.36	2,416.57
DEPRECIATION									
Total Depreciation as at 1/4/2017	-	1.48	27.23	5.14	239.80	2.40	18.66	23.26	317.97
Depreciation for the year	-	2.35	26.65	3.57	135.23	1.35	8.20	11.81	189.16
Depreciation on Deductions	-	-	0.69	-	(0.53)	-	(0.91)	(0.08)	(0.83)
Other Adjustments	-	-	-	-	(0.78)	0.02	0.05	0.01	(0.70)
Total Depreciation upto 31/3/2018	-	3.83	54.57	8.71	373.72	3.77	26.00	35.00	505.60
NET BOOK VALUE									
Net Block as at 31/3/2018	331.32	85.66	657.03	26.94	729.61	12.61	37.44	30.36	1,910.97
Capital Work-in-progress	-	-	451.60	-	74.66	-	1.50	5.77	533.53
Total as at 31/3/2018	331.32	85.66	1,108.63	26.94	804.27	12.61	38.94	36.13	2,444.50

Particulars	Intangible Assets (other than internally generated)				
	Land Use Rights	Computer Software	Technical Know-how	Trademarks	Total
COST OF ASSETS					
Gross Block as at 1/4/2017	1.33	6.93	0.96	0.13	9.35
Additions	-	22.80	-	-	22.80
Deductions	-	-	-	-	-
Other Adjustments	(0.14)	0.07	-	-	(0.07)
Gross Block as at 31/3/2018	1.19	29.80	0.96	0.13	32.08
AMORTIZATION					
Total Amortization as at 1/4/2017	0.08	4.61	0.86	0.08	5.63
Charge for the year	0.04	5.31	0.10	0.04	5.49
Deductions during the year	-	(0.06)	-	-	(0.06)
Other Adjustments	(0.07)	0.10	-	-	0.03
Total Amortization as at 31/3/2018	0.05	9.96	0.96	0.12	11.09
Net Block as at 31/3/2018	1.14	19.84	-	0.01	20.99
Intangible Assets under development	-	3.04	-	-	3.04

Notes:

(a) In respect of the Company's freehold land situated at Thane (transferred on Amalgamation of the erstwhile Lawkim Ltd.):
(i) Land admeasuring approximately one acre was the subject matter of dispute. The Company has filed an appeal in the Hon'ble High Court of Judicature at Bombay, against the Order dated 23rd December, 2004 passed by the Third Additional District Judge, Thane. The Company has also registered notice of lis pendens dated 17th May, 2005 with the Registrar of Sub-Assurance.
(ii) A part of the land was acquired by the Thane Municipal Corporation and the Company has an option for the Transferable Development Rights (TDR) as compensation for the said acquisition. Pending the receipt of such compensation by the Company in the form of TDR, no adjustment has been made in the books in this regard.

(b) Freehold Land includes (i) leasehold rights in perpetuity and (ii) transferable development rights (TDRs). Freehold Buildings include investments representing shares in ownership of flats.

2.B. INVESTMENT PROPERTY

(Rupees in crore)

COST OF ASSETS	As at 31/3/2019	As at 31/3/2018
Opening Gross Block	398.82	399.68
Adjustments pursuant to loss of control of subsidiaries		
Additions	0.51	-
Deductions		(0.86)
Adjustments on consolidation	-	-
Closing Gross Block	399.33	398.82
ACCUMULATED DEPRECIATION		
Opening Accumulated Depreciation	27.58	19.11
Adjustments pursuant to loss of control of subsidiaries		
Depreciation for the year	9.21	9.19
Depreciation pursuant to loss of control of subsidiaries	-	(0.72)
Depreciation on Deductions	-	-
Closing Accumulated Depreciation	36.79	27.58
NET BOOK VALUE		
Net Block	362.54	371.24

(Rupees in crore)

	2018-19	2017-18
Rental Income derived from investment properties	226.92	249.37
Direct operating expenses (including repairs and maintenance) generating rental income	67.07	61.63
Profit arising from investment properties	159.85	187.74

As at 31st March, 2019 and 31st March, 2018, the fair values of the properties are Rs. 2,275.87 crore and Rs. 2,361 crore.
These valuations are based on discounted cash flow method

Reconciliation of fair value:

Balance as at 31/03/2018	2,361.00
Fair value differences	(85.13)
Purchases	
Balance as at 31/03/2019	2,275.87

The Company has applied the method of Discounted Cash Flow projections based on reliable estimates of future cash flows.

Description of valuation technique and key inputs to valuation on investment properties:

Valuation technique

Discounted Cash Flow

Significant unobservable inputs	**Range (weighted average)**
Rent growth p.a.	5%
Long term vacancy rate	10%
Discount rate	15%

(Rupees in crore)

	As at 31-03-2019	As at 31-03-2018
3A. INVESTMENTS (Refer Note 42)		
TRADE INVESTMENTS (valued at cost unless stated otherwise):		
INVESTMENTS IN ASSOCIATES		
(a) UNQUOTED		
(1) Investments in Equity Shares in Associate Companies		
(i) 5,78,200 Fully Paid Shares of RO 1 each in Godrej & Khimji (Middle East) LLC. Oman	11.22	14.05
(ii) 38 Ordinary Shares of USD 1 each in Parazelsus, Orient Ltd. USA. *	-	-
(iii) 17,75,385 (as at 31-03-2018: 17,75,385) common units at Rs. 3.25 each in Urban Electric Power Inc. USA	1.79	11.73
(2) Investments in Limited Liability Partnership Firms		
(i) Contribution towards 50% of the Fixed Capital of Godrej & Boyce Enterprises LLP*	-	-
(ii) Contribution towards 20% of the Capital of Future Factory LLP (including share of profit of Rs. 0.36 crore booked during the year)	3.38	3.03
(a) Total capital of the Firm: Rs. 10.31 crore		
(b) Names of other Partners and % share in Capital:		
Mr. Jashish Navin Kambli - 56% and Mrs. Geetika Kambli - 24%		
**(Amount less than Rs.50,000)*	3.38	3.03
	16.39	28.81
INVESTMENTS IN JOINT VENTURES		
(a) UNQUOTED		
(1) Investments in Equity Shares in Joint Ventures		
(i) 7,50,000 Equity Shares of Rs.10 each in Godrej Consoveyo Logistics Automation Limited (formerly, Godrej Efacec Automation and Robotics Limited)	3.96	8.16
(ii) 1,00,000 (as at 31-03-2018: 1,00,000) Equity Shares of SGD. 1 each in Godrej UEP (Singapore) Pte. Ltd. (Joint venture with UEP, USA) *	0.47	0.48
	4.43	8.64
Total Unquoted Non-current Trade Investments	20.82	37.45
(a) Aggregate amount of Quoted Investments	-	-
(b) Aggregate amount of Unquoted Investments	20.82	37.45
Aggregate Book Value of Investments	20.82	37.45
3B. OTHER INVESTMENTS		
(a) Quoted Investment		
(At Fair Value Through Other Comprehensive Income):		
(1) Investments in Equity Shares (Fully Paid up unless stated otherwise)		
(i) 7,50,11,445 (as at 31-03-2018: 5,00,07,630) Equity Shares of Re. 1 each in Godrej Consumer Products Ltd. (2,50,03,815 Bonus shares issued during the year)	5,154.43	5,469.08
(ii) 1,06,50,688 Equity Shares of Rs. 5 each in Godrej Properties Limited	867.34	773.13
(iii) 12,000 Equity Shares of Rs. 10 each in Central Bank of India	0.04	0.09
(iv) 52,590 Equity Shares of Rs. 2 each in Housing Development Finance Corporation Limited	10.35	9.60
(v) 68,65,666 Common Shares of par value USD 0.001 in Verseon Corporation USA	52.31	83.59
(2) Investments in Preference Shares		
(i) Nil (as at 31-03-2018: 2,01,54,008) 7% Redeemable Preference Shares of Rs. 68 each in 3DPLM Software Solutions Limited (redeemed during the year)	-	135.18

		(Rupees in crore) As at 31-03-2019	As at 31-03-2018
	(3) Investments in Tax-Free Bonds		
(i)	1,236 National Highway Authority of India Bonds of Rs.1,000 each	0.13	0.14
	Total Quoted Non-current Non-Trade Other Investments	6,084.60	6,470.81
	(b) Unquoted Investment		
	1. Investments in Equity Shares		
	(At Fair Value through Other Comprehensive Income)		
(i)	50 Equity Shares of Rs. 50 each in Godrej & Boyce Employees' Co-operative Consumer Society Limited*	-	-
(ii)	1,000 Equity Shares of Rs. 10 each in Super Bazar Cooperative Stores Limited*	-	-
(iii)	1,000 Equity Shares of Rs. 10 each in Saraswat Co-operative Bank Limited*	0.02	0.02
(iv)	4,000 Equity Shares of Rs. 25 each in The Zoroastrian Co-operative Bank Limited	0.11	0.10
(v)	2 Equity Shares of Rs. 10 each in Brihat Trading Private Limited*	-	-
(vi)	100 Equity Shares of Rs. 100 each in Gharda Chemicals Limited (Shares have not been registered in the Holding Company's name)	0.10	0.10
(vii)	1,823 Equity Shares of Rs.10 each in Edayar Zinc Limited (erstwhile Binani Zinc Limited) - At Book Value*	-	-
(viii)	15,000 Equity Shares of Rs. 1,000 each in Global Innovation and Technology Alliance, (a Limited Company under the purview of Section 8 of the Companies Act, 2013)	1.48	3.41
(ix)	84,375 Equity Shares of Rs. 10 each in Nimbua Greenfield (Punjab) Limited	1.12	1.07
(x)	Contribution towards 19.61% of the Capital of Proboscis Inc., USA (25,000 shares of par value USD 0.01)	-	-
(xi)	1,400 Shares of Rs. 10 each in Godrej One Premises Management Private Limited*	-	-
	Total Unquoted Non-current Non-Trade Other Investments	2.83	4.70
	Grand Total	6,087.43	6,475.51
	(Amount less than Rs.50,000)		
	C. DISCLOSURE		
	(a) Aggregate Amount of Quoted Investments	6,084.60	6,470.81
	(b) Aggregate Amount of Unquoted Investments	2.83	4.70
		6,087.43	6,475.51
	(c) Aggregate Amount of Impairments in value of Investments	-	-
4.	**LOANS (Unsecured, Considered Good)**		
	(a) Deposits	58.65	70.53
	Total	58.65	70.53

	(Rupees in crore) As at 31-03-2019	As at 31-03-2018
5. DEFERRED TAX ASSETS / LIABILITIES AND TAX EXPENSE		
(A) Income Taxes		
Tax expense recognised in the Statement of Profit and Loss:		
Current tax on profits for the year	110.89	155.74
Prior years' current tax adjustments	15.44	(4.64)
Deferred tax (net)	(2.41)	(15.27)
Prior years' deferred tax adjustments	8.00	-
Total Income Tax expense	131.92	135.83
(B) Tax expense related to items recognised in Other Comprehensive Income:	(1.21)	2.24
(C) Reconciliation of effective tax rate:		
Profit before tax	335.27	306.58
Tax rate	34.94%	34.61%
Tax at the Company's domestic tax rate	117.16	106.11
Tax effect of:		
Tax impact of income not subject to tax	(32.76)	(19.51)
Impact of 80IC	(4.68)	(5.86)
Disallowance u/s.14A of expenses (not interest)	0.12	0.09
Adjustment of current tax of prior period	15.44	(7.89)
Tax impact of expenses not subject to tax	0.72	36.47
Tax impact of realised gain on sale of equity shares through OCI	15.23	-
Adjustment for deferred tax of prior period	8.00	-
Tax on share of (Profit)/loss of equity accounted investees	4.68	16.11
Effects of different tax rates in the components	(1.51)	-
Others	9.53	10.32
	131.92	135.83

A subsidiary benefits from the tax holiday available to units set up under section 80IC and 80IE of Income Act of 1961. These tax holidays are available for a period of 10 years from the date of commencement of operations

5. DEFERRED TAX ASSETS / LIABILITIES AND TAX EXPENSE (contd.)

	As at 31-03-2019	As at 31-03-2018
	(Rupees in crore)	
Deferred Tax Asset:		
Deferred tax liabilities on account of:		
(a) Property, Plant and Equipment	(169.67)	(163.79)
	(169.67)	(163.79)
Deferred tax assets on account of:		
(a) Provision for Leave Encashment	16.34	16.01
(b) Provisions for Expenses	13.14	9.21
(c) Provision for Doubtful Debts/Advances	63.97	57.60
(d) MAT Credit	61.18	110.18
(e) Other Deferred Tax Assets	5.90	6.34
(f) Remeasurement of Defined Benefit Liability	5.18	6.37
(g) Tax Adjustment of prior years	8.00	-
	173.71	205.71
Net Deferred Tax Assets as per Balance Sheet	4.04	41.92
Deferred Tax Liability:		
Deferred tax liabilities on account of:		
(a) Property, Plant and Equipment	0.15	0.14
(b) Others	-	-
	0.15	0.14
Deferred Tax Assets (Net):	3.89	41.78

(D). Movement in Deferred Tax balances:

Particulars	Net balance 01-04-2018	Movement during the year: Recognised in Statement of profit and loss	Recognised in OCI	Recognised in Equity	Foreign Currency Translation	As at 31/03/2019: Net	Deferred Tax Asset	Deferred Tax Liability
Property Plant and Equipment	(163.93)	(5.89)	-	-	-	(169.82)	-	(169.82)
Provision for Leave Encashment	16.01	0.33	-	-	-	16.34	16.34	-
Provision for Doubtful Debts/ Advances	57.60	6.37	-	-	-	63.97	63.97	-
Provisions for Expenses	9.21	3.93	-	-	-	13.14	13.14	-
Other Deferred Tax Assets	6.34	(2.33)	(0.02)	1.87	0.04	5.90	5.90	-
Tax Adjustment of prior years	-	8.00	-	-	-	8.00	8.00	-
Remeasurement of Defined Benefit Liability	6.37	-	(1.19)	-	-	5.18	5.18	-
	(68.40)	10.41	(1.21)	1.87	0.04	(57.29)	112.53	(169.82)
MAT Credit Entitlement *	110.18	(16.00)	-		-	61.18	61.18	
Deferred Tax Assets/(Liabilities)	**41.78**	**(5.59)**	**(1.21)**	**1.87**	**0.04**	**3.89**	**173.71**	**(169.82)**

* MAT utilised during the year is Rs. 33 crore (previous year: Rs.Nil) and adjustment on account of prior years is Rs. 16 crore (previous year: Rs. Nil).

Particulars	Net balance 01-04-2017	Movement during the year: Recognised in Statement of profit and loss	Recognised in OCI	Recognised in Equity	As at 31/03/2018: Net	Deferred Tax Asset	Deferred Tax Liability
Property Plant and Equipment	(154.91)	(9.02)	-	-	(163.93)	-	(163.93)
Provision for Leave Encashment	15.00	1.01	-	-	16.01	16.01	-
Provision for Doubtful Debts/ Advances	71.04	(13.44)	-	-	57.60	57.60	-
Provisions for Expenses	7.00	2.21	-	-	9.21	9.21	-
Other Deferred Tax Assets	2.84	3.50	-	-	6.34	6.34	-
Remeasurement of Defined Benefit Liability	4.12	0.01	2.24		6.37	6.37	-
MAT Credit Entitlement	79.18	31.00	-		110.18	110.18	-
Deferred Tax Assets/(Liabilities)	**24.27**	**15.27**	**2.24**	**-**	**41.78**	**205.71**	**(163.93)**

(Rupees in crore)

			As at 31-03-2019	As at 31-03-2018
6.	**OTHER NON-CURRENT ASSETS**			
	(a) Capital Advances		18.42	16.67
	(b) Prepaid Expenses		3.46	5.75
	(c) Other Advances		33.06	34.50
	Total		54.94	56.92
7.	**INVENTORIES (At lower of Cost and Net Realisable Value)**			
	(a) Raw Materials (includes raw materials in transit: Rs. 35.08 crore; as at 31-03-2018: Rs. 36.77 crore)		537.83	554.29
	(b) Work-in-Process		124.79	211.32
	(c) Finished Goods		722.68	637.51
	(d) Stock in Trade (includes goods in transit: Rs. 68.66 crore; as at 31-03-2018: Rs. 61.37 crore)		533.65	543.35
	(e) Spares and Components for after-sales services		94.76	101.16
	(f) Consumable Stores and Spares		94.51	52.36
	(g) Loose Tools		23.61	18.15
	(h) Construction Work-in-Progress [includes goods in transit Rs. Nil (as at 31-03-2018: Rs. 13.99 crore)		270.59	239.90
	Total		2,402.42	2,358.04
	The cost of inventories recognised as an expense includes Rs. 112.81 crore (Rs. 82.27 crore as at 31st March, 2018) in respect of write-downs of inventory to net realisable value.			
8.	**CURRENT INVESTMENTS**			
	(a) Investments in Mutual Funds (At fair value through Statement of Profit and Loss)		13.26	14.62
	Total		13.26	14.62
9.	**TRADE RECEIVABLES**			
	Secured and Considered Good		-	-
	Unsecured & Considered Good		2,282.29	2,379.19
	Doubtful	144.11		165.62
	Less: Allowance for bad and doubtful debts	(144.11)		(165.62)
			-	-
	Total		2,282.29	2,379.19
	Note: Secured by Security Deposits collected from customers, letter of credit or bank guarantees held against them.			

		As at 31-03-2019	As at 31-03-2018
			(Rupees in crore)
10. CASH AND BANK BALANCES			
(A) Cash and Cash Equivalents			
(i) Balances with Banks			
- Current accounts		89.82	79.46
- Fixed Deposits with Banks having a maturity of less than 3 months		17.16	-
(ii) Cheques on hand		207.66	236.42
(iii) Cash on Hand		1.29	2.18
Total Cash and Cash Equivalents		315.93	318.06
(B) Bank Balances other than Cash and Cash Equivalents			
(i) Deposit Accounts with maturity period of more than 3 months, but less than 12 months		112.52	123.58
(ii) Other earmarked Accounts (Earmarked for Statutory Fixed Deposit Repayment Reserve and Others net of amounts utilised for repayment of public deposits.)		18.89	24.29
Total Bank Balance		131.41	147.87
Total		447.34	465.93
11. LOANS			
Secured, Considered Good			
Unsecured, Considered Good			
(a) Loans And Advances:			
(i) to Associate		5.77	5.37
(ii) to Others - Considered Good		0.09	0.13
(b) Loans to Employees		0.34	0.33
(c) Other Advances and Deposits		0.84	1.10
Total		7.04	6.93
12. OTHER CURRENT FINANCIAL ASSETS (Unsecured, Considered Good)			
(a) Deposits		37.37	33.77
(b) Derivative Asset		5.62	0.39
(c) Convertible Promissory Note subscribed - Urban Electric Power Inc. (Associate) (Refer Note 44)		13.21	-
(d) Unbilled Revenue		-	348.36
Total		56.20	382.52
13. OTHER CURRENT ASSETS (Unsecured, Considered Good)			
(a) Advances to Suppliers		112.67	207.55
(b) Balances with Customs, Central Excise, Port Trust and other Authorities		259.79	212.06
(c) Prepaid Expenses		15.22	12.10
(d) Unamortised Guarantee Commission		2.30	1.89
(e) Contract Assets (Refer Note 49)	460.21		-
Less: Expected Credit Loss	31.28		
Net Contract Assets		428.93	-
(f) Other Current Assets		148.81	87.77
Total		967.72	521.37

Note: There were no impairment losses recognised on any contract asset in the reporting period.

(Rupees in crore)

14. EQUITY SHARE CAPITAL	As at 31-03-2019	As at 31-03-2018
(a) Authorised:		
(i) 1,100,000 Equity Shares of Rs. 100 each	11.00	11.00
(ii) 900,000 Cumulative Redeemable Preference Shares of Rs. 100 each	9.00	9.00
	20.00	20.00
(b) Issued, Subscribed and Paid Up:		
678,445 Equity Shares of Rs. 100 each fully paid up	6.78	6.78

(c) Reconciliation of shares outstanding at the beginning and at the end of the year:

	As at 31/03/2019		As at 31/03/2018	
Fully paid Equity Shares	No. of Shares	Rs. in crore	No. of Shares	Rs. in crore
At the beginning of the year	6,78,445	6.78	6,78,448	6.78
Add: Issued during the year [see note (4) below]	-	-	1,77,429	1.77
Less: Cancelled during the year [see note (4) below]	-	-	1,77,432	1.77
At the end of the year	6,78,445	6.78	6,78,445	6.78

(1) The Company does not have any holding company.

(2) Details of Equity Shareholders holding more than 5% shares in the Company are given below:

		As at 31/03/2019		As at 31/03/2018	
		Number	% holding	Number	% holding
(i)	Mr. A.B. Godrej individually and as a Trustee of ABG Family Trust	41,100	6.06%	41,100	6.06%
(ii)	Mr. N.B. Godrej individually and as a Trustee of NBG Family Trust, BNG Family Trust, SNG Family Trust and HNG Family Trust	1,02,679	15.13%	1,02,679	15.13%
(iii)	Ms. S.G. Crishna individually and as a Trustee of SGC Family Trust and FVC Family Trust	59,373	8.75%	59,373	8.75%
(iv)	Ms. Nyrika Holkar individually and as a Trustee of NVC Family Trust	34,421	5.07%	34,421	5.07%
(v)	Mr. J.N. Godrej individually and as a Trustee of JNG Family Trust, Raika Lineage Trust, The Raika Godrej Family Trust and Navroze Lineage Trust	93,770	13.82%	93,770	13.82%
(vi)	Mr. R.K. Naoroji individually and as a Partner of M/s. RKN Enterprises	1,04,186	15.36%	1,04,186	15.36%
(vii)	Trustees, Pirojsha Godrej Foundation - a public charitable trust	1,57,500	23.21%	1,57,500	23.21%

3. Terms/rights attached to Equity Shares: The Company has only one class of Equity Shares having a par value of Rs.100 per share. Each holder of Equity Shares is entitled to one vote per share. Accordingly, all Equity Shares rank equally with regard to dividend and share in the Company's residual assets. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of Equity Shares held.

4. The National Company Law Tribunal, Mumbai Bench had by its Order dated 23rd August, 2017, approved the Scheme of Amalgamation of Godrej Investments Pvt. Ltd. (GIPL) with the Company. Accordingly, GIPL stood dissolved without being wound up and the Board of Directors, at their Meeting held on 6th November, 2017 issued 1,77,429 Equity Shares to the Shareholders of GIPL in lieu of 1,77,432 Equity Shares of Rs.100 each held by GIPL in the Company.

(Rupees in crore)

		As at 31-03-2019	As at 31-03-2018
15.	**OTHER EQUITY**		
(a)	Capital Reserve	52.75	52.75
(b)	Securities Premium Reserve	20.10	20.10
(c)	General Reserve	652.92	652.92
(d)	Debenture Redemption Reserve	75.00	66.67
(e)	Foreign Currency Translation Reserve	59.06	58.98
(f)	Legal and Statutory Reserves	0.35	0.34
(g)	Retained Earnings	6,966.10	7,081.43
(h)	Items of Other Comprehensive Income (FVTOCI)	1,367.96	1,475.16
	Total	9,194.24	9,408.35

A. Nature and purpose of reserves

1. Capital Reserve on Account of Business Combination:

Capital reserves is created on Amalgamation. During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve. Capital Resereve is also created on Sale of treasury Shares.

2. Securities Premium Reserve:

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

3. General Reserve:

The Company transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Transfer to general reserve is not mandatory under the Act.

4. Debenture Redemption Reserve:

The Company had issued debentures in India and as per the provisions of the Act, is required to create debenture redemption reserve out of the profits of the Company available for the payment of dividend.

5. Foreign Currency Translation Reserve:

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

6. Retained Earnings:

Retained earnings are the profits that the Group has earned till date, less any transfers to / from general reserve, and other comprehensive income, and distribution of dividend and dividend distribution tax thereon.

	As at 31-03-2019	As at 31-03-2018
16. NON-CURRENT BORROWINGS		
(a) Secured Term Loans		
(i) Term Loans From Banks	13.51	7.63
	13.51	7.63
(b) Debentures - Secured Redeemable Non-Convertible Debentures (NCDs)		
(i) 8.90% (3 Years) 2019 Series I Debentures (allotted on 01/03/2016)	-	249.54
(ii) 9.00% (5 Years) 2021 Series II Debentures (allotted on 08/03/2016)	249.59	249.42
	249.59	498.96
(c) Unsecured		
(i) Interest-free Loans under the Sales Tax Deferral Schemes of various State Governments	19.11	29.65
(ii) Fixed Deposits	529.84	265.58
	548.95	295.23
Total	812.05	801.82

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

(i) Privately-placed NCDs issued by the Company are secured by a first ranking charge by way of a registered mortgage on the specified immovable properties of the Company situated at Mumbai. These NCDs are redeemable at par on 22-04-2019 Rs. 250 cr (Series I) and 22-04-2021 Rs. 250 cr (Series II). Out of the Rs. 250 cr (Series I) NCDs, Rs 100 cr were prepaid on 28-03-2019 on communication from investor "ICICI Prudential Asset Management Company Limited". Interest on these NCDs is payable quarterly. As per the Companies (Share Capital and Debentures) Rules, 2014, para 18(7), the Company is required to create a Debenture Redemption Reserve of 25% of the value of debentures; it is also required to invest 15% of the amount of its debentures maturing during the next financial year. The Company has created a debenture redemption reserve of Rs. 75 crore.

(ii) Term Loan from The Zoroastrian Co-operative Bank Ltd. is secured by way of hypothecation of specified machinery and equipment. It carries a floating interest rate of 10.50% p.a. (10.50% p.a. as at 31-03-2018), which is 2% p.a. below Bank's Minimum Lending Rate of 12.50% p.a., subject to a minimum of 9.00% p.a. and a maximum of 12.50% p.a., and was repayable in 4 quarterly installments (3 installments of Rs. 0.63 crore each and last installment of Rs. 0.66 crore was repaid on 25/03/2019).

(iii) Interest-free Loans under the Sales Tax Deferral Schemes of Maharashtra State Government is payable in annual instalments as may be prescribed in the Schemes, beginning from 21-04-2019 and continuing upto 21-04-2023.

(iv) Fixed Deposits from employees and public carry interest rates ranging from 7.85% p.a. to 9.75% p.a. payable monthly or half-yearly, and have a maturity period of 3 years from the respective dates of deposit.

(v) Current maturities of Long-term Borrowings are disclosed under the head "Other Current Financial Liabilities" (Note 22)

(vi) Term loans from banks obtained by subsidiary companies are secured by corporate guarantee given by the Company.

(vii) Other long-term loans pertain to a subsidiary and carry an interest rate of 1.75% p.a.

(Rupees in crore)

	As at 31-03-2019	As at 31-03-2018
17. OTHER NON-CURRENT FINANCIAL LIABILITIES		
(a) Dealers’ Deposits	45.28	42.24
(b) Sundry Deposits and Advances	135.29	122.04
(c) Other Liabilities	2.53	9.46
Total	183.10	173.74

Note: Sundry deposits and advances include a. Rs. 24.80 crore (as at 31-03-2018: Rs. 24.80 crore) received towards hand-over of possession of land to a public utility, and b. Rs. 0.75 crore (as at 31-03-2018: Rs. 0.75 crore) received towards compensation against land acquired. These amounts have not been adjusted in the accounts in view of pending suit/proceedings.

	As at 31-03-2019	As at 31-03-2018
18. NON-CURRENT PROVISIONS		
(a) Provision for Free Service under Product Warranties	47.05	41.10
(b) Provision for Employee Benefits	40.94	43.71
(c) Provision for Onerous Contracts	-	-
Total	87.99	84.81

(i) Current provisions are disclosed under the head "Current Provisions" (Note 24)

		(Rupees in crore)
	As at 31-03-2019	As at 31-03-2018
(ii) Movement of Provisions (Non-current and Current) during the year:		
(1) Provision for Free Service under Product Warranties:		
Opening Balance	66.15	54.06
Add: Provision during the year	64.61	42.37
	130.76	96.43
Less: Utilisation during the year	58.53	30.28
Closing Balance	72.23	66.15

19. OTHER NON-CURRENT LIABILITIES

Revenue received in advance	15.05	15.84
Total	15.05	15.84

20. CURRENT BORROWINGS

Secured		
(i) Working Capital Facilities from Banks (Net)	328.78	529.24
(ii) Export Credits from Export-Import Bank of India under a revolving credit limit	184.00	338.00
(iii) Term Loan from Banks	113.87	5.15
	626.65	872.39
Unsecured		
(i) Deposits from Companies	0.25	0.25
(ii) Deposits from Shareholders	176.00	128.50
(iii) Short-term Loans from Banks	120.00	225.01
(iv) Unsecured Negotiable Commercial Paper	600.00	-
(v) Acceptances	89.04	134.87
(vi) Other Borrowings	215.38	114.73
	1,200.67	603.36
Total	1,827.32	1,475.75

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

(i) Working Capital Facilities from Banks are secured by a first pari passu charge by way of hypothecation of inventories and book debts. They carry interest rates ranging from 8.45% p.a. to 12.80% p.a. and are generally renewable each year.

(ii) Export Credits from Export-Import Bank of India are secured by first equitable mortgage of specified immovable properties situated at Mumbai. They carry an interest rate ranging from 8.75% to 9.00% p.a (excluding interest subvention of 3%) and are payable/ renewable after 180/365 days.

(iii) Deposits/Short-term Loans from Companies carry an interest rate of 8.00% p.a. payable quarterly, and have a maturity period of 6 months from the respective dates of deposit.

(iv) Deposits from Shareholders have a maturity period of 3 months from the respective dates of deposit, and carry an interest rate of 8.50% p.a. payable at the month-end and at maturity.

(v) In respect of Negotiable Commercial Paper, the maximum balance outstanding during the year was Rs. 600 crore (Previous Year: Rs. 600 crore).

(vi) Short-term Loan from Banks carry an interest rate of 8.80% payable after 45 days.

(vii) Other Borrowings are Buyers Credit from Banks, due and payable in foreign currency, and carry interest rates ranging from 3.21% to 3.28% p.a.

21. TRADE PAYABLES

(a) Due to Micro and Small Enterprises (Refer note below)	100.86	12.18
(b) Other Trade Payables	1,438.23	1,531.82
Total	1,539.09	1,544.00

(Rupees in crore)

		As at 31-03-2019	As at 31-03-2018
	Disclosure Under the Micro, Small and Medium Enterprises Developments Act, 2006 are provided as under for the year 2018-2019, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.		
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due dates as per the MSMED Act)		
	Principal amount due to micro and small enterprise	100.86	12.18
	Interest due on above	-	-
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	0.70	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.70	-
(v)	Interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises	-	-

22. OTHER CURRENT FINANCIAL LIABILITIES

	As at 31-03-2019	As at 31-03-2018
(a) Current maturities of long-term borrowings	322.99	429.14
(b) Interest accrued but not due on borrowings	11.99	14.88
(c) Employee benefits payable	255.62	236.54
(d) Unclaimed Fixed Deposits (matured deposits not claimed on due dates)	10.30	7.70
(e) Derivative Liability	8.62	0.55
(f) Other payables	474.14	491.69
Total	1,083.66	1,180.50

Note: (i) There is no amount due and outstanding to be credited to the Investor Education and Protection Fund, in respect of matured but unclaimed fixed deposits and any unclaimed interest.

(ii) Other payables include accrued expenses and creditors for capital procurement

23. OTHER CURRENT LIABILITIES

	As at 31-03-2019	As at 31-03-2018
(a) Contract Liability (Advances from Customers and Deferred Revenue)	857.54	823.04
(b) Statutory dues including provident fund and tax deducted at source	86.94	98.80
(c) Others	3.13	4.68
Total	947.61	926.52

Note: The above amount of Deferred Revenue of Rs. 12.28 crore (previous year Rs. 15.54 crore) is the revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.

24. CURRENT PROVISIONS

	As at 31-03-2019	As at 31-03-2018
(a) Provision for Employee Benefits	8.94	6.68
(b) Provision for Free Service under Product Warranties	25.19	25.05
(c) Provision for loss on onerous contracts	3.50	7.17
(d) Other Provisions	-	0.14
Total	37.63	39.04

	As at 31/3/2019	As at 31/3/2018
		(Rupees in crore)
25. CONTINGENT LIABILITIES AND COMMITMENTS		
1. Performance Guarantees given by the Company's Bankers against counter-guarantees given by the Company	1,631.63	1,414.09
2. Guarantees given by the Company's Bankers on behalf of subsidiary / associate companies against counter-guarantees given by the Parent Company	0.22	0.22
3. Corporate Guarantees given to Bankers to secure credit facilities extended by them to a subsidiary and an associate company	235.64	155.53
4. Guarantees given by Export-Import Bank of India, against the security of first equitable mortgage of specified immovable properties situated at Vikhroli, Mumbai	100.63	213.16
5. Claims against the Company not acknowledged as debts		
(a) Excise Duty/Customs Duty/Service Tax/Sales Tax/Property Tax /Octroi / Other Duty demands in dispute and pending at various stages of appeal	120.49	93.40
(b) The State of Maharashtra has filed a suit against the Company, being Suit No. 679 of 1973, in the High Court of Judicature at Bombay, claiming ownership of part of the Company's lands at Vikhroli, Mumbai. In the said Suit, which is still pending, various claims have been raised, which are and not acknowledged as debts due by the Company. According to the Company's legal advisers, the Company has a complete defence against the plaintiff in the said Suit, and the said Suit is not sustainable.		
(c) Claims against the Group under the Industrial Disputes Act, 1947	-	-
(d) Disputed Provident Fund liability for the period March 1996 to September on account of disapproval of infancy benefit. The Supreme Court of India has allowed the Company's appeal and set aside the judgment of the High Court of Punjab & Haryana; the matter has been remanded to the Regional Provident Fund Commissioner for a fresh decision in accordance with law after hearing the parties concerned, expeditiously.	0.54	0.50
(e) Other Claims against the Group not acknowledged as debt	0.58	0.58
6. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 129.11 crore (as at 31-03-2018: Rs. 135.22 crore).	129.11	135.22
Note: Future cash outflows in respect of items 5 (b) and (c) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.		

	Current Year	Previous Year
		(Rupees in crore)
26 A. REVENUE FROM OPERATIONS		
(a) Sale of Products	8,976.67	8,837.46
(b) Sale of Services	2,068.99	948.30
Net Sales (Products and Services)	11,045.66	9,785.76
(c) Other Operating Revenue:		
(i) Scrap Sales	99.96	106.20
(ii) Leave and License Dues and Rent	31.99	29.01
(iii) Export Incentives	24.42	16.09
(iv) Sundry Receipts	29.84	29.66
	186.21	180.96
Revenue from Operations	11,231.87	9,966.72

	(Rupees in crore) Current Year	Previous Year
Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 115 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended 31st March, 2019 are not strictly relatable to previous year.		
The following additional information is being provided to facilitate such understanding:		
Revenue from Operations (A)	11,231.87	9,966.72
Excise Duty on Sale (B)	-	152.86
Revenue from Operations excluding excise duty on sale (A-B)	11,231.87	9,813.86
26 A. DISAGGREGATION OF REVENUE		
(a) Consumer Durables		
At a point in time	6,915.06	6,294.69
Over time	216.76	155.94
Total	7,131.82	6,450.63
(b) Industrial Products		
At a point in time	1,534.37	1,327.05
Over time	1,801.83	1,410.86
Total	3,336.20	2,737.91
(c) Others		
At a point in time	577.64	597.22
Over time	-	-
Total	577.64	597.22
27. OTHER INCOME		
(a) Interest Income	21.38	17.21
(b) Dividend Income	93.29	56.92
(c) Profit on Sale of Current Investments (Net)	1.63	10.84
(d) Excess provisions of previous years written back (net)	-	0.28
(e) Share of Profit in a firm (LLP)	0.35	0.36
(f) Profit on Sale/Disposal of Fixed Assets (Net)	-	6.50
(g) Net foreign exchange gains	-	16.49
(h) Miscellaneous non-operating Income	1.13	0.18
Total	117.78	108.78
28. COST OF MATERIALS CONSUMED		
Stocks of Raw Materials at the beginning of the year	554.29	412.64
Add: Raw Materials purchased during the year	2,722.06	2,915.13
	3,276.35	3,327.77
Less: Sale of Raw Materials	178.81	91.43
Less: Stocks of Raw Materials at the close of the year	548.34	554.29
Add: Reduction pursuant to loss of control of a subsidiary	-	-
Net Stock of Raw Material at the end of the year	548.34	554.29
Total	2,549.20	2,682.05

		Current Year	Previous Year
		(Rupees in crore)	
29.	**PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)**		
(a)	Consumer Durables	2,827.07	2,186.65
(b)	Industrial Products	603.00	373.92
(c)	Licenses	11.63	2.55
(d)	AMC Services	1.07	3.99
(e)	Others	86.46	78.75
	Total	3,529.23	2,645.86
30.	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE**		
(a)	Stocks at the beginning of the year:		
	(i) Finished Goods*	738.68	1,043.18
	(ii) Stock-in-Trade	543.35	-
	(iii) Work-in-Process	211.32	387.26
		1,493.35	1,430.44
	Less: Stock Adjustment for subsidiaries merged	-	-
		1,493.35	1,430.44
(b)	Less: Stocks at the end of the year:		
	(i) Finished Goods*	817.45	738.68
	(ii) Stock-in-Trade	533.65	543.35
		1,351.10	1,282.03
	(iii) Work-in-Process	124.79	211.32
	Net Stocks at the end of the year	124.79	211.32
		1,475.89	1,493.35
		17.46	(62.91)
	Net change in Excise Duty on Finished Goods	-	(3.95)
	Total	17.46	(66.86)
	* including stocks of Traded Goods, Spares and Components for after-sales service		
31.	**PROPERTY DEVELOPMENT AND CONSTRUCTION EXPENSES (COMMERCIAL PROJECTS)**		
(a)	Construction Work-in-Progress at the beginning of the year	239.90	277.84
(b)	Add: Project Expenses incurred during the year:		
	(i) Development and Construction Expenses	988.71	690.31
	(ii) Employee Remuneration and Benefits	53.27	44.96
	(iii) Professional Charges	-	3.47
	(iv) Others	29.09	77.39
		1,071.07	816.13
(c)	Less: Construction Work-in-Progress at the end of the year	(270.59)	(239.90)
	Total	1,040.38	854.07

			(Rupees in crore) Current Year	Current Year
32.	**EMPLOYEE BENEFITS EXPENSE**			
	(a)	Salaries, Wages and Bonus	1,194.09	1,099.24
	(b)	Company's contribution to Employees' Provident and other Funds	55.02	48.15
	(c)	Company's contribution to Employees' Gratuity Trust Fund	15.27	13.44
	(d)	Workmen and Staff Welfare Expenses	27.99	31.56
	(e)	Voluntary Retirement Compensation	0.23	0.17
	Total		1,292.60	1,192.56
33.	**FINANCE COSTS**			
	(a)	Interest on Term Loans	48.65	46.95
	(b)	Interest on Fixed Deposits and other Unsecured Loans	57.67	66.66
	(c)	Other Interest costs	116.89	87.44
			223.21	201.05
	(d)	Less: Adjustments for Interest Capitalised	55.29	32.66
			167.92	168.39
	(e)	Finance Charges	12.16	9.33
	(f)	Net (gain) / loss on foreign currency transactions/translations (attributable to finance costs)	(9.03)	7.47
		Total	171.05	185.19
34.	**OTHER EXPENSES**			
	(a)	Stores, Spare Parts and Other Materials consumed	179.95	125.68
	(b)	Power and Fuel	148.51	138.44
	(c)	Rates and Taxes	36.45	48.29
	(d)	Insurance	15.18	14.74
	(e)	Repairs and Maintenance of Buildings	44.61	29.17
	(f)	Repairs and Maintenance of Machinery	11.81	11.21
	(g)	Repairs & Maintenance - Others (Net)	0.41	0.16
	(h)	Technical Fees	10.62	4.06
	(i)	Royalty	2.45	1.46
	(j)	Rent [Note 45 (a)]	137.52	112.49
	(k)	Establishment and Other Expenses [Note 45 (a)]	505.51	377.10
	(l)	Donations and Contributions	1.40	0.92
	(m)	Motor Car and Lorry Expenses [Note 45 (a)]	15.87	24.22
	(n)	Freight, Transport and Delivery Charges	507.23	449.40
	(o)	Advertisement and Publicity	294.71	245.41
	(p)	Commission	51.29	37.04
	(q)	Professional Fees	154.12	118.74
	(r)	CSR Expenses	5.78	4.73
	(s)	Bad Debts/Advances written off	13.03	62.66
	(t)	Allowances for doubtful debts, advances and contract assets	13.17	26.37
	(u)	Provision for Free Service under Product Warranties	5.02	11.52
	(v)	Loss on Sale/Disposal of Fixed Assets (Net)	0.48	-
	(w)	Selling and Distribution Expenses	3.42	3.80
	(x)	Impairment of Goodwill	-	72.55
	(y)	Net foreign exchange losses	15.40	-
	(z)	Loss due to natural causes	3.99	-
		Total	2,177.93	1,920.16

		(Rupees in crore) Current Year	Current Year
Note:	Research and Development expenses for the year amounting to Rs. 70.41 crore (previous year: Rs. 53.72 crore) have been charged to the Statement of Profit and Loss under the various heads of account.		
35.	**EXCEPTIONAL ITEMS**		
(a)	Profit on sale of TDR	-	2.66
	Total	-	2.66
36.	**DISCLOSURE IN RESPECT OF PROPERTY DEVELOPMENT PROJECTS AND CONSTRUCTION CONTRACTS**		
(a)	Contract revenue recognised and shown under Sales for the year	1,146.25	931.56
(b)	For all contracts in progress at the year-end:		
(i)	Aggregate amount of costs incurred and profits recognised (less recognised losses) upto the balance sheet date	1,798.46	1,969.64
(ii)	Advances received from customers as at the balance sheet date	441.37	214.53
(iii)	Work-in-Progress at the end of the year	270.53	239.90
(iv)	Excess of revenue recognised over actual bills raised	455.90	346.52
(v)	Gross amount due from customers as at the balance sheet date	451.61	376.34
(c)	The Company follows the Percentage of Completion Method to determine the project revenue to be recognised for the year.		
(d)	The Company follows the Project Costs Incurred Method to determine the stage of completion of each project.		
37.	**EARNINGS PER SHARE**		
(a)	Profit after Taxes for the Year attributable to Equity Shareholders	207.52	194.71
(b)	Number of Equity Shares of Rs.100 each issued and outstanding:		
	(i) At the end of the year	6,78,445	6,78,445
	(ii) Weighted average number of Shares outstanding during the year	6,78,445	6,78,445
(c)	Basic and Diluted Earnings per Share (a/b) (Statement of Profit and Loss, item XII)	Rs. 3,059	Rs. 2,870

(Rupees in crore)

	Current Year	Previous Year
38. DETAILS OF EMPLOYEE BENEFITS:		
(a) DEFINED BENEFIT PLAN - PROVIDENT FUND:		
Amount contributed by the Company to the Employees' Provident and other Funds recognized as an expense and included under Employee Benefits Expense	48.56	44.56
The amount recognised in the Group Financial Statements as at the year end are as under :		
(a) DEFINED BENEFIT PLAN – GRATUITY:		
(i) Change in Defined Benefit Obligation :		
Liability at the beginning of the year	187.14	178.21
Interest cost	14.66	12.77
Current service cost	13.77	12.10
Benefit paid	(13.75)	(23.44)
Actuarial (gain)/loss on obligations	(2.80)	7.50
Liability at the end of the year	199.02	187.14
(ii) Changes in Fair Value of Plan Assets:		
Fair value of plan assets at the beginning of the year	166.08	158.41
Assets transferred in / Acquisitions	0.11	0.35
Expected return on plan assets	13.06	11.45
Contributions by Employer	20.42	18.33
Benefit paid	(13.75)	(23.44)
Actuarial (gain)/loss on plan assets	0.38	0.98
Fair value of plan assets at the end of the year	186.30	166.08
Total actuarial gain/(loss) to be recognized	3.18	(6.52)
(iii) Amount recognised in the Balance Sheet:		
Liability at the end of the year	199.02	187.14
Fair value of plan assets at the end of the year	186.30	166.08
Funded status - Deficit / (Surplus)	(12.72)	(21.06)
Amount recognised in the Balance Sheet	(12.72)	(21.06)
(iv) Expense recognised in the Statement of Profit and Loss:		
Current service cost	13.77	12.10
Interest cost	14.66	12.77
Expected return on plan assets	(13.06)	(11.45)
Total Expense recognised in the Statement of Profit and Loss	15.37	13.42
(v) Amounts Recognised in other comprehensive income for the year:		
Actuarial (gain)/loss on obligations	(2.81)	7.50
Return on plan assets excluding interest income	(0.42)	(1.04)
Amount recognised in other comprehensive income	(3.23)	6.46
(vi) Actuarial Assumptions:		
Discount rate	7.69%	7.83%
Rate of return on plan assets	7.69%	7.83%
Salary escalation	7.50%	8.00%
(vii) Estimated Contribution to be made in next financial year	23.25	24.27

(b) GENERAL DESCRIPTION OF DEFINED BENEFIT PLAN – GRATUITY:

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972, or as per the Company's Scheme, whichever is more beneficial.

(c) SENSITIVITY ANALYSIS

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

(Rupees in crore)

	Current Year		Previous Year	
Discount Rate (1% movement)	(12.56)	14.53	(14.42)	16.93
Future Salary Growth (1% movement)	14.41	(12.69)	16.73	(14.53)
Rate of Employee Turnover (1% movement)	0.08	(0.10)	(0.38)	0.42

(d) DEFINED BENEFIT OBLIGATIONS -

YEAR ENDING 31-MARCH	(Rupees in crore)
2020	34.57
2021	13.80
2022	18.15
2023	16.84
2024	16.31
Thereafter	78.18

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

(I). A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include 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.

(Rupees in crore)

	Carrying amount				Fair value			
As at 31/03/2019	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Non-current								
Other investments *								
Quoted Equity Shares	-	6,084.60	-	6,084.60	6,084.60	-	-	6,084.60
Unquoted Equity Shares	-	2.83	-	2.83	-	-	2.83	2.83
Loans	-	-	58.65	58.65	-	-	-	-
Current								
Current Investments	13.26	-	-	13.26	13.26	-	-	13.26
Trade Receivables	-	-	2,282.29	2,282.29	-	-	-	-
Cash and cash equivalents	-	-	315.93	315.93	-	-	-	-
Bank balances others	-	-	131.41	131.41	-	-	-	-
Loans	-	-	7.04	7.04	-	-	-	-
Other Current Financial Assets	-	-	50.58	50.58	-	-	-	-
Derivative asset	5.62	-	-	5.62	-	5.62	-	5.62
	18.88	6,087.43	2,845.90	8,952.21	6,097.86	5.62	2.83	6,106.31
Financial liabilities								
Non-current								
Borrowings	-	-	812.05	812.05	-	-	-	-
Other financial liabilities	-	-	183.10	183.10	-	-	-	-
Current								
Borrowings	-	-	1,827.32	1,827.32	-	-	-	-
Trade Payables	-	-	1,539.09	1,539.09	-	-	-	-
Other financial liabilities	-	-	1,075.04	1,075.04	-	-	-	-
Derivative liability	8.62	-	-	8.62	-	8.62	-	8.62
	8.62	-	5,436.60	5,445.22	-	8.62	-	8.62

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(Rupees in crore)

As at 31/03/2018	Carrying amount FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair value Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Other investments *								
Quoted Equity Shares	-	6,335.49	-	6,335.49	6,335.49	-	-	6,335.49
Unquoted Equity Shares	-	4.70	-	4.70	-	-	4.70	4.70
Quoted Others	-	135.32	-	135.32	135.32	-	-	135.32
Loans	-	-	70.53	70.53	-	-	-	-
Current								
Current Investments	14.62	-	-	14.62	14.62	-	-	14.62
Trade Receivables	-	-	2,379.19	2,379.19	-	-	-	-
Cash and cash equivalents	-	-	318.06	318.06	-	-	-	-
Bank balances others	-	-	147.87	147.87	-	-	-	-
Loans	-	-	6.93	6.93	-	-	-	-
Other Current Financial Assets	-	-	382.13	382.13	-	-	-	-
Derivative asset	0.39	-	-	0.39	-	0.39	-	0.39
	15.01	6,475.51	3,304.71	9,795.23	6,485.43	0.39	4.70	6,490.52
Financial liabilities								
Non-current								
Borrowings	-	-	801.82	801.82	-	-	-	-
Other financial liabilities	-	-	173.74	173.74	-	-	-	-
Current								
Borrowings	-	-	1,475.75	1,475.75	-	-	-	-
Trade Payables	-	-	1,544.00	1,544.00	-	-	-	-
Other financial liabilities	-	-	1,179.95	1,179.95	-	-	-	-
Derivative liability	0.55	-	-	0.55	-	0.55	-	0.55
	0.55	-	5,175.26	5,175.81	-	0.55	-	0.55

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

FVTPL - Fair Value Through Profit and Loss
FVTOCI - Fair Value Through Other Comprehensive Income
* The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.
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).
The put option liability is fair valued at each reporting date through equity.
Reconciliation of level 3 fair values

Particulars	(Rupees in crore)
As at 31/3/2018	4.70
Net change in fair value (unrealised)	(1.87)
As at 31/3/2019	2.83

(1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to Rs. 1022.66 crore as at 31-03-2019 and Rs. 578.29 crore as at 31-03-2018, respectively, are not included.
(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to Rs. 962.66crore as at 31-03-2019 and Rs. 942.36 crore as at 31-03-2018, respectively, are not included.

(I). B. Measurement of fair values

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

Financial instruments measured at fair value

Type	Valuation technique
Non-Current Investments - quoted	The use of quoted market prices
Non-Current Investments - unquoted	Net book value based on the last available financial statements
Forward contracts	The fair value is determined using forward exchange rates at the reporting dates.

(I). C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

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.

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(II). Liquidity risk

Liquidity risk is the risk that the Group will encounter, 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 manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables.

Exposure to liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables.

This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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.

(Rupees in crore)

		Contractual cash flows					
As at 31/03/2019	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Borrowings	2,389.78	2,389.78	1,713.60	127.23	545.25	3.70	-
Debentures	249.59	249.59	-	-	249.59	-	-
Trade Payables	1,539.09	1,539.09	1,539.09	-	-	-	-
Other Financial Liabilities	1,266.76	1,266.76	1,083.66	-	183.10	-	-

(Rupees in crore)

		Contractual cash flows					
As at 31/03/2018	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Borrowings	1,778.61	1,778.61	1,408.27	87.63	262.85	19.86	-
Debentures	498.96	498.96	-	-	249.54	249.42	-
Trade Payables	1,544.00	1,544.00	1,544.00	-	-	-	-
Other Financial Liabilities	1,354.24	1,354.24	1,167.99	-	186.25	-	-

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(III). Market risk

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

Price risk

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

Currency risk

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

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of:

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31/03/2019 and 31/03/2018 are as below:

(Rupees in crore)

As at 31/03/2019	**USD**	**EURO**	**GBP**	**Others**
Financial Assets				
Trade Receivables	148.74	6.65	3.19	7.00
Less: Forward contracts for trade receivables	(24.24)	(0.77)	-	-
Cash and Cash Equivalents	17.97	-	-	-
	142.47	5.88	3.19	7.00
Financial liabilities				
Trade Payables	326.16	41.01	1.20	2.61
Less: Forward contracts for trade payables	(235.76)	-	-	-
Term Loans	5.58	-	-	-
	95.98	41.01	1.20	2.61

(Rupees in crore)

As at 31/03/2018	**USD**	**EURO**	**GBP**	**Others**
Financial Assets				
Trade Receivables	187.93	9.20	2.57	8.46
Less: Forward contracts for trade receivables	(39.36)	(3.00)	-	-
Cash and Cash Equivalents	18.60	-	-	-
	167.17	6.20	2.57	8.46
Financial liabilities				
Trade Payables	533.24	59.44	6.67	8.52
Less: Forward contracts for trade payables	(258.54)	-	-	-
Term Loans	5.15	-	-	-
	279.85	59.44	6.67	8.52

	Year-end spot rate	
(Rupees)	**31-03-2019**	31-03-2018
USD 1	**69.16**	65.18
EUR1	**77.67**	80.81
GBP1	**90.53**	92.28

Sensitivity analysis

A reasonably possible 3% strengthening (weakening) of the Indian Rupee against USD/GBP/Euro at 31st March would have affected the measurement of financial instruments denominated in USD/GBP/Euro and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rupees in crore)

	as at 31/03/2019		**as at 31/03/2018**	
	Profit or loss		**Profit or loss**	
Effect	Strengthening	Weakening	Strengthening	Weakening
USD - 3% movement	1.39	(1.39)	(3.38)	3.38
EUR - 3% movement	(1.05)	1.05	(1.60)	1.60
GBP - 3% movement	0.06	(0.06)	(0.12)	0.12

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(IV) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. It is the Company's policy to obtain the most favourable interest rate available, and to retain flexibility of fund-raising options in future between fixed and floating rates of interest, across maturity profiles and currencies.

Exposure to interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at floating rates exposes to fair value 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.

Rupees in Crore

Nominal amount	As at 31-03-2019	As at 31-03-2018
Borrowings		
Fixed-rate borrowings	2,567.09	2,229.09
Variable-rate borrowings	72.28	48.48
Total	2,639.37	2,277.57

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) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
(Rupees in crores)	**100 bp increase**	**100 bp decrease**
As at 31/03/2019		
Variable-rate instruments	(0.72)	0.72
Cash flow sensitivity (net)	(0.72)	0.72

	Profit or loss	
(Rupees in crores)	**100 bp increase**	**100 bp decrease**
As at 31/03/2018		
Variable-rate instruments	(0.48)	0.48
Cash flow sensitivity (net)	(0.48)	0.48

Fair value sensitivity analysis for fixed-rate instruments

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

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(V). Credit Risk

Credit risk is the risk of financial loss to the Group 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 investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.
Credit risk refers to the risk of default on its obligations by a counterparty to the Group resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities (trade receivables) and from its investing activities including investments in mutual funds, deposits with banks and financial institutions and NCD's, foreign exchange transactions and financial instruments.
Credit risk from trade receivables is managed by each business unit subject to the Group's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring credit worthiness of the customers to which the Group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed.
Credit risk from investments of surplus funds is managed by the Group's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Group monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

Trade receivables

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this, the businesses periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

Impairment

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

		(Rupees in crore)
	As at 31-03-2019	As at 31-03-2018
Neither past due nor impaired	1,678.33	1,409.17
More than 6 months and less than 1 year	111.96	232.70
More than 1 year	492.00	737.32
	2,282.29	2,379.19

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:
Loans and advances given are monitored by the Group on a regular basis and these are neither past due nor impaired.

	(Rupees in crore) Collective impairments
Balance as at 31/03/2018	215.56
Impairment loss recognised	13.17
Balance as at 31/03/2019	228.73
Amounts written off as at 31/03/2019	13.03
Amounts written off as at 31/03/2018	62.66

40. 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 Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. The Group's adjusted net debt to equity ratio for 3 years is given below:

		(Rupees in crore)
	As at 31-03-2019	As at 31-03-2018
Non-current borrowings	812.05	801.82
Current borrowings	1,827.32	1,475.75
Current maturity of long-term borrowings	322.99	429.14
Gross Debt	**2,962.36**	**2,706.71**
Less : Cash and cash equivalent	315.93	318.06
Less : Other bank deposits	131.41	147.87
Less : Current Investments	13.26	14.62
Adjusted net debt	**2,501.76**	**2,226.16**
Total equity	9,185.65	9,398.36
Adjusted net debt to equity ratio	0.27	0.24

41. ADDITIONAL INFORMATION ABOUT BUSINESS SEGMENTS

	Current Year					Previous Year				
	Consumer Durables	Industrial Products	Others	Corporate/ Unallocated	Total Company	Consumer Durables	Industrial Products	Others	Corporate/ Unallocated	Total Company
REVENUE										
Domestic Sales	6,885.23	2,823.13	570.44	-	10,278.80	6,273.39	2,258.61	597.03	-	9,129.03
Export Sales	246.59	513.07	7.20	-	766.86	177.24	479.30	0.19	-	656.73
SALE OF PRODUCTS AND SERVICES (Gross)	7,131.82	3,336.20	577.64	-	11,045.66	6,450.63	2,737.91	597.22	-	9,785.76
Inter-Segment Transfers	11.76	111.52	3.24	-	126.52	58.17	69.38	2.22	-	129.77
Other Operating Revenue	89.70	94.11	2.40	-	186.21	87.40	91.54	2.02	-	180.96
SEGMENT REVENUE	7,233.28	3,541.83	583.28	-	11,358.39	6,596.20	2,898.83	601.46	-	10,096.49
Less: Inter-Segment Revenue					(126.52)					(129.77)
TOTAL REVENUE					11,231.87					9,966.72
RESULTS FROM OPERATIONS										
Profit before Corporate / Common Expenses, Interest, Depreciation and Amortization	642.87	240.88	286.39	-	1,170.14	663.16	195.62	238.54	-	1,097.32
Depreciation	119.55	72.74	30.91	-	223.20	107.08	66.28	30.48	-	203.84
SEGMENT RESULTS (Profit before Corporate / Common Expenses and Interest)	523.32	168.14	255.48	-	946.94	556.08	129.34	208.06	-	893.48
Add: Income from Dividends					93.29					56.92
Total Profit/(Loss) on Sale of Fixed Assets (Net)					-					6.50
Total Profit on Sale of Investments (Net)					-					-
					1,040.23					956.90
Less: Interest (Net of Interest Income)					149.67					167.98
Less: Other Unallocated Corporate / Common Expenses					(538.80)					(469.96)
Add/(Less): Exceptional Items					-					2.66
Less: Share of Profit/(Loss) in Associate					(16.58)					(15.04)
PROFIT BEFORE TAX					335.18					306.58
Provision for Taxes					131.92					135.83
PROFIT FOR THE YEAR					203.26					170.75
CAPITAL EMPLOYED (at the end of the year)										
Segment Assets	3,940.33	2,576.28	162.82	2,914.62	9,594.05	3,633.34	2,342.83	146.61	2,960.76	9,083.54
Segment Liabilities	1,253.04	1,092.62	61.62	4,126.52	6,533.80	1,337.00	870.85	61.52	3,985.17	6,254.54
SEGMENT CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)	2,687.29	1,483.66	101.20	(1,211.90)	3,060.25	2,296.34	1,471.98	85.09	(1,024.41)	2,829.00
Investments					6,121.51					6,527.58
Add/(Less): Deferred Tax Asset / (Liabilities) (Net)					3.89					41.78
TOTAL CAPITAL EMPLOYED (NET ASSETS) (as per Balance Sheet)					9,185.65					9,398.36
CAPITAL EXPENDITURE										
TOTAL CAPITAL EXPENDITURE (as per Balance Sheet)	269.56	87.84	5.00	244.97	607.37	152.15	95.77	4.94	214.30	467.16

Business Segments

The Indian Accounting Standard 108 (Ind AS-108) on “Segment Reporting” requires disclosure of segment information to facilitate better understanding of the performance of an enterprise’s business operations.

The Company has identified Business Segments to comply with the operating segment disclosures as per Ind AS-108, considering the organization structure, internal financial reporting system, and the risk-return profiles of the businesses. The Company’s organisation structure and management processes are designed to support effective management of multiple businesses while retaining focus on each one of them.

(a) Identification of Business Segments

The Consumer Durables segment includes Furniture, Office Equipment, Home Appliances, Locks and Security Equipment. The Industrial Products segment includes Process Plant and Equipment, Toolings, Special Purpose Machines, Precision Components/Engineering, Electricals and Electronics, Electric Motors, Storage Solutions and Material Handling Equipment. Estate leasing, Property Development and Ready-mix concrete operations are included in Other Segment.

(b) Segment Revenue, Results, Assets and Liabilities

Segment revenue and results are arrived at based on amounts identifiable to each of the segments. Inter-segment transfers are valued at cost or market-based prices, as may be negotiated between the segments with an overall optimization objective for the Company. Other unallocated expenses include corporate expenses, as well as expenses incurred on common shared-services provided to the segments. Segment assets include all operating assets used by the business segment and consist mainly of net fixed assets, debtors and inventories. Segment liabilities primarily include creditors and advances from customers. Unallocated assets mainly relate to the factory, administrative, employee welfare, and marketing infrastructure at Vikhroli, Mumbai and at up-country establishments, not directly identifiable to any business segment. Liabilities which have not been identified between the segments are shown as unallocated liabilities.

42. DISCLOSURES OF JOINT VENTURES AND ASSOCIATES :

1 Equity accounted investees

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

(Rupees in crore)

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amounts 31-03-2019	Carrying Amounts 31-03-2018
Godrej Consoveyo Logistics Automation Ltd.	India	49.00%	Joint Venture	Equity method	3.96	8.16
Godrej UEP (Singapore) Pte. Ltd.	Singapore	50.00%	Joint Venture	Equity method	0.47	0.48
Urban Electric Power Inc., USA	USA	23.76%	Associate	Equity method	1.79	11.73
Godrej and Khimji (ME) LLC	Oman	49.00%	Associate	Equity method	11.22	14.05
Parazelsus Orient Ltd.	British Virgin Islands	30.00%	Associate	Equity method	-	-
Godrej and Boyce Enterprises LLP	India	50.00%	Associate	Equity method	-	-
Future Factory LLP	India	20.00%	Associate	Equity method	3.38	3.03
Total equity accounted investments					20.82	37.45

(Rupees in crore)

Particulars	Godrej Consoveyo Logistics Automation Ltd. As at 31/03/2019	Godrej Consoveyo Logistics Automation Ltd. As at 31/03/2018	Urban Electric Power Inc., USA As at 31/12/2018	Urban Electric Power Inc., USA As at 31/12/2017
Ownership	49%	49%	23.76%	23.91%
Cash and cash equivalent	0.06	0.01	2.50	-
Other current assets	46.51	69.48	4.70	9.59
Total current assets	46.57	69.49	7.20	9.60
Total non-current assets	12.01	7.66	19.17	21.42
Total assets	58.58	77.15	26.37	31.02
Current liabilities				
Financial liabilities (excluding trade payables and provisions)	15.81	18.76	45.16	47.85
Other liabilities	34.04	41.20	28.06	18.67
Total current liabilities	49.85	59.96	73.22	66.52
Non Current liabilities				
Other liabilities	0.61	0.54	1.24	3.20
Total non current liabilities	0.61	0.54	1.24	3.20
Total liabilities	50.46	60.50	74.46	69.72
Net assets	8.12	16.65	(48.09)	(38.70)
Groups' share of net assets	3.98	8.16	(11.43)	(9.25)
Carrying amount of interest in Associate / Joint Venture	3.96	8.16	1.79	11.73

(Rupees in crore)

Particulars	Godrej Consoveyo Logistics Automation Ltd. Year ended 31/03/2019	Godrej Consoveyo Logistics Automation Ltd. Year ended 31/03/2018	Urban Electric Power Inc., USA Year ended 31/12/2018	Urban Electric Power Inc., USA Year ended 31/12/2017
Revenues	53.94	104.43	22.09	4.92
Interest income	0.10	0.04	-	-
Depreciation and amortisation	0.29	0.47	5.43	4.90
Interest expense	1.84	0.25	2.90	1.06
Income tax expense	2.52	2.20	-	-
Loss from continuing operations	(8.57)	(4.48)	(34.80)	(49.42)
Profit from discontinued operations	-	-	-	-
Loss for the year	(8.57)	(4.48)	(34.80)	(49.42)
Other comprehensive income	0.04	(0.01)	-	-
Total comprehensive income	(8.53)	(4.49)	(34.80)	(49.42)
Group's share of profit	(4.20)	(2.20)	(8.27)	(11.82)
Group's share of Other comprehensive income	0.02	-	-	-
Group's share of Total comprehensive income	(4.18)	(2.20)	(8.27)	(11.82)

42. DISCLOSURES OF JOINT VENTURES AND ASSOCIATES : (continued)

(Rupees in crore)

Particulars	Godrej Khimji (M.E.) LLC.		Parazelsus Orient Ltd		Godrej UEP (Singapore) Pte. Ltd.	
	As at 31/12/2018	As at 31/12/2017	As at 31/12/2018	As at 31/12/2017	As at 31/12/2018	As at 31/12/2017
Ownership	49%	49%	30.00%	30.00%	50.00%	50.00%
Other current assets	17.15	16.64	30.72	28.53	28.17	1.00
Total current assets	17.15	16.64	30.72	28.53	28.17	0.99
Total non-current assets	29.17	29.94	-	2.35	-	-
Total assets	46.32	46.58	30.72	30.88	28.17	0.99
Current liabilities						
Other liabilities	20.18	14.74	47.26	39.73	27.23	0.03
Total current liabilities	20.18	14.74	47.26	39.73	27.23	0.03
Non Current liabilities						
Financial liabilities (excluding trade payables and provisions)	-	-	-	-	-	-
Other liabilities	3.25	3.16	-	-	-	-
Total non current liabilities	3.25	3.16	-	-	-	-
Total liabilities	23.43	17.90	47.26	39.73	27.23	0.03
Net assets	22.89	28.68	(16.54)	(8.85)	0.94	0.96
Groups' share of net assets	11.22	14.05	(4.96)	(2.66)	0.47	0.48
Carrying amount of interest in Associate / Joint Venture	11.22	14.05	-	-	0.47	0.48

(Rupees in crore)

Particulars	Godrej Khimji (M.E.) LLC.		Parazelsus Orient Ltd		Godrej UEP (Singapore) Pte. Ltd.	
	As at 31/12/2018	As at 31/12/2017	As at 31/12/2018	As at 31/12/2017	As at 31/12/2018	As at 31/12/2017
Revenues	25.00	24.80	-	0.45	-	0.07
Interest income	-	-	-	-	-	-
Depreciation and amortisation	3.56	3.33	-	-	-	-
Interest expense	0.87	0.72	-	-	-	-
Income tax expense	-	-	-	-	-	0.00
Profit / (Loss) from continuing operations	(7.94)	(5.14)	(6.36)	(1.84)	(0.08)	0.02
Profit from discontinued operations	-	-	-	-	-	-
Profit / (Loss) for the year	(7.94)	(5.14)	(6.36)	(1.84)	(0.08)	0.02
Other comprehensive income		-	-	-	(0.02)	(0.01)
Total comprehensive income / expense	(7.94)	(5.14)	(6.36)	(1.84)	(0.10)	0.01
Group's share of profit / (loss)	(3.89)	(2.52)	(1.91)	(0.55)	(0.04)	0.01
Group's share of Other comprehensive income	-	-	-	-	(0.01)	(0.00)
Group's share of Total comprehensive income / (expense)	(3.89)	(2.52)	(1.91)	(0.55)	(0.05)	0.01

(Rupees in crore)

Particulars	Future Factory LLP		Godrej and Boyce Enterprises LLP	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
Ownership	20%	20%	50%	50%
Cash and cash equivalent	8.21	7.06	-	-
Other current assets	4.78	3.67	-	-
Total current assets	12.99	10.73	-	-
Total non-current assets	0.82	0.91	-	-
Total assets	13.81	11.64	-	-
Current liabilities				
Financial liabilities (excluding trade payables and provisions)	0.89	0.55	-	-
Other liabilities	1.19	0.77	-	-
Total current liabilities	2.08	1.32	-	-
Non Current liabilities				
Financial liabilities (excluding trade payables and provisions)	-	-	-	-
Other liabilities	-	-	-	-
Total non current liabilities	-	-	-	-
Total liabilities	2.08	1.32	-	-
Net assets	11.73	10.32	-	-
Groups' share of net assets	2.35	2.06	-	-
Carrying amount of interest in Associate / Joint Venture	3.38	3.03	-	-

(Rupees in crore)

Particulars	Future Factory LLP		Godrej and Boyce Enterprises LLP	
	As at 31/03/2019	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Revenues	8.69	9.54	-	-
Interest income	0.41	0.37	-	-
Depreciation and amortisation	0.09	0.09	-	-
Interest expense	0.02	0.02	-	-
Income tax expense	0.90	1.03	-	-
Profit from continuing operations	1.77	1.80	-	-
Profit from discontinued opertaions	-	-	-	-
Profit for the year	1.77	1.80	-	-
Other comprehensive income	0.04	0.02	-	-
Total comprehensive income	1.81	1.82	-	-
Group's share of profit	0.35	0.36	-	-
Group's share of Other comprehensive income	0.01	0.00	-	-
Group's share of Total comprehensive income	0.36	0.36	-	-

43. BUSINESS COMBINATION

Amalgamation of wholly-owned subsidiary India Circus Retail Private Limited with the Company:

(a) A Scheme of Amalgamation ("the Scheme") of India Circus Retail Private Limited 'ICRPL' with the Company with effect from 1st April 2017, 'appointed date' was sanctioned by the National Company Law Tribunal ("NCLT"), Mumbai Bench, on 30th, August, 2018 and certified copies of the Order of the NCLT sanctioning the scheme were received.
The entire undertaking of erstwhile ICRPL stands transferred to and vested in the Company as a going concern and ICRPL, without any further act, stands dissolved without winding up. ICRPL was mainly engaged in e-commerce and offline retail business of home décor and life style products . The amalgamation was accounted for as specified in the Scheme.
The asset, liabilities and reserves of ICRPL have been taken over at their carrying values and adjusted in the financial statements on 1st April, 2016, since the entities are under common control.

(b) The details of adjustments made in the accounts pursuant to the Scheme are set out below:

Value of Net Assets of India Circus Retail Private Ltd. taken over as at 1st April, 2017 (See Notes below):

		Rupees in crore
Total Value of Net Assets taken over [(A) – (B)]		(13.99)
Adjusted against: Retained Earnings		22.17
		8.18
Less: Book Value of equity shares held by the Company in ICRPL written off		(0.20)
Less: Book Value of preference shares held by the Company in ICRPL written off	(23.00)	
As reduced by the amount considered as long term borrowings above	15.21	(7.79)
Adjusted as Capital Reserve under Business Combination		0.19

(c) All assets and liabilities, have been recorded in the books of the Company at the values appearing in the books of ICRPL as at the closing balance sheet as at 31st March, 2017.

(d) With effect from 1st April, 2017, all debts, liabilities, duties and obligations of ICRPL as at the close of business on the date preceding the aforesaid date, whether or not provided in the books of ICRPL, and all liabilities which arise or accrue on or after 1st April, 2017 shall be deemed to be the debts, liabilities, duties and obligations of the Company.

(e) Pending completion of the relevant formalities for transfer of some of the assets and liabilities, acquired pursuant to the Scheme, in the name of the Company, such asset and liabilities continue to be in the name of ICRPL.

(f) The amalgamation of the wholly-owned subsidiary does not entail issue of shares.

44. RELATED PARTY DISCLOSURES

(a) NAMES OF RELATED PARTIES AND NATURE OF RELATIONSHIPS:

(i) Subsidiaries (including step-down subsidiaries):

A. Subsidiaries (with the Company's direct equity holdings in excess of 50%):

1. Godrej Infotech Limited
2. Godrej (Singapore) Pte. Limited (a wholly-owned subsidiary incorporated in Singapore)
3. Veromatic International BV (a wholly-owned subsidiary incorporated in the Netherlands)
4. Godrej Americas Inc. (a wholly-owned subsidiary incorporated in the USA)
5. Sheetak Inc. (incorporated in USA)

The following companies are step-down subsidiaries (where the Company's subsidiaries listed above, directly and/or indirectly through one or more subsidiaries, hold more than one-half of equity share capital):

B. Subsidiaries of Godrej Infotech Limited:

1. Godrej Infotech Americas Inc. (a wholly-owned subsidiary incorporated in North Carolina, USA)
2. Godrej Infotech (Singapore) Pte. Limited (a wholly-owned subsidiary incorporated in Singapore)
3. LVD Godrej Infotech NV (incorporated in Belgium)

C. Subsidiaries of Godrej (Singapore) Pte. Ltd.:

1. JT Dragon Pte. Ltd. (Incorporated in Singapore)
2. Godrej (Vietnam) Co. Ltd. (Incorporated in Vietnam) (a wholly owned subsidiary of JT Dragon Pte. Ltd.)

D. Joint Ventures:

1. Godrej Consoveyo Logistics Automation Ltd. (formerly Godrej Efacec Automation & Robotics Ltd.)
2. Godrej UEP (Singapore) Pte. Ltd. (Joint venture between Godrej (Singapore) Pte. Ltd. and Urban Electric Power Inc.)
3. Godrej UEP Pvt. Ltd. [a wholly-owned subsidiary of Godrej UEP (Singapore) Pte. Ltd.]

(ii) Other Associates and Limited Liability Partnerships:

A. ASSOCIATES AND LLP'S OF GODREJ AND BOYCE MFG. CO. LTD.:

1. Godrej & Boyce Enterprises LLP
2. Godrej Properties Developers LLP
3. Future Factory LLP
4. Urban Electric Power Inc.
5. Godrej & Khimji (Middle East) LLC (incorporated in Sultanate of Oman) [a Joint Venture of Godrej (Singapore) Pte. Ltd.]

(iii) Key Managerial Personnel:

(a) Whole-time Directors:

1. Mr. J. N. Godrej, Chairman & Managing Director
2. Mr. V. M. Crishna, Executive Director (Lawkim Motors Group)
3. Mr. A. G. Verma, Executive Director & President
4. Ms. N. Y. Holkar, Executive Director - Corporate Affairs

(b) Non-Executive Directors:

1. Mr. A. B. Godrej
2. Mr. N. B. Godrej
3. Mr. N. J. Godrej
4. Mr. K. N. Petigara
5. Mr. P. P. Shah
6. Ms. A. Ramchandran
7. Mr. K. M. Elavia

(c) Others:

1. Mr. P. K. Gandhi, Chief Financial Officer
2. Mr. P. E. Fouzdar, Executive Vice President and Company Secretary
3. Mr. A. R. Pimparkar, CEO, Godrej Infotech Ltd.
4. Ms. S. M. Mane, Company Secretary, Godrej Consoveyo Logistics Automation Ltd.

(d) Close members of the family of Key Management Personnel:

1. Mrs. P. J. Godrej (spouse of Mr. J. N. Godrej)
2. Mr. N. J. Godrej (son of Mr. J. N. Godrej)
3. Ms. R. J. Godrej (daughter of Mr. J. N. Godrej)
4. Mrs. S. G. Crishna (spouse of Mr. V. M. Crishna)
5. Mrs. F. C. Bieri (daughter of Mr. V. M. Crishna)
6. Mrs. N. Y. Holkar (daughter of Mr. V. M. Crishna)

(iv) Companies under common control:

1. Godrej Industries Limited
2. Godrej Agrovet Limited
3. Godrej Consumer Products Limited
4. Godrej Properties Limited
5. Godrej Seeds and Genetics Limited

(v) Key Managerial Personnel having significant influence over the group:

1. Mr. A. B. Godrej, Non-Executive Director for the parent company
2. Mr. N. B. Godrej, Non-Executive Director for the parent company
3. Ms. Nisaba Godrej (daughter of Mr. A. B. Godrej)
4. Ms. Tanya Dubash (daughter of Mr. A. B. Godrej)
5. Mr. P. A. Godrej (son of Mr. A. B. Godrej)

(vi) Post Employment Benefit Trust with whom the Company has transactions:

1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund

(b) PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR: (Rupees in crore)

	Current Year Companies [Items (a)(i), (iii), (iv) and (vi)]	Previous Year Companies [Items (a)(i), (iii), (iv) and (v)]
(i) Transactions carried out with the related parties,		
(a) Purchase of Materials/Finished Goods/Services	31.13	15.27
(b) Sales, Services Rendered and Other Income	36.96	40.80
(c) Trade and other Receivables	15.86	13.20
(d) Trade and other Payables	2.57	4.50
(e) Guarantees given, outstanding at year end	80.01	148.31
(f) Rent, Establishment & other expenses paid	-	-
(g) Dividend Received	90.01	45.01
(h) Interest paid on Deposits taken	-	0.01
(i) Unsecured Deposits placed	5.77	5.37
(j) Deposits received	-	0.05
(k) Investments Purchased	-	3.25
(l) Loans to Associate Company	13.21	-
(ii) Transactions carried out with Mr. J. N. Godrej, Chairman & Managing Director		
(a) Dividends paid		
Individually	0.00	7.36
As a Trustee of The Raika Godrej Family Trust	2.08	8.04
As a Trustee of JNG Family Trust	6.54	-
As a Trustee of Raika Lineage Trust	5.07	-
As a Trustee of Navroze Lineage Trust	5.07	-
(b) Unsecured Deposits outstanding	30.00	17.00
(c) Interest paid on Deposits taken	1.74	1.30
(iii) Transactions carried out with Mr. V. M. Crishna, Executive Director:		
(a) Dividends paid *	0.00	0.00
(b) Unsecured Deposits outstanding	-	7.00
(c) Interest paid on Deposits taken	0.18	0.49
(iv) Transactions carried out with Ms. N. Y. Holkar, Executive Director:		
(a) Dividends paid	2.08	7.74
(b) Unsecured Deposits outstanding	-	1.50
(c) Interest paid on Deposits taken	0.01	0.02
(v) (a) Remuneration paid/payable to Key Management Personnel (Whole-time Directors)		
(i) Whole-time Directors	17.14	16.57
(ii) Other Key Managerial Personnel	6.20	4.58
(b) Retiral benefits paid/payable to Key Managerial Personnel:		
(i) Whole-time Directors	0.98	0.91
(ii) Other Key Managerial Personnel	0.36	0.22
(vi) Transactions with Relatives of Whole-time Directors		
(a) Mrs. P. J. Godrej		
Remuneration	0.27	0.27
Dividend Paid	0.01	-
Unsecured Deposits outstanding	2.00	3.00
Interest paid on deposits taken	0.19	0.14
(b) Ms. R. J. Godrej:		
Dividend Paid	0.00	0.00
Unsecured Deposits outstanding	46.50	23.50
Interest paid on deposits taken	2.61	1.63

	Current Year	Previous Year
		(Rupees in crore)
(c) Mrs. S. G. Crishna		
Remuneration	0.27	0.27
Dividend Paid		
Individually	0.00	7.95
As a Trustee of SGC Family Trust	7.06	-
As a Trustee of FVC Family Trust	4.81	-
As a Trustee of NVC Family Trust	4.81	-
(d) Mrs. F. C. Bieri		
Dividend Paid	2.08	7.74
(e) Mr. N. J. Godrej		
Dividend Paid	2.08	8.04
(vii) Transactions with Non-Executive Directors		
Commission	0.53	0.53
Sitting Fees	0.53	0.50
Others	-	-
(Amount less than Rs.0.01 crore)		
(viii) Contribution to post-employment benefit plans:		
(a) Advance received and repaid to the Company by:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	4.19	13.13
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	-	-
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	-	0.71
(b) Towards Employer's contribution:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	21.73	16.95
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	21.57	16.99
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	8.56	7.49
(c) Balance payable by the Company to:		
1. Godrej and Boyce Manufacturing Co. Ltd. Employees' Provident Fund	1.79	1.53
2. Godrej and Boyce Manufacturing Co. Ltd. Employees' Gratuity Fund	9.71	19.09
3. Godrej and Boyce Manufacturing Co. Ltd. Managerial Superannuation Fund	8.78	7.64

45. DISCLOSURE IN RESPECT OF LEASES

(a) The Company’s significant leasing arrangements are in respect of operating leases for motor cars, laptop computers, machinery, storage tanks and premises (office, godown, show-room, retail store, residential, etc.), occupied by the Company. The aggregate lease rentals payable by the Company are charged to the Statement of Profit and Loss as Rent [Note 34(j)], Establishment and Other Expenses [Note 34(k)] and Motor Car and Lorry Expenses [Note 34(m)].

The total charge to the Statement of Profit and Loss is Rs. 30.88 crore (Previous Year: Rs. 32.26 crore)

The future minimum lease payments under non-cancellable operating leases in respect of premises, motor cars and laptop computers, are estimated at:

	As at 31/03/2019	As at 31/03/2018
		(Rupees in crore)
Within one year	17.34	21.90
Later than one year not later than 5 years	19.67	19.92
Later than 5 years	12.69	13.44
Total	49.70	55.26

(b) Lease income from operating leases is recognised in the Statement of Profit and Loss. Initial direct costs incurred specifically to earn revenues from operating leases of fixed assets are charged to the Statement of Profit and Loss as incurred. These assets pertain to land, commercial/residential premises, forklifts and vending machines given on lease on varying tenure and other terms.

The future minimum lease rentals receivable under non-cancellable operating leases are estimated at:

(Rupees in crore)

	As at 31/03/2019	As at 31/03/2018
Within one year	93.68	79.50
Later than one year not later than 5 years	150.01	73.70
Later than 5 years	-	-
Total	243.69	153.20

46. Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

47. INFORMATION ON SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

(a) The investments in subsidiary Companies are:

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest	Proportion of voting power held	Reporting date
1	Godrej Infotech Limited	India	52.06%	52.06%	31-03-2019
2	Godrej (Singapore) Pte Ltd	Singapore	100.00%	100.00%	31-12-2018
3	Veromatic International B.V.	Netherlands	99.95%	99.95%	31-12-2018
4	Godrej Americas Inc.	USA	100.00%	100.00%	31-03-2019
5	Sheetak Inc.	USA	56.51%	56.51%	31-12-2018
6	Godrej Property Developers LLP	India	68.00%	68.00%	31-03-2019
(b) Interests in Joint Ventures :					
1	Godrej Consoveyo Logistics Automation Ltd. (formerly Godrej Efacec Automation & Robotics Limited)	India	49.00%	49.00%	31-03-2019
(c) Investment in Associates:					
1	Future Factory LLP	India	20.00%	20.00%	31-03-2019
2	Godrej & Boyce Enterprises LLP	India	50.00%	50.00%	31-03-2019
3	Urban Electric, LLC.	USA	23.76%	23.76%	31-12-2018
	Sub-Subsidiaries of Godrej Infotech Ltd.				
1	LVD Godrej Infotech NV, Belgium	Belgium	46.85%	46.85%	31-12-2018
2	Godrej Infotech (Singapore) Pte. Ltd.	Singapore	52.06%	52.06%	31-03-2019
3	Godrej Infotech Americas Inc.	USA	52.06%	52.06%	31-03-2019
	Subsidiaries, Associates and Joint Venture of Godrej Singapore Pte Ltd				
1	JT Dragon Pte. Ltd.	Singapore	100.00%	100.00%	31-12-2018
2	Godrej Vietnam Co. Ltd.	Vietnam	100.00%	100.00%	31-12-2018
3	Godrej Khimji (ME) LLC	Sultanate of Oman	49.00%	49.00%	31-12-2018
4	Godrej UEP Singapore Pte Ltd	Singapore	50.00%	50.00%	31-12-2018
5	Parazelsus Orient Ltd.	British Virgin Islands	30.00%	30.00%	31-12-2018

48. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES

	Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit / Loss account		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs. in crore)	As % of consolidated profits	Amount (Rs. in crore)	As % of consolidated profits	Amount (Rs. in crore)	As % of consolidated profits	Amount (Rs. in crore)
	Parent								
	Godrej and Boyce Manufacturing Company Limited	100.06%	9,206.47	112.74%	229.26	100.04%	(248.01)	42.09%	(18.75)
	Subsidiaries								
	Indian								
1	Godrej Infotech Ltd.	0.46%	42.09	7.71%	15.67	0.39%	(0.97)	-32.97%	14.69
2	Godrej Property Developers LLP	0.00%	(0.06)	0.00%	-	-	-	0.00%	-
	Foreign								
1	Godrej (Singapore) Pte. Ltd., Singapore	0.95%	87.64	-1.07%	(2.18)	-2.10%	5.21	-6.80%	3.03
2	Veromatic International BV, the Netherlands	0.02%	2.13	-0.91%	(1.85)	0.08%	(0.20)	4.60%	(2.05)
3	Godrej Americas Inc. , USA.	-0.01%	(0.62)	-0.86%	(1.75)	-0.03%	0.07	3.77%	(1.68)
4	Sheetak Inc., USA.	-0.64%	(59.14)	-11.27%	(22.91)	1.61%	(4.00)	60.40%	(26.91)
	Eliminations	-0.68%	(62.12)	-6.34%	(12.89)			0.93%	(0.41)
	Minority Interest in all subsidiaries	-0.17%	(15.37)	0.00%	-				-
	Joint Venture and Associates (Investment accounted as per the equity method)								
	Indian :								
1	Godrej Consoveyo Logistics Automation Ltd.	0.00%	-	-2.07%	(4.20)			9.43%	(4.20)
2	Future Factory LLP	0.00%	-	0.00%	-			0.00%	-
	Foreign:								
1	Urban Electric Power LLC, USA	0.00%	-	-4.07%	(8.27)			18.56%	(8.27)
	Grand Total	**100.00%**	**9,201.02**	**100.00%**	**203.35**	**100.00%**	**(247.90)**	**100.00%**	**(44.55)**

49. CONTRACT COSTS

	Current Year
(a) Change in Contract Assets	
Opening Balance of Contract Assets (net of expected credit loss)	348.36
Less: Adjustment on account of Ind AS 115 transition	35.71
Revenues recognised during the year	1,280.78
Less: Progress Billing during the year	1,133.22
Closing Balance of Contract Assets	460.21
(b) The aggregate value of unexecuted Order Book. (Out of this the Company expects to recognise revenue of around 51% within next one year and the remaining thereafter).	2,982.74
(c) Cost to Obtain the Contract:	
I. Amount of amortisation recognised in the Statement of Profit and Loss during the year	2.95
II. Amount recognised as an asset	4.20

The Company has not adjusted the promised amount of consideration for the efforts of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be less than one year.

The Company has recognised the incremental costs of obtaining a contract as an expense in the Statement of Profit and Loss when incurred, if the amortisation period of the asset that the Company otherwise would have recognised is one year or less.

(d) Reconciliation of revenue recognised in the Statement of Profit and Loss with contracted price	
Revenue from contracts with customers (as per Statement of Profit and Loss)	1,146.25
Add: Discounts, Rebates, Refunds, Credits, Price Concessions	-
Less: Incentives, performance bonuses	-
Contracted price with customers	1,146.25

(e) Applying the practical expedient given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures as the revenue recognised corresponds directly with the value to the customer of the Company's performance obligation till date.

Form AOC - 1

[PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014]

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES / JOINT VENTURES/ LIMITED LIABILITY PARTNERSHIPS

Part "A": Subsidiaries

Rupees in Crore

Sr. No.	Name of Subsidiary	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries		Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
			Reporting currency	Exchange rate											
1	Godrej Infotech Ltd.	01-Apr-2018 To 31-Mar-2019	INR	1.00	0.10	36.45	67.33	30.78	14.93	122.05	18.63	5.75	12.88	-	52.06%
2	Godrej (Singapore)Pte. Ltd., Singapore	01-Jan-2018 to 31-Dec-2018	SGD	50.9217	9.10	55.21	72.32	8.01	26.77	20.74	(3.08)	0.05	(3.12)	-	100%
3	Veromatic International BV, the Netherlands	01-Jan-2018 to 31-Dec-2018	EURO	79.4654	35.90	(33.77)	26.10	23.96	-	52.08	(2.54)	(0.68)	(1.85)	-	99.95%
4	Godrej Americas Inc. USA.	01-Apr-2018 To 31-Mar-2019	USD	69.322	2.08	(2.70)	41.24	41.86	-	12.26	(2.27)	(0.56)	(1.71)	-	100%
5	Sheetak Inc., USA	01-Jan-2018 to 31-Dec-2018	USD	69.4804	37.09	(102.49)	4.95	70.35	-	0.39	(22.91)	-	(22.91)	-	56.51%
6	Godrej Property Developers LLP	01-Apr-2018 To 31-Mar-2019	INR	1.00	-	(0.07)	0.06	0.13	-	-	(0.01)	-	(0.01)	-	68.00%
	SUBSIDIARY AND SUB-SUBSIDIARY OF GODREJ SINGAPORE PTE LTD														
7	JT Dragon Pte. Ltd., Singapore	01-Jan-2018 to 31-Dec-2018	SGD	50.9217	26.51	2.83	29.38	0.04	26.36	-	0.77	-	0.77	-	100%
8	Godrej (Vietnam) Co. Ltd., Vietnam	01-Jan-2018 to 31-Dec-2018	VND	0.00298	12.30	23.17	38.50	3.03	-	38.66	1.41	0.18	1.23	-	100%
	SUBSIDIARY AND SUB-SUBSIDIARY OF GODREJ INFOTECH LTD														
9	LVD Godrej Infotech NV, Belgium	01-Jan-2018 to 31-Dec-2018	EURO	79.4654	0.49	1.64	5.90	3.78	1.87	16.46	1.61	0.37	1.23	-	46.85%
10	Godrej Infotech (Singapore) Pte Ltd., Singapore	01-Apr-2018 To 31-Mar-2019	SGD	51.1286	0.51	4.30	8.11	3.30	-	10.23	1.62	0.17	1.44	-	52.06%
11	Godrej Infotech Americas Inc., USA.	01-Apr-2018 To 31-Mar-2019	USD	69.322	0.07	(0.06)	1.70	1.69	-	0.12	0.09	0.02	0.07	-	52.06%

**Amount less than Rs. 50,000*

Part "B": Associates and Joint Ventures

Rupees in Crore

Sr. No.	Name of Associate / Joint Venture	Latest audited Balance Sheet Date	Shares of Associate/ Joint Venture held by the Company on the year end			Description of how there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/ Loss for the year	
			Number	Amount of Investment in Associate /Joint Venture	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
A	Joint Ventures:									
1	Godrej Consoveyo Logistics Automation Ltd. (formerly Godrej Efacec Automation and Robotics Ltd.) (Joint Venture)	01-Apr-2018 to 31-Mar-2019	7,50,000	0.75	49%	There is significant influence by virtue of joint control.	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	3.98	(4.18)	(4.39)
2	Godrej UEP Singapore Pte Ltd.	01-Jan-2018 to 31-Dec-2018	1,00,000	0.48	50%	There is significant influence by virtue of joint control.	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	0.47	(0.04)	(0.04)
B	Associates:									
3	Godrej and Khimji (Middle East) L.L.C. -Oman [Joint Venture of Godrej (Singapore) Pte. Ltd.]	01-Jan-2018 to 31-Dec-2018	5,78,200	14.05	49%	Godrej Singapore Pte.Ltd. is holding more than 20% of share capital	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	11.22	(3.89)	(4.05)
4	Parazelsus Orient Ltd.	01-Jan-2018 to 31-Dec-2018	38	-	30%	Godrej Singapore Pte.Ltd. is holding more than 20% of share capital	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	(4.96)	(1.91)	(4.45)
5	Godrej and Boyce Enterprises LLP *	01-Apr-2018 to 31-Mar-2019	NA	0.00	50%	Godrej and Boyce Mfg. Co. Ltd is holding more than 20% of share capital	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	0.00	0.00	0.00
6	Future Factory LLP	01-Apr-2018 to 31-Mar-2019	NA	3.03	20%	Godrej and Boyce Mfg. Co. Ltd is holding 20% of share capital	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	2.35	0.35	1.42
7	Urban Electric Power Inc., USA	01-Jan-2018 to 31-Dec-2018	17,75,385	11.73	23.76%	There is significant influence by virtue of almost 20% of share capital held.	Godrej and Boyce Mfg. Co. Ltd stake is less than 51%	(11.43)	(8.27)	(26.53)

**(Amount less than Rs. 50,000)*

For and on behalf of the Board of Directors

J. N. GODREJ	A. G. VERMA	P. K. GANDHI	P. E. FOUZDAR
Chairman & Managing Director	Executive Director & President	Chief Financial Officer	Executive Vice President (Corporate Affairs) & Company Secretary
DIN: 00076250	DIN: 02366334		

Mumbai, 20th August, 2019

Godrej & Boyce Manufacturing Company Limited

ANNUAL REPORT AND ACCOUNTS
Year ended 31st March, 2019

ENCLOSURE 5

Form No. MGT - 11 (PROXY FORM)

Referred to in Note (b) of the Notice of Annual General Meeting

ENCLOSURE 5

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]

CIN: **U28993MH1932PLC001828**
Name of the Company: **GODREJ & BOYCE MANUFACTURING COMPANY LIMITED**
Registered Office: **PIROJSHANAGAR, VIKHROLI, MUMBAI- 400 079**

Name of the Member (s):
Registered address:
E-mail ID:
Folio No / Client ID:
DP ID:
Number of Share(s) held:

I /We, being the Member(s) of [_______] Equity Shares of the abovenamed Company, hereby appoint

1. Name:
   Address:
   Email Id:
   Signature:
   Or failing him/her
2. Name:
   Address:
   Email Id:
   Signature:
   Or failing him/her
3. Name:
   Address:
   Email Id:
   Signature:

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 20th September, 2019 at 10:00 a.m. at Pirojshanagar, Vikhroli, Mumbai 400079, and at any adjournment thereof in respect of such Resolution as indicated below:

ORDINARY BUSINESS

1. Adoption of the Financial Statements for the financial year ended 31st March, 2019.
2. Appointment of Mr. N.J. Godrej as Director liable to retire by rotation.
3. Appointment of Mr. A.B. Godrej as Director liable to retire by rotation.

SPECIAL BUSINESS

4. Approving payment of commission to the Non-Executive Directors of the Company.
5. Ratification of remuneration payable to M/s. P.D. Dani & Associates, Cost Accountants and Mr. A. N. Raman, Cost Accountant, for the financial year 2019-20.

Signed this …........…… day of ………………. 2019

(Signature of Shareholder(s)

Signature of Proxy………………….....

Affix Re. 1
Revenue
Stamp

NOTES:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of G&B at Pirojshanagar, Vikhroli, Mumbai - 400079, Maharashtra, not less than 48 hours before the commencement of the Meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialled.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. The Proxy is required to carry an identity proof at the time of attending the Meeting.
6. The Proxy need not be the Shareholder of the Company.

ATTENDANCE SLIP

Godrej & Boyce Manufacturing Company Limited

Registered Office: Pirojshanagar, Vikhroli, Mumbai, 400 079.
CIN: U28993MH1932PLC001828

88th Annual General Meeting – Friday, 20thSeptember, 2019

Name of the Member(s):	
Name of the Proxy:	
No. of shares:	
Folio No. / *DP id and Client id:	

**Applicable for investors holding shares in electronic form*

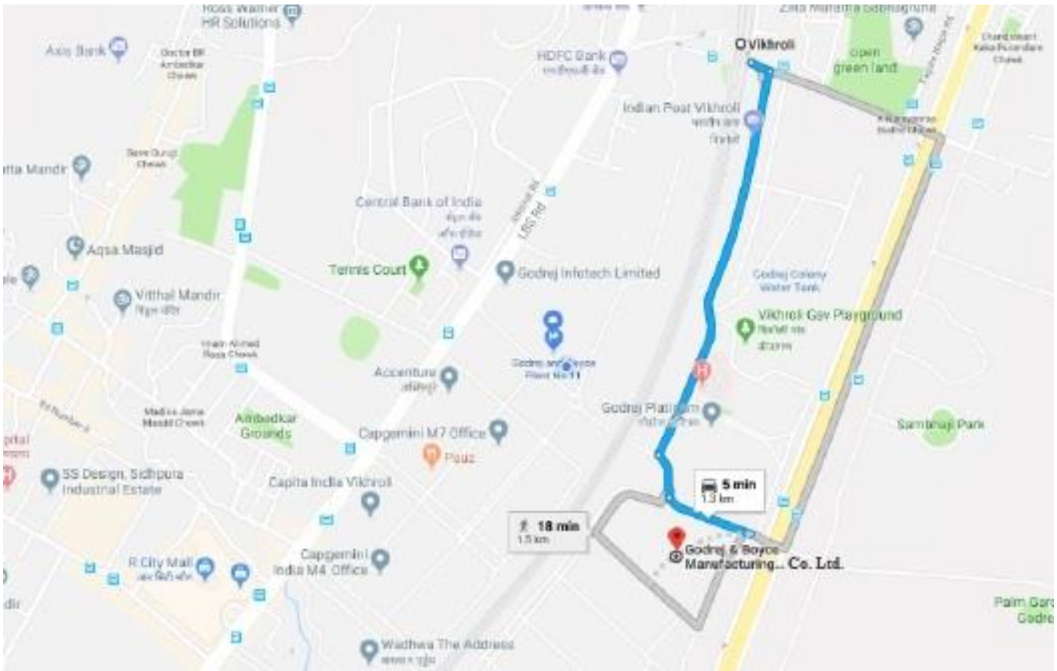
I/We hereby record my/our presence at the **88TH ANNUAL GENERAL MEETING** of the Company on Friday, 20th September, 2019at 10:00 a.m. at Pirojshanagar, Vikhroli, Mumbai- 400 079.

____

Member's / Proxy's Signature
(To be signed at the time of handing over this slip)

Notes. 1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Joint shareholders may obtain additional attendance slip at the venue of the meeting.

MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING OF GODREJ & BOYCE MFG. CO. LTD.



Godrej & Boyce Manufacturing Company Limited
Pirojshanagar, Vikhroli, Mumbai 400 079