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June 24, 2017

BSE Limited

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The National Stock Exchange of India Ltd.

Exchange Plaza, 4th Floor,
Bandra-Kurla Complex,
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Dear Sirs,

We enclose herewith, for your information, a transcript of Concall with Investors and Analysts which was held on May 23, 2017.

Thank you.

Yours faithfully

for Godrej Industries Ltd.



Nilufer Shekhawat
Company Secretary





Godrej Industries Limited

Q4 FY17 Earnings Conference Call Transcript May 23, 2017

Moderator Ladies and gentlemen, good afternoon and welcome to the Godrej Industries Limited Earnings Conference Call. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Anoop Poojari of CDR India. Thank you and over to you sir.

Anoop Poojari Thank you. Good Afternoon everyone and thank you for joining us on Godrej Industries Q4 FY 2017 earnings conference call. We have with us Mr. Adi Godrej – Chairman, Mr. Nadir Godrej – Managing Director, Mr. Balram Singh Yadav -- Managing Director of Godrej Agrovet, Mr. Nitin Nabar, Executive Director and President (Chemicals), Mr. Clement Pinto – CFO, Mr. S Vardaraj- CFO Godrej Agrovet & Mr. Rajendra Khetawat – CFO Godrej Properties Ltd.

We would like to begin the call with brief opening remarks from the management following which we will have the forum open for an interactive question and answer session. Before we start I would like to point out that some statements made in this call may be forward-looking and a disclaimer to this effect has been included in the conference call invite sent out earlier. I would now like to invite Mr. Adi Godrej to make the initial remarks.

Adi Godrej Thank you Anoop. Good Afternoon everyone. I welcome you to the Godrej Industries conference call to discuss the operating and financial performance for the fourth quarter & full year of the fiscal year 2017. I shall take you through some of the key developments and operational highlights of each of our businesses followed by a summary of our financial results.

I am pleased to share that in the fiscal year 2017 Godrej Industries Limited recorded a healthy growth of 11% in consolidated Total Income and a growth of 59% in consolidated Net profit.

I am also pleased to share that in fourth quarter of fiscal year 2017 the market value of Godrej Industries' investment in GCPL and GPL has increased by Rs.3,447 crore (23%, Y-O-Y) while Godrej Industries market capitalization increased by Rs. 5,049 crore (42%, Y-O-Y). GIL's share price has increased by 38% CAGR since 2001.

Financial Year 2017 has been a strong year for Godrej Properties for business development as it added 7 new projects with a saleable area of 18 million sq. ft. It entered Noida market and sold more than 1 million sq. ft. despite weak market conditions

Total revenue for the fourth quarter increased by 21% to Rs.475 crore. The adjusted EBITDA increased by 200% to Rs.130 crore and net profit for the fourth quarter stood at Rs.63 crore compared to a loss of Rs.12 crore in the corresponding quarter of the previous financial year. Construction at The Trees continued in full swing and we have attained revenue recognition of the second phase much ahead of the schedule which is the reason for the strong profit growth.

In another new development, we are pleased to have entered a partnership with Taj to create a luxury hotel at our flagship project The Trees here in Vikhroli. Our endeavor is to make The Trees India's most exciting and exclusive neighborhood and we believe Luxury Taj Hotel is a positive step in that direction.

As you know, the sector is going through a significant transition at the moment. The process of consolidation that is already underway will now gather pace with both demonetization and more importantly Real Estate Regulatory Act. While these reforms may create some short-term uncertainty and delays, it will eventually help improve governance standards in the sector, thereby improving consumer confidence and real estate demand. The government has put in place many policy reforms to encourage real estate developments especially in the Affordable Housing space and we believe this reform will lead to sustained improvements in the sector. We expect 2017 to be a transition year and the years ahead to be very exciting ones for real estate in India. We believe our brand with national presence, demonstrated track record and capability puts us in a strong position and would disproportionately benefit us from any improvements in the environment and will allow us to remain in a high growth trajectory in the years ahead.

Godrej Agrovet's revenues for the fiscal year 2017 continued to grow by 31% through a healthy mix of organic and acquisitive growth resulting in a PBT growth of 12%.

Animal Feeds business had a steady performance in fiscal year 2017 despite headwinds in a few categories. Revenue for the year grew by 3% as compared to the previous year. GAVL is working on multiple initiatives to improve future business performance across all categories.

Oil Palm business had a steady quarter which helped to close the financial year 2017 with a revenue growth of 25% as compared to the previous financial year. Remunerative prices of FFB for the farmers helped in bringing sizeable area under Oil Palm this year.

Continued domestic demand helped in sustaining growth of GAVL's crop protection business. The business for the financial year 2017 grew by 18% as compared to the previous year 2016. This was mainly driven by Plant Growth Promoters, Pesticides and Hitweed. The business will continue to focus on building synergies this year with Astec LifeSciences. Astec LifeSciences a subsidiary of GAVL ended the quarter

by clocking a revenue growth of 8% as compared to the corresponding period of the previous year. For the fiscal year 2017, Astec had a growth of 27% as compared to the fiscal year 2016.

GAVL's Joint Venture in Bangladesh- ACI Godrej continues to do well, clocking a growth of 13% in the fiscal year 2017 as compared to the fiscal year 2016, with a significant growth in cattle feed.

Godrej Tyson (GTFL's) sales for financial year 2017 remained flat as compared to the previous year. Total sales for FY 17 stood at Rs. 446 crore.

Creamline Dairy Products business grew by 10% & 9% in the fourth quarter and in the fiscal year 2017 respectively as compared to the corresponding periods of the previous year. This has been mainly driven by value added products, which grew by 24% in the fourth quarter of the fiscal year 2017 as compared to the corresponding quarter of the previous year.

With an agile team, focus on continuously improving our operational efficiency and research and development in agri businesses and good monsoon, I am confident that Godrej Agrovet will continue to do well across verticals and add value in the years to come.

Moving on to performance of Godrej Consumer Products; GCPL has delivered another year of competitive and profitable growth. Despite some category and geography specific challenges, it has delivered good sales growth, which is a reflection of our clear strategic portfolio choices, backed by strong execution. Moreover, GCPL also delivered robust operating profits across businesses, while investing in our brands and in our innovations.

In the fourth quarter of the fiscal year 2017 consolidated constant currency net sales increased by 13% (year-on-year), consolidated constant currency EBITDA increased by 22% and consolidated net profit without exceptional items increased by 22%. I am confident that with our clear strategic focus, differentiated product portfolio, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.

Our Chemicals business revenues for the fourth quarter of fiscal year 2017 increased by 38% to Rs.426 crore as compared to the corresponding quarter of the previous year. PBIT for the quarter stood at Rs.20 crore. I am happy to share that our Managing Director, Mr. Nadir Godrej was honoured with CHEMTECH leadership & Excellence Award 2017- Hall of Fame. I am also happy to share that our Chemicals business bagged the prestigious Chemexcil 'Award of Excellency' for its outstanding Export performance. This Award was received by our Executive Director and President (Chemicals), Mr. Nitin Nabar from the Honourable Commerce Minister Ms. Nirmala Sitharaman.

Let me now briefly run through our financial highlights. During the quarter, Consolidated Total Income stood at Rs. 2,027 crore as compared to Rs.1,848 crore in the corresponding quarter of the previous year, a growth of 10%. The Consolidated Net Profit for the quarter stood at Rs. 46 crore as compared to a loss

of Rs. 60 crore in the corresponding period of the previous year. For the fiscal year 2017, Consolidated Total Income stood at Rs. 8,681 crore, a growth of 11% over the previous year. Consolidated Net Profit stood at Rs. 256 crore, a growth of 59% over the corresponding period of the previous year.

As we look ahead, I feel confident of a strong growth in the medium to long term. Post the demonetisation of currency, the demand has improved in India. We are now getting back to the recovery seen during the pre-demonetisation levels. We believe, implementation of GST will be transformative for the Indian economy and will significantly boost consumption and GDP growth. It will also create a level playing field for the organized players by bringing the tax evaders under compliance. We look forward to the GST implementation.

To conclude, we remain encouraged and confident of achieving our long term objectives of inclusive, sustainable and profitable growth. I am confident that our disciplined strategy, prudent approach, focus on agile execution and our committed team will enable us to improve performance further and create greater shareholder value.

- Moderator:** Thank you very much. Ladies and gentlemen, we will now begin with the Question-and-Answer Session. The first question is from the line of Rohit Lala from Centaur Capital. Please go ahead.
- Rohit Lala:** My question is regarding the recent changes in our group's shareholding patterns that have been submitted to the exchanges and especially regarding where Godrej and Boyce Limited transferred 27.45% shares in Godrej Consumer to Godrej Seeds & Genetics Limited which is the wholly-owned subsidiary of Godrej Agrovet. So currently, Godrej Agrovet holds 27.45% shares of Godrej Consumer via its subsidiary. Is my understanding on this correct?
- Adi Godrej:** No, it is not a subsidiary of Godrej Agrovet, it used to be but since then it has been dissociated.
- Rohit Lala:** I have another question regarding the Creamline Vizag plant. What is the progress on the plant development?
- Balram S Yadav:** We are a little bit delayed on that because of some land issues. We expect the construction to start sometime in July and it will take about 9-10 months to complete that plant.
- Rohit Lala:** The plant would help us increase our capacity by 14% like about 1 lakh litres of production. Is that correct?
- Balram S Yadav:** Roughly 15,000 litres, you are right, 14%.
- Moderator:** Thank you. We have the next question from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi: Just two-three questions. The promoters have transferred some stake in Godrej Agrovet from their personal capacity to Godrej Industries I guess around 2%. So can you indicate what was the pricing worked out for per share of Godrej Agrovet?

Adi B Godrej: That was done at market pricing, but it was a transfer from Godrej & Boyce to Godrej Industries.

Aniruddha Joshi: But Agrovet is unlisted.

Adi B Godrej: Valuation is done by an independent evaluator.

Aniruddha Joshi: Now, we have officially announced about the IPO of Godrej Agrovet. Can you share when do we expect to go public in next one quarter, two quarter, three quarter?

Adi B Godrej: Yes, we have announced the fact that our Board is considering going public. We are not allowed to speak of any other detail as per the guidelines.

Aniruddha Joshi: Just two more questions for Mr. Balram Yadav; one, what is the reason for almost 10% decline in the revenues of animal feed division and also the Agri Input division has also seen a sudden drop. So is there any extraordinary reason over there? Lastly, can you indicate the details of RBS dairy acquired by Creamline?

Balram S Yadav: So animal feed commodity prices, they are thus much lower than fourth quarter of FY'16; however, the volumes were better than fourth quarter of FY'16. So this is a commodity-driven business, commodity prices impact revenue growth. In Agri Input, it is very difficult to compare Q-o-Q because Q4 is an off-season quarter for Agri Input business; however because of drought in FY'16, there was a little bit of spillover of sales in January in '15-16. That is why if you see this number going up for FY'16 and going down for FY'17. This is a little bit of aberration, but I would also recommend that you should look at Agri Input business, oil palm business, and some of our other businesses on yearly basis

Aniruddha Joshi: The details of the RBS dairy which you have acquired via Creamline?

Balram S Yadav: So two assets we bought last year -- One asset was close to Hyderabad, this was a new asset, where we want to bring in some products which are temperature neutral like UHT milk, etc., and we also bought one asset near Tirunelveli because southern part of Tamil Nadu was not covered by us, it is called RBS Dairy and the product is sold in the brand name, Matha they do about 100,000 litres of milk per day and last year their turnover was close to about Rs.125 crore . We believe that we will grow this business very rapidly now.

Aniruddha Joshi: Can you indicate what are the standalone turnover of Godrej Agrovet and standalone PBT or PAT of Godrej Agrovet?

S. Varadaraj: Standalone revenue from operations for the year was Rs.3,616 crore, total income was Rs.3,669 crore and the PAT was Rs.208 crore.

Moderator: Thank you. We have the next question from the line of Mohan Lal from Kotak Securities. Please go ahead.

- Mohan Lal:** My question is to Balram sir. Sir, we had a very successful year in palm oil business, but we are hearing a lot of agencies that international consultants talking about this year being a very difficult year for palm oil expecting some increase in supply leading to a sharp decline in palm oil. So how should we look about FY'18 for this business and till what level of pricing in international market? In India, the palm oil production continues to stay viable.
- Nadir Godrej:** In India, palm oil production continues to stay viable, but that being said prices of palm oil are falling; however, our production will be higher this year than last year, but there will be some effect of lower prices in the current year.
- Balram S Yadav:** Another thing I want to point out is that the payment method to the farmers is based on the oil price as a percentage. So our contribution is protected because if the prices are going to come down, we pay less to the farmer.
- Mohan Lal:** That I understand. My only concern was that two years back, we had Indian farmers getting worried about expanding plantation because the palm oil prices were under pressure, it improved in FY'17 and we also benefited. But I was just wondering if palm oil prices correct sharply then will we go back to the growth rate seen in FY'15 or '16 in palm oil business?
- Balram S Yadav:** So the farmers definitely react to the oil prices. But we must also keep one more fact in mind is that there is a huge thrust on the state and the central government on oil palm plantation. If you see, there is a significant increase in subsidy given by central government to the farmers last year. We also believe just to protect the interest of the farmers will get growth in this business, the central government might come with minimum support price in certain states. They have tried and experimented successfully in Andhra Pradesh, but where they announced minimum support price and fortunately, the prices of oil were very high and the farmers did not use that facility given by the government. So government is very clearly considering giving lot of support to this industry.
- Mohan Lal:** Actually, that was my second question. This recent relaxation of subsidy to more than 25 hectares of land, does it open a door for corporates to directly enter in palm oil plantation?
- Balram S Yadav:** So, we have not studied that, but one thing you must also realize that this is not a plantation business as per the law. So we are covered by the land ceiling on ownership of land.
- Mohan Lal:** My last question was on Creamline business margins, in this quarter there seems to be some impact of delayed price hike. I wanted to also know whether you have taken a price hike in line with the national players ?
- Balram S Yadav:** So, you are absolutely right; there was 14% increase in the procurement price of milk and cooperatives take their own sweet time to pass on that price increase, and there was a time lag of almost two months. Prices have been increasing since then. But if you ask me, 'have we been able to pass through the entire increase?' The answer is not yet, but we are most likely in the next few weeks, the entire increase will be passed. Having said that I must also tell you this always happens and with

monsoon coming, the flood season is likely to start, the procurement prices might come down which may not happen in the consumer prices. So my expectation is from Q2 onwards, you will see the recovery of margins in this business.

- Mohan Lal:** The gross debt level at the end of FY'17 in GAVL consolidated level?
- S. Varadaraj:** We are around Rs.600 crore at the end of FY'17.
- Moderator:** Thank you. We have the next question from the line of Rahul Maheshwari from IDBI Mutual Fund. Please go ahead.
- Rahul Maheshwari:** I have one question on Godrej's Natures Basket as you had gone for rationalization of some stores, you had closed in Delhi and Noida and now you are concentrating more into the three cities. So going forward, what are the plans and any in terms of the profitability and breakeven, when can we expect that segment to grow faster?
- Adi Godrej:** We are looking at a restructuring. That is why we closed some unprofitable stores and we do not see any more restructuring taking place, and we expect that this business will do very well in the future.
- Rahul Maheshwari:** Any timeline of break-even into Godrej basket?
- Adi Godrej:** No, we do not make forward prediction.
- Moderator:** Thank you. We have the next question from the line of Abhijit Akella from India Infoline. Please go ahead.
- Abhijit Akella:** First, just on the Dairy business. I think the presentation refers to 10% growth, but segment financial seem to indicate somewhere around 5% or 6%. So just wanted to reconcile that?
- Balram S Yadav:** 6% in Q4.
- Abhijit Akella:** Yes, the presentation I think says that Creamline grew by 10% in Q4 YoY?
- Balram S Yadav:** We have consolidated this RBS Dairy for last two months. So there is a standalone and there is a consolidated number.
- Abhijit Akella:** Second, I think in the animal feed business, you said that volumes were actually up YoY. So, would it be possible to just give us the extent of volume growth, and also, if you could give us some color by segment sir between cattle, poultry and fish feed?
- Balram S Yadav:** So animal feed, if you refer to my earlier presentations at the same meeting, we have challenges in the broiler feed segment because the market structure is changing from an individual farmer-led industry to an integrated industry. So the place for standalone players in medicine, in vaccine, in feed and in breeding is shrinking. So we are having negative growth in broiler feed for last three years. However, if you take the other feed segments we are present in which is layer, cattle, shrimp and fish, totally, we have registered 11% CAGR over last three years. So overall, the growth in volume has been about 2%, but that is largely because of

negative growth in the broiler feed segment. However, several steps have been taken and I am glad to say that past few months we have arrested the degrowth in the segment also. So my expectation is that this cycle on low growth is likely to revert in future.

Abhijit Akella: Would it be possible to share the growth numbers across the three categories sir or?

Balram S Yadav: I shall share them with you offline, as t it will take me time to give so many details. So if you come over, we will be very glad to share.

Abhijit Akella: Just one other thing on that segment, we have seen some of the leading competitors in the fish feed and aqua feed segment growing very-very strongly. So is that something that we are experiencing as well and how much room do you see for GAVL to grow in this segment, wan we sort of aspire for a leadership position in the next few years?

Balram S Yadav: I do not think so. I think the two big competitors, particularly in shrimp feed. In fish feed, we still have very good market share and we are growing upwards of 15% in volume for the last four years. The big segment where you are talking about, where the big competitors doing well is the shrimp feed where you are absolutely right, two big guys are trying to edge everybody out and lot of smaller players like us in this segment are feeling the heat. However, if you ask me, our performance has not been that bad, we have been able to grow with the industry and protect our market share. But if you ask me this question that, whether we get to leadership position in shrimp feed category in the next few years? It will be possible, but only through inorganic growth.

Abhijit Akella: Just on oil palm: would it be possible to share some figures regarding where it stands right now in terms of acreages and what you expect in terms of growth in acreages next year now?

Balram S Yadav: So every two years, we do a census because like in other plantations and agriculture business, we always should count net area other than gross area because uprooting keeps on happening because of different reasons -- drought, low oil prices, etc., So our today's count is close to about 60,000 hectares of plantation, of which about 35,000-37,000 is in production and last year, we grew this plantation by about 4,000 hectares, but within a few months, we will be able to share with you the net areas.

Abhijit Akella: In the past, you talked about normal run rate of addition of around 4000-5000 hectares per year. Do you think can be sustained given the decline in prices or would that be challenging in FY'18?

Balram S Yadav: No, as I said to an answer to another question before you, a lot of government support is coming and likely to come in future. So my sense is that in good state who want to support this crop, there will be acceleration of coverage.

Abhijit Akella: Just one clarification; there is a mention of Rajshahi FFF plant in ACI Godrej. If you could just talk a little bit about what that is for?

Balram S Yadav: This plant we set up which is the largest single location floating fish feeds facility in this large country which we setup at the cost of about \$20 million. Unfortunately, Bangladesh has energy short...I am talking about electricity and gas. So even though plant was ready in '15-16 we could not commence production in this plant for almost 10-11 months because there was no electricity and gas supplied by the government. Last two months that has been sorted and the plant is in production. We are almost operating at about 30% capacity right now and the season is yet to start. The fish feed season in Bangladesh is June to September. We hope to reach 50% capacity utilization in this season.

Abhijit Akella: Sorry, just to clarify \$20 million is entirely GAVL's investment?

Balram S Yadav: No, it is a 50:50 joint venture with a company called ACI and this is financed through loan and accruals.

Abhijit Akella: So, our share is about \$10 million? What would be the revenue potential and the margin potential be for the plant?

Balram S Yadav: Normally, our EBITDA margin in fish feed is close to 6-7% in Bangladesh, a little higher than what we make in India and asset turns in these kinds of assets are between 6-8 depending on which product we produce. So we believe this plant can do about 6x asset turns because we want to produce very high quality fish feed, so the throughput will be a little lower, but it will be a premium.

Abhijit Akella: So in that case it can almost help double the current turnover of ACI?

Balram S Yadav: That is the expectation.

Abhijit Akella: Last question on Agrovet. Just on the GST, now the rates are out, do you see any impact on the animal feed business in particular and any other segments within Agrovet GST?

S. Varadaraj: On the GST, animal feed continues to be in the nil rated category. So we were earlier also in a nil rated category under the earlier VAT and excise duty regime. Most of our other categories are at neutral level. So in case of our Crop Protection business, the agriculture input products which are there, there the GST rates are similar to the VAT plus excise duty rates which were applicable. So we do not see a significant impact because of GST.

Abhijit Akella: On the Chemicals business, there seems to have a margin decline this quarter. If you could just talk a little bit about that?

Clement Pinto: The margin decline in last quarter because of very high commodity oil prices.

Moderator: Thank you. The next question is from the line of Dheeresh Pathak from Goldman Sachs Asset Management. Please go ahead.

Dheeresh Pathak: Earlier to a question you said that shrimp feed business, you do not expect leadership without inorganic means. Can you just maybe talk a little bit about the characteristics of that part of the business being a large company having a brand

we are still not able to get a large share in that market, so what is it that characterizes that market and why it is difficult to gain a large share organically?

Balram S Yadav: The industry is divided into two parts. The big segment which is growing very rapidly at the cost of a smaller segment is the corporate farms which are 100-acre, 200-acre which are integrated farms with ship export facility, etc., or at least six different processing facilities. About 25-30% of the market is retail which are the smaller farmers who do their own business. Now both the big competitors in this segment have virtual monopoly on the corporate farms, so which is the bigger segment in this category, and we smaller players play in the retail market. So our ability to get breakthrough in corporate farms require lot of effort which we are making and we have achieved some success but not enough that it is seen in not numbers that way. So definitely we are not in a position to have a very rapid increase in our tonnages because we do not have penetration in almost two-third of the market.

Dheeresh Pathak: What is our capacity on shrimp feed?

Balram S Yadav: The capacity on shrimp feed is close to about 75,000 tonnes and we are at about 53% or 54% utilization last year.

Moderator: Thank you. The next question is from the line of Danish Mistry from Tata Mutual Fund. Please go ahead.

Danish Mistry: I have got two questions and coincidentally both on Poultry. The first is that you touched upon the fact that you have taken certain steps which kind of have arrested the entire degrowth that you have seen in the Broiler segment. If you could just help us understand what those steps are and how sustainable are they?

Balram S Yadav: So I will simplify the whole thing for you; from B2C business it is becoming a B2B business. So the driver of B2B business is cost leadership will define return, that is point #1 and #2 the big customer who would like to have credit because credit is a very important selling tool in this business. So cost leadership we are very close, we can match the value proposition of any competitive broiler feed manufacturer. The only thing we are a little I would say wary of is the exposure we take in this business because you know the yo-yo nature of the Broiler business. So it is very easy to make a small margin in this business by giving up a big fortune. So that is the problem with this business. That is where we are very careful. Now we have done this business with great amount of financial discipline for decades together. So, we are just probably in a quandary whether for achieving bigger volumes in Broiler should be compromised on the financial discipline and high ROC business we have, that is point #1. Point #2 is if we can do something more in other segments to get the growth which we are thinking on the whole animal feed segment, we should try and focus in those areas rather than trying to take exposure in this area. So these are the few things which we need to answer in next few months before we come out with a proper plan for broiler feed in B2B segment.

Danish Mistry: So currently what proportion of our sales would be to the institutional segment versus the retail segment if you can share that?

Balram S Yadav: So broiler feed I would say about 20% of our sales is now B2B but very-very good credibility in future. Shrimp feed, about 10% is to the institutions. Cattle feed is a very small percentage, not even worth mentioning. So cattle feed is our biggest segment and cattle feed 99% of sales is B2B.

Danish Mistry: In Godrej Tyson, we have basically seen that sales have been flat YoY for FY'16 and FY'17 at about Rs.450 crore give or take. So I believe in Q3 you had the demonetization impact. So has that continued and how are you seeing it going forward?

Balram S Yadav: One was demonetization, other was also a little bit of housekeeping. So I think we will recover the growth in the coming quarters.

Danish Mistry: So you are confident of going back to the previous growth levels that we were seeing before FY'15?

S. Varadaraj: Yes, I am.

Moderator: Thank you. The next question is from the line of Samar Sarda from Kotak Securities. Please go ahead.

Samar Sarda: The GIL standalone absolute debt, could you just help us with that please?

Clement Pinto: It is about Rs.2,900 crore.

Samar Sarda: Any CAPEX investments or like infusions in other businesses you are planning for FY'18?

Adi B Godrej: We do not give forward-looking statements, but nothing unusual.

Moderator: Thank you. The next question is from the line of Manish Jain from SageOne Investments Advisors. Please go ahead.

Manish Jain: My question on Godrej Properties was relating to RERA. When do you realistically see RERA starting to impact the sector and in what timeframe are you planning to launch RERA compliant projects in four of your key focus markets?

Adi B Godrej: We think in the medium to long-term, RERA will benefit a company like us which has a very good reputation in the market. There might be some intermittent problems because there are some penalties under RERA for delay in projects. We can fully understand the delay in project is because of the builder. But if the delay is because of change in approval policies, if the delay is because of government issues, etc., then we do not think it is fair to apply any penalty. So the industry is taking up the matter. But overall, we see it will be beneficial to us. On to your other question, it is according to the rules... all new projects have to be RERA compliant.

Moderator: Thank you. The next question is from the line of Vikrant Kashyap from Kedia Securities. Please go ahead.

- Vikrant Kashyap:** My question pertains to Astec LifeSciences. Sir, in opening remarks, we have talked about more business synergies with Astec Life going forward. I want to know how we are helping to take to grow their business domestically and into export markets as well?
- Balram S Yadav:** Domestically, GAVL's Crop Protection business is a buyer of several products of Astec, particularly fungicides. This year the sales to GAVL were close to about Rs.25 crore. It is likely to more than double in the coming year, that is synergy #1. These are proper commercial arms length transactions so that both companies benefit. Second thing is that Astec has capabilities to develop molecules. Now, we buy certain molecules from other producers and Astec is working to develop molecules. So that will also get into the Godrej Agrovet portfolio in time to come. Third, we have accelerated the investment plan for Astec. Our Godrej credibility is definitely helping them get several marquee clients because of the IP protection, etc., so we believe their contract manufacturing business is likely to get an uplift because of Godrej coming into the game. So we believe that both companies will benefit in time to come and we will be able to open lot of doors for Astec because of our network as well as our credibility.
- Moderator:** Thank you. The next question is from the line of Mahesh Kumar, as an individual investor. Please go ahead.
- Mahesh Kumar:** Sir, with regards to the earlier question, in Astec LifeSciences you mentioned that there will be synergies with respect to the contract manufacturing businesses which we may have. So I wanted to know what sort of margins that this business enjoy and with regards to other businesses like what is the expected growth rate for Astec LifeSciences as a whole?
- S. Varadaraj:** Astec operates at about 13-15% PBT on sales.
- Mahesh Kumar:** Is there any room to increase the same because of the integration benefits coming in?
- Balram S Yadav:** So lot of integration benefits have already come in and now we just have to make sure that we play the portfolio strategy well...I just want to elaborate the point that there is a limited production facility. As we get more business, we also try to exit the low margin business.
- Mahesh Kumar:** Can we sustain the growth rate which we had in the earlier year?
- Balram S Yadav:** Of course, we will be able to sustain growth rate. Apart from that everybody knows that more than \$4 billion worth of agrochemicals are going off-patent from 2017 to 2020. Then no reason why Astec should not look at some share of that.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for the closing remarks. Thank you and over to you.
- Adi B Godrej:** Thank you. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the Company we

would be happy to be of assistance. Thank you once again for taking the time to join us on this call.

Moderator: Thank you very much members of the management. Ladies and gentlemen, on behalf of Godrej Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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