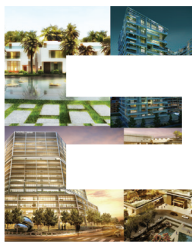


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Godrej Industries Limited
2	Annual financial statements for the year ended	March 31, 2014
3	Type of Audit observation	Emphasis Matter
4	Frequency of observation	Quarterly
5	To be signed by	<p>For Godrej Industries Limited</p> <p><i>23/5 X [Signature]</i> Managing Director</p> <p>For Godrej Industries Limited</p> <p><i>[Signature]</i> CFO</p> <p><i>[Signature]</i> Membership No.- 42454</p> <p>Auditor of the Company</p> <p>For Godrej Industries Limited</p> <p><i>[Signature]</i> Audit Committee Chairman</p>

Date: 7-July-2014



ANNUAL REPORT 2013-2014

CREATE

In order to achieve our planned trajectory of growth as per our 2020 Vision, we have articulated a more cohesive direction for the Godrej Group. Our approach is called CREATE, which represents both the focused set of businesses that we participate in, along with some of the key imperatives that we are pursuing across the Group. CREATE stands for:

- C** – Consumer and Chemicals
- RE** – Real Estate
- A** – Agri Business
- T** – Transformation
- E** – Emergent Businesses

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K.M.
Elavia

S.A.
Ahmadullah

T.A. Dubash

A.B. Godrej

A.B.
Choudhury

N.S. Nabar

N.D. Forbes

V.M. Crishna

J.N. Godrej

N.B. Godrej

K.N.
Petigara

K.K.
Dastur

Board of Directors

A. B. Godrej	Chairman
J. N. Godrej	
N. B. Godrej	Managing Director
S. A. Ahmadullah	
A. B. Choudhury	
V. M. Crishna	
K. K. Dastur	
K. M. Elavia	
N. D. Forbes	
K. N. Petigara	
T. A. Dubash	Executive Director & Chief Brand Officer
N. S. Nabar	Executive Director & President (Chemicals)

CORPORATE INFORMATION

AUDITORS : Kalyaniwalla & Mistry, Chartered Accountants

BOARD COMMITTEES

Audit Committee : K. K. Dastur (Chairman)
S. A. Ahmadullah
K. N. Petigara
A. B. Choudhury

Nomination &
Compensation Committee : S. A. Ahmadullah (Chairman)
A. B. Choudhury
K. N. Petigara
N. B. Godrej

Stakeholders Relationship/
Shareholders Committee : A. B. Godrej (Chairman)
N. B. Godrej
T. A. Dubash
N. S. Nabar

Corporate Social
Responsibility Committee: : N. B. Godrej (Chairman)
T. A. Dubash
K. N. Petigara
A. B. Choudhury

Management Committee : A. B. Godrej (Chairman)
N. B. Godrej
T. A. Dubash
N. S. Nabar

CHIEF FINANCIAL OFFICER : Clement Pinto

COMPANY SECRETARY : K. R. Rajput

REGISTRARS & TRANSFER AGENT : Computech Sharecap Ltd.
147, Mahatma Gandhi Road,
Opp. Jehangir Art Gallery, Fort,
Mumbai 400 001.
Phone: 022 - 2263 5000 to 2263 5002
Fax: 022 - 2263 5001
e-Mail: helpdesk@computechsharecap.com

REGISTERED OFFICE : Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.
Phone: 022-2518 8010, 2518 8020, 2518 8030
Fax: 022-2518 8066
website: www.godrejinds.com

FACTORIES

Valia (DTA & EOU)

: Burjorjinagar, Plot No. 3, Village Kanerao,
Taluka - Valia, District Bharuch,
Gujarat 393 135.
Phone: 02643 - 270756 to 270760
Fax: 02643 - 270018

Wadala

: L.M. Nadkarni Marg,
Near M.P.T. Hospital,
Wadala (East), Mumbai 400 037.
Phone: 022 - 2415 4816, 2414 8770
Fax: 022 - 2414 6204

Ambernath

: Plot No.N-73, Additional Ambernath
Industrial Area, Anand Nagar, Village Jambivali,
Taluka Ambernath (East), District Thane,
Maharashtra. Pin - 421 506
Phone: 0251 - 2624000

BRANCHES

Delhi

: 6th floor, Hanslaya Bldg,
15, Barakhamba Road, New Delhi 110 002.
Phone: 011 - 2332 34860

Kolkata

: Block GN, Sector - V,
Salt Lake City, Kolkata 700 091.
Phone: 033 - 2357 3555
Fax: 033 - 2357 3945

London

: Block B, 2nd Floor,
284A, Chase Road, Southgate,
London N14 - 6HF., UK.
Phone: (004420) - 88860145
Fax: (004420) - 88869424

BANKERS

: Central Bank of India
State Bank of India
Bank of India
HDFC Bank Ltd.
Citibank N.A.
HSBC Ltd.
DBS Bank Ltd.
Kotak Mahindra Bank Ltd.

CHAIRMAN'S STATEMENT



Chairman's Statement

Dear Shareholders,

I am delighted to share with you the events, developments and the progress by Godrej Industries Limited during the course of 2013-14. In a challenging macro-economic environment, your Company continued to do well in most of its core businesses. This is a reflection of the diverse and resilient business model that your Company has created which not only captures a diverse range of businesses in some of the key growth sectors of the economy but also enables sustained performance through various business cycles.

As a conglomerate with interest in diverse businesses, growth at the consolidated level is pursued through competitively growing your Company's core businesses, building an environment to achieve transformation while also nurturing and investing in emergent businesses of the future. The essence of your Company's business strategy is captured in the approach called CREATE which stands for:





I would like to summarize the year at GIL for each dimension of your Company's CREATE strategy:

C – Consumer and Chemicals **Consumer (GCPL)**

Godrej Consumer Products Limited, in 2013-14, has been able to consistently improve its positioning and market share. In a challenging macroeconomic environment, GCPL prudently managed the business and launched several excellence initiatives to further enhance the operational performance. This has enabled GCPL to report yet another year of healthy results in both, the domestic and international operations.

The response to GCPL's innovations has been very encouraging and the performance is significantly ahead of plans. The innovation pipeline remains strong which gives the confidence of building a stronger brand presence across the board. GCPL will continue investing judiciously for the longer term to improve its position, create sustainable competitive advantages and emerge stronger than ever before. Continuous focus on innovation, prudent cost management, delivering in core categories, and stimulating growth in the key geographies will hold GCPL in good stead for future progress. I am pleased to share that GCPL was ranked 31st globally in Forbes World's 100 most innovative growth Company's list and was the highest ranked amongst Indian Companies in that list. We will at the same time focus on intensifying efforts in enhancing the distribution network and improving productivity through technology.

GCPL maintains focus on the 3x3 strategy as it believes that the opportunities across all its geographies and categories are immense. With the strategic foundation in place, your Company is confident of sustaining GCPL's growth going forward.

Chemicals

The Chemicals business was impacted by the macro-economic situation and had a difficult year. I am pleased to share that the new oleo-chemicals facility at Ambernath has commenced operations in the last quarter of the fiscal year 2013-14. We expect the additional capacities to augment overall efficiencies and enable us to deliver healthy performance in the years to come.

I would like to take this opportunity to share with you that your Company's Chemicals business won the CII Environmental Best Practices Award 2013 for Innovation for the Valla factory's Effluent Treatment Plant sludge reduction project. The award recognizes best innovative environmental projects and facilitates information sharing to enhance environmental performance and operational efficiency. This initiative ties in directly with your Company's greener India goal of having zero waste to landfill.

R E – Real Estate (GPL)

The real estate subsidiary of your Company, Godrej Properties Limited delivered healthy financial results in a challenging environment reporting a growth of 20% in revenues, 21% in EBITDA and 15% in Net Profit in 2013-14. This performance demonstrates GPL's ability to maintain growth in difficult market conditions and underlines the effectiveness of our resilient and differentiated business model and strong execution.

During the year, GPL signed 8 new projects adding 13 million sq. ft. of saleable area to its portfolio. The new projects are located in Mumbai, the National Capital Region, Pune, Bengaluru and Chennai. The projects

added are of substantial size and are in line with GPL's long term strategy of focusing on value accretive and risk efficient models.

A – Agri Business (GAVL)

A healthy monsoon combined with a strong and innovative Agri product basket enabled your Company to register yet another year of strong growth across all agri verticals. GAVL's consolidated revenue grew by 16% and net profit by 80%. I am happy to share that the Animal Feed vertical of GAVL crossed the one million tonne mark of animal feed in fiscal 2013-14 with strong profitability. This strong performance was backed by innovative products as a result of R&D efforts and efficiency in buying.

The Oil Palm vertical delivered a growth of 31% in revenue supported by robust oil prices. Higher revenue and operational efficiencies helped improve the profitability of this vertical. The Agri-inputs vertical delivered a growth of 38% in revenue aided by good monsoons in the year. Hitweed, our cotton herbicide continues to do very well and recorded a growth of 70% in this fiscal year. The Poultry vertical too did well recording a growth of 36% in revenues, despite a tough year for the industry. We are focusing on strengthening our sales and distribution network.

I am confident that GAVL will continue on its strong growth path in the years to come.

T – Transformation

As a Group, your Company believes in inclusive growth that aims at enhancing the competitiveness of the businesses while simultaneously advancing the economic and social conditions of the communities in which it operates. This focus is implemented Group wide through the shared value initiative called 'Godrej Good and Green'.

As part of Good & Green, the Group, by 2020, aspires to create a more employable Indian workforce, a greener India and innovate for products that are greener or cater to the bottom of the income pyramid. The Group has made good progress on each of the objectives during the last fiscal year. Through employability programs in beautician training, channel sales, rural entrepreneurship and animal husbandry, the Group has been able to train thousands of unemployed or underemployed youth in the last year.

I am pleased to share with you that in the Brand Trust

Report, 2014 Godrej was ranked 3rd in the all India rank for most trusted Brand (6th in the previous year). This is testimony to the strong brand equity whilst also ensuring that the heritage brand is relevant and dynamic.

E – Emergent Businesses

Over the years, your Company has selectively incubated new businesses and grown them successfully. The current emergent businesses viz. Natures Basket and the Seeds business are evolving fast.

Natures Basket, the gourmet food retailing business, is one such business where your Company sees immense growth potential given low penetration levels and a growing addressable market. This business is ramping up well with healthy increase in same store sales as well as opening of new stores. Natures Basket is now spread across 6 key metros in India through 33 stores. The business recorded a 36% growth in revenues. I am pleased to share with you that Natures Basket won several awards including "The Most Admired Retailer of the year" – in 'Food & Grocery' category and "The Most Admired Retailer in 'Customer Relations.'"

We are investing strongly in our latest emergent business – the seeds business. The initial focus will be on maize and paddy supported by a strong R&D. The revenues of this business grew a healthy 92% during this fiscal year and we look at expanding into additional geographies in the coming Kharif season.

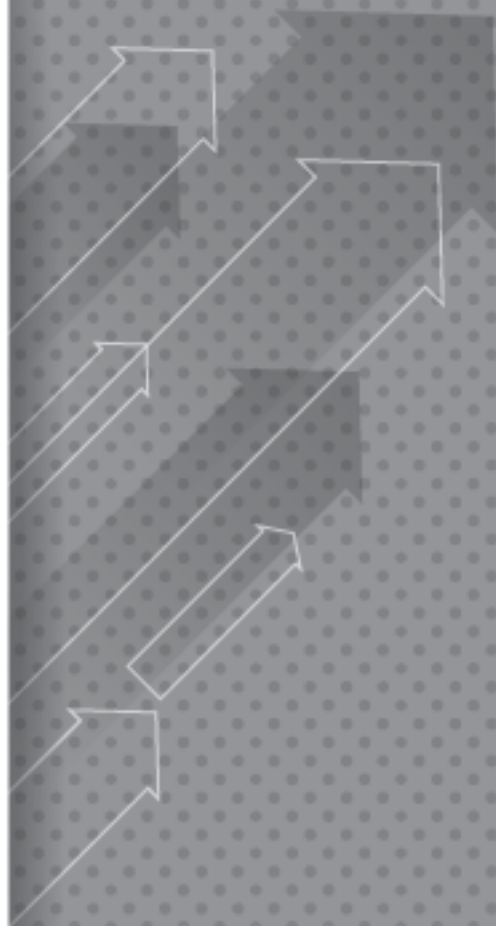
Overall, your Company is optimistic about the future given that the building blocks are in place to capitalize on the tremendous growth opportunities for your Company's businesses. We remain confident of achieving long term objectives of inclusive, sustainable and profitable growth, in line with our CREATE strategy, while fostering an inspiring place to work and creating shared value for all our stakeholders.

I would like to thank all your Company's employees for their contribution in the continued success of Godrej Industries. I would also like to extend my gratitude towards our business partners and associates, vendors as well as the Central and State governments for their continued support. Finally, I would like to express my sincere appreciation to you for your continued faith, trust, encouragement and support.

Yours sincerely,

Adi Godrej
Chairman

FINANCIAL HIGHLIGHTS



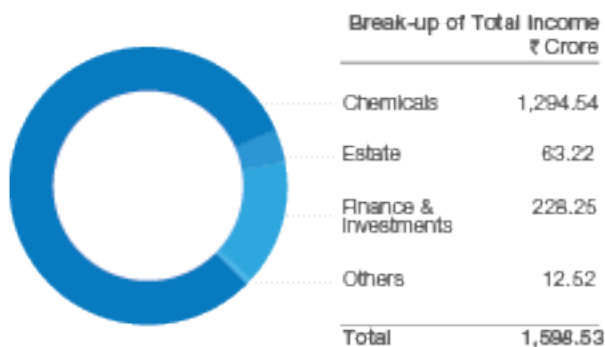
Financial Highlights

All figures in ₹ crore

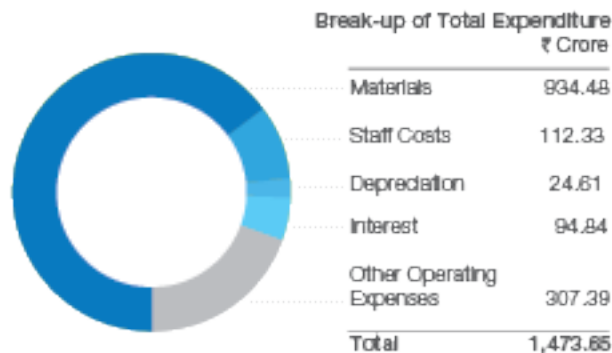
	2013-14*	2012-13	2011-12	2010-11	2009-10
BALANCE SHEET					
SOURCE OF FUNDS:					
Shareholders' Funds					
Share Capital	33.55	33.52	31.76	31.76	31.76
Reserve & Surplus	1,538.91	1,590.60	1,200.79	1,058.38	990.93
Secured Loans	7.00	70.26	17.49	83.23	204.19
Unsecured Loans	1,320.05	855.95	489.23	470.99	343.42
Deferred Tax Liability	39.48	34.38	35.76	35.92	31.98
	2,938.99	2,584.71	1,775.03	1,680.28	1,602.28
APPLICATION OF FUNDS :					
Fixed Assets	996.63	810.40	473.29	318.52	298.62
Investments	2,048.26	1,339.25	1,353.81	1,233.74	1,147.63
Surplus Deployed	-	412.20	-	-	-
Net Working Capital	(105.90)	22.86	(52.07)	128.02	156.03
	2,938.99	2,584.71	1,775.03	1,680.28	1,602.28
INCOME & PROFIT					
Total Income	1,598.53	1,573.07	1,563.13	1,254.54	991.70
Expenditure other than Interest and Depreciation	1,354.20	1,387.97	1,264.36	1,026.56	823.07
Profit before Interest, Depreciation and Tax	244.33	185.10	298.77	227.98	168.63
Interest (net)	94.84	64.82	70.53	63.12	60.25
Profit before Depreciation and Tax	149.49	120.28	228.24	164.86	108.38
Depreciation	24.61	23.12	27.19	28.85	28.39
Profit before Tax and exceptional items	124.88	97.16	201.05	136.01	79.99
Provision for Current Tax	0.09	1.79	(0.34)	(1.36)	(0.13)
Net Profit after Tax	124.79	95.37	201.39	137.37	80.12
Provision for Deferred Tax	5.10	(1.37)	(0.17)	3.94	(0.80)
Net Profit after taxes and adjustments	119.69	96.74	201.56	133.43	80.92

* The above figures are without consolidation of ESOP Trust.

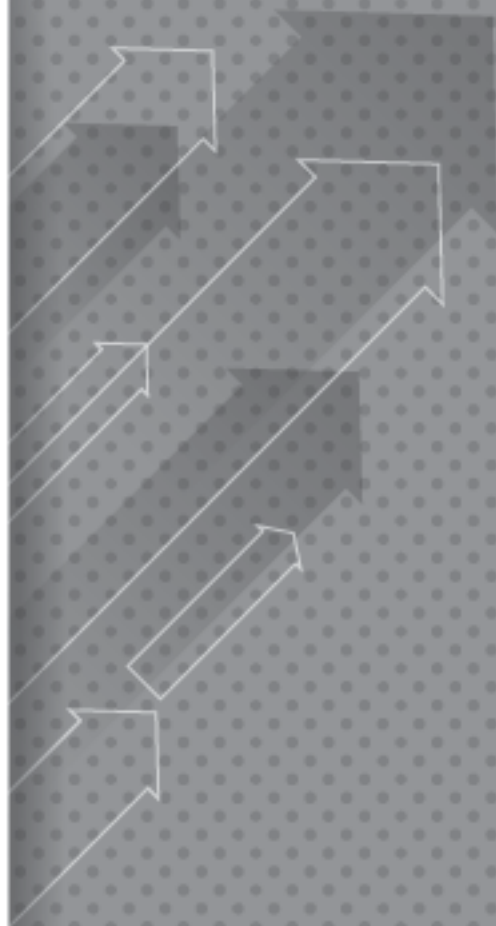
Total Income 2013-14



Total Expenditure 2013-14



NOTICE TO SHAREHOLDERS



Notice to Shareholders

NOTICE is hereby given that the TWENTY-SIXTH ANNUAL GENERAL MEETING of the members of GODREJ INDUSTRIES LIMITED will be held on Saturday, August 9, 2014 at 3.30 p.m. at Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400 021, to transact the following business :-

Ordinary Business:

1. To consider and adopt the audited financial statements(both standalone and consolidated) of the Company for the year ended March 31, 2014 which includes the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2014, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report.
2. To declare dividend for the financial year ended March 31, 2014.
3. To appoint a Director in place of Mr. J. N. Godrej (DIN: 00076250), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. T. A. Dubash (DIN: 00026028), who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors of the Company:

RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, M/s. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration No. 104607W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the fourth consecutive Annual General Meeting (subject to ratification of re-appointment by the members at every AGM held after this AGM) of the Company, on a remuneration as may be decided by the Board of Directors of the Company.

Special Business:

6. Appointment of Mr. S. A. Ahmadullah as an Independent Director of the Company:

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, as an Independent Director of the Company not liable to retire by rotation, consent of the members of the Company be and is hereby accorded for appointment of Mr. S. A. Ahmadullah (DIN: 00037137), as an Independent Director of the Company for a period of five years with effect from the date of this Annual General Meeting i.e. August 9, 2014.

7. Appointment of Mr. A. B. Choudhury as an Independent Director of the Company:

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for

the time being in force) and subject to such other approvals as may be required, and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, as an Independent Director of the Company not liable to retire by rotation, consent of the members of the Company be and is hereby accorded for appointment of Mr. A. B. Choudhury (DIN: 00557547), as an Independent Director of the Company for a period of five years with effect from the date of this Annual General Meeting i.e. August 9, 2014.

8. Appointment of Mr. K. K. Dastur as an Independent Director of the Company:

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, as an Independent Director of the Company not liable to retire by rotation, consent of the members of the Company be and is hereby accorded for appointment of Mr. K. K. Dastur (DIN: 00050199), as an Independent Director of the Company for a period of five years with effect from the date of this Annual General Meeting i.e. August 9, 2014.

9. Appointment of Mr. K. M. Elavia as an Independent Director of the Company:

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, as an Independent Director of the Company not liable to retire by rotation, consent of the members of the Company be and is hereby accorded for appointment of Mr. K. M. Elavia (DIN: 00003940), as an Independent Director of the Company for a period of five years with effect from the date of this Annual General Meeting i.e. August 9, 2014.

10. Appointment of Dr. N. D. Forbes as an Independent Director of the Company:

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, as an Independent Director of the Company not liable to retire by rotation, consent of the members of the Company be and is hereby accorded for appointment of Dr. N. D. Forbes (DIN: 00630825), as an Independent Director

of the Company for a period of five years with effect from the date of this Annual General Meeting i.e. August 9, 2014

11. Appointment of Mr. K. N. Petigara as an Independent Director of the Company:

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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, as an Independent Director of the Company not liable to retire by rotation, consent of the members of the Company be and is hereby accorded for appointment of Mr. K.N. Petigara (DIN: 00066162), as an Independent Director of the Company for a period of five years with effect from the date of this Annual General Meeting i.e. August 9, 2014.

12. Remuneration of R. Nanabhoy & Co., as Cost Auditors of the Company

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 and the Companies (Audit and Auditors) Rules, 2014, M/s. R. Nanabhoy & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, for the financial year ending March 31, 2015 for the conduct of the audit of the cost records of the Company be

paid a remuneration of ₹ 2.20 lac per annum exclusive of service tax and out-of-pocket expenses.

RESOLVED FURTHER 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.

13. Investment in Verseon Corporation u/s 186 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereto, if any, including any statutory modification(s)/ amendment(s)/ revision(s)/ re-enactment thereof (hereinafter referred to as 'the Act') and/or any other law, as may be applicable, and/or any other approvals, as may be required, the Company be and is hereby authorised to further invest/acquire the securities of Verseon Corporation by way of subscription/purchase or otherwise, in addition to the limits already sanctioned, upto a sum of ₹ 15 crore (Rupees Fifteen Crore Only), notwithstanding that the aggregate of the investments so far made in or to be made in and the loans and the guarantees so far given, exceeds the limits laid down by the Act.

RESOLVED FURTHER THAT the Management Committee of the Board of Directors and / or Mr. A. B. Godrej, Chairman, Mr. N. B. Godrej, Managing Director, Ms. T. A. Dubash, Executive Director & Chief Brand Officer, Mr. N. S. Nabar, Executive Director & President (Chemicals) and Mr. Clement Pinto, Chief Financial Officer, be and are hereby severally authorised to take from time to time all decisions and steps necessary, expedient or proper in respect of the above investment(s) including the timing, the amount and other terms and conditions of such transaction(s) and also to take all decisions including varying any of them through transfer, sale, recall,

renewal, divestment or otherwise, either in part or in full, as it or they may, in its or their absolute discretion, deem appropriate, subject to the specified limits, for effecting the above transaction.

RESOLVED FURTHER THAT the limits indicated hereinabove in case of divestment, renewal, withdrawal, transfer or sale of investment as the case may be, be restored to the original sanctioned limit of ₹15 crore (Rupees Fifteen Crore Only).

By Order of the Board of Directors

K. R. Rajput
Company Secretary

Mumbai, June 20, 2014

Registered Office:

Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.
Tel. +91 22 25188010/20/30,
Fax: +91 22 25188066,
Website: www.godrejinds.com,
e-mail: investor@godrejinds.com
CIN: L24241MH1988PLC097781

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect of business under Item Nos. 6 to 13 as set out in the Notice is annexed hereto.
2. Brief resume of Directors/persons proposed to be appointed / re-appointed, as stipulated under clause 49 of the listing agreement with the stock exchanges, are provided after the explanatory statement to this notice.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY 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 person can act as a proxy on behalf of a member not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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 a proxy for any other person / shareholder.

4. All 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 Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from August 2, 2014 to August 9, 2014 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if declared at the Annual General Meeting is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
6. The dividend, if declared at the Annual General Meeting, will be payable by September 5, 2014 as follows:
 - (a) For shares held in physical form – to those shareholders whose names appear in the Register of Members on the close of the day on August 1, 2014; and
 - (b) For shares held in dematerialised form to those beneficiaries, whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on August 1, 2014.
7. The Securities and Exchange Board of India ("SEBI") has made it mandatory (by a circular dated March 21, 2013) for all listed companies to use the bank account details furnished by the depositories for depositing dividends.

Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the members with bank details printed thereon as available in the Company's records.

8. In terms of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013, Independent Directors are required to be appointed for a term upto five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item no. 6 to 11 of this Notice. In terms of the Companies Act, 2013 and amended Clause 49 of the listing agreement notified by SEBI on April 17, 2014 (the "Amendment"), the Board of Directors has reviewed the declarations made by them that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that they fulfill the conditions specified in the said Act and the Rules made thereunder and are independent of the management.
9. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
10. The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs, Government of India, has permitted companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance. Recognizing the spirit of the circulars issued by the Ministry of Corporate Affairs, we are sending documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc. by 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.**

11. Those Members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' of the Central Government, pursuant to Section 205C of the Companies Act, 1956 on the respective dates mentioned there against. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the aforesaid Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date the dividend became due for payment and no payment shall be made in respect of such claims.

Dividend for the Financial Year ended	Due Date for Transfer
31.03.2007	27.07.2014
31.03.2008	29.07.2015
31.03.2009	29.07.2016
31.03.2010	27.07.2017
31.03.2011	30.07.2018
31.03.2012	11.08.2019
31.03.2013	10.08.2020

12. Members/Proxies are requested to bring the Attendance Slip duly filled in for attending the meeting and also their copy of the Annual Report.
13. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.

14. In compliance with the provisions of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members the facility to exercise their vote for business to be transacted in this notice of Annual General Meeting by electronic means through e-voting facility provided by Central Depository Services Limited. Members who are holding shares in physical or dematerialized form as on June 30, 2014 shall exercise their vote by electronic means.

15. **E-voting:** The e-voting instructions for members receiving an e-mail or a physical copy of this notice of Annual General Meeting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted earlier for any company, then use your existing password.
- (vii) If you are a first time user then follow the steps given below.

For Members holding shares in Demat / Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB*	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p style="text-align: center;">OR</p>
Dividend Bank Details*	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p>
<p>* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>	

- (viii) After entering these details click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant company name on which you choose to vote.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and image verification code and click on Forgot Password and enter the details as prompted by the system.
 - (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - (xix) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - (xx) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - (xxi) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - (xxii) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
16. The voting period begins on Monday, August 4, 2014 at 9.00 a.m. and ends on Tuesday, August 5, 2014 at 5.30 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 20, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 17. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 18. In case of Members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. **For clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting.** The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
 19. Mr. Kalidas Vanjpe, Practising Company Secretary, (Membership no. FCS 7132) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the voting by way of poll, to be conducted at the Annual General Meeting, in a fair and transparent manner.

20. The Scrutinizer shall within a period not exceeding three working days from the date of close of e-voting unblock the votes in the presence of atleast two witnesses, not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
21. The results of e-voting and poll on resolutions shall be aggregated and these resolutions will be deemed to be passed on the Annual General Meeting date, subject to receipt of the requisite numbers of votes in favour of the said resolutions.
22. The results declared alongwith the Scrutinizer's report shall be communicated to BSE Limited and National Stock Exchange of India Limited and made available on the Company's website viz.: www.godrejinds.com and on the website of CDSL viz.: www.cdslindia.com, within two days of passing of the resolutions at the Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 6 to 11

In accordance with the provisions of Section 149 of the Companies Act, 2013 which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors who are not liable to retire by rotation and who shall hold office for a term of consecutive five years.

The Company had appointed Mr. S. A. Ahmadullah, Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara, all as Non-Executive Directors, liable to retire by rotation under the Companies Act, 1956. These Directors are also Independent Directors pursuant to Clause 49 of the listing agreement.

Consequent to the applicability of the Companies Act, 2013, it is proposed to appoint Mr. S. A. Ahmadullah,

Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara, as Independent Directors of the Company for a term of consecutive five years with effect from the date of Annual General Meeting i.e. August 9, 2014 till August 8, 2019. The Company has received consent from these Independent Directors and also declaration confirming that they are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement with the Stock Exchanges.

In this regard requisite notice in writing from a member has been received, proposing appointment of Mr. S. A. Ahmadullah, Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara, as candidate for the office of Independent Director of the Company.

All these Independent Directors are Independent of the management and in the opinion of the Board they fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. Other than the Independent Directors of the Company and their relatives, none of the Directors, key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolutions as set out in item numbers 6 to 11 of this Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges. The Board recommends the Ordinary Resolutions as set out at item numbers 6 to 11 of the Notice for approval by the shareholders.

A brief profile along with other details of the Independent Directors are provided at the end of this statement.

Item No. 12

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on May 28, 2014, the Board has considered and approved appointment of M/s. R. Nanabhoy & Co., Cost Accountants, for the conduct of the audit of the cost records of the Company at a remuneration of ₹ 2.20 lac per annum exclusive of service tax and out of pocket expenses for the financial year ending March 31, 2015.

The Board recommends the resolution as set out at item no. 12 of the Notice.

None of the directors / key managerial personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 13

Section 186 (2) of the Companies Act, 2013 inter-alia states that no company shall directly or indirectly acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Section 186 (3) *inter-alia* provides that where the acquisition under sub section (2) exceeds the limits specified in that sub-section, prior approval by means of a special resolution passed at a general meeting shall be necessary.

Accordingly, approval of the members is sought for passing a special resolution as set out at item no. 13 to further invest the securities of Verseon Corporation having its registered office at 4882-100B Kato Road, Fremont, CA 94538, USA upto a sum of ₹15 crore.

The Board recommends the resolution as set out at item no. 13 of the Notice.

None of the directors / key managerial personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

By Order of the Board of Directors

K. R. Rajput
Company Secretary

Mumbai, June 20, 2014

Registered Office:

Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.
Tel. +91 22 25188010/20/30,
Fax: +91 22 25188066,
Website: www.godrejinds.com,
e-mail: investor@godrejinds.com
CIN: L24241MH1988PLC097781

Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

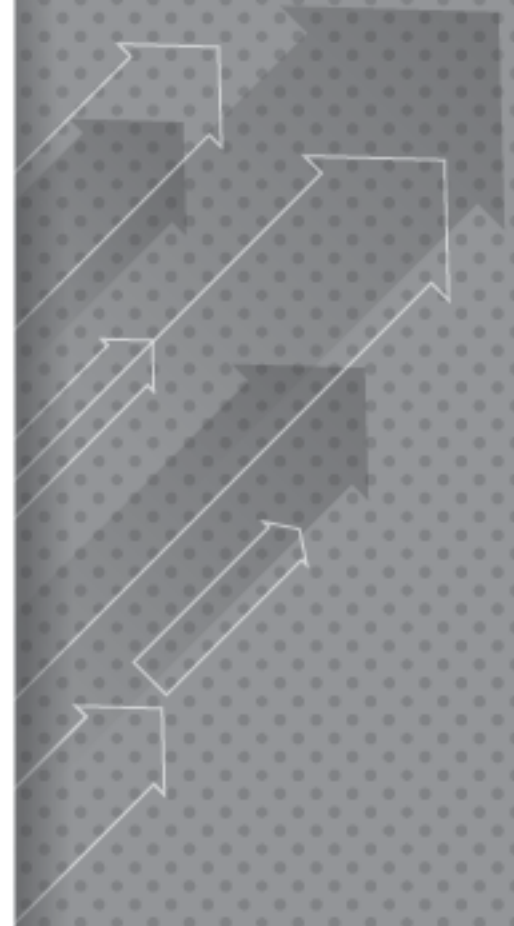
Name of the Director	J. N. Godrej	T. A. Dubash	S. A. Ahmadullah	A. B. Choudhury
Age	65	45	74	71
Nationality	Indian	Indian	Indian	Indian
Date of appointment	March 7, 1988	August 01, 1996	January 01, 1995	August 4, 2009
Shareholding in the Company	Nil	42,68,783	6,000	Nil
Qualification	B.E. Mechanical, Illinois Institute of Technology, USA.	AB, Economics & Political Science, Brown University, USA., Advanced Management Program, Harvard Business School	B. A. (Cantab.)	Masters In Economics and MMS from JBIMS
Expertise in specific functional area	Engineering and Management	Marketing	Marketing and General Management	Marketing and General Management
Directorships held in other companies	Geometric Ltd., Godrej Consumer Products Ltd., Bajaj Auto Ltd., Godrej Agrovet Ltd., Godrej & Boyce Mfg. Co. Ltd., Godrej Properties Ltd., Haldia Petrochemicals Ltd., Godrej Investments Pvt. Ltd., Illinois Institute of Technology (India) Pvt. Ltd., Godrej (Malaysia) Sdn. Bhd., Godrej (Singapore) Pte. Ltd., Godrej (Vietnam) Company Ltd., Godrej & Khimji (Middle East) LLC, Singapore - India Partnership Foundation, (Singapore), Climate Works Foundation(USA), World Resources Institute(USA), Global Footprint Network (USA),	Godrej Consumer Products Ltd., Ensemble Holdings & Finance Ltd., Godrej Agrovet Ltd., Natures Basket Ltd., Godrej Consumer Products (UK) Ltd., Godrej South Africa Pty Ltd., Godrej Holdings Pvt. Ltd., Bharatiya Mahila Bank Ltd.	Globe Theatres Pvt. Ltd., Nadir Company Pvt. Ltd., Motorsports Association of India.	Godrej Properties Ltd., Wadala Commodities Ltd., Godrej Agrovet Ltd., Vora Soaps Ltd.

Name of the Director	J. N. Godrej	T. A. Dubash	S. A. Ahmadullah	A. B. Choudhury
Directorships held in other companies (Contd.)	Breach Candy Hospital Trust, Singapore-India Partnership Foundation (India), Indian Institute for Human Settlements, Shakti Sustainable Energy Foundation, Raptor Research and Conversation Foundation, WWF India Foundation, Indian Machine Tool Manufactures Association, IMTMA Machine Tool Industry Park.			
Chairmanships/ Memberships of Committees in other companies	Geometric Ltd. Chairman of Investor Grievances Redressal Committee Godrej Consumer Products Ltd. Member of Shareholder's Committee Bajaj Auto Ltd. Member of Shareholders/ Investors Grievances Committee	Nil	Nil	Wadala Commodities Ltd. Member of Stakeholders Relationship/Shareholders Committee Member of Audit Committee. Godrej Properties Ltd. Member of Investors Grievance Committee, Member of Audit Committee.

Name of the Director	K. K. Dastur	K. M. Elavia	N. D. Forbes	K. N. Petigara
Age	72	68	54	65
Nationality	Indian	Indian	Indian	Indian
Date of appointment	May 1, 2002	May 28, 2013	January 27, 2009	January 30, 2002
Shareholding in the Company	3606	Nil	5,000	Nil
Qualification	B. Com., A.C.A.	Chartered Accountant	M.S. Industrial Engineering, Stanford University, PhD, Industrial Engineering, Stanford University., B.A.S. – Industrial Engineering, Stanford University.	B.S., M.S., Ch.E., MIT – USA
Expertise in specific functional area	Finance and Accounts	Finance, Accounts, Company Law, Banking and Corporate Governance	Industrial Engineering	Chemicals
Directorships held in other companies	Godrej Infotech Ltd., Cartini India Ltd., Netel (India) Ltd., Oil Field Instrumentation (India) Pvt. Ltd.	Goa Carbon Ltd., Uni Abex Alloy Products Limited, Allcargo Logistics Ltd., Dai-ichi Karkaria Ltd., Godrej & Boyce Mfg. Co. Ltd., Grindwell Norton Ltd., DCB Bank Ltd., Tata Asset Management Ltd., Uni VTL Precision Pvt. Ltd., Wonder Space Properties Pvt. Ltd.	Kirloskar Oil Engines Ltd., Forbes Marshall Pvt. Ltd., Krohne Marshall Pvt. Ltd., Forbes Marshall Arca Pvt. Ltd., Spirax Marshall Pvt. Ltd., J.N. Marshall Pvt. Ltd., Forbes Marshall Codel Pvt. Ltd., Forbesvyncke Pvt. Ltd., Forbes Solar Pvt. Ltd., Forbes Marshall (Hyderabad) Pvt. Ltd.	Godrej & Boyce Mfg. Co. Ltd., Godrej Agrovat Ltd., Vora Soaps Ltd.,

Name of the Director	K. K. Dastur	K. M. Elavia	N. D. Forbes	K. N. Petigara
Chairmanships/ Memberships of Committees in other companies	Netel (India) Ltd. Chairman – Audit Committee Oil Field Instrumentation (India) Pvt. Ltd. Chairman – Audit Committee	Goa Carbon Ltd. Member – Audit Committee Allcargo Logistics Ltd. Chairman – Audit Committee Dai-ichi Karkaria Ltd. Member – Audit Committee Godrej & Boyce Mfg. Co. Ltd. Chairman – Audit Committee Member – Stakeholders’ Committee Grindwell Norton Ltd. Chairman – Audit Committee DCB Bank Ltd. Chairman – Audit Committee	Nil	Godrej & Boyce Mfg. Co. Ltd. Member of Audit Committee Godrej Agrovat Ltd. Chairman, Audit Committee

DIRECTORS' REPORT



Directors' Report

To the Shareholders,

Your Directors have pleasure in submitting the Annual Report along with the Audited Accounts for the year ended March 31, 2014.

Review of Operations

Your Company's performance during the year as compared with that during the previous year is summarized below.

	(₹ Crore) Year Ended March 31	(₹ Crore) Year Ended March 31
	2014	2013
Revenue from Operations	1,453.55	1,464.63
Other Income	144.98	108.44
Total Income	1,598.53	1,573.07
Total Expenditure other than Finance Costs and Depreciation and Amortisation	1,354.20	1,387.97
Profit before Finance Costs, Depreciation and Amortisation and Tax	244.33	185.10
Depreciation and Amortisation Expenses	24.61	23.12
Profit before Finance Costs and Tax	219.72	161.98
Finance Costs (net)	94.84	64.82
Profit before Tax	124.88	97.16
Provision for Current Tax	0.09	1.79
Provision for Deferred Tax	5.10	(1.37)
Net Profit	119.69	96.74
Surplus brought forward	482.06	483.68
Profit after Tax available for appropriation	601.75	580.42
Appropriation		
Your Directors recommend appropriation as under:		
Dividend on Equity Shares	58.70	58.69
Tax on distributed profits	9.98	9.52
Proposed Dividend for on additional shares issued during the year	0.01	2.98
Credit for Dividend Distribution Tax on Dividend Received from Subsidiaries	(5.79)	(1.85)
Transfer to General Reserve	11.97	29.02
Surplus Carried Forward	526.88	482.06
Total Appropriation	601.75	580.42

Dividend

The Board of Directors of your Company recommends a final dividend of ₹ 1.75 per equity share of ₹ 1/- each, aggregating ₹ 58.70 crore (previous year ₹ 1.75 per equity share).

Management Discussion and Analysis

There is a separate section on Management Discussion and Analysis appended as Annexure A to this Report, which includes the following:

- Industry Structure and Developments
- Discussion on financial performance with respect to operational performance
- Segment wise performance
- Human Resources and Industrial Relations
- Opportunities and Threats
- Internal Control Systems and their adequacy
- Risks and Concerns
- Outlook

Subsidiary and Associate Companies

Your Company has interests in several industries including animal feeds, poultry and agro-products, oil palm plantation, property development, personal and home care, etc. through its subsidiary and associate companies.

Godrej Agrovet Limited (GAVL)

GAVL continued on its growth path during the year under review. GAVL's consolidated total revenue and net profit increased by 16% and 80% respectively, over last year.

The Animal Feed business recorded a growth of 10% in revenues and 19% in profitability. The strong performance in sales revenue and profitability was on account of increased volumes, innovative products backed by R&D efforts and efficiency in buying. This division of GAVL undertook Brand Consolidation with few strong brands having national presence. This division of GAVL arranged Calf competitions during the fiscal to support Heifer feed sales.

GAVL was the first company to organize such an event which created an impact at village level.

GAVL's Vegetable Oil operations registered a growth of 31% in revenues and 23% in profitability despite adverse impact of new formula for pricing of Fresh Fruit Bunches (FFB) on account of healthy growth in arrivals of FFBs, control over fixed costs and high Crude Palm Oil prices. This division of GAVL has completed the construction of oil mill in Mizoram and commercial production has started in April 2014.

The Agri inputs division of GAVL reported a growth of 38% in revenues and 34% in



Agri Input
Animal Feed
Oil Palm
Godrej Tyson Foods



profitability over the previous year on account of healthy margins in plant growth promoters and herbicides. During the year, the Company launched new products, viz., "Impool" a herbicide and variants of "Zymegold", a micronutrient, which are innovative products.

GAVL continues to be the holding company of Godrej Seeds & Genetics Limited (GSGL). GSGL recorded a sales of ₹ 36 crore during the year under review. GAVL is also the holding company of Godvet Agrochem Limited (GAL), which was incorporated on January 22, 2014 and entire paid-up equity share capital of GAL is held by GAVL. Goldmuhor Agrochem & Feeds Limited and Golden Feed Products Limited have merged with GAVL.

GAVL continues to have joint venture arrangement with ACI Godrej Agrovet Private Limited, Bangladesh (ACI Godrej) and Godrej Tyson Foods Limited (GTFL). ACI Godrej achieved a turnaround despite volatile external environment on account of political uncertainty through premium pricing and innovative logistics solutions. GTFL also achieved a complete turnaround and registered a growth of 23% in total income and 195% in profit before tax over previous year on account of lower feed costs and control over fixed costs.



Godrej Properties Limited (GPL)

GPL is the real estate development arm of the Godrej Group, with a pan-India presence. Despite the current uncertainties and challenges in the real estate environment, GPL has successfully demonstrated strong value addition to its development portfolio. GPL posted a total income of ₹ 1254 crore during the financial year ended March 31, 2014.

During the said year, GPL added 8 new projects with a saleable area of 13.42 million sq. ft. to its portfolio. The new projects signed are located in Mumbai, the National Capital Region, Pune, Bengaluru and Chennai. The projects added are of substantial size and are in line with GPL's long term strategy of focusing on value accretive and risk efficient models. While real estate supply continues to outpace growth in demand across most cities in the country, GPL achieved its highest ever quarterly sales in the fourth quarter of the fiscal year, driven by successful new launches in Mumbai and Bengaluru. The highlight of the year was the successful launch of

in Mumbai, which registered bookings of over 200 apartments valued at over ₹ 400 crore on the day of its launch. Another milestone for GPL was the launch of Godrej United in Bengaluru. This launch was achieved within 12 months of the Development Agreement being signed. This project also witnessed strong uptake in the market, registering bookings worth over ₹ 100 crore over the span of a few weeks.

Despite the current challenges facing the Indian economy dampening commercial real estate sales across major cities in the country, GPL registered over 800,000 sq. ft. of bookings across three commercial projects in Mumbai and Kolkata.

Delivering on its customer commitments, GPL handed over 624 apartments across 13 towers in Godrej Garden City, GPL's first township project. The Global Indian International School at Godrej Garden City, Ahmedabad was also inaugurated in the fiscal year. This is the first school that GPL has built and marks an important milestone for the township.



GPL continues to deliver on its vision of being the most trusted name in the real estate industry, and has been recognized as such, winning the 'Developer of the Year' award at the Indian Realty Awards 2013 and the 'Ethical Brand for Real Estate' award by CMO Asia.

GPL also continues its focus to deliver on its commitments on the sustainability front, aiming for green building certifications for all ongoing and future projects. Godrej BKC is the first multi-occupant project in BKC to be awarded the LEED Platinum pre-certification. GPL also received the 'Sustainability Award' from the CII for its contribution to green building mission at the GreenCo Summit 2013.

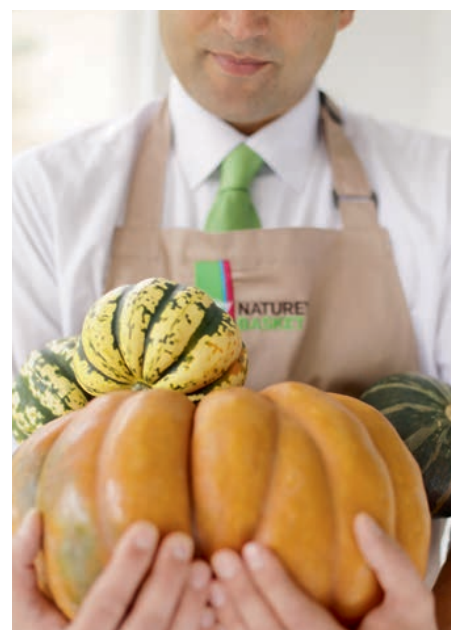
Natures Basket Limited (NBL)

NBL which operates in the gourmet food retail segment and is a wholly owned subsidiary of your Company has been increasing its foothold across cities. NBL is 'the' retail destination for gourmet and fine food in India. NBL had extended its footprint from 27 stores in Financial Year 2012-13 to 33 stores by the end of Financial Year 2013-14.

NBL's business grew by 36% and achieved a total income of ₹ 174 Crore. Greater focus on strengthening the gifting portfolio both in terms of dedicated presence in stores as well as creation of a distinctive and appealing gifting portfolio ensured that sales through gifting grew at a very healthy clip of 82% over last year.

NBL introduced 2 distinct brands – l'exclusif and Healthy Alternatives to introduce its own range of indulgence and health products respectively. About 150 SKUs introduced so far under these 2 labels have been well received by consumers and holds out great hope for FY 14-15.

The business was rewarded across retail platforms with wins at the Coca Cola Golden Spoon awards, India Retail Forum, Asia Retail Congress and several others as well.





Godrej Consumer Products Limited (GCPL)

GCPL, an associate of your Company, has continued to grow ahead of the overall FMCG sector, as well as home and personal care categories that it participates in, despite a challenging macro environment. On a consolidated basis, GCPL reported Income from Operations of ₹ 7,583 crore and a Net Profit (after minority interest) of ₹ 760 crore for Financial Year 2013-14, compared to ₹ 6,400 crore and ₹ 796 crore respectively, for the previous year.

While GCPL's salience of international revenues increased to 47%, it also ensured strong growth momentum in its domestic business with a healthy 14% growth. GCPL's focus has been to accelerate innovation and back new products with strong marketing investments. In the past year, GCPL had several new launches in the domestic and international businesses. These launches, we believe, will further enhance GCPL's competitiveness, improve the equity of its brands and drive increased penetration and consumption.

Today, GCPL is one of the largest household and personal care companies in India; the leader in hair



colour, household insecticides and liquid detergents, the number two player in toilet soaps and a fast-growing new entrant in air care. Over a third of GCPL's growth now comes from new products and renovations, having invigorated its product portfolio with 12 launches and relaunched in India alone, in just over 18 months. Significant marketing investments have driven higher consumption and penetration across the board. GCPL's superior global supply chain and future-ready sales organisation leverage the latest technology for sharper execution and better decision making, thus strengthening market positions. It was ranked the number 1 FMCG Company to work for in the Great Place to Work survey 2014; its tenth consecutive year on the list.

GCPL's expanding footprint is driven by a focussed 3x3 strategy – a presence in three business categories (personal wash, hair care and home care) in three geographies (Asia, Africa and Latin America) – to become an emerging markets FMCG leader. GCPL has made good progress in the next phase of the integration of its Darling businesses, thus taking its presence in Africa to the next stage. It is now strengthening and building processes and talent infrastructure for sustainable growth. The UK business continues to outperform, while the Indonesia and Latin America businesses have also performed well, despite market challenges.

Other Subsidiaries

Godrej International Limited (GINL), a wholly owned subsidiary of your Company, trades in vegetable oils worldwide. GINL continued its strong operating profit growth with a rise in turnover by 15% to US \$ 282 million. Palm oil prices did not fall as expected and were supported by greater use of palm in the manufacture of bio diesel.

Godrej International Trading & Investments Pte. Limited (GITI), a wholly owned subsidiary of your Company, incorporated in the Republic of Singapore, also continued to trade profitably. It has not been possible to expand its turnover and activity in the past year. The long term aim remains to consolidate all our vegetable oil trading activity in this geographic region.

Ensemble Holdings and Finance Limited (EHFL), a wholly owned subsidiary of your Company, is a Non-Banking Finance Company. The Gross Income of EHFL for the Financial Year ended March 31, 2014 was ₹ 0.99 crore as against that of ₹ 3.35 crore last year. The Net Profit of EHFL during the Financial Year ended March 31, 2014 was ₹ 0.82 crore as against that of ₹ 0.27 crore last year.

Amalgamation

During the year under review, Swadeshi Detergents Limited (SDL) a wholly owned subsidiary of your Company, had been amalgamated with your Company in terms of the Scheme of Amalgamation sanctioned by the Hon'ble Bombay High Court vide its order dated August 16, 2013. The appointed date of the Scheme was April 1, 2013 and the effective date of the Scheme was September 6, 2013 i.e. the date on which your Company and SDL had filed a certified copy of the said High Court order with the Registrar of Companies, Maharashtra.

During the year under review, the Board of Directors of your Company had on February 7, 2014 approved the proposal of scheme of amalgamation of Wadala Commodities Limited (WCL) with your Company. BSE Limited and National Stock Exchange of India Limited had conveyed their 'No objection' for the said scheme of amalgamation. Your Company had approached the Hon'ble High Court of judicature at Bombay and the High Court had directed to seek the approval of the equity shareholders for the scheme of amalgamation. Accordingly, a court convened meeting of the equity shareholders of your Company has been called on June 13, 2014. Also pursuant to the terms of para 5.16 of Circular Number CIR/CFD/DIL/5/2013 dated February 4, 2013 issued by Securities and Exchange Board of India (SEBI) read with para 7 of Circular Number CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by SEBI ("SEBI Circular") and Pursuant to Section 110 of the Companies Act, 2013 and applicable rules thereunder, your Company is seeking the approval of the equity shareholders for the scheme by way of Postal Ballot. The results of the said postal ballot will be declared by the Chairman of the Company on June 3, 2014.

Financial Position

The loan funds at the end of the year stand at ₹ 1,327 crore as compared to ₹ 926 crore for the previous year. The debt equity ratio is 0.82 as compared to 0.56 last year. Your Company continues to hold the topmost rating of [ICRA]A1+ from ICRA for its commercial paper program (₹ 600 crore) (enhanced from ₹ 410 crore). ICRA has reaffirmed an [ICRA]A1+ rating for its short term debt instruments/other banking facilities (₹ 900 crore) (enhanced from ₹ 850 crore). This rating of ICRA represents highest-credit quality carrying lowest-credit risk. ICRA also reaffirmed [ICRA]

AA rating with stable outlook for long-term debt, working capital and other banking facilities (₹ 940 crore) (enhanced from ₹ 640 crore). This rating represents high-credit quality carrying low-credit risk. ICRA has also assigned a rating of MAA+ with stable outlook for our likely Public Deposit scheme (under the Companies Act, 2013) for ₹ 100 crore. The Public Deposit scheme under the Companies Act, 1956 has been discontinued. Instruments with this rating are considered to have the high-credit quality and low credit risk.

Manufacturing Facilities

The chemicals division of your Company has manufacturing units at Ambernath and Valia.

The manufacturing operations of your Company at Vikhroli were discontinued with effect from February 28, 2014. Your Company has set up a state of the art new manufacturing facility at Ambernath, Maharashtra and the production has commenced. This factory has the facility to manufacture Surfactants, Fatty Acids (including specialty grades) and Refined Glycerin.

The Valia factory is ISO-9001:2008 and ISO 14001:2004 certified. It has also got OHSAS18001:2007 certificate of Bureau Veritas and ISO 27001:2005 certificate of British Standard Institution. The Valia factory won the CII Environmental Best Practices Award 2013 for Innovation for the Effluent Treatment Plant sludge reduction project.

The Vegoils Division (Wadala) continues as a contract processor of edible oils and vanaspati. The division recorded a turnover of ₹ 6 crore.

Research and Development (R&D)

In the year under consideration the R&D activities have resulted in the launch of two new products, each of them being high value derivatives of fatty alcohols, having specialty applications in personal care products and textile auxiliaries. Innovations in existing processes and the endeavor to develop new processes and technologies will be an ongoing activity. So too, will be our efforts to manufacture premium quality fatty acids and fatty alcohols from alternate raw materials. Your Company will also continue to focus its attention on high value fractionated fatty acids and fatty alcohols for the polymer, oilfield, lubricant and paper industries. Parallel to all the above oleo chemicals projects, R&D continues its efforts in developing improved and customized specialty surfactants, focusing on the home, oral and personal care markets, thus delivering customer delight.

Human Resource Development and Industrial Relations

Your Company has been ranked 4th in Manufacturing & Production industry, and 57th in overall India's Companies To Work For 2013, in a survey conducted by Great Place To Work® Institute.

Industrial Relations at all plant locations remained harmonious. Your Company's one of the oldest manufacturing unit based at Vikhroli has been smoothly relocated to Ambernath. The transition has happened swiftly and the cutting edge technology at Ambernath will soon start reaping benefits. At Valia manufacturing unit, your Company has entered into a Long Term Wage settlement with workers' union.

Your Company emphasises on the safety of people working in its premises. Structured safety meetings were held and safety programmes were organized for them throughout the year. These efforts were recognized by an award for 'Meritorious Performance in Industrial Safety' at the Maharashtra Safety Awards won by Vikhroli Factory given away by 'National Safety Council – Maharashtra Chapter'.

Business Responsibility Report

SEBI, vide its circular CIR/CFD/DIL/8/2012 dated August 13, 2012 had proposed to mandate inclusion of Business Responsibility Reports as part of the Annual Reports for listed entities. According to the proposal, the report should describe measures taken by the listed companies along with key principles enunciated in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' framed by the Ministry of Corporate Affairs. This is intended to be adopted by companies in India to report their Corporate Social Responsibility (CSR) activities and initiatives. Your Company had voluntarily published its first Sustainability Report last year. This year too your Company is publishing the Business Responsibility Report.

A detailed report on your Company's sustainability initiatives is published in the Business Responsibility Report, as Annexure B and forms a part of this report.

Information Systems

Your Company has initiated implementation of new age Business Intelligence (BI) software for generation of reports, queries and executive dashboards. We have completely revamped our existing customer relationship portal to provide refreshing experience to our customers by providing online access of order status, dispatch details, financial history and analytical trend graphs. Customers can also access the information on the move by our new Mobile application.

Your Company is aggressively looking for new age technology solutions like Cloud Computing, Mobility Solutions & Business Analytics to leverage technology for smooth and efficient business operations. We integrated our new production facility at Ambarnath with existing systems and processes.

Your Company is using technology for various business activities including HR processes. We will continue to leverage technology and setup "Green Initiatives" through use of technology.

Employee Stock Grant Scheme 2011 (ESGS) and Employee Stock Option Plan (ESOP)

On May 28, 2013 and August 10, 2013, the Compensation Committee approved a total of 1,73,560 stock grants equivalent to 1,73,560 equity shares of the Company to eligible employees in terms of the ESGS Scheme 2011. The exercise price is ₹ 1/- per equity share. As on March 31, 2014 and in terms of the ESGS Scheme, 2011, a total of 2,89,343 grants were vested, exercised and allotted.

During the financial year 2013-14, no ESOP's were granted. In the current year, in accordance with the opinion issued by the Expert Advisory Committee (EAC) of the ICAI in 2014 on Consolidation of ESOP Trust in the standalone financial statements, the Company has included the financial statements of the ESOP trust for preparation of the standalone financial statements. Consequently, the assets and liabilities of the Trust have been included in the financial statements of the Company

and investments in the equity shares of the Company held by the Trust has been reduced from the share capital and reserves & surplus.

Disclosure in compliance with clause 12 of the Securities and Exchange Board of India (Employees Stock Purchase Scheme) Guidelines, 1999 is given in Annexure C attached and forms a part of this report.

Public Deposits

Your Company stopped accepting public deposits. The management of the Company is thankful to all the investors for their continued trust in the Company. During the year ended March 31, 2014, deposits aggregating to ₹ 15 crore have been mobilised and deposits aggregating to ₹ 37 crore have been repaid on maturity. The Company has no overdue deposits other than unclaimed deposits.

Depository System

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2014, 99.78% of the equity shares of your Company were held in demat form.

Directors

Mr. J. N. Godrej and Ms. T. A. Dubash, both Director, retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment. The Board of Directors recommend their re-appointment.

The Company had appointed Mr. S. A. Ahmadullah, Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara as Non-Executive Directors, liable to retire by rotation. They are also the Independent Directors pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges.

As per section 149 of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. These Independent Directors are not liable to retire by rotation. Accordingly, it is proposed to appoint Mr. S. A. Ahmadullah, Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara as Independent Directors, in accordance with the provisions of section 149 of the Act, to hold office as per their tenure of appointment mentioned in the Notice of the Annual General Meeting of the Company.

Auditors

You are requested to appoint Auditors and to authorise the Board to fix their remuneration. The retiring auditors Kalyaniwalla and Mistry, Chartered Accountants, are eligible for reappointment. A certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the prescribed limits.

Audit Committee

The Audit Committee, constituted pursuant to the provisions of the Companies Act and the listing agreement, has reviewed the Accounts for the year ended March 31, 2014. The members of the Audit Committee are Mr. K. K. Dastur, Mr. S. A. Ahmadullah, Mr. K. N. Petigara and Mr. A. B. Choudhury, all Independent Directors.

Directors' Responsibility Statement

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) that such accounting policies have been selected and applied consistently, and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis.

The Directors of your Company further confirm that proper systems are in place to ensure compliance of all laws applicable to the Company.

Corporate Governance

As required by the existing clause 49 of the Listing Agreements with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. The Auditors have certified the Company's compliance of the requirements of Corporate Governance in terms of clause 49 of the Listing Agreement and the same is annexed to the Report on Corporate Governance.

Additional Information

Annexure D to this Report gives information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo, required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forms a part of the Directors' Report.

In the context of a globalizing Indian economy, increased number of subsidiaries and the introduction of accounting standards on consolidated financial statements, the Ministry of Corporate Affairs vide its general circular no.2/2011 dated February 8, 2011 has granted a general exemption from publishing the accounts of subsidiaries provided certain conditions are fulfilled. In line with the above circular and as per the Accounting Standard 21 (AS 21) issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Company forms a part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the financial statements of its subsidiaries. The Audited Annual Accounts and related information of the Company's subsidiaries will be made available upon request. These documents will also be available for inspection during business hours at the Company's registered office in Mumbai,

India. The subsidiary companies' documents will also be available for inspection at the respective registered offices of the subsidiary companies during business hours.

The Ministry of Corporate Affairs (MCA) has vide its Circular No.8/2014 dated April 4, 2014 has clarified that the financial statements (and documents required to be attached thereto), auditors report and Board's report in respect of financial years that commenced earlier than April 1, 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act, 1956.

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forms a part of the Directors' Report. As per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to the Shareholders of the Company, excluding the statement of particulars of employees under section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the registered office of the Company.

Acknowledgement

Your Directors thank the Union Government, the Governments of Maharashtra and Gujarat as also all the Government agencies, banks, financial institutions, shareholders, customers, employees, fixed deposit holders, vendors and other business associates, who, through their continued support and co-operation, have helped as partners in your Company's progress.

For and on behalf of the Board of Directors

A. B. Godrej
Chairman

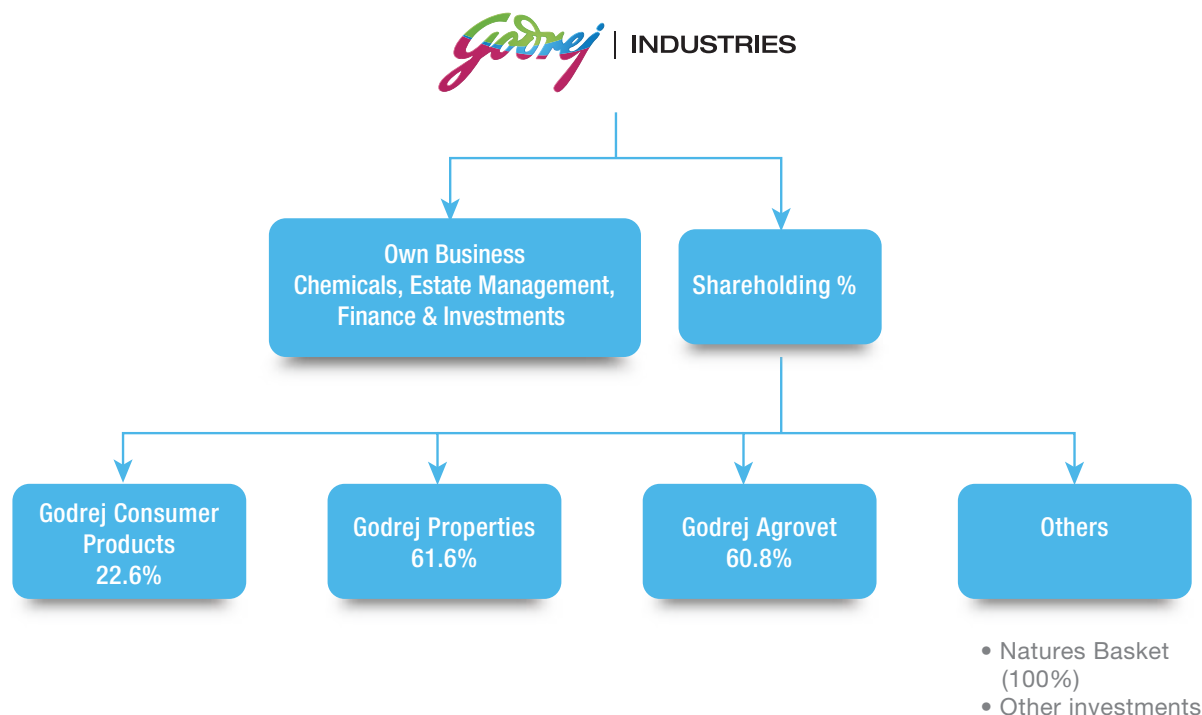
Mumbai, May 28, 2014.

Annexure “A”

Forming Part of the Directors' Report

Management Discussion and Analysis

Business Structure



INDUSTRY STRUCTURE AND DEVELOPMENTS

The global economy appears to be in increasingly good shape, with recovery in developed economies such as the USA and UK contributing an increased share to GDP growth. The US Federal Reserve has indicated its intention to maintain interest rates at historically low levels for a year and will continue its bond purchase tapering program, which should serve to support continued growth in the US and global economy. However, growth remains highly dependent on China – approximately half of incremental GDP globally was contributed by China in 2013, despite the slowdown in economic growth that it is experiencing. In addition, growth remains low in several Eurozone economies and at risk to

disruptions such as the conflict in Crimea.

India experienced its lowest growth in a decade this year, with overall GDP growth at less than 5%. Industrial GDP growth was particularly weak and dipped into negative territory in the third quarter. However, there have been some brighter spots - the monsoon this year was relatively good, leading to improving growth in the agricultural sector and inflation has moderated over recent months. Additionally, good progress was made on the current account deficit thanks to factors such as the Government restrictions on gold imports and the boost to exports provided by the weaker Rupee.

The recently concluded election will have a major bearing on the economy going forward, with

many commentators hopeful that it will lead to the implementation of further policies designed to spur economic growth. Nonetheless, the majority of forecasts are for improved economic growth, albeit still well short of the high growth rates achieved in prior years, and with some vulnerability to potential external shocks such as high oil prices or a weak monsoon.

The agriculture sector grew at ~5% this year, versus 1.4% in FY13, driven by the good monsoon, as well as ongoing Government investment in improved productivity, distribution and storage and access to credit. Looking forward, agricultural growth is expected to moderate towards its long term trend, depending on the impact of this year's El Nino effect on the monsoon.

India is among the largest livestock producing countries in the world and is experiencing strong growth in protein consumption, which results in corresponding growth in the animal feed business. Organized players are benefiting from increased penetration of commercial feeds, which are replacing home-mixes, but remain vulnerable to increases in the cost of key inputs such as soymeal and other commodities.

More than half of India's edible oil consumption comes from imports. Palm oil plantation is the most productive among all oilseed crops and plantations in India have a potential oil yield of ~4 MT/hectare and higher. Hence there is a strong rationale for increased domestic production of palm oil. However the prospects for the sector

remain sensitive to the Government CACP (Commission for Agricultural Costs and Prices) formula, which affects the economic incentives for farmers and animal feed producers.

Macro-economic situation was difficult, which impacted the oleo-chemicals business. Oleo-chemicals are used in a variety of applications including personal care (hair care, skin care, oral care, cosmetics), home care (laundry detergents), and pharmaceuticals. Looking forward, demand for oleo-chemicals is set for healthy growth both in India and globally, driven by growth in end-use industries and increasing preference for vegetable oil based chemicals in place of synthetic equivalents.

Growth in the real estate sector continued to be weak in FY14 with residential absorption rates declining significantly, resulting in a sharp increase in residential overhang, which now exceeds three years in many markets. High interest rates have been a constraint this year, given the strong dependence of consumer demand on the availability of affordable financing. Office space absorption has been weak overall in FY14, albeit with marginal improvements seen in certain markets. Costs of key inputs such as cement and steel have continued to rise, putting further pressure on developer margins. However, in the longer term the prospects for the real estate sector remain good, as urbanization and migration are likely to support strong growth in underlying demand.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The highlights of overall performance are as follows:

Particulars	₹ Crore	
	2013-14	2012-13
Sales	1,453.55	1,464.63
Total Income	1,598.53	1,573.07
Profit Before Taxation	124.88	97.16
Profit After Current Taxation	124.79	95.37
Profit After Current & Deferred Taxation	119.69	96.74
Earnings per Equity Share (₹) - Basic	3.5693	2.9631
Earnings per Equity Share (₹) - Diluted	3.5643	2.9568

₹ Crore

Particulars	2013-14	2012-13
Profitability ratios are as follows:		
PBDIT/Total Income	15.28%	11.77%
PBT/Total Income	7.81%	6.18%
PAT/Total Income	7.49%	6.15%
Return on Capital Employed *	7.96%	7.43%
Return on Net Worth *	7.32%	6.61%
Basic EPS (₹)	3.5693	2.9631
Diluted EPS (₹)	3.5643	2.9568
The Financial risk ratios are as follows:		
Debt/Equity *	0.82	0.56
Interest coverage *	2.32	2.50

* The above figures are without consolidation of ESOP Trust.

Segment Performance		₹ Crore
1. Segment Revenue		
Chemicals	1,294.54	1,324.36
Estate	63.22	74.34
Finance & Investments	228.25	162.01
Others	12.52	12.36
Total	1,598.53	1,573.07

2. Segment Results (PBIT)		
Chemicals	49.19	65.80
Estate	49.30	61.77
Finance & Investments	228.25	151.53
Others	(4.53)	(8.75)
Total	322.21	270.35
Less: Finance Costs (Net)	(94.84)	(64.82)
Less: Unallocated expenses (Net)	(102.49)	(108.37)
Profit Before Tax	124.88	97.16

3. Segment Capital Employed		
Chemicals	102.25	154.72
Estate	207.59	285.73
Finance & Investments	1,933.75	1,424.86
Others	14.63	15.58
Unallocated	(823.29)	(256.77)
Total	1,434.93	1,624.12

CHEMICALS DIVISION

The Chemicals division operates in the oleo-chemical and surfactant industries. The division has a blend of domestic and international operations and is one of the leading players in the Indian market. The division achieved export turnover of ₹ 521 crore in this fiscal, accounting for about 40% of its turnover.

The Product categorywise review follows:



**OUR CHEMICALS HELP
MAKE LIFE BEAUTIFUL**

**OUR CHEMICALS HELP
MAKE YOUR LIFE BEAUTIFUL**



Fatty Acids

The Fatty Acids portfolio, comprising stearic acid, oleic acid, as well as value added fatty acids, accounted for about 37% of the turnover of the division. The division plans to enhance the sales of its value added fatty acids in the domestic as well as export markets.

Fatty Alcohol

Fatty alcohol contributed 41% to turnover of this division. Our GINOL grades have been approved internationally by leading multinational corporations. With customer centric business strategies, it is expected that the revenues and margins from this segment will be maintained and improved.

Surfactants

Surfactants contributed 16% to the turnover of the division.

We have continued to grow our Sodium Lauryl Sulphate (SLS) sales in the domestic as well as international markets.

Sales of SLS grew by 4% in value terms as compared to the previous year. Our products have been approved by several multi-national companies and we can now strongly participate in their global sourcing programs. Effective sourcing of raw material and increasing customer base are important for improving margins and division has done fairly well on both the counts.

Glycerin

Glycerin accounted for 6% of the turnover of this division. Revenues increased by 18% in view of higher unit price of Glycerin. Being largely a byproduct, additional sales are mostly opportunistic, depending on market conditions.

Other Initiatives

Your Company's continued strong focus on cost

reduction and operational efficiency improvement initiatives, which included reduction in the net working capital employed and reduction in the variable costs of production have been yielding good results.

The value added products have contributed to the improvement in the margins and expected to improve further going forward in terms of volume as well as margins. It accounted for 43% of the turnover of the division.

Outlook

The outlook for the coming year 2014-15 is good for the value added fatty acids at this point in time. International demand is showing signs of improvement and with advantage of Indian raw material having an edge over the overseas competition.

Your Company is also focusing on value added fatty acids and fatty alcohol, which will improve its leadership position in terms of market share as also profitability.

With commencement of state of the art new facility at Ambarnath there will be an improvement in efficiencies, increase in volumes and reduction in variable costs and locational benefits which will improve the margins going forward.

Estate Management

Your Company, having foreseen the potential of maximizing the value from the real estate development activity in Mumbai city and its suburbs, had entered into an agreement with Godrej Properties Ltd., for joint development of the area around the registered office of your Company at Vikhroli. The Limited Liability Partnership vehicle created for this joint development, Godrej Vikhroli Properties LLP, has commenced the development on the 34.2 acres of prime land. A mixed use project, "The Trees", comprising Grade A commercial office buildings, residential apartments, high street retail and a five Star hotel, is in 3 phases and would be completed in about 4 years' time.

The site, due to its strategic location, has excellent

connectivity to the airports, railway networks and other public services - current and as well as ones being planned with easy access to the east-west corridor. "Godrej One" is the first office building of about 7,50,000 sq. ft., now under construction in an advanced stage, and would be the new corporate headquarters for several of the Godrej group companies. This building would also accommodate other corporate clients apart from the Godrej group.

In order to facilitate this development, your Company has gradually phased out the renewal of leave and license arrangements resulting in decline of revenues from the estate management business. Your Company however continues to ensure optimum usage of available space and is maximizing the revenue during this transition phase.

The total income from this business for the year was ₹ 63 crore compared to ₹ 74 crore, in the previous year.

Finance and Investments

During the year, your Company continued to earn return from its investments in the form of Dividend of ₹ 86 crore (previous year ₹ 61 crore) and realised capital appreciation of ₹ 75 crore (previous year ₹ 74 crore).

During the year, your Company invested in the rights issue of its subsidiary company, Godrej Properties Limited to the tune of ₹ 436 crore. Your Company acquired an additional stake in Godrej Consumer Products Limited by investing ₹ 277 crore. The stake of your Company in Godrej Consumer Products Limited now stands at 22.63%. Your Company also invested ₹ 34 crore in Natures Basket Limited to support their growth plans. Your Company has realized capital appreciation by encashing a small stake through inter-se amongst promoters in Godrej Agrovet Limited. Post the sale, the stake of your Company in Godrej Agrovet Limited now stands at 60.80%.

Human Resource Development and Industrial Relations

Your organisation has been ranked 4th in

Manufacturing & Production industry, and 57th in overall India's Companies To Work For 2013, in a survey conducted by Great Place To Work® Institute.

Industrial Relations at all plant locations remained harmonious. Your Company's one of the oldest manufacturing unit based at Vikhroli has been smoothly relocated to Ambernath. The transition has happened swiftly and the cutting edge technology at Ambernath will soon start reaping benefits. At Valia manufacturing unit, your Company has entered into a Long Term Wage settlement with workers' union.

Your Company always emphasized on the safety of people working in its premises. Structured safety meetings were held and safety programmes were organized for them throughout the year. These efforts were recognized as an award for 'Meritorious Performance in Industrial Safety' at the Maharashtra Safety Awards won by Vikhroli Factory given away by 'National Safety Council – Maharashtra Chapter.

Industrial Relations at all locations were cordial. The total number of persons employed in your Company as on March 31, 2014 were 1346, of which 14.12% are from affirmative category.

Policy to Prevent Sexual Harassment at the work place

Your Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Your Company has strengthened its existing Policy on Prevention of Sexual Harassment at the Workplace. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by the law and the Group. A Complaints Committee, which is headed by Tanya Dubash, Executive Director & Chief Brand Officer exists to redress any complaints of sexual harassment.

Internal Control Systems and Their Adequacy

Your Company has a proper and adequate system

of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that transaction are authorized, recorded and reported correctly. Your Company's Corporate Audit and Assurance Department which is ISO 9001 certified, issues well documented operating procedures and authorities with adequate built-in controls at the beginning of any activity and revised procedures if there is any major change. The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

Corporate Audit & Assurance Department during the year, facilitated a review of your Company's risk management programme. The risks and mitigation measures were reviewed by your Company's Risk Committee and corrective measures initiated.

During the year the Corporate Audit & Assurance Department carried out various reviews and provided assurance on compliances to laid down policies, process and internal controls.

Information Security

Your Company accords great importance to the security of its information assets. To ensure that this gets desired focus and attention, a Chief Information Security Officer, who is attached to the Corporate Audit and Assurance Department, is entrusted with the task of ensuring that your Company has the requisite security posture.

Your Company has in place, all the procedures and practices that are in line with the ISO Security Standards. Your Company is ISO 27001:2005 certified.

Opportunities and Threats

The improvement in the global economic and liquidity situation, the stimulus/incentives package by the Indian Government and various Governments globally, provides an opportunity for growth for the Chemicals division. At the same

time, if new capacity additions announced earlier go on stream, there could be an over-supply situation in the market which can put pressure on margins. Specialty products are expected to improve margin and strengthen your Company's position in the oleo chemicals space.

The Estate management business revenue would depend upon development of property at Vikhroli under the mixed use project, "The Trees".

Risks and Concerns

Your Company had put a risk management framework in place post a comprehensive review of its risk management process. Your Company has taken a fresh look at the risk management framework. The review involved understanding the existing risk management initiatives, zero-based identification and assessment of risks in the various businesses as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization. The Risk Committee has periodically reviewed the risks in the various businesses and recommended appropriate risk mitigating actions.

The Commodity based businesses are likely to be affected by vagaries of the weather, demand for edible oil, oilseed production, etc. The increase in bio-diesel manufacturing capacity is expected to impact vegetable oil prices. The business is exposed to commodity price risks relating to raw materials which account for the largest portion of the costs of the Chemicals business. The Chemicals business growth will also depend on

the growth of end user industries like polymer, detergent, cosmetic and personal care.

As a significant employer and chemicals producer, to ensure occupational safety, employment standards, production safety and environmental protection, your Company maintains strict safety, health, environmental protection and quality control programs to monitor and control these operational risks.

Macro economic factors including economic and political developments, natural calamities which affect the industrial sector generally would also affect the businesses of your Company. Legislative changes resulting in a change in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of the businesses.

Cautionary Statement

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.

View of Ambernath Factory



Godrej preserves the 'green lung' of Mumbai



Annexure “B”

Forming Part of the Directors' Report

BUSINESS RESPONSIBILITY REPORT

PART A: GODREJ INDUSTRIES LIMITED OVERVIEW

Godrej Industries Limited (GIL) is part of the Godrej group, one of the leading business groups in India and is in the businesses of Oleochemicals, surfactants, finance & investments and estate management. Godrej Industries also has substantial interests in several industries including property development, oil palm plantation, animal feeds and agro-products, poultry, personal care and household care, etc., through its subsidiaries and associate companies.



Godrej & Boyce Manufacturing Company Limited and Godrej Family members are the Promoters of the Company. The shareholding of promoter/promoter group constitutes 74.89% of the paid up capital of the Company as at March 31, 2014.

The Company operates from its factories at the following locations.

Locations of Operations :

- Valia, Gujarat
- Ambernath, Maharashtra
(operational in Q4 FY 2013-14)
- Wadala, Maharashtra
- Vikhroli, Mumbai, Maharashtra
(till 28th February, 2014)

The Head office of GIL is located at Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079 which is also the registered office of the Company.

The employee strength at GIL was 1,346 as on March 31, 2014.

Financial data for GIL Standalone:

FY 2013-14	₹ Crore
Total Income	1,598.53
Net Profit after taxes	119.69
Total assets*	3,676.28
Paid up Capital*	33.55
Market capitalization (as on March 31, 2014)	10,571.87

* The figures are without consolidation of ESOP Trust

SUSTAINABILITY EFFORTS BY THE GODREJ GROUP

“What we have done for ourselves alone dies with us; what we have done for others and the world remains and is immortal.”

- Albert Pike

Godrej believes in aligning the interest of all stakeholders in the environment in which it operates i.e its shareholders, consumers, members, associates, government and society.

The Godrej Group has been at the forefront of philanthropic and social activities for several decades. 25% of the shares of the Godrej Group's holding company Godrej & Boyce are held in a trust that invests back in initiatives that support the environment, and improves the quality and availability of healthcare and education. The group through its varied efforts has undertaken a lot of initiatives in the following areas;

Protecting the Mangroves

Through investment and supervision by the trust, a large tract of mangrove forests in Mumbai have been protected, developed and maintained for several years and have served as a second set of lungs for the city.

Promoting Education

The Group's efforts in supporting education is seen through its support of the **Udayachal** pre-primary and primary schools, which focus on all round development of children. The Udayachal high school has recently been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching.

GIL has been supporting **Teach for India (TFI)** since its inception in 2009. TFI is a nationwide movement of outstanding college graduates and young professionals who commit two-years to teach full-time in under resourced schools and who become lifelong leaders working from within various sectors towards the pursuit of equity in education. In 2009 Teach for India began its journey in the classrooms with 78 TFI fellows (or teachers) in 2 cities and across 34 schools covering 3000 children. The movement has in 2014 grown to cover 204 schools in 5 cities with 730 fellows, impacting close to 23,000 children.

Initiatives in Health Care

The Godrej Group has supported initiatives in healthcare, through its **Godrej Memorial Hospital (GMH)**, which aims to provide quality healthcare at affordable costs. One such initiative is GMH's partnership with a US based NGO 'Smile Train' which provides free cleft lip and cleft palate surgeries for underprivileged children. The partnership has brought smiles to nearly 620 children and their families till date.

The Group continues to support the Indian chapter of **“Table for Two”**, which it initiated at the World Economic Forum India Summit in December 2009. The initiative is targeted at addressing hunger and malnutrition in the developing world by combining

our organization's tradition of serving society and individual involvement.

Apart from the Table for Two initiative, more than 500 Godrej employees contributed to the beneficiary of the initiative – ISCKON foundation for their mid day meal programme – during the **Joy of Giving week and Christmas.**



Philanthropy, as noble as it is, is seen to be less effective than CSR that is linked to the context of business. Corporates when confined to philanthropy end up limiting their social contribution to only extending financial support to social projects. As a result, there is a disproportionate focus on outlays rather than on outcomes "AND" The most important environmental issue is one that is rarely mentioned, and that is the lack of a conservation ethic in our culture.

Godrej's desire to serve larger social and national priorities and its aim to go beyond philanthropy is realized by its strategic approach of embedding Godrej Good & Green Initiative as a part of group's 2020 Vision.

Godrej through its 2020 vision of Godrej Good & Green tries to go beyond philanthropy. In conjunction with the Company's vision for "brighter living" for all stakeholders, "Godrej Good & Green" vision believes in creating a more inclusive and greener India. This vision is founded on shared value initiatives and aims to create societal value by;

- 1. Ensuring employability** - Train 1 million rural and urban youth in skilled employment to increase their wage earning potential.
- 2. Creating a greener India** - To become carbon neutral and water positive, achieve zero waste to landfill, reduce specific energy consumption and increase our renewable energy sources.
- 3. Innovating for good & green products** - To have a third of the Company's portfolio revenues comprise good and/or green products and services – defined as products that are environmentally superior or address a critical social issue (e.g.,

health, sanitation, disease prevention) for consumers at the bottom of the income pyramid.

Good & Green, is driven by the desire to help create a more inclusive and greener India. At its root lies the idea that companies can help solve critical social issues while strengthening their competitive advantage.

Godrej Industries Limited was awarded The Porter Prize 2013 for creating shared value.



Brighter Giving

Godrej's Good and Green initiatives are fuelled by Brighter Giving, a structured volunteering platform through which employees can offer their time and skills to help address a non-profit organization's needs. Through Brighter Giving, employees at Godrej donate their time, knowledge and skills to help address a non-profit organization's specific needs, on a project basis. Brighter Giving also serves as a channel through which employees can connect with, and learn more about Good & Green.

Much like the old Chinese proverb, "Give a man a fish and you feed him for a day; teach a man to fish you feed him for a lifetime," the program takes a long-term view, seeking to enable and drive meaningful impact for Brighter Giving non-profit partners and/or their beneficiaries.

Volunteers accomplish this by using their corporate skills and expertise to build relevant, implementable and sustainable solutions for the organizations with whom they work. The program was launched in July 2013 with a starting cohort of 15 Brighter Giving volunteers. Since then we

have also partnered with two organizations who are helping us connect our employees to relevant projects as per their own time and convenience.

Part B: Business Responsibility Initiatives by Godrej Industries Limited

As per the Business Responsibility guidelines established by the Ministry of Corporate Affairs and SEBI, following are updates for Godrej Industries Limited on each of the Principles as stated in the Guidelines.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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

Organization Structure



At the Apex is the Board of Directors headed by a non-executive Chairman. The Board provides

guidance and support to the management in terms of broad strategy, direction, governance and compliance.

The Company's Board of Directors has five committees of which the first four are statutory

- Audit Committee
- Nomination & Compensation Committee
- Stakeholders Relationship / Shareholders Committee
- CSR Committee
- Management Committee

They monitor and provide direction to the senior leadership team. This ensures greater focus on specific aspects of Corporate Governance and expeditious resolution of issues of governance as and when they arise.

These Committees have clearly defined areas of operation and they operate as empowered by the Board.

CSR Committee

At Godrej we have established a CSR Committee in accordance with Section 135 of the Companies Act 2013 which is spearheaded by Mr. Nadir B Godrej as its Chairman. The Board Level CSR committee will be ultimately responsible for the CSR projects undertaken. The committee will report to our Board of Directors.

The CSR Committee comprises of the following members:

1. Mr. N. B. Godrej
2. Ms. T. A. Dubash
3. Mr. K. N. Petigara
4. Mr. A. B. Choudhury

The CSR Policy made in accordance with the CSR guidelines focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the Godrej group's Good & Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create social and environmental impact.

Code of Conduct

The Board of Directors and Senior Management of GIL comply with the Code of Conduct which specifically applies to Directors and the senior management of the Company i.e. one level below the executive directors, and all functional heads. An annual confirmation affirming compliance with the code of conduct is obtained from Board Members and senior management every year and the same has been obtained for the year ended March 2014.

The Company also has a code of conduct which is applicable to all individuals working in the Company. The Company encourages its Business Partners to follow the code

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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

The Research & Development team at Godrej's agri business has worked towards enhancing the agri- productivity by focusing on improving fresh fruit bunch yields on per seed and per hectare basis. The R&D Team also provides customized suggestions to try to improve farmer's fresh fruit bunch yields by processing soil and leaf samples from farmers' crops.

Principle 3: Promoting the well being of all employees

GIL focuses on ensuring well-being of all its employees. Safety and health of employees is extremely important to the Company and GIL is committed to building and maintaining a safe and healthy workplace. Ensuring diversity, zero discrimination, safety and health and other attributes essential to a healthy and good working environment are part of our Code of Conduct. All employees who join GIL demonstrate their

commitment to follow the code of ethics by signing in their acceptance to adhere to the same. Examples of a few of the principles of this code of conduct are listed below:

Diversity and Anti-discrimination: We recognize merit and perseverance and encourage diversity in our Company. We do not tolerate any form of discrimination on the basis of colour, gender, race, caste, nationality, age, marital status, sexual orientation or disability and always allow for equal opportunities for all team members.

Diversity and equal opportunities: We value diversity within the Godrej Group and are committed to offering equal opportunities in employment. We will not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, gender, gender identity/ expression, sexual orientation, disability, age, or marital status.

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

On-campus Facilities: We have a canteen facility at all GIL premises, where food and refreshments are provided. All GIL premises are non-smoking zones. Smoking is strictly prohibited in the campus. We also have an onsite medical center, hospital and children's day care facility within the Godrej Vikhroli campus.

Prevention of sexual harassment: The Company is committed to creating and maintaining an atmosphere in which all employees can work together, without fear of sexual harassment, exploitation or intimidation. A gender- neutral policy on prevention of sexual harassment has been in place for years.

The existing policy was further strengthened by adoption of the Policy on Sexual Harassment of

Women at Workplace Act, 2013 (also known as the Vishaka Guidelines). An Internal Complaints Committee has been constituted in accordance with the act and the group's policy has been updated to ensure that women are protected against sexual harassment at work places. Every team member is made aware that the Godrej Group is strongly opposed to sexual harassment and that such behavior is prohibited both by law and the Group policy. The Company takes all necessary action(s) required to prevent and correct behavior which violates this policy.

A Complaints Committee has been formed to redress any complaints of sexual harassment. This committee is headed by Ms. T. A. Dubash, Executive Director & Chief Brand Officer. Other members of the committee include Ms. Nisaba Godrej, Mr. Sumit Mitra (Head HR) and Ms. Neera Nundy, an External Representative from Dasra Foundation.

Engagement Forums: There are multiple touch points for leadership team to interact with employees through forums like open houses, town halls, the long range plan and annual operating plan cascades, focus groups around engagement surveys, HR connect sessions, skip level meetings by senior leadership etc.

The Company provides continuous skill upgradation and learning opportunities through structured career discussions and individual development plans. The organization invests in functional training for all employees in line with their current and future career aspirations.

The learning suite encompasses functional training, leadership development programs and behavioral training geared towards leading self, leading others and leading business. The Company also nominates managers for MDP programs at premier Business Schools like ISB, IIMC, IIMA, IIMI etc.

Whistle Blower Policy: The purpose of the Whistleblower Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their supervisors. They will be protected against any

adverse action and/ or discrimination as a result of such a reporting, provided it is justified and made in good faith. A Whistleblowing Officer has been designated for the purpose of receiving and recording any complaints under this policy.

Principle 4: Businesses should respect the interests of, and be responsive, towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Godrej Industries continues its engagement with various stakeholders through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/ employee satisfaction surveys, investor forums etc.

We have directed our special efforts towards the less privileged in the society through various ways. Recruitment of candidates from the Scheduled Caste/Scheduled Tribe and Physically Challenged categories has been taken up as one of the major performance measures of the central recruitment process owner. The Company participates in government fairs for recruiting candidates from the categories of Scheduled Caste/Scheduled Tribe and Physically Challenged.

Godrej Industries has also partnered with NGOs to provide employment opportunities and counselling to people that fall in one of those categories. About 14% of the Company's domestic manpower belongs to the Scheduled Caste/Scheduled Tribe and Physically Challenged categories. As part of the employee referral policy, referrals of Scheduled Class/Scheduled Tribe/Physically Challenged candidates are offered higher referral amounts than that offered to the general category candidates. We also have interactions with NGO's like NSAEHO, ADAPT who work for the differently abled people. Furthermore, career advancement and development of individuals from within the affirmative category is also an area of focus.

Godrej Industries also provides apprentice opportunities to students who have completed some form of technical education. In the past fiscal year, it offered job specific training to 36 Scheduled Caste/Scheduled Tribe trainees making them employable. Industrial visits and training of ITI students to the Valia factory also

helped them understand the chemical industry. Our employees – experts in fields like electrical, mechanical and safety deliver lectures at local ITI institutes.

Our Valia factory in Gujarat is located in a village which has population predominantly from the underprivileged section. We have been contributing to the development of the village by donating funds for repair of schools, digging wells and certain other needs of the village. To work towards a greener India, we have donated saplings for promoting tree plantation in the village. For health and wellbeing of the villagers, we have donated an ambulance to Jayaben Modi Hospital and we also organise blood donation, eye checkup and other health camps.

Donations & Sponsorship

During the year 2013-14 the Company made donations to several organizations. The Company's charitable donations span a wide range of good causes. The Company also sponsors a lot of events to promote social causes. Employees at Godrej Industries and its associated companies have also taken various initiatives to provide support to the disadvantaged in the society.

Our "Good & Green" vision inspires each one of us at Godrej to continue to work towards building a brighter, greener and more inclusive India. Employee volunteering at our corporate offices and factories forms a crucial element of our Good & Green strategy.

13 employees of the Company ran the Standard Chartered Mumbai Marathon in January 2014 in support of Teach for India by spreading awareness about the movement and also raising funds. Teach for India is a nationwide movement of outstanding college graduates and young professionals who will commit two-years to teach full-time in under resourced schools and who will become lifelong leaders working from within various sectors towards the pursuit of equity in education. The employees of Godrej Industries voluntarily donated one day's salary for helping people from Uttarakhand who were affected by the floods in June 2013. The organization also made a matching contribution towards this cause.

Principle 5: Businesses should respect and promote human rights

Godrej Industries respects and promotes human rights for all individuals. No violations in this regard have occurred.

Our Code of Conduct covers aspects like Diversity, Anti-Discrimination, equal opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights. We also have policies like Whistleblower, Prevention of Sexual Harassment that encourage respect and promotion of human rights. Any violation of the Code of Conduct can result in stern disciplinary action including termination of employment and / or other appropriate actions as permissible under the law.

The Company has a policy which is applicable to all employees in the Company. The Company encourages its Business Partners to follow the policy.

We have a program called 'Bedhadak Bolo' whereby every employee can express his ideas and suggestions without any hesitation and fear. We also conduct open houses function wise where employee can share their concerns, ideas and suggestions. Another initiative called "Ask HR" is being practiced where an HR member meets employees on 1 to 1 basis to understand their concerns, ideas and suggestions. The HR ensures that employees receive feedback on the concerns, ideas and suggestions raised in Ask HR and open houses.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

The most important environmental issue is one that is rarely mentioned, and that is the lack of a conservation ethic in our culture.

Godrej as a group believes in conserving the various resources of the mother earth. As part of its Good & Green vision there is a specific commitment at Godrej to create a "Greener India".

Our business is striving towards reducing specific energy consumption, utilizing a higher proportion

of renewable energy sources, becoming carbon neutral and water positive and eliminating solid waste sent to landfills.

We are continuously striving to achieve the goals and targets set under our good and green initiatives. Our efforts for energy conservation in all our units have resulted in reduction of specific energy and reduction in specific water consumption and Green House Gas (GHG) emissions, over baseline year of FY 2010-11.

Energy Conservation

The specific energy consumption is on a decreasing trend since FY 10-11. Both Valia and Vikhroli Plants have considerably implemented energy conservation projects through the following activities;

- Installation of variable frequency drives
- Optimization of Pumping System
- Natural gas conservation activities in boilers
- Optimization of compressed air network
- Optimization of cooling tower operations

The total specific energy by product has reduced from 3255 KWH/ t to 3038 KWH/t from FY 10-11 to FY 13-14.

Efforts towards reducing Carbon Footprint

The total Carbon di-oxide emissions (scope1 and 2) was 130,461 tons of CO₂ per year. Even though the specific energy consumption has reduced over the years by implementing various energy conservation projects, however specific GHG generation has slightly increased from 0.879 TCO₂/product to 0.912 TCO₂/product in FY 13-14. This is mainly due to increased grid emission factor which is not under the control of GIL.

Water Conservation

GIL Chemicals as a business consumed 822,711 m³ of water for their two sites Vikhroli and Valia. Specific water consumption has reduced by 12% over FY 12-13.

Moreover, the Valia factory in Gujarat implemented Wastewater treatment RO plant with a capacity of 500 m³/day. This plant treats the ETP wastewater into fresh water and reduces dependency on

fresh water consumption. As a result of the above we are conserving approximately 350-400 m³ of freshwater per day.

Use of Renewable Energy

The Valia factory also initiated implementation of briquette based boilers which reduces the dependency on Natural gas substantially and also results in reduction of Greenhouse gas emissions. The Chemicals business uses biodegradable vegetable oils as raw material for the manufacture of fatty acids, glycerin and fatty alcohols.

Renewable Energy used as a percentage of Overall Energy used has increased from 1.92 % in FY 10-11 to 2.16% in FY 13-14

Reducing Waste to Landfill

The waste to landfill reduced drastically from 2055 tons in FY 10-11 to 570 tons in FY 13-14. We are proud to share that the Chemicals business was recognized for its efforts towards reducing landfill and was awarded the '**CII Environmental Best Practices Award 2013 for Innovation**'. This award recognizes the best innovative environmental projects and facilitates information sharing to enhance environmental performance and operational efficiencies.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

For any policy advocacy, Godrej Industries ensures that it does so with the highest degree of responsible and ethical behaviour and also works with collective platforms such as trade and industry chambers and associations.



As mentioned in Principle 6, Godrej Industries is a signatory to the Confederation of Indian Industry's (CII) Mission of Sustainable Growth and the CII-ASSOCHAM Code of Conduct for Affirmative Action respectively.

Principle 8: Businesses should support inclusive growth and equitable development

Our "Good & Green" vision inspires each one of us at Godrej to continue to work towards building a brighter, greener and more **inclusive India**.

India's youth suffers from some degree of un-employability. 90% of employment opportunities require vocational skills whereas 90% of school / college output is not relevant to these opportunities. On the one hand, there is higher unemployment amongst the educated and on the other, employers are complaining of lack of skilled manpower. The responsibility to address this mismatch is as much of the education system as it is of the industry which needs the skilled manpower. With this idea of shared commitment and benefit of shared value, the Godrej group has committed to skill 1 million rural and urban youth by 2020. Employability has to do with knowledge and skills, be they in terms of basic skills (e.g. numeracy, literacy etc.) or subject and occupation specific knowledge at different levels. Around ₹ 40lakhs was spent on various employability programs during the year by the group.

ITI Skill Upgradation Program

The Company has partnered with institutes such as the Industrial Training Institutes (ITI), which focus on skills based education in order to improve overall levels of employability.

In January 2013 the Chemicals division launched ITI Skill Upgradation program, its skill development program for students of Industrial Training Institutes (ITI). The program aims to teach relevant skills to students in Attendant Operator Chemical Plant (AOCP) and Maintenance Mechanic Chemical Plant trades (MMCP).

The program gives an industry perspective to the ITI students and provides them core technical & safety inputs which are lacking in the existing ITI

curriculum. Through factory visits for ITI students it aims to improve the overall understanding and application of their knowledge. Apprentices are actively recruited from these institutes and later converted to employees. Till now, 135 students have been successfully trained in Ankleshwar area.

Vocational Skill Building Program

GOI Skill India Mission have recently launched a Technical Training program under GOI Reward Scheme for the benefit of masses. The said courses are as per the National Occupation Standards (NOS) as defined by FICCI in association with Department of Heavy Industries GOI. The program targets skill building in Fitter, welder, Machinist & Plumber trade, and in turn create employability.

The Company has engaged and partnered with an organization called GOLS which is in the business of providing Technical & Vocational Education and Industry related skill based training programs catering to various Industry sectors including Manufacturing, Engineering, Chemical, Plastics and Oil & Gas. The organization is a National level Training Partner associated with National Skill Development Corporation (NSDC) and also various state Governments.

The Company is currently engaged in providing training programs with them, in various Gujarat Industrial Development Corporation (GIDC) estates across the state of Gujarat catering to various Industries across the region. It is one of the training providers operating the recently launched STAR scheme by NSDC, under which monetary reward is offered to trainees on successful completion of the skill training program.

So far 500 trainees have been trained across three trades – Fitter, Welder and Machinist. The Company has supported these trainings by sponsoring part payment of their fees.

At the Godrej Group, we have started with the assumption that employability of an individual can be captured through his / her earning potential and it is this metric that we will be using to measure the impact of our skilling interventions in future.

The Godrej Group recognizes the importance and value of diversity in the workplace. As a result, it continues to endeavour to provide opportunities to socially and economically underprivileged persons, including those belonging to Scheduled Castes, Scheduled Tribes and other physically challenged individuals. Recruitment drives for prospective employees from each of the above mentioned categories were conducted in the last year.

Several Godrej Group factories are also actively involved in improving the quality of life in surrounding communities through initiatives such as educational scholarships for underprivileged students and health and hygiene awareness drives.

Agri- Business and Lend a Hand India

Godrej's Agri business entered into an agreement with 'Lend A Hand India' to impart training in Agriculture and Animal Husbandry to more than 20,000 students in over 100 schools in rural Maharashtra over the next five years. Lend A Hand India is a non- profit organization which has been working with government aided secondary schools in remote villages across three states – Maharashtra, Karnataka and Goa – offering a three year multi- skill job and life skills programme to rural school students. In Maharashtra, the programme has been recognized as an optional subject in the secondary school curriculum.

In this academic year, Godrej's Agri business reached out to more than 5000 students through this initiative. Compared to academic year 2012-13, the enrolment rates in schools with LAHI presence, went up by 10%, 8% and 13% in 8th, 9th and 10th grades respectively. Also 56% of the students have started paying fees towards this program, which goes to show the relevance and importance the students and their parents have started attaching with the program.

The Agri-business launched a farmer training program in October 2013. This program aims to train small and marginal farmers in Animal Husbandry and Agriculture. By introducing best practices in farm and / or dairy / poultry/ fishery management to farmers, we hope to improve the

productivity of farmers thereby leading to more disposable incomes. The training is delivered at the village level to both men and women of rural households. As of March 2014, close to 1000 farmers have been trained. In the pilot phase we have started training farmers through farmer clubs with a focus on improving their dairy yield. Measures were taken to capture the productivity of their cattle stock before and after the training. These trainings have been conducted across 48 farmer clubs in their respective villages in the districts of Mathura in UP and Madhubani in Bihar. More than 75% of the participants have been women.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

We are a customer centric Company and greatly value the trust, satisfaction and loyalty of our customers across the world. Our primary focus is delighting our customers, both external and internal. Customer centricity is part of the Company's 'Code of Conduct'. We strive to ensure that customer needs are satisfied and that our products and services offer value to the customer.

Our customer focus does not only extend to external customers alone, but includes internal customers as well. We firmly believe that external customer satisfaction can be attained only if internal customers' needs and reasonable expectations are met and our employees are strongly encouraged to act in accordance with this principle. strongly encouraged to act in accordance with this principle.

Annexure “C”

Forming Part of the Directors’ Report

As per the Securities & Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 following information is disclosed for financial year 2013-14 in respect of Godrej Industries Limited Employee Stock Option Plan I and II and Employee Stock Grant Scheme:

Sr. No.	Heading	Particulars (ESOP)	Particulars (ESGS)
A	Options granted during the year	Nil	1,73,560
B	The pricing formula	<p>ESOP I : Market Price plus Interest at such a rate not being less than the Bank Rate then prevailing compoundable on an annual basis for the period commencing from the date of Grant of the Option and ending on the date of intimating Exercise of the Option to the Company or March 31, 2012, whichever is earlier.</p> <p>ESOP II : Grant Price* plus Interest at such a rate as may be decided from time to time compoundable on an annual basis for the period commencing from the date of Granting of the Options and ending on the date of intimating Exercise of the Option to the Company or March 31, 2012, whichever is earlier.</p> <p><i>* Grant Price means higher of market price or average cost of shares purchased by the Trust for that specific grant, including any unallotted shares lying with the Trust if utilized for that specific grant, plus interest on the loan taken to purchase the said shares at such rate as may be decided from time to time and compoundable on annual basis till the date of grant or March 31, 2012, whichever is earlier.</i></p>	₹ 1 per equity share
C	Options vested during the year	ESOP I : 7,06,750 ESOP II : 1,32,000	2,89,343
D	Options exercised during the year	ESOP I : 1,30,000 ESOP II : 49,000	2,89,343
E	The total number of shares arising as a result of exercise of option	Nil. As shares purchased from secondary market, there is no further issue of shares as a result of exercise of options.	2,89,343

Sr. No.	Heading	Particulars (ESOP)	Particulars (ESGS)
F	Options lapsed/revoked during the year	ESOP I : 2,83,750 ESOP II: 1,32,000	26,330
G	Variation of terms of options	None	Refer table under ESGS
H	Money realized by exercise of options	ESOP I : ₹ 3,25,34,000 ESOP II : ₹ 1,13,64,570	₹ 2,89,343
I	Total number of options in force	ESOP I : 29,23,450 equity shares of nominal value of ₹ 1/- each ESOP II : 5,11,250 equity shares of nominal value of ₹ 1/- each.	3,70,611
J	Employee wise details of options granted to:- i) senior managerial personnel; ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year. iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant;	Nil Nil Nil	Annexure 1 Annexure 1 Nil
K	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	There is no fresh issue of shares hence, not applicable.	Basic EPS : ₹ 3.5693 Diluted EPS : ₹ 3.5643
L	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted the employee compensation cost would have been higher by ₹ 1.31 crore, Profit after tax lower by ₹ 1.31 crore and basic EPS would have been lower by ₹ 0.04.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted the employee compensation cost would have been lower by ₹ 1.72 crore, Profit after tax higher by ₹ 1.72 crore and basic EPS would have been higher by ₹ 0.05.

Sr. No.	Heading	Particulars (ESOP)	Particulars (ESGS)
M	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price of the options granted during the year is Nil. Weighted Average fair value of the option granted during the year is Nil.	Weighted average exercise price of the options granted during the year is ₹ 1/-. Weighted Average fair value of the option granted during the year is ₹ 146.08.
N	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: i) risk-free interest rate, ii) expected life, iii) expected volatility, iv) expected dividends, and v) the price of the underlying share in market at the time of option grant	No options granted during the year.	The fair value of the options granted has been calculated using Black – Scholes Options pricing formula and the significant assumptions made in this regard are as follows: 8.12% - 8.15% 1 - 3 years 29% - 38% 0.58 % - 0.73% ₹1.75 per share Weighted average market price at the time of grant of option ₹299.37 per option.

Annexure 1 (ESGS)

Senior Managerial Personnel

Sr. No	Name	Options granted
1	N S Nabar *	17,889
2	Balram Singh Yadav *	23,256
3	Shireesh Joshi *	10,734
4	Sumit Mitra *	11,628
5	Mohit Khattar	7,322
6	Pitambar N Narkhede	5,964
7	Varadaraj S	5,964
8	Praful J Bhat	5,964
9	Govindan R R	3,975
10	Mangesh Wange	5,964
11	Swaminathan V	7,752
12	V Chakradhar	5,964
13	R V Jog	3,479
14	A D Padhye	3,975

Sr. No	Name	Options granted
15	Dorab Mistry	8,211
16	V V Mishra	3,975
17	Puneet Pokhriyal	3,975
18	Tina Trikha	5,169
19	V Ravi	3,975
20	Shailesh Deshpande	3,975
21	Atul Prakash	3,975
22	N D Elavia	3,975
23	Arvinder Singh	3,975
24	Clement Pinto	3,975
25	Rohinton Khajotia	3,975
26	Sujit Patil	4,575
Total		1,73,560

* Options granted to all above is in excess of 5% of the total options granted during the year.

The following amendments were carried out in the ESOP's Schemes:

ESOP I

1. Clause 4.3 of GIL ESOP I to be replaced with the new clause 4.3 as under:

"Remuneration Committee shall constitute an independent Trust to:

- i. Subscribe to the Shares of the Company issued by way of fresh allotment, including by way of rights issue, by utilizing loan fund from the Participating Companies in accordance with the provisions of Section 77(2)(b) of the Companies Act, 1956;*
- ii. Hold the Shares of the Company (including the Shares of the Company acquired from the current promoters or secondary market prior to January 17, 2013) till the time of Exercise of Options by the Eligible Employee in accordance with GIL ESOP I, subject to applicable law and clarifications issued by the Securities and Exchange Board of India;*
- iii. To transfer Shares of the Company (including the Shares of the Company acquired from the current promoters or secondary market prior to January 17, 2013) to the Eligible Employees of the Participating Companies in consultation with the Remuneration Committee and in accordance with the terms of GIL ESOP I and subject to applicable law and clarifications issued by the Securities and Exchange Board of India; and*
- iv. To do all the necessary acts to achieve the objectives under GIL ESOP I."*

Note: Pursuant to the circular (No. CIR/CFD/DIL/3/2013) issued by the Securities and Exchange Board of India on January 17, 2013, the Trust (acting through its trustee) shall not acquire any Shares of the Company from secondary market with effect from January 17, 2013.

2. To insert following proviso to the definition of the term "Market Price" in Clause 2.1(r) of the GIL ESOP I:

"Provided, however, that in the event Shares are acquired by the Trust for a specific grant by subscribing to the Shares of the Company pursuant to a rights issue, the "Market Price" shall mean the issue price of the Shares in that rights issue, notwithstanding that such issue price may be lower than the market price."

ESOP II

1. Clause 4.3 of GIL ESOP II to be replaced with the new clause 4.3 as under:

"Compensation / Remuneration Committee shall constitute an independent Trust to:

- i. Subscribe to the Shares of the Company issued by way of fresh allotment, including by way of rights issue, by utilizing loan fund from the Participating Companies in accordance with the provisions of Section 77(2)(b) of the Companies Act, 1956;*
- ii. Hold the Shares of the Company (including the Shares of the Company acquired from the current promoters or secondary market prior to January 17, 2013) till the time of Exercise of Options by the Eligible Employee in accordance with GIL ESOP II, subject to applicable law and clarifications issued by the Securities and Exchange Board of India;*
- iii. To transfer Shares of the Company (including the Shares of the Company acquired from the current promoters or secondary market prior to January 17, 2013) to the Eligible Employees of the Participating Companies in consultation with the Compensation/Remuneration Committee and in accordance with the terms of GIL ESOP II and subject to applicable law and clarifications issued by the Securities and Exchange Board of India; and*
- iv. To do all the necessary acts to achieve the objectives under GIL ESOP II."*

Note: Pursuant to the circular (No. CIR/CFD/DIL/3/2013) issued by the Securities and Exchange Board of India on January 17, 2013, the Trust (acting through its trustee) shall not acquire any Shares of the Company from secondary market with effect from January 17, 2013.

2. To insert following proviso to the definition of the term “Grant Price” in Clause 2.1(p) of the GIL ESOP II:

“Provided, however, that in the event Shares are acquired by the Trust for a specific grant by subscribing to the Shares of the Company pursuant to a rights issue, the “Grant Price” shall mean the issue price of the Shares in that rights issue, notwithstanding that such issue price may be lower than the market price.”

ESGS

Vesting of stock grants, granted under Employees Stock Grant Scheme 2011 (ESGS)

Compensation Committee approved early vesting and exercise of grants given in earlier years for following employees:

Name of the Employee	No. of Grants
Vivek Gambhir	1,22,319
Omar Momin	20,388
Ravi Venkateswar	18,539
N. D. Elavia	1,325

Annexure “D”

Forming part of the Directors’ Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the board of directors) rules, 1988 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

A. Conservation of Energy

I. (A) Energy Conservation measures undertaken:

Valia:

1. Installation of hybrid vacuum systems in place of steam jet ejectors.
2. Installation of high efficient compression based chillers instead of vapour absorption chillers.
3. Cogged V belts instead of simple V belts in blowers which results in energy reduction.
4. Use of VFD at appropriate places.
5. Optimization of reformer operation resulting in better hydrogen generation efficiency.

Ambernath:

1. New continuous splitter at Ambernath has been integrated with pre concentrator for sweet water which is resulting in fuel savings.
2. New technology such as splitting/ glycerin distillation, pre-concentrator and fractionated fatty acid is likely to reduce specific steam/power consumption by 10% over Vikhroli operations.

Vikhroli:

1. This plant maintained power factor to 0.99 to unity. The annualized saving made from this system was around ₹ 40 lac.

(B) Proposed Energy Conservation Measures:

1. Measures will be taken to reduce steam distribution losses and condensate recovery to reduce impact of effluent at Valia factory.
2. Substitution of steam by electric energy for vacuum system to reduce fuel cost.
3. Biomass fired boiler at Valia to reduce fuel cost and carbon footprint.
4. Evaluation of heat pump for hot water production, which will help reduce steam consumption in deaerator.
5. New fat splitting with four stage evaporator.

II. Impact of measures on reduction of energy consumption and consequent impact on the cost of production of goods.

Saving in energy costs and increased efficiency of the plants at factories during the period under consideration.

III. Details of energy consumption

The details of energy consumption are given below. These details cover the operations of your Company's factories at Vikhroli, Valia, Wadala and Ambernath.

Details of Energy Consumption

a) Power and Fuel Consumption

₹ in Crore

Purchased		2013-14	2012-13
1	Units (kwh in lac)	578.16	531.04
	Total amount (₹ in cr)	34.98	33.02
	Rate per unit (₹)	6.05	6.22
2	Own generated through D.G.Sets		
	Units (kwh in lac)	0.22	1.00
	Cost (₹ in cr)	0.06	0.20
	Rate per unit (₹)	28.95	20.25
3	Own generated through Steam Turbine Generator		
	Co-generation		
	Units (kwh in lac)	0.72	16.69
	Cost (₹ in cr)	0.23	2.77
	Rate per unit (₹)	31.32	16.58
	Fuel Oil (LSHS, FO and LDO)		
	Total Quantity (kl)	554.12	20.46
	Total amount (₹ in cr)	2.05	0.06
	Rate per unit (₹ per litre)	36.97	27.81
	Natural gas		
	Total Quantity (SM ³ lac)	231.74	249.50
	Total amount (₹ in cr)	85.65	75.34
	Rate per unit (₹ per SM ³)	36.96	30.20
	Pitches		
	Total Quantity (M.T.)	6.00	8.09
	Total Cost (₹ in cr)	0.02	0.02
	Rate per unit (₹ per M.T.)	28,000	26,947

b) Consumption per unit of production

Particulars	Natural Gas (SM ³ /MT)		Electricity (kwh/MT)		Fuel Oils (litre/MT)		Pitches	
Particulars	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Fatty Acid	92.43	101.76	89.15	88.21	10.37	-	0.10	-
Fatty Alcohol	135.10	132.50	480.23	471.79	-	-	-	-
Surfactants	19.25	20.95	156.63	154.71	0.22	0.00	-	-
Glycerin	353.58	372.12	356.86	389.30	15.91	-	0.33	-
Oils & Vanaspati	-	-	170.61	167.27	-	-	-	0.03

B. Technology Absorption, Adaptation and Innovation

I. Specific areas in which R&D carried out by the Company:

During the year under review, Research & Development efforts in the following areas strengthened the Company's operation through technology absorption, adaptation and innovation.

- Oils
- Fatty Acids
- Fatty Alcohols
- Surfactants
- Glycerin
- Derivatives of Fatty acids and Fatty alcohols, designed for Personal and Home care industries
- Customer centric support for Home, Personal and Oral Care Products, as well as Oilfield Chemicals
- Performance Evaluation

II. Benefits derived as a result of the above R&D:

- Premium quality fatty acids and fatty alcohols from alternate raw materials.
- Understanding the impact of raw material quality and manufacturing process on the quality of the finished goods.
- Manufacture of high value, fractionated fatty acids and fatty alcohols, specifically for the polymer, oil field, lubricant photography and paper industries.
- Value added fatty alcohol and fatty acid derivatives, so as to enter niche markets.

III. Future Plan of Action:

- Tailor-made specialty fatty alcohols and fatty acids for low volume, high value markets.
- Specialty chemicals, derived from Glycerin, Fatty Acids and Fatty Alcohols so as to enter niche markets in the field of Pharmaceuticals, Personal Care and Industrial Lubricants.
- Enhancing our knowledge base of product applications and formulations, through customer engagement.

IV. Expenditure on R&D:

	₹ In Crore	
	2013-14	2012-13
(a) Capital	0.02	0.24
(b) Recurring	3.23	2.91
(c) Total	3.25	3.15
(d) Total R & D expenditure as a percentage of total sales turnover	0.25	0.24

C. Foreign Exchange earnings and outgo

The Chemicals Division's exports were ₹ 521.21 crore in the current year as compared to ₹ 515.62 crore in the previous year. The Company continues to export refined glycerin, fatty alcohol and other chemicals to over 70 countries including Brazil, Mexico, South Korea, U.S.A., Japan, Russia, China, South Africa, U.A.E.

	₹ In Crore	
	2013-14	2012-13
Foreign exchange used	428.70	268.19
Foreign exchange earned	513.19	772.20

REPORT ON CORPORATE GOVERNANCE



Report on Corporate Governance

Clause 49 of the listing agreement with the Indian Stock Exchanges stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by listed Indian companies.

1. The Company's Philosophy

The Company is a part of the Godrej Group which has established a reputation for honesty and integrity. The Company's philosophy of corporate governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. The Company believes that corporate governance is about creating organisations that succeed in the marketplace with the right approach and values. This will enhance the value for all its stakeholders.

THE GOVERNANCE STRUCTURE

2. Board of Directors

a) Board Structure

The Board of Directors of the Company comprises twelve Directors, which includes a Managing Director i.e. Mr. N. B. Godrej and two Whole-time Executive Directors, i.e.

Ms. T. A. Dubash and Mr. N. S. Nabar. The remaining nine are Non-Executive Directors, with six of them being Independent Directors. No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956, except (1) Mr. A. B. Godrej and Mr. N. B. Godrej, who are brothers, (2) Ms. T. A. Dubash who is the daughter of Mr. A. B. Godrej and (3) Mr. J. N. Godrej and Mr. V. M. Crishna, who are brothers-in-law. The details are given in Table 1 and 2 respectively:

b) Board meetings held and Directors' attendance record

The Board meets atleast once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. During the year four Board meetings were held on May 28, 2013, August 10, 2013, November 11, 2013 and February 7, 2014. The details are given in Table 1:

Table 1: Details about the Company's Board of Directors and meetings attended by the Directors during the year:

Name of Director	Category	Board meetings held during the year	Board meetings attended during the year	Whether attended last AGM	Directorships held in other public companies incorporated in India as at year- end \$	Number of Chairmanship/ membership in Board Committees in other companies as at the year-end@	
						Chairmanship (excluding membership of committees)	Membership
Mr. A. B. Godrej	Chairman , Non-Executive, Promoter	4	4	Yes	5(2)	1	1
Mr. J. N. Godrej	Non-Executive, Promoter	4	3	Yes	7(4)	1	2
Mr. N. B. Godrej	Managing Director, Promoter	4	4	Yes	9(5)	1	1
Ms. T. A. Dubash	Whole-time Director, Promoter	4	2	Yes	5(1)	-	-
Mr. S. A. Ahmadullah	Non-Executive, Independent	4	4	Yes	-	-	-
Mr. V. M. Crishna	Non-Executive, Promoter	4	2	No	3(1)	-	-
Mr. K. K. Dastur	Non-Executive, Independent	4	4	Yes	3	1	-
Dr. N. D. Forbes	Non-Executive, Independent	4	1	Yes	1(1)	-	-
Mr. A. B. Choudhury	Non-Executive, Independent	4	4	Yes	4(2)	-	4
Mr. K. N. Petigara	Non-Executive, Independent	4	3	No	3	1	1
Mr. N. S. Nabar*	Whole-time Director	4	4	Yes	2(1)	1	1
Mr. K. M. Elavia*	Non-Executive, Independent	4	4	Yes	8(6)	4	3
Mr. M. Eipe*	Whole-time Director	-	-	NA	NA	NA	NA
Mr. J. S. Bilimoria*	Non-Executive, Independent	-	-	NA	NA	NA	NA

Note:

- \$ Alternate Directorships and Directorships in private companies, foreign companies and associations are excluded.
- Figures in () denote listed companies.
- Board Meetings held during the year represent the number of meetings held during the tenure of that director.
- * Mr. J. S. Bilimoria passed away on May 3, 2013. Mr. M. Eipe retired on April 30, 2013. Mr. N. S. Nabar was appointed w.e.f. May 1, 2013 and Mr. K. M. Elavia was appointed w.e.f. May 28, 2013.
- @ In accordance with Clause 49, Membership / Chairmanship of only the Audit Committee and Shareholders Committee in all public limited companies (except Godrej Industries Limited) have been considered.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

c) Information supplied to the Board

Among others, this includes:

- Annual operating plans and budgets, capital budgets, and any updates thereon,
- Quarterly results of the Company,
- Minutes of meetings of audit committee and other committees,
- Information on recruitment and remuneration of senior officers just below the Board level,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially significant effluent or pollution problems,
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions,
- Significant development in the human resources and industrial relations front,

- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business,
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement,
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of the Company is presented with all information under the above heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board meeting or are tabled in the course of the Board meeting.

d) Directors with materially significant related party transactions, pecuniary or business relationship with the Company

Except for drawing remuneration, none of the Independent Directors have any other materially significant related party transactions, pecuniary or business relationship with the Company. Attention of Members is drawn to the disclosures of transactions with related parties set out in note no. 46 to the Financial Statements (standalone), forming part of the Annual Report.

e) Remuneration of Directors: sitting fees, salary, perquisites and commissions and Number of Shares held by Non-Executive Directors

The details of remuneration package of Directors and their relationships with each other are given in Table 2. The number of shares held and dividend paid are given in Table 3.

Table 2 : Details of Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2014

(Amount in ₹)

Name of Director	Relationship with Directors	Sitting fees	Salary & Allowances	Perquisites	Provident Fund	Total
Mr. A. B. Godrej	Brother of Mr. N. B. Godrej & Father of Ms. T. A. Dubash	1,75,000	Nil	Nil	Nil	1,75,000
Mr. J. N. Godrej	Brother-in law of Mr. V. M. Crishna	Nil	Nil	Nil	Nil	Nil
Mr. N. B. Godrej	Brother of Mr. A. B. Godrej	NA	2,12,64,580	1,32,93,996	13,68,000	3,59,26,576
Ms. T. A. Dubash	Daughter of Mr. A. B. Godrej	Nil	2,40,03,485	39,24,248	10,44,000	2,89,71,733
Mr. S. A. Ahmadullah	None	1,40,000	Nil	Nil	Nil	1,40,000
Mr. A. B. Choudhury	None	1,40,000	Nil	Nil	Nil	1,40,000
Mr. V. M. Crishna	Brother-in-law of Mr. J. N. Godrej	Nil	Nil	Nil	Nil	Nil
Mr. K. K. Dastur	None	1,30,000	Nil	Nil	Nil	1,30,000
Mr. N. D. Forbes	None	20,000	Nil	Nil	Nil	20,000
Mr. K. N. Petigara	None	1,05,000	Nil	Nil	Nil	1,05,000
Mr. N. S. Nabar	None	Nil	73,62,575	21,94,324	3,76,200	99,33,099
Mr. K. M. Elavia	None	80,000	Nil	Nil	Nil	80,000
Mr. M. Eipe	None	Nil	1,24,03,009	4,52,543	95,040	1,29,50,592
Mr. J.S. Bilimoria*	None	Nil	Nil	Nil	Nil	Nil

Notes:

1. Remuneration to Mr. N. B. Godrej and Ms. T. A. Dubash, includes a performance linked variable remuneration of ₹ 45,54,083 each for the year ended March 31, 2014 payable in 2014-15.
2. The service contract of Mr. N. B. Godrej is for a period of three years beginning from April 1, 2011. The service contract of Mr. N. B. Godrej has been renewed for a period of three years beginning from April 1, 2014 at the Annual General Meeting held on August 10, 2013. The service contract of Ms. T. A. Dubash is for a period of three years beginning from April 1, 2013. The service contract of Mr. N. S. Nabar is from May 1, 2013 for a period upto March 31, 2016.
3. The remuneration of Mr. M. Eipe is for a period of one month upto April 30, 2013, being the date of his retirement. Salary includes gratuity ₹1,00,98,385 and leave encashment ₹ 6,00,816.
4. The remuneration of Mr. N. S. Nabar is for a period of 11 months from May 1, 2013 to March 31, 2014. Salary includes leave encashment of ₹ 4,99,130.
5. *Mr. J. S. Bilimoria passed away on May 3, 2013.

Table 3: Number of shares held by Non-Executive Directors and dividend paid

Name of Non-Executive Director	Shares held as on March 31, 2014	Dividend paid during the year (₹)
Mr. A. B. Godrej *	1,121,226	Nil
Mr. J. N. Godrej *	3,221,472	Nil
Mr. S. A. Ahmadullah	6,000	10,500
Mr. S. A. Ahmadullah *	11,700	Nil
Mr. V. M. Crishna	Nil	Nil
Mr. J.S. Bilimoria	Nil	Nil
Mr. N.D. Forbes	5,000	8,750
Mr. A .B. Choudhury	Nil	Nil
Mr. K. N. Petigara	Nil	Nil
Mr. K. K. Dastur	3,606	6,311
Mr. K. K. Dastur **	9,570	Nil
Mr. K. K. Dastur *	27,900	Nil
Mr. K. M. Elavia	Nil	Nil

* Shares held as second holder

** Shares held as third holder

f) Stock Options

The Company has not granted any Stock Options to any of its Promoter Directors and Independent Directors. Mr. N. S. Nabar, Executive Director & President (Chemicals) was allotted 5,574 equity shares under the Employee Stock Option Plan Scheme/Employee Stock Grant Scheme.

meetings are placed before the Board Meeting. Mr. K. R. Rajput, Company Secretary acts as a secretary to the audit committee. The Audit Committee met five times during the year i.e. on May 28, 2013, August 10, 2013, November 11, 2013 and February 7, 2014 (two meetings). Table 4 gives the attendance record.

COMMITTEES OF THE BOARD

3. Audit Committee

The Company's Audit Committee comprises of four Independent, Non-Executive Directors. They are Mr. K. K. Dastur, (Chairman), Mr. S. A. Ahmadullah, Mr. K. N. Petigara and Mr. A. B. Choudhury. All the members of the committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. Minutes of each of the audit committee

Table 4: Attendance record of audit committee members

Name of Director	No. of meetings held	Meetings attended
Mr. K. K. Dastur	5	5
Mr. S. A. Ahmadullah	5	5
Mr. K. N. Petigara	5	4
Mr. A. B. Choudhury	5	5

The Audit Committee of the Company performs the following functions:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/removal of external auditor, fixation of audit fees and approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board for approval with particular reference to:
 - » Matters that needs to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of the Section 217 of the Companies Act, 1956.
 - » Change, if any, in accounting policies and practices and reasons for the same.
 - » Major accounting entries involving estimates based on exercise of judgement by the management.
 - » Significant adjustments made in the financial statements arising out of audit findings.
 - » Compliance with listing and other requirements relating to financial statements.
 - » Disclosure of any related party transactions.
 - » Any qualification in the draft audit report.
- Reviewing with the management, the quarterly/ annual financial statement before submission to the Board for approval.
- Reviewing with the management, performance of the statutory and internal auditors, and adequacy of the internal control system.
- Reviewing the adequacy of internal audit function, if any, including the structure of Internal Audit Department, staffing and

seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- Reviewing the functioning of Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

4. **Nomination and Compensation Committee**

Setting up of a Nomination and Compensation Committee for determining a Company's policy on remuneration packages for Executive Directors constitutes a non-mandatory provision of Clause 49. The Company set up its Remuneration Committee on February 22, 2002 to review the human resources policies and practices of the Company and in particular, policies regarding remuneration of Whole-Time Directors. The Committee discusses human resources policies such as compensation and performance management. The Remuneration Committee was renamed as Compensation Committee by the Board of Directors at its meeting held on October 24, 2005 and again

as Nomination and Compensation Committee by the Board of Directors at its meeting held on February 7, 2014.

The Nomination and Compensation Committee consists of the following directors: Mr. S. A. Ahmadullah (Chairman and Independent Director); Mr. A. B. Choudhury (Independent Director); Mr. K. N. Petigara (Independent Director) and Mr. N. B. Godrej (Managing Director). During the year ended March 31, 2014, the committee met on May 28, 2013, and August 10, 2013. The attendance details are given in Table 5.

Table 5: Attendance record of Nomination and Compensation Committee members

Name of Director	No. of meetings held	Meetings attended
Mr. S. A. Ahmadullah	2	2
Mr. A. B. Choudhury	2	2
Mr. K. N. Petigara	2	1
Mr. N. B. Godrej	2	2

Mr. K. R. Rajput, Company Secretary acts as the secretary to the Committee.

The Company has adopted EVA as a tool for driving performance and has linked improvements in EVA to Performance Linked Variable Remuneration (PLVR) of Managing Director, Whole-Time Directors, Managers and Officers of the Company.

5. Stakeholders Relationship / Shareholders Committee

This Committee was originally constituted as Shareholders Committee by the Board of Directors on May 7, 2001. The Shareholders Committee was renamed as Stakeholders Relationship / Shareholders Committee by the Board of Directors on February 7, 2014. Among other functions, this committee looks into redressal of shareholder complaints regarding transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, as

required in Clause 49 of the Listing Agreement. The Committee consists of the following members: Mr. A. B. Godrej (Chairman), Mr. N. B. Godrej, Ms. T. A. Dubash, and Mr. N. S. Nabar. Mr. M. Eipe, retired as a Whole-time Director, with effect from April 30, 2013 and consequently ceased to be a member of the Committee from that date. Mr. N.S. Nabar was appointed as a member of the Committee with effect from May 1, 2013. During the year, 10 meetings of the Committee were held. The attendance details are given in Table 6.

Table 6: Attendance record of Stakeholders Relationship / Shareholders Committee members

Name of Director	No. of meetings held	Meetings attended
Mr. A. B. Godrej	10	8
Mr. N. B. Godrej	10	6
Ms. T. A. Dubhash	10	9
Mr. N. S. Nabar	9	9
Mr. M. Eipe	1	1

Mr. K. R. Rajput, Company Secretary acts as the secretary to the Committee.

Name and designation of Compliance Officer:

Mr. K. R. Rajput, Company Secretary

Number of complaints regarding shares for the year ended March 31, 2014

Complaints outstanding as on April 1, 2013	Nil
Complaints received during the year ended March 31, 2014	31
Complaints resolved during the year ended March 31, 2014	31
Complaints outstanding as on March 31, 2014	Nil

There are no pending share transfers as on March 31, 2014.

6. General Body Meetings

a) Details of last three Annual General Meetings

Year	Venue	Date	Time
2010-11	Y. B. Chavan Centre, Nariman Point, Mumbai 400 021.	July 30, 2011	4.30 P.M.
2011-12	- do -	August 11, 2012	3.00 P.M.
2012-13	- do -	August 10, 2013	3.30 P.M.

b) Details of Special Resolutions Passed in previous three Annual General Meetings

Date of AGM	Number of Special Resolutions passed	Details of Special Resolutions Passed
July 30, 2011	2	1) To revise the terms of appointment and remuneration of Ms. Nisaba Godrej. 2) Investment in Godrej Consumer Products Ltd. u/s 372A of the Companies Act, 1956.
August 11, 2012	4	1) Re-appointment of and remuneration payable to Ms. T. A. Dubash, as a Whole-time Director. 2) Re-appointment of and remuneration payable to Mr. M. Eipe, as a Whole-time Director. 3) Modification of Godrej Industries Limited Employee Stock Option Plan I. 4) Modification of Godrej Industries Limited Employee Stock Option Plan II.
August 10, 2013	4	1) Appointment of and remuneration payable to Mr. N. S. Nabar as a Whole-time Director. 2) Reappointment of and remuneration payable to Mr. N. B. Godrej, Managing Director. 3) Modification of Godrej Industries Limited Employee Stock Option Plan I. 4) Modification of Godrej Industries Limited Employee Stock Option Plan II.

c) Details of Special Resolutions passed at the Extraordinary General Meetings (EGM) in the last three years

Date of EGM	Number of Special Resolutions passed	Details of Special Resolutions Passed
July 7, 2012	1	Approved issue of equity shares under Institutional Placement Programme.

d) Postal Ballot

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, certain resolutions were passed by shareholders by postal ballot. The Notice of postal ballot was mailed to all shareholders along with postage prepaid envelopes. E-voting facility was also offered to eligible shareholders to enable them to cast their votes electronically. Mr. Bharat Shemlani, Chartered Accountant, had been appointed as scrutinizer for the postal ballots, who submitted his reports to the Chairman, Mr. A. B. Godrej. The details of the postal ballots are given below:-

Sr. No.	Date of announcement of results	Nature of resolution	Item	Total no. of votes polled	No. of votes in favour %	No. of votes against %	No. of invalid votes %
1	October 9, 2013	Special	To further invest in the securities of Godrej Consumer Products Ltd. upto a sum of ₹150 crore, under Section 372A of the Companies Act, 1956.	268,015,747	95.43	4.42	0.15

e) Procedure adopted for Postal Ballot

- (i) The Board at its meeting approves the items to be passed through postal ballot and authorizes one of the functional Directors and the Company Secretary to be responsible for the entire process of postal ballot.
- (ii) A professional such as a Chartered Accountant/ Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of postal ballot along with the ballot papers are sent to the shareholders along with a self-addressed envelope addressed to the Scrutinizer. E-voting facility is also offered to eligible shareholders to enable them to cast their votes electronically.
- (iv) An advertisement is published in a National newspaper about the dispatch of ballot papers and notice of postal ballot.
- (v) The duly completed postal ballot papers are received by the Scrutinizer.
- (vi) Scrutinizer gives his report to the Chairman.
- (vii) The Chairman announces the results of the postal ballot in a meeting convened for the same
- (viii) Results are intimated to the Stock Exchange and are put up on the Notice Board of the Company as well as on the Company's Website.

7. Disclosures

a) Materially significant related party transaction that may have potential conflict of interests of Company at large

During the year 2013-14, there were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Financial Statements, forming part of the Annual Report.

b) Whistle Blower Policy

With a view to establish a mechanism for protecting the employees reporting unethical behaviour, fraud, violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy. During the year 2013-14, no personnel has been denied access to the Audit Committee.

c) Policy to Prevent Sexual Harassment at the work place

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Godrej group. The Company has formed an Internal Complaints Committee headed by Ms. T. A. Dubash, Executive Director & Chief Brand Officer, pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. While the Act is applicable only to the women employees, our Company policy would be covering all employees and all premises of the Company in India.

d) Details of compliance with mandatory requirement

Particulars	Clause of Listing Agreement	Compliance Status Yes / No
I. Board of Directors	49 I	
(A) Composition of Board	49 (IA)	Yes
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
II. Audit Committee	49 (II)	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes
(B) Meeting of Audit Committee	49 (IIB)	Yes
(C) Powers of Audit Committee	49 (IIC)	Yes
(D) Role of Audit Committee	49 (IID)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
III. Subsidiary Companies	49 (III)	Yes
IV. Disclosures	49 (IV)	
(A) Basis of related party transactions	49 (IVA)	Yes
(B) Disclosures of Accounting treatment	49 (IVB)	Yes
(C) Board Disclosures	49 (IVC)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IVD)	Yes
(E) Remuneration of Directors	49 (IVE)	Yes
(F) Management	49 (IVF)	Yes
(G) Shareholders	49 (IVG)	Yes
V. CEO/CFO Certification	49 (V)	Yes
VI. Report on Corporate Governance	49 (VI)	Yes
VII. Compliance	49 (VII)	Yes

e) Details of Non-compliance

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

f) Declaration by Chairman & Managing Director

The declaration by the Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the laid down code of conduct for the year ended March 31, 2014, is annexed to the Corporate Governance Report.

8. Shareholders and Means of communication

a) Disclosures regarding appointment or reappointment of Directors

Mr. J. N. Godrej and Ms. T. A. Dubash, both Directors, retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment.

The Company had appointed Mr. S. A. Ahmadullah, Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara as Non-Executive Directors, liable to retire by rotation. They are also the Independent Directors pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges.

As per section 149 of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. These Independent Directors are not liable to retire by rotation. Accordingly, it is proposed to appoint Mr. S. A. Ahmadullah,

Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara as Independent Directors, in accordance with the provisions of section 149 of the Act, to hold office as per their tenure of appointment mentioned in the Notice of the Annual General Meeting of the Company. Information about the Directors who are being appointed/ reappointed is given as an annexure to the Notice of the AGM.

b) Communication to shareholders

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the website of the Company. The Company's website address is www.godrejinds.com. The quarterly and annual results of the Company's performance are published in leading English dailies like Economic Times, Business Line, etc. The quarterly results of the Company are also available on the websites of BSE Ltd. and National Stock Exchange of India Ltd viz. www.bseindia.com and www.nseindia.com respectively.

The Company files electronically the quarterly results, Corporate Governance report, Share holding pattern, etc in the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

c) Investor grievances

As mentioned before, the Company has constituted a Stakeholders Relationship/ Shareholders Committee to look into and redress Shareholders and investor complaints. Mr. K. R. Rajput, Company Secretary, is the compliance officer.

d) Share transfer

The Company has outsourced its share transfer function to M/s. Computech Sharecap Ltd., which is registered with the SEBI as a Category 1 Registrar and Transfer Agent.

9. MANAGEMENT

a) Management discussion and analysis

This annual report has a detailed chapter on Management Discussion and Analysis.

b) Disclosures by management to the Board

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

10. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES – 2009

Your Company is committed to maintaining highest standards of Corporate Governance by adhering to the requirements set out by SEBI.

With a view to strengthening the Corporate Governance framework, the Ministry of Corporate Affairs has issued voluntary guidelines in December 2009 for adoption by the companies. These guidelines are intended to serve as a benchmark for Corporates to help them to adopt the highest standards. Corporate Governance guidelines do not substitute any extant law or regulation but are essentially for voluntary adoption by Corporates.

Your Company is already in compliance with most of these requirements and continually reviews for enhancements as appropriate.

11. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

As stipulated in Clause 49 of the Listing Agreement, the auditor's certificate regarding compliance of conditions of corporate governance is annexed to the Directors' Report.

12. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Date : August 9, 2014

Time : 3.30 p.m.

Venue : Y. B. Chavan Centre,
General Jagannathrao Bhosale Marg,
Nariman Point, Mumbai- 400 021.

ii. Financial Calendar :

Financial year: April 1 to March 31
For the Year Ended March 31, 2014,
results announced on:

- August 10, 2013 : First quarter
- November 11, 2013: Half year
- February 7, 2014 : Third quarter
- May 28, 2014 : Annual

iii. Record Date/Book Closure

A dividend of ₹ 1.75 per equity share of ₹ 1 each has been recommended by the Board of Directors of the Company. For payment of dividend, the book closure is from August 2, 2014 to August 9, 2014 (both days inclusive).

iv. Listing information

The Company's equity shares are listed on The Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd.

Name of the Stock Exchange	Stock code
BSE Ltd. (BSE)	500164
National Stock Exchange of India Ltd. (NSE)	GODREJIND

The ISIN Number of the Company for both NSDL and CDSL is INE233A01035.

v. Stock Data

Tables 1 and 2 respectively give the monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended March 31, 2014. Chart A compares the Company's share price at the BSE versus the Sensex.

Table 1: Monthly high and low prices and trading volumes of equity shares of the Company at BSE for the year ended March 31, 2014

Month	High (₹)	Low (₹)	Volume (No. of Shares)
April 2013	317.45	285.80	9,96,252
May 2013	323.00	287.15	6,60,805
June 2013	310.15	285.00	8,48,162
July 2013	324.50	247.20	6,24,258
August 2013	269.85	218.50	6,47,735
September 2013	299.25	236.15	36,25,097
October 2013	299.00	261.55	7,24,613
November 2013	306.50	263.95	8,25,752
December 2013	286.65	248.15	6,97,460
January 2014	295.80	258.40	6,99,418
February 2014	283.95	260.55	20,51,051
March 2014	316.80	275.15	8,18,205

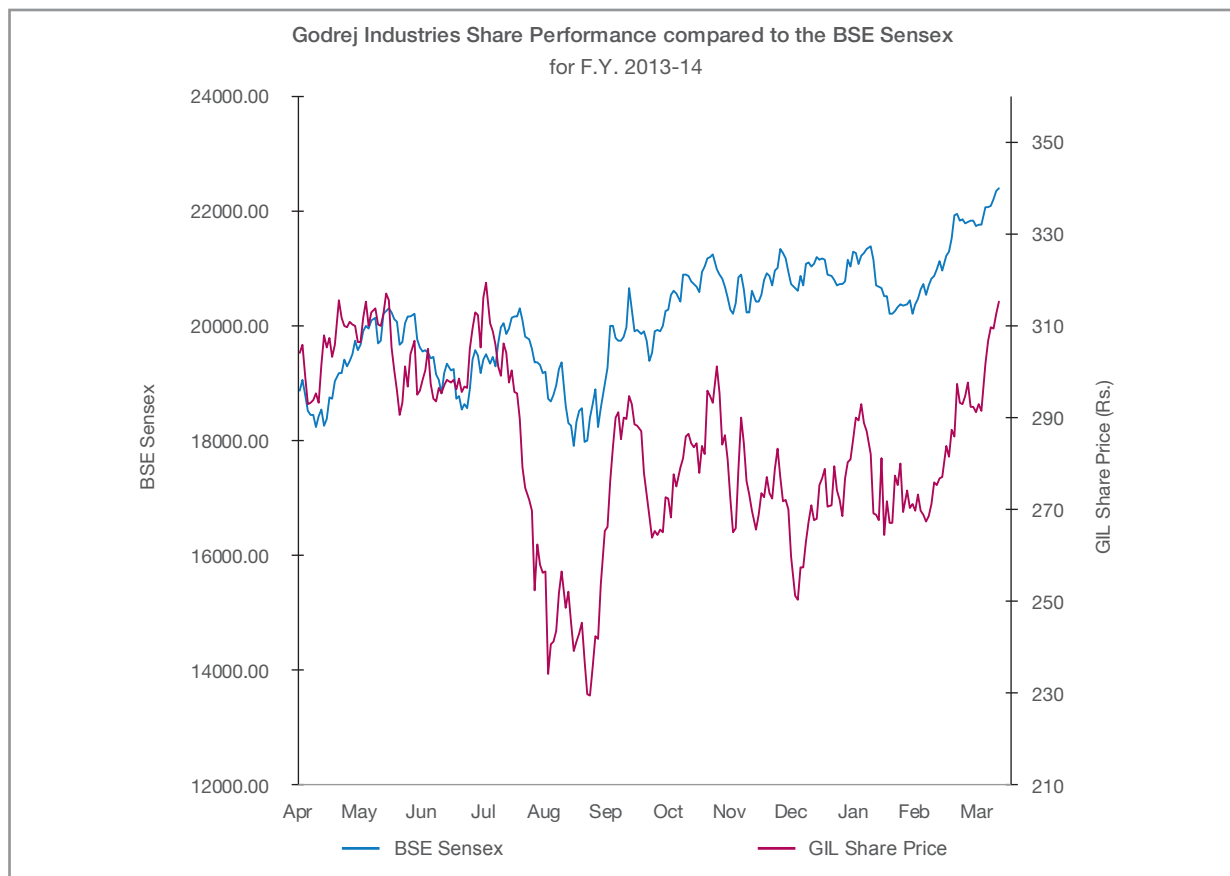
Note: High and low are in Rupees per traded share. Volume is the total monthly volume of trade (in numbers) in equity shares of the Company on the BSE.

Table 2: Monthly high and low prices and trading volumes of equity shares of the Company at NSE for the year ended March 31, 2014

Month	High (₹)	Low (₹)	Volume (No. of Shares)
April 2013	318.00	285.75	58,12,744
May 2013	322.80	287.45	48,43,715
June 2013	310.90	285.20	48,12,873
July 2013	324.20	245.65	49,09,899
August 2013	269.90	217.65	42,69,945
September 2013	299.45	236.00	49,81,492
October 2013	299.00	260.00	46,96,908
November 2013	306.40	263.75	47,44,835
December 2013	287.95	248.50	73,67,729
January 2014	298.10	259.10	70,98,962
February 2014	283.90	260.10	50,79,669
March 2014	317.60	275.00	76,61,644

Note: High and low are in Rupees per traded share. Volume is the total monthly volume of trade (in numbers) in equity shares of the Company on the NSE.

Chart A – The Company's share performance compared to the BSE Sensex for FY 2013-14



vi. Distribution of shareholding:

Tables 3 and 4 give the distribution pattern of shareholding of the Company by size and ownership respectively as on March 31, 2014.

Table 3: Distribution of shareholding by size as on March 31, 2014

Number of shares	Number of share-holders	Shareholders %	Number of shares held	Shareholding %
1 - 500	39,552	88.92%	40,63,613	1.21%
501 - 1000	2,645	5.95%	20,54,727	0.61%
1001 - 2000	1,101	2.48%	16,42,113	0.49%
2001 - 3000	375	0.84%	9,68,339	0.29%
3001 - 4000	162	0.36%	5,88,013	0.18%
4001 - 5000	121	0.27%	5,64,438	0.17%
5001 - 10000	244	0.55%	17,95,835	0.54%
10001 & above	282	0.63%	32,37,78,182	96.52%
Total	44,482	100.00%	33,54,55,260	100.00%

Table 4: Distribution of shareholding by ownership as on March 31, 2014

Category (as being reported to Stock Exchanges)	No. of shares	% of share holding
Promoter's holding		
-Indian Promoters	25,12,34,174	74.89%
-Foreign Promoters	0	0.00%
Persons deemed to act in concert with promoters	0	0.00%
Institutional Investors		
Mutual Funds & UTI	14,28,013	0.43%
Banks, Financial Institutions and Insurance Companies	1,06,55,687	3.18%
Foreign Institutional Investors	3,75,74,223	11.20%
Others		
Private Corporate Bodies	1,38,18,917	4.12%
Indian Public	2,00,49,336	5.98%
NRIs/OCBs	6,94,910	0.21%
Others	0	0.00%
Total	33,54,55,260	100.00%

vii. Shares held in physical and dematerialized form

As on March 31, 2014, 99.78 percent of the Company's shares were held in dematerialized form and the remaining 0.22 percent in physical form. The break up is listed below:

Category	Number of share-holders	Shareholders %	Number of shares held	Shareholding %
Physical	2,084	4.69%	7,39,552	0.22%
Electronic	42,398	95.31%	33,47,15,708	99.78%
Total	44,482	100.00%	33,54,55,260	100.00%

viii. Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on equity

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments.

ix. Share Transfer

Share transfers and related operations for the Company are conducted by Computech Sharecap Limited, which is registered with the SEBI as a Category 1 Registrar. Share transfer is normally effected within the maximum period of 30 days from the date of receipt, if all the required documentation is submitted.

x. Plant locations

Location	Address
Vikhroli	Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079. (Till 28th February, 2014)
Valia (DTA & EOU)	Burjorjinagar, Plot No. 3, Village Kanerao, Taluka - Valia, District Bharuch, Gujarat 393 135.
Wadala	L.M. Nadkarni Marg, Near M.P.T. Hospital, Wadala (East), Mumbai 400 037.
Ambernath	Plot No.N - 73, Additional Ambernath Industrial Area, Village Jambivali, Taluka Ambernath East, District Thane, Maharashtra. 421 506.

xi. Investor correspondence should be addressed to:

Computech Sharecap Limited

147, M.G. Road,
Opp. Jehangir Art Gallery, Fort,
Mumbai 400 001.
Tel: 022-22635000 to 22635002;
Fax: 022-22635001
Email: helpdesk@computechsharecap.com

Declaration by Managing Director

I, N. B. Godrej, Managing Director of Godrej Industries Limited (GIL), hereby confirm pursuant to clause 49(1)(D) of the listing agreement that:

The Board of Directors of GIL has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website viz. www.godrejinds.com. All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2014.

Mumbai, May 28, 2014

N. B. Godrej
Managing Director

To the Members of
Godrej Industries Limited
Mumbai.

Auditors' Report on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Godrej Industries Limited (the Company) for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Regn. No.: 104607 W

Daraius Z. Fraser
PARTNER
M. No.: 42454
Place : Mumbai
Date : May 28, 2014.

FINANCIAL STATEMENTS



Independent Auditor's Report

To the Members of
Godrej Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GODREJ INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

1. We draw attention to sub-note (1) of Note 4: Reserves and Surplus, to the Standalone Financial Statements regarding the Scheme of Amalgamation ("the Scheme") of Swadeshi Detergents Limited (SDL) (a wholly owned Subsidiary of the Company) with the Company approved by The Honourable High Court of Judicature at Bombay vide its order dated August 16, 2013. Pursuant to the said Scheme, which came into effect from April 1, 2013, the Company has restated / revised the value of certain assets of the Company, to the extent considered appropriate by the Board of Directors and accordingly reduced the value of certain assets by ₹ 114.82 crores and the same has been debited directly to General Reserve. The costs and expenses incurred on the Scheme amounting to ₹ 0.23 crores have also been debited directly to the General Reserve.

Independent Auditor's Report

The above treatment prescribed under the Court Scheme differs from the treatment prescribed under the Accounting Standards according to which the said amounts should have been debited to the Statement of Profit and Loss. Had the Scheme not prescribed this accounting treatment, the profit for the year ended March 31, 2014, would have been lower by ₹ 115.05 crores and the General Reserve would have been higher by that amount.

2. We draw attention to sub-note (3) of Note 4: Reserves and Surplus, to the Standalone Financial Statements where the Company has included the financial statements of the ESOP Trust in preparation of the Company's standalone financial statements to portray the picture as if the Company itself is administering the ESOP Scheme. Consequently, the operations of the ESOP Trust, in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the Company. The loans to the ESOP Trust in the books of the Company are eliminated against the loan from the Company as appearing in the books of the Trust and investments in the equity shares of the Company held by the Trust have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the Company and the Trust have been appropriately eliminated. The opening excess of expenditure over income of the Trust has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

Our Opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, ("the Order"), as amended, issued by the Central Government in terms of sub-Section (4A) of section 227 of the Companies Act, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Companies Act, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2014 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No.: 104607W

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: May 28, 2014.

Annexure to the Independent Auditor's Report

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.

1. Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except in case of certain continuous process plants where item-wise values are not available and in case of furniture, fittings and equipment where the records maintained show quantitative details with their situation and values based on valuation by an approved valuer.
 - b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
 - c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
2. Inventory:
 - a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. Loans and Advances:
 - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) The Company has taken an unsecured loan by way of public deposit amounting to ₹ 1.87 crores from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1.87 crores. The balance outstanding as at the year-end was ₹ Nil.
 - c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the deposit taken from the party covered in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
 - d) The Company was regular in repaying the principal amounts as stipulated and had also been regular in the payment of interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956:
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, where comparable market prices exist. We have been informed that some of the items are of a special nature and their prices cannot be compared with alternative quotations.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under in respect of the deposits accepted from the public. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company in respect of manufacture of fatty acids, fatty alcohol, surfactants and glycerine pursuant to the Rules made by the Central Government for maintenance of cost records, under section 209(l) (d) of the Companies Act, 1956 and are of the opinion that prima

Annexure to the Independent Auditor's Report

facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, for any other products of the Company.

9. Statutory Dues

- a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (₹ crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc., which the Company has contested and is in appeals at various levels.	0.59	2006-07, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13, 2009-13	Assistant Commissioner
		0.71	2009-13	Joint Commissioner
		0.06	1997-98	Commissioner
		0.37	2009-10, 2011-12	Commissioner (Appeals)
		3.17	2005-08, 2008-09, 2006-10, 2008-11, 2010-11	CESTAT
		0.41	1997-98, 2006-07	Tribunal
		0.31	1978-79, 1976-85, 1982-86, 1995-96, 2009-10	High Court
		3.91	1993-97	The Supreme Court
The Customs Act, 1962	Custom Duty demands relating to lower charge, differential duty, classifications, etc.	2.63	2010-11	Commissioner (Appeals)
		0.26	2003-04	Deputy Commissioner
		1.32	1978-93	High Court
VAT Acts of Various States	Sales Tax demands relating to purchase tax on Branch Transfer / Disallowance of high sea sales.	0.09	1996-97, 1997-98	Sales Tax Officer
		0.07	2000-01	Commissioner (Appeals)
		0.21	2003-04	Deputy Commissioner
		26.17	2002-03, 2003-04, 2006-07, 2008-09	Joint Commissioner
		5.04	2003-04, 2004-05, 2005-06	Tribunal
Income-tax Act, 1961	Income-tax demands against which the company has preferred appeals.	8.58	2007-08, 2010-11	Assessing Officer
		0.54	1993-94, 1994-95, 1995-96, 2004-05	CIT
		9.46	2001-02, 2006-07, 2011-12	Deputy Commissioner
		16.69	1986-87, 1987-88, 1988-89, 1996-97, 1997-98, 1990-91, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03	ITAT
		0.35	1989-90, 1991-92	High Court

Annexure to the Independent Auditor's Report

Name of Statute	Nature of Dues	Amount (₹ crores)	Period to which the amount relates	Forum where dispute is pending
Octroi	Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.03	1997-98	Deputy Commissioner Tribunal The Supreme Court
		0.24	1997-03	
		0.02	1998-99, 2000-01	
Stamp Duty	Stamp Duties claimed on certain properties which are under appeal by the Company.	1.82	2000-01	Controlling Revenue Authority

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
12. In our opinion and according to the information and explanations given to us and based on the documents and records produced before us, the Company has maintained adequate documents and records, in respect of loans and advances granted on the basis of security by way of pledge of shares and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
14. In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name except for the shares referred to in sub-note (d) of Note 13: Non-current Investments, to the Financial Statements.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has used funds raised on short term basis for long term investments including acquisition of property and capital expansion to the extent of ₹ 723.47 crores.
18. The Company has not made any preferential allotment of shares to any party or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not issue any debentures during the year.
20. The Management has disclosed in Note 22 to the Financial Statements, the end use of money amounting to ₹ 370.52 crores raised through an Institutional Placement Program in the previous year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No.: 104607W

Darius Z. Fraser
Partner
M. No.: 42454

Mumbai: May 28, 2014.

Balance Sheet as at March 31, 2014

			Amount INR Crore
	Note No.	Current Year	Previous Year
Equity And Liabilities			
Shareholders' Funds			
(a) Share Capital	3	33.12	33.52
(b) Reserves And Surplus	4	1,401.81	1,590.60
		1,434.93	1,624.12
Non Current Liabilities			
(a) Long Term Borrowings	5	663.26	422.36
(b) Deferred Tax Liabilities (Net)	6	39.48	34.38
(c) Long Term Provisions	7	7.23	10.02
		709.97	466.76
Current Liabilities			
(a) Short Term Borrowings	8	675.94	445.26
(b) Trade Payables	9	553.49	380.32
(c) Other Current Liabilities	10	180.28	140.17
(d) Short Term Provisions	11	73.05	74.47
		1,482.76	1,040.22
TOTAL		3,627.66	3,131.10
Assets			
Non Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		613.85	320.85
(ii) Intangible Assets		0.78	0.53
(iii) Capital Work In Progress		382.00	489.02
		996.63	810.40
(b) Non Current Investments	13	2,048.26	1,278.27
(c) Long Term Loans and Advances	14	55.45	99.27
(d) Other Non Current Assets	15	3.69	-
		3,104.03	2,187.94
Current Assets			
(a) Current Investments	16	-	60.98
(b) Inventories	17	232.17	138.25
(c) Trade Receivables	18	103.66	138.49
(d) Cash and Bank Balances	19	64.86	446.54
(e) Short Term Loans And Advances	20	102.04	134.67
(f) Other Current Assets	21	20.90	24.23
		523.63	943.16
TOTAL		3,627.66	3,131.10

See Accompanying Notes to the Financial Statements

As per our Report attached

Signatures to Balance Sheet and Notes to the Financial Statements

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Regn. No. 104607W

For and on behalf of the Board

A. B. Godrej

Chairman

N. B. Godrej

Managing Director

Daraius Z. Fraser

Partner

M. No. 42454

N. S. Nabar

Executive Director

& President (Chemicals)

Clement Pinto

Chief Financial Officer

K. R. Rajput

Company Secretary

Mumbai, May 28, 2014.

Statement of Profit and Loss for the year ended March 31, 2014

		Amount INR Crore	
Particulars	Note No.	Current Year	Previous Year
Revenue from Operations (Gross)	25	1,543.79	1,560.52
Less: Excise Duty		90.24	95.89
		1,453.55	1,464.63
Other Income	26	40.77	34.83
Total Revenue		1,494.32	1,499.46
Expenses			
(a) Cost of Materials Consumed	27	984.40	954.31
(b) Purchases of Stock In Trade		3.70	3.78
(c) Changes in Inventory of Finished Goods, Work In Progress and Stock In Trade	28	(53.62)	25.64
(d) Employee Benefits Expense	29	112.33	115.33
(e) Finance Costs	30	94.84	64.82
(f) Depreciation and Amortisation Expense		24.61	23.12
(g) Other Expenses	31	307.39	274.01
Total Expenses		1,473.65	1,461.01
Profit Before Exceptional Items And Tax		20.67	38.45
Exceptional Items	32	104.21	58.71
Profit Before Tax		124.88	97.16
Tax Expense			
(a) Current Tax		0.09	2.31
(b) Deferred Tax		5.10	(1.37)
(c) Adjustment for Tax of Previous Years (net)		-	(0.52)
Total Tax		5.19	0.42
Profit For The Year		119.69	96.74
Earnings Per Share (Face Value ₹ 1 per share)	33		
(a) Basic		3.5693	2.9631
(b) Diluted		3.5643	2.9568

See Accompanying Notes to the Financial Statements

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry
 Chartered Accountants
 Firm Regn. No. 104607W

Daraius Z. Fraser
 Partner
 M. No. 42454

Mumbai, May 28, 2014.

Signatures to the Statement of Profit and Loss and Notes to the Financial Statements

For and on behalf of the Board

A. B. Godrej
 Chairman

N. S. Nabar
 Executive Director
 & President (Chemicals)

N. B. Godrej
 Managing Director

Clement Pinto
 Chief Financial Officer

K. R. Rajput
 Company Secretary

Cash Flow Statement for the year ended March 31, 2014

	Amount INR Crore	
	Current year	Previous year
A. Cash Flow From Operating Activities :		
Profit Before Tax	124.88	97.16
Adjustments for :		
Depreciation	24.61	23.12
Unrealised Foreign Exchange revaluation	0.15	1.28
Profit on Sale of Investments	(80.30)	(75.28)
Loss on Sale of Fixed Assets	0.14	0.25
Profit on Assignment of Trademark	(25.00)	-
Dividend Income	(86.01)	(60.55)
Interest Income	(26.31)	(18.32)
Interest Expense	94.84	64.82
Employee Stock Option Compensation	3.47	6.46
(Write-back) / Provision for Diminution in Value of Investments/Loans and Advances	(4.50)	10.48
Write back for Doubtful Debts and Sundry Balances (net)	(6.37)	(1.60)
Operating Profit Before Working Capital Changes	19.60	47.82
Adjustments for :		
Inventories	(97.29)	61.58
Trade and Other Receivables	(3.98)	47.80
Trade Payables and Other Liabilities and Provisions	179.13	(137.06)
Cash Generated from Operations	97.46	20.14
Direct Taxes Paid	(5.30)	(6.60)
Net Cash Generated from Operating Activities	92.16	13.54
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(228.51)	(470.07)
Proceeds from Sale of Fixed Assets	9.10	0.37
Purchase of Investments	(1,694.64)	(1,333.36)
Refund of Fixed Deposits / (Fixed Deposits placed)	412.39	(412.39)
Proceeds from Sale of Investments	1,044.92	1,423.05
Proceeds on Assignment of Trademark	25.00	-
Intercompany Deposits / Loans (net)	13.54	21.70
Interest Received	17.31	19.14
Dividend Received	86.01	60.55
Net Cash used in Investing Activities	(314.88)	(691.01)

Cash Flow Statement for the year ended March 31, 2014

	Amount INR Crore	
	Current year	Previous year
C. Cash Flow from Financing Activities :		
Proceeds from issue of Equity shares	1.35	360.87
Proceeds from Borrowings	1,345.13	611.75
Repayments of Borrowings	(921.02)	(213.21)
Bank Overdrafts (net)	(23.26)	20.95
Interest Paid	(88.64)	(62.77)
Dividend Paid	(58.68)	(58.58)
Tax on Distributed Profits	(1.69)	(7.18)
Net Cash Generated from Financing Activities	253.19	651.83
Net Increase / (Decrease) in Cash and Cash Equivalents	30.47	(25.64)
Cash and Cash Equivalents (Opening Balance)	33.86	59.50
Add: Cash and Cash Equivalents on consolidation of GIL ESOP Trust (Refer sub note 3 under Note 4 Reserves and Surplus)	0.20	-
Cash and Cash Equivalents (Closing Balance)	64.53	33.86
Notes :		
1. Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	64.86	446.53
Closing balances of Fixed deposit (more than 3 months but less than 12 months)	-	(412.39)
Other Bank Balances	(0.33)	(0.28)
Cash and Cash Equivalents	64.53	33.86
2. To finance working capital requirements, the Company's Bankers have sanctioned a total fund-based limit of ₹ 90 crore. Of this, limits utilised as on March 31, 2014 is ₹ 7.00 crore.		
3. The figures for the previous year have been regrouped / restated wherever necessary.		

As per our Report attached

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Regn. No. 104607W

Daraius Z. Fraser

Partner

M. No. 42454

Mumbai, May 28, 2014.

Signatures to the Cash Flow Statement

For and on behalf of the Board

A. B. Godrej

Chairman

N. S. NabarExecutive Director
& President (Chemicals)**N. B. Godrej**

Managing Director

Clement Pinto

Chief Financial Officer

K. R. Rajput

Company Secretary

Notes to the Financial Statements

Note 1 : General Information

The Company was incorporated under the Companies Act, 1956 on March 7, 1988 under the name of Gujarat-Godrej Innovative Chemicals Limited. The Company is engaged in the businesses of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities. The business and undertaking of the erstwhile Godrej Soaps Limited was transferred to the Company under a Scheme of Amalgamation with effect from April 1, 1994 and the Company's name was changed to Godrej Soaps Limited. Subsequently, under a Scheme of Arrangement the Consumer Products division of the Company was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL). The Company's name was changed to Godrej Industries Limited on April 2, 2001. The Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. Swadeshi Detergent Limited, 100% subsidiary of the Company, was merged with the Company effective from April 01, 2013.

Note 2 : Significant Accounting Policies

2.1 Accounting Convention

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and specified in the Companies (Accounting Standard) Rules read with the General Circular No. 15/2013 dated September 12, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956 and the applicable sections of the Companies Act, 2013.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

2.3 Fixed Assets

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation and impairment, if any. Cost includes expenses related to acquisition and any directly attributable cost of bringing the assets to its intended working condition and excludes any duties / taxes recoverable. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying asset are capitalised as a part of the cost of such asset, upto the date of acquisition / completion of construction.

Fixed assets acquired under finance lease are capitalised at the lower of their fair value and the present value of the minimum lease payments.

2.4 Asset Impairment

The Company reviews the carrying amounts of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment loss, if any, is recognised in the period in which impairment takes place.

2.5 Operating Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis over the lease term.

Notes to the Financial Statements

2.6 Investments

Investments are classified into current and non-current investments. Investments intended to be held for a period less than twelve months or those maturing within twelve months from the balance sheet date are classified as 'Current Investments'. Current Investments are stated at lower of cost and fair value.

Investments other than Current Investments are classified as 'Non-current Investments'. Non-Current Investments are carried at cost of acquisition which includes all costs directly incurred on the acquisition of the investment. Provision for diminution, if any, in the value of each Non-Current investments is made to recognize a decline, other than of a temporary nature. The fair value of a Non-Current investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

2.7 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat. Finished goods and work in progress includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Finished goods valuation also includes excise duty, wherever applicable. Provision is made for the cost of obsolescence and other anticipated losses, wherever considered necessary.

2.8 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provision is recognized for :

- (i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (ii) Any present obligation that arises from past events but is not recognized because :
 - (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (b) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.

"Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized."

2.9 Revenue Recognition

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer. Sales are recorded net of returns, trade discounts, rebates, sales taxes and excise duties.

Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on a time proportion basis.

Income on assets given on operating lease is recognised on a straight line basis over the lease term.

2.10 Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to fixed assets.

Notes to the Financial Statements

2.11 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition 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 put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.12 Foreign Exchange Transactions

- (i) Transactions in foreign currency are recorded at exchange rates prevailing on the day of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.
- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Statement of Profit and Loss of the period in which they are cancelled.
- (iv) Exchange differences in respect of other unexpired foreign currency derivative contracts, which have been entered into to hedge foreign currency risks are marked to market and losses, if any, are recognised in the Statement of Profit and Loss.
- (v) Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the year in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognising as income or expense in each such period.

2.13 Hedging

The company uses forward exchange contracts to hedge its foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts is recognized in the Statement of Profit and Loss. Futures contracts not settled as on the Balance Sheet date are marked to market and losses, if any, are recognized in the Statement of Profit and Loss, whereas, the unrealized profit is ignored. Gains or losses on the commodity futures contracts is recorded in the Statement of Profit and Loss under cost of materials consumed.

2.14 Employee Benefits

(i) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on Economic Value Added (EVA). The PLVR amount is related to actual improvement made in EVA over the previous year when compared with expected improvements.

(ii) Post Employment Benefits

(a) Defined Contribution Plans

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

Notes to the Financial Statements

(b) Defined Benefit Plans

Gratuity Fund

The Company's liability towards gratuity to past employees is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-Term Employee Benefits

Long-term Compensated Absences and Long Service Awards are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognized in the Statement of Profit and Loss.

2.15 Consolidation of Employee Stock Option Plan Trust

For the purpose of administration of Employee Stock Option Plan of the Group, the Company has established GIL ESOP Trust. In accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of the ESOP Trust in the standalone financial statements, the Company has included the financial statements of the ESOP trust for preparation of the standalone financial statements to portray the picture as if the Company itself is administering the ESOP Scheme. Consequently, the operations of the ESOP Trust, in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the Company. The loans to the ESOP Trust in the books of the Company are eliminated against the loans from the Company as appearing in the books of the Trust and investments in the equity shares of the Company held by the Trust have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the Company and the Trust have been appropriately eliminated. The opening excess of expenditure over income of the Trust has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

2.16 Depreciation and Amortisation

Tangible Assets

- (i) Leasehold land and Leasehold improvements are amortised equally over the lease period.
- (ii) Depreciation is provided, pro rata to the period of use, under the Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 except for computer hardware which is depreciated over its estimated useful life of 4 years.

Notes to the Financial Statements

- (iii) Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.
- (iv) Depreciation on the revalued component is provided on the straight line method based on the balance useful life of the assets as certified by the valuers. Such depreciation is withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss.

Intangible Assets

Intangible assets are amortised on straight line basis as given below :

- (i) Trade marks are amortised equally over a period of ten years.
- (ii) Computer software is amortised over a period of six years.

2.17 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax subject to consideration of prudence, is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset / liabilities in respect of timing differences which originate and reverse during the tax holiday period are not recognized. Deferred tax assets / liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognized. 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) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is reasonable possibility that the Company will pay normal income tax during the specified period for which MAT Credit is allowed to be carried forward. The Company recognizes MAT Credit as an asset by way of credit to the statement of Profit and Loss and is disclosed as "MAT Credit Entitlement." under Long Term Loans and Advances.

2.18 Cash and Cash Equivalents

In the Cash Flow Statement, Cash and Cash Equivalents includes cash in hand, bank balances and term deposits with bank having maturity term of less than three months.

2.19 Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.20 Segment Reporting

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

Notes to the Financial Statements

Note 3 : Share Capital

	Current Year		Previous Year	
	Number	Value	Number	Value
Authorised Share Capital				
(a) Equity shares of ₹ 1 each	800,000,000	80.00	800,000,000	80.00
(b) Unclassified Shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
		180.00		180.00
Issued, Subscribed and Paid up Share Capital				
Equity Shares of ₹ 1 each fully paid up	335,455,260	33.55	335,165,917	33.52
Less : Shares in the Company held by ESOP Trust - refer note 1 below	(4,332,389)	(0.43)	-	-
Total	331,122,871	33.12	335,165,917	33.52
Par Value of Equity Share is ₹ 1 each				
Par Value of Unclassified Share is ₹ 10 each				
Reconciliation of number Shares				
Equity Shares				
Number of Shares outstanding at the beginning of the year	335,165,917	33.52	317,624,892	31.76
Issued during the year	289,343	0.03	17,541,025	1.76
Number of Shares outstanding at the end of the year	335,455,260	33.55	335,165,917	33.52
Rights, Preferences And Restrictions attached to Shares				
Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.				
Share Holding Information				
(a) Equity Shares held by Godrej & Boyce Manufacturing Company Limited - Holding Company	187,202,388	18.72	187,202,388	18.72
(b) Shareholders holding more than 5% of Equity Shares in the Company Godrej & Boyce Manufacturing Company Limited - 55.81% (Previous Year 55.85%)	187,202,388	18.72	187,202,388	18.72
Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)				
(a) Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)	32,921	-	32,921	-
(b) Employee Stock Grant vesting on 30/04/14 (*)	1,927	-	1,927	-
(c) Employee Stock Grant vesting on 31/05/14	169,103	0.02	191,354	0.02

Notes to the Financial Statements

Note 3 : Share Capital (Contd.)

	Current Year		Previous Year	
	Number	Value	Number	Value
(d) Employee Stock Grant vesting on 30/11/14 (*)	2,878	-	1,387	-
(e) Employee Stock Grant vesting on 31/07/14 (*)	2,441	-	-	-
(f) Employee Stock Grant vesting on 31/03/15 (*)	7,815	-	3,841	-
(g) Employee Stock Grant vesting on 31/05/15	98,987	0.01	80,065	0.01
(h) Employee Stock Grant vesting on 31/07/15 (*)	2,274	-	-	-
(i) Employee Stock Grant vesting on 31/05/16 (*)	49,991	-	-	-
(j) Employee Stock Grant vesting on 31/07/16 (*)	2,274	-	-	-
(k) Employee Stock Grant vesting on 31/12/13 (*)	-	-	3,974	-
(l) Employee Stock Grant vesting on 31/05/13	-	-	189,029	0.02
(m) Employee Stock Grant vesting on 31/07/13 (*)	-	-	8,226	-

The exercise period in respect of the stock grants mentioned above is one month.

During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :

- There were no shares allotted as fully paid up pursuant to contracts without payment being received in cash.
- No shares have been allotted as fully paid up bonus shares.
- In the financial year 2009-10, the Company bought back 2,133,710 Equity Shares.

There are no calls unpaid.

There are no forfeited shares.

(*) Amount less than ₹ 0.01 crore.

Note :

- In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of ESOP Trust in the standalone financial statements as detailed in sub note 3 under Note 4 Reserves and Surplus, the investments in the equity shares of the Company held by the ESOP Trust has been reduced from the Share Capital and from Reserves.

Notes to the Financial Statements

Note 4 : Reserves and Surplus

	Current Year	Amount INR Crore Previous Year
Capital Investment Subsidy Reserve	0.25	0.25
Capital Redemption Reserve	31.46	31.46
Securities Premium Account		
As Per Last Balance Sheet	921.09	556.50
Add : Transfer from Employee Stock Grants Outstanding	6.36	6.07
Add : On Shares issued during the year	-	368.80
Less : Share Issue Expenses	-	(10.28)
	927.45	921.09
Capital Reserve		
Created During the year - refer note 1 below	8.58	-
Revaluation Reserve		
As Per Last Balance Sheet	7.72	10.56
Less : Depreciation on Revalued component	(0.76)	(0.91)
Less : Deduction due to sale / write off of Assets - refer note 2 below	(6.96)	(1.93)
	-	7.72
Employee Stock Grants Outstanding		
Stock Grants at the beginning of the year	11.36	11.33
Add : Compensation for Stock Granted During the Year	5.18	7.09
Less : Grants Lapsed	(0.58)	(0.99)
Less : Transfer to Securities Premium on exercise of Stock Grants during the year	(6.36)	(6.07)
	9.60	11.36
Less : Deferred Employee Stock Grants Compensation	(3.14)	(4.25)
	6.46	7.11
General Reserve		
As Per Last Balance Sheet	140.91	111.89
Transfer from Surplus	11.97	29.02
Utilisation during the year pursuant to Scheme of Amalgamation - refer note 1 below	(115.05)	-
	37.83	140.91
ESOP Trust Adjustments - refer note 3 below		
Accumulated Deficit at the beginning of the year	(78.94)	-
Add : Income of ESOP Trust during the year	1.98	-
Less : Expenditure of ESOP Trust during the year	(0.25)	-
	(77.21)	-
Less : Securities Premium on shares held by ESOP Trust	(76.59)	-
Add : Reversal of Provision for loan to ESOP Trust	16.70	-
	(137.10)	-

Note 4 : Reserves and Surplus (Contd.)

	Current Year	Amount INR Crore Previous Year
Surplus		
As Per Last Balance Sheet	482.06	483.68
Surplus as per Statement of Profit and Loss	119.69	96.74
Utilisation during the year :		
Proposed Dividend on additional shares issued during the year	(0.01)	(2.98)
Credit for Dividend Distribution Tax on Dividend Received from Subsidiaries	5.79	1.85
Proposed Dividend - Final	(58.70)	(58.69)
Tax on Distributed Profit	(9.98)	(9.52)
Transfer to General Reserve	(11.97)	(29.02)
	526.88	482.06
Total	1,401.81	1,590.60

Notes :

- During the year, the Honourable Bombay High Court has approved a Scheme of Amalgamation ("Scheme") of Swadeshi Detergents Limited (SDL) (a wholly owned Subsidiary of the Company) with the Company effective from April 1, 2013, being the appointed date vide its order dated August 16, 2013. The effective date was September 6, 2013. In accordance with the Scheme, all the assets and liabilities of the erstwhile SDL have been transferred to and vest in the Company and have been recorded at their book value which are also their fair value. The equity share capital of SDL and investments in SDL held by the Company stand cancelled. The excess of the net assets transferred over the investments in SDL held by the Company amounting to ₹ 8.58 crore has been credited to the Capital Reserve.

In accordance with the Scheme, the Company has restated / revised the value of certain assets of the Company as on the Appointed Date to the extent considered appropriate by the Board of Directors of the Company and accordingly the values of the following assets aggregating to ₹ 114.82 crore have been reduced and adjusted in General Reserve as under :

	(Amount INR Crore)
1. MAT Credit Entitlement	56.21
2. Investments / I.C.D.	31.74
3. Loans given to the ESOP Trust	19.41
4. Fixed Assets	4.10
5. Inventory of stores and spares	3.36

Further, an amount of ₹ 0.23 crore being the costs and expenses incurred on the Scheme have also been adjusted in the General Reserve.

- The Revaluation Reserve represented the revalued component of various fixed assets at Vikhroli Plant which were revalued in the past. On closure of manufacturing activities at Vikhroli Plant, the revalued assets have been scrapped / disposed off and adjusted against the Revaluation Reserve.
- In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of the ESOP Trust in the standalone financial statements, the Company has included the financial statements of the ESOP Trust in preparation of the Company's standalone financial statements to portray the picture as if the Company itself is administering the ESOP Scheme. Consequently, the operations of the ESOP Trust, in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the Company. The loans to the ESOP Trust in the books of the Company are eliminated against the loans from the Company as appearing in the books of the Trust and investments in the equity shares of the Company held by the Trust have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the Company and the Trust have been appropriately eliminated. The opening excess of expenditure over income of the Trust has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. In view of the above, the results for the current year are not strictly comparable with those of the previous year.

Note 5 : Long Term Borrowings

	Amount INR Crore	
	Current Year	Previous Year
Unsecured		
(a) Term Loans		
(i) From Banks - refer note 1 (a) to (d) below	604.47	367.10
(b) Deposits		
(i) Fixed Deposit- refer note 1 (e) below	58.79	55.26
Total	663.26	422.36

Notes :

- (1) Terms of Repayment for Unsecured Borrowings :
- (a) Unsecured loans from Bank amounting to ₹ 89.87 crore (previous year ₹ 108.57 crore) carries interest at LIBOR + 2.17% p.a., is for a term of 60 months and repayable during the period September 2015 to September 2016.
Unsecured loan from Bank amounting to ₹ 119.82 crore (previous year ₹ 108.57 crore) carries interest at LIBOR + 2.5% p.a., is for a term of 60 months and repayable during the period June 2016 to December 2017.
Unsecured loans from Bank amounting to ₹ 119.82 crore (previous year ₹ Nil) carries interest at LIBOR + 2.05% p.a., is for a term of 60 months and repayable during the period February 2017 to August 2018.
- (b) Unsecured loan from Bank amounting to ₹ 75 crore (previous year ₹ Nil) carries fixed rate of interest at Base Rate + 0.4% p.a., is for a term upto 36 months and repayable during the period December 2015 to December 2016.
- (c) Unsecured loan from Bank amounting to ₹ 50 crore (previous year ₹ Nil) carries interest at Base Rate + 0.8% p.a., is for a term upto 24 months and repayable during the period July 2015 to January 2016.
- (d) Unsecured loans from Bank amounting to ₹ 149.96 crore (previous year ₹ 149.96 crore) carries interest at Base Rate + 1.4% p.a., is for a term upto 60 months and repayable during the period July 2015 to April 2017.
- (e) Fixed deposits from public have a maturity period of 13, 24 or 36 months.
- (2) The Company does not have any continuing default as on the Balance Sheet date in repayment of loan or interest.

Note 6 : Deferred Tax Liabilities (Net)

	Amount INR Crore	
	Current Year	Previous Year
Liabilities		
(a) WDV of Assets	47.71	47.70
(b) VRS Expenses	0.37	0.52
Assets		
(a) Provision for Retirement Benefits	3.09	3.63
(b) Provision for Doubtful Debts / Advances	1.23	6.21
(c) Other Provisions	4.28	4.00
Total	39.48	34.38

Note 7 : Long Term Provisions

	Amount INR Crore	
	Current Year	Previous Year
Provision For Employee Benefits	7.23	10.02
Total	7.23	10.02

Notes to the Financial Statements

Note 8 : Short Term Borrowings

	Amount INR Crore	
	Current Year	Previous Year
Secured		
(a) Loans Repayable On Demand		
(i) From Bank - refer note 1 below	7.00	30.26
(b) Other Loans		
(i) Commercial Papers	-	40.00
Unsecured		
(a) Loans Repayable On Demand		
(i) From Bank - refer note 2 below	52.10	25.00
(b) Short Term Borrowings from Banks	55.00	-
(c) Other Loans		
(i) Commercial Papers - refer note 3 below	473.00	350.00
(d) Loans of ESOP Trust - refer note 4 below	88.84	-
Total	675.94	445.26

Notes :

- (1) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.
- (2) Unsecured loan from bank is at base rate and repayable within 6 months.
- (3) Commercial Papers of ₹ 473 crore are repayable during the period April to June 2014.
- (4) As detailed in sub note 3 under Note 4 Reserves and Surplus, Loans of ESOP Trust comprise of loans taken by the ESOP Trust from third parties.
- (5) The company does not have any continuing default as on the Balance Sheet date in repayment of loan or Interest.

Note 9 : Trade Payables

	Amount INR Crore	
	Current Year	Previous Year
Trade Payables		
(a) Outstanding dues of Micro and Small Enterprise - refer note 1 below	2.31	2.08
(b) Others	280.43	135.47
Acceptances	270.75	242.77
Total	553.49	380.32

Note :

- (1) Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2014, to Micro, Small and Medium Enterprises on account of principal or interest (previous year ₹ Nil).

Notes to the Financial Statements

Note 10 : Other Current Liabilities

	Amount INR Crore	
	Current Year	Previous Year
<u>Current Maturities of Long Term Debts</u>		
(a) Unsecured Loan		
(i) From Bank	54.96	12.50
(b) Unsecured Deposits		
(i) Fixed Deposits	21.73	46.09
	76.69	58.59
Current Maturities of Finance Lease Obligations	0.01	-
Interest Accrued but not Due on Borrowings	8.92	2.72
Unclaimed Dividends	0.33	0.29
<u>Unclaimed Matured Deposits</u>		
(a) Principal Amount	1.98	4.20
(b) Interest Accrued Thereon	0.16	0.16
	2.14	4.36
<u>Other Payables</u>		
(a) Advances from Customers	5.35	3.50
(b) Sundry Creditors	54.09	49.60
(c) Forward Cover Contracts Payable	16.18	-
(d) Unamortised Forward Cover Premium	-	0.64
(e) Other Liabilities	0.66	0.81
(f) Statutory Liabilities	8.07	10.19
(g) Deposits	7.77	9.47
	92.12	74.21
Other Payables of ESOP Trust		
Other Liabilities	0.07	-
(As detailed in sub note 3 under Note 4 Reserves and Surplus)		
Total	180.28	140.17

Note 11 : Short Term Provisions

	Amount INR Crore	
	Current Year	Previous Year
Provision For Employee Benefits	2.35	6.26
Proposed Dividend - refer note 1 below	58.70	58.69
Provision for Tax on Distributed Profit	12.00	9.52
Total	73.05	74.47

Note :

- (1) The Board of Directors of the Company has proposed a dividend of ₹ 1.75 per equity share - 175 % (previous year ₹ 1.75 per equity share - 175%) for the year 2013-14 amounting to a total out-go of ₹ 58.70 crore (previous year ₹ 58.69 crore).

Notes to the Financial Statements

Note 12 : Fixed Assets

Amount INR Crore

ASSETS	GROSS BLOCK				DEPRECIATION / IMPAIRMENT				NET BLOCK	
	As on 01.04.2013	Additions	Deductions/ Adjustments	As on 31.03.2014	Upto 31.03.2013	Deductions/ Adjustments	For the Year	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
1 Tangible Assets										
(a) Land										
(i) Freehold	1.14	-	-	1.14	-	-	-	-	1.14	1.14
(ii) Leasehold	16.83	3.83	-	20.66	0.81	-	0.18	0.99	19.67	16.02
(b) Buildings	141.29	113.21	15.42	239.08	33.98	9.61	3.74	28.11	210.97	107.31
(c) Plant and Equipment	496.03	213.67	88.76	620.94	331.09	75.53	17.48	273.04	347.90	164.94
(d) Research Centre	0.64	0.02	-	0.66	0.16	-	0.03	0.19	0.47	0.48
(e) Furniture and Fixtures	13.26	2.23	1.10	14.39	8.67	0.38	0.46	8.75	5.64	4.59
(f) Office and Other Equipment	12.12	1.89	0.03	13.98	6.28	0.01	0.59	6.86	7.12	5.84
(g) Vehicles / Vessels										
(i) Own	31.33	3.44	1.55	33.22	10.80	1.09	2.58	12.29	20.93	20.53
(ii) Under Finance Lease	-	0.03	-	0.03	-	-	0.02	0.02	0.01	-
Total Tangible Assets	712.64	338.32	106.86	944.10	391.79	86.62	25.08	330.25	613.85	320.85
2 Intangible Assets										
(a) Trademarks	4.63	-	-	4.63	4.63	-	-	4.63	-	-
(b) Software	10.76	0.54	-	11.30	10.23	-	0.29	10.52	0.78	0.53
Total Intangible Assets	15.39	0.54	-	15.93	14.86	-	0.29	15.15	0.78	0.53
TOTAL - Current Year	728.03	338.86	106.86	960.03	406.65	86.62	25.37	345.40	614.63	
- Previous Year	718.09	17.35	7.41	728.03	386.59	3.97	24.03	406.65		321.38
3 Capital Work In Progress									382.00	489.02
TOTAL									996.63	810.40

Notes :

- Buildings, Plant and Equipment and Research Centre at Vikhroli Factory were revalued on June 30, 1992, on the basis of a valuation report submitted by professional valuers.
- Depreciation for the year includes ₹ 0.76 crore (previous year ₹ 0.91 crore) being depreciation on revalued component of the fixed assets.
- Gross block deductions / adjustments includes ₹ 36.16 crore (previous year ₹ 3.04 crore) and Depreciation / Impairment Deduction / Adjustments includes ₹ 29.20 crore (previous year ₹ 1.11 crore) being the revalued component of assets sold/discarded during the year.
- Accumulated depreciation includes impairment loss of ₹ 5.10 crore (previous year ₹ 5.10 crore) on certain Plant and Equipment.
- Capital work-in-progress is net of impairment loss of ₹ 2.04 crore (previous year ₹ 2.04 crore) provided on an infructuous asset under construction.
- Capital work-in-progress includes ₹ Nil crore (previous year ₹ 6.33 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Capital work-in-progress also includes net borrowing cost capitalised amounting to ₹ 53.57 crore (previous year ₹ 26.61 crore).
- Addition to Plant and Machinery includes ₹ 29.03 crore (previous year ₹ Nil crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Additions also includes net borrowing cost capitalised amounting to ₹ 9.65 crore (previous year ₹ Nil).
- As detailed in sub note 1 under Note 4 under Reserves and Surplus, the Company has restated / revised the value of certain Plant & Machinery from ₹ 4.10 crore to ₹ Nil and adjusted the same in General Reserve.

Notes to the Financial Statements

NOTE 13 : Non-Current Investments

Investee Company / Entity	Face value (₹)	Number		Notes	Amount INR Crore	
		Current Year	Previous Year		Current Year	Previous Year
Trade Investments (Valued at cost unless stated otherwise)						
1. Investment in Equity Instruments (Fully paid unless stated otherwise)						
(a) Investment in Subsidiary Companies						
(i) Quoted Godrej Properties Ltd.	5	122,775,304	47,965,209	(a)	666.16	229.93
(ii) Unquoted Ensemble Holdings & Finance Ltd.	10	3,774,160	3,774,160		13.19	13.19
Godrej Agrovet Ltd.	10	8,040,926	8,419,926		143.98	150.77
Godrej International Ltd.	£1	2,105,000	2,105,000		14.76	14.76
Godrej International Trading & Investments Pte. Ltd.	\$1	1,000,000	1,000,000		4.43	4.43
Natures Basket Ltd.	10	106,080,000	72,550,000		104.04	70.51
Swadeshi Detergents Ltd. (upto March 31, 2013)	10	-	509,670	(b)	-	1.91
(b) Investment in Associate Companies						
Quoted Godrej Consumer Products Ltd.	1	77,029,620	73,659,620		970.11	693.05
(c) Others						
Unquoted Bharuch Eco-Aqua Infrastructure Ltd. Less: Provision for Diminution in Value	10	440,000	440,000		0.44 (0.44)	0.44 (0.44)
Avesthagen Ltd. Less: Provision for Diminution in Value	7	469,399	469,399	(c)	12.43 (12.43)	12.43 -
CBay Infotech Ventures Pvt. Ltd. Less: Provision for Diminution in Value	10	112,579	112,579	(c)	2.33 (2.33)	2.33 -
Gharda Chemicals Ltd. Less: Provision for Diminution in Value	100	114	114	(d)	0.12 (0.12)	0.12 (0.12)
HyCa Technologies Pvt. Ltd. Less: Provision for Diminution in Value	10	12,436	12,436	(c)	1.24 (1.24)	1.24 -
Tahir Properties Ltd (Partly paid) *	100	25	25	(e)	0.00	1.24 0.00
Boston Analytics Inc. Less: Provision for Diminution in Value	\$1	1,354,129	1,354,129		6.91 (6.91)	6.91 (6.91)
The Saraswat Co-op Bank Ltd. *	10	1,000	1,000		- 0.00	- 0.00
2. Investment in Preference Shares (Fully paid unless stated otherwise)						
Unquoted Wadala Commodities Ltd. (0.01% Redeemable Non Cumulative Preference Shares) Less: Provision for Diminution in Value	10	-	5,000,000	(e)	- -	4.50 (4.50)
Tahir Properties Ltd (Class - A) (Partly paid) *	100	25	25	(e)	0.00	- 0.00
Verseon Corporation - Class A Preferred Shares Less: Provision for Diminution in Value	\$0.95	2,631,578	2,631,578	(c)	11.42 (11.42)	11.42 (7.80)
					-	3.62

Notes to the Financial Statements

NOTE 13 : Non Current Investments (Contd.)

Investee Company / Entity	Face value (₹)	Number		Notes	Amount INR Crore	
		Current Year	Previous Year		Current Year	Previous Year
3. Investment in Partnership Firm						
View Group LP *		-	-	(f)	0.00	0.00
Less: Provision for Diminution in Value					0.00	0.00
					0.00	0.00
4. Other Non Current Investments						
(a) Limited Liability Partnership						
Godrej Vikhroli Properties LLP					0.80	0.80
Profit Accrued on share in Godrej Vikhroli Properties LLP					130.79	79.30
					131.59	80.10
TOTAL					2,048.26	1,278.27
Aggregate Amount of Quoted Investments					1,636.27	922.98
Aggregate Amount of Unquoted Investments					446.88	375.06
Aggregate Provision for Diminution in Value					34.89	19.77
Market Value of Quoted Investments					9,180.64	8,278.72

* Amount less than ₹ 0.01 crore.

Notes :

- (a) During the year, the face value of each equity share in Godrej Properties Limited was reduced from ₹ 10 per equity share to ₹ 5 per equity share.
- (b) As detailed in sub note 1 under Note 4 Reserves and Surplus, during year, the Honourable Bombay High Court had approved a Scheme of Amalgamation of Swadeshi Detergents Limited (SDL) (a wholly owned Subsidiary of the Company) with the Company effective from April 1, 2013 being the appointed date. The Effective Date was September 06, 2013.
- (c) In accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, as approved by the Honourable Bombay High Court, the Company has restated / revised the value of certain investments aggregating to ₹ 19.62 crore and adjusted the same in General Reserve.
- (d) The said shares have been refused for registration by the investee company.
- (e) Uncalled Liability on partly paid shares
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).
 - Tahir Properties Ltd. - Preference - ₹ 30 per share (Previous year - ₹ 30 per share).
 - Wadala Commodities Ltd. - Preference - ₹ Nil (Previous year - ₹ 1 per share)
- (f) Information on partnership firm - View Group

Sr. Name of the partner No

	Country	%Holding Current Year	%Holding Previous Year
1 Mr. Robert Buirke	USA	13.08%	13.08%
2 Mr. John H. Gutfreund	USA	13.08%	13.08%
3 Bonsal Trust	USA	6.54%	6.54%
4 Free Market Capital L.P.	USA	4.83%	4.83%
5 Kilbane Development SA	Monaco	6.54%	6.54%
6 Mazda Partners LP	USA	8.96%	8.96%
7 Ms. Mrinalini Jaikumar	USA	1.96%	1.96%
8 Mr. John Pries	USA	2.62%	2.62%
9 Mr. Marti Subrahmanyam	USA	1.96%	1.96%
10 R. Gregg Stone Trust	USA	1.28%	1.28%
11 Mr. Robert G. Stone, Jr.	USA	1.28%	1.28%
12 Mr. Michael R. Greenberg	USA	3.27%	3.27%
13 Mr. Paul D. Sonz	USA	1.25%	1.25%
14 VIEW Group Grantor Retained Annuity Trust	USA	2.03%	2.03%
15 BKE Partners L.P.	USA	4.83%	4.83%
16 VIEW LP Holding, Inc.	USA	4.83%	4.83%
17 Schwartz and Nystrom, as escrow agent	USA	9.66%	9.66%
18 Godrej Industries Limited	India	12.00%	12.00%
Total		100.00%	100.00%

Notes to the Financial Statements

Note 14 : Long Term Loans and Advances

	Current Year	Amount INR Crore Previous Year
Secured Loans and Advances - refer note 1 below		
Considered Doubtful	10.33	10.33
Less : Provision for Doubtful Advances	(10.33)	(10.33)
	-	-
Unsecured and Considered Good (Unless otherwise stated)		
(a) Capital Advances		
Considered Good	17.89	19.42
Considered Doubtful	0.03	0.03
Less : Provision for Doubtful Advances	(0.03)	(0.03)
	17.89	19.42
(b) Other Loans and Advances		
(i) Loans to Employees	0.60	0.76
(ii) Statutory Deposits	20.92	12.04
(iii) Advance Tax and Tax Deducted at Source (Net of Provision for Taxation ₹ 53.31 crore, previous year ₹ 48.23 crore)	16.04	10.84
(iv) MAT Credit Entitlement - refer note 2 below	-	56.21
Total	55.45	99.27

Notes :

- The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Hon'ble High Court against the order of the Company Law Board under section 10 F of the Companies Act, which is pending final disposal. The Hon'ble Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from inter alia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Bombay High Court which the Supreme Court has dismissed and the matter is before the Arbitrator. In the meantime, the Presiding Arbitrator has resigned as Arbitrator and appointment of new Arbitrator is in process.

The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

- As detailed in sub note 1 under Note 4 Reserves and Surplus, the Company has restated / revised the amount of MAT Credit Entitlement from ₹ 56.21 crore to ₹ Nil and adjusted the same in General Reserve.
- Details of Loans And Advances as per clause 32 of Listing Agreement

	Maximum Balance during the year	Current Year	Previous Year
(a) Loans and Advances where there is no repayment schedule or repayment is beyond seven years			
(i) D. Kavasmanek and Others	10.33	10.33	10.33
Previous Year	10.33	10.33	10.33

Notes to the Financial Statements

Note 15 : Other Non Current Assets

	Current Year	Amount INR Crore Previous Year
Secured		
(a) Interest Accrued on loans		
Considered Doubtful - refer note 1 below	3.15	3.15
Less : Provision for Doubtful Interest Accrued	(3.15)	(3.15)
	-	-
Unsecured		
(a) Interest Accrued on Investments		
Considered Doubtful	1.63	1.63
Less : Provision for Doubtful Interest Accrued	(1.63)	(1.63)
	-	-
(b) Bank Deposit with more than 12 months maturity - refer note 2 below	3.69	-
Total	3.69	-

Notes :

- (1) Interest on loan referred to in sub note 1 of Note 14 Long Term Loans and Advances, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.
- (2) Fixed Deposit of ₹ 0.19 crore (previous year ₹ Nil) is held by bank as security against guarantees issued.

Notes to the Financial Statements

Note 16 : Current Investments

Investee Company / Entity	Face value	Number		Notes	Amount INR Crore	
		Current Year	Previous Year		Current Year	Previous Year
1. Investment in Mutual Funds						
Unquoted						
Birla Sunlife Short term fund - Growth	-	-	6,932,796		-	29.00
HDFC HIF STP - Growth	-	-	12,540,215		-	28.00
2. Other Current Investments						
Optionally Convertible Loan Notes/ Promissory Notes/Debentures :						
Unquoted :						
Boston Analytics Inc. (15%)	\$750,000	-	-	(a)	3.00	3.00
Less: Provision for Diminution in the Value of Investment					(3.00)	(3.00)
					-	-
Boston Analytics Inc. (20%)	\$1,550,000	-	-	(a)	6.73	6.73
Less: Provision for Diminution in the Value of Investment					(6.73)	(6.73)
					-	-
Boston Analytics Inc. (12%)	\$950,000	-	-	(b)	4.69	4.69
Less: Provision for Diminution in the Value of Investment					(4.69)	(4.69)
					-	-
Verseon Corporation (13%)	\$1,000,000	-	-	(c) & (d)	3.98	3.98
Less: Provision for Diminution in the Value of Investment					(3.98)	-
					-	3.98
Total					-	60.98
Aggregate Amount of Quoted Investments					-	-
Aggregate Amount of Unquoted Investments					18.40	75.40
Aggregate Provision for Diminution in the Value of Investments					18.40	14.42
Market Value of Quoted Investments					-	-

Notes :

- (a) The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company has not exercised were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (b) 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (c) Optionally Convertible Notes issued by Verseon Corporation - were convertible after December 1, 2008 until the due date but not later than September 15, 2012. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (d) As detailed in sub note 1 under Note 4 Reserves and surplus, the Company has restated / revised the value of investments amounting to ₹ 3.98 crore and adjusted the same in General Reserve.

Notes to the Financial Statements

Note 17: Inventories

	Amount INR Crore	
	Current Year	Previous Year
Raw Material	93.54	50.77
Packing Material	1.91	1.67
Work In Progress	74.20	55.18
Finished Goods (Includes In Transit ₹ Nil, previous year ₹ 0.00 * crore)	58.59	24.00
Stock in Trade	0.05	0.04
Stores And Spares - refer note 1 below	3.88	6.59
Total	232.17	138.25

* Amount less than ₹ 0.01 crore

Note :

- (1) As detailed in sub note 1 under Note 4 Reserves and Surplus, the Company has restated / revised the value of certain Stores and Spares from ₹ 3.36 crore to ₹ Nil and adjusted the same in General Reserve.

Note 18 : Trade Receivables

	Amount INR Crore	
	Current Year	Previous Year
Secured and Considered Good - refer note 1 below		
(a) Outstanding for a period exceeding six months from the date they are due for payment	0.03	-
(b) Others	17.48	19.20
Unsecured Considered Good		
(a) Outstanding for a period exceeding six months from the date they are due for payment	-	-
(b) Others	86.15	119.29
Considered Doubtful		
(a) Outstanding for a period exceeding six months from the date they are due for payment	0.99	0.99
(b) Allowance for Doubtful Debts	(0.99)	(0.99)
Total	103.66	138.49

Notes :

- (1) Secured by Securities Deposits collected from Customers, Letter of Credits or Bank Guarantes held against them.
- (2) Trade Receivables include the following amounts due from Companies under the Same Management:

	Amount INR Crore	
	Current Year	Previous Year
Godrej Vikhroli Property LLP	9.68	-
Godrej Properties Limited	0.70	0.72
Godrej Consumer Products Limited	0.77	3.27
Godrej & Boyce Manufacturing Company Limited	0.01	-
Laboratorio Cuenca S.A.	1.08	1.12
Godrej Tyson Foods Limited	0.02	-

Notes to the Financial Statements

Note 19 : Cash and Bank Balances

	Amount INR Crore	
	Current Year	Previous Year
Cash and Cash Equivalents		
Balances with Banks		
(a) Current Accounts	11.61	15.76
(b) ESOP Trust Bank Balances - refer note 1 below	0.20	-
(c) Deposits having maturity less than 3 months	52.50	18.00
Cash on Hand	0.22	0.10
	64.53	33.86
Other Bank Balances		
(a) Deposit with more than 3 months but less than 12 months maturity - refer note 2 below	-	412.39
(b) Other Bank Balances - refer note 3 below	0.33	0.29
Total	64.86	446.54

Notes :

- (1) ESOP Trust Bank balances have been included under Cash and Cash Equivalents on consolidation of the ESOP Trust in the standalone financial statements of the Company as detailed in sub note 3 under Note 4 Reserves and Surplus.
- (2) Fixed Deposit of ₹ Nil crore (previous year ₹ 0.19 crore) is held by bank as security against guarantees issued.
- (3) Other Bank Balance of ₹ 0.33 crore (previous year ₹ 0.29 crore) is earmarked balance for unclaimed dividend.

Notes to the Financial Statements

Note 20 : Short Term Loans And Advances

		Amount INR Crore
	Current Year	Previous Year
Unsecured		
(a) Loans And Advance		
(i) Loans to Employees	0.15	0.11
(ii) Other Loans	9.46	21.22
(iii) Loan to GIL ESOP Trust		
Considered Good	50.07	63.08
Considered Doubtful	16.70	3.11
	66.77	66.19
Less : Amount adjusted against ESOP Trust loan liability - refer note 1 below	(66.77)	-
	-	66.19
Less : Provision for Doubtful Loans - refer note 2 (a) below	(16.70)	(3.11)
Provision for doubtful loan written back in ESOP Trust Adjustments	16.70	-
	-	63.08
(iv) Advances to Suppliers		
Considered Good	26.17	10.10
Considered Doubtful	0.32	0.69
Less : Provision for Doubtful Advances	(0.32)	(0.69)
	26.17	10.10
(v) Other Advances		
Considered Good	35.76	10.25
Considered Doubtful	0.11	0.02
Less : Provision for Doubtful Advances	(0.11)	(0.02)
	35.76	10.25
(b) Inter Corporate Deposit		
Considered Good - refer note 2 (b) below	-	8.14
Considered Doubtful	5.77	-
Less : Provision for Doubtful Inter Corporate Deposit	(5.77)	-
	-	8.14
(c) Deposits		
(i) Statutory Authorities	25.06	17.49
(ii) Others	5.44	4.28
Total	102.04	134.67

Notes :

- (1) As detailed in sub note 3 under Note 4 Reserves and Surplus, the loan given by the Company to the ESOP Trust has been adjusted against the Loan Liability of the ESOP Trust.
- (2a) As detailed in sub note 1 under Note 4 Reserves and Surplus, the Company had made a provision for doubtful loan of ₹ 19.41 crore and adjusted the same in General Reserve. During the year, any realisation of assets which were considered for revision / restatement has been accounted in the Statement of Profit and Loss.
- (2b) As detailed in sub note 1 under Note 4 Reserves and Surplus, the Company had made provision for doubtful Inter Corporate Deposit of ₹ 8.14 crore and adjusted the same in General Reserve. During the year, any realisation of assets which were considered for revision / restatement has been accounted in the Statement of Profit and Loss.

Notes to the Financial Statements

Note 20 : Short Term Loans And Advances (Contd.)

(3) Details of Loans And Advances as per clause 32 of Listing Agreement.		Amount INR Crore	
	Maximum Balance during the year	Current Year	Previous Year
(a) Investments by the loanee in the shares of parent company and subsidiary company (without considering the ESOP Trust Loan Liability)			
(i) GIL ESOP Trust	69.12	66.77	66.19
Previous Year	102.38	66.19	89.15

Note 21 : Other Current Assets

	Amount INR Crore	
	Current Year	Previous Year
Interest Accrued on Loans and Deposits	1.06	9.61
Other Receivables		
Considered Good	8.04	12.09
Considered Doubtful	4.91	2.43
Less : Provision for Doubtful receivables	(4.91)	(2.43)
	8.04	12.09
Other Receivables of ESOP Trust - refer note 1 below	1.25	-
Forward Cover Contracts Receivable	5.75	2.53
Unamortised Premium on Forward Cover Contracts	4.80	-
Total	20.90	24.23

Notes :

- (1) Other Receivables of the ESOP Trust have been considered under Other Current Assets on consolidation of the ESOP Trust in the standalone financial statements of the Company as detailed in sub note 3 under Note 4 Reserves and Surplus.
- (2) Other Receivables include the following amounts due from Companies under the same Management :

	Amount INR Crore	
Particulars	Current Year	Previous Year
Godrej Agrovet Limited	3.51	2.75
Natures Basket Limited	0.48	0.22

Note 22 : Utilisation of proceeds received under IPP

The Institutional Placement Programme (IPP) proceeds have been utilised as per objects of the issue as stated in the offer document as under :

	Amount INR Crore	
	March 31, 2014	March 31, 2013
Amount Received from IPP	-	370.52
Utilisation of Funds		
(a) Issue expenses	-	10.28
(b) Investment in Associate Company	-	110.41
(c) Investment in Subsidiary Company	249.83	-
Total	249.83	120.69
Amount unutilised		
(a) Mutual Funds	-	57.00
(b) Fixed Deposit	-	192.83
Total	-	249.83

Notes to the Financial Statements

Note 23 : Contingent Liabilities

		Amount INR Crore	
		Current Year	Previous Year
a) Claims against the Company not acknowledged as debts:			
(i) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels.		9.53	9.86
(ii) Customs Duty demands relating to lower charge, differential duty, classification, etc.		4.21	1.58
(iii) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales.		31.57	22.51
(iv) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.		0.29	0.29
(v) Stamp duties claimed on certain properties which are under appeal by the Company.		1.82	1.82
(vi) Income tax demands against which the company has preferred appeals.		35.62	26.16
(vii) Industrial relations matters under appeal.		2.18	2.12
(viii) Others		1.31	1.31
b) Guarantees :			
(i) Guarantees issued by banks, including guarantees issued in respect of matters reported in (a) above.		36.29	31.37
c) Other Money for which the Company is Contingently Liable :			
(i) Letters of credit issued by bank on behalf of the Company.		8.77	5.84

Note 24 : Commitments

		Amount INR Crore	
		Current Year	Previous Year
1) Estimated amount of contracts remaining to be executed on capital account and not provided for : (Net of Advances amounting to ₹ 5.58 crore, previous year ₹ 7.54 crore)		141.25	43.59
2) Uncalled liability on partly paid shares / debentures		-	0.50
3) Other Commitments :			
(a) Long Term Contracts for Purchase of Raw Material		85.34	55.15
(b) Finance Lease Commitments		0.01	-
(c) Operating Lease Commitments		11.69	12.22

Notes to the Financial Statements

Note 25 : Revenue From Operations

	Amount INR Crore	
	Current Year	Previous Year
Sale of Products	1,374.29	1,417.88
Licence Fees and Service Charges	11.60	19.23
Other Operating Revenues		
(a) Export Incentives	16.24	6.87
(b) Processing Charges	2.35	1.57
(c) Sale of Scrap	1.81	1.36
(d) Dividend Income : - refer note 1 below		
(i) Subsidiary Companies	48.73	26.02
(ii) Other Long Term Investments	37.28	34.53
(e) Share of Profit for the year from LLP	51.49	53.06
Total Gross Revenue From Operations	1,543.79	1,560.52
Excise Duty	(90.24)	(95.89)
Total	1,453.55	1,464.63

Note :

- (1) Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an operating business segment for the Company.

Note 26 : Other Income

	Amount INR Crore	
	Current Year	Previous Year
Interest Income (Gross)	29.37	22.02
Less : Capitalised to Fixed Assets	(3.06)	(3.70)
Interest Income (net)	26.31	18.32
Profit on Sale of Current Investments	5.59	1.66
Miscellaneous Income	8.87	14.85
Total	40.77	34.83

Note 27 : Cost of Materials Consumed

	Amount INR Crore	
	Current Year	Previous Year
Raw Materials Consumed		
(a) Inventory at the Commencement of the Year	50.77	86.46
(b) Add : Purchases (net)	992.67	889.31
	1,043.44	975.77
(c) Less: Inventory at the Close of the Year	(93.54)	(50.77)
	949.90	925.00
Packing Materials Consumed		
(a) Inventory at the Commencement of the Year	1.67	1.19
(b) Add : Purchases (net)	34.74	29.79
	36.41	30.98
(c) Less: Inventory at the Close of the Year	(1.91)	(1.67)
	34.50	29.31
Total	984.40	954.31

Notes to the Financial Statements

Note 28 : Changes In Inventory of Finished Goods, Work In Progress and Stock In Trade

	Amount INR Crore	
	Current Year	Previous Year
Inventory at the Commencement of the Year		
(a) Finished Goods	24.00	47.99
(b) Work In Progress	55.18	56.83
(c) Stock In Trade	0.04	0.04
	79.22	104.86
Less : Inventory at the Close of the Year		
(a) Finished Goods	(58.59)	(24.00)
(b) Work In Progress	(74.20)	(55.18)
(c) Stock In Trade	(0.05)	(0.04)
	(132.84)	(79.22)
Total	(53.62)	25.64

Note 29 : Employee Benefits Expenses

	Amount INR Crore	
	Current Year	Previous Year
Salaries and Wages	95.56	91.14
Contribution to Provident and Other Funds	5.51	10.23
Expense on Employee Stock Option Scheme	3.47	6.46
Staff Welfare Expense	7.79	7.50
Total	112.33	115.33

Note 30 : Finance Costs

	Amount INR Crore	
	Current Year	Previous Year
Interest Expense (Gross)	100.76	59.35
Less : Capitalised to Fixed Assets	(36.52)	(28.31)
Interest Expense (net)	64.24	31.04
Other Borrowing Costs	32.80	35.79
Less : Capitalised to Fixed Assets	(2.20)	(2.01)
Other Borrowing Costs (net)	30.60	33.78
Total	94.84	64.82

Notes to the Financial Statements

Note 31 : Other Expense

	Amount INR Crore	
	Current Year	Previous Year
Consumption of Stores and Spares	7.87	9.50
Power and Fuel	122.77	108.82
Processing Charges	6.87	5.68
Rent	5.06	4.98
Rates and Taxes	8.42	7.09
Repairs and Maintenance		
(a) Machinery	10.12	10.54
(b) Buildings	8.87	8.96
(c) Other assets	0.44	0.58
Insurance	1.56	1.74
Freight	38.84	34.11
Commission	4.73	7.10
Discount	4.87	4.55
Advertisement and Publicity	14.54	11.12
Selling and Distribution Expenses	9.15	8.43
Provision / (Writeback) for Doubtful Debts and Advances	(6.37)	(1.60)
Provision / (Writeback) for Excise Duty on Closing Inventory	5.29	(2.04)
Loss on Foreign Exchange Translation	11.88	4.87
Loss on Sale of Fixed Assets	0.14	0.25
Research Expense - refer note 1 below	3.20	2.89
Miscellaneous Expenses - refer note 2 below	49.14	46.44
Total	307.39	274.01

Notes :

- (1) Research Expenses include Employee Benefits Expenses of ₹ 2.99 Crore (previous year ₹ 2.73 Crore).
- (2) In accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, as approved by the Honourable Bombay High Court, the costs and expenses incurred on the Scheme amounting to ₹ 0.23 crore have been adjusted in the General Reserve.

Note 32 : Exceptional Items

	Amount INR Crore	
	Current Year	Previous Year
(i) Profit on Sale of Long Term Investments	74.71	73.61
(ii) Write back / (Provision) for Diminution in Value of Investments / Loans and Advances	4.50	(10.48)
(iii) Voluntary Retirement Compensation	-	(4.42)
(iv) Profit on assignment of Trademark	25.00	-
Total	104.21	58.71

Notes to the Financial Statements

Note 33: Earnings Per Share

	Current Year	Previous Year
1 Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year	335,165,917	317,624,892
(b) Number of equity shares issued during the year	289,343	17,541,025
(c) Number of equity shares outstanding at the end of the year	335,455,260	335,165,917
Weighted average number of equity shares outstanding during the year	335,331,194	326,485,070
2 Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year	335,678,641	318,212,205
(b) Number of potential equity shares outstanding at the end of the year	335,825,871	335,678,641
Weighted average number of potential equity shares outstanding during the year	335,801,244	327,173,414
3 Net Profit After Tax (Amount INR Crore)	119.69	96.74
4 Basic Earnings per share of ₹ 1 each	3.5693	2.9631
5 Diluted Earnings per share of ₹ 1 each	3.5643	2.9568

Note 34 : Auditor's Remuneration

	Amount INR Crore	
	Current Year	Previous Year
Audit Fees	0.46	0.46
Tax Audit Fees	0.06	0.06
Taxation Matters	0.09	0.09
Consultation and Management Services	0.06	0.05
Certification and Other Services	0.13	0.07
Reimbursement of Expenses	0.01	0.01
Institutional Placement Programme certification	-	0.25
Total	0.81	0.99

Note 35: Consumption of Raw Materials and Purchase of Goods

	Amount INR Crore	
	Current Year	Previous Year
Raw Material Consumed		
(i) Oils and Fats	653.15	728.71
(ii) Chemicals & Catalyst	232.17	144.68
(iii) Packing Materials	34.50	29.31
(iv) Others	64.58	51.61
Total	984.40	954.31
Purchase of Goods		
Refined oil, Soaps, Toiletries, etc.	3.70	3.78

Notes to the Financial Statements

Note 36 : Sales and Inventory of Finished Goods

Product	Sales		Inventory of Finished Goods	
	Current Year	Previous Year	Current Year	Previous Year
(i) Fatty Acids	477.29	549.58	16.03	6.32
(ii) Glycerin	72.44	61.44	4.41	0.90
(iii) Fatty Alcohol	518.79	496.03	28.25	14.03
(iv) Surfactants	207.52	206.85	9.90	2.75
(v) Others	8.01	8.09	0.05	0.04
Total	1,284.05	1,321.99	58.64	24.04

Note 37 : Inventory of Work in Progress

	Amount INR Crore	
	Current Year	Previous Year
(i) Fatty Acids	47.20	30.24
(ii) Glycerin	1.54	0.63
(iii) Fatty Alcohol	19.55	16.89
(iv) Surfactants	5.91	7.42
Total	74.20	55.18

Note 38: Value of Imports on CIF Basis (includes only Imports directly made)

	Amount INR Crore	
	Current Year	Previous Year
Raw Materials	392.85	236.74
Spare Parts and Components	1.52	1.72
Capital Goods	7.70	7.59
Total	402.07	246.05

Note 39: Expenditure in Foreign Currency

	Amount INR Crore	
	Current Year	Previous Year
Borrowing Cost (Includes Capitalised to fixed assets ₹ 8.97 crore, Previous year ₹ 6.49 crore)	10.78	6.49
Travelling	1.61	1.09
Other Expenditure	12.10	12.65
Foreign Branch Expenses :		
(a) Salaries and Allowance	2.11	1.87
(b) Rent (*)	0.00	0.00
(c) Others	0.03	0.04
Total	26.63	22.14

* Amount less than ₹ 0.01 crore.

Notes to the Financial Statements

Note 40 : Consumption of Imported and Indigenous Raw Materials, Spare Parts and Components

	Current Year		Previous Year	
	Amt INR Crore	%	Amt INR Crore	%
Raw Materials				
Imported (including duty content)	384.49	39	311.69	33
Indigenous	599.91	61	642.62	67
Total	984.40	100	954.31	100
Spare Parts and Components				
Imported (including duty content)	2.64	34	2.30	24
Indigenous	5.23	66	7.20	76
Total	7.87	100	9.50	100

Note 41 : Dividends Remitted in Foreign Currency

(subject to deduction of tax, as applicable)

	Amount INR Crore	
	Current Year	Previous Year
Final Dividend for Financial Year 2012-13 to 4 shareholders on 1,980 equity shares* (Previous year Final Dividend for Financial Year 2011-12 to 4 shareholders on 1,980 equity shares *)	0.00	0.00
Total	0.00	0.00

* Amount less than ₹ 0.01 crore.

Note 42 : Earnings in Foreign Exchange

	Amount INR Crore	
	Current Year	Previous Year
Export of Goods on FOB Basis	501.26	497.30
Dividend	11.93	11.63
Sale of Investments	-	263.27
Total	513.19	772.20

Notes to the Financial Statements

Note 43 : Employee Stock Benefit Plans

1. Employee Stock Option Plans

- a) In December 2005, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of ₹1 each to eligible employees of participating companies.

In July 2009, the Company had instituted an Employee Stock Option Plan II (GIL ESOP II) as approved by the Board of Directors and the Shareholders, for the allotment of 90,00,000 options convertible into 90,00,000 shares of ₹ 1 each to eligible employees of participating companies.

The Plan is administered by an independent ESOP Trust created with IL&FS Trust Co. Ltd which purchased from the market shares equivalent to the number of options granted by the Compensation Committee. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market. The particulars of the scheme and movements during the year are as under:

ESOP I

	Current Year		Previous Year	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	3,337,200	388.21	4,577,950	356.34
Options Exercised During the Year	130,000	250.26	1,087,000	250.01
Options Forfeited / Expired During the Year	283,750	283.46	153,750	281.62
Options Outstanding at the Year End	2,923,450	391.21	3,337,200	388.21

ESOP II

	Current Year		Previous Year	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	692,250	355.33	1,210,250	280.61
Options Granted During the Year				
May 30 , 2012	-	-	101,500	369.06
July 9, 2012	-	-	132,000	335.12
Options Exercised During the Year	49,000	231.93	741,500	231.93
Options Forfeited / Expired During the Year	132,000	335.12	10,000	334.87
Options Outstanding at the Year End	511,250	372.37	692,250	355.33

(*) The Wt. average exercise price stated above is the price of the equity shares on the grant date increased by the interest cost to the ESOP Trust at the prevailing rates upto March 31, 2012 after which date no further interest is being accrued.

The overall weighted average balance life of options outstanding as on March 31, 2014 is 2.73 years.

The weighted average balance life of options outstanding as on March 31, 2014 for ESOP I is 2.84 years and for ESOP II is 2.14 years.

The options granted shall vest after three / five years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two / four years after vesting.

- b) Prior to the SEBI notification mentioned in Para 1(a) above, the independent ESOP Trust had purchased equity shares of the Company from the market equivalent to the number of stock options granted from time

Notes to the Financial Statements

Note 43 : Employee Stock Benefit Plans (Contd.)

to time to the eligible employees. These purchases are financed by loans from the respective participating companies. The Company has given a loan which along with interest thereon amounts to ₹ 50.07 crore (previous year ₹ 63.08 crore) (Net of provision ₹ 16.70 crore, previous year ₹ 3.11 crore) for financing the purchase of equity shares from the market equivalent to the number of option granted to the employees of the Company. As on March 31, 2014, the market value of the equity shares held by the ESOP Trust is lower than the holding cost (cost or market value) of these equity shares by ₹ Nil (previous year ₹ 8.22 crore) (Net of provision ₹ 16.70 crore, previous year ₹ 3.11 crore).

The repayment of the loans granted to the ESOP Trust and the interest payable by the Trust on the said loans is dependent on the exercise of the options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. The fall in value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period.

- c) In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of ESOP Trust in the standalone financial statements, the Company has included the financial statements of the ESOP Trust in preparation of the Company's standalone financial statements to portray the picture as if the Company itself is administering the ESOP Scheme. Consequently, the operations of the ESOP Trust are included in the financial statements of the Company in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the Company. The loans to the ESOP Trust in the books of the Company are eliminated against the loan from the Company as appearing in the books of the Trust and investments in the equity shares of the Company held by the Trust have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the Company and the Trust have been appropriately eliminated. The opening excess of expenditure over income of the Trust has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

2. Employee Stock Grant Scheme

- a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.

Notes to the Financial Statements

Note 43 : Employee Stock Benefit Plans (Contd.)

- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan is as under:

	Numbers	
	Current Year	Previous Year
Options Outstanding at the Beginning of the Year	512,724	587,313
Options Granted	173,560	279,314
Options Vested	289,343	307,618
Options Exercised	289,343	307,618
Options Lapsed / Forfeited	26,330	46,285
Total Options Outstanding at the end of the year	370,611	512,724

3. The employee stock option plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since the market price of the underlying share at the grant date is the same / less than the exercise price of the option, the intrinsic value therefore being Nil.

The employee stock grant scheme have been accounted based on the intrinsic value method and compensation expense ₹ 3.47 crore has been recognized in Statement of Profit and Loss.

The fair value of the share under employee stock option plans and employee stock grant scheme has been determined using the Black-Scholes Option Pricing Model. Had the fair value method of accounting been used, the net profit and earnings per share would have been as per the proforma amounts indicated below.

Particulars	Current Year Amount INR Crore	Previous Year Amount INR Crore
Net Profit (as reported)	119.69	96.74
Less : Employee Stock Option Plans compensation expense determined under fair value based method (Proforma)	1.31	0.50
Less : Difference in Employee Stock Grant Scheme compensation expense determined under fair value method and intrinsic value method (Proforma)	(1.72)	(1.63)
Net Profit (Proforma)	120.10	97.87
	Amount ₹	Amount ₹
Basic Earnings per share (as reported)	3.5693	2.9631
Basic Earnings per share (Proforma)	3.5815	2.9977
Diluted Earnings per share (as reported)	3.5643	2.9568
Diluted Earnings per share (Proforma)	3.5765	2.9914

Notes to the Financial Statements

Note 44 : Employee Benefits

a) DEFINED CONTRIBUTION PLAN

Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

b) DEFINED BENEFIT PLAN

Gratuity :

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

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

Provident Fund :

The Company manages the Provident Fund plan through a Provident Fund Trust for a majority of its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

Pension :

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

c) Basis Used to Determine Expected Rate of Return on Assets :

The expected return on plan assets of 9.35% has been considered based on the current investment pattern in Government securities.

d) Amounts Recognised as Expense :

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 1.23 crore (previous year ₹ 0.74 crore) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ (-) 0.27 crore (previous year ₹ 5.11 crore) has been included in Note 29 under Contribution to Provident and Other Funds.

Employer's Contribution to Provident Fund amounting to ₹ 3.58 crore (previous year ₹ 3.79 crore) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

Pension cost amounting to ₹ (-) 0.04 crore (previous year ₹ 0.10 crore) has been included in Note 29 under Contribution to Provident and Other Funds.

Notes to the Financial Statements

Note 44 : Employee Benefits (Contd.)

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

	Gratuity		Pension	
	Current Year	Previous Year	Current Year	Previous Year
i) Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year	35.74	31.32	0.53	0.56
Current Service Cost	1.34	1.40	-	-
Interest Cost	2.86	2.66	-	-
Actuarial (Gain) / Loss on Obligation	(1.30)	3.79	(0.04)	0.07
Benefits Paid	(6.12)	(3.43)	(0.07)	(0.10)
Present value of the obligation at the end of the year	32.52	35.74	0.42	0.53
ii) Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year	30.64	29.51	-	-
Expected return on Plan Assets	2.45	2.51	-	-
Actuarial (Gain) / Loss on Plan Assets	(0.72)	(0.23)	-	-
Contributions by the Employer	4.90	1.82	-	-
Benefits Paid	(6.12)	(3.43)	-	-
Fair value of Plan Assets at the end of the year	32.59	30.64	-	-
iii) Amounts Recognised in the Balance Sheet :				
Present value of Obligation at the end of the year	32.52	35.74	-	-
Fair value of Plan Assets at the end of the year	32.59	30.64	-	-
Net Obligation at the end of the year	(0.07)	5.10	-	-
iv) Amounts Recognised in the statement of Profit and Loss :				
Current Service Cost	1.34	1.40	-	-
Interest cost on Obligation	2.86	2.66	-	-
Expected return on Plan Assets	(2.45)	(2.51)	-	-
Net Actuarial (Gain) / Loss recognised in the year	(2.02)	3.56	-	-
Net Cost Included in Personnel Expenses	(0.27)	5.11	-	-
v) Actual Return on Plan Assets	3.17	2.74	-	-
vi) Estimated Contribution to be made in Next Financial Year	1.07	3.59	-	-
vii) Actuarial Assumptions				
i) Discount Rate	9.35% P.A.	8.00% P.A.	9.35% P.A.	8.00% P.A.
ii) Expected Rate of Return on Plan Assets	9.35% P.A.	8.00% P.A.	9.35% P.A.	8.00% P.A.
iii) Salary Escalation Rate	5.00% P.A.	5.00% P.A.	-	-
iv) Employee Turnover	1.00% P.A.	1.00% P.A.	1.00% P.A.	1.00% P.A.
v) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate			

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

Experience Adjustments

Experience Adjustments (Gain) / Loss

Apr 10 to Mar 11
Apr 11 to Mar 12
Apr 12 to Mar 13
Apr 13 to Mar 14

On Plan Liabilities	On Plan Assets
0.88	0.14
1.43	0.26
2.84	(0.23)
0.63	(0.72)

Note : Information has been furnished to the extent available with the Company

Notes to the Financial Statements

Note 45 : Segment Information

Information about primary business segments.

	Chemicals		Estate		Finance & Investments		Others		Amount INR Crore Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue										
External Sales	1294.54	1324.36	63.22	74.34	228.25	162.01	12.52	12.36	1598.53	1573.07
Inter Segment Sale	-	-	-	-	-	-	-	-	-	-
Total Income	1294.54	1324.36	63.22	74.34	228.25	162.01	12.52	12.36	1598.53	1573.07
Results										
Segment Result Before Interest and Tax	49.19	65.80	49.30	61.77	228.25	151.53	(4.53)	(8.75)	322.21	270.35
Unallocated Expenses									(102.49)	(108.37)
Interest Expense (net)									(94.84)	(64.82)
Profit Before Tax									124.88	97.16
Taxes									(5.19)	(0.42)
Net Profit									119.69	96.74
Segment Assets	1129.21	841.91	498.02	427.82	1936.49	1434.01	19.83	20.77	3583.55	2,724.51
Unallocated Assets									44.11	406.59
Total Assets									3627.66	3131.10
Segment Liabilities	1026.96	687.19	290.43	142.09	2.74	9.15	5.20	5.19	1325.33	843.62
Unallocated Liabilities									867.40	663.36
Total Liabilities									2192.73	1506.98
Cost incurred during the year to acquire segment assets	219.00	204.47	8.79	159.66	0.20	0.25	0.08	0.00	228.07	364.38
Unallocated									3.77	-
Total Cost incurred during the year to acquire segment assets									231.84	364.38
Segment Depreciation	18.31	15.22	1.89	3.03	1.41	1.51	1.77	2.10	23.38	21.86
Unallocated depreciation									1.23	1.26
Total Depreciation									24.61	23.12

Information about Secondary Business Segments

Revenue by Geographical Markets

India	1077.32	1057.45
Outside India	521.21	515.62
Total	1598.53	1573.07
Carrying Amount of Segment Assets		
India	3598.41	3079.18
Outside India	29.25	51.92
Total	3627.66	3131.10

Notes :

- The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the different risks and returns, the organisational structure and the internal reporting system.
- Chemicals segment includes the business of production and sale of Oleochemicals and surfactants such as Fatty Acids, Fatty Alcohols, Refined Glycerine, Alfa Olefin Sulphonates, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate.
Estate segment comprises the business of giving premises on leave and license basis and share of LLP profit.
Finance & Investments segment comprises of investment in subsidiaries, associate companies & other investments.
Others includes business of refined vegetable oils, vanaspati and energy generation through windmills .
- The Geographical Segments consists of :
 - Sales to customers located in India.
 - Sales to customers located outside India.
- Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Company as a whole.

Notes to the Financial Statements

Note 46 : Related Party Information

a) Names of related parties and description of relationship

Parties where control exists

Godrej & Boyce Mfg. Co. Ltd., the holding company

Subsidiary companies :

Godrej Agrovet Ltd.

- Golden Feeds Products Ltd. (Merged with Godrej Agrovet Limited w.e.f. March 31, 2014)
- Godrej Seeds & Genetics Ltd.
- Godvet Agrochem Ltd.
- Goldmuhor Agrochem & Feeds Ltd. (Merged with Godrej Agrovet Ltd. on December 12, 2013 with effect from October 1, 2013)

Godrej Properties Ltd.

- Godrej Realty P. Ltd.
- Godrej Real Estate P. Ltd.
- Godrej Developers P. Ltd. (up to March 31, 2013)
- Godrej Sea View Properties P. Ltd. (up to December 31, 2013) (100% subsidiary w.e.f. July 1, 2013)
- Happy Highrises Ltd.
- Godrej Estate Developers Ltd. (up to December 31, 2013) (100% subsidiary w.e.f. June 28, 2013)
- Godrej Buildwell P. Ltd. (Subsidiary due to control over composition of Board of Directors)
- Godrej Buildcon P. Ltd.
- Godrej Projects Development P. Ltd.
- Godrej Premium Builders P. Ltd.
- Godrej Garden City Properties P. Ltd.
- Godrej Nandhi Hills Project P. Ltd. (100% up to December 31, 2013)
- Godrej Landmark Redevelopers P. Ltd.
- Godrej Redevelopers (Mumbai) P. Ltd.
- Godrej Green Homes Ltd. (w.e.f. December 24, 2013)
- Wonder City Buildcon P. Ltd. (w.e.f. August 30, 2013)
- Godrej Buildcorp LLP
- Godrej Property Developers LLP
- Mosiatic Landmark LLP
- Dream World Landmarks LLP
- Oxford Realty LLP (control through Majority Voting Rights) (w.e.f. March 13, 2014)
- SSPDL Green Acres LLP (control through Majority Voting Rights) (w.e.f. March 27, 2014)

Natures Basket Ltd.

Ensemble Holdings & Finance Ltd.

Godrej International Ltd.

Godrej International Trading & Investments Pte Ltd.

Swadeshi Detergents Ltd. (merged into Godrej Industries Limited w.e.f. April 1, 2013)

Notes to the Financial Statements

Note 46 : Related Party Information

a) Names of related parties and description of relationship (contd.)

Fellow Subsidiaries :

Wadala Commodities Ltd.

Godrej (Malaysia) Sdn Bhd (Incorporated in Malaysia)

G & B Enterprises (Mauritius) P. Ltd.

Godrej (Singapore) Pte Ltd. (Incorporated in Singapore)

Godrej Infotech Ltd.

Veromatic International BV (Incorporated in Netherlands)

Veromatic Services BV (Incorporated in Netherlands)

Water Wonder Benelux BV (Incorporated in Netherlands)

Busbar Systems (India) Ltd (a Wholly-owned subsidiary w.e.f. February 1, 2013)

Mercury Mfg. Co. Ltd. (a subsidiary w.e.f. October 1, 2013)

Other related parties with whom the Company had transactions during the year

Associate / Joint Venture Companies :

Godrej Hershey Ltd. (up to September 27, 2012)

-Nutrine Confectionery Co. Ltd. (up to September 27, 2012)

Godrej Vikhroli Properties LLP

Godrej Consumer Products Ltd. (also a fellow subsidiary)

-Godrej South Africa (Proprietary) Ltd. (formerly, Rapidol (Pty) Ltd.) (incorporated in South Africa)

-Godrej Netherlands BV (incorporated in the Netherlands)

-Godrej Global Mid East FZE (incorporated in Sharjah, U.A.E.)

-Godrej Consumer Products Mauritius Ltd.

-Godrej Hygiene Products Ltd. (merged with GCPL w.e.f April 1, 2013)

-Godrej Consumer Products Holding (Mauritius) Ltd. (incorporated in Mauritius)

-Godrej Household Products Lanka (Private) Ltd. (incorporated in Sri Lanka)

-Godrej Household Products (Bangladesh) Pvt. Ltd. (incorporated in Bangladesh)

-Godrej Consumer Products Bangladesh Ltd. (incorporated in Bangladesh)

-Godrej Mauritius Africa Holdings Ltd. (incorporated in Mauritius)

-Godrej Weave Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)

-Godrej West Africa Holdings Ltd. (incorporated in Mauritius on February 11, 2014) (a subsidiary of DGH Mauritius Pvt. Ltd.)

-Godrej Consumer Products Holdings (UK) Ltd. (incorporated in the United Kingdom) (formerly Godrej Consumer Products (UK) Ltd. and name changed w.e.f. July 5, 2013) a subsidiary of Godrej Netherlands BV)

-Godrej Consumer Products (UK) Ltd. (name changed from Keyline Brands Ltd. w.e.f. July 5, 2013) (a subsidiary of Godrej Consumer Products Holdings (UK) Ltd.)

-Inecto Manufacturing Ltd. (a subsidiary of Godrej Consumer Products (UK) Ltd.)

-Godrej Consumer Investments (Chile) Spa, (incorporated in Chile) (a subsidiary of Godrej Consumer Products Holdings (UK) Ltd.)

-Godrej Holdings (Chile) Limitada, (incorporated in Chile) (a subsidiary of Godrej Consumer Investments (Chile) Spa)

Notes to the Financial Statements

Note 46 : Related Party Information

a) Names of related parties and description of relationship (contd.)

Other related parties with whom the Company had transactions during the year

Associate / Joint Venture Companies :

- Cosmetica Nacional, (incorporated in Chile) (a subsidiary of Godrej Holdings (Chile) Limitada)
- Plasticos Nacional, (incorporated in Chile) (a subsidiary of Cosmetica Nacional)
- Godrej Kinky Holdings Ltd. (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Kinky Group Pty Ltd. (a subsidiary of Godrej Kinky Holdings Ltd.)
- Godrej Nigeria Ltd. (incorporated in Nigeria) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Godrej Consumer Investments Holding Ltd. (incorporated in Mauritius on October 8, 2013) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Indovest Capital Ltd. (incorporated in Malaysia) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
- Godrej Consumer Products Dutch Cooperatief UA, (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
- Godrej Consumer Products (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)
- Godrej Consumer Holdings (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)
- Godrej Indonesia Netherlands Holding BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA) (merged with Godrej Consumer Holding (Netherlands) BV w.e.f September 30, 2013)
- PT Megasari Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Intrasari Raya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Simba Indosnack Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV upto March 21, 2013)
- PT Ekamas Sarijaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Indomas Susemi Jaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Sarico Indah (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- Godrej Argentina Dutch Cooperatief UA (incorporated in Netherlands) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Godrej Netherlands Argentina Holding BV . (incorporated in Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)
- Godrej Netherlands Argentina BV (incorporated in the Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)
- Panamar Procuccioness Srl (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Argencos S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Laboratoria Cuenca S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Issue Group Uruguay S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)
- Deciral S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)
- Issue Group Brazil Ltd. (incorporated in Brazil) (a subsidiary of Laboratoria Cuenca S.A.)

Notes to the Financial Statements

Note 46 : Related Party Information

a) Names of related parties and description of relationship (contd.)

Other related parties with whom the Company had transactions during the year

Associate / Joint Venture Companies :

- Consell S.A . (incorporated in Argentina) (a subsidiary of Laboratoria Cuenca S.A.)
- Godrej Consumer Products Nepal Pvt. Ltd.
- Subinite Pty Ltd. (incorporated in South Africa) (a subsidiary of Godrej West Africa Holdings Ltd.)
- Lorna Nigeria Ltd (incorporated in Nigeria) (a subsidiary of Weave Business Holding Mauritius Pvt. Ltd.)
- Weave IP Holding Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej West Africa Holdings Ltd.)
- DGH Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd.)
- Weave Business Holding Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of DGH Mauritius Pvt. Ltd.)
- Weave Trading Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd.)
- Hair Trading (Offshore) S. A. L. (incorporated in Lebanon) (a subsidiary of Weave Trading Mauritius Pvt Ltd.)
- Weave Mozambique Limitada (incorporated in Mozambique) (a subsidiary of Godrej West Africa Holdings Ltd.)
- Godrej East Africa Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd.)
- Style Industries Ltd. (incorporated in Kenya) (a subsidiary of DGH Phase Two Mauritius Pvt. Ltd.)
- DGH Phase Two Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary Godrej East Africa Holdings Ltd.)
- Godrej Tanzania Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd.)
- DGH Tanzania Ltd (incorporated in Tanzania) (a subsidiary of Godrej Tanzania Holdings Ltd.)
- Sigma Hair Ind Ltd. (incorporated in Tanzania) (a subsidiary of DGH Tanzania Ltd.)

Key Management Personnel :

- Mr. A. B. Godrej - Chairman
- Mr. N. B. Godrej - Managing Director
- Ms. T. A. Dubash - Executive Director & Chief Brand Officer
- Mr. M. Eipe - Executive Director & President (Chemicals) (up to April 30, 2013)
- Mr. N. S. Nabar - Executive Director & President (Chemicals) (from May 1, 2013)

Relatives of Key Management Personnel :

- Ms. P. A. Godrej - Wife of Mr. A. B. Godrej
- Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej
- Mr. P. A. Godrej - Son of Mr. A. B. Godrej
- Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
- Mr. B. N. Godrej - Son of Mr. N. B. Godrej
- Mr. S. N. Godrej - Son of Mr. N. B. Godrej
- Master H. N. Godrej - Son of Mr. N. B. Godrej
- Ms. N. N. Nabar - Wife of Mr. N. S. Nabar

Enterprises over which key management personnel exercise significant influence :

- Godrej South Africa Pty Ltd.
- Laboratorio Cuenca S.A.
- Godrej Global Mideast FZE
- Godrej Investments P. Ltd.
- Vora Soaps Ltd.
- Godrej Tyson Foods Ltd.

Notes to the Financial Statements

Note 46 : Related Party Information

b) Transactions with Related Parties

Amount INR Crore

Nature of Transaction	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Associate/Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Management Personnel exercise significant influence	Total
Sale of Goods *	-	0.00	-	25.62	-	-	3.78	29.40
Previous Year	-	0.02	-	23.09	-	-	4.50	27.61
Sale of Fixed Assets	-	-	-	7.88	-	0.70	-	8.58
Previous Year	-	-	-	-	-	-	-	-
Purchase of goods	0.01	-	3.18	24.15	-	-	-	27.34
Previous Year	0.02	-	2.95	15.94	-	-	-	18.91
Purchase of Fixed Assets	1.87	-	-	-	-	-	-	1.87
Previous Year	0.32	0.27	-	158.20	-	-	-	158.79
Processing charges received	-	-	-	-	-	-	-	-
Previous Year	-	-	-	0.99	-	-	-	0.99
Commission / Royalty received	-	0.43	-	-	-	-	-	0.43
Previous Year	-	2.95	-	1.10	-	-	-	4.05
Licence fees/Service charges/Storage Income	-	3.00	-	4.27	-	-	0.22	7.49
Previous Year	-	2.80	-	4.26	-	-	0.18	7.24
Other Income *	0.00	25.31	0.00	0.45	-	-	-	25.77
Previous Year *	0.00	0.22	0.00	0.49	-	-	-	0.71
Recovery of establishment & Other Expenses*	0.00	8.23	0.02	5.65	-	-	0.14	14.04
Previous Year	-	9.74	0.02	7.59	-	-	0.43	17.78
Rent, Establishment & other exps paid	1.93	0.57	0.19	2.48	-	0.78	0.01	5.96
Previous Year	2.58	1.28	0.27	2.68	-	0.73	0.13	7.67
Interest received *	-	-	-	0.00	-	-	-	0.00
Previous Year *	-	0.50	-	0.00	-	-	-	0.50
Interest paid	-	-	-	-	0.01	0.79	-	0.80
Previous Year	-	0.09	-	-	0.16	0.57	-	0.82
Dividend income*	-	48.73	0.00	37.27	-	-	-	86.00
Previous Year	-	26.02	-	34.53	-	-	-	60.55
Dividend paid	32.76	-	-	-	0.99	3.52	-	37.27
Previous Year	32.76	-	-	-	0.99	3.52	-	37.27
Remuneration	-	-	-	-	8.78	0.84	-	9.62
Previous Year	-	-	-	-	9.76	1.99	-	11.75
Purchase of Investments	-	469.76	-	-	-	-	-	469.76
Previous Year	-	29.10	-	-	-	-	0.03	29.13
Sale of Investments	86.00	-	-	-	-	-	-	86.00
Previous Year	-	-	-	-	-	-	-	-
Other Deposits accepted	-	0.23	-	-	-	1.40	-	1.63
Previous Year	-	0.16	-	0.07	0.40	2.00	0.11	2.74
Other Deposits refunded	-	0.31	-	0.12	-	-	-	0.43
Previous Year	-	0.19	-	0.90	-	-	-	1.09
Intercompany Deposits -Accepted	-	-	-	-	-	-	-	-
Previous Year	-	3.00	-	-	-	-	-	3.00
Intercompany Deposits Repaid during the year	-	-	-	-	-	-	-	-
Previous Year	-	5.00	-	-	-	-	-	5.00
Intercompany Deposits -Advanced	-	-	-	-	-	-	-	-
Previous Year	-	15.00	-	-	-	-	-	15.00
Intercompany Deposits Repayment received during the year	-	-	-	-	-	-	-	-
Previous Year	-	15.00	-	-	-	-	-	15.00
Share of profit in LLP	-	-	-	51.49	-	-	-	51.49
Previous Year	-	-	-	53.06	-	-	-	53.06
Directors Fees	-	-	-	-	0.02	-	-	0.02
Previous Year	-	-	-	-	0.02	-	-	0.02
Balance Outstanding as on March 31, 2014								
Receivables	3.30	0.54	-	9.95	-	-	1.09	14.87
Previous Year	0.02	0.16	-	1.62	-	-	1.12	2.92
Payables	-	0.16	0.01	1.06	-	-	0.09	1.32
Previous Year *	-	0.12	0.01	1.33	-	-	0.10	1.56
Public Deposits Outstanding	-	-	-	-	-	8.73	-	8.73
Previous Year	-	-	-	-	1.87	7.23	-	9.10

* Amount less than ₹ 0.01 crore

Notes to the Financial Statements

Note 46 : Related Party Information

c) The significant Related Party transactions are as under:

Amount INR Crore

Nature of Transaction	Current Year	Previous Year	Nature of Transaction	Current Year	Previous Year
Sale of goods			Interest paid		
- Godrej Consumer Products Ltd.	25.62	23.09	- Ms. P. A. Godrej	0.58	0.46
- Laboratorio Cuenca S.A.	3.24	3.77	- Mr. S. N. Godrej	0.12	0.07
- Godrej South Africa Pty Ltd.	0.53	0.71	- Mr. B. N. Godrej	0.08	0.04
- Godrej Tyson Foods Ltd.	-	0.02	- Ensemble Holdings & Finance Ltd.	-	0.09
- Godrej Agrovet Ltd.	-	0.02	- Mr. M. Eipe	0.01	0.16
			- Ms. N. N. Nabar	0.01	-
Purchase of goods					
- Godrej Consumer Products Ltd.	24.15	14.44	Inter Corporate Deposits - Accepted		
- Wadala Commodities Ltd	3.18	2.95	- Ensemble Holdings & Finance Ltd.	-	3.00
- Godrej & Boyce Mfg. Co. Ltd.	0.01	0.02	Inter Corporate Deposits - Repaid		
- Godrej Hershey Ltd.	-	1.50	- Ensemble Holdings & Finance Ltd	-	5.00
Purchase of fixed assets					
- Godrej & Boyce Mfg. Co. Ltd.	1.87	0.32	Inter Corporate Deposits - Advanced		
- Godrej Vikhroli Properties LLP	-	158.20	- Natures Basket Ltd.	-	15.00
- Godrej Properties Ltd.	-	0.27	Inter Corporate Deposits - Repayment Received		
Commission / Royalty received			- Natures Basket Ltd.	-	15.00
- Godrej Properties Ltd.	0.27	2.85	Processing Charges received		
- Natures Basket Ltd.	0.16	0.10	- Godrej Hershey Ltd.	-	0.99
- Godrej Hershey Ltd.	-	1.09			
Licence fees / Service charges / Storage income			Other Deposits Accepted		
- Godrej Consumer Products Ltd.	4.27	3.93	- Ms. P. A. Godrej	1.40	-
- Godrej Properties Ltd.	1.51	1.29	- Godrej Properties Ltd.	0.16	0.13
- Godrej Agrovet Ltd.	1.15	1.18	- Godrej Agrovet Ltd.	0.07	0.03
- Natures Basket Ltd.	0.34	0.32	- Mr. S. N. Godrej	-	1.25
- Godrej Tyson Foods Ltd.	0.22	0.19	- Mr. B. N. Godrej	-	0.75
- Godrej Hershey Ltd.	-	0.33	- Mr. M. Eipe	-	0.40
			- Godrej Tyson Foods Ltd.	-	0.11
Other Income			- Godrej Consumer Products Ltd.	-	0.07
- Godrej Consumer Products Ltd.	0.45	0.39	Other Deposits Refunded		
- Godrej Agrovet Ltd.	0.16	0.12	- Godrej Consumer Products Ltd.	0.12	0.23
- Godrej Properties Ltd.	25.15	0.09	- Godrej Agrovet Ltd.	0.12	0.03
- Wadala Commodities Ltd *	0.00	0.01	- Godrej Properties Ltd.	0.19	0.16
- Natures Basket Ltd. *	0.00	-	- Godrej Hershey Ltd.	-	0.67
- Godrej & Boyce Mfg. Co. Ltd. *	0.00	-			
- Godrej Hershey Ltd.	-	0.09	Dividend income		
Recovery of Establishment & other expenses			- Godrej Consumer Products Ltd.	37.27	34.53
- Godrej Consumer Products Ltd.	5.62	7.58	- Godrej Properties Ltd.	19.18	14.39
- Godrej Agrovet Ltd.	5.18	4.26	- Godrej Agrovet Ltd.	16.00	-
- Godrej Properties Ltd.	2.71	1.61	- Godrej International Ltd.	11.93	11.63
- Natures Basket Ltd.	0.35	0.27	- Ensemble Holdings & Finance Ltd.	1.62	-

Notes to the Financial Statements

Note 46 : Related Party Information

c) The significant Related Party transactions are as under: (contd.)

Amount INR Crore

Nature of Transaction	Current Year	Previous Year	Nature of Transaction	Current Year	Previous Year
Recovery of Establishment & other expenses (contd.)			Dividend paid		
- Godrej Tyson Foods Ltd.	0.13	0.04	- Godrej & Boyce Mfg. Co. Ltd.	32.76	32.76
- Godrej Vikhroli Properties LLP	0.03	-	- Mr. S. N. Godrej	0.97	0.97
- Wadala Commodities Ltd	0.02	0.02	- Mr. B. N. Godrej	0.95	0.95
- Ensemble Holdings & Finance Ltd.	-	0.69	- Ms. T. A. Dubash	0.75	0.75
- Swadeshi Detergents Ltd.	-	2.90	- Ms. N .A. Godrej	0.75	0.75
- Vora Soaps Ltd.	-	0.39	- Mr. P. A. Godrej	0.75	0.75
- Godrej Hershey Ltd.	-	0.01	- Mr. N. B. Godrej	0.21	0.21
			- Ms. R. N. Godrej	0.10	0.10
Rent, Establishment & other exps paid			- Mr. M. Eipe	-	0.02
- Godrej & Boyce Mfg. Co. Ltd.	1.93	2.58	Remuneration to Key Management Personnel		
- Godrej Consumer Products Ltd.	1.38	1.00	- Mr. N. B. Godrej	3.59	3.10
- Godrej Vikhroli Properties LLP	1.10	1.09	- Ms. T. A. Dubash	2.90	2.45
- Ms. R. N. Godrej	0.78	0.73	- Mr. M. Eipe	1.30	4.21
- Godrej Properties Ltd.	0.27	0.94	- Mr. N. S. Nabar	0.99	-
- Natures Basket Ltd.	0.20	0.30	Remuneration to Relatives of Key Management Personnel		
- Wadala Commodities Ltd	0.13	0.26	- Ms. N. A. Godrej	0.84	1.99
- Godrej Agrovet Ltd.	0.10	0.03	Sale of Investments		
- Godrej Tyson Foods Ltd.	0.01	0.13	- Godrej & Boyce Mfg. Co. Ltd.	86.00	-
- Godrej Infotech Ltd.	0.05	0.01	Purchase of Investments		
- Godrej Hershey Ltd.	-	0.59	- Godrej Properties Ltd.	436.23	-
Sale of fixed assets			- Natures Basket Ltd.	33.53	29.10
- Godrej Vikhroli Properties LLP	7.88	-	- Godrej Investment P. Ltd.	-	0.03
- Mr. P. A. Godrej	0.70	-	Share of profit in LLP		
Interest received			- Godrej Vikhroli Properties LLP	51.49	53.06
- Godrej Vikhroli Properties LLP *	0.00	-			
- Natures Basket Ltd.	-	0.50	Directors fees		
Directors fees			- Mr. A. B. Godrej	0.02	0.02

* Amount less than ₹ 0.01 crore

Notes to the Financial Statements

Note 47 : Leases

(1) Leases Granted by the Company

a) Operating Lease :

The Company has entered into Leave and Licence agreements in respect of its commercial and residential premises. The non-cancelable portion of the leases range between 3 months to 36 months and are renewable by mutual consent on mutually acceptable terms. Leave and Licence arrangements are similar in substance to operating leases. The Company has also granted lease for freehold land. The particulars of the operating lease arrangements are as under :

	Amount INR Crore	
	Current Year	Previous Year
Gross Carrying Amount of Premises	51.71	60.08
Accumulated Depreciation	4.48	10.24
Depreciation for the period	1.14	2.26

The aggregate future minimum lease receipts are as under :

Lease Income Recognised in the Statement of Profit and Loss

Future Lease Income

- Within one year
- Later than one year and not later than five years

	Amount INR Crore	
	Current Year	Previous Year
Lease Income Recognised in the Statement of Profit and Loss	11.60	19.23
Future Lease Income		
- Within one year	3.84	8.52
- Later than one year and not later than five years	1.12	15.92

(2) Lease Taken by the Company

a) Operating Lease :

The Company's significant leasing arrangements are in respect of operating lease for land, office premises, residential premises, machinery and storage tanks. The aggregate lease rentals paid by the Company are charged to the Statement of Profit and Loss.

	Amount INR Crore	
	Current Year	Previous Year
Lease Payment recognised in the Statement of Profit and Loss	5.06	4.98
Future Lease Commitments		
- Within one year	4.26	3.64
- Later than one year and not later than five years	7.43	8.58

b) Finance Leases :

The Company has acquired vehicles under Finance Lease. Liability for minimum lease payment is secured by hypothecation of the vehicles acquired under the lease. The minimum lease payments outstanding as on March 31, 2014, in respect of vehicles acquired under lease are as under :

Amount INR Crore			
Particulars	Total minimum lease payments outstanding as on March 31, 2014	Un-matured Interest	Present value of minimum lease payments
Within one year	0.01	-	0.01
Previous Year	-	-	-
Later than one year and not later than five years	-	-	-
Previous Year	-	-	-
Total	0.01	-	0.01
Previous Year Total	-	-	-

Notes to the Financial Statements

Note 48 : Interest in Joint Ventures

The Company's interests, as a venturer, in jointly controlled entities are :

Name	Countries of Incorporation	Principal activities	Percentage of Ownership interest as at March 31, 2014	Percentage of Ownership interest as at March 31, 2013
Godrej Hershey Ltd	India	Beverages & Foods	0.00%	0.00%

The Company had sold entire of it's holding in the Joint Venture in September 2012. The Company's share of each of the assets, liabilities, income and expenses, etc. related to its interests in these joint ventures are :

Amount INR Crore

	Current year	Previous year
I. ASSETS		
1. Non Current Assets		
a) Fixed Assets	-	-
b) Goodwill on consolidation	-	-
c) Long term loans and advances	-	-
d) Other non current assets	-	-
2. Current Assets		
a) Inventories	-	-
b) Sundry Debtors	-	-
c) Cash and Bank Balances	-	-
d) Loans and Advances	-	-
II. LIABILITIES		
1. Non Current Liabilities		
a) Long term borrowings	-	-
b) Long term provisions	-	-
2. Current Liabilities		
a) Short term borrowings	-	-
b) Trade Payables	-	-
c) Other Current Liabilities	-	-
d) Short term provisions	-	-
III. INCOME		
1. Turnover (net of excise)	-	78.37
2. Other Operating Revenue	-	2.52
3. Other Income	-	0.81
IV. EXPENSES		
1. Material consumed and purchase of goods	-	55.66
2. Expenses	-	40.79
3. Inventory change	-	0.13
4. Depreciation	-	2.44
5. Interest	-	8.86
6. Provision for Taxation	-	0.40
V. OTHER MATTERS		
1. Contingent Liabilities	-	-
2. Commitments	-	-

Notes to the Financial Statements

Note 49 : Hedging Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments in accordance with its forex policy as determined by a Forex Committee. The Company also uses commodity futures contracts to hedge its exposure to vegetable oil price risk. The Company does not use foreign exchange forward contracts or commodity future contracts for trading or speculation purposes.

i) Derivative Instruments Outstanding :

a) Commodity Futures Contracts

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Futures Contracts Outstanding	30	22	3	-
Number of units under above contracts in MT.	22,810	14,860	2,750	-

b) Forward Exchange Contracts

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total Number of Contracts Outstanding	46	34	-	27
Foreign Currency Value				
- US Dollar (Crore)	2.45	1.11	-	0.94
- Euro (Crore)	-	0.10	-	0.23

ii) Un-hedged Foreign Currency Exposures

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Uncovered Foreign Exchange Exposure as at the year end				
- US Dollar (Crore)	7.25 *	0.73	5.41 *	0.80
- Euro (Crore) (**)	0.00	-	-	-
- CHF (Crore) (**)	0.00	-	-	-

(*) Uncovered Foreign Exchange Exposure includes US Dollar 6 crore (previous year US Dollar 4 crore) of External Commercial Borrowings (ECB) taken for Capital Expenditure. Impact of fluctuation in Foreign Currency Rates on ECB will be capitalised to Fixed Assets and would not impact Statement of Profit and Loss.

(**) Amount less than 0.01 crore.

Note : 50

In view of amalgamation of Swadeshi Detergents Limited and the consolidation of the ESOP Trust with the Company, the previous year figures are not strictly comparable.

Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

Independent Auditor's Report

To the Board of Directors of
Godrej Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of GODREJ INDUSTRIES LIMITED ("the Company"), and its Subsidiaries, Joint Ventures and Associates (collectively referred to as the "Godrej Industries Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India; this responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the Subsidiaries, Joint Ventures and Associates, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

1. We draw attention to the following Notes to the Consolidated Financial Statements for the year ended March 31, 2014, in respect of various Schemes of Amalgamation approved by The Honourable High Court of Judicature at Bombay:
 - a) Sub-note (1) of Note 4: Reserves and Surplus regarding the Scheme of Amalgamation of Swadeshi Detergents Limited (a wholly owned subsidiary of the Company) with the Company, approved vide order dated August 16, 2013, whereby the Company has restated / revised the value of certain assets of the Company, to the extent

Independent Auditor's Report

considered appropriate by the Board of Directors, and accordingly reduced the value of certain assets by ₹ 114.82 crores and the same has been debited directly to General Reserve. The costs and expenses incurred on the Scheme amounting to ₹ 0.23 crores have also been debited directly to the General Reserve.

- b) Sub-note (2) of Note 4: Reserves and Surplus regarding the Scheme of Arrangement between Godrej Agrovat Ltd., (GAVL) a subsidiary of the Company and Goldmuhor Agrochem & Feeds Limited (GAFL) (a subsidiary of GAVL) whereby the assets and liabilities of GAFL have been taken over by GAVL and recorded at their book values as on October 1, 2013.
 - (i) In accordance with the Scheme of Arrangement an amount of ₹ 0.72 crores on account of Goodwill on Merger has been charged to the General Reserve instead of amortising the same in the Statement of Profit and Loss over a period of ten years.
 - (ii) The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 0.41 crores have been directly charged against the balance in the General Reserve.
 - (iii) An amount of ₹ 20.00 crores has been transferred from the General Reserve and used to increase the Reserve for Employee Compensation Expenses.
- c) Sub-note (3) of Note 4: Reserves and Surplus regarding the Scheme of Arrangement whereby the assets and liabilities of Golden Feed Products Limited have been taken over by GAVL and recorded at their book values as on March 31, 2014.
 - i) In accordance with the Scheme of Arrangement an amount of ₹ 0.97 crores on account of Goodwill on Merger has been charged against the balance in the Surplus instead of amortising the same in the Statement of Profit and Loss over a period of ten years.
 - ii) An amount of ₹ 35.06 crores from the Surplus has been utilised to restate / revise the value of certain assets of the transferee Company.
 - iii) The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 0.14 crores have been directly charged against the balance in Surplus of the transferee Company.
- d) Sub-note (4) of Note 4: Reserves and Surplus regarding the Scheme of Arrangement whereby the assets and liabilities of certain subsidiary companies viz. Godrej Oil Palm Ltd., Godrej Gokarna Oil Palm Ltd. and Cauvery Palm Oil Ltd. have been taken over by GAVL and recorded at their book values as on April 1, 2011.
 - i) In accordance with the Scheme of Arrangement, amortisation amounting to ₹ 4.25 crores on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve of the Company in the current year and ₹ 8.50 crores in the previous years.
 - ii) An amount of ₹ 60.55 crores on account of Goodwill on merger has been charged to the Securities Premium instead of amortising the same in the Statement of Profit and Loss over a period of ten years.
- e) Sub-note (5) of Note 4: Reserves and Surplus regarding the Scheme of Arrangement whereby the assets and liabilities of Godrej Gold Coin Aquafeed Ltd. a subsidiary of GAVL have been taken over and recorded at their book values as on April 1, 2010. In accordance with the Scheme of Arrangement, an amount of ₹ 16.69 crores on account of book values of Intangible Assets and an amount of ₹ 25.06 crores on account of Goodwill on merger, aggregating to ₹ 41.75 crores has been charged to the Securities Premium instead of amortising the same in the Statement of Profit and Loss, in case of Intangibles over a period of balance useful life of seven years and in case of Goodwill over a period of ten years.
- f) Sub-note (6) of Note 4: Reserves and Surplus regarding a Scheme for the Reduction of Capital (Securities Premium Account), in accordance with which, an amount of ₹ 110.04 crores has been transferred from the Securities Premium and used to create the Reserve for Employee Compensation Expenses of which ₹ 11.35 crores for Employee Compensation Expenses incurred during the year and ₹ 72.04 crores for previous year has been adjusted.
- g) Sub-note (8) of Note 4: Reserves and Surplus regarding a Scheme of Amalgamation of two subsidiaries of Godrej Properties Ltd. (GPL) (a subsidiary of the Company), viz. Godrej Developers Private Limited with Godrej

Independent Auditor's Report

Projects Development Private Limited ('Scheme III'). In accordance with which, an amount of ₹ 99.55 crores arising on account of goodwill on amalgamation has been adjusted from the Securities Premium and from the Surplus instead of amortising the same in the Statement of Profit and Loss over a period of five years. The cost and expenses incurred in carrying out and implementing the Scheme amounting to ₹ 0.42 crores have been directly adjusted from the Surplus of the Transferee Company.

The above treatment prescribed under the respective Court Schemes differs from the treatment prescribed under the Accounting Standards according to which, the said amounts should have been debited to Goodwill, Intangibles or the Statement of Profit and Loss, as the case may be. Had the Schemes not prescribed this accounting treatment, the Company's share in the profit for the year ended March 31, 2014, would have been lower by ₹ 165.62 crores, the Surplus would have been lower by ₹ 46.41 crores, Employee Compensation Reserve would have been lower by ₹ 28.36 crores, the General Reserve would have been higher by ₹ 135.65 crores, the Securities Premium would have been higher by ₹ 160.23 crores, Goodwill would have been higher by ₹ 85.55 crores and Intangibles would have been higher by ₹ 4.02 crores and Minority Interest would have been higher by ₹ 34.29 crores.

2. Sub-note (9) of Note 4: Reserves and Surplus where the respective Companies have included the financial statements of the respective ESOP Trusts in preparation of the respective Company's standalone financial statements to portray the picture as if the concerned Company itself is administering the ESOP Schemes. Consequently, the operations of the respective ESOP Trusts are included in the financial statements of the respective Companies in so far as the ESOP is concerned and the assets and liabilities of the Trusts have been included in the financial statements of the respective Companies. The loans to the ESOP Trusts in the books of the respective Companies are eliminated against the loan from the respective Companies as appearing in the books of the respective Trusts and investments in the equity shares of the concerned Company held by the Trusts have been reduced from Share Capital to the extent of the face value of the shares and the balances have been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the respective Companies and the Trusts have been appropriately eliminated. The opening excess of expenditure over income of the respective Trusts have been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

Our opinion is not qualified in respect of these matters.

Other Matters

1. We did not audit the financial statements of certain subsidiaries and a joint venture included in these consolidated financial statements, whose financial statements reflect the Group's share of total assets of ₹ 108.54 crores as at March 31, 2014, the Group's share of total revenue of ₹ 1,861.47 crores and net cash outflows amounting to ₹ 8.90 crores for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries and the joint venture is based solely on the reports of the other auditors.
2. The financial statements of certain associates, whose financial statements reflect the Group's share of associates' profit upto March 31, 2014, of ₹ 16.08 crores and the Group's share of associates' profit of ₹ 5.90 crores for the year ended on that date have not been audited and have been included in the Consolidated Financial Statements based solely on the separate unaudited Management certified accounts.

Our opinion is not qualified in respect of these matters.

For and on behalf of
Kalyaniwalla & Mistry
 Chartered Accountants
 Firm Regn. No.: 104607W

Daraius Z. Fraser
 Partner
 M. No.: 42454

Mumbai: May 28, 2014.

Consolidated Balance Sheet as at March 31, 2014

	Note No.	Current Year	Amount INR Crore Previous Year
Equity And Liabilities			
Shareholders' Funds			
(a) Share Capital	3	33.12	33.52
(b) Reserves And Surplus	4	2,700.95	3,071.76
		2,734.07	3,105.28
Minority Interest		1,051.90	757.43
Non Current Liabilities			
(a) Long Term Borrowings	5	1,160.44	939.19
(b) Deferred Tax Liabilities (Net)	6	86.56	70.19
(c) Other Long Term Liabilities	7	2.23	0.28
(d) Long Term Provisions	8	12.26	15.28
		1,261.49	1,024.94
Current Liabilities			
(a) Short Term Borrowings	9	2,781.00	1,810.91
(b) Trade Payables	10	1,973.04	1,757.08
(c) Other Current Liabilities	11	1,298.28	875.40
(d) Short Term Provisions	12	97.88	97.24
		6,150.20	4,540.63
TOTAL		11,197.66	9,428.28
Assets			
Non Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		1,172.74	715.52
(ii) Intangible Assets		33.20	37.47
(iii) Capital Work in Progress		463.56	626.07
(iv) Intangible Assets Under Development		2.01	1.93
		1,671.51	1,380.99
(b) Goodwill on Consolidation		444.00	417.01
(c) Non Current Investments	14	1,553.64	1,187.44
(d) Deferred Tax Assets (Net)	15	2.15	4.26
(e) Long Term Loans And Advances	16	228.52	320.28
(f) Other Non Current Assets	17	9.12	13.19
		3,908.94	3,323.17
Current Assets			
(a) Current Investments	18	785.41	174.19
(b) Inventories	19	4,354.39	3,716.78
(c) Trade Receivables	20	543.18	475.84
(d) Cash and Bank Balances	21	302.31	577.54
(e) Short Term Loans and Advances	22	982.18	891.29
(f) Other Current Assets	23	321.25	269.47
		7,288.72	6,105.11
TOTAL		11,197.66	9,428.28

See Accompanying Notes to the Financial Statements

As per our Report attached

Signatures to Balance Sheet and Notes to the Financial Statements

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Regn. No. 104607W

For and on behalf of the Board

A. B. Godrej

Chairman

N. B. Godrej

Managing Director

Daraius Z. Fraser

Partner

M. No. 42454

N. S. Nabar

Executive Director

& President (Chemicals)

Clement Pinto

Chief Financial Officer

K. R. Rajput

Company Secretary

Mumbai, May 28, 2014.

Statement of Consolidated Profit and Loss for the year ended March 31, 2014

		Amount INR Crore	
Particulars	Note No.	Current Year	Previous Year
Revenue from Operations (Gross)	26	8,008.17	7,063.35
Less: Excise Duty		90.24	99.03
		7,917.93	6,964.32
Other Income	27	155.79	52.82
Total Revenue		8,073.72	7,017.14
Expenses			
(a) Cost of Materials Consumed	28	3,538.62	3,342.38
(b) Purchases of Stock-in-Trade		2,057.42	1,594.40
(c) Cost of Sales - Property Development	29	806.63	640.76
(d) Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade	30	(83.57)	(8.76)
(e) Employee Benefits Expense	31	294.24	269.75
(f) Finance Costs	32	145.71	110.34
(g) Depreciation and Amortisation Expense		70.44	59.45
(h) Other Expenses	33	846.89	748.41
Total Expenses		7,676.38	6,756.73
Profit Before Exceptional Items and Tax		397.34	260.41
Exceptional Items	34	69.38	165.41
Profit Before Tax		466.72	425.82
Tax Expense			
(a) Current Tax		160.66	123.08
(b) MAT Credit Entitlement		(4.14)	-
(c) Deferred Tax		18.45	12.75
(d) Adjustment for Tax of Previous Years (net)		(3.77)	(1.62)
Total Tax		171.20	134.21
Profit After Taxation		295.52	291.61
Share of Profit in Associates		173.85	175.81
Profit Before Minority Interest		469.37	467.42
Minority Interest		(143.00)	(76.24)
Profit For The Year		326.37	391.18
Earnings Per Share (Face Value ₹ 1 per share)	35		
(a) Basic		9.73	11.98
(b) Diluted		9.72	11.96

See Accompanying Notes to the Financial Statements

As per our Report attached

Signatures to the Statement of Profit and Loss and Notes to the Financial Statements

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Regn. No. 104607W

For and on behalf of the Board

A. B. Godrej

Chairman

N. B. Godrej

Managing Director

Darius Z. Fraser

Partner

M. No. 42454

N. S. NabarExecutive Director
& President (Chemicals)**Clement Pinto**

Chief Financial Officer

K. R. Rajput

Company Secretary

Mumbai, May 28, 2014.

Consolidated Cash Flow Statement for the year ended March 31, 2014

		(Amount INR Crore)	
		Current year	Previous year
A. Cash Flow from Operating Activities :			
Profit Before Tax		466.72	425.82
Adjustments for :			
Depreciation		70.44	59.45
Unrealised Foreign Exchange revaluation		0.67	(1.52)
Profit on Sale of Investments		(129.80)	(182.29)
(Profit)/Loss on Sale of Fixed Assets		(1.49)	1.46
Dividend Income		(0.11)	(1.61)
Interest Income		(70.31)	(27.87)
Interest Expense		145.71	110.34
Employee Stock Option Compensation		7.29	8.78
(Write back)/Provision for Diminution in Value of Investments/ Loans and Advances		(4.50)	10.48
(Write back)/Provision for Doubtful Debts/Advances and Sundry Balances (net)		(7.29)	2.00
Others		(0.95)	1.34
Operating Profit Before Working Capital Changes		476.38	406.38
Adjustments for:			
Inventories		(648.24)	(536.88)
Trade and Other Receivables		(527.70)	372.54
Trade Payables and Other Liabilities & Provisions		477.49	249.85
Cash (Used in) / Generated From Operations		(222.07)	491.89
Direct Taxes Paid		(171.97)	(147.18)
Direct Taxes Refund		-	0.04
Net Cash (Used in) / Generated from Operating Activities		(394.04)	344.75
B. Cash Flow from Investing Activities :			
Purchase of Fixed Assets		(449.91)	(692.41)
Proceeds from Sale of Fixed Assets		13.75	1.47
Purchase of Investments		(2,051.73)	(1,266.60)
Refund of Fixed Deposits / (Fixed Deposits placed)		413.03	(413.03)
Proceeds from Sale of Investments		1,112.06	1,545.58
Intercompany Deposits / Loans (net)		7.14	15.05
Interest Received		30.98	34.23
Dividend Received		0.31	1.61
Net Cash Used in Investing Activities		(924.37)	(774.10)

Consolidated Cash Flow Statement for the year ended March 31, 2014 (Contd.)

	(Amount INR Crore)	
	Current year	Previous year
C. Cash Flow from Financing Activities:		
Proceeds from Issue of Equity Shares	258.49	463.25
Capital contribution into Limited Liability Partnership	17.45	-
Proceeds from Borrowings	2,499.42	1,027.63
Repayments of Borrowings	(1,140.67)	(953.83)
Bank Overdrafts (net)	(23.26)	20.95
Interest Paid	(113.97)	(111.07)
Dividend Paid	(42.97)	(32.65)
Tax on Distributed Profits	(11.54)	(10.98)
Net Cash Generated from financing activities	1,442.95	403.30
Net Increase / (Decrease) in Cash and Cash Equivalents	124.54	(26.05)
Cash and Cash Equivalents (Opening Balance)	161.16	180.27
Add : Cash and Cash Equivalents taken over pursuant to Business Acquisition	0.58	10.28
Add : Cash and Cash Equivalents on consolidation of ESOP Trusts (Refer sub note 9 under Note 4 of Reserves and Surplus)	0.74	-
Less : Cash and Cash Equivalents on Demerger	(0.54)	(3.34)
Cash and Cash Equivalents (Closing Balance)	286.48	161.16
(including share in jointly controlled entities - ₹ 7.15 Crore; previous year - ₹ 2.15 crore)		
Notes :		
1. Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	302.31	577.54
Closing balances of Fixed deposit (more than 3 months but less than 12 months)	(15.50)	(413.03)
Other bank balances	(0.33)	(3.35)
Cash and Cash Equivalents	286.48	161.16
2. The above Cash Flow Statement includes share of Cash Flows from jointly controlled entities as under:		
Cash and Cash Equivalents (Opening Balance)	2.15	7.90
a. Net Cash from Operating Activities	15.56	(11.16)
b. Net Cash used in Investing Activities	(6.36)	(22.28)
c. Net Cash (used in) / from Financing Activities	(4.20)	31.03
Less : Cash and Cash Equivalents on sale of stake	-	(3.34)
Cash and Cash Equivalents from jointly controlled entities (Closing Balance)	7.15	2.15
3. The figures of previous year have been regrouped/restated wherever necessary to confirm to current years presentation.		

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry
 Chartered Accountants
 Firm Regn. No. : 104607W

Daraius Z. Fraser
 Partner
 M.No. : 42454

Signatures to Cash Flow Statements

For and on behalf of the Board
A. B. Godrej
 Chairman

N. S. Nabar
 Executive Director & President (Chemicals)

N. B. Godrej
 Managing Director

Clement Pinto
 Chief Financial Officer

K. R. Rajput
 Company Secretary

Mumbai, May 28, 2014

Notes to the Consolidated Financial Statements

NOTE 1 : Principles of Consolidation:

- 1.1 The consolidated financial statements relate to Godrej Industries Limited, the Holding Company, its majority owned subsidiaries, Joint Ventures and Associates (collectively referred to as the Group). The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated.

In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries and/or joint ventures over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.

Minority interest in net income of the consolidated subsidiaries is adjusted against the income of the group in order to arrive at the net income attributable to shareholder's of the company. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.

Investments in Joint Ventures are dealt with in accordance with Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures'. The Company's interest in jointly controlled entities are reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items.

Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements'. Effect has been given to the carrying amount of investments in associates using the 'Equity method'. The Company's share of the post acquisition profits or losses is included in the carrying cost of investments.

- 1.2 The financial statements of the subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2014.

The accounts of Creamline Dairy Products Ltd., Polchem Hygiene Laboratories Pvt. Ltd. and Al Rahaba International Trading Ltd. (Associates of Godrej Agrovet Ltd.) have not been audited for the year ended March 31, 2014 as of the Balance Sheet date and have been consolidated on the basis of the accounts as certified by their respective Management.

NOTE 2 : Significant Accounting Policies

2.1 Accounting Convention

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and specified in the Companies (Accounting Standard) Rules read with the General Circular No. 15/2013 dated September 12, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 and the applicable sections of the Companies Act, 2013.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

2.3 Fixed Assets

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation and impairment, if any. Cost includes expenses related to acquisition and any directly attributable cost of bringing the assets to its

Notes to the Consolidated Financial Statements

intended working condition and excludes any duties / taxes recoverable. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying asset are capitalised as a part of the cost of such asset, upto the date of acquisition / completion of construction.

Fixed assets acquired under finance lease are capitalised at the lower of their fair value and the present value of the minimum lease payments.

2.4 Asset Impairment

The Group reviews the carrying amounts of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment loss, if any, is recognised in the period in which impairment takes place.

2.5 Operating Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis over the lease term.

2.6 Investments

Investments are classified into current and non-current investments. Investments intended to be held for a period less than twelve months or those maturing within twelve months from the balance sheet date are classified as 'Current Investments'. Current Investments are stated at lower of cost and fair value.

Investments other than Current Investments are classified as 'Non-current Investments'. Non-Current Investments are carried at cost of acquisition which includes all costs directly incurred on the acquisition of the investment. Provision for diminution, if any, in the value of each Non-Current investments is made to recognize a decline, other than of a temporary nature. The fair value of a Non-Current investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

2.7 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat. Finished goods and work-in-progress includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Finished goods valuation also includes excise duty, wherever applicable. Provision is made for the cost of obsolescence and other anticipated losses, wherever considered necessary.

Construction work-in-progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Group.

2.8 Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provision is recognized for :

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

Any present obligation that arises from past events but is not recognised because :

- (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) A reliable estimate of the amount of obligation cannot be made.

Notes to the Consolidated Financial Statements

Such obligations are recorded as Contingent Liabilities.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

2.9 Revenue Recognition

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer. Sales are recorded net of returns, trade discounts, rebates, sales taxes and excise duties.

Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on a time proportion basis.

Income on assets given on operating lease is recognised on a straight line basis over the lease term.

The "Percentage of Completion Method" of accounting is followed where revenue from sale of properties is recognised in Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer. Up to March 31, 2012 revenue was recognised only if the actual project cost incurred is 20% or more of the total estimated project cost.

Effective April 1, 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance Note), all projects commencing on or after the said date or projects which have already commenced, but where the revenue is recognized for the first time on or after the above date, Construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met: (a) All critical approvals necessary for the commencement have been obtained; (b) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs; (c) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and (d) At least 10 percent of the agreement value is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately.

Revenue on bulk deals on sale of its properties is recognised on execution of documents.

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

2.10 Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to fixed assets.

2.11 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying asset are capitalised as a part of the cost of such asset, upto the date of acquisition / completion of construction. Borrowing costs incurred for the development of long term projects are included under Construction work-in-progress/Due on Management Project at weighted average of the borrowing cost / rates as per agreement respectively. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Consolidated Financial Statements

2.12 Foreign Exchange Transactions

- (i) Transactions in foreign currency are recorded at exchange rates prevailing on the day of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.
- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Statement of Profit and Loss of the period in which they are cancelled.
- (iv) Exchange differences in respect of other unexpired foreign currency derivative contracts, which have been entered into to hedge foreign currency risks are marked to market and losses, if any, are recognised in the Statement of Profit and Loss.
- (v) Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the year in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognising as income or expense in each such period.

2.13 Hedging

The Group uses forward exchange contracts to hedge its foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts is recognised in the Statement of Profit and Loss. Futures contracts not settled as on the Balance Sheet date are marked to market and losses, if any, are recognised in the Statement of profit and loss, whereas, the unrealised profit is ignored. Gains or losses on the commodity futures contracts is recorded in the Statement of profit and loss under cost of materials consumed.

2.14 Employee Benefits

(i) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

The Group has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on Economic Value Added (EVA). The PLVR amount is related to actual improvement made in EVA over the previous year when compared with expected improvements.

(ii) Post Employment Benefits

(a) Defined Contribution Plans

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

(b) Defined Benefit Plans

Gratuity Fund

The Group's liability towards gratuity to past employees is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures

Notes to the Consolidated Financial Statements

each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group.

Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-Term Employee Benefits

Long-term Compensated Absences and Long Service Awards are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss.

2.15 Consolidation of Employee Stock Option Plan Trust

For the purpose of administration of Employee Stock Option Plans, the Group Companies have established ESOP Trusts. In accordance with the opinion issued by the Expert Advisory Committee of the ICAI on consolidation of the ESOP Trust in the standalone financial statements of Companies, the Group Companies have included the financial statements of the ESOP trusts in preparation of the standalone financial statements to portray the picture as if the respective Companies itself are administering the respective ESOP Schemes. Consequently, the operations of the ESOP Trusts, in so far as the ESOP is concerned and the assets and liabilities of the Trusts have been included in the financial statements of the respective Companies. The loans to the ESOP Trusts in the books of the respective Companies are eliminated against the loans from the respective Companies as appearing in the books of the respective Trusts and investments in the equity shares of the respective Companies held by the Trusts have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the respective Companies and the Trusts have been appropriately eliminated. The opening excess of expenditure over income of the respective Trusts has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

2.16 Depreciation

Tangible Assets

- (i) Leasehold land and Leasehold improvements are amortised equally over the lease period.
- (ii) Depreciation is provided pro rata to the period of use, under the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956, except in some subsidiary companies, where depreciation has been provided on the written down value method. The impact of the differing method of depreciation has not been ascertained but is not likely to be material. Computer hardware is depreciated over its estimated useful life of 4 years.
- (iii) Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.
- (iv) Depreciation on the revalued component is provided on the straight line method based on the balance useful

life of the assets as certified by the valuers. Such depreciation is withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss.

Intangible Assets

The group has evaluated the useful lives of the Intangible Assets - Goodwill, Trademarks, Non compete fees, Acquisition value of contracts, etc. based on the nature of business, growth rates and estimated discounted cash flows. The intangible assets are amortised over the estimated useful lives as follows.

Particulars	Estimated useful lives
Trade Marks	10 - 20 years
Technical Know how	6 - 10 years
Computer Software	4 - 6 years

2.17 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax subject to consideration of prudence, is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset / liabilities in respect of timing differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of timing 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) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit available is recognised as an asset only to the extent there is reasonable possibility that the Company will pay normal income tax during the specified period for which MAT Credit is allowed to be carried forward. The Company recognises MAT Credit as an asset by way of credit to the statement of Profit and Loss and is disclosed as "MAT Credit Entitlement" under Long Term Loans and Advances.

2.18 Cash and Cash Equivalents

In the Cash Flow Statement, Cash and Cash Equivalents includes cash in hand, bank balances and term deposits with bank having maturity term of less than three months.

2.19 Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.20 Segment Reporting

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

Notes to the Consolidated Financial Statements

NOTE 3 : Share Capital

	Current Year		Amount INR Crore	
	Number	Value	Previous Year Number	Value
Authorised Share Capital				
(a) Equity shares of ₹ 1 each	800,000,000	80.00	800,000,000	80.00
(b) Unclassified Shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
		180.00		180.00
Issued, Subscribed and Paid up Share Capital				
(a) Equity Shares of ₹ 1 each fully paid up	335,455,260	33.55	335,165,917	33.52
(b) Less : Share of GIL held by ESOP Trust - refer note 1 below	(4,332,389)	(0.43)	-	-
Total	331,122,871	33.12	335,165,917	33.52
Par Value of Equity Share is ₹ 1 each				
Par Value of Unclassified Share is ₹ 10 each				
Reconciliation of number of Shares				
Equity Shares				
Number of Shares outstanding at the beginning of the year	335,165,917	33.52	317,624,892	31.76
Issued during the year	289,343	0.03	17,541,025	1.76
Number of Shares outstanding at the end of the year	335,455,260	33.55	335,165,917	33.52
Rights, Preferences And Restrictions attached to Shares				
Equity Shares: The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.				
Share Holding Information				
(a) Equity Shares held by Godrej & Boyce Manufacturing Company Limited - Holding Company	187,202,388	18.72	187,202,388	18.72
(b) Shareholders holding more than 5% of Equity Shares in the Company				
Godrej & Boyce Manufacturing Company Limited - 55.81% (Previous Year 55.85%)	187,202,388	18.72	187,202,388	18.72

Notes to the Consolidated Financial Statements

NOTE 3 : Share Capital (Contd.)

	Current Year		Amount INR Crore	
	Number	Value	Previous Year Number	Value
Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)				
(a) Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)	32,921	-	32,921	-
(b) Employee Stock Grant vesting on 30/04/14 (*)	1,927	-	1,927	-
(c) Employee Stock Grant vesting on 31/05/14	169,103	0.02	191,354	0.02
(d) Employee Stock Grant vesting on 30/11/14 (*)	2,878	-	1,387	-
(e) Employee Stock Grant vesting on 31/07/14 (*)	2,441	-	-	-
(f) Employee Stock Grant vesting on 31/03/15 (*)	7,815	-	3,841	-
(g) Employee Stock Grant vesting on 31/05/15	98,987	0.01	80,065	0.01
(h) Employee Stock Grant vesting on 31/07/15 (*)	2,274	-	-	-
(i) Employee Stock Grant vesting on 31/05/16 (*)	49,991	-	-	-
(j) Employee Stock Grant vesting on 31/07/16 (*)	2,274	-	-	-
(k) Employee Stock Grant vesting on 31/12/13 (*)	-	-	3,974	-
(l) Employee Stock Grant vesting on 31/05/13	-	-	189,029	0.02
(m) Employee Stock Grant vesting on 31/07/13 (*)	-	-	8,226	-
The exercise period in respect of the stock grants mentioned above is one month.				
During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :				
(a) There were no shares allotted as fully paid up pursuant to contracts without payment being received in cash.				
(b) No shares have been allotted as fully paid up bonus shares.				
(c) In the financial year 2009-10, the Company bought back 2,133,710 Equity Shares.				
There are no calls unpaid.				
There are no forfeited shares.				

(*) Amount less than ₹ 0.01 crore.

Note :

1. In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of ESOP Trust in the standalone financial statements as detailed in sub note 9 under Note 4 of Reserves and Surplus, the investment in the equity shares of the Company held by the respective ESOP Trusts has been reduced from the Share Capital and from Reserves.

Notes to the Consolidated Financial Statements

NOTE 4 : Reserves and Surplus

Particulars	Current Year	Amount INR Crore Previous Year
Capital Investment Subsidy Reserve	0.95	0.95
Capital Redemption Reserve		
As Per Last Balance Sheet	31.71	31.46
Additions during the year	0.14	0.25
Adjustments during the year	(0.39)	-
	31.46	31.71
Capital Reserve		
As Per Last Balance Sheet	0.04	0.04
Additions during the year - refer note 1 below	8.58	-
Adjustments during the year	(0.04)	-
	8.58	0.04
Securities Premium Account		
As Per Last Balance Sheet	1,562.63	1,200.67
Additions for shares issued during the year	10.31	615.05
Utilisation during the year - refer note 4, 5, 6 and 8 below		
Share issue expenses	(8.87)	(16.64)
Amount recoverable from GAVL ESOP Trust	-	(126.41)
Transfer to Reserve for Employee Compensation Expenses	-	(110.04)
Adjustments during the year	(35.04)	-
	1,529.03	1,562.63
Revaluation Reserve		
As Per Last Balance Sheet	7.72	10.56
Less : Depreciation on Revalued component	(0.76)	(0.91)
Less : Deduction due to sale/discard of fixed assets - refer note 7 below	(6.96)	(1.93)
	-	7.72
Special Reserve u/s 45IC of RBI Act, 1934		
As Per Last Balance Sheet	3.51	2.97
Transfer from Surplus	0.16	0.54
	3.67	3.51
Employee Stock Options Outstanding		
Options granted as at the beginning of the year		
Options granted till date	58.82	12.01
Add : Compensation for Options Granted During the Year	15.43	54.48
Less : Options Lapsed	(0.58)	(0.99)
Less : Transfer to Securities Premium on exercise of stock options during the year	(8.30)	(6.68)
	65.37	58.82
Less: Deferred Employee Stock Option Compensation	(3.14)	(4.25)
	62.23	54.57
Reserve for Employee Compensation Expenses - refer note 2 & 6 below		
As Per Last Balance Sheet	24.19	-
Transfer from Security Premium Account	-	110.04
Transfer from General Reserve Account - refer note 2 below	20.00	-
Adjustment for employee compensation expense - refer note 6 below	(11.35)	(72.04)
Share of Minority	(3.06)	(13.81)
	29.78	24.19

Notes to the Consolidated Financial Statements

NOTE 4 : Reserves and Surplus (Contd.)

Particulars	Current Year	Amount INR Crore Previous Year
General Reserve		
As Per Last Balance Sheet	172.86	161.41
Transfer from Surplus	36.24	51.61
Utilisation during the year pursuant to Scheme of Amalgamation - refer note 1, 2, & 4 below		
Transfer to Reserve for employee compensation expenses	(20.00)	-
Expenses on Merger	(1.01)	-
Excess of Investment over book value adjusted as per scheme of Merger	(15.98)	-
Restatement / Revision of certain Assets /Amortisation of Intangibles as per Merger Scheme	(119.07)	(50.45)
Adjustment on Acquisition/Deletion and Share of Minority	2.93	10.29
	55.97	172.86
Foreign Exchange Fluctuation Reserve		
As Per Last Balance Sheet	8.08	6.01
Additions during the Year	5.54	2.07
	13.62	8.08
ESOP Trusts Adjustments - refer note 9 below		
Opening adjustments of ESOP Trusts	(122.55)	-
Add : Income of ESOP Trusts	18.41	-
Less: Expense of ESOP Trusts	(0.25)	-
Closing Balance of ESOP Trusts	(104.39)	-
Less: Securities Premium on shares held by ESOP Trusts	(76.59)	-
Add : Reversal of provision of Loan to ESOP Trusts	37.99	-
	(142.99)	-
Surplus		
As Per Last Balance Sheet	1,205.50	914.05
Surplus - As per Statement of Profit and Loss	326.37	391.18
Utilisation during the year		
Dividend for 2011-12, on additional shares issued	(0.02)	(2.98)
Credit for Dividend Distribution Tax on Dividend	5.79	1.85
Received from Subsidiaries		
Proposed Dividend - Final	(58.70)	(58.69)
Tax on Distributed Profit	(23.02)	(19.38)
Transfer to Special Reserve	(0.16)	(0.54)
Transfer to General Reserve	(36.24)	(51.61)
Adjustment on Acquisition / Deletion - refer note 3 & 8 below	(417.46)	(77.20)
Adjustment on Acquisition /Addition/Share of Minority	106.58	108.82
	1,108.64	1,205.50
Total	2,700.95	3,071.76

Notes :

- The Scheme of Amalgamation of Swadeshi Detergents Limited (SDL) (a wholly owned subsidiary of the Company) with the Company, approved vide order dated August 16, 2013, whereby all the assets and liabilities of the erstwhile SDL have been transferred to and vest in the Company and have been recorded at their book value which are also their fair value. The equity share capital of SDL and investments in SDL held by the Company stand cancelled. The excess of the net assets transferred over the investments in SDL held by the Company amounting to ₹ 8.58 crore has been credited to the Capital Reserve. Further, in accordance with the Scheme, the Company has restated / revised the value of certain assets of the Company, to the extent considered appropriate by the Board of Directors, and accordingly reduced the value of certain assets by ₹ 114.82 crore and the same has been debited directly to General Reserve. The costs and expenses incurred on the Scheme amounting to ₹ 0.23 crore have also been debited directly to the General Reserve.

Notes to the Consolidated Financial Statements

NOTE 4 : Reserves and Surplus (Contd.)

2. The Scheme of Arrangement between Godrej Agrovet Ltd., (GAVL) a subsidiary of the Company and Goldmuhor Agrochem & Feeds Limited (GAFL) (a subsidiary of GAVL) whereby the assets and liabilities of GAFL have been taken over by GAVL and recorded at their book values as on October 1, 2013.
 - (i) In accordance with the Scheme of Arrangement an amount of ₹ 0.72 crore on account of Goodwill on Merger has been charged to the General Reserve instead of amortising the same in the Statement of Profit and Loss over a period of ten years.
 - (ii) The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 0.41 crore have been directly charged against the balance in the General Reserve.
 - (iii) An amount of ₹ 20.00 crore has been transferred from the General Reserve and used to increase the Reserve for Employee Compensation Expenses.
3. The Scheme of Arrangement whereby the assets and liabilities of Golden Feed Products Limited have been taken over by GAVL and recorded at their book values as on March 31, 2014.
 - (i) In accordance with the Scheme of Arrangement an amount of ₹ 0.97 crore on account of Goodwill on Merger has been charged against the balance in the Surplus instead of amortising the same in the Statement of Profit and Loss over a period of ten years.
 - (ii) An amount of ₹ 35.06 crore from the Surplus has been utilised to restate / revise the value of certain assets of the transferee Company.
 - (iii) The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 0.14 crores have been directly charged against the balance in Surplus of the transferee Company
4. The Scheme of Arrangement whereby the assets and liabilities of certain subsidiary companies viz. Godrej Oil Palm Ltd., Godrej Gokarna Oil Palm Ltd. and Cauvery Palm Oil Ltd. have been taken over by GAVL and recorded at their book values as on April 1, 2011.
 - (i) Amortisation amounting to ₹ 4.25 crore on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve of the Company in the current year and ₹ 8.50 crore in the previous years.
 - (ii) An amount of ₹ 60.55 crore on account of Goodwill on merger has been charged to the Securities Premium Account instead of amortising the same in the Statement of Profit and Loss over a period of ten years.
5. The Scheme of Arrangement whereby the assets and liabilities of Godrej Gold Coin Aquafeed Ltd. a subsidiary of GAVL have been taken over and recorded at their book values as on April 1, 2010. In accordance with the Scheme of Arrangement, an amount of ₹ 16.69 crore on account of book values of Intangible Assets and an amount of ₹ 25.06 crore on account of Goodwill on merger, aggregating to ₹ 41.75 crore has been charged to the Securities Premium Account instead of amortising the same in the Statement of Profit and Loss, in case of Intangibles over a period of balance useful life of seven years and in case of Goodwill over a period of ten years.
6. A Scheme for the Reduction of Capital (Securities Premium Account), in accordance with which, an amount of ₹ 110.04 crore has been transferred from the Securities Premium Account and used to create the Reserve for Employee Compensation Expenses of which ₹ 11.35 crore for Employee Compensation Expenses incurred during the year and ₹ 72.04 crore for previous year has been adjusted.
7. The Revaluation Reserve represented the revalued component of various fixed assets at Vikhroli Plant which were revalued in the past. On closure of manufacturing activities at Vikhroli Plant, the revalued assets have been scrapped / disposed off and adjusted against the Revaluation Reserve.
8. A Scheme of Amalgamation of two subsidiaries of Godrej Properties Ltd. (GPL) (a subsidiary of the Company), viz. Godrej Developers Private Limited with Godrej Projects Development Private Limited ('Scheme III'). In accordance with which, an amount of ₹ 99.55 crore arising on account of goodwill on amalgamation has been adjusted from the Securities Premium and from the Surplus instead of amortising the same in the Statement of Profit and Loss over a period of five years. The cost and expenses incurred in carrying out and implementing the Scheme amounting to ₹ 0.42 crore have been directly adjusted from the Surplus of the Transferee Company.
9. In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of ESOP Trust in the standalone financial statements, the respective Companies have included the financial statements of the respective ESOP Trusts in preparation of the respective Company's standalone financial statements to portray the picture as if the concerned Company itself is administering the various ESOP Scheme. Consequently, the operations of the respective ESOP Trusts are included in the financial statements of the respective companies, in so far as the ESOP is concerned and the assets and liabilities of the Trusts have been included in the financial statements of the respective Companies. The loans to the ESOP Trusts in the books of the respective Companies are eliminated against the loans from the respective Companies as appearing in the books of the respective Trusts and investments in the equity shares of the concerned Company held by the Trusts have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the respective Companies and the Trusts have been appropriately eliminated. The opening excess of expenditure over income of the respective Trusts has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. In view of the above, the results for the current year are not strictly comparable with those of the previous year.

Notes to the Consolidated Financial Statements

NOTE 5 : Long-Term Borrowings

	Current Year	Amount INR Crore Previous Year
Secured		
(a) Debentures - refer note 1 below	82.38	29.57
(b) Term Loans		
(i) From Bank - refer note 2 below	14.72	26.61
(ii) From Others - refer note 3 below	22.02	-
	36.74	26.61
Unsecured		
(a) Term Loans From Banks - refer note 4 below	764.47	467.10
(b) Deferred Payment Liabilities - refer note 5 below	4.24	4.64
(c) Deposits		
(i) Fixed Deposit - refer note 6 below	262.49	401.35
Share in Jointly Controlled Entities	10.12	9.92
Total	1,160.44	939.19

Notes :

- (1) 2,871,876, 1% secured optionally convertible debentures of ₹ 10 each are redeemable on April 10, 2015 and are secured to the extent of specific immovable assets of a Subsidiary Company.
267,000, 12% Compulsorily Convertible Debentures of face value of ₹ 1,000 each were allotted on December 29, 2011. These debentures are compulsorily convertible at the end of 10 years from the date of allotment. These debentures are convertible into 50,000 Equity Shares of ₹ 10 each in accordance with the terms of the issue. The interest shall be accrued on a quarterly basis.
528,110, 17.45% Compulsorily Convertible Debentures of face value of ₹ 1,000/- each. Out of above 295,360 were allotted on June 24, 2013 and 232,750 were allotted on October 1, 2013. These Compulsory Convertible Debentures will be converted in to equity shares in the year 2019 based on the Fair Value.
- (2) Term loan from AXIS Bank of ₹ 14.72 crore is secured by hypothecation of machinery and moveable fixed assets both present and future at the Bandra store. This loan is repayable over a period of 60 months.
- (3) Term loan from Tata Capital Financial Services Ltd. of ₹ 22.02 crore. This loan is repayable over a period of 72 months.
- (4) Term Loan from Bank of ₹ 149.96 crore carries interest at Base Rate + 1.4% p.a. is for a term upto 60 months and is repayable during the period July 2015 to April 2017.
Unsecured loan from Bank amounting to ₹ 89.87 crore carries interest at LIBOR + 2.17% p.a. for a term of 60 months and is repayable during the period September 2015 to September 2016.
Unsecured loan from Bank amounting to ₹ 119.82 crore carries interest at LIBOR + 2.5% p.a. for a term of 60 months and is repayable during the period June 2016 to December 2017.
Unsecured loan from Bank amounting to ₹ 119.82 crore carries interest at LIBOR + 2.05% p.a. for a term of 60 months and is repayable during the period February 2017 to August 2018.
Unsecured loan from Bank amounting to ₹ 75 crore carrying interest at Base Rate + 0.4% pa is for a term upto 36 months and is repayable from December 2015 to December 2016.
Unsecured loan from Bank amounting to ₹ 50 crore carrying interest at Base Rate + 0.8% p.a. is for a term upto 24 months and is repayable during the period July 2015 to January 2016.
Term Loans from Banks are at an Interest Rate of 10.20% p.a. to 10.50% p.a. These loans are repayable after 13 months - ₹ 45 crore, after 18 months - ₹ 75 crore and after 36 months - ₹ 40 crore.
- (5) Deferred Sales Tax Loan is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis 14 years from the year of collection, up to March 2022. Total loan availed was ₹ 4.67 crore and outstanding is ₹ 4.51 crore with current maturity disclosed separately in Note 11 of Other Current Liabilities.
- (6) Fixed deposits from public have a maturity period of 13, 24 or 36 months.
Deposits (Unsecured) having maturity of two years amounting to ₹ 198.18 crore and three years amounting to ₹ 5.53 crore bearing interest rate @ 8.50 % to 10.50% payable half yearly.
- (7) The Group does not have any continuing default as on the Balance Sheet date in repayment of loan or interest.

Notes to the Consolidated Financial Statements

NOTE 6 : Deferred Tax Liabilities (Net)

	Amount INR Crore	
	Current Year	Previous Year
1. Liabilities		
(a) Depreciation	95.65	87.61
(b) VRS Expenses	0.37	-
2. Assets		
(a) Provision for Retirement Benefits	3.09	3.42
(b) Provision for Doubtful Debts/Advances	2.46	8.47
(c) VRS Expenses	-	0.03
(d) Others	5.01	5.68
3. Share in Jointly Controlled Entities	1.10	0.18
Total	85.56	70.19

NOTE 7 : Other Long-Term Liabilities

	Amount INR Crore	
	Current Year	Previous Year
Deposits	0.01	0.01
Interest Accrued but not Due	0.03	0.01
Trade Payables	1.07	0.26
Liability towards beneficiaries of Company's ESOP Trust	1.12	-
Total	2.23	0.28

NOTE 8 : Long-Term Provisions

	Amount INR Crore	
	Current Year	Previous Year
Provision For Employee Benefits	11.93	14.99
Share in Jointly Controlled Entities	0.33	0.29
Total	12.26	15.28

Notes to the Consolidated Financial Statements

NOTE 9 : Short-Term Borrowings

	Amount INR Crore	
	Current Year	Previous Year
Secured		
(a) Debentures - refer note 1 below	76.25	42.26
(b) Term loan from Bank	-	69.75
(c) Loans Repayable On Demand		
(i) From Bank - refer note 2 below	598.02	255.17
(ii) From Others - refer note 3 below	750.00	750.00
(d) Commercial Papers	-	40.00
Unsecured		
(a) Loans Repayable On Demand		
(i) From Bank - refer note 5 below	496.68	70.71
(ii) From Others	-	100.00
(b) Other Loans and Advances		
(i) Commercial Papers - refer note 4 below	823.00	450.00
Share in Jointly Controlled Entities	37.05	33.02
Total	2,781.00	1,810.91

Notes :

- (1) 7,624,900, 10% Cumulative Optionally Convertible Debentures of face value of ₹ 100/- each are secured by way of mortgage over the development rights of Project Godrej Central. The debentures are redeemable out of Remainder Amounts as defined in Share Purchase, Subscription and Shareholders Agreement dated March 31, 2012. The interest shall be accrued on an annual basis.
- (2)
 - (a) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.
 - (b) Secured Loan from Banks availed is secured by hypothecation of the current assets of the Company. Immovable property of the Company's Project at Juhu, Mumbai and Current Assets of Godrej Real Estate Private Limited (wholly owned subsidiary) is provided as collateral security and carries interest at Base Rate + 0.90% p.a.
 - (c) Short Term Loan (WCDL) availed is secured by hypothecation of the current assets of the Company. Immovable property of the Company's Project at Juhu, Mumbai and Current Assets of Godrej Real Estate Private Limited (wholly owned subsidiary) is provided as collateral security and carries interest at Base Rate + 0.60% p.a. repayment in 9 months from the date of first disbursement.
- (3) Secured term loan from HDFC Ltd: Total Sanction amount ₹ 750 crore bearing interest @ HDFC BPLR – 485 BPS and secured by way of exclusive / mortgage and charge of movable and immovable property of the project at Bandra Kurla Complex at Mumbai. Repayment from 6th month from the date of disbursement.
- (4)
 - (a) Commercial Papers of ₹ 150 crore is carrying interest at 10.95% p.a. repayable on April 30, 2014.
 - (b) Commercial Papers of ₹ 100 crore is carrying interest at 10.55% p.a. repayable on June 09, 2014.
 - (c) Commercial Papers of ₹ 100 crore is carrying interest at 10.08% p.a. repayable on June 09, 2014.
 - (d) Commercial Papers of ₹ 473 crore are repayable during the period April to June 2014.
- (5) Unsecured loan from bank is packing credit availed against export order at base rate and repayable within 6 months
 - (i) Unsecured - Over Draft facility availed amounting to ₹ 86.41 crore carries interest at Base Rate + 175 basis point.
 - (ii) Unsecured Invoice Financing is availed amounting to ₹ 39.07 crore carries interest in a range from 10.20% p.a. to 10.25%p.a.
 - (iii) Other loans include:
 - i) ₹ 130 crore carrying interest at Base Rate + 25 basis point p.a. Of the above ₹ 100 crore is repayable on September 17, 2014 and ₹ 30 crore is repayable on October 25, 2014.
 - ii) Short Term Loan amounting to ₹ 120 crore is availed at rate of Interest 10.20% p.a. (Fixed) repayable on March 6, 2015.
 - (iv) Cash Credit from Banks is repayable on demand.
- (6) The Group does not have any continuing default as on the Balance Sheet date in repayment of loan or Interest.

Notes to the Consolidated Financial Statements

NOTE 10 : Trade Payables

	Amount INR Crore	
	Current Year	Previous Year
Trade Payables		
(a) Outstanding dues of Micro and Small Enterprise - refer note 1 below	2.35	2.34
(b) Others	1,238.71	1,172.57
Acceptances	723.03	571.42
Share in Jointly Controlled Entities	8.95	10.75
Total	1,973.04	1,757.08

Note :

- (1) Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2014 to Micro, Small and Medium Enterprises on account of principal or interest (previous year ₹ Nil).

Notes to the Consolidated Financial Statements

NOTE 11 : Othe Current Liabilites

	Current Year	Amount INR Crore Previous Year
Current Maturities of Long Term Debts		
(a) Secured Loan		
(i) From Bank	3.80	-
(ii) From Others	-	1.85
	3.80	1.85
(b) Unsecured		
(i) Loan from Bank	54.96	16.00
(ii) Fixed Deposit	166.62	60.79
Current Maturities of Finance Lease Obligations	0.01	-
Current Maturities of Deferred Sales Tax Liability	0.27	-
	225.66	78.64
Interest Accrued but not Due on Borrowings	20.14	7.52
Unclaimed Dividends	0.37	0.32
Unclaimed Matured Deposit		
(a) Principal Amount	3.05	4.75
(b) Interest Accrued Thereon	0.16	0.16
	3.21	4.91
Other Payables		
(a) Advances from Customers	691.83	524.69
(b) Sundry Creditors	68.16	45.18
(c) Forward Cover Contracts Payable	16.18	-
(d) Unamortised Forward Cover Premium	-	0.64
(e) Due to Management Projects	2.63	5.85
(f) Statutory Liabilities	39.39	35.72
(g) Deposits	49.66	34.10
(h) Other Liabilities	171.16	130.41
	1,039.01	776.59
Other Payables of ESOP Trust		
(a) Other Liabilities	0.07	-
(b) Statutory Liabilities	0.01	-
(As detailed in sub note 9 under Note 4 of Reserves and Surplus)	0.08	-
Share in Jointly Controlled Entities	9.81	7.42
Total	1,298.28	875.40

Notes to the Consolidated Financial Statements

NOTE 12 : Short Term Provisions

	Amount INR Crore	
	Current Year	Previous Year
Provision For Employee Benefits	4.25	7.52
Proposed Dividend - refer note 1 below	58.70	58.69
Provision for Tax on Distributed Profit	25.05	19.38
Provision for Tax	9.11	11.26
Share in Jointly Controlled Entities	0.77	0.39
Total	97.88	97.24

Note :

- (1) The Board of Directors of the Company has proposed a dividend of ₹ 1.75 per equity share - 175% (previous year ₹ 1.75 per equity share- 175%) for the year 2013-14 amounting to a total out-go of ₹ 58.70 crore (previous year ₹ 58.69 crore).

NOTE 13 : Fixed Assets

		Amount INR Crore								
ASSETS		GROSS BLOCK			DEPRECIATION / IMPAIRMENT				NET BLOCK	
	As on 01.04.2013	Additions	Deductions/ Adjustments	As on 31.3.2014	Upto 31.03.2013	Deductions/ Adjustments	For the Year	Upto 31.03.2014	As on 31.3.2014	As on 31.03.2013
Tangible Assets										
(a) Land										
(i) Freehold	29.94	16.00	0.38	45.56	-	-	-	-	45.56	29.94
(ii) Leasehold	27.58	3.86	-	31.44	1.16	-	0.31	1.47	29.97	26.42
(b) Buildings	245.08	152.15	19.36	377.87	59.66	13.06	10.89	57.49	320.38	185.42
(c) Plant and Equipment	730.13	338.73	91.33	977.53	398.56	77.37	38.38	359.57	617.96	331.57
(d) Research Centre	0.82	0.02	-	0.84	0.30	-	0.04	0.34	0.50	0.52
(e) Furniture and Fixtures	27.41	8.75	1.23	34.93	13.37	0.45	2.34	15.26	19.67	14.04
(f) Office and Other Equipment	34.98	8.11	0.26	42.83	10.89	0.16	2.10	12.83	30.00	24.09
(g) Vehicles / Vessels										
(i) Own	42.44	7.39	3.71	46.12	14.87	2.33	3.91	16.45	29.67	27.57
(ii) Under Finance Lease	-	0.03	-	0.03	-	-	0.02	0.02	0.01	-
(h) Tree Development Cost	4.15	-	-	4.15	3.06	-	0.17	3.23	0.92	1.09
(i) Share in Jointly Controlled Entities	103.09	12.00	4.48	110.61	28.23	4.00	8.28	32.51	78.10	74.86
Total Tangible Assets	1,245.62	547.04	120.75	1,671.91	530.10	97.37	66.44	499.17	1,172.74	715.52
Intangible Assets										
(a) Trademarks	47.14	2.00	-	49.14	21.72	(0.28)	5.37	27.37	21.77	25.42
(b) Technical Knowhow Fees	2.00	-	-	2.00	2.00	-	-	2.00	-	-
(c) Software	29.11	3.02	-	32.13	17.76	-	3.44	21.20	10.93	11.35
(d) Share in Jointly Controlled Entities	1.03	-	-	1.03	0.33	-	0.20	0.53	0.50	0.70
Total Intangible Assets	79.28	5.02	-	84.30	41.81	(0.28)	9.01	51.10	33.20	37.47
TOTAL - Current Year	1,324.90	552.06	120.75	1,756.21	571.91	97.09	75.45	550.27	1,205.94	
- Previous Year	1,202.10	213.08	90.29	1,324.90	551.21	39.66	60.36	571.91		752.99
Capital Work- In- Progress									463.56	626.07
Intangible Assets Under Development									2.01	1.93
								Total	1,671.51	1,380.99

Notes :

- Buildings, Plant and Equipment and Research Centre at Vikhroli Factory were revalued on June 30, 1992, on the basis of a valuation report submitted by professional valuers.
- Depreciation for the year includes ₹ 0.76 crore (previous year ₹ 0.91 crore) being depreciation on revalued component of the fixed assets.
- Amortisation of intangibles includes ₹ 4.25 crore (previous year ₹ Nil crore) which is adjusted against General Reserve as per Oil Palm Companies Merger Scheme of GAVL.
- Gross block deductions includes ₹ 36.16 crore (previous year ₹ 3.04 crore) and Depreciation / Impairment Deduction / Adjustments includes ₹ 29.20 crore (previous year ₹ 1.11 crore) being the revalued component of assets sold/discarded during the year.
- Accumulated depreciation includes impairment loss of ₹ 5.10 crore (previous year ₹ 5.10 crore) on certain Plant and Equipment.
- Capital work-in-progress is net of impairment loss of ₹ 2.04 crore (previous year ₹ 2.04 crore) provided on an infructuous asset under construction.
- Capital work-in-progress includes ₹ Nil crore (previous year ₹ 6.33 crore) of Exchange Difference arising on Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Capital work-in-progress also includes net borrowing cost capitalised amounting to ₹ 53.57 crore (previous year ₹ 26.61 crore).
- Addition to Plant and Machinery includes ₹ 29.03 crore (previous year ₹ Nil crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Additions also includes net borrowing cost capitalised amounting to ₹ 9.65 crore.
- As detailed in sub note 1 under Note 4 of Reserves and Surplus, the Company has restated / revised the value of certain Plant & Machinery from ₹ 4.10 crore to Nil and adjusted the same in General Reserve.

Notes to the Consolidated Financial Statements

NOTE 14 : Non Current Investments

Investee Company/Entity	Face value (₹)	Number		Notes	Amount INR Crore	
		Current Year	Previous Year		Current Year	Previous Year
Trade Investments (Valued at cost unless stated otherwise)						
1 Investment in Equity Instruments (Fully paid unless stated otherwise)						
(a) Investment in Associate Companies						
(i) Quoted						
Godrej Consumer Products Ltd.	1	77,029,620	73,659,620		1,486.69	1,085.95
(ii) Unquoted						
Creamline Dairy Products Limited	10	2,671,993	2,671,993		28.50	24.34
Polchem Hygiene Laboratories Pvt. Ltd.	10	455,000	455,000		4.83	4.36
Al Rahaba International Trading Limited Liability Company	AED 1500	24	24		5.16	-
Personalitree Academy Ltd.	10	389,269	389,269		1.10	1.10
Less: Provision for Diminution in Value					(1.10)	(1.10)
					-	-
(b) Others						
(i) Quoted						
Zicom Electronics System Ltd.	10	404,901	384,086		3.12	2.99
Ruchi Soya Industries Ltd.	2	209,709	-		0.77	-
Others		-	-		-	0.01
(ii) Unquoted						
Bharuch Eco-Aqua Infrastructure Ltd.	10	440,000	440,000		0.44	0.44
Less: Provision for Diminution in Value					(0.44)	(0.44)
					-	-
Avesthagen Ltd.	7	469,399	469,399		10.63	10.81
Less: Provision for Diminution in Value				(a)	(10.63)	-
					-	10.81
CBay Infotech Ventures Pvt. Ltd.	10	112,579	112,579		2.33	2.33
Less: Provision for Diminution in Value				(a)	(2.33)	-
					-	2.33
Gharda Chemicals Ltd.	100	114	114	(b)	0.12	0.12
Less: Provision for Diminution in Value					(0.12)	(0.12)
					-	-
HyCa Technologies Pvt. Ltd.	10	12,436	12,436		1.24	1.24
Less: Provision for Diminution in Value				(a)	(1.24)	-
					-	1.24
Tahir Properties Ltd (Partly paid) *	100	25	25	(c)	0.00	0.00
Boston Analytics Inc.	\$1	1,354,129	1,354,129		6.91	6.91
Less: Provision for Diminution in Value					(6.91)	(6.91)
					-	-
The Saraswat Co-op Bank Ltd. *	10	6,000	6,000		0.01	0.00
Sachin Industrial Co-operative Society Limited *	500	3	3		0.00	0.00
New Market Limited	£ 1	100	100		12.31	11.15
AARK Pte Limited	\$1	500,000	500,000		3.00	2.71
Isprava Technologies Ltd. (formerly karROX Technologies Ltd.)	10	125,000	125,000		0.50	0.50

Notes to the Consolidated Financial Statements

Note 14 : Non Current Investments (Contd.)

Investee Company/Entity	Face value (₹)	Number		Notes	Amount INR Crore	
		Current Year	Previous Year		Current Year	Previous Year
(b) Others (contd.)						
Sealac Agroventures Pvt. Limited	10	-	250,000		-	0.25
Aadhaar Retailing Limited	10	7,195,400	6,800,000		34.65	32.67
Less: Provision for Diminution in Value					(34.65)	-
					-	32.67
2. Investment in Preference Shares (Fully paid unless stated otherwise)						
Unquoted						
Wadala Commodities Ltd. (0.01% Redeemable Non Cumulative Preference Shares)	10	-	5,000,000	(c)	-	4.50
Less: Provision for Diminution in Value					-	(4.50)
					-	-
Tahir Properties Ltd. (Class - A) (partly paid) *	100	25	25	(c)	0.00	0.00
Verseon Corporation - Class A Preferred Shares	\$0.95	2,631,578	2,631,578		11.42	11.42
Less: Provision for Diminution in Value				(a)	(11.42)	(7.80)
					-	3.62
3. Investment in Partnership Firm						
View Group LP *		-	-	(d)	-	-
Less: Provision for Diminution in Value					-	-
					-	-
4. Other Non Current Investments						
(a) Limited Liability Partnership						
Crop Science Advisors Limited Liability Partnership					0.01	0.01
(b) Investment in Units of Venture Capital Fund						
Omnivore India Capital Trust	100000	875	450		8.75	4.50
Total					1,553.64	1,187.44
Aggregate Amount of Quoted Investments					1,490.58	1,088.95
Aggregate Amount of Unquoted Investments					131.90	119.36
Aggregate Provision for Diminution in Value					68.84	20.87
Market Value of Quoted Investments					6,563.82	5,742.90

* Amount less than ₹ 0.01 crore.

Notes :

- (a) In accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, as approved by the Honourable Bombay High Court, the Company has made provision for diminution in the value of certain investments aggregating to ₹ 19.62 crore and adjusted the same in General Reserve.
- (b) The said shares have been refused for registration by the investee company.
- (c) Uncalled Liability on partly paid shares
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).
 - Tahir Properties Ltd. - Preference - ₹ 30 per share (Previous year - ₹ 30 per share).
 - Wadala Commodities Ltd. - Preference - ₹ Nil (Previous year - ₹ 1 per share)

Notes to the Consolidated Financial Statements

Note 14 : Non Current Investments (Contd.)

(d) Information on partnership firm - View Group

Sr. No.	Name of the partner	Country	% Holding Current Year	% Holding Previous Year
1.	Mr. Robert Buirkle	USA	13.08%	13.08%
2.	Mr. John H. Gutfreund	USA	13.08%	13.08%
3.	Bonsal Trust	USA	6.54%	6.54%
4.	Free Market Capital L.P.	USA	4.83%	4.83%
5.	Kilbane Development SA	Monaco	6.54%	6.54%
6.	Mazda Partners LP	USA	8.96%	8.96%
7.	Ms. Mrinalini Jaikumar	USA	1.96%	1.96%
8.	Mr. John Pries	USA	2.62%	2.62%
9.	Mr. Marti Subrahmanyam	USA	1.96%	1.96%
10.	R. Gregg Stone Trust	USA	1.28%	1.28%
11.	Mr. Robert G. Stone, Jr.	USA	1.28%	1.28%
12.	Mr. Michael R. Greenberg	USA	3.27%	3.27%
13.	Mr. Paul D. Sonz	USA	1.25%	1.25%
14.	VIEW Group Grantor Retained Annuity Trust	USA	2.03%	2.03%
15.	BKE Partners L.P.	USA	4.83%	4.83%
16.	VIEW LP Holding, Inc.	USA	4.83%	4.83%
17.	Schwartz and Nystrom, as escrow agent	USA	9.66%	9.66%
18.	Godrej Industries Limited	India	12.00%	12.00%
Total			100.00%	100.00%

NOTE 15 : Deferred Tax Assets (Net)

	Amount INR Crore	
	Current Year	Previous Year
Liabilities		
(a) Depreciation	1.54	(0.42)
Assets		
(a) Others	3.69	3.84
Total	2.15	4.26

Notes to the Consolidated Financial Statements

NOTE 16 : Long Term Loans And Advances

	Current Year	Amount INR Crore Previous Year
Secured		
(a) Loans and Advances		
Considered Doubtful - refer note 1 below	10.33	10.33
Less: Provision for Doubtful Loans	(10.33)	(10.33)
	-	-
(b) Deposits	102.12	141.59
Unsecured and Considered Good (Unless otherwise stated)		
(a) Capital Advances		
Considered Good	27.32	39.62
Considered Doubtful	0.03	0.03
Less: Provision for Doubtful Advances	(0.03)	(0.03)
	27.32	39.62
(b) Deposits	21.10	12.82
(c) Prepaid Expense	0.38	-
(d) Advances to Suppliers	0.11	-
(e) Other Loans and Advances		
(i) Loan to ESOP Trust	-	10.97
(ii) Loans to Employees	1.02	1.04
(iii) Advance Tax (Net of Provision for Tax)	48.43	32.50
(iv) MAT Credit Entitlement - refer note 2 below	-	56.21
(v) Statutory Deposits	23.70	12.73
(vi) Other Loans	-	9.84
Share in Jointly Controlled Entities	4.34	2.96
Total	228.52	320.28

Notes :

- The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company has filed an appeal before the Hon'ble High Court against the order of the Company Law Board under Section 10F of the Companies Act, which is pending final disposal. The Hon'ble Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from inter alia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Bombay High Court which the Supreme Court has dismissed and the matter is before the Arbitrator. In the meantime, the Presiding Arbitrator has resigned as Arbitrator and appointment of new Arbitrator is in process.

The Management is confident of recovery of this amount as the underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

- As detailed in sub note 1 under Note 4 of Reserves & Surplus, the Company has restated / revised the amount of MAT Credit Entitlement from ₹ 56.21 crore to ₹ Nil and adjusted the same in General Reserve.

Notes to the Consolidated Financial Statements

NOTE 17 : Other Non Current Assets

	Current Year	Amount INR Crore Previous Year
Secured		
(a) Interest Accrued on Loans		
Considered Doubtful - refer note 1 below	3.15	3.15
Less: Provision for Doubtful Loans	(3.15)	(3.15)
	-	-
Unsecured		
(a) Interest Accrued on Investments		
Considered Doubtful	1.63	1.63
Less: Provision for Doubtful Interest Accrued	(1.63)	(1.63)
	-	-
(b) Other Long Term Receivables		
Considered Doubtful	3.18	-
Less: Provision for Doubtful receivables	(3.18)	-
	-	-
(c) Claims/Expenses Recoverable	2.10	2.44
(d) Others - Deposit with Banks - refer note 2 below	7.02	10.75
Total	9.12	13.19

Notes :

- (1) Interest on loan referred to in sub note 1 of Note 16 above, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.
- (2) Fixed Deposits pledged of ₹ 2.75 crore (previous year ₹ 10.26 crore) held as Margin money.
Fixed Deposit of ₹ 0.50 crore (previous year ₹ 0.29 crore) is held by bank as security against guarantees issued.

Notes to the Consolidated Financial Statements

NOTE 18 : Current Investments

Investee Company / Entity	Notes	Current Year	Amount INR Crore Previous Year
1. Investment in Mutual Funds			
Unquoted			
Peerless Liquid Fund - Super Ip-Growth		31.17	-
Reliance Liquid Fund - Tp - Growth		137.34	-
Religare Invesco Liquid Fund - Growth Plan		83.20	-
Axis Liquid Fund - Growth (Cfpgp)		62.03	-
Birla Sun Life Cash Plus - Growth - Regular Plan		94.00	-
HDFC Cash Management Fund - Saving Plan - Growth		66.45	-
ICICI Prudential Liquid - Regular - Growth Plan		104.32	-
L&T Liquid Fund - Growth		25.00	-
Sundaram Money Fund - Reg - Growth		76.00	-
Baroda Pioneer Liquid Fund - Plan A-Growth		83.78	-
Taurus - Liquid Fund - Super Insti Growth		2.03	-
HDFC Liquid Fund - Growth		15.99	-
Tata Money Market Fund Plan - Growth		2.20	-
SBI Premier Liquid fund (Growth)		1.90	-
Birla Sunlife Short Term Fund - Growth		-	29.00
HDFC HIF STP - Growth		-	28.00
SBI Mutual Fund Cash Option		-	7.69
Kotak Floater - LT - Daily Dividend Reinvest		-	2.92
ICICI Prudential Floating Rate Plan D - Daily Dividend Reinvest		-	0.32
JM High Liquidity Fund - Growth		-	49.35
Taurus -Liquid Fund Super Insti Growth		-	51.55
Kotak Floater Short Term Growth		-	1.38
2. Other Current Investment			
Optionally Convertible Loan Notes/Promissory Notes/Debentures :			
Unquoted :			
Boston Analytics Inc. (15%)	(a)	3.00	3.00
Less: Provision for Diminution in Value of Investment		(3.00)	(3.00)
		-	-
Boston Analytics Inc. (20%)	(a)	6.73	6.73
Less: Provision for Diminution in Value of Investment		(6.73)	(6.73)
		-	-
Boston Analytics Inc. (12%)	(b)	4.69	4.69
Less: Provision for Diminution in Value of Investment		(4.69)	(4.69)
		-	-
Verseon Corporation (13%)	(c)	3.98	3.98
Less: Provision for Diminution in Value of Investment	(d)	(3.98)	-
		-	3.98
Total		785.41	174.19
Aggregate Amount of Quoted Investments		-	-
Aggregate Amount of Unquoted Investments		803.81	188.61
Aggregate Provision for Diminution in Value		18.40	14.42
Market Value of Quoted Investments		-	-

Notes :

- The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company has not exercised were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- Optionally Convertible Notes issued by Verseon Corporation - were convertible after December 1, 2008 until the due date but not later than September 15, 2012. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- As detailed in sub note 1 under Note 4 of Reserves and surplus, the Company has restated / revised the value of investments amounting to ₹ 3.98 crore and adjusted the same in General Reserve.

Notes to the Consolidated Financial Statements

NOTE 19 : Inventories

	Amount INR Crore	
	Current Year	Previous Year
Raw Material	313.32	252.88
Packing Material	1.91	1.67
Work-in-Progress	78.21	62.82
Construction Work-in-Progress	3,676.30	3,234.89
Stock Under Cultivation	15.12	13.57
Finished Goods	103.80	61.97
Finished Goods - Property Development	45.54	0.29
Poultry Stock	2.11	1.37
Stock-in-Trade	61.38	38.28
Stores and Spares - refer note 1 below	13.10	14.66
Share in Jointly Controlled Entities	38.65	34.37
Share in Jointly Controlled Entities - Property Development	4.95	0.01
Total	4,354.39	3,716.78

Note :

- (1) As detailed in sub note 1 under Note 4 of Reserves and Surplus, the Company has restated / revised the value of certain Stores & Spares from ₹ 3.36 crore to ₹ Nil and adjusted the same in General Reserve.

NOTE 20 : Trade Receivables

	Amount INR Crore	
	Current Year	Previous Year
<u>Secured and Considered Good - refer note 1 below</u>		
(a) Outstanding for a period exceeding six months from the date they are due for payment	3.82	3.16
(b) Others	76.94	59.85
<u>Unsecured</u>		
<u>Considered Good</u>		
(a) Outstanding for a period exceeding six months from the date they are due for payment	54.75	50.59
(b) Others	393.88	352.29
<u>Considered Doubtful</u>		
(a) Outstanding for a period exceeding six months from the date they are due for payment	0.99	1.41
(b) Allowance for Doubtful Debts	(0.99)	(1.41)
Share in Jointly Controlled Entities	13.79	9.95
Total	543.18	475.84

Note :

- (1) Secured by Security Deposits collected from customers, Letter of Credit or Bank Guarantees held against them.

Notes to the Consolidated Financial Statements

NOTE 21 : Cash and Bank Balances

	Amount INR Crore	
	Current Year	Previous Year
Cash and Cash Equivalents		
Balances with Banks		
(a) Current Accounts	110.84	82.94
(b) ESOP Trust Bank Balances - refer note 1 below	0.74	-
(c) Deposit having Maturity less than 3 months - refer notes 2 & 3 below	161.51	32.92
Cheques, drafts on hand	3.96	41.04
Cash on Hand	2.28	2.11
	279.33	159.01
Other Bank Balances		
(a) Deposit Accounts Maturity 3 to 12 months - refer note 2 below	15.50	413.03
(b) Other Bank Balances - refer note 4 below	0.33	3.35
Share in Jointly Controlled Entities	7.15	2.15
Total	302.31	577.54

Notes :

- (1) ESOP Trust Bank balances have been included under Cash and Cash Equivalents on consolidation of the ESOP Trust in the standalone financial statements of the respective Companies as detailed in sub note 9 under Note 4 of Reserves and Surplus.
- (2) Fixed Deposit of ₹ 1.42 crore (previous year ₹ 1.10 crore) held as margin money.
Fixed Deposit of ₹ Nil crore (previous year ₹ 0.19 crore) is held by bank as security against guarantees issued.
- (3) Balances with banks on deposit accounts include ₹ 3.71 crore (previous year ₹ 3.11 crore) received from flat buyers and held in trust on their behalf in a corpus fund.
- (4) Other bank balance of ₹ 0.33 crore (previous year ₹ 0.31 crore) is earmarked balance for unpaid dividend.

Notes to the Consolidated Financial Statements

NOTE 22 : Short Term Loans And Advances

	Current Year	Amount INR Crore Previous Year
Secured		
(a) Short Term Loans and Advances - refer note 1 below	67.03	70.58
(b) Secured Deposits - Projects - refer note 2 below	522.77	408.95
Unsecured		
(a) Loans And Advances to Related Parties	3.45	7.73
(b) Loans And Advance		
(i) Loans to Employees	0.58	0.40
(ii) Other Loans	174.87	101.31
(iii) Loan to ESOP Trusts		
Considered Good	117.62	159.04
Considered Doubtful	37.99	23.94
	155.61	182.98
Less : Amount adjusted against ESOP Trust loan liability - refer note 7 below	(155.61)	-
	-	182.98
Less : Provision for Doubtful Loans - refer note 3 below	(37.99)	(23.94)
Provision for doubtful loan written back in ESOP Trust Adjustments - refer note 7 below	37.99	-
	-	159.04
(iv) Due on Management Projects - refer note 4 below	19.59	50.46
(v) Development Manager Fees Accrued but not due - refer note 5 below	4.45	4.45
(vi) Advances to Suppliers		
Considered Good	36.50	20.12
Considered Doubtful	0.32	0.69
Less : Provision for Doubtful Advances	(0.32)	(0.69)
	36.50	20.12
(vii) Other Advances		
Considered Good	40.67	14.80
Considered Doubtful	0.11	0.02
Less : Provision for Doubtful Advances	(0.11)	(0.02)
	40.67	14.80
(c) Inter Corporate Deposits - refer note 6 below		
Considered Good	24.90	20.14
Considered Doubtful	5.77	-
Less : Provision for Doubtful Advances	(5.77)	-
	24.90	20.14
(d) Deposits		
(i) Statutory Authorities	30.90	21.41
(ii) Others	15.40	9.68
Share in Jointly Controlled Entities	41.07	2.22
Total	982.18	891.29

Notes :

- (1) Secured Loans & Advances are secured against Bank Guarantee received from Vendors.
- (2) Secured Deposits - Projects are Secured against Terms of Development Agreement.
- (3) As detailed in sub note 1 under Note 4 of Reserves and Surplus, the Company has made provision for doubtful loan of ₹ 19.41 crore and adjusted the same in General Reserve. During the year, any realisation of assets which were considered for revision / restatement is accounted in the Statement of Profit and Loss.
- (4) Due on Management Projects include a sum of ₹ 2.16 crore (previous year ₹ 2.16 crore) on account of a project, where the matter is sub-judice with arbitrators.
- (5) The group has entered into Development Agreement with landlords. Development Management Fee amounting to ₹ 4.45 crore (previous year ₹ 4.45 crore) accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Management Fee accrued but not due.
- (6) As detailed in sub note 1 under Note 4 of Reserves and Surplus, in accordance with the Scheme of Amalgamation as approved by the Honourable Bombay High Court, the Company has made provision for doubtful Inter Corporate Deposit of ₹ 8.14 crore and adjusted the same in General Reserve. During the year, any realisation of assets which were considered for revision/restatement is accounted in the Statement of Profit and Loss.
- (7) As detailed in sub note 9 under Note 4 of Reserves and Surplus, the loans given by the respective Companies to the ESOP Trusts have been adjusted against the Loan Liabilities of the ESOP Trusts.

Notes to the Consolidated Financial Statements

NOTE 23 : Other Current Assets

	Current Year	Amount INR Crore Previous Year
Unbilled Revenue	283.60	236.14
Other Receivables		
Considered Good	12.37	14.71
Considered Doubtful	4.91	2.43
Less : Provision for Doubtful receivables	(4.91)	(2.43)
	12.37	14.71
Other Receivables of ESOP Trust - refer note 1 below	1.25	-
Interest Accrued on Loans and Deposits	14.00	16.06
Forward Cover Contracts Receivable	5.75	2.53
Unamortised Premium on Forward Cover Contracts	4.80	-
Share in Jointly controlled Entity	(0.52)	0.03
Total	321.25	269.47

Note :

- (1) Other Receivables of the ESOP Trusts have been considered under Other Current Assets on consolidation of the ESOP Trusts in the standalone financial statements of the respective Companies as detailed in sub note 9 under Note 4 of Reserves and Surplus.

NOTE 24 : Contingent Liabilities

	Current Year	Amount INR Crore Previous Year
a) Claims against the Group not acknowledged as debts:		
(i) Excise duty demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Group has contested and is in appeal at various levels.	87.89	89.68
(ii) Customs Duty demands relating to lower charge, differential duty, classification, etc.	4.34	1.72
(iii) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.	33.76	23.75
(iv) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.29	0.29
(v) Stamp duties claimed on certain properties which are under appeal by the Group	3.31	3.31
(vi) Income tax demands against which the Group has preferred appeals	37.18	27.72
(vii) Industrial relations matters under appeal	2.38	2.32
(viii) Others	12.21	10.06
b) Guarantees :		
(i) Guarantees issued by banks, including guarantees issued in respect of matters reported in (a) above	36.42	31.37
(ii) Guarantees given by the Group in respect of credit / guarantee limits sanctioned by banks to subsidiary and other companies.	50.98	33.33
c) Other Money for which the Company is Contingently Liable :		
(i) Letter of credit issued by bank on behalf of the Group	10.40	17.18
(ii) Case / Claim filed by Processors for claiming various expense	8.03	10.00
(iii) Bonds issued by Group on behalf of fellow subsidiary	20.28	-
d) Share in Associates	145.88	175.87

Notes to the Consolidated Financial Statements

NOTE 25 : Commitments

	Amount INR Crore	
	Current Year	Previous Year
1. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for:	187.94	96.76
2. Uncalled liability on partly paid shares/debentures	-	0.50
3. Other Commitments:		
(a) Long Term Contracts for Purchase of Raw Material	85.34	55.15
(b) Finance Lease Commitments	0.01	-
(c) Operating Lease Commitments	149.35	130.87
(d) Major Contracts Commitment Outstanding for Civil, Elevator, External Development, MEP work etc.	1,653.84	1,240.07
4. Share in Jointly Controlled Entities	0.37	1.27
5. Share in Associates	12.27	8.88

NOTE 26 : Revenue From Operations

	Amount INR Crore	
Particulars	Current Year	Previous Year
Sales	7,553.90	6,619.79
Licence Fees and Service Charges	10.70	8.79
Other Operating Revenues		
(a) Export Incentives	16.24	6.87
(b) Processing Charges	2.35	1.14
(c) Sale of Scrap	21.88	22.98
(d) Sale of Services	70.98	74.51
(e) Other Income from Project	22.50	-
(f) Compensation Received from Project	7.00	16.40
(g) Others	3.65	9.31
Share in Jointly Controlled Entities	298.97	303.56
Total Gross Revenue From Operations	8,008.17	7,063.35
Excise Duty	(90.24)	(99.03)
Total	7,917.93	6,964.32

NOTE 27 : Other Income

	Amount INR Crore	
	Current Year	Previous Year
Interest Income (Gross)	73.37	31.57
Less : Capitalised to Fixed Assets	(3.06)	(3.70)
Interest Income (Net)	70.31	27.87
Profit on Sale of Long Term Investments	58.97	-
Profit on Sale of Current Investments	5.95	1.98
Profit on Sale of Fixed Assets	1.96	-
Dividend	0.11	1.61
Miscellaneous Income		
(i) Business Support Service	-	5.76
(ii) Other Miscellaneous Income	16.61	15.13
Share in Jointly Controlled Entities	1.88	0.47
Total	155.79	52.82

Notes to the Consolidated Financial Statements

NOTE 28 : Cost of Materials Consumed

	Amount INR Crore	
	Current Year	Previous Year
Raw Materials Consumed		
(a) Inventory at the Commencement of the Year	252.88	218.83
(b) Add : Purchases (net)	3,384.50	3,136.21
	3,637.38	3,355.04
(c) Less: Inventory at the Close of the Year	(313.32)	(252.88)
	3,324.06	3,102.16
Share in Jointly Controlled Entities	180.06	210.91
Packing Materials Consumed		
(a) Inventory at the Commencement of the Year	1.67	1.19
(b) Add : Purchases (net)	34.74	29.79
	36.41	30.98
(c) Less: Inventory at the Close of the Year	(1.91)	(1.67)
	34.50	29.31
Total	3,538.62	3,342.38

NOTE 29 : Cost of Sales - Property Development

	Amount INR Crore	
	Current Year	Previous Year
(a) Inventory at the Commencement of the Year	3,235.19	2,738.40
(b) Add : Purchases (net)	1,298.23	1,137.55
	4,533.42	3,875.95
(c) Less: Inventory at the Close of the Year	(3,726.79)	(3,235.19)
Total	806.63	640.76

NOTE 30 : Changes In Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade

	Amount INR Crore	
	Current Year	Previous Year
Inventory at the Commencement of the Year		
(a) Finished Goods	61.97	75.32
(b) Work-in-Progress	62.82	56.83
(c) Stock Under Cultivation	13.57	8.31
(d) Poultry Stock	1.37	0.24
(e) Stock-in-Trade	38.28	27.04
	178.01	167.74
Less: Stock Adjustment for subsidiaries merged	(0.65)	5.41
Less : Inventory at the Close of the Year		
(a) Finished Goods	(103.80)	(61.97)
(b) Work-In- Progress	(78.21)	(62.82)
(c) Stock Under Cultivation	(15.12)	(13.57)
(d) Poultry Stock	(2.11)	(1.37)
(e) Stock-in-Trade	(61.38)	(38.28)
	(260.62)	(178.01)
Share in Jointly Controlled Entities	(0.31)	(3.90)
Total	(83.57)	(8.76)

Notes to the Consolidated Financial Statements

NOTE 31 : Employee Benefits Expenses

	Amount INR Crore	
	Current Year	Previous Year
Salaries and Wages	233.62	203.56
Contribution to Provident and Other Funds	15.42	19.85
Expense on Employee Stock Option Scheme	9.14	10.18
Staff Welfare Expense	20.31	16.31
Share in Jointly Controlled Entities	15.75	19.85
Total	294.24	269.75

NOTE 32: Finance Costs

	Amount INR Crore	
	Current Year	Previous Year
Interest Expense (Gross)	366.20	268.02
Less: Interest Capitalised to Project	(280.10)	(223.61)
Interest Expenses (Net)	86.10	44.41
Other Borrowing Costs (Gross)	59.62	54.59
Less: Interest Capitalised to Project	(2.20)	(2.01)
Other Borrowing Costs (Net)	57.42	52.58
Share in Jointly Controlled Entities	2.19	13.35
Total	145.71	110.34

NOTE 33 : Other Expenses

	Amount INR Crore	
	Current Year	Previous Year
Consumption of Stores and Spares	18.80	26.48
Power and Fuel	165.49	141.74
Processing Charges	65.86	73.29
Rent	29.47	26.41
Rates and Taxes	13.43	11.09
Repairs and Maintenance		
(a) Machinery	13.68	13.52
(b) Buildings	9.34	9.20
(c) Other assets	2.48	4.42
Insurance	3.51	3.35
Freight	81.56	68.08
Commission	4.73	7.11
Discount	119.40	98.27
Advertisement and Publicity	20.66	23.19
Selling and Distribution Expenses	70.27	47.44
Bad Debts Written Off	6.05	6.00
(Write back) / Provision for Doubtful Debts and Advances	(13.34)	(4.00)
(Write back) / Provision for Excise Duty on Closing Inventory	5.29	(2.04)
Loss on Foreign Exchange Translation	13.18	3.75
Loss on Sale of Fixed Assets	0.47	1.46
Research Expense - refer note 1 below	5.03	2.89
Miscellaneous Expenses - refer note 2 below	147.09	106.64
Share in Jointly Controlled Entities	64.44	80.12
Total	846.89	748.41

Notes :

- Research Expenses include Employee Benefits Expenses of ₹ 2.99 crore (previous year ₹ 2.73 crore)
- In accordance with the Schemes of Amalgamation approved by the Honourable Bombay High Court, the costs and expenses of ₹ 1.20 crore incurred on the Scheme have been adjusted in the General Reserve / Surplus.

Notes to the Consolidated Financial Statements

NOTE 34 : Exceptional Items

	Amount INR Crore	
	Current Year	Previous Year
(i) Profit on Sale of Long-Term Investments	64.88	180.31
(ii) Write back/(Provision) for Diminution in Value of Investments/Loans and Advances	4.50	(10.48)
(iii) Voluntary Retirement Compensation	-	(4.42)
Total	69.38	165.41

NOTE 35 : Earnings Per Share

	Current Year	Previous Year
1. Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year	335,165,917	317,624,892
(b) Number of equity shares issued during the year	289,343	17,541,025
(c) Number of equity shares outstanding at the end of the year	335,455,260	335,165,917
Weighted average number of equity shares outstanding during the year	335,331,194	326,485,070
2. Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year	335,678,641	318,212,205
(b) Number of potential equity shares outstanding at the end of the year	335,825,871	335,678,641
Weighted average number of potential equity shares outstanding during the year	335,801,244	327,173,414
3. Net Profit After Tax (₹ crore)	326.37	391.18
4. Basic Earnings per share of ₹ 1 each	9.73	11.98
5. Diluted Earnings per share of ₹ 1 each	9.72	11.96

Notes to the Consolidated Financial Statements

NOTE 36 : Information on Subsidiaries, Joint Ventures and Associates:

(a) The subsidiary Companies Considered in the Consolidated Financial Statements are:

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
1.	Godrej Agrovat Ltd.	India	60.80%	63.67%
2.	Golden Feed Products Ltd. (Merged with Godrej Agrovat Limited with effect from March 31, 2014)	India	-	63.67%
3.	Godrej Seeds and Genetics Ltd. (90% subsidiary of Godrej Agrovat Ltd.)	India	54.72%	63.67%
4.	Goldmohur Agrochem & Feeds Ltd. (Merged with Godrej Agrovat Ltd. with effect from October 1, 2013)	India	-	63.67%
5.	Godvet Agrochem Limited (Subsidiary of Godrej Agrovat Ltd. w.e.f January 22, 2014)	India	60.80%	-
6.	Natures Basket Ltd.	India	100.00%	100.00%
7.	Godrej Properties Ltd.	India	62.32%	62.35%
8.	Godrej Realty Pvt. Ltd. (51% subsidiary of Godrej Properties Ltd.)	India	31.78%	31.80%
9.	Godrej Developers Pvt. Ltd. (Merged with Godrej Project Development Private Limited w.e.f. April 1, 2013)	India	-	31.80%
10.	Godrej Real Estate Private Limited (100% subsidiary of Godrej Properties Ltd.)	India	62.32%	62.35%
11.	Godrej Seaview Properties Private Limited (Merged with Godrej Properties Ltd. w.e.f. January 1, 2014)	India	-	31.24%
12.	Happy Highrises Limited (51% subsidiary of Godrej Properties Ltd.)	India	31.78%	31.80%
13.	Godrej Estate Developers Pvt. Ltd. (Merged with Godrej Sea View Properties Limited w.e.f. December 31, 2013)	India	-	31.80%
14.	Godrej Buildwell Pvt. Ltd. (49% subsidiary (due to control over composition of Board of Directors) of Godrej Properties Ltd.)	India	30.54%	30.55%
15.	Godrej Buildcon Pvt. Ltd. (100% subsidiary of Godrej Properties Ltd.)	India	62.32%	62.35%
16.	Godrej Project Development Pvt. Ltd. (100% subsidiary of Godrej Properties Ltd.)	India	62.32%	62.35%
17.	Godrej Premium Builders Pvt. Ltd. (51% subsidiary of Godrej Properties Ltd.)	India	31.78%	31.80%
18.	Godrej Garden City Properties Pvt. Ltd. (100% subsidiary of Godrej Properties Ltd.)	India	62.32%	62.35%
19.	Godrej Nandhi Hills Projects Private Ltd. (Merged with Godrej Properties Ltd. w.e.f. January 1, 2014)	India	-	62.35%

Notes to the Consolidated Financial Statements

NOTE 36 : Information on Subsidiaries, Joint Ventures and Associates: (contd.)

(a) The subsidiary Companies Considered in the Consolidated Financial Statements are:

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
20.	Godrej Landmark Redevelopers Pvt. Ltd. (51% subsidiary of Godrej Properties Ltd. w.e.f. March 14, 2012)	India	31.78%	31.80%
21.	Godrej Redevelopers (Mumbai) Private Ltd. (51% subsidiary of Godrej Properties Ltd.)	India	31.78%	62.35%
22.	Dream World Landmarks LLP (Control through Majority Voting Rights)	India	24.93%	24.94%
23.	Oxford Realty LLP (Control through Majority Voting Rights) (w.e.f. March 13, 2014)	India	12.46%	-
24.	SSPDL Green Acres LLP (Control through Majority Voting Rights) (w.e.f. March 27, 2014)	India	27.42%	-
25.	Godrej Green Homes Limited (Subsidiary of Godrej Properties Ltd. w.e.f. December 24, 2013)	India	62.32%	-
26.	Wonder City Buildcon Private Limited (Subsidiary of Godrej Properties Ltd. w.e.f. August 30, 2013)	India	62.32%	-
27.	Ensemble Holdings & Finance Ltd.	India	100%	100%
28.	Godrej International Ltd., UK	UK	100%	100%
29.	Godrej International Trading & Investment Pte. Ltd., Singapore	Singapore	100%	100%
30.	Mosiac Landmarks LLP (51% LLP of Godrej Properties Ltd.)	India	31.78%	31.80%
31.	Godrej Vikhroli Properties LLP (60% LLP of Godrej Properties Ltd. and 40% LLP of the Company)	India	77.39%	77.41%
32.	Swadeshi Detergents Ltd. (Merged with Godrej Industries Ltd. w.e.f April 1, 2013)	India	-	100%

(b) Interests in Joint Ventures :

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
1.	ACI Godrej Agrovat Pvt. Ltd. (joint venture partner of Godrej Agrovat Ltd.)	Bangladesh	30.40%	31.84%
2.	Godrej Tyson Foods Ltd. (joint venture partner of Godrej Agrovat Ltd.)	India	29.79%	31.20%
3.	Godrej Buildcorp LLP (35% LLP of Godrej Properties Ltd.)	India	21.81%	21.82%
4.	Godrej Property Developers LLP (32% LLP of Godrej Properties Ltd.)	India	19.94%	19.95%

Notes to the Consolidated Financial Statements

Note 36 : Information on Subsidiaries, Joint Ventures and Associates: (Contd.)

(c) Investment in Associates:

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
1.	Godrej Consumer Products Ltd.	India	22.63%	21.64%
2.	Personalitree Academy Ltd. (Associate of Ensemble Holdings & Finance Ltd.)	India	26.00%	26.00%
3.	Creamline Dairy Products Ltd. (Associate of Godrej Agrovet Ltd.)	India	15.81%	16.55%
4.	Al Rahaba International Trading LLC (Associate of Godrej Agrovet Ltd.)	U.A.E.	14.59%	28.65%
5.	Polchem Hygiene Laboratories Pvt. Ltd. (Associate of Godrej Agrovet Ltd.)	India	15.81%	16.55%

NOTE 37 : Difference In Accounting Policies

The accounting policies of certain subsidiaries, joint ventures and associates especially regarding the method of depreciation, amortization of technical know-how and accounting for retirement benefits are not in consonance with the group accounting policies. No effect has been given in the consolidated financial statements on account of such differing accounting policies, where the impact is not expected to be material.

NOTE 38 : Break up of Investment in Associates is as under :

Amount INR Crore						
Sr. No.	Name of the Company	Cost of Acquisition	Goodwill Included In Cost of Acquisition	Share in Profits / (Loss) of Associates Post Acquisition	Provision for Diminution in the Value of Investments	Carrying Cost of Investments
1.	Godrej Consumer Products Limited	970.11	805.20	516.58	-	1,486.69
	<i>Previous Year</i>	<i>693.05</i>	<i>528.18</i>	<i>392.90</i>	-	<i>1,085.95</i>
2.	Personalitree Academy Ltd.	1.10	0.43	(0.42)	0.68	-
	<i>Previous Year</i>	<i>1.10</i>	<i>0.43</i>	<i>(0.42)</i>	<i>0.68</i>	-
3.	Creamline Dairy Products Ltd.	10.38	3.98	18.12	-	28.50
	<i>Previous Year</i>	<i>10.38</i>	<i>3.98</i>	<i>13.96</i>	-	<i>24.34</i>
4.	Al Rahaba International Trading LLC	0.04	(2.46)	5.12	-	5.16
	<i>Previous Year</i>	<i>0.08</i>	<i>(2.46)</i>	<i>1.12</i>	<i>1.20</i>	-
5.	Polchem Hygiene Lab Pvt. Ltd.	1.63	0.89	3.21	-	4.83
	<i>Previous Year</i>	<i>1.63</i>	<i>0.89</i>	<i>2.73</i>	-	<i>4.36</i>
	Total current year	983.26	808.04	542.61	0.68	1,525.18
	<i>Total previous year</i>	<i>706.24</i>	<i>531.02</i>	<i>410.29</i>	<i>1.88</i>	<i>1,114.65</i>

Notes to the Consolidated Financial Statements

NOTE 39 : Employee Stock Benefit Plans

1. Employee Stock Option Plans

a) (i) Employee Stock Option Plans of Godrej Industries Limited

In December 2005, Godrej Industries Limited had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of ₹ 1 each to eligible employees of participating companies.

In July 2009, the Company had instituted an Employee Stock Option Plan II (GIL ESOP II) as approved by the Board of Directors and the Shareholders, for the allotment of 90,00,000 convertible into 90,00,000 shares of the nominal value of ₹ 1 each to eligible employees of participating companies.

The scheme is administered by an independent ESOP Trust created with IL&FS Trust Co. Ltd. which purchased from the market shares equivalent to the number of options granted by the Compensation Committee. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market. The particulars of the scheme and movements during the year are as under:

ESOP I

	Current Year		Previous Year	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	3,337,200	388.21	4,577,950	356.34
Options Exercised During the Year	130,000	250.26	1,087,000	250.01
Options Forfeited/Expired During the Year	283,750	283.46	153,750	281.62
Options Outstanding at the Year End	2,923,450	391.21	3,337,200	388.21

ESOP II

	Current Year		Previous Year	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	692,250	355.33	1,210,250	280.61
Options Granted During the Year				
July 30, 2011	-	-	-	-
May 30, 2012	-	-	101,500	369.06
July 9, 2012	-	-	132,000	335.12
Options Exercised During the Year	49,000	231.93	741,500	231.93
Options Forfeited/Expired During the Year	132,000	335.12	10,000	334.87
Options Outstanding at the Year End	511,250	372.37	692,250	355.33

(*) The Wt. average exercise price stated above is the price of the equity shares on the grant date increased by the interest cost at the prevailing rates upto March 31, 2012 after which date no further interest is being accrued.

The overall weighted average balance life of options outstanding as on March 31, 2014 is 2.73 years.

The weighted average balance life of options outstanding as on March 31, 2014 for ESOP I is 2.84 years and for ESOP II is 2.14 years.

The options granted shall vest after three / five years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two / four years after vesting.

Notes to the Consolidated Financial Statements

(ii) Employee Stock Option Plans of Godrej Properties Limited

In F.Y. 2007-08, Godrej Properties Limited (GPL) instituted an Employee Stock Option Plan (GPL ESOP) approved by GPL's Board of Directors, Shareholders and the Remuneration Committee which provides for the allotment of 885,400 options convertible into 885,400 Equity Shares of GPL of ₹ 5 /- each to eligible employee of Godrej Properties Limited and its subsidiary companies (the participating companies).

	Current Year		Previous Year	
	No. of Options (*)	Wt. average exercise price (**) (₹)	No. of Options	Wt. average exercise price (*) (₹)
Options outstanding at the beginning of the year	561,400	-	635,400	310.00
Options granted during the year:	-	-	-	-
Options exercised during the year :	-	-	-	-
Options forfeited/expired during the year :	46,000	-	74,000	-
Options outstanding at the year end	515,400	-	561,400	310.00

(*) Represents number of equity shares post split from equity share of ₹ 10 each to equity share of ₹ 5 each.

(**) Weighted Average Exercise Price is ₹ 310 (plus interest till March 31, 2012) for equity share of face value ₹ 5 each

(iii) Employee Stock Option Plans of Godrej Agrovet Limited

In December 2012, Godrej Agrovet (GAVL) instituted an Employee Stock Option Plan (GAVL ESOP) as approved by GAVL's Board of Directors and the Shareholders, for the allotment of 5,86,764 options convertible into 5,86,764 equity shares of GAVL of ₹ 10 each to eligible employees.

	Current Year		Previous Year	
	No. of options	Exercise price	No. of options	Exercise price
Options Outstanding at the Beginning of the Year	586,764	-	-	-
Options granted during the Year	-	10	586,764	10
Options Forfeited/Expired During the Year	-	-	-	-
Options Outstanding at the Year End	586,764	10	586,764	10

The overall weighted average balance life of options outstanding as on March 31, 2014 is 3.79 years.

The employee share based payment plans has been accounted based on the fair value method at a Fair Value of ₹ 2,164 per share amounting to ₹ 126.41 crore for Securities Premium receivable from the Company's ESOP Trust, which is accordingly adjusted against Securities Premium Account. Employee Compensation expenses accounted during the year are ₹ 72.04 crore (Previous year ₹ 72.04 crore).

Prior to the SEBI notification mentioned in Para 1(a) above, the independent ESOP Trusts had purchased equity shares of the Companies from the market equivalent to the number of stock options granted from time to time to the eligible employees. These purchases are financed by loans from the respective participating companies. The Companies have given a loan which along with interest thereon amounts to ₹ 91.24 crore (previous year ₹ 167.94 crore) (Net of provision ₹ 29.66 crore, previous year ₹ 20.34 crore) for financing the purchase of equity shares from the market equivalent to the number of option granted to the employees of the Companies. As on March 31, 2014, the market value of the equity shares held by the ESOP Trust is lower than the holding cost (cost or market value) of these equity shares by ₹ Nil (previous year ₹ 14.61 crore) (Net of provision ₹ 29.66 crore, previous year ₹ 20.34 crore).

The repayment of the loans granted to the ESOP Trusts and the interest payable by the Trust on the said loans is dependent on the exercise of the options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. The fall in value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period.

Notes to the Consolidated Financial Statements

In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on consolidation of the ESOP Trust in the standalone financial statements of Companies, the Group Companies have included the financial statements of the ESOP trusts in preparation of the standalone financial statements to portray the picture as if the respective Companies itself are administering the respective ESOP Schemes. Consequently, the operations of the ESOP Trusts, in so far as the ESOP is concerned and the assets and liabilities of the Trusts have been included in the financial statements of the respective Companies. The loans to the ESOP Trusts in the books of the respective Companies are eliminated against the loans from the respective Companies as appearing in the books of the respective Trusts and investments in the equity shares of the respective Companies held by the Trusts have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the respective Companies and the Trusts have been appropriately eliminated. The opening excess of expenditure over income of the respective Trusts has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

2. Employee Stock Grant Scheme

(i) Employee Stock Grant Scheme of Godrej Industries Limited

- a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees, who are in whole-time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years or as may be determined by compensation committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan is as under:

	Current Year Nos.	Previous Year Nos.
Options Outstanding at the Beginning of the Year	512,724	587,313
Options Granted	173,560	279,314
Options Vested	289,343	307,618
Options Exercised	289,343	307,618
Options Lapsed/Forfeited and re-granted	26,330	46,285
Total Number of Options Outstanding at the end of the year	370,611	512,724

Notes to the Consolidated Financial Statements

(ii) Employee Stock Grant Scheme of Godrej Properties Limited

- a) During the period April 1, 2011 to March 31, 2014, the Company instituted an Employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 342,208 options convertible into 342,208 Equity Shares of ₹ 5/- each (previous year ₹ 10/- each) to eligible employees of Godrej Properties Limited, its Holding and its Subsidiary Companies (the Participating Companies) 82,406 options with effect from May 7, 2011, 3,756 options w.e.f. October 1, 2011, 72,416 options w.e.f. June 1, 2012, 22,040 options w.e.f. June 1, 2012, 4,436 options w.e.f. August 1, 2012, 690 options w.e.f. November 1, 2012 and 720 options w.e.f. February 1, 2013, 30,000 options w.e.f. June 1, 2013 and 125,744 options w.e.f. June 1, 2013. Out of the total 342,208 stock grants 35,234 stock grants have lapsed on account of employees leaving the service of the company before the vesting date, 83,616 stock grants have vested and hence 223,358 stock grants are outstanding as at March 31, 2014.

Particulars	No. of Options (*)		Exercise Price (₹)
	As on March 31, 2014	As on March 31, 2013	
Options Outstanding at the beginning of the year	132,662	59,286	5.00
Options granted	155,744	100,302	
Options exercised	65,048	18,568	
Less : Options lapsed	0	8,358	
Options Outstanding at the year end	223,358	132,662	5.00

* Represents no. of equity shares post split from equity share of ₹ 10 each to equity share of ₹ 5 each
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option is ₹ 8.62 per share as on March 31, 2014.

3. The employee stock option plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since the market price of the underlying share at the grant date is the same / less than the exercise price of the option, the intrinsic value therefore being Nil.

The employee stock grant scheme have been accounted based on the intrinsic value method and compensation expense ₹ 9.14 crore has been recognised in Statement of Profit and Loss.

The fair value of the share options has been determined using the Black-Scholes Option Pricing Model. Had the fair value method of accounting been used, the net profit and earnings per share would have been as per the proforma amounts indicated below.

Particulars	Amount INR Crore	
	Current Year	Previous Year
Net Profit (as reported)	326.37	391.18
Less: Employee Stock Option Plans compensation expense determined under fair value based method (Proforma)	1.31	1.67
Less: Difference in Employee Stock Grant Scheme compensation expense determined under fair value method and intrinsic value method (Proforma)	(1.69)	(1.65)
Net Profit (Proforma)	326.75	391.16
	Amount ₹	Amount ₹
Basic Earnings per share (as reported)	9.73	11.98
Basic Earnings per share (Proforma)	9.74	12.02
Diluted Earnings per share (as reported)	9.72	11.96
Diluted Earnings per share (Proforma)	9.73	11.96

Notes to the Consolidated Financial Statements

NOTE 40 : Segment Information

Amount INR Crore

Information about primary business segments	Chemicals		Animal Feed		Veg Oils		Estate & Property Development		Beverages & Foods		Finance & Investments		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(A) Revenue																
External Sales	1294.54	1324.36	2550.66	2322.87	2097.83	1654.64	1235.76	973.25	0.00	81.70	102.75	201.13	861.56	639.50	8143.10	7197.45
Intersegment Sales	-	-	-	-	-	0.43	117.65	148.67	-	-	125.50	72.57	0.48	1.05	243.63	222.72
Total Sales	1294.54	1324.36	2550.66	2322.87	2097.83	1655.07	1353.41	1121.92	0.00	81.70	228.25	273.70	862.04	640.55	8386.73	7420.17
Less: Intersegment Sales	-	-	-	-	-	(0.43)	(117.65)	(148.67)	-	-	(125.50)	(72.57)	(0.48)	(1.05)	(243.63)	(222.72)
Total Revenue	1294.54	1324.36	2550.66	2322.87	2097.83	1654.64	1235.76	973.25	0.00	81.70	102.75	201.13	861.56	639.50	8143.10	7197.45
(B) Results																
Segment result before interest, exceptional items and tax	49.23	65.80	146.86	123.79	70.92	49.60	355.50	261.62	0.00	(17.45)	102.75	190.67	70.01	29.93	795.27	703.96
Unallocated expenses															(182.84)	(167.80)
Finance Costs															(145.71)	(110.34)
Profit before tax															466.72	425.82
Taxes															(171.20)	(134.21)
Profit after taxes															295.52	291.61
Share of profit in associates															173.85	175.81
Profit before Minority Interest															469.37	467.42
Share of Minority Interest															(143.00)	(76.24)
Net Profit after Minority Interest															326.37	391.18
Segment Assets	1129.20	911.09	684.06	530.26	273.65	248.04	6019.64	4940.57	0.00	0.00	2314.09	1818.79	368.91	304.17	10789.55	8752.92
Unallocated Assets															408.11	675.36
Total Assets															11197.66	9428.28
Segment Liabilities	1026.96	756.37	659.46	497.76	32.26	43.69	5233.71	3874.96	0.00	0.00	2.75	6.72	221.57	177.89	7176.71	5357.39
Unallocated Liabilities															1286.88	965.61
Total Liabilities															8463.59	6323.00
Cost incurred during the year to acquire segment assets	219.03	204.47	128.98	81.28	29.53	39.81	22.92	226.35	0.00	0.00	0.20	0.25	34.26	41.98	434.92	594.14
Cost incurred on unallocated assets															28.44	33.27
Total Cost incurred during the year to acquire segment assets															463.36	627.41
Segment Depreciation	18.31	15.22	11.74	7.99	9.27	6.84	7.66	7.40	0.00	0.00	1.41	3.95	17.74	14.86	66.13	56.26
Unallocated Depreciation															4.31	3.19
Total Depreciation															70.44	59.45

Information about Secondary Business Segments

Amount INR Crore

Revenue by Geographical markets															Current Year	Previous Year
India															5678.61	5127.38
Outside India															2464.49	2070.07
Total															8143.10	7197.45

Carrying Amount of Segment assets

Amount INR Crore

															Current Year	Previous Year
India															11023.77	9248.91
Outside India															173.89	179.37
Total															11197.66	9428.28

Notes :

- The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the different risks and returns, the organisational structure and the internal reporting system.
- Chemicals segment includes the business of production and sale of Oleochemicals and Surfactants such as Fatty Acids, Fatty Alcohols, refined glycerine, Alpha Olefin Sulphonates, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate.
- Animal Feed segment includes the business of production and sale of compound feeds for cattle, poultry, shrimp and fish.
- Veg oils segment includes the business of processing and bulk trading of refined vegetable oils & vanaspati, international vegetable oil trading and Oil Palm Plantation.
- Estate & property development segment includes the business of development and sale of real estate and leasing and leave and licensing of properties.
- Beverages and Foods segment includes the business of processing, production and sale of fruit pulp, tomato puree, fruit juices, nectors and drinks, other beverages and confectionary products and sale of refined vegetable oils, vanaspati and tea.
- Finance & Investments includes investments in associates companies and other investments.
- Others includes Integrated Poultry, Agri Inputs and tissue culture, Seeds business, energy generation through windmills and gourmet foods and fine beverages.
- Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Company as a whole.
- The geographical segments consists of Sales in India represent sales to customers located in India and Sales outside India represent sales to customers located outside India.

Notes to the Consolidated Financial Statements

NOTE 41 : Related Party Information

a) Names of Related Parties and Description of Relationship

Parties where control exists

Godrej & Boyce Mfg. Co. Ltd., the holding company

Fellow Subsidiaries:

Wadala Commodities Ltd.

Godrej (Malaysia) Sdn Bhd (Incorporated in Malaysia)

G & B Enterprises (Mauritius) P. Ltd.

Godrej (Singapore) Pte Ltd. (Incorporated in Singapore)

Godrej Infotech Ltd.

Veromatic International BV (Incorporated in Netherlands)

Veromatic Services BV (Incorporated in Netherlands)

Water Wonder Benelux BV (Incorporated in Netherlands)

Busbar Systems (India) Ltd (a Wholly-owned subsidiary w.e.f. February 1, 2013)

Mercury Mfg. Co. Ltd. (a subsidiary w.e.f. October 1, 2013)

Other related parties with whom the Company had transactions during the year Associate / Joint Venture Companies :

Godrej Hershey Ltd. (up to September 27, 2012)

-Nutrine Confectionery Co. Ltd. (up to September 27, 2012)

Godrej Consumer Products Ltd. (also a fellow subsidiary)

-Godrej South Africa (Proprietary) Ltd. (formerly, Rapidol (Pty) Ltd.) (incorporated in South Africa)

-Godrej Netherlands BV (incorporated in the Netherlands)

-Godrej Global Mid East FZE (incorporated in Sharjah, U.A.E.)

-Godrej Consumer Products Mauritius Ltd.

-Godrej Hygiene Products Ltd. (merged with GOPL w.e.f. April 1, 2013)

-Godrej Consumer Products Holding (Mauritius) Ltd. (incorporated in Mauritius)

-Godrej Household Products Lanka (Private) Ltd. (incorporated in Sri Lanka)

-Godrej Household Products (Bangladesh) Pvt. Ltd. (incorporated in Bangladesh)

-Godrej Consumer Products Bangladesh Ltd. (incorporated in Bangladesh)

-Godrej Mauritius Africa Holdings Ltd. (incorporated in Mauritius)

-Godrej Weave Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)

-Godrej West Africa Holdings Ltd. (incorporated in Mauritius on February 11, 2014) (a subsidiary of DGH Mauritius Pvt. Ltd.)

-Godrej Consumer Products Holdings (UK) Ltd. (incorporated in the United Kingdom) (formerly Godrej Consumer Products (UK) Ltd. and name changed w.e.f. July 5, 2013) a subsidiary of Godrej Netherlands BV

-Godrej Consumer Products (UK) Ltd. (name changed from Keyline Brands Ltd. w.e.f. July 5, 2013) (a subsidiary of Godrej Consumer Products Holdings (UK) Ltd.)

-Inecto Manufacturing Ltd. (a subsidiary of Godrej Consumer Products (UK) Ltd.)

-Godrej Consumer Investments (Chile) Spa, (incorporated in Chile) (a subsidiary of Godrej Consumer Products Holdings (UK) Ltd.)

-Godrej Holdings (Chile) Limitada, (incorporated in Chile) (a subsidiary of Godrej Consumer Investments (Chile) Spa)

-Cosmetica Nacional, (incorporated in Chile) (a subsidiary of Godrej Holdings (Chile) Limitada)

-Plasticos Nacional, (incorporated in Chile) (a subsidiary of Cosmetica Nacional)

-Godrej Kinky Holdings Ltd. (a subsidiary of Godrej Consumer Products Mauritius Ltd.)

-Kinky Group Pty Ltd. (a subsidiary of Godrej Kinky Holdings Ltd.)

-Godrej Nigeria Ltd. (incorporated in Nigeria) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)

-Godrej Consumer Investments Holding Ltd. (incorporated in Mauritius on October 8, 2013) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)

-Indovest Capital Ltd. (incorporated in Malaysia) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)

Notes to the Consolidated Financial Statements

NOTE 41 : Related Party Information

a) Names of Related Parties and Description of Relationship (Contd.)

Other related parties with whom the Company had transactions during the year Associate / Joint Venture Companies :

- Godrej Consumer Products Dutch Cooperatief UA, (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
- Godrej Consumer Products (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)
- Godrej Consumer Holdings (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)
- Godrej Indonesia Netherlands Holding BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA) (merged with Godrej Consumer Holding (Netherlands) BV w.e.f September 30, 2013)
- PT Megasari Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Intrasari Raya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Simba Indosnack Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV upto March 21, 2013)
- PT Ekamas Sarijaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Indomas Susemi Jaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Sarico Indah (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- Godrej Argentina Dutch Cooperatief UA (incorporated in Netherlands) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Godrej Netherlands Argentina Holding BV . (incorporated in Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)
- Godrej Netherlands Argentina BV (incorporated in the Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)
- Panamar Procuccioness Srl (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Argencos S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Laboratoria Cuenca S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Issue Group Uruguay S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)
- Deciral S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)
- Issue Group Brazil Ltd. (incorporated in Brazil) (a subsidiary of Laboratoria Cuenca S.A.)
- Consell S.A . (incorporated in Argentina) (a subsidiary of Laboratoria Cuenca S.A.)
- Godrej Consumer Products Nepal Pvt. Ltd.
- Subinite Pty Ltd. (incorporated in South Africa) (a subsidiary of Godrej West Africa Holdings Ltd.)
- Lorna Nigeria Ltd (incorporated in Nigeria) (a subsidiary of Weave Business Holding Mauritius Pvt. Ltd.)
- Weave IP Holding Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej West Africa Holdings Ltd.)
- DGH Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd.)
- Weave Business Holding Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of DGH Mauritius Pvt. Ltd.)
- Weave Trading Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd.)
- Hair Trading (Offshore) S. A. L. (incorporated in Lebanon) (a subsidiary of Weave Trading Mauritius Pvt Ltd.)
- Weave Mozambique Limitada (incorporated in Mozambique) (a subsidiary of Godrej West Africa Holdings Ltd.)
- Godrej East Africa Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd.)
- Style Industries Ltd. (incorporated in Kenya) (a subsidiary of DGH Phase Two Mauritius Pvt. Ltd.)
- DGH Phase Two Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary Godrej East Africa Holdings Ltd.)
- Godrej Tanzania Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd.)
- DGH Tanzania Ltd (incorporated in Tanzania) (a subsidiary of Godrej Tanzania Holdings Ltd.)
- Sigma Hair Ind Ltd. (incorporated in Tanzania) (a subsidiary of DGH Tanzania Ltd.)

Creamline Dairy Products Ltd.

Polchem Hygiene Laboratories P. Ltd.

Notes to the Consolidated Financial Statements

NOTE 41 : Related Party Information

a) Names of Related Parties and Description of Relationship (Contd.)

Other related parties with whom the Company had transactions during the year Associate / Joint Venture Companies :

Al Rahaba Trading International LLC
 ACI Godrej Agrovat P. Ltd.
 HDFC Venture Trustee Co. Ltd.
 HDFC PMS
 Red Fort India Real Estate Babur
 Madhavi Ventures Ltd.
 Ramesh P. Bhatia
 Repton Landmarks LLP
 ASK PMS Real Estate Special Opportunities Portfolio I
 Shubh Properties Cooperatief U.A (COOP)
 Great Lake Institute of Management

Enterprises over which key management personnel exercise significant influence :

Godrej South Africa Pty Ltd.
 Laboratorio Cuenca S.A.
 Godrej Global Mideast FZE
 Godrej Investments Pvt. Ltd.
 Vora Soaps Ltd.
 Godrej Tyson Foods Ltd.
 Anamudi Real Estates LLP
 Bahar Agrochem & Feeds P. Ltd. (up to September 1, 2012)

Key Management Personnel :

Mr. A. B. Godrej - Chairman
 Mr. N. B. Godrej - Managing Director
 Ms. T. A. Dubash - Executive Director & Chief Brand Officer
 Mr. M. Eipe - Executive Director & President (Chemicals) (up to April 30, 2013)
 Mr. N. S. Nabar - Executive Director & President (Chemicals) (from May 1, 2013)
 Mr. B. S. Yadav - Managing Director (Godrej Agrovat Ltd.)
 Mr. P. A. Godrej - Managing Director (Godrej Properties Ltd.)
 Mr. K. T. Jithendran - Executive Director (Godrej Properties Ltd.)
 Mr. V. Srinivasan - Executive Director (Godrej Properties Ltd.)
 Ms. N. A. Godrej - Executive Director, Innovation (Godrej Consumer Products Ltd.) (from July 1, 2013)
 Mr. A. Mahendran - Managing Director (Godrej Consumer Products Ltd.) (up to June 30, 2013)
 Mr. Vivek Gambhir - Managing Director (Godrej Consumer Products Ltd.) (from July 1, 2013)
 Mr. M. Khatkar - Managing Director (Natures Basket Ltd.)

Relatives Key Management Personnel :

Ms. P. A. Godrej - Wife of Mr. A. B. Godrej
 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej
 Mr. B. N. Godrej - Son of Mr. N. B. Godrej
 Mr. S. N. Godrej - Son of Mr. N. B. Godrej
 Master H. N. Godrej - Son of Mr. N. B. Godrej
 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar
 Ms. M. Mahendran - Wife of Mr. A. Mahendran
 Ms. P. Jithendran - Wife of Mr. K. T. Jithendran

Notes to the Consolidated Financial Statements

NOTE 41 : Related Party Information

b) Transactions with Related Parties

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate/ Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Amount INR Crore	
						Enterprises over which Key Management Personnel exercise significant influence	Total
Sale of Goods	0.47	-	25.67	-	-	111.18	137.32
<i>Previous Year</i>	0.40	-	21.25	-	-	106.03	127.68
Advance received	10.66	-	10.58	2.22	-	-	23.46
<i>Previous Year</i>	101.66	-	40.06	-	-	-	141.72
Advance given	1.56	-	-	-	-	-	1.56
<i>Previous Year</i>	0.75	-	-	-	-	-	0.75
Sale of Fixed Assets	-	-	-	-	0.70	-	0.70
<i>Previous Year *</i>	-	-	0.00	-	-	-	0.00
Purchase of goods	2.27	3.18	22.06	-	-	1.06	28.58
<i>Previous Year</i>	2.42	2.95	12.16	-	-	31.88	49.41
Purchase of Fixed Assets	2.38	-	-	-	-	-	2.38
<i>Previous Year</i>	1.61	-	-	-	-	-	1.61
Processing charges received	-	-	-	-	-	-	-
<i>Previous Year</i>	-	-	0.56	-	-	-	0.56
Commission / Royalty received	-	-	-	-	-	-	-
<i>Previous Year</i>	-	-	0.62	-	-	-	0.62
Licence fees / Service charges / Storage Income	-	-	3.30	-	-	0.11	3.42
<i>Previous Year</i>	-	-	3.27	-	-	0.09	3.36
Other Income*	0.00	0.00	1.23	-	-	-	1.23
<i>Previous Year*</i>	0.00	0.00	0.70	-	-	14.28	14.98
Recovery of establishment & Other Expenses	54.58	0.02	5.45	-	-	0.44	60.50
<i>Previous Year</i>	44.44	0.02	6.99	-	-	1.32	52.77
Rent, Establishment & other exps paid*	25.45	0.20	1.69	-	2.76	0.01	30.11
<i>Previous Year</i>	52.16	0.32	3.03	0.02	2.96	0.08	58.57
Interest received	-	-	27.72	0.02	-	-	27.74
<i>Previous Year</i>	-	-	6.91	0.08	-	-	6.99
Interest paid*	-	-	-	0.01	0.79	-	0.80
<i>Previous Year</i>	-	-	-	0.16	0.57	-	0.73
Dividend paid	81.07	-	-	3.82	4.79	0.32	90.00
<i>Previous Year</i>	79.49	-	-	3.01	5.17	0.37	88.04
Remuneration	-	-	-	35.23	0.84	-	36.07
<i>Previous Year</i>	-	-	-	32.26	2.10	-	34.36
Purchase of Investments	-	-	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-	0.03	0.03
Sale of Investments	86.00	-	-	-	-	-	86.00
<i>Previous Year</i>	-	-	-	-	-	-	-
Sale of units	17.01	-	15.03	-	-	-	32.04
<i>Previous Year</i>	79.78	-	24.61	-	-	-	104.39
Sale of flats	-	-	-	-	-	-	-
<i>Previous Year</i>	-	-	-	1.12	0.10	-	1.22
Other Deposits accepted	-	-	-	-	1.40	-	1.40
<i>Previous Year</i>	-	-	0.05	0.40	2.00	0.06	2.51
Other Deposits refunded	-	-	0.09	-	-	-	0.09
<i>Previous Year</i>	-	-	0.56	-	-	-	0.56

Notes to the Consolidated Financial Statements

NOTE 41 : Related Party Information

b) Transactions with Related Parties (contd.)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate/ Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Management Personnel exercise significant influence	Amount INR Crore	
							Total	
Intercompany Deposits -Accepted	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-
Intercompany Deposits Repaid during the year	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-
Intercompany Deposits -Advanced	-	-	-	-	-	-	-	-
Previous Year	-	-	5.66	-	-	-	-	5.66
Intercompany Deposits Repayment received during the year	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-
Issue of equity shares	11.39	-	45.95	28.24	-	-	-	85.58
Previous Year	-	-	0.74	-	-	-	-	0.74
Sale of equity shares	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-
Purchase of equity shares	-	-	191.70	-	-	-	-	191.70
Previous Year	-	-	5.00	-	-	-	-	5.00
Investment in Debenture	-	-	183.47	-	-	-	-	183.47
Previous Year	-	-	42.26	-	-	-	-	42.26
Redemption of Debenture	-	-	-	-	-	-	-	-
Previous Year	-	-	17.95	-	-	-	-	17.95
Share of Profit in LLP	-	-	7.17	-	-	-	-	7.17
Previous Year	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	0.61	-	-	-	0.61
Previous Year	-	-	-	0.72	-	-	-	0.72
Deposit accepted	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-
Deposit refunded	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-
Sitting Fees	-	-	-	0.03	-	-	-	0.03
Previous Year	-	-	-	0.03	-	-	-	0.03
Balance Outstanding as on March 31, 2014								
Receivables	5.30	-	27.85	-	-	-	3.15	36.30
Previous Year *	0.14	-	6.93	0.64	-	-	5.07	12.78
Payables	458.72	0.01	5.83	-	-	-	0.05	464.60
Previous Year	599.73	0.01	1.33	-	-	-	0.10	601.17
Guarantees Outstanding	-	-	18.99	-	-	-	-	18.99
Previous Year	-	-	2.99	-	-	-	-	2.99
Debentures Outstanding	-	-	255.30	-	-	-	-	255.30
Previous Year	-	-	71.83	-	-	-	-	71.83
Public Deposit Outstanding	-	-	-	-	8.76	-	-	8.76
Previous Year	-	-	-	1.87	7.23	-	-	9.10

* Amount less than ₹ 0.01 crores

Notes to the Consolidated Financial Statements

NOTE 41: Related Party Information

c) The significant Related Party transactions are as under:

Nature of Transaction	Amount INR Crore		Nature of Transaction	Amount INR Crore	
	Current Year	Previous Year		Current Year	Previous Year
<u>Sale of goods</u>			<u>Other Deposits Accepted</u>		
- Godrej Tyson Foods Ltd.	107.40	101.55	- Ms. P. A. Godrej	1.40	-
- Godrej Consumer Products Ltd.	20.69	18.15	- Mr. S. N. Godrej	-	1.25
- Laboratorio Cuenca S.A.	3.24	3.77	- Mr. B. N. Godrej	-	0.75
- ACI Godrej Agrovet P. Ltd.	3.23	3.10	- Mr. M. Eipe	-	0.40
- Creamline Dairy Products Ltd.	1.75	-	- Godrej Tyson Foods Ltd.	-	0.06
- Godrej South Africa Pty Ltd.	0.53	0.71	- Godrej Consumer Products Ltd.	-	0.05
- Godrej & Boyce Mfg. Co. Ltd.	0.47	0.40			
<u>Advance received</u>			<u>Other Deposits Refunded</u>		
- Godrej & Boyce Mfg. Co. Ltd.	10.66	101.66	- Godrej Consumer Products Ltd.	0.09	0.18
- Godrej Consumer Products Ltd.	10.58	40.06	- Godrej Hershey Ltd.	-	0.38
- Mr. K. T. Jithendran	2.02	-	<u>Inter Corporate Deposits - Advanced</u>		
- Mr. P. A. Godrej	0.20	-	- Godrej Hershey Ltd.	-	5.66
<u>Advance given</u>			<u>Dividend paid</u>		
- Godrej & Boyce Mfg. Co. Ltd.	1.56	0.75	- Godrej & Boyce Mfg. Co. Ltd.	81.07	79.49
<u>Sale of Fixed Assets</u>			- Mr. N. B. Godrej	1.67	1.03
- Mr. P. A. Godrej	0.70	-	- Mr. P. A. Godrej	1.41	1.40
<u>Purchase of goods</u>			- Mr. S. N. Godrej	1.31	1.35
- Godrej Consumer Products Ltd.	18.97	11.31	- Mr. B. N. Godrej	1.29	1.33
- Polchem Hygiene Laboratories P. Ltd.	3.09	-	- Ms. T. A. Dubash	1.20	1.25
- Wadala Commodities Ltd.	3.18	2.95	- Ms. N. A. Godrej	1.20	1.25
- Godrej & Boyce Mfg. Co. Ltd.	2.28	2.42	- Mst. H. N. Godrej	0.39	0.38
- Godrej Tyson Foods Ltd.	1.06	0.53	- Godrej Investment P. Ltd.	0.32	-
- Bahar Agrochem & Feeds P. Ltd.	-	31.35	- Ms. R. N. Godrej	0.10	0.10
- Godrej Hershey Ltd.	-	0.85	- Mr. K. T. Jithendran *	0.01	0.00
<u>Purchase of fixed assets</u>			- Mr. V. Srinivasan *	0.00	-
- Godrej & Boyce Mfg. Co. Ltd.	2.38	1.61	- Mr. A. Mahendran	-	0.04
<u>Commission / Royalty received</u>			- Bahar Agrochem & Feeds P. Ltd.	-	0.36
- Godrej Hershey Ltd.	-	0.62	- Vora Soaps Ltd.	-	0.01
<u>Sale of Investments</u>			- Mr. M Eipe	-	0.02
- Godrej & Boyce Mfg. Co. Ltd.	86.00	-	<u>Remuneration to Key Management Personnel</u>		
<u>Licence fees / Service charges / Storage income</u>			- Mr. A. B. Godrej	4.96	6.19
- Godrej Consumer Products Ltd.	3.30	3.08	- Mr. B. S. Yadav	4.03	3.38
- Godrej Tyson Foods Ltd.	0.11	0.09	- Mr. K. T. Jithendran	3.69	2.98
- Godrej Hershey Ltd.	-	0.19	- Mr. Vivek Gambhir	3.41	-
<u>Other Income</u>			- Mr. N. B. Godrej	3.70	3.20
- ACI Godrej Agrovet P. Ltd.	0.78	0.34	- Mr. A. Mahendran	3.05	5.18
- Godrej Consumer Products Ltd.	0.45	0.30	- Mr. P. A. Godrej	2.98	2.41
- Bahar Agrochem & Feeds P. Ltd.	-	14.28	- Ms. T. A. Dubash	3.01	2.55
- Wadala Commodities Ltd.	-	0.01	- Mr. M. Eipe	1.30	4.21
- Godrej Hershey Ltd.	-	0.05	- Mr. V. Srinivasan	1.68	1.39
			- Ms. N. A. Godrej	1.51	0.11
			- Mr. N. S. Nabar	0.99	-
			- Mr. M. Khattar	0.92	0.77

Notes to the Consolidated Financial Statements

NOTE 41: Related Party Information

c) The significant Related Party transactions are as under: (Contd.)

Amount INR Crore			Amount INR Crore		
Nature of Transaction	Current Year	Previous Year	Nature of Transaction	Current Year	Previous Year
<u>Recovery of Establishment & other expenses</u>					
- Godrej & Boyce Mfg. Co. Ltd.	54.58	44.44	<u>Remuneration to Relatives of Key Management Personnel</u>		
- Godrej Consumer Products Ltd.	5.04	6.47	- Ms. N. A. Godrej	0.84	1.99
- Godrej Tyson Foods Ltd.	0.44	0.93	<u>Purchase of Investments</u>		
- Repton Landmarks LLP	0.35	0.43	- Godrej Investment P. Ltd.	-	0.03
- Ramesh P. Bhatia	0.06	0.07	<u>Sale of Units</u>		
- Wadala Commodities Ltd.	0.02	0.02	- Godrej & Boyce Mfg. Co. Ltd.	17.01	79.78
- Vora Soaps Ltd.	-	0.39	- Godrej Consumer Products Ltd.	15.03	24.61
- Godrej Hershey Ltd.	-	0.02	<u>Sale of flats</u>		
<u>Rent, Establishment & other exps paid</u>			- Mr. P. A. Godrej	-	0.32
- Godrej & Boyce Mfg. Co. Ltd.	25.45	52.16	- Mr. N. B. Godrej	-	0.14
- Godrej Consumer Products Ltd.	1.67	1.60	- Mr. K. T. Jithendran	-	0.66
- Ms. Parmeshwar Godrej	1.90	1.93	- Ms. P. Jithendran	-	0.10
- Ms. R. N. Godrej	0.78	0.73	<u>Issue of equity shares</u>		
- Wadala Commodities Ltd.	0.13	0.26	- Shubh Properties Cooperatief U.A (COOP)	45.94	-
- Ms. M. Mahendran	0.08	0.30	- Mr. N. B. Godrej	14.01	-
- Godrej Infotech Ltd.	0.06	0.06	- Mr. P. A. Godrej	14.01	-
- ACI Godrej Agrovet P. Ltd.	0.02	-	- Godrej & Boyce Mfg. Co. Ltd.	11.39	-
- Godrej Tyson Foods Ltd.	0.01	0.08	- Mr. K. T. Jithendran	0.19	-
- Godrej Hershey Ltd.	-	0.34	- Mr. V. Srinivasan	0.03	-
- Great Lake Institute of Management	-	0.01	- HDFC Venture Trustee Co. Ltd.	-	0.74
- Mr. A. B. Godrej	-	0.01	<u>Purchase of equity shares</u>		
- Mr. A. Mahendran	-	0.01	- HDFC PMS	189.70	-
<u>Interest received</u>			- Redfort India Real Estate Babur	2.00	-
- Shubh Properties Cooperatief U.A (COOP)	19.02	-	- HDFC Venture Trustee Co. Ltd.	-	5.00
- ASK PMS Real Estate Special Opportunities Portfolio I	5.47	3.47	<u>Investment in Debenture</u>		
- Madhavi Ventures Ltd.	3.20	3.20	- Shubh Properties Cooperatief U.A (COOP)	149.48	-
- HDFC Venture Trustee Co. Ltd.	0.03	0.17	- ASK PMS Real Estate Special Opportunities Portfolio I	33.99	42.26
- Mr. A. Mahendran	0.02	0.08	<u>Redemption of Debenture</u>		
- Godrej Hershey Ltd.	-	0.07	- HDFC Venture Trustee Co. Ltd.	-	17.95
<u>Interest paid</u>			<u>Loan repaid</u>		
- Ms. P. A. Godrej	0.58	0.46	- Mr. A. Mahendran	0.61	0.72
- Mr. S. N. Godrej	0.12	0.07	<u>Sitting fees</u>		
- Mr. B. N. Godrej	0.08	0.04	- Mr. A. B. Godrej	0.03	0.03
- Mr. M. Eipe	0.01	0.16			
- Ms. N. N. Nabar	0.01	-			
- Ms. P. Jithendran *	0.00	-			
<u>Share of Profit in LLP</u>					
- Repton Landmarks LLP	4.24	-			
- Ramesh P. Bhatia	2.93	-			
<u>Processing Charges received</u>					
- Godrej Hershey Ltd.	-	0.56			

* Amount less than ₹ 0.01 crores

Notes to the Consolidated Financial Statements

NOTE 42 : Leases

(1) Leases Granted by the Group

a) Operating Lease:

The Group has entered into Leave and Licence agreements in respect of its commercial and residential premises. The non-cancelable portion of the leases range between 3 months to 36 months and are renewable by mutual consent on mutually acceptable terms. Leave and Licence arrangements are similar in substance to operating leases. The Group has also granted lease for freehold land. The particulars of the operating lease arrangements are as under:

	Amount INR Crore	
	Current Year	Previous Year
Gross Carrying Amount of Premises	51.71	60.08
Accumulated Depreciation	4.48	10.24
Depreciation for the period	1.14	2.26

The aggregate future minimum lease receipts are as under :

	Amount INR Crore	
	Current Year	Previous Year
Lease Income Recognised in the Statement of Profit and Loss	10.70	8.79
Future Lease Income		
- Within one year	6.30	8.52
- Later than one year and not later than five years	8.57	15.93
- Later than five	46.23	-

(2) Lease Taken by the Group

a) Operating Lease:

The Group's significant leasing arrangements are in respect of operating lease for land, office premises, residential premises, machinery and storage tanks. The aggregate lease rentals paid by the Group are charged to the Statement of Profit and Loss.

	Amount INR Crore	
	Current Year	Previous Year
Lease Payment recognised in the Statement of Profit and Loss	29.47	26.41
Future Lease Commitments		
- Within one year	32.86	29.59
- Later than one year and not later than five years	88.01	76.88
- Later than five years	28.47	24.40

Notes to the Consolidated Financial Statements

NOTE 42 : Leases (Contd.)

b) Finance Leases:

The Group has acquired vehicles under Finance Lease. Liability for minimum lease payment is secured by hypothecation of the vehicles acquired under the lease. The minimum lease payments outstanding as on March 31, 2014, in respect of vehicles acquired under lease are as under:

	Total minimum lease payments outstanding as at year end	Un-matured Interest	Amount INR Crore Present value of minimum lease payments
Within one year	0.01	-	0.01
Previous Year	-	-	-
Later than one year and not later than five years	-	-	-
Previous Year	-	-	-
Total	0.01	0.00	0.01
Previous Year Total	-	-	-

Note 43 : Hedging Contracts

The group uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments in accordance with its forex policy as determined by a Forex Committee. The use of the foreign exchange forward contracts reduces the risk on cost to the company. The group also uses commodity futures contracts to hedge its exposure to vegetable oil price risk. The group does not use foreign exchange forward contracts or commodity future contracts for trading or speculation purposes.

i) Derivative Instruments Outstanding:

a) Commodity Futures Contracts

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Futures Contracts Outstanding	30	22	3	580
Number of units under above contracts in MT.	22,810	14,860	2,750	5,800

b) Forward Exchange Contracts

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total Number of Contracts Outstanding	83	34	-	27
Foreign Currency Value				
- US Dollar (crores)	3.18	1.11	-	0.94
- Euro (crores)	0.04	0.10	-	0.23

ii) Un-hedged Foreign Currency Exposures

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Uncovered Foreign Exchange Exposure as at the year end				
- US Dollar (crores)	7.26*	0.76	5.42*	0.80
- Euro (crores) **	0.00	-	-	-
- AUS Dollar (crores) **	0.00	-	-	-
- CHF Dollar (crores) **	0.00	-	-	-

(*) Uncovered Foreign Exchange Exposure includes US Dollar 6 crore (previous year US Dollar 4 crore) of External Commercial Borrowings (ECB) taken for Capital Expenditure. Impact of fluctuation in Foreign Currency Rates on ECB will be capitalised to Fixed Assets and would not impact Statement of Profit and Loss.

(**) Amount less than 0.01 crore

NOTE 44

Figures for the previous year have been regrouped/restated wherever necessary to conform to current years presentation.

Statement regarding Subsidiary Companies pursuant to Section 212(8) of the Companies Act, 1956

All figures except exchange rates in ₹ Crores (upto two decimal)

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate		Accounting Period	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments (except in case of investment in the subsidiaries)	Turnover	Other Income		Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Country
			Current Period	Previous Period	Current Period	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2013	31.03.2014	31.03.2014	31.03.2013	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2013
1.	Godrej Agrovet Limited	INR	1.00	1.00	Apr 13 to Mar 14	12.64	438.48	1,515.44	1,515.44	1,203.21	3,240.00	16.66	12.69	40.77	53.34	143.87	36.36	INDIA
2.	Godrej Seeds & Genetics Limited	INR	1.00	1.00	Apr 13 to Mar 14	5.06	(6.07)	13.90	26.25	13.90	35.84	0.00	0.00	0.01	-	(4.67)	(3.04)	INDIA
3.	Godrej Food Products Pvt. Ltd.	INR	1.00	1.00	Apr 13 to Mar 14	0.05	(0.09)	13.35	-	-	-	-	-	-	-	(0.09)	-	INDIA
4.	Nature's Basket Limited	INR	1.00	1.00	Apr 13 to Mar 14	106.08	(102.26)	67.85	62.90	62.90	173.60	0.76	0.65	0.43	-	(91.32)	(77.74)	INDIA
5.	Godrej International Limited	USD	59.91	54.29	Apr 13 to Mar 14	20.38	45.48	70.24	66.61	12.31	1,87.66	-	-	-	-	9.33	24.36	Isle of Man
6.	Godrej International Trading & Investment	USD	59.91	54.29	Apr 13 to Mar 14	5.99	1.82	13.03	9.49	9.49	27.01	0.83	-	-	-	0.14	0.66	Singapore
7.	Ensemble Holdings & Finance Ltd	INR	1.00	1.00	Apr 13 to Mar 14	3.77	6.93	11.29	12.36	4.40	0.99*	-	-	0.97	0.15	0.63	0.82	INDIA
8.	Godrej Properties Limited	INR	1.00	1.00	Apr 13 to Mar 14	98.12	1,691.03	2,767.24	2,767.24	35.77	786.56	102.55	62.79	96.21	(1.44)	16.84	97.66	INDIA
9.	Godrej Realty Pvt. Ltd.	INR	1.00	1.00	Apr 13 to Mar 14	1.74	2.00	9.84	9.74	9.74	-	-	0.69	(0.06)	0.00	0.17	(0.06)	INDIA
10.	Godrej Real Estate Private Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.05	(0.17)	152.03	138.97	-	-	-	-	(0.09)	(0.00)	(0.03)	-	INDIA
11.	Happy Highness Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.20	79.81	305.43	290.05	-	74.64	0.13	-	27.22	32.51	10.66	17.97	INDIA
12.	Godrej Globalwelfare Private Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.05	6.40	138.91	169.22	-	60.13	-	-	9.47	0.04	3.09	6.38	INDIA
13.	Godrej Globalwelfare Private Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.05	(0.19)	1,172.43	879.88	-	-	-	-	(0.06)	0.00	0.01	(0.09)	INDIA
14.	Godrej Projects Development Private Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.10	7.43	354.33	72.37	-	64.72	50.00	3.67	51.55	12.40	3.74	36.39	INDIA
15.	Godrej Premium Builders Private Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.05	7.69	288.50	175.45	-	11.69	1.20	11.68	11.21	0.43	3.81	0.12	INDIA
16.	Godrej Garden City Properties Private Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.05	0.15	15.12	0.01	0.01	0.97	0.33	-	0.26	(0.02)	0.07	(0.02)	INDIA
17.	Godrej Green Homes Limited	INR	1.00	1.00	24.12.2013 TO 31.03.2014	0.05	NA	0.05	NA	NA	-	NA	-	(0.01)	NA	(0.01)	NA	INDIA
18.	Wonder City Builders Private Limited	INR	1.00	1.00	30.08.2013 TO 31.03.2014	0.05	NA	0.05	NA	NA	-	NA	-	(0.01)	NA	(0.01)	NA	INDIA
19.	Godrej Landmark Residences Private Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.05	0.06	235.42	93.40	-	1.55	1.55	1.15	0.09	0.00	0.06	0.00	INDIA
20.	Godrej Residences (Mumbai) Private Limited	INR	1.00	1.00	Apr 13 to Mar 14	0.05	7.33	127.38	13.82	-	6.20	6.20	0.12	2.48	0.07	0.81	0.15	INDIA
21.	Mosaic Landmarks LLP	INR	1.00	1.00	Apr 13 to Mar 14	14.84	-	65.59	36.71	-	54.43	0.45	0.50	22.19	0.01	7.54	0.00	INDIA
22.	Godrej Winrol Properties LLP	INR	1.00	1.00	Apr 13 to Mar 14	328.98	-	937.30	1,003.33	-	360.59	27.94	2.92	193.11	191.38	66.39	128.72	INDIA
23.	Deem World Landmarks LLP	INR	1.00	1.00	Apr 13 to Mar 14	0.00	0.00	3.41	0.00	-	-	-	-	(0.00)	0.00	-	(0.00)	INDIA
24.	Odor Realty LLP	INR	1.00	1.00	20.02.2014 TO 31.03.2014	0.01	NA	28.82	NA	NA	NA	-	NA	(0.00)	NA	(0.00)	NA	INDIA
25.	SSPCL Green Acres LLP	INR	1.00	1.00	Apr 13 to Mar 14	17.45	-	20.01	NA	NA	-	NA	-	-	-	NA	-	INDIA

Notes: 1. The Indian Rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rate as on 31.03.2014 for the current year and 31.03.2013 for previous year.

2. * Turnover includes other income

Statement regarding Subsidiary Companies pursuant to Section 212(8) of the Companies Act, 1956

1. Name of the Subsidiary Company	Godrej Agrovet Limited	Godrej Properties Limited	Godrej Enclave Properties & Finance Limited	Godrej Inter-national Investment Pte Ltd.	Godrej In-ternational Trading & Investment Pte Ltd.	Godrej Inter-national Limited	Godrej Agrochem Limited	Godrej Seed & Genetics Limited	Godrej Green Homes Ltd.	Godrej Real Estate Pte Ltd.	Godrej Realty Pte Ltd.	Godrej Winder City Buldozer Pte Ltd.	Happy Highbases Limited	Buldozer Pte Ltd.	Godrej Projects Development Pte Ltd.	Godrej Green City Properties Pte Ltd.	Godrej Premium Builders Pte Ltd.	Godrej Buldozer Pte Ltd.	Godrej Landmark Developers (Mumbai) Pte Ltd.	Godrej Music Landmarks LLP	Godrej Viroli Property LLP	Godrej Dream World Landmarks LLP	Godrej Oxford Realty LLP	Godrej SSDDL Green Acres LLP
2. The company's interest in the subsidiaries as on March 31, 2014																								
a. Number of Equity Shares	8,04,026	122,775,304	3,774,160	2,105,000	1,000,000	106,080,000																		
Total Number of Shares	13,223,634	199,234,030	3,774,160	2,105,000	1,000,000	106,080,000																		
b. Face Value	10	5	10	₹1	USD 1	10																		
c. Extent of Holding	60.2%	61.62%	100.00%	100.00%	100.00%	100.00%																		
3. Net aggregate profit/loss of the subsidiary company so far it concerns the members of the Company	₹ Core	₹ Core	₹ Core	₹ Core	₹ Core	₹ Core																		
A. For the financial year ended on March 31, 2014																								
i. Not dealt with in the books of Account of the Company	10:12	99.37	0.82	0.15	(31.32)																			
ii. Dealt with in the books of Account of the Company	-	-	-	-	-	-																		
B. For the subsidiary company's previous financial years since it became a subsidiary																								
i. Not dealt with in the books of Account of the Company	178.18	354.50	0.35	285.87	1.43	(6.29)																		
ii. Dealt with in the books of Account of the Company	86.94	151.24	9.59	141.76	-	-																		

Notes :

- The Financial Year of the subsidiary companies have ended on March 31, 2014.
- 50,000 Equity Shares of ₹ 10 each in Godrej Agrochem Ltd. representing 100% of the share capital are held by Godrej Agrovet Ltd.
 - 54,000 Equity Shares of ₹ 10 each in Godrej Seeds & Genetics. representing 100.01% of the share capital are held by Godrej Agrovet Ltd.
 - 50,000 Equity Shares of ₹ 10 each in Godrej Green Homes Ltd. representing 100% of the share capital are held by Godrej Properties Ltd.
 - 50,000 Equity Shares of ₹ 10 each in Godrej Real Estate Pte Ltd. representing 100% of the share capital are held by Godrej Properties Ltd.
 - 8,84,850 Equity Shares of ₹ 10 each in Godrej Realty Pte Ltd. representing 51% of the share capital are held by Godrej Properties Ltd.
 - 50,000 Equity Shares of ₹ 10 each in Happy Highbases Pte Ltd. representing 100% of the share capital are held by Godrej Properties Ltd.
 - 10,392 Equity Shares of ₹ 10 each in Godrej Buldozer Pte Ltd. representing 51% of the share capital are held by Godrej Properties Ltd.
 - 50,000 Equity Shares of ₹ 10 each in Godrej Buldozer Pte Ltd. representing 100% of the share capital are held by Godrej Properties Ltd.
 - 50,000 Equity Shares of ₹ 10 each in Godrej Projects Development Pte Ltd. representing 100% of the share capital are held by Godrej Properties Ltd.
 - 50,000 Equity Shares of ₹ 10 each in Godrej Garden City Properties Pte Ltd. representing 100% of the share capital are held by Godrej Properties Ltd.
 - 25,500 Equity Shares of ₹ 10 each in Godrej Premium Builders Pte Ltd. representing 51% of the share capital are held by Godrej Properties Ltd.
 - 24,500 Class A Equity Shares of ₹ 10 each representing 50.1% of the Class A equity share capital and 1000 Class D Equity Shares of ₹ 10 each representing 100% of the Class D Equity share capital in Godrej Buldozer Pte Ltd. are held by Godrej Properties Ltd. The majority composition of the Board of Directors of Godrej Buldozer Pte Ltd. is being controlled by Godrej Properties Ltd.
 - 25,500 Equity Shares of ₹ 10 each in Godrej Landmark Redevelopers Pte Ltd. representing 51% of the share capital are held by Godrej Projects Development Pte Ltd.
 - 27,394 Equity Shares of ₹ 10 each in Godrej Redevelopers (Mumbai) Pte Ltd. representing 51% of the share capital are held by Godrej Projects Development Pte Ltd.
 - 51% share in profits of Music Landmarks LLP is held by Godrej Properties Ltd.
 - Profit sharing in Godrej Winder City Property LLP between Godrej Industries Ltd. and Godrej Properties Ltd. is in the ratio of 40:60.
 - 40% share in profits of Dream World Landmarks is held by Godrej Properties Ltd.
 - Control through majority voting rights.

K. R. Rajput
Company Secretary

Clement Pinto
Chief Financial Officer

Nitin Nabar
Executive Director &
President (Chemicals)

N.B. Godrej
Managing Director

A.B. Godrej
Chairman

Mumbai, May 28, 2014.

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**Godrej Industries Limited**

CIN: L24241MH1988PLC097781

Regd. Office: Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.

Tel. 2518 80 10 / 20 / 30 Fax: 2518 8066 E-mail: investor@godrejinds.com,

Website: www.godrejinds.com

ATTENDANCE SLIP

Name of the member(s):	
Name of the Proxy:	
Folio No. / *DP id and Client id:	

**Applicable for investors holding shares in electronic form*

I/We hereby record my/our presence at the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of the Company on Saturday, August 9, 2014 at 3.30 p.m. at Y. B. Chavan Centre, General Jagannath Bhosle Marg, Nariman Point, Mumbai - 400021.

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.

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Form No. MGT- 11**PROXY FORM**

[Pursuant to Section 105(6) of the Company Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the member(s):		E-mail id:	
Registered address:		Folio No./ *DP id and Client id:	

**Applicable for investors holding shares in electronic form*

I/We, being the member(s) of _____ Shares of the above named Company, hereby appoint:

1.	Name:		E-mail Id:	
	Address:		Signature:	

or failing him

2.	Name:		E-mail Id:	
	Address:		Signature:	

or failing him

3.	Name:		E-mail Id:	
	Address:		Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY-SIXTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, August 9, 2014 at 3.30 p.m. at Y.B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:



Sr. No.	Resolutions
1.	Adoption of audited financial statements (both standalone and consolidated), Report of Board of Directors and Auditors for the year ended March 31, 2014.
2.	Declaration of dividend.
3.	Appointment of a Director in place of Mr. J.N. Godrej, who retires by rotation and being eligible, offers himself for re-appointment
4.	Appointment of a Director in place of Ms. T.A. Dubash, who retires by rotation and being eligible, offers herself for re-appointment
5.	Appointment of Auditors of the Company
6.	Appointment of Mr. S. A. Ahmadullah as Independent Director of the Company.
7.	Appointment of Mr. A. B. Choudhury as Independent Director of the Company.
8.	Appointment of Mr. K. K. Dastur as Independent Director of the Company.
9.	Appointment of Mr. K M. Elavia as Independent Director of the Company.
10.	Appointment of Dr. N. D. Forbes as Independent Director of the Company.
11.	Appointment of Mr. K. N. Petigara as Independent Director of the Company.
12.	Remuneration of R. Nanabhoy & Co., as Cost Auditors of the Company
13.	Investment in Verseon Corporation u/s 186 of the Companies Act, 2013.

Signature of Shareholder _____

Affix
Revenue
Stamp

Signature of Proxy _____

Signed this _____ day of _____, 2014

Note : This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Notes

[illegible]

Notes

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ideas
that
make
life
brighter



Godrej Industries Ltd.

www.godrejinds.com

