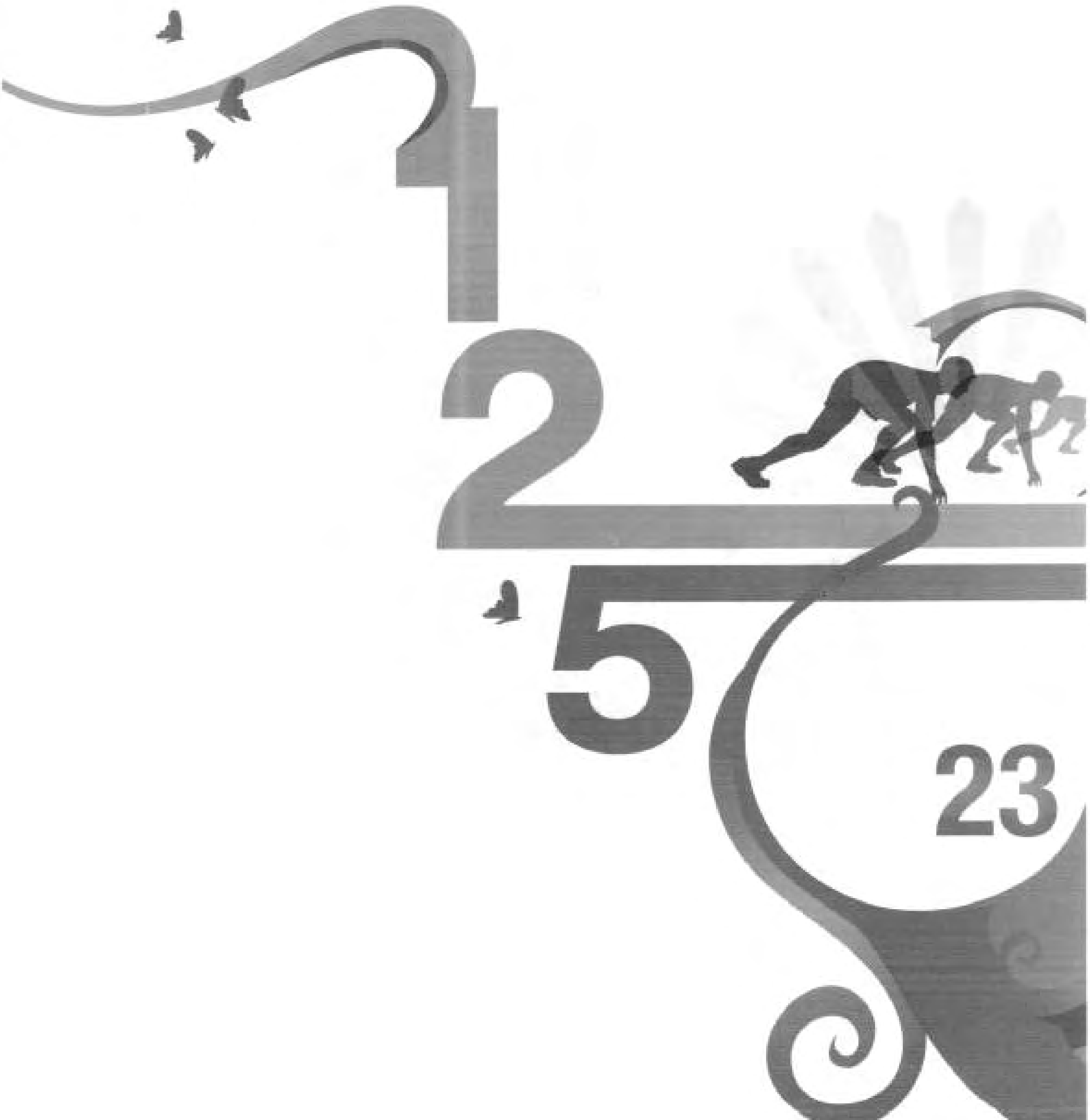
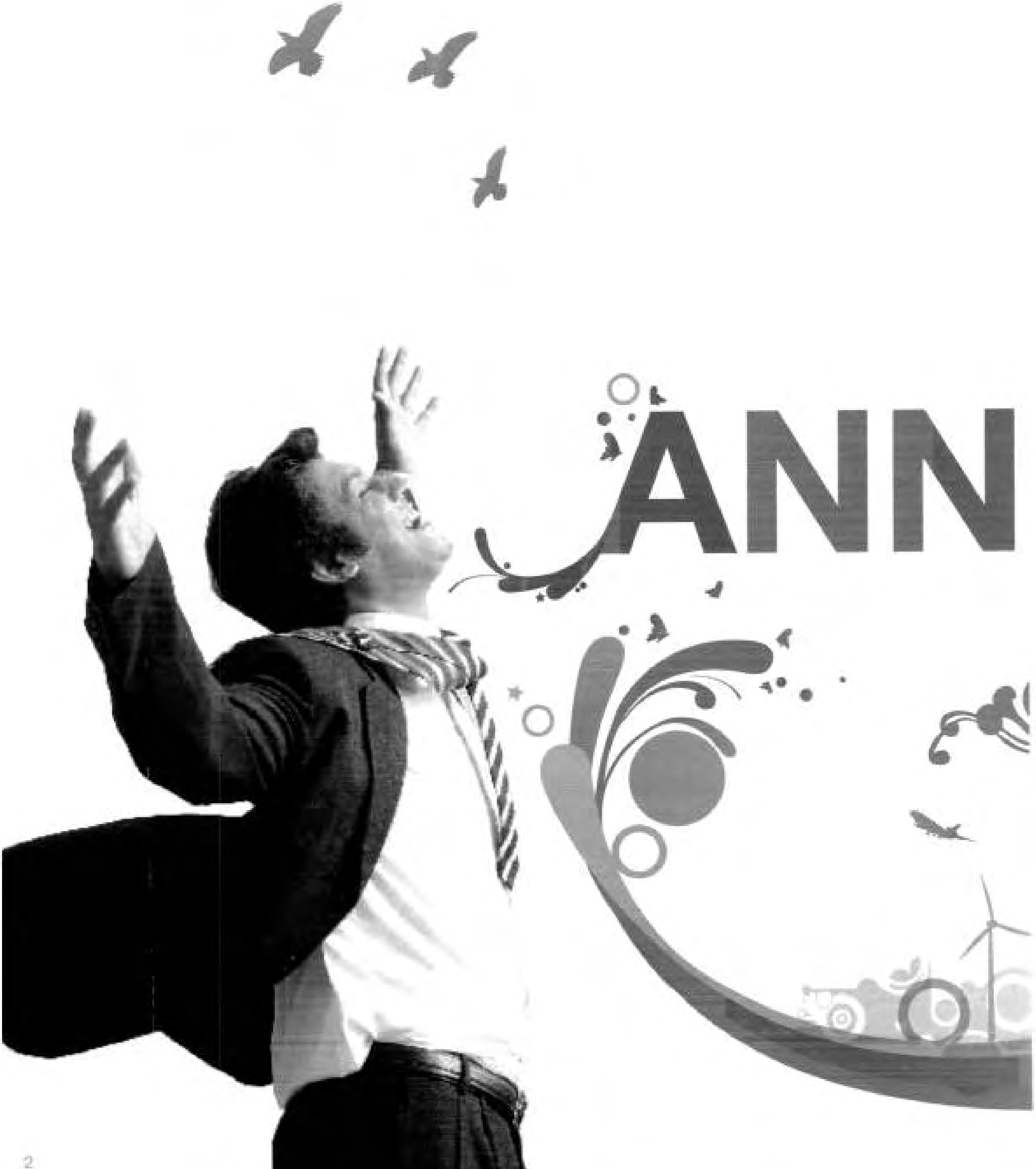
Building for a brighter future.

ANNUAL REPORT 2009-10

GODREJ CONSUMER PRODUCTS LIMITED


1
2
5
23

Contents


ANN

Growth driven by clear focus.

At Godrej Consumer Products Limited (GCPL), last year was about creating opportunity in adversity, this year, it was about building on that momentum.

And it doesn't work to leap a twenty-foot chasm in two ten-foot jumps. It's about carefully calibrating goals and reaching beyond the set goals.

Because growth is nothing but pushing yourself to do the unthinkable.

Whether it is introducing new products in India, acquiring a stake in Godrej Sara Lee Ltd., expanding into Africa and Asia, or buying out the Tura Company from Tura Group.

The next few pages will reveal the clarity with which this vision was achieved across GCPL. Not a mean feat given the challenging economic environment.

The numbers will reveal the 17% year-on-year growth. But never the passion and commitment to go beyond.

One thing that they will certainly reveal is that a brighter future awaits. Something that we are all sharply focused on.

Vision

"We are dedicated to
Deliver Superior Stakeholder Value
by providing solutions to existing
and emerging consumer needs in the
Household & Personal Care Business.
We will achieve this through
Enduring Trust and Relentless Innovation
delivered with Passion and Entrepreneurial Spirit."

The world is moving at an extremely fast pace. Borders are being transcended, opportunities are arising in locations and businesses which many never cared to look at, a few years ago. Flexibility, swiftness and the ability to identify and quickly capitalize on these opportunities is becoming increasingly critical for companies to enhance their competitive position and grow.

At Godrej Consumer Products Limited (GCPL) we have during the year under review, endeavoured to put in place all the building blocks so that we are optimally prepared for the future and ensure that we are best placed to strengthen our growth and create value for all our stakeholders.

After extensive and in-depth research to enable us to better understand our target customers we have launched a range of exciting consumer centric offerings across all our key business categories. These have been supported by focused media, advertising and promotional campaigns.

It is also becoming increasingly clear that in India, growth will be driven by the relatively untapped rural and interior areas. We have as a result considerably expanded our presence in these regions, enhancing our sales and distribution infrastructure.

Further as you are aware, your Company, has been consistently exploring viable and accretive opportunities globally. Here too, the opportunities lie in the emerging and developing markets. We have identified three key geographies, namely Africa, Asia and Latin America and have made considerable progress in the first two. Not only are these geographies less tapped, they also have similar demographic profiles and behaviour as the average Indian – which is the consumer we best understand and cater to.

Last but not the least, your Company has and continues to look to optimise its fixed and variable costs to become more efficient and lean.

Our Promises

Deliver Superior Stakeholder Value

All our endeavours are focused towards delivering superior stakeholder value. This has enabled us to sustain our strong profit growth, the fruits of which are shared through superior returns to our shareholders, consumers, employees and associates.

Enduring Trust

We have a total commitment to transparency. Our stakeholders have incessantly maintained enduring trust in us and we seek to strengthen and build upon it continually. In doing this we ensure that we always maintain the highest levels of corporate governance and deliver safe, reliable and value for money product offerings.

Relentless Innovation

In line with our relentless innovation thrust, we are infrastructurally well-equipped with a full-fledged research and development centre to identify new products and variants. We are innovative in all areas of operations including marketing and manufacturing.

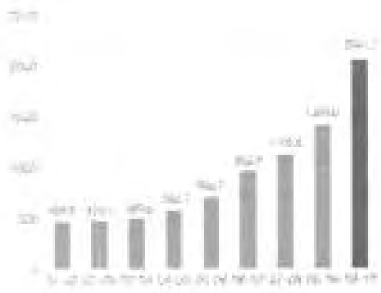
Passion

Our robust business performance is predominantly due to our passion for excellence. A motivating work environment and well-structured development programs have enabled us to attract and retain the best talent and expertise.

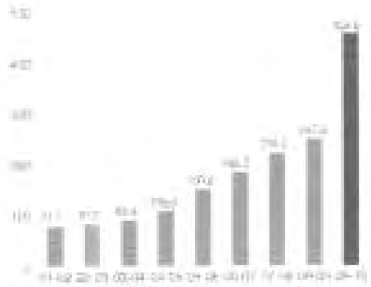
Entrepreneurial Spirit

Our entrepreneurial spirit has helped us adapt and capitalize on the changing paradigms. This spirit has allowed us to establish ourselves as a "Business Superbrand". The acquisition of Keyline Brands Ltd., Rapidol Pty. Ltd., Godrej Global MidEast FZE, Kinky Group (Pty.) Ltd., Tura (Nigeria), Megasari (Indonesia) a step towards our presence overseas is an example of our entrepreneurial spirit.

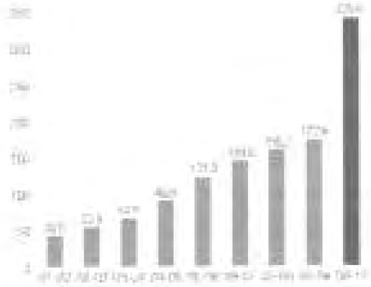
Performance Highlights



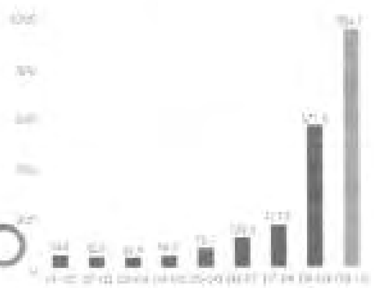
Net Sales (Rs. cr.)



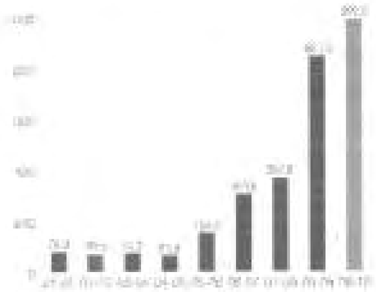
Operating Profit (Rs. cr.)



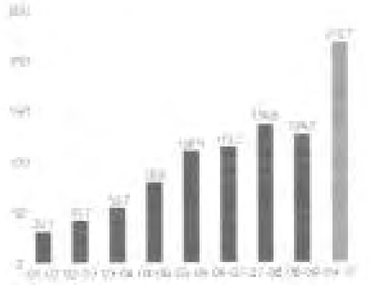
Net Profit (Rs. cr.)



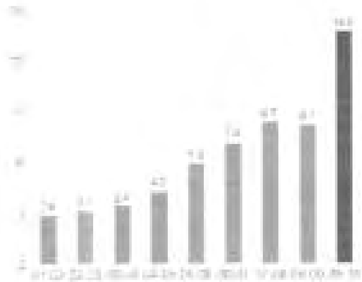
Networth (Rs. cr.)



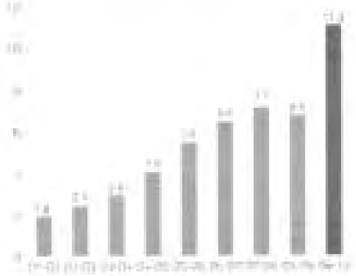
Capital Employed (Rs. cr.)



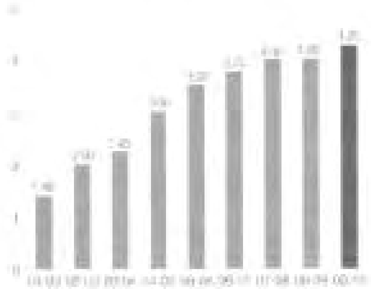
EVA (Rs. cr.)



PBT Per Share (Rs.)



EPS (Rs.)



Dividend Per Share (Rs.)

Note: Figures form FY 05-06 onwards are on a Consolidated business.

The Year that was

Unrelenting Growth:

- FY 2009-10 consolidated sales revenue (net of excise) improve by 47% from Rs.1393.0 crore To Rs.2041.2 crore.
- Consolidated Net profit increases by 97% from Rs. 172.6 crore to Rs.339.6 crore.
- Consolidated EPS increases to Rs.11.3 from Rs.6.8.
- Consolidated Profit before Depreciation, Interest and Tax (PBDIT) at Rs.454.6 crore from Rs.247.3 crore.

All Round Business Strength

- Your Company is the second largest toilet soap manufacturer in India.
- GCPL's toilet soap market share improves to 10.3% from 9.4%.
- Hair colours demonstrated 19% growth.
- Liquid detergents grew by 24%.
- Toiletries improve by 34%.

Innovations to further improve performance

- Extension of Cinthol Deodorant & Complexion soap at more accessible price points.
- Godrej No.1 relaunched in April 2010 with new shape, packaging and natural oils ingredients.
- Godrej No.1 Mosituring soap and Lime and Aloe Vera Soap launched.
- Change in packaging configuration in Godrej expert hair colours enabled expansion of retail outlets covered.
- Smaller "SKU" to strengthen Expert PHD in smaller wholesale outlets.
- Cinthol skin protection talc launched in South India.
- Cinthol Lime Fresh talc launched in April 2010.
- Cinthol Deodorant launched "Rainstorm & Unleash".
- Launch of Godrej Protekt – Hand sanitisers, Hand wash and Wipes.

Expanding Global Presence

- In March 2010, GCPL announced the acquisition of Tura in Nigeria.
- In April 2010 GCPL announced the acquisition of PT. Megasari Makmur Group and its distribution company in Indonesia.
- GCPL acquires 49% stake in Godrej Sara Lee Limited.
- One Africa plan in place to integrate Kinky and Rapidol under a single management.

Improved Shareholder Value

- Consolidated EPS increases to Rs.11.3 from Rs.6.8.
- Consolidated Economic Value Added (EVA) rises from Rs.124.7 crore to Rs. 216.1 crore.
- Dividend Rs.4.25 per share (425% on a face value of Re.1 per share).
- Return on Capital Employed (ROCE) and Return on Net Worth (RONW) at 42% and 34% respectively on a consolidated basis.

Recognitions

- GCPL was ranked 15th in "India's Best Companies to work for" survey 2009 conducted by The Great Place to Work Institute, India & Economic Times.
- GCPL was ranked one of best 25 employers in Asia in the Wall Street Journal Asia.
- Malanpur unit, based on the improvement initiatives and systems, got "Manufacturer of the Year Award" (Large Organization Category) organised by Stars of the Industry group.
- GCPL's head of finance Mr. P. Ganesh was awarded the "Best CFO" award under the mid-size company category, organised by Business Today – Yes Bank.

Board Of Directors

1 Rama Bijapurkar	5 Hoshedar Press	9 A. Mahendran
2 D.Shivakumar	6 Adi Godrej	10 Dr. Omkar Goswami
3 Bharat Doshi	7 Jamshyd Godrej	11 Dalip Sehgal
4 Nadir Godrej	8 Aman Mehta	12 Bala Balachandran

Company Secretary P Ganesh **Auditors** Kalyaniwalla & Mistry **Registrars** Computech Sharecap Ltd.

Bankers Central Bank Of India, State Bank Of India, Citibank N. A., HDFC Bank Limited,

The Hongkong & Shanghai Banking Corporation Limited.

Management Committee

1 Jimmy Anklesaria
2 Sumit Mitra
3 Dr. Rakesh Sinha
4 Dr. Sunder Mahadevan
5 Dalip Sehgal
6 P. Ganesh
7 Bhupendar Sodhi

Chairman's Statement

Dear Shareholders

It gives me great pleasure to address all of you, at the conclusion of a very eventful year. The Indian economy has performed very creditably despite a challenging macroeconomic environment which it faced at the start of the year. The adverse impact of the global financial crisis and the subsequent recessionary trend in major economies of the world had stressed demand in several developed world economies. India, along with many other developing countries, was able to respond with pre-emptive measures and has actually posted encouraging growth. This, I believe, is testimony of India's strong domestic consumption story. In fact, a continued focus on infrastructure enhancement and effective policy implementation will sustain this domestic consumption story leading to strong growth for our country and your Company. Your Company's performance is clearly a reflection of this potential. During the year under review we have placed considerable emphasis on expanding our rural presence through focus on low unit price packs and a significant scaling up of our rural reach. We also launched several new offerings and implemented several initiatives that will streamline our productivity and help us accelerate our growth. This has enabled us to deliver strong and profitable growth across our Indian and African businesses and also perform encouragingly in a challenging geography like Europe. The macro-environment is stabilising and is definitely a lot stronger than the same time last year. There are challenges on account of higher commodity prices, high food inflation and rising interest rates but we believe your Company is extremely well positioned to drive growth and create sustained value for all its stakeholders.

Indian Economy

India's GDP growth has bounced back and is estimated to average 9% plus in the next decade. Fundamental factors like a young population, a growing middle-class section, rising income levels with growing household savings make India's medium to long-term growth secure. The Indian Government has been diligent in its attempt to curb the effects of the global slowdown through some well thought out policy reforms and stimulus packages, including additional spending, and excise duty cuts. All of these have contributed to higher spends and consumption. While talking of policy change, I would like to touch upon the implementation of GST which has unfortunately been delayed. Speedy implementation of GST will be extremely beneficial to consumers, producers as well as the government. This tax will replace multiple indirect taxes levied on products and would lead to a uniform, simplified and single-point taxation. It would help to reduce prices, improve supply chain efficiencies and is expected to increase tax collections.

FMCG Sector

The FMCG sector, which is the fourth largest sector in India, has performed encouragingly. It is heartening that a large amount of the growth is contributed by volume expansion which is an indication of rising demand and consumption. Higher raw material prices, rising food inflation and increasing competition may impact margins of some products but overall I still believe that there is significant opportunity in this space.

There is some concern with regard to the monsoon after last year's low rainfall. However, we have seen that less number of people working directly in farming or other related areas has reduced dependence on the monsoon. Further, improved infrastructure in the form of greater penetration of irrigation systems will gradually reduce the

degree of dependence on monsoon. Another genuine concern is that of rising commodity and input prices. This is a perennial challenge and I believe companies that have efficient sourcing mechanisms in place will be capable of managing these costs efficiently, while still delivering quality products.

Performance Perspective

Our performance during the year under review has been extremely strong on the back of some strategic organic and inorganic initiatives. Sales growth was driven by a strong and steady demand of recently launched products across our soaps, hair colourants and toiletries categories. The year saw a range of new product launches across all our product lines and introduction of new ranges like our hand hygiene products. Concurrently, we have aggressively expanded our presence in rural and interior India. As you may be aware, we have also identified international markets where we believe there is significant opportunity. These comprise the emerging markets of Africa, Latin America and Asia. We will look to expand and entrench our presence in these geographies through organic as well as inorganic initiatives.

In March 2010 we entered into an agreement to acquire the worldwide rights of Nigeria-based Tura of the Tura Group, a leading personal care brand. Tura is our fifth acquisition in less than five years.

In April 2010 we entered into an agreement to acquire PT. Megasari Makmur Group and its distribution company in Indonesia. Megasari group manufactures and distributes a wide range of household products including household insecticides, wet tissues and air freshners. Megasari groups products are market leaders in Indonesia in most of the categories that the Company participates in.

In May 2010 we entered into an agreement to acquire the balance 51% Sara Lee shareholding in Godrej Sara Lee Limited. Since mid-2005, GCPL has acquired Keyline brands Limited (UK), Rapidol (Pty.) Limited (South Africa), Godrej Global Mideast FZE (GCC), Kinky Group (Pty.) Limited (South Africa) and a 49 percent stake in Godrej Sara Lee Limited. You will be happy to know that each of these acquisitions have been strongly accretive and have given your Company a tremendous strategic advantage. The acquisition of Tura, Megasari and the balance holding in Godrej Sara Lee Limited is no different and should further boost GCPL's domestic and international revenues.

Leadership Change

Mr. Dalip Sehgal, Managing Director has resigned from the Board with effect from the close of business hours of June 30, 2010, to pursue opportunities outside the Godrej Group. I'd like to thank Dalip for the excellent job done by him in steering your Company and wish him all the best in his future endeavours .

Mr. A Mahendran, currently a non executive director on the Board of your Company, has been appointed as Managing Director of your Company with effect from July 1, 2010, subject to the approval of the shareholders. Mr. Mahendran has been associated with the Godrej Group for 16 years and has been the Managing Director of Godrej Sara Lee Ltd.(GSLL) since its inception and the Director of the FMCG portfolio cell (FPC) guiding the FMCG businesses in Godrej Consumer Products, Godrej Sara Lee and Godrej Hershey and driving M&A since April 2008. At GSLL, he has demonstrated a tremendous track record of value creation. I am confident that Mr.Mahendran will take your Company to even greater heights.

Outlook

Our emphasis going forward will be to drive growth both organically and inorganically. An expansion in our product portfolio with a focus on introducing consumer relevant quality offerings at the appropriate price, while simultaneously expanding our reach and presence in target geographies, both domestic and international will drive our organic growth. On the inorganic front, we will continue to explore strategic opportunities in the personal care, hair care, household insecticides, and toilet soaps categories. The Board and the shareholders have passed an enabling resolution allowing us to raise equity/debt up to Rs.3,000 cr to fund these initiatives. We will ensure this money is raised and deployed in the best possible manner so as to maximise stakeholder value.

Your Company enjoys a rich heritage. We are focused on building on this platform by putting in place all the ingredients for a strong future.

I would like to take this opportunity to thank all our employees, who have contributed to the successful performance. I would also like to thank our business partners, vendors and other business associates. Finally I would like to thank all our stakeholders for their trust and encouragement.

Yours Sincerely,

Adi Godrej
Chairman

Overview

The year began on a slow note with a continued slowdown in the developed world due to sluggish export recovery and slowdown in financial flows. Yet over the span of a year the economy posted a remarkable recovery not only in terms of overall growth figures but also more importantly in terms of certain fundamentals which justify optimism for the Indian economy in the medium to long term. The real turnaround came in the second quarter when the economy grew by 7.9%. This was due to renewed momentum in the manufacturing sector and recovery in the growth rate of gross fixed capital formation. (Chapter 01 Economic Survey 09-10)

The Net inward FDI over the period April-December 2009 amounted to $ 26.5 billion. India's local currency rating outlook has been raised to positive from stable by Moody's Investors Service on the back of the country's demonstrated resilience to the global crisis and expectation that it will resume its high growth path. (IBEF and FICCI)

According to a FICCI-Technopak report, despite the economic slowdown, India's FMCG sector is poised to reach $ 43 billion by 2013 and $ 74 billion by 2018. The report states that implementation of the proposed GST and the opening up of FDI are expected to fuel growth further and raise the industry's size to $ 47 billion by 2013 and $ 95 billion by 2018. (IBEF)

"Bottom of Pyramid" consumer segment in Rural India is estimated at around 350 million and is the largest and the fastest growing sector in the country. Today, FMCG companies are focusing on the rural business with custom-made products and seeing considerable value in building presence in these geographies. Companies have stepped up hiring in small towns and rural India, primarily appointing sales staff to increase visibility and connect, and simultaneously boost sales. (IBEF)

- Overview
- Soap
- Personal Care
- Toiletries
- Liquid Detergents
- **Distribution & Supply Chain**
- **Human Resources**
- **Research & Development**
- Information Technology
- International Operations
- Social & Environmental Initiatives

With higher disposable income in urban households and a significant portion of budget allocation towards the development of the rural sector and rural employment, the FMCG sector has a lot to gain from Union Budget 2010-11. While there was reason for concern on the back of rising food inflation and the effect it would have on demand for FMCG, the Finance Minister has outlined several proposals to help boost agriculture growth. Better access to rural areas through an improved road network will also enhance the distribution system of FMCG players.

Today, GCPL is one of the leading companies in the FMCG sector with a presence in the Personal and Household care business. During the year under review your Company has endeavoured to build on its strong foundation and to create an even stronger future. The year has seen the introduction of many new products combined with several other growth initiatives which included a focused expansion in the rural space. Our international operations too performed very well inspite of tough economic conditions.

Our new product introductions span all our categories comprising soaps, hair colourants, toiletries and a new range of hand hygiene products. All these launches have been made after a rigorous amount of research and interaction with consumers.

Our efforts this year have also been dedicated towards the strengthening of our overall infrastructure and an enhancement of our reach and distribution. We have substantially increased the number of stockists and sub-stockists with whom we transact and the number of touch points in the rural markets has increased manifold. As a result, our products are now visible and available to a much broader spectrum of consumers.

We have also made progress on the inorganic front. We acquired a 49% stake in Godrej Sara Lee Ltd. (GSLL) which is a 49:51 unlisted joint venture between the

Godrej Group and Saralee Corporation USA. GSLL has a range of products that are complementary to our exisiting offerings and there is significant potential to derive synergies from the combined operations. Towards the end of the fiscal year we entered into an agreement to acquire Tura from the Tura Group. Tura, a household name in many African markets, is a market leading personal care Company that manufactures and distributes a range of products including soaps, moisturising lotions and skin-toning creams. This acquisition augments our existing operations in Africa.

In our soaps business we introduced two new variants of Godrej No. 1 namely 'Lime and Aloe Vera' and 'Moisturising Soap' with nourishment of Milk Cream & Almonds. With this the Godrej No. 1 portfolio now comprises nine variants. During the year, Godrej No. 1 maintained its leadership position in the States of Punjab, Haryana, Uttaranchal and attained leadership in Uttar Pradesh. Godrej No. 1 is one of the three core brands of your Company with sales of over Rs. 500 crore. The Cinthol brand, also a core brand, continues to do very well with strong growth in the soaps as well as in deosprays and talcs.

In the hair colourants business we re-launched our 'Godrej Expert Hair Colour' brand during the year. This is GCPL's third core brand. Godrej Expert Hair Colour is now available in Liquid form as well as Powder form. Nupur a natural henna brand grew very well on the back of strong activation and advertisement support. In our Renew brand we launched Godrej Renew's Ravishing Reds Collection with two new shades, Wine Red and Plum Crazy. Both these new launches have been very well liked. We export hair colour products to Bangladesh, Sri Lanka and Nepal.

In our toiletries business we introduced small packs of talcum powder range to address needs of both rural and urban consumers. In our Cinthol Deo Spray category we launched two new variants namely Unleash and Rainstorm. We introduced the Protekt range of hand hygiene products during the year. This includes a hand sanitizer, hand wash and hand hygiene wipes. Each of these products is available in three fragrances, viz., Original, Blossom and Citrus.

Our international operations have also done well. Keyline Brands' key offerings, namely the 'Cuticura' Hand Hygiene range, Bio-oil and P20 performed strongly. In South Africa 'Inecto' Powder Hair Colours have been relaunched. 'Cuticura' Hand Hygiene range, Godrej Expert hair colour and Godrej Nupur Mehendi were launched in the GCC and the Middle East in the current year. We also acquired during the year the 49% stake in GSLL. Godrej Sara Lee Ltd., is a 49:51 unlisted joint venture between the Godrej Group and Saralee Corporation USA. Godrej Sara Lee Ltd., is the market leader in household insecticides air care and hair crèam in India with popular brands like GoodKnight, JET, HIT, AmbiPur, Brylcreem and KIWI. During the year we entered into an agreement to acquire Tura from the Tura Group. Tura, a household name in many African markets, is a market leading personal care Company that manufactures and distributes a range of products including soaps, moisturising lotions and skin-toning creams. Its medicated bar soap is amongst the top three in its category in Nigeria. The acquisition will serve as a strong platform for introducing our products in Nigeria and other Western African countries.

GCPL's sales mix: Turnover (Rs. crore)

Turnover	FY 2009-10	FY 2008-09	Growth (%)
Toilet Soaps	828.4	705.6	17%
Hair Colour	274.5	230.5	19%
Liquid Detergents	53.3	42.9	24%
Toiletries	83.2	62.0	34%
Branded Sales	1239.4	1041.0	19%
Contract Manufacturing	-	8.1	-
By products	28.5	35.2	(19%)
Total	1267.9	1084.3	17%

Soap

Toilet soaps

GCPL continues to be second largest toilet soaps player in India with a market share of 10.3%.

During the year, we introduced two new variants of our 'Godrej No. 1' soap. The first variant is 'Lime and Aloe Vera' which combines the freshness of lime with the nourishment of aloe vera. It is available in 5 pack sizes - 115 g (pack of 4) 90 g (pack of 4) 90 g (pack of 3) 70 g (pack of 4) 40 g singles. The second variant is a moisturising variant of 'Godrej No. 1', with the nourishment of milk cream & almonds to keep the skin naturally moisturised, smooth & soft in winter without using multiple winter care products. This was launched in October, prior to the onset of winter, and the USP of the product is its ability to keep skin soft.

We continue to offer the Godrej No. 1 range in 5 pack sizes - 115 g (pack of 4), 90 g (pack of 3), 90 g (pack of 4), 70 g (pack of 4) and 40 g (Jasmine, Natural, Sandal). With the addition of these two variants we now have Sandal & turmeric, Coconut & Neem, Jasmine, Lime and Aloevera, Lavender, Strawberry & Walnut, Moisturising and Ayurvedic.

During the year, Godrej No. 1 maintained its leadership position in the States of Punjab, Haryana, Uttaranchal and gained leadership in Uttar Pradesh. Godrej No. 1 is one of the three core brands of your Company with sales of over Rs.500 crore. Godrej No.1 has also significantly increased its share in rural India through several initiatives launched over the year.

'Cinthol' continues to do well following its relaunch in FY 2007-08 in a new range of soaps, namely Cinthol Regular, Fresh and Deo. We witnessed strong growth in this brand following a focus on stronger advertising and marketing. We introduced a Cinthol 'Buy & Win' offer during the year wherein each wrapper contained an assured prize and participants were also eligible for mega prizes such as Television sets and refrigerators.

Cinthol Deo & Complexion Soap has performed very well in the Southern States of Tamil Nadu and Andhra Pradesh. New pack sizes were introduced and the brand was extended into the talc format.

We anticipate stronger growth in the rural markets as we continue to ramp up our sales and distribution network and the increase in touch points will enable us to address previously under-penetrated areas.

Personal Care

Hair Colours

In the hair colour business, GCPL provides a variety of offerings including fashion colours, grey coverage solutions and natural solutions across different price points to cater to various types of consumers. GCPL continues to lead this category with a market share of 33.9%.

Godrej Expert Hair Colour is available in Liquid as well as Powder format. *"Godrej Expert Powder Hair Dye"* has a unique and innovative Colour Lock formulation wherein the colour is absorbed uniformly in each and every strand, thereby ensuring complete grey coverage. Godrej Expert has a presence in over 24 lakh outlets across the nation and is available in a 3 g sachet. *"Godrej Expert Powder Hair Colour"* is formulated with five expert benefits, Colour Balance Technology, Shampoo based colour, No Ammonia, Nourishing conditioner and Perfume. It is available in a 3 g sachet, and in four colours, namely Gentle Black, Dark Brown, Natural Brown and Burgundy.

A key initiative during the year was the Big B program which was taken to around 50,000 salons. Barbers are key influencers especially in the rural areas. We have had a special salon pack consisting of our shaving cream, hair colour and talcum powder. This initiative besides popularising the Expert brand contributed significantly by adding touchpoint to your Company's rural reach.

GCPL also offers a cream hair colour under its "Renew" brand. Two new shades were launched in the Ravishing Reds Collection during the year – Wine Red and Plum Crazy. The two shades are available in packs of 50 ml (50 ml colourant, 50 ml developer, 15 ml conditioner), and 20 ml (20 ml colourant, 20 ml developer, 6 ml conditioner). containing aloe and protein conditioners to nourish and hydrate coloured hair. These are in addition to the existing six colours – Natural Black, Natural Brown, Burgundy, Cinnamon Red, Light Golden Brown and Light Brown. Your Company offers these cream hair colours in packs of 20 ml and 50 ml. The product has done well during the year and the Company will strive to grow this product further.

"Godrej Nupur Mehendi" has performed exceedingly well during the year under review. This product is mehendi based and makes the hair silky and shiny. "Godrej Nupur Mehendi" was relaunched in the month of May and has delivered growth in excess of 60% over the last year.

GCPL's other offerings in this category 'Godrej ColourSoft Hair Colour', 'Godrej Kesh Kala Oil', Godrej Kali Mehendi' and 'Anoop' have all also performed well.

Toiletries

The GCPL toiletries portfolio comprises shaving cream, talcum powder and deodorant spray and we have during the year introduced a range of hand hygiene products in this category. .

Shaving Creams

GCPL's range of shaving creams continues to do well. As part of its enhanced distribution strategy, your Company has included shaving creams in the barber salon pack and have covered about 50,000 salons across India.

Talcum Powder

Cinthol Talcum powder is available in six perfumed variants namely Sport, Classic, Cologne, Lime Fresh, Cinthol Skin Protection Fragranced talc & Musk. Your Company has introduced smaller packaged units of its talcum powder range to address needs of both rural and urban consumers.

Deodorant Spray

Your Company added two variants of its Cinthol Deo Spray – Unleash, a fresh spicy woody fragrance for men and Rainstorm, an aquatic fragrance. This is in addition to the existing four variants namely Sport, Cologne, Classic and Musk. GCPL anticipates healthy growth from this category owing to the increased product range and the enhanced distribution base.

Hand Hygiene

GCPL introduced the Protekt range of hand hygiene products during the year. This includes a hand sanitizer, hand wash and hand hygiene wipes. Each of these products are available in three fragrances, viz. Original, Blossom and Citrus. Godrej Protekt Instant Hand Sanitizer, kills 99.99% of most common germs that cause illness in 15 seconds. This is available in 3 sizes: 250 ml, 100 ml and 50 ml. Godrej Protekt Hand Wash is available in 250 ml bottle. Godrej Protekt Hand Hygiene Wipes come with an Insta Sanitize Technology, an ideal alternative to washing hands when soap and water are not available.

Liquid Detergents

GCPL's liquid detergent brand - Ezee continued to perform strongly during the year. Its performance was aided by newer packaging whereby GCPL offered 2 kgs (2 packs of 1 kg each), amounting to the entire years consumption for an average consumer, at a discount of 10%. This resulted in a growth of 24% over the previous financial year. Sales of Ezee are stronger in the winter months owing to use of woollens in those months.

Distribution and Supply Chain

The year under review was characterised by a concerted thrust on building presence in the rural areas. Your Company continued to expand its distribution and supply chain with a focus on increasing its presence in rural areas. The increase in number of touch points has been a key contributor to growth during the year. Our products are now available in about 37 lac outlets.

GCPL enhanced its reach in number of villages by 70% during the year. Your Company also increased

the number of superstockists and sub-stockists for its products by 30% and 50%, respectively, 96 Super stockist & 1,593 substockist were added during the year. There was a significant increase in village coverage achieved, about 6,200 additional villages were covered during the year.

We have also introduced new packaging and smaller price packs across several of our products to better address needs of our rural consumers and distributors. We now offer Cinthol Regular in 35 g packs through several outlets in Tamil Nadu and Andhra Pradesh.

Project 100 was another key initiative undertaken in the year under review. This initiative aims at significant savings over the three years starting FY10 and is spearheaded by a cross-functional team, analyzing all cost elements and working on cost reduction opportunities. Significant savings have been achieved in packaging materials, production and logistics costs. The emphasis is on cost optimization while maintaining high product quality standards.

Human Resources

Our reinforced commitment to Affirmative Action is a priority and we have been recognized as the leader in this regard within the Godrej Group. We take pride in our leadership commitment to provide better opportunities to uplift the living conditions of the socially and economically underprivileged persons belonging to Scheduled Castes and Scheduled Tribes and create an inclusive culture by giving opportunities to Physically Challenged persons. As a part of this initiative, we have recruited over 30 people belonging to the Scheduled Castes/Scheduled Tribes and Physically Challenged in various parts of the organization. We have also partnered with various Government organizations and NGOs, like Centre for Entrepreneur Development, Ambedkar Institute of Technology for Handicapped, ADAPT, Snehalaya and many more, to provide entrepreneurship support, jobs, trainings and other monetary/non-monetary assistance to these sections of the society.

Your Company considers its people to be its most important asset. We have endeavoured to maintain a positive working environment with equal opportunity for all.

We continue to pledge our commitment to people and society and this has been further honed by our new brand values of Expression, Progression, Empathy and Experience. Brighter Living underlines our Employee Value Proposition and is the driving force behind our improved Employee Commitment Survey scores.

Learning and Development has been at the helm of activities. We adopted a more structured approach this year, led by a competency assessment and development need analysis, culminating in individual development plans. The newly introduced online Learning Management System is slated to magnify outreach and builds on the increased connectivity drive across the company – operating staff in factories are now linked on the company intranet and the sales force have been given netbooks to keep them connected, while on the move.

We added to our Reward and Recognition initiatives this year. In keeping with the drive for excellence, the MD's Club was created, it is an exclusive club of high performers who set high standards for themselves and their teams. Members are selected each quarter to interact with top management and get together to foster the spirit of shared achievements.

Launched earlier this year, 'Just Like That' is exactly what the name suggests – a fun get-together, because we don't need a reason to have a good time! This is a fun evening of games, food and laughter, celebrated every month, while *'Echo'*, the in-house magazine, is a platform for employees – past and present to communicate and share experiences. These have added considerably on Engagement and Communication fronts.

Our global acquisitions have given us access to new markets and have also provided us with a global workforce. We are focused on managing and integrating our global workforce and positioning our resources in the region and business where they can deliver their very best. We feel that the exposure to different markets, cultures, product lines, systems, etc., has enhanced the knowledge and skill sets of our Management team.

Research & Development

Your Company views its Research and Development activities as an integral component of its growth plans. Our R&D focus is to drive innovation in all areas of our business leading to improvements in product quality, cost savings, higher efficiencies, and improvements in packaging. We have integrated our R&D practices to operate in tandem with all our businesses and various product categories.

During the year gone by, your Company has launched several products which have been introduced with benefits / features derived from our R&D activities. These include the Lime Aloe Vera and Moisturising variants of 'Godrej No. 1' in our soaps business, the 2 new shades 'Wine Red and Plum Crazy' variants of Renew Hair Colour in the hair colour business, the 2 new variants of Cinthol deodorant – 'Unleash' and 'Rainstorm' and the entire range of 'Protekt' hand hygiene products in the form of hand wash, hand sanitizers and wipes.

Our Powder Hair Dye is ammonia free. We have also been able to replicate the fragrances of our entire range of Cinthol Soaps into our range of Cinthol perfumed talcum powder.

We have also utilised feedback from our R&D team to improve packaging of products through enhanced safety and improved imagery. It has also helped us to modify aesthetics of our products and explore areas that can be outsourced leading to lower costs and improved efficiencies.

R&D also plays an important role in our international business. It is aligned with our initiatives to cross sell products by modifying products to suit consumer tastes in different geographies. In our South African business, the R&D support is provided by us leading to cost synergies. At Rapidol, we are working on minor change to products to renew exports to African countries.

Your Company leverages R&D activities to keep abreast of changing consumer tastes. The process starts with consumer studies to gauge feedback on our new products, modifying products to suit consumer tastes and adding features and variants to existing products to provide alternative solutions to our consumers.

Information Technology

Your Company has entered into a 10-year strategic IT transformation services contract with Hewlett Packard (HP). We have outsourced all IT functions to HP and this besides being extremely cost effective has exposed us to the latest developments in technology. There is also a visible increase in efficiency and response time effectivity.

New Initiatives taken up this year were Business Intelligence, and enhanced MIS systems which ensure availability and timely delivery of right information to the team. New application delivery is at higher levels, i.e., on-time and complete deliverables.

We are in the process of setting up a disaster recovery system which will help us to transition our key business process in case of any man-made or natural disaster and ensure uninterrupted flow of business transactions.

We expect several synergies and cost savings from our investments in technology. We already see favourable results accruing to your Company from the adoption of such initiatives and are confident that there will be greater benefits following the completion of all initiatives outlined.

International Operations

GCPL currently exports to 31 countries, including Jordan, Egypt, Sudan, SAARC countries, UAE, Bangladesh, Thailand, Singapore, Afghanistan, Iraq, South Africa, Mauritius, Port of Spain to name a few.

We have augmented our presence in Africa through the recent acquisition of the Tura Brand from the Tura Group.

Keyline Brands Ltd.

Keyline brands has posted a healthy performance amid a difficult economic environment this year. The 'Cuticura' Hand Hygiene range performed exceptionally well during FY2009-10 due to the H1N1 or 'swine-flu' epidemic. Topline grew by 9% while PAT grew by 39% during the year. Cuticura hand hygiene gel became the volume leader in the UK this year.

One Africa Rapidol

Rapidol's sales grew by 42% p.a. during the year to deliver a robust performance. Rapidol's Inecto Colour Range was re-launched during the year and has done well. The Inecto Colour Range is available in 10 variants, Inecto Plus is available in 7 variants while Inecto Powder Hair Colors are available in 2 variants namely, Natural Brown and Auburn.

Kinky

Kinky offers a variety of products, which include hair, hair braids, hair pieces, wigs and wefted pieces. Kinky also offers hair accessories like styling gels, hair sprays and oil free shampoo. Kinky has delivered strong growth during the year and we see potential to sustain this rate of growth going forward.

All Kinky products are manufactured in plants located in South Africa and final products are sold through Cash-n-Carry outlets and owned stores.

As part of our strategy to integrate operations, we have combined the operations of Rapidol and Kinky to create a 'One Africa' platform. Operationally the teams have been combined and there will be cost synergies arising from running the business as a single operation.

The 'One Africa' platform will create four hubs in Africa viz., Western, Eastern, Central and Southern Africa.

Tura

Towards the end of the financial year, GCPL entered into an agreement to acquire Tura from the Tura Group. Tura, a household name in many African markets, is a market leading personal care company that manufactures and distributes a range of products including soaps, moisturising lotions and skin-toning creams. Its medicated bar soap is amongst the top three in its category in Nigeria. The acquisition will serve as a strong platform for introducing GCPL's portfolio into Nigeria and other Western African countries.

Godrej Global Mideast FZE

Godrej Global Mideast FZE (GGME), which distributes soaps, hair colours and toiletries in UAE and other GCC (Gulf Co-operation Council) countries has also performed well. The products launched in these countries include Godrej Expert hair colour and Godrej Nupur Mehendi. We have also launched the 'Cuticura' Hand Hygiene range in these countries.

Godrej Sara Lee Ltd.

GCPL acquired 49% stake in GSLL during this year. Godrej Sara Lee Ltd., is a 49:51 unlisted joint venture between the Godrej Group and Saralee Corporation USA. Godrej Sara Lee Ltd., owns brands like GoodKnight, JET, HIT, AmbiPur, Brylcreem and KIWI.

Social and Environmental Initiatives

GCPL has always had a strong commitment towards Corporate Social Responsibility and has always put a conscious and dedicated effort to raise the living standards of society at large. Our Malanpur factory has adopted the nearby Singwari village and has conducted various health and hygiene awareness programs, Eye Check-up camps, Women awareness camps and other such initiatives. We have also built a health centre and a school building for the residents of Singwari. Our Baddi units also organized an 'Awareness Programme' to educate people on epidemics like HIV/AIDS and other issues like Swine Flu, the usage of alcohol and tobacco. We also provide scholarships to meritorious needy students and in the year gone by we had given scholarships to 48 meritorious students in schools around our manufacturing units.

GCPL has been organizing an annual winter wear donation campaign, Godrej Ezee Raahat – Ek Abhiyan project, in association with the Rotary Club of Delhi. We have designated a number of dealers and commercial establishments in the NCR where people can drop blankets and clothes for donation. These collections are then distributed to the needy through our partner NGO Goonj.

Our International subsidiary Kinky, undertook an awareness programme on HIV amongst its employees.

Financials (Consolidated)

Abridged Profit & Loss statement

All figures in Rs. crore

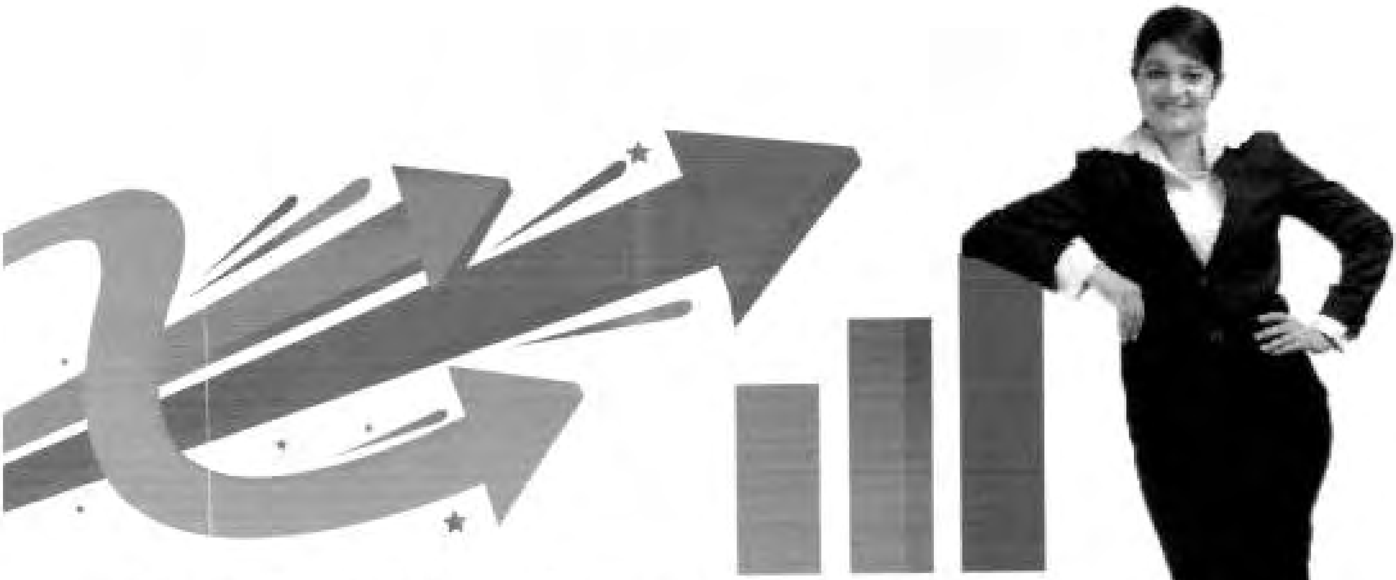
	FY 2009-10	FY 2008-09
Sales	2041.2	1393.0
Other income	47.3	40.1
Total income	2088.5	1433.1
Material costs	946.3	769.5
Staff costs	151.8	86.5
Advertising & sales promotion	201.5	137.9
Other expenditures	334.3	191.9
Total expenditure	1633.9	1185.8
PBDIT	454.6	247.3
Depreciation	23.6	19.2
PBIT	431.0	228.1
Interest and financial services (net)	11.1	18.9
PBT	419.9	209.2
Provision for taxation	80.3	36.6
PAT	339.6	172.6
Tax adjustment of previous year	-	0.6
Net Profit	339.6	173.2

GCPL's net sales in FY 2009-10 were Rs.2041.2 crore, representing a growth of 47% over FY 2008-09.

GCPL has consistently registed high growth rates.

Profit before Interest, depreciation and tax (PBIDT) increased by 84% to Rs.454.6 crore.

Your Company generated a Profit before tax (PBT) of Rs. 419.9 crore and a Net Profit after tax (PAT) of Rs.339.6 crore, displaying a 101% and 97% growth respectively over the Company's FY 2008-09 performance.



Profitability Perspective

	FY 2009-10	FY 2008-09
PBDIT/Sales	22%	18%
PBT/Sales	21%	15%
PAT/Sales	17%	12%
RoCE	42%	23%
RoNW	34%	30%
EPS (Rs.)	11.3	[illegible]
EVA (Rs. crore)	216.1	124.7

Internal Control Systems and their Adequacy

Corporate Audit and Assurance department during the year, facilitated a review of your Company's risk management program for domestic and international businesses. The risks and mitigation measures were reviewed by your Company's Risk committee and corrective measures initiated.

During the year the Corporate Audit and Assurance department carried out various reviews and provided assurance on compliances with laid down policies, processes and internal controls.

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, part of the Corporate Audit and Assurance team, is entrusted with 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 now ISO 27001 certified.

Rewards and Recognitions

- GCPL was ranked 15th in India's Best Companies to work for Survey 2009 conducted by The Great Places to Work Institute, India & *Economic Times*.
- GCPL was ranked one of best 25 employers in Asia in the *Wall Street Journal Asia*.
- Malanpur Unit based on the improvement initiatives and systems, got "Manufacturer of the Year Award" (Large Organisation Category) organised by Stars of the Industry group.
- GCPL's Head of Finance Mr. P Ganesh was awarded the "Best CFO" award under the mid-size company category, organised by *Business Today* – Yes Bank.
- ICRA has confirmed GCPL's rating of stakeholder value and governance practices SVG1. The rating implies that, in ICRA's current opinion the rated Company belongs to the highest category on the composite parameters of stakeholder value creation and management, as also corporate governance practices.
- ICRA has also reaffirmed the CGR2+ rating to the Corporate Governance practices of GCPL. This rating implies that in ICRA's current opinion the rated Company, has adapted and follows such practices, conventions and codes as would provide its financial stakeholders a high level of assurance on the quality of corporate governance.

Risk and Concerns

As your Company expands its global reach, it is exposed to an increasing degree of risks. These risks can adversely impact the functioning of the Company through their effect on operating performance, cash flows, financial performance, management performance and overall sustainability of the Company. GCPL has in place an active risk management system to identify and mitigate potential risks to the organisation.

The risks that may affect the functioning of the Company include, but are not limited to:

- Economic conditions
- Inflationary pressures and other factors affecting demand for our products
- Increasing costs of raw material, transport and storage
- Supplier and distributor relationships and retention of distribution channels
- Competitive market conditions and new entrants to the market
- Labour shortages and attrition of key staff
- Exchange rate fluctuation and arbitrage risk
- Integration risks for acquired companies
- Compliance and regulatory pressures including changes to tax laws
- Seasonal Fluctuations
- Political risks associated with unrest and instability in countries where the Company has a presence or operations

Your Company has a well defined risk management strategy and has constituted a Risk Committee whose role is to identify potential risks, creates mitigation strategies and monitor the occurrence of risk. This committee continuously reviews existing and new risks and suggests various risk mitigation measures.

Outlook for FY 2010-2011

Your Company is extremely well positioned to maintain and accelerate its growth. The last year has enabled us put in place several building blocks and create a stronger platform to support this growth. As we go forward we will explore opportunities both organic and inorganic. We will look to expand our presence both domestically and internationally primarily in emerging markets and in the personal wash, hair care and household insecticide spaces. There is tremendous opportunity in these businesses and your Company is well equipped and ready to leverage this opportunity and establish its position as an Emerging Market FMCG Powerhouse.

Cautionary Statement

Some of the statements in this Management Discussion & 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 may differ from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the domestic and overseas industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.

Material developments after the date of adoption of the Financial Statements by the Board of Directors

Completion of Acquisition of Megasari

On May 17, 2010, your Company completed the acquisition of Megasari, Indonesia.

Acquisition of balance 51% stake in Godrej Sara Lee Ltd

On May 28, 2010, your Company acquired the balance 51% stake in Godrej Sara Lee Ltd.(GSLL) from the JV Partner Sara Lee Corporation, U.S.A. With the acquisition of the balance 51% stake, GSLL has become a wholly owned subsidiary of your Company. This acquisition catapults GCPL to becoming one of the strongest performers in the home and personal care space in India. Along with the Megasari acquisition in Indonesia, this purchase makes GCPL the second largest household insecticide player in Asia (outside Japan). The name of GSLL will be changed to Godrej Household Products Ltd.

Acquisition of Issue Group, Argentina and Argencos, Argentina

On June 2, 2010, your Company acquired a 100% stake in Laboratoria Cuenca, Consell SA and Issue Uruguay and Issue Brazil (Collectively referred to as 'Issue Group'). The Issue brand enjoys volume leadership in Argentina with a market share in excess of 20%. Argentina and Brazil are leading vanguards of hair trends and innovations in hair care. This acquisition provides your Company a perfect platform for establishing a strong presence in the fast growing hair colour markets in Latin America.

On June 2, 2010, your Company has also entered into an agreement to acquire 100% stake in Argencos, a mid-sized Argentine hair care company. The Company has a strong portfolio of brands in the hair care space. "Roby" enjoys market leadership in hair styling sprays while '919' occupies the mid-premium space.

The two companies provide us with a tremendous platform for establishing a strong presence in the fast growing hair colour markets in Latin America.

The above two acquisitions represents another important step towards your Company becoming a leading emerging markets multinational and dovetails well with our global 3 by 3 strategy – presence in 3 continents – Asia, Africa and Latin America through 3 core categories – home care, personal wash and hair care.

Financial Position

The unutilized proceeds of the rights issue made in May 2008, which were kept in fixed deposits with banks, pending their deployment in the various objects of the issue and within the time frame approved by the shareholders have been fully utilized.

In the EGM held on February 10, 2010, the consent of the shareholders was received through a postal ballot for various proposal including raising equity/debt upto an amount of Rs.3,000 crore. The funds so raised will enable the Company to fund its requirements including expansion, acquisitions, investment, capital expenditure, working capital, repayment of borrowings and other general corporate purposes.

ICRA has assigned a rating of "A1+" (pronounced as A one plus) for the Company's commercial paper programme of Rs.100 crore. This rating is the highest-credit-quality rating assigned by ICRA to short term debt instruments. Instruments rated in this category carry the lowest credit risk in the short term.

ICRA has assigned a rating of "A1+" (pronounced as A one plus) for the Company's non convertible debenture programme of Rs.700 crore. This rating is the highest-credit-quality rating assigned by ICRA.

Your Company has on May 25, 2010, successfully placed commercial paper amounting to Rs.100 crore and issued unsecured non convertible debentures aggregating to Rs.700 crore on private placement basis. The proceeds of these issues have been used to fund the acquisition of the balance 51% stake in Godrej Sara Lee Ltd.

Directors

Mr. Dalip Sehgal, Managing Director has resigned from the Board with effect from the close of business hours of June 30, 2010, to pursue opportunities outside the Godrej Group. The Board places on record its appreciation of the excellent job done by Mr. Dalip Sehgal in steering your Company.

Mr. A Mahendran, currently a non-executive director on the Board of your Company, has been appointed as Managing Director of your Company with effect from July 1, 2010, subject to the approval of the shareholders. Mr. Mahendran has been associated with the Godrej Group for 16 years and has been the Managing Director of Godrej Sara Lee Ltd.(GSLL) since its inception and the Director of the FMCG portfolio cell (FPC) guiding the FMCG businesses in Godrej Consumer Products, Godrej Sara Lee and Godrej Hershey and driving M&A since April 2008. At GSLL, he has demonstrated a tremendous track record of value creation. Though Mr. A Mahendran is currently the Managing Director of Godrej Sara Lee Ltd (proposed to be renamed as Godrej Household Products Ltd) and also Godrej Hygiene Products Ltd, he has indicated that he will step down as Managing Director from one of these companies before his appointment in Godrej Consumer Products Ltd takes effect.

"Group" for interse transfer of shares under clause 3(1)(e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,1997.

In addition to the names given in Annexure C to the Directors' Report, the following Limited Liability partnerships which have been formed by some of the promoters also constitutes part of the "Group" for interse transfer of shares under clause 3(1)(e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,1997.

ABG Venture LLP

NBG Enterprise LLP

JNG Enterprise LLP

SVC Enterprise LLP

RKN Enterprise LLP

Godrej & Boyce Enterprise LLP

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance:

At Godrej, Corporate Governance has been practiced over the past 113 years.

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing overall stakeholder value over a sustained period of time.

The Company continues to enjoy a corporate governance rating of CGR2+ (pronounced as CGR two plus) and Stakeholder Value Creation and Governance Rating of SVG1 (pronounced as SVG 1) assigned by ICRA.

The two ratings evaluate whether a Company is being run on the principles of Corporate Governance and whether the practices followed by the Company lead to value creation for all its shareholders.

The CGR2 rating is on a rating scale of CGR1 to CGR6 where CGR1 denotes the highest rating. The CGR2+ rating implies that in ICRA's current opinion, the rated Company has adopted and follows such practices, conventions and codes as would provide its financial stakeholders a high level of assurance on the quality of corporate governance.

The SVG1 rating is on a rating scale of SVG1 to SVG6 where SVG1 denotes the highest rating. The SVG1 rating implies that in ICRA's current opinion, the Company belongs to the Highest Category on the composite parameters of stakeholder value creation and management as also corporate governance practices.

2. Board of Directors:

a) *Composition of the Board:*

As of March 31, 2010, the Board of Directors of Godrej Consumer Products Limited (GCPL) consisted of twelve Directors, three of whom are Whole-time Executive Directors. The remaining nine are Non-Executive Directors, with six being Independent Directors.

Mr. Hoshedar Press, Vice Chairman, is retiring from the Company on April 30, 2010 after a long and illustrious career with the Godrej group.

The composition of the Board of Directors as on March 31, 2010 is given in Table 1.

b) *Number of Board Meetings:*

The Board of Directors of GCPL held eight meetings during the year on April 30, 2009, May 27, 2009, July 25, 2009, October 30, 2009, November 25, 2009, December 15, 2009, January 23, 2010 and March 26, 2010. The maximum gap between any two board meetings during the year was 96 days.

c) *Directors' Attendance Record and Directorships Held:*

Table 1: Details about GCPL's Board of Directors

Name of Director	Category	Board Meetings Held During the Year	Attendance at		Directorship in Companies/ Chairmanship / Membership in Board Committees		
			Board Meeting	Last AGM	Director @	Committee Member @@	Committee Chairperson @@
Mr. Adi Godrej	Promoter, Chairman Whole-time & Non-Independent Director	8	8	Yes	11(3)	1	4
Mr. Jamshyd Godrej	Promoter, Non-Executive & Non-Independent Director	8	5	Yes	9(5)	3	1
Mr. Nadir Godrej	Promoter, Non-Executive & Non-Independent Director	8	7	Yes	14(6)	2	1
Mr. Bala Balachandran	Non-Executive & Independent Director	8	4 (and 4 by telephone)	Yes	2(1)	1	-
Ms. Rama Bijapurkar	Non-Executive & Independent Director	8	5 (and 1 by telephone)	Yes	8(6)	2	-
Mr. Bharat Doshi	Non-Executive & Independent Director	8	7	Yes	8(4)	1	2
Dr. Omkar Goswami	Non-Executive & Independent Director	8	3 (and 3 by telephone)	No	10(6)	7	2
Mr. A. Mahendran	Non-Executive & Non-Independent Director	8	8	Yes	12(2)	2	2
Mr. Aman Mehta	Non-Executive & Independent Director	8	5	Yes	7(6)	4	3
Mr. Hoshedar Press (retiring on April 30, 2010)	Whole Time & Non-Independent Director	8	6	Yes	3(1)	2	-
Mr. D. Shivakumar	Non-Executive & Independent Director	8	5 (and 1 by telephone)	Yes	1(1)	1	-
Mr. Dalip Sehgal	Whole Time & Non-Independent Director	8	8	Yes	1(1)	1	-

Notes:

@ Does not include Directorships in Private Companies, Section 25 companies and Foreign Companies.

Figures in brackets denote Directorships in listed companies.

@@ Does not include Chairmanship / Membership in Board Committees other than the Audit Committee, the Shareholders' Grievance Committee and Chairmanship / Membership in Board Committees in companies other than public limited companies registered in India.

According to the Clause 49 of the listing agreement, "independent director" shall mean a non-executive director of the company who:

a) apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director;

b) is not related to promoters or persons occupying management positions at the board level, or at one level below the board;

c) has not been an executive of the Company in the immediately preceding three financial years;

d) is not a partner, or an executive, or was not partner or an executive during the preceding three years, of any of the following:

   i) the statutory audit firm, or the internal audit firm that is associated with the Company; and

   ii) the legal firm(s) and consulting firm(s) that have a material association with the company.

e) is not a material supplier, service provider or customer, or a lessor, or lessee of the Company, which may affect independence of the director; and

f) is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares.

g) is not less than 21 years of age.

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

d) Re-appointment of Directors Liable to Retire by Rotation:

According to the Articles of Association of GCPL, at every annual general meeting of the Company one-third of the Directors are liable to retire by rotation.

Thus Ms. Rama Bijapurkar, Mr. Bharat Doshi and Mr. Nadir Godrej shall retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The abbreviated resumes of the Directors seeking re-appointment are as follows

Name of Director	Ms. Rama Bijapurkar
Date of Birth	February 12 ,1957
Qualifications	PGDM from Indian Institute of Management, Ahmedabad
Specialised Expertise	Marketing strategy and consumer related issues in India
No. of Shares held in GCPL	3980
Directorships in Companies	**Public Companies** Godrej Consumer Products Ltd. CRISIL Ltd. CRISIL Risk & Infrastructure Solutions Ltd. Axis Bank Ltd. Mahindra Holidays & Resorts India Ltd. Mahindra & Mahindra Financial Services Ltd. ICICI Prudential Life Insurance Company Ltd. Bharat Petroleum Corporation Ltd. **Private/Section 25 companies** Ambit Holdings Pvt. Ltd. Give Foundation
Committee positions held *	**Member** *Audit Committee* Mahindra Holidays & Resorts Ltd. Mahindra & Mahindra Financial Services Ltd.

Name of Director	Mr. Bharat Doshi
Date of Birth	June 12, 1949
Qualifications	B.Com, LLM (Bombay University), FCA, FCS. Mr. Doshi has also participated in the program for Management Development at the Harvard Business School
Specialised Expertise	Finance, Corporate Affairs and General Management
No. of Shares held in GCPL	13,714
Directorships in Companies	**Public Companies** Mahindra & Mahindra Limited Mahindra Intertrade Limited Mahindra & Mahindra Financial Services Ltd. Tech Mahindra Ltd. Mahindra Holdings Limited Mahindra Navistar Automotives Limited NSE.IT Limited Godrej Consumer Products Limited **Private Companies** Mahindra Navistar Engines Private Limited **Foreign Companies** Mahindra USA Inc. **Section 25 Companies** The Mahindra United World College of India, (Position held member of the Board of Governors) Bombay Chamber of Commerce & Industry (Position held: President)

Name of Director	Mr. Bharat Doshi
Committee positions held *	**Chairman** *Audit Committee* Mahindra Navistar Automobiles Ltd. Godrej Consumer Products Ltd. **Member** *Share Transfer and Shareholder / Investor Grievance Committee* Mahindra & Mahindra Ltd.

Name of Director	Mr. Nadir Godrej
Date of Birth	August 26, 1951
Qualifications	B.S Chem. Engg. (M.I.T. U.S.A), M.S Chem. Engg. (Stanford, U.S.A), MBA (Harvard Business School)
Specialised Expertise	Industrialist
No. of Shares held in GCPL	2,215,744 (includes 1,028,724 shares held for the benefit of minor son)
Directorships in Companies	**Public Companies** Godrej Industries Ltd. Godrej Agrovet Ltd. Godrej Tyson Foods Ltd. Godrej Oil Palm Ltd. Godrej & Boyce Mfg. Co. Ltd. Godrej Properties Ltd. Godrej Consumer Products Ltd. Mahindra & Mahindra Ltd. Godrej Sara Lee Ltd. KarROX Technologies Ltd. Godrej Gold Coin Aquafeed Ltd. The Indian Hotels Company Ltd. Tata Teleservices (Maharashtra) Ltd. Cauvery Palm Oil Ltd. **Foreign Companies** Godrej International Ltd. Godrej Global Mid East FZE ACI Godrej Agrovet Pvt. Ltd., Bangladesh Keyline Brands Ltd. Rapidol (Pty) Limited Godrej Nigeria Limited **Section 25 Companies** Poultry Processors' Association of India
Committee positions held *	**Chairman** *Shareholders Committee* Godrej Consumer Products Ltd. **Member** *Audit Committee* Godrej Sara Lee Ltd. Mahindra & Mahindra Ltd.

*The Committee positions disclosed above comprise of only those committees as are mandatory under Clause 49 of the listing agreement.

e) ***Information supplied to the Board:***

Among others, this includes:

i) Annual operating plans and budgets and any updates.

ii) Capital budgets and any updates.

iii) Quarterly results for the Company and its operating divisions or business segments.

iv) Minutes of meetings of audit committee and other committees of the board.

v) Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.

vi) Show cause, demand, prosecution notices and penalty notices, which are materially important.

vii) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

viii) Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.

ix) Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the company.

x) Details of any joint venture or collaboration agreement.

xi) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

xii) Significant labour problems and their proposed solutions, any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.

xiii) Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.

xiv) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

xv) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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

3. Committees of the Board:

a) *Audit Committee:*

i) *Constitution:*

The Audit Committee, constituted by the Board of Directors at its meeting held on April 28, 2001, in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement with the stock exchanges, was last reconstituted on May 1, 2009.

The composition of the Audit Committee is as under:

Name of the Director	Category	Position in the Audit Committee
Mr. Bharat Doshi	Independent Director	Chairperson
Mr. Bala Balachandran	Independent Director	Member
Mr. Aman Mehta	Independent Director	Member
Dr. Omkar Goswami	Independent Director	Member
Mr. D. Shivakumar (appointed in the committee w.e.f May 1, 2009)	Independent Director	Member

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

Mr. Bharat Doshi, the Chairman of the Audit Committee, is knowledgeable in all areas of finance, accounts, company law and has vast experience in corporate affairs. 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, information systems, marketing and corporate strategy. Minutes of each Audit Committee meeting are placed before and discussed in the full Board.

ii) *Terms of Reference:*

The terms of reference of the Audit Committee includes the matters specified in Section 292A of the Companies Act, 1956, as well as Clause 49 of the listing agreement (as amended) with the stock exchanges such as:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.

    b) Changes, if any, in accounting policies and practices and reasons for the same.

    c) Major accounting entries involving estimates based on the exercise of judgement by management.

    d) Significant adjustments made in the financial statements arising out of audit findings.

    e) Compliance with listing and other legal requirements relating to financial statements.

    f) Disclosure of any related party transactions.

    g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Reviewing the adequacy of the internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.

iii) Meetings and Attendance During the year:

The Audit Committee met four times during the year on April 30, 2009, July 25, 2009, October 30, 2009 and January 23, 2010.

The attendance at the Audit Committee meetings was as under:

Name of Director	No. of Meetings	Meetings Attended
Mr. Bharat Doshi (Chairperson of the Committee)	4	4
Mr. Bala Balachandran	4	3 (and 1 by teleconference)
Dr. Omkar Goswami	4	3 (and 1 by teleconference)
Mr. Aman Mehta	4	4
Mr. D. Shivakumar (appointed in the committee with effect from May 1, 2009)	3	3

b) Human Resources & Compensation Committee:

i) Constitution:

Setting up of a remuneration committee for determining the Company's policy on remuneration packages for Executive Directors constitutes a non-mandatory provision of Clause 49 of the listing agreement with stock exchanges.

The Company has also set up a Employee stock option scheme for the benefit of the employees of the Company and of the subsidiaries of the Company. The SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines requires stock option schemes to be administered and supervised by the compensation committee consisting majority of Independent Directors.

GCPL had set up two separate committees viz. Human Resources Committee (which was set up in April 2001 in line with the non mandatory recommendation of the listing agreement) and Compensation Committee (which was set up on January 20, 2007 in pursuance of the SEBI ESOP guidelines for administration of Employee stock option plan).

The above separate committees were merged into one committee namely Human Resource & Compensation Committee with effect from May 1, 2009.

The erstwhile Human Resource Committee which was in existence till April 30, 2009 consisted of the following Independent Directors viz. Ms. Rama Bijapurkar as Chairperson, Mr. Bala Balachandran, Mr. Bharat Doshi, Dr. Omkar Goswami and Mr. Aman Mehta.

The erstwhile Compensation Committee which was in existence till April 30, 2009 consisted of the following Independent Directors viz. Mr. Bala Balachandran as Chairman, Ms. Rama Bijapurkar, Mr. Bharat Doshi, Dr. Omkar Goswami and Mr. Aman Mehta.

Ms Rama Bijapurkar was appointed as Chairperson of the merged committee viz. Human Resource & Compensation Committee with effect from May 1, 2009. Mr. D. Shivakumar who joined the Board as an Independent Director with effect from April 30, 2009 was also inducted into the Human Resource & Compensation Committee with effect from May 1, 2009.

The composition of the merged Human Resources & Compensation Committee is as under:

Name of the Director	Category	Position in the Human Resources & Compensation Committee
Ms. Rama Bijapurkar	Independent Director	Chairperson
Mr. Bala Balachandran	Independent Director	Member
Mr. Bharat Doshi	Independent Director	Member
Mr. Aman Mehta	Independent Director	Member
Dr. Omkar Goswami	Independent Director	Member
Mr. D. Shivakumar (appointed in the committee with effect from May 1, 2009)	Independent Director	Member

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

ii) Brief Description of Terms of Reference:

The following are terms of reference of the Human Resources & Compensation Committee:

1. Review of human resource policies and practices of the Company and in particular, policies regarding remuneration of whole-time Directors and Senior Managers.

2. In principle approval of Compensation Philosophy.

3. Review of senior management compensation.

4. Induction of new people, attrition, etc.

5. To formulate detailed terms and conditions of Employee Stock Option Plan (ESOP) including -

   i. The quantum of Employee Stock Options to be granted under the GCPL ESOP Scheme per Employee and in aggregate.

   ii. The eligibility criteria.

   iii. The conditions under which the Employee Stock Options vested in Employees may lapse in case of termination of employment for misconduct.

   iv. The exercise period within which the employee should exercise the Options and the Options that would lapse on failure to exercise the same within the exercise period.

   v. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.

   vi. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate action such as rights issues, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the Compensation Committee:

      a) the number and the price of the GCPL ESOP shall be adjusted in a manner such that the total value of the GCPL ESOP remains the same after the corporate action;

      b) for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;

      c) the Vesting Period and the life of the Employee Stock Options shall be left unaltered as far as possible to protect the rights of the Option Grantee.

   vii. The grant, vesting and exercise of Employee Stock Options in case of employees who are on long leave.

   viii. The procedure for cashless exercise of Options, if required.

   ix. Frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any employee.

   x. Fixing the exercise price.

   xi. Approve forms, writings and/or agreements for use in pursuance of the Employee Stock Option Plan.

   xii) To form a Trust and appoint Trustees.

Remuneration Policy

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

iii) Meetings and Attendance during the Year:

During the year ended March 31, 2010, the erstwhile Human Resource Committee which was in existence till April 30, 2009, met once on April 30, 2009. All the members of that committee were present in the meeting.

The erstwhile Compensation Committee which was in existence till April 30, 2009 also met once on April 30, 2009. All the members of that committee were present in the meeting

The merged Human Resource & Compensation Committee which was formed on May 1, 2009 met on October 30, 2009 and December 15, 2009. The Committee also passed five resolutions in circulation.

The attendance record of the Human Resources & Compensation Committee is as under:

Name of Director	No. of Meetings	Meetings Attended
Ms. Rama Bijapurkar, Chairperson of the Committee	2	2
Mr. Bala Balachandran	2	1 (and one by teleconference)
Mr. Bharat Doshi	2	2
Dr. Omkar Goswami	2	One by teleconference
Mr. Aman Mehta	2	2
Mr. D. Shivakumar (appointed in the committee with effect from May 1, 2009)	2	2

iv) Remuneration of Directors:

Sitting fees, salary, perquisites and commission:

The details of the remuneration package of Directors and their relationships with each other are as under:

(in Rs. lac)

Name of Director	Relationship with other Directors	Sitting Fees	Profit Commission	Salary and Allowances	PLVR	Monetary Value of Perquisites	Total
Mr. Adi Godrej	Brother of Mr. Nadir Godrej	N.A	N.A	74.56	308.33	181.95	564.84
Mr. Jamshyd Godrej	None	1.00	10.00	NA	NA	NA	11.00
Mr. Nadir Godrej	Brother of Mr. Adi Godrej	1.40	10.00	NA	NA	NA	11.40
Mr. Bala Balachandran	None	1.10	10.00	NA	NA	NA	11.10
Ms. Rama Bijapurkar	None	1.20	10.00	NA	NA	NA	11.20
Mr. Bharat Doshi	None	1.80	10.00	NA	NA	NA	11.80
Dr. Omkar Goswami	None	0.85	10.00	NA	NA	NA	10.85
Mr. A. Mahendran	None	1.60	10.00	NA	NA	NA	11.60
Mr. Aman Mehta	None	1.40	10.00	NA	NA	NA	11.40
Mr. D. Shivakumar	None	1.25	10.00	NA	NA	NA	11.25
Mr. Hoshedar Press	None	N.A	N.A	135.82	350.17	14.18	500.17
Mr. Dalip Sehgal	None	N.A	N.A	139.89	287.72	19.96	447.57
Total		**11.60**	**90.00**	**350.27**	**946.22**	**216.09**	**1614.18**

Notes:

1. In the case of Mr. Adi Godrej, salary includes basic salary and leave travel assistance. The monetary value of perquisites include accommodation, furnishing, club fees, electricity and telephone expenses, reimbursement of medical / hospitalisation expenses incurred for self and family, medical insurance premium paid by the Company and Company's contribution to provident fund.

2. In the case of Mr. Hoshedar Press and Mr. Dalip Sehgal, salary includes basic salary, house rent allowance, education allowance, medical reimbursement, supplementary allowance, leave encashment and leave travel assistance. The monetary value of perquisites includes expenses on car, accommodation, furnishing, food vouchers, telephone reimbursement, petrol reimbursement, and Company's contribution to provident fund.

3. The Performance Linked Variable Remuneration to Mr. Adi Godrej, Mr. Hoshedar Press and Mr. Dalip Sehgal is the amount payable for the financial year 2009-10. The same is based on the Economic Value Added (EVA) in the business and other relevant factors.

4. The service contract of Mr. Adi Godrej is for a period of three years beginning from April 1, 2007. Pursuant to the resolution passed by the shareholders in the Annual General Meeting held on July 25, 2009, Mr. Adi Godrej has been reappointed as Chairman for a period of three years from April 1, 2010.

The service contract of Mr. Hoshedar Press is for a period of three years and one month beginning from April 1, 2007. Mr. Hoshedar Press is retiring from the service of the Company at the close of working hours on April 30, 2010

The service contract of Mr. Dalip Sehgal is for a period of three years beginning from April 1, 2009.

The contracts with all the above directors are terminable with a notice period of three months by either side.

5. The Non-Executive Directors are eligible for a Commission on Profits at the rate of 1% of the net profits, or Rs.10 lac for each director, whichever is lower.

6. Vide special resolution passed on March 14, 2007, the shareholders have granted approval to the Company for the setting up of an Employee Stock Option Plan (ESOP) for the eligible employees / Directors of the Company and of the Company's subsidiaries. In accordance with the GCPL ESOP and pursuant to the approval of shareholders, the Company has set up an independent trust viz. Godrej Consumer Products Ltd Employee Stock Option Trust (GCPL ESOP Trust). The Company or its subsidiaries provides loan to the GCPL ESOP trust at an interest rate which is not less than the bank rate,to enable the GCPL ESOP trust to acquire shares of the Company from the secondary market. Against the shares so acquired, options are granted to the employees of the Company or the employees of the respective subsidiary company. Mr. Dalip Sehgal, Managing Director has been granted 2,00,000 options on June 18, 2009 and 1,00,000 options on August 13, 2009. The vesting dates for these options are three years from the respective date of grant of options and the same shall be exercisable within 2 years from the respective dates of vesting. The exercise price will be the market price on the day prior to the date of grant of options plus interest at a rate not less than the bank rate.

c) *Nomination Committee:*

i) *Constitution:*

As a part of its Corporate Governance initiatives, the Board of Directors of GCPL at its meeting held on October 27, 2004, constituted a Nomination Committee although the same is not required under Clause 49 of the listing agreement. The current constitution of the Committee is as under:

Name of the Director	Category	Position in the Nomination Committee
Ms. Rama Bijapurkar	Independent Director	Chairperson
Mr. Bala Balachandran	Independent Director	Member
Mr. Bharat Doshi	Independent Director	Member
Mr. Aman Mehta	Independent Director	Member
Dr. Omkar Goswami	Independent Director	Member
Mr. D. Shivakumar (appointed in the committee with effect from May 1, 2009)	Independent Director	Member

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

ii) *Terms of Reference:*

The terms of reference of the Nomination Committee are as below:

1. Identify and nominate for the Board's approval, suitable candidates to fill Board vacancies as and when they arise.
2. Drawing up selection criteria and appointment procedures for Directors.
3. Periodically review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.
4. Board Evaluation.

iii) *Meetings and Attendance During the Year:*

During the year ended March 31, 2010, the Committee was not required to hold any meeting.

d) *Shareholders' Committee:*

i) *Constitution:*

The Shareholders' Committee constituted by the Board of Directors at its meeting held on April 28, 2001 was last reconstituted on October 30, 2009. The constitution of the Committee is currently as under:

Name of the Director	Category	Position in the Shareholders' Committee
Mr. Nadir Godrej	Promoter, Non-Executive Director	Chairperson
Mr. Jamshyd Godrej	Promoter, Non-Executive Director	Member
Mr. Adi Godrej	Promoter and Chairman	Member
Mr A Mahendran (appointed in the committee with effect from October 30, 2009)	Non-Executive Whole-time Director	Member

Name of the Director	Category	Position in the Shareholders' Committee
Mr. Hoshedar Press	Vice Chairman and Whole-time Director	Member
Mr Dalip Sehgal (appointed in the committee with effect from May 1, 2009)	Managing Director	Member

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

ii) Terms of Reference:

Among other functions, this Committee looks into redressing of shareholder complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends, as required in clause 49 of the Listing Agreement.

iii) Meetings and Attendance during the Year:

During the year, the Committee met on April 2, 2009, April 23, 2009, July 9, 2009, July 23, 2009, August 20, 2009, September 10, 2009, October 8, 2009, November 9, 2009, November 26, 2009, December 24, 2009, January 14, 2010, January 28, 2010, February 16, 2010, March 2, 2010 and March 22, 2010.

Name of Director	No. of Meetings	Meetings Attended
Mr. Nadir Godrej (Chairman of the Committee)	15	14
Mr. Adi Godrej	15	12
Mr. Jamshyd Godrej	15	11
Mr. A. Mahendran (appointed in the committee with effect from October 30, 2009)	8	4
Mr. Hoshedar Press	15	13
Mr. Dalip Sehgal (appointed in the committee with effect from May 1, 2009)	13	10

iv) Name and Designation of Compliance Officer:

Mr. P. Ganesh, Executive Vice President (Finance & Commercial) & Company Secretary is the Compliance Officer.

Number of shareholders complaints/queries received so far, number not solved to the satisfaction of shareholders, number of pending share transfers are given in the table below:

Sr. No.	Nature of Complaint/Query	Total Received	Total Replied
1.	Non-Receipt of Dividend	127	121
2.	Non Receipt of shares lodged for transfer/exchange	68	68
3.	Non-receipt of refund order	1	1
4.	Non-receipt of Annual Report	11	11
5.	Rights / Issue related Complaints	1	1

Six complaints for non-receipt of dividend pending as on March 31, 2010 has since been resolved.

There are no pending share transfers as on March 31, 2010.

On the Company's request, The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited have confirmed that there were no pending complaints registered against the Company as on March 31, 2010.

4. General Body Meetings

The details of last three Annual General Meetings of GCPL are as follows:

Date & Time	Venue
August 3, 2007 10.00 a.m.	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021
July 25, 2008 3.30 p.m.	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.
July 25, 2009 3.30 p.m.	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021

GCPL will hold its next AGM on July 24, 2010. Details are as follows:

Date & Time	Venue
Date & Time	Venue
July 24, 2010 3.30 p.m.	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.

Special Resolutions passed in the last three Annual General Meetings:

August 3, 2007	Payment of commission on profits to non executive Directors at a rate not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 349 & 350 of the Companies Act, 1956) or Rs.10 lac per Director per annum whichever is lower.
July 25, 2008	None
July 25, 2009	Appointment of Mr. Dalip Sehgal as Managing Director for a period of three years from April 1, 2009 to March 31, 2012
	Appointment of Mr. Adi Godrej as Whole-time Director designated as "Chairman" for a period of three years from April 1, 2010 to March 31, 2013
	Utilisation of the remainder of Rights issue proceeds in the manner and within the time frame provided in the resolution
	Modification of GCPL Employee Stock Option Plan

The details of the last three Extraordinary General Meetings (EGM) of the shareholders of the Company are as follows:

Date and Time	Venue	Purpose
April 24, 2008 9.30 a.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai-400 079.	Approval of grant of loan to Godrej Consumer Products Ltd. ESOP Trust to enable the trust to acquire 2,500,000 shares for grant of options to employees of the Company and of the Company's subsidiaries.
July 3, 2008 11.00 a.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai-400 079.	According consent for alteration of Articles of Association of the Company and utilising of the share premium account for adjusting written down value of intangibles –Trade Marks and Brands.
February 10, 2010 2.00 p.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai-400 079	To announce the results of postal ballot in respect of resolutions passed for acquisition of balance 51% stake in Godrej Sara Lee Ltd., Utilisation of rights issue proceeds for funding the acquisition of balance 51% stake in Godrej Sara Lee Ltd., Increase in Authorised Capital, Alteration in Capital Clause of the Memorandum of Association, Alteration in Articles of Association and Further issue of securities upto an amount of Rs.3000 crore, Creation of Mortgage on the Company's assets, Borrowing in excess of paid up capital and reserves.

5. Postal Ballot:

During the year 2009-10, the Company had conducted one postal ballot. The notice of postal ballot was mailed to all the shareholders alongwith a postage prepaid envelope. Mr. Kalidas Vanjpe, Practising Company Secretary who was the Scrutinizer for conducting the postal ballot process in a fair and transparent manner submitted his report to the Chairman. The results were announced by the Chairman on February 10, 2010. The details of the resolutions and the voting pattern are as below:

Resolution Number	Nature of Resolution	Item	Total No. of Votes Polled	Shares represented in the ballot forms received	Shares in favour %	Shares against %	Invalid votes %
1	Special	Acquisition of balance 51% stake in Godrej Sara Lee Ltd subject to the provisions of Section 372A of the Companies Act, 1956	2897	263,411,144	99.98	0.00	0.02
2	Special	Utilisation of rights issue proceeds for funding of the acquisition of balance 51% stake in Godrej Sara Lee Ltd.	2897	263,411,144	99.97	0.01	0.02
3	Ordinary	Increase in the authorised capital from Rs.35.71 crore divided into 347,100,000 equity shares of nominal value Re.1 each and 10,000,000 unclassified shares of Re.1 each to Rs.42 crore divided into 410,000,000 equity shares of nominal value Re.1 each and 10,000,000 unclassified shares of Re.1 each	2897	263,411,144	99.97	0.00	0.03
4	Special	Alteration in the capital clause of the Memorandum of Association consequent to the increase in authorized capital as stated above	2897	263,411,144	99.97	0.00	0.03
5	Special	Alteration in the Article 3 of the Articles of Association consequent to the increase in authorised capital as stated above	2897	263,411,144	99.96	0.01	0.03
6	Special	Further issue of capital under Section 81 of the Companies Act, 1956 upto an amount of Rs.3000 crore	2897	263,411,144	89.26	10.70	0.04
7	Ordinary	Creation of mortgage and/or charge on all or any of the Company's moveable, immoveable and/or intangible assets	2897	263,411,144	91.09	8.87	0.04
8	Ordinary	Borrow in excess of paid up capital and free reserves pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956	2897	263,411,144	91.00	8.96	0.04

Note: All resolutions were passed with the requisite majority.

The Board of Directors in its meeting held on March 26, 2010, approved the following proposals subject to the approval of shareholders by means of a postal ballot.

Sr. No.	Resolution Type	Item
1	Special	Utilisation of rights issue proceeds for funding the acquisition of Tura, Nigeria/ Megasari, Indonesia.
2	Special	Acquisition of balance 51% stake in Godrej Sara Lee Ltd subject to the provisions of Section 372A of the Companies Act, 1956 at a revised consideration amount not exceeding Rs.1200 crore

The Company has completed the dispatch of the postal ballot forms alongwith postage prepaid envelope on April 16, 2010.

Mr. Kalidas Vanjpe, Practising Company Secretary or failing him Mr. Bharat Shemlani, Practising Chartered Accountant, has been appointed as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner. The last date for return of the postal ballot form to the Scrutinizer is Friday, May 21, 2010, on or before the close of the working hours (05.30 p.m.). The Chairman or the Managing Director or any other Director of the Company will announce the results of the Postal Ballot on Tuesday, May 25, 2010 at 11.00 a.m. at the Company's Registered Office viz. Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

6. Disclosures:

a) ***Details of Shares held by the Directors and Dividend paid to them:***

Name of Director	Shares held as on March 31, 2010	Dividend paid during the year (Rs.)
Mr. Adi Godrej	100	450
Mr. Jamshyd Godrej	Nil	Nil
Mr. Nadir Godrej *	2,215,744	13,960,648
Mr. Bala Balachandran	Nil	Nil
Ms. Rama Bijapurkar	3,980	14,925
Mr. Bharat Doshi	13,714	61,713
Dr. Omkar Goswami	Nil	Nil
Mr. A. Mahendran	Nil	Nil
Mr. Aman Mehta	Nil	Nil
Mr. D. Shivakumar	Nil	Nil
Mr. Hoshedar Press	10,088	45,396
Mr. Dalip Sehgal	Nil	Nil
Total	**2,243,626**	**14,083,132**

* Includes 10,28,724 shares held on behalf of minor son.

b) ***Materially significant related party transaction that may have potential conflict with the interests of the Company at large:***

During 2009-10, 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.

c) ***Particulars of Loans / Advances and Investments:***

The shareholders of the Company vide special resolution passed on March 14, 2007 approved the setting up of Godrej Consumer Products Ltd. Employee Stock Option Plan (GCPL ESOP), to be administered by a trust viz. Godrej Consumer Products Ltd Stock Option Trust (GCPL ESOP Trust). Pursuant to the approvals received in the above meeting and in the meeting dated April 24, 2008, the Company can grant Loans to the GCPL ESOP Trust, to enable the trust to acquire a maximum of 4,500,000 equity shares for allotting a maximum of 4,500,000 stock options convertible into 4,500,000 equity shares of face value Re.1 each to the eligible employees of the Company.

The Company has granted a loan amounting to Rs.4430.84 lac (being the maximum amount of loan outstanding during the year) to the Godrej Consumer Products Limited ESOP Trust, a trust set up for administering the Employee Stock Option Plan of the Company set up for the employees / Directors of the Company and / or of the Company's subsidiaries and the balance outstanding as at the year end is Rs.5221 lac (including interest outstanding) to the GCPL ESOP Trust.

The Trust shall repay the Loan commencing from the date on which the first employee has exercised his option under the Employee Stock Option plan or at the end of five (5) years from the date of grant of the loan, whichever is earlier.

The interest rate shall not be less than the bank rate prevailing from time to time. The current interest rate is @ 10.00% p.a.

The trust has used the loan for acquiring 3,109,000 equity shares of the Company till March 31, 2010 against which options have been granted to eligible employees of the Company. As on March 31, 2010, 2,834,000 options are outstanding. The options granted shall vest in the eligible employees within such period as may be prescribed by the Compensation Committee, which period shall not be less than one year and may extend up to three years from the date of grant of the option. Vesting may occur in tranches subject to the terms and conditions of vesting. The option is exercisable within two years after vesting.

The Company has not given any loans or advances in the nature of loans to subsidiaries or associates or loans and advances in the nature of loans where there is no repayment schedule, or repayment is beyond seven years, or no interest or interest is payable below the limit stipulated under section 372A of the Companies Act, 1956.

There are no loans and advances in the nature of loans to firms/companies in which Directors are interested.

d) ***Whistle Blower Policy:***

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds or violation of the Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy (a non-mandatory requirement as per Clause 49 to the listing agreement). During the year 2009-10, no person has been denied access to the Audit Committee.

e) ***Details of Compliance with Mandatory Requirements:***

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 (IV A)	Yes
(B) Disclosure of Accounting treatment	49 (IV B)	Yes
(C) Board Disclosures	49 (IV C)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Yes
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
V. CEO/CFO Certification	**49 (V)**	Yes
VI. Report on Corporate Governance	**49 (VI)**	Yes
VII. Compliance	**49 (VII)**	Yes

f) ***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.

7. Means of Communication:

GCPL has sent the Chairman's statement and unaudited financial results for the half-year ended September 30, 2009, to all the shareholders. Moreover GCPL has its own web-site www.godrejcp.com. All vital information relating to the Company and its performance, including quarterly results, press releases and performance updates/corporate presentations are posted on the web-site. The quarterly, half-yearly and annual results of the Company's performance are generally published in leading English dailies such as The Economic Times, Business Standard, and Business Line and also in the Marathi newspaper Maharashtra Times. The Chairman holds conference calls/meetings with financial analysts once a quarter and their transcripts are posted on the website soon thereafter.

Pursuant to Clause 51 of the listing agreement which was in existence till March 31, 2010, the Company had filed quarterly results and the annual report on the Electronic Data Information Filing and Retrieval (EDIFAR) website which was maintained by National Informatics Centre (NIC). With effect from April 1, 2010, SEBI has deleted clause 51 of the listing agreement and inserted clause 52, pursuant to which the Company is required to file in the Corporate Filing and Dissemination System (CFDS), viz., www.corpfiling.co.in such statements and reports as may be specified by the stock exchanges. The quarterly results of the Company are also available on the website of The Bombay Stock Exchange Limited and National Stock Exchange of India Ltd viz. www.bseindia.com and www.nseindia.com respectively

8. 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.

9. Shareholders:

a) *Communication to Shareholders:*

The Chairman's statement and unaudited financial results for the half year ended September 30, 2009, was sent to all the shareholders. The quarterly and annual results, official press releases and presentations to analysts/ performance updates are posted on the web-site i.e. www.godrejcp.com and a copy of the same are sent to the stock exchanges.

b) *Investor Grievances:*

As mentioned before, the Company has constituted a Shareholders' Committee to look into and redress shareholders and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

c) *Share Transfer:*

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

10. Declaration by Chairman for compliance with Code of Conduct:

The declaration by the Chairman pursuant to Clause 49(1)(D) of the listing agreement, stating that all the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for year ended March 31, 2010, is annexed to the corporate governance report.

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:

a) *Annual General Meeting:*

Date and time : Saturday, July 24, 2010 at 3.30 p.m.

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

b) *Financial Calendar:*

Financial year : April 1 to March 31

For the year ended March 31, 2010, results were announced on:

- First quarter : July 25, 2009
- Half yearly : October 30, 2009
- Third quarter : January 23, 2010
- Fourth quarter and annual : April 26, 2010

c) *Book Closure:*

There was an annual book closure on March 23, 2010, pursuant to Clause 16 of the listing agreement. There will be no book closure at the time of the Annual General Meeting.

d) *Dividends for Financial Year 2009-10:*

Dividend Type	Declared at Board Meeting Dated	Dividend rate per share on shares of face value Re 1 each	Record Date
1st Interim for FY 2009-10	July 25, 2009	Re. 1.00	August 4, 2009
2nd Interim for FY 2009-10	October 30, 2009	Re. 1.00	November 16, 2009
3rd Interim for FY 2009-10	January 23, 2010	Re. 1.00	February 2, 2010
4th Interim for FY 2009-10	April 26, 2010	Rs.1.25	May 4, 2010
Total		**Rs.4.25**	

e) Listing:

The Company's shares are listed and traded on the following stock exchanges:

1. The Bombay Stock Exchange Limited
   Phiroze Jeejeebhoy Towers, Dalal Street,
   Mumbai - 400 001.
2. The National Stock Exchange of India Limited
   Exchange Plaza, 4th Floor, Bandra-Kurla Complex,
   Mumbai - 400 051.

Godrej Consumer Products Ltd. scrip figures in the BSE "A" Group.

f) Stock Code:

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange Limited	532424
National Stock Exchange of India Limited	GODREJCP

The ISIN Number of GCPL on both the NSDL and the CDSL is INE102D01028.

g) Market Price Data:

The monthly high and low prices and volumes of GCPL at The Bombay Stock Exchange Ltd., (BSE) and the National Stock Exchange of India Ltd., (NSE) for the year ended March 31, 2010, are as under:

Month	Price in BSE			Price in NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of shares)	High (Rs.)	Low (Rs.)	Volume (No. of shares)
April 2009	154.90	125.00	757,573	155.00	125.50	2,225,116
May 2009	186.90	139.00	3,081,979	186.90	139.00	3,678,751
June 2009	191.00	158.05	598,266	198.60	152.20	230,443
July 2009	235.00	160.35	1,339,570	233.00	160.00	3,902,521
August 2009	248.00	203.50	1,181,850	249.90	202.00	2,929,563
September 2009	266.40	231.05	1,653,755	265.00	226.05	3,015,046
October 2009	293.00	242.05	928,225	292.80	209.00	1,517,636
November 2009	304.00	268.10	899,485	303.80	268.50	1,657,674
December 2009	290.85	248.00	1,368,659	293.80	248.00	2,684,799
January 2010	283.00	225.00	321,422	298.30	227.60	1,165,731
February 2010	269.00	230.20	2,430,048	268.50	234.00	3,465,239
March 2010	282.40	248.00	1,621,548	283.00	244.00	1,334,367

Source: websites of the respective stock exchanges.

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in GCPL shares on BSE and NSE respectively.

h) GCPL's Share Price at the BSE versus the Sensex:

GCPL share performance compared to the BSE Sensex for FY 2009-10

Note:
Both BSE Sensex and GCPL share price are indexed to 100 at the beginning of the financial year.

i) Registrar and Share Transfer Agents:

Computech Sharecap Ltd.
147, M.G. Road, Opp. Jehangir Art Gallery, Mumbai-400001
Tel. No. : +91 22 22635000/01
Fax No. : +91 22 22635005
E-mail ID : gcpl@computechsharecap.com
Website : www.computechsharecap.com

j) Share Transfer:

Share transfers and related operations for GCPL are conducted by Computech Sharecap Ltd., 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.

k) Distribution of Shareholding:

Distribution of shareholding by size class as of March 31, 2010:

Number of Shares	Number of Shareholders	Shareholders %	Number of shares held	Shareholding %
1 – 500	78,816	89.55%	10,151,360	3.29%
501 – 1000	6,462	7.34%	4,344,824	1.41%
1001 – 2000	1,798	2.04%	2,540,693	0.82%
2001 – 3000	358	0.41%	892,409	0.29%
3001 – 4000	144	0.16%	517,790	0.17%
4001 – 5000	93	0.11%	425,944	0.14%
5001 – 10000	139	0.16%	995,100	0.32%
10001 & above	202	0.23%	288,321,924	93.55%
Total	**88,010**	**100.00%**	**308,190,044**	**100.00%**

Distribution of shareholding by ownership as of March 31, 2010:

Category	Shares held (Nos.)	% of holding
Promoter's Holding		
Promoters	221,237,387	71.79%
Institutional Investors		
Mutual Funds & UTI	2,455,225	0.80%
Financial Institutions and Banks	334,824	0.11%
Insurance Companies	360,706	0.12%
Foreign institutional investors	57,003,025	18.50%
Others		
Private Corporate Bodies	5,733,129	1.86%
Indian Public	19,468,197	6.32%
NRI	1,597,551	0.52%
Total	**308,190,044**	**100.00%**

l) Shares Held in Physical and Dematerialised Form:

Break up of physical and dematerialised shares as on March 31, 2010:

Mode	Shares		Folios	
	No. of shares	% of total shares	No. of Folios	% of total folios
Physical	7,755,796	2.52%	42,902	48.75%
Demat	300,434,248	97.48%	45,108	51.25%
Total	**308,190,044**	**100.00%**	**88,010**	**100.00%**

m) Outstanding GDRs / ADRs / Warrants Convertible Instruments and their Impact on Equity:

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

n) Details of Public Funding Obtained in the Last Three Years:

The Company had not obtained any public funding in the year 2009-10.

During the year 2008-09, the Company made a rights issue of 32,263,440 equity shares of nominal value Re.1 each at a premium of Rs.122 per equity share in the ratio of one share for every seven shares held. Against the above issue, the Company received valid subscription for 32,232,316 equity shares aggregating to Rs.3,964,574,868. The balance 31,124 equity shares have been kept in abeyance due to various suits filed in courts/forums by third parties for which final order is awaited. Consequently, during the financial year 2008-09 the subscribed and paid-up capital of the Company has increased by Rs.32,232,316 and security premium by Rs.3,932,342,552. The Company has also during the year 2008-09 bought back 1,122,484 equity shares of Re.1 each at an average price of Rs.132.74 per share aggregating to Rs.148,999,990

The Company has not obtained any public funding in the year 2007-08.

o) Plant Locations:

1. U-30, Industrial Area, Malanpur, District Bhind, Madhya Pradesh - 477 116.
2. Plot No. 85-88, EP IP Phase II Village Thana, Tehsil Nalagarh District Solan, Himachal Pradesh - 173 104.
3. Plot No. 6, Apparel Park cum Industrial Area, Katha PO Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh - 173 104.
4. Shed Nos. 9 to 12, Bamauni Maidan Industrial Estate Bamauni Maidan, Guwahati - 781021, Assam.
5. Village - Mamring, Namthag Road, P.O. - Mamring (via - Rangpo), District - Namchi, (South Sikkim), Sikkim - 737 132.

p) Address for Correspondence:

Members can contact us at our Registered Office:
Godrej Consumer Products Limited,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai - 400 079.
Tel. No.: +91 22 25188010/20/30
Fax No.: +91 22 25188040
E-mail ID: investor.relations@godrejcp.com
Website: www.godrejcp.com

Investor correspondence should be addressed to:
Computech Sharecap Ltd
147, M.G. Road, Opp. Jehangir Art Gallery
Mumbai-400 001.
Tel.No.: +91 22 22635000/01
Fax No.: +91 22 22635005
E-mail ID: gcpl@computechsharecap.com
Website: www.computechsharecap.com

To allow us to service shareholders with greater speed and efficiency, the Company strongly recommends e-mail based correspondence on all issues which do not require signature verification for being processed.

q) National Electronic Clearing Services (NECS) for Payment of Dividend:

The NECS facility administered by RBI ensures faster credit of dividends as dividends are directly credited in electronic form to the bank accounts of the shareholders. Moreover, by availing this facility, shareholders avoid the risk of loss of dividend warrants in postal transit or fraudulent encashment.

Shareholders holding shares in physical form and who have not opted for NECS may post the NECS declaration form to Computech Sharecap Ltd. (at above mentioned address). Shareholders can obtain the NECS declaration form either from GCPL's registered office or from Computech Sharecap Ltd. or download the same from the Investors page of the Company's website www.godrejcp.com.

Shareholders holding shares in demat form are requested to provide details to NSDL/CDSL through their respective depository participants. It may be noted that if the shareholders holding shares in demat form provide the NECS data directly to the Company, the Company will not be able to act on the same and consequently dividends cannot be remitted through NECS.

r) Demerger: Computation of Acquisition Cost for Capital Gains:

With effect from April 1, 2001, the consumer products division of Godrej Soaps Limited (GSL) was de-merged and transferred to Godrej Consumer Products Limited (GCPL), and Godrej Soaps Limited was renamed Godrej Industries Limited (GIL). As a consequence, the face value of each equity share of GIL was reduced from Rs.10 to Rs.6, and each equity shareholder in GSL was allotted one share of GCPL with a face value of Rs.4 (which has been subdivided into shares of face value of Re.1 each with effect from September 1, 2006).

In respect of shares of GCPL allotted to erstwhile shareholders of GSL, for the purpose of computing capital gains, the date of acquisition will be the same as the date of acquisition of GSL shares. Thus, the cost of acquisition of GCPL shares will differ with respect to each shareholder, and is equal to: cost of acquisition of GSL shares x (net book value of assets transferred to GCPL, i.e. Rs.45.6 crore) / (net worth of GSL immediately before de-merger i.e. Rs.286.9 crore), i.e. 15.89% of the cost of acquisition of GSL shares.

s) Consolidation of Shares Under One Folio:

The Company would urge shareholders holding shares of GCPL under different folios but in the same order of names, to consolidate the shares under one folio. This would substantially reduce paper work and transaction costs, and benefit both shareholders and the Company. Shareholders can do so by writing to the registrar with details of the folio numbers, order of names, shares held under each folio and the folio under which all shareholding should be consolidated. The certificates need not be sent.

Declaration by Chairman

I, Adi Godrej, Chairman of Godrej Consumer Products Limited (GCPL), hereby confirm pursuant to Clause 49(1)(D) of the listing agreement, that:

- The Board of Directors of GCPL 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 in the Investors/Board of Directors page in the Company's website viz. www.godrejcp.com
- All the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for year ended March 31, 2010.

Mumbai, April 26, 2010

Adi Godrej
Chairman

ECONOMIC VALUE ADDED

What is EVA?

GCPL is an Economic Value Added (EVA) company. EVA, developed by Stern, Stewart and Company is a measure of corporate value creation. This measure tells us whether the management of a company generates returns that cover the opportunity cost of scarce capital.

When does EVA improve?

EVA improves if:

- Operating profits grow without employing more capital, implying greater efficiencies
- Additional capital is invested in projects that return more than the cost of capital
- Capital is curtailed in activities that do not cover its costs – minimising or eliminating unproductive capital.

EVA is the excess of operating profits over the cost of capital employed. It is calculated as:

EVA = NOPAT - (WACC x CE)

Where NOPAT = Net operating profit after taxes

WACC = Weighted average cost of capital

CE = Total capital employed

NOPAT is equal to Profit Before Tax (PBT) plus interest payments minus cash operating tax. Table 1 gives the detailed calculations of NOPAT for GCPL.

Table 1: Calculation of NOPAT (in Rs. crore)

	2009-10	2008-09
Profit before tax (PBT)	**299.1**	185.9
Interest (incl. forex fluctuation)	**(32.9)**	(24.8)
Net operating Profit before tax	**266.2**	161.1
Cash operating tax on PBT	**(48.9)**	(21.1)
Cash operating tax on interest	**3.7**	8.7
Tax Adjustments	**-**	0.6
Net operating Profit after tax (NOPAT)	**221.0**	149.3

How is Cost of Capital calculated?

To calculate the WACC for a company, we need to calculate the cost of equity and the cost of debt. Market, as a whole, would demand an extra income to invest in risky, non-contractual residual claims to corporate cash flow. This is the market premium (p). Company specific risks over and above the market risk premium, measuring the volatility of the Company's stock relative to the market average, is captured by the leveraged beta (β), which is the ratio of the coefficient of variation of a company's stock prices compared to the market as a whole. The cost of equity, which is the risk free return (r) plus a company premium (p x β) is weighted by the ratio of equity to market value (e) to get the weighted cost of equity.

Multiplying the pretax cost of borrowing (I) with the retention rate (1-tax rate) gives tax-adjusted cost of debt. This is then weighted by the ratio of debt to market value (d) to arrive at the weighted cost of debt. By adding the weighted cost of equity and the weighted cost of debt, we get WACC. Table 2 gives the calculation of WACC for GCPL. The WACC for 2009-10 was set at the beginning of the year.

Table 2: Calculation of WACC

	2009-10	2008-09
Leverage beta (β)	**0.75**	0.75
Market risk premium (P)	**7.00%**	7.00%
Equity risk premium (Pxβ)	**5.24%**	5.24%
Risk free return (r)	**7.86%**	7.96%
Cost of equity [r+ (Pxβ)]	**13.10%**	13.20%
Equity/market value (e)	**0.99**	0.97
Wt. Cost of equity [(r+(Pβ)]e	**12.92%**	12.80%
Pretax cost of borrowing (I)	**9.10%**	9.00%
Retention rate (1-tax rate)	**6.01%**	5.94%
Debt/market value (d)	**0.01**	0.03
Wt. Cost of debt [I(1-t)d]	**0.08%**	0.18%
WACC	**13%**	13%

GCPL's average capital employed for 2009-10 is Rs.152.69 crore (Rs.149.76 crore for 2008-09). Given a WACC of 13% (13% for 2008-09) this translates into a capital charge of Rs.19.85 crore (Rs.19.47 crore for 2008-09).

EVA generated by GCPL

EVA = NOPAT – [{I x (1-tax rate) x d} + {(r + p β) x e}] x capital employed.

Table 3: EVA (Rs. in crore)

	2009-10	2008-09
NOPAT	**221.0**	149.30
Capital Charge	**(19.85)**	(19.47)
EVA	**201.15**	129.83

Table 4 shows the EVA generated by GCPL (Consolidated).

Table 4: EVA (Rs. in crore)

	2009-10	2008-09
NOPAT	**272.59**	182.18
Capital Charge	**(56.54)**	(57.47)
EVA	**216.05**	124.71


DIRECTORS
REPORT

To The Shareholders,

Your Directors have pleasure in presenting their Report along with the Audited Accounts for the year ended on March 31, 2010.

Operating Results

Your Company's financial performance for the year under review has been encouraging and is summarised below:

	This year Rs. Crore	Previous Year Rs. Crore
Sales (net of excise duty)	**1267.9**	1084.3
Other operating income	**-**	3.7
Other Income	**50.6**	44.0
Total Income	**1318.5**	1132.0
Total Expenditure other than Interest and Depreciation	**1001.9**	922.9
Profit before Interest, Depreciation and Tax	**316.6**	209.1
Depreciation	**13.7**	14.4
Profit before Interest and Tax	**302.9**	194.7
Interest and Financial Charges (net)	**3.7**	8.8
Profit before Tax	**299.2**	185.9
Provision for tax:		
Current tax	**48.9**	21.1
Deferred tax	**2.2**	3.2
Fringe Benefit Tax	**-**	0.7
Profit after tax	**248.1**	160.9
Tax adjustments in respect of previous years	**-**	0.6
Profit after tax and tax adjustments for previous years	**248.1**	161.5
Surplus brought forward	**98.1**	73.2
Amount available for appropriation	**346.2**	234.7

Appropriation

Your Directors recommend appropriation as under:

	This Year Rs. Crore	Previous Year Rs. Crore
Interim Dividend	**125.9**	83.7
Proposed Final Dividend	**-**	19.3
Tax on distributed profits	**21.4**	17.5
Transfer to General Reserve	**24.8**	16.2
Surplus Carried Forward	**174.1**	98.0
Total Appropriation	**346.2**	234.7

Dividend

For the year 2009-10, three interim dividends were paid on shares of face value Re.1 each – Re.1 per share on August 17, 2009, Re.1 per share on November 24, 2009 and Re.1 per share on February 15, 2010.

In addition to the above, the Board of Directors has also declared a fourth interim dividend on April 26, 2010 at the rate of Rs.1.25 per share on equity shares of nominal value Re.1 each. The record date for the same has been fixed as May 4, 2010.

The total dividend payout for the year ended March 31, 2010 stands at Rs.4.25 per share (425% on shares of the face value of Re.1/- each).

Your Directors recommend that the aforesaid interim dividends aggregating to Rs.4.25 per share on shares of face value Re.1 each be declared as final dividend for the year ended on March 31, 2010.

Review of Operations

During the year under review your Company earned Profit After Tax (PAT) of Rs.248.1 crore.

The comparison of the current year's Sales with the previous year is given in table 1 below.

Sales of Godrej brands have increased by 19 percent from Rs.1040.9 crore in 2008-09 to Rs.1239.4 crore in 2009-10.

A detailed analysis of your Company's performance is contained in the Management Discussion and Analysis Report.

Table 1: Comparison of Current year sales with the previous year

(Rs. Crore)

Particulars of Sale	Year ended 31-Mar-10	Year ended 31-Mar-09	% increase /(decrease)
Soaps	**828.4**	705.6	17%
Hair Colour	**274.5**	230.4	19%
Toiletries	**83.2**	62.0	34%
Liquid Detergents	**53.3**	42.9	24%
Godrej Brands	**1239.4**	1040.9	19%
Contract Manufacturing	**-**	8.2	-
By-products	**28.5**	35.2	(19%)
Total	**1267.9**	1084.3	17%

Acquisitions

49% stake in Godrej Sara Lee Ltd.

The Honorable High Court of Judicature at Bombay has vide order dated October 8, 2009, sanctioned the Scheme of amalgamation of Godrej ConsumerBiz Ltd. (GCBL) and Godrej Hygiene Care Ltd. (GHCL) with Godrej Consumer Products Ltd. (GCPL). The appointed date of the Scheme was June 1, 2009 and the effective date, was October 15, 2009 (being the date on which the certified copy of the court order was filed with the Registrar of Companies, Mumbai).

GCBL and GHCL held 29% and 20% respectively in Godrej Sara Lee Ltd. (GSLL), which is a 49:51 unlisted joint venture company between the Godrej Group and Saralee Corporation, USA.

Pursuant to the amalgamation, the assets and liabilities of GCBL and GHCL have been transferred to GCPL with effect from the appointed date and therefore GCPL holds 49% stake in the equity of GSLL.

In terms of the Scheme, Godrej & Boyce Mfg. Co. Ltd., (G&B) and Godrej Industries Ltd. (GIL), the shareholders of GCBL and GHCL respectively, were to be issued and allotted 10 shares in GCPL for every 11 shares held by them in GCBL and GHCL respectively. Accordingly, GCPL has issued and allotted 3,02,96,727 equity shares of face value Re.1 each to G&B and 2,09,39,409 equity shares of face value Re.1 each to GIL. The new shares aggregating to 5,12,36,136 rank *pari passu* with the existing equity shares.

Consequent to the above allotment of shares, the issued and paid-up equity share capital of GCPL stands increased to 30,81,90,044 equity shares of face value of Re.1 each aggregating Rs.30,81,90,044.

Performance of GSLL in FY 2009-10

Godrej Sara Lee Ltd. has recorded a growth of 20% in gross sales and 31% in Profit after Tax over the previous year. Good knight Active plus initiative was a great success and recorded a good sales growth. Other new initiatives in household insecticides category viz., GoodKnight Naturals and GK Advanced Coils were able to get a good consumer response. The Company witnessed a strong market share increase in Electrics and Aerosol formats in household insecticide category during the year.

Bangladesh witnessed doubling of sales on the back of the new distribution model. The Company maintained its focus of growing South East Asian markets including Bangladesh, Sri Lanka and Nepal.

Tura, Nigeria

In March 2010, your Company entered into an agreement to acquire Tura from the Tura Group, Nigeria. Tura, a household name in many African markets, is a market-leading personal care brand with a range of products that distributes a range of products including soaps, moisturising lotions and skin-toning creams. Its medicated bar soap is amongst the top three in its category in Nigeria. The acquisition will serve as a strong platform for introducing your Company's portfolio into Nigeria and other Western African countries.

Megasari, Indonesia

After the close of the financial year, your Company has entered in to an agreement to acquire PT. Megasari Makmur Group and its distribution company in Indonesia. Megasari Group manufactures and distributes a wide range of household products including household insecticides, wet tissues and air fresheners. Megasari Group's products are market leaders in Indonesia in most of the categories that the company participates in. Megasari Group provides your Company a strong platform to establish a significant foothold in Indonesia, which is among the largest consumer markets in Asia. Given Megasari Group's leading position in household product categories in Indonesia and the Godrej Group's strong presence in this category in India, we believe this acquisition will provide significant synergies and create value for shareholders.

Subsidiaries

Keyline Brands Limited, UK posted a turnover of GBP 29.0 million and a profit after tax of GBP 2.8 million (as per local GAAP).

Rapidol Pty. Limited, South Africa posted a turnover of ZAR 113.2 million and a profit after tax of ZAR 20.6 million.

Godrej Global Mideast FZE posted a turnover of AED 13.6 million and a profit after tax of AED 0.7 million.

Kinky Group Pty. Ltd. posted a turnover of ZAR 117.6 million and a profit after tax of ZAR 14.9 million (as per local GAAP).

Your Company had made an application to the Central Government pursuant to Section 212 of the Companies Act, 1956 for seeking exemption from attaching with its accounts the individual accounts of each of the subsidiaries. The application was made in respect of the following 10 subsidiaries as on the date of the application viz., Godrej Netherlands B.V, Godrej Consumer Products (UK) Limited, Keyline Brands Limited, Inecto Manufacturing Limited, Rapidol Pty. Limited, Godrej Global Mideast FZE, Godrej Consumer Products (Mauritius) Limited, Godrej Kinky Holdings Limited, Kinky Group Pty. Ltd. and Godrej Hygiene Products Limited.

Accordingly the Central Government gave its approval and exempted your Company from attaching to its accounts, the individual accounts of each of the above subsidiaries.

The accounts of the subsidiary companies and the related detailed information will be made available to any shareholder seeking such information at any point of time. The accounts of the subsidiary companies are uploaded in the website of the Company viz., www.godrejcp.com and are also available for inspection by any shareholder at the registered office of the Company or at the registered offices of the subsidiary companies.

In respect of the following companies which were incorporated as subsidiaries of your Company during the last quarter of the current financial year, your Company did not prefer an application to the Central Government pursuant to Section 212 of the Companies Act, 1956.

Name of the Company	Place of incorporation	Date of incorporation as subsidiary
Godrej Nigeria Holdings Limited	Mauritius	February 24, 2010
Godrej Consumer Products Holding (Mauritius) Ltd.	Mauritius	February 23, 2010
Godrej Nigeria Limited	Nigeria	March 26, 2010
Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands)	Netherlands	March 24, 2010
Godrej Consumer Holdings (Netherlands) B.V	Netherlands	March 31, 2010
Godrej Consumer Products (Netherlands) B.V	Netherlands	March 31, 2010

Out of the above six subsidiaries, the following companies viz., Godrej Nigeria Limited, Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands), Godrej Consumer Holdings (Netherlands) B.V and Godrej Consumer Products (Netherlands) B.V are yet to issue their capital and they did not carry out any operations during the year under review. Hence, the financial statements of these subsidiaries were not required to be prepared and annexed to your Company's Annual Report. The accounts of the balance two subsidiaries viz., Godrej Nigeria Holdings Limited and Godrej Consumer Products Holding (Mauritius) Ltd. forms part of the Annual Report and the accounts of Godrej Consumer Products Ltd.

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, also forms part of the Annual Report and accounts of your Company.

In accordance with the conditions stipulated by the Ministry of Corporate Affairs, while granting exemption from attaching the individual accounts of some of the subsidiaries, a one page financial summary for those subsidiaries is disclosed in the consolidated balance sheet.

Employee Stock Option Plan

The shareholders of the Company vide special resolution passed on March 14, 2007 approved the setting up of Godrej Consumer Products Ltd. Employee Stock Option Plan (GCPL ESOP). Pursuant to the approvals received in the above meeting and in the meeting dated April 24, 2008, the Company can grant 45,00,000 stock options convertible into 45,00,000 equity shares of the nominal value Re.1 each to the eligible employees/directors of the Company and of the Company's subsidiaries.

The GCPL ESOP is administered by a trust set up for this purpose viz., Godrej Consumer Products Ltd. Employee Stock Option Trust.

As on March 31, 2010, 28,34,000 options convertible into 28,34,000 shares of nominal value of Re.1 each are outstanding in respect of options granted to employees of the Company.

Date of Grant	Unvested Options outstanding
02-04-07	5,50,000
12-07-07	1,10,000
11-12-07	25,000
25-03-08	5,55,000
05-05-08	50,000
06-06-08	4,50,000
23-06-08	2,40,000
05-01-09	60,000
18-06-09	3,04,000
30-06-09	3,40,000
13-08-09	1,00,000
03-09-09	34,000
15-12-09	16,000
Total	**28,34,000**

The details of the Options allotted under GCPL ESOP, as also the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in **Annexure A** to this report.

Since the exercise price of GCPL options is the last closing price on the stock exchange, there is no compensation cost in Financial Year 2009-10 based on the intrinsic value of the options.

Ratings

The Company continues to enjoy a Corporate Governance Rating of CGR2+, (pronounced as CGR2 plus) and a Stakeholder Value Creation and Governance Rating of SVG1 (pronounced as SVG 1). The + sign indicates relatively higher standing within the category indicated by the rating. The above ratings are on a rating scale of 1 to 6, where 1 is the highest rating.

The two ratings evaluate whether a Company is being run on the principles of Corporate Governance and whether the practices followed by the Company lead to value creation for all its shareholders.

The CGR2 rating is on a rating scale of CGR1 to CGR6 where CGR1 denotes the highest rating. The CGR2+ rating implies that in ICRA's current opinion, the rated Company has adopted and follows such practices, conventions and codes as would provide its financial stakeholders a high level of assurance on the quality of corporate governance.

The SVG1 rating is on a rating scale of SVG1 to SVG6 where SVG1 denotes the highest rating. The SVG1 rating implies that in ICRA's current opinion, the Company belongs to the highest category on the composite parameters of stakeholder value creation and management as also corporate governance practices.

Directors

Mr. Hoshedar Press is retiring from your Company with effect from close of business hours on April 30, 2010 after a long and illustrious career with the Godrej Group. The Board places on record his valuable contributions made at all levels during his career with the group.

In accordance with Article 130 and 131 of the Articles of Association of your Company, Ms Rama Bijapurkar, Mr. Bharat Doshi and Mr.Nadir Godrej retire by rotation and being eligible, offer themselves for reappointment.

Listing

The shares of your Company are listed at The Bombay Stock Exchange Limited and The National Stock Exchange of India Ltd. The annual listing fee has been paid to each of the above exchanges before the due date.

Auditors

The auditors, Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, retire and offer themselves for re-appointment.

Pursuant to directions from the Department of Company Affairs, P. M. Nanabhoy & Co. Cost Accountants have been appointed as Cost Auditors for the year 2009-10. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

Directors' Responsibility Statement

Pursuant to the provisions contained in Section 217 (2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, 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 they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) that they have taken proper and sufficient care 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 they have prepared the annual accounts on a going concern basis.

Additional Information

Annexure B to this Report gives the 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.

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 forms part of this Report. As per 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 the employee under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

Group for Interse Transfer of Shares

As required under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid Regulations, are given in the **Annexure C** attached herewith and forms part of this Annual Report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreements, the Management Discussion and Analysis Report and the Report on Corporate Governance are included in the Annual Report. The Auditors Certificate certifying the Company's compliance with the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement, is attached as Annexure D and forms part of this Annual Report.

Acknowledgement

Your Directors wish to place their sincere thanks to the Union Government and the Governments of Maharashtra, Madhya Pradesh, Assam, Himachal Pradesh and Sikkim, as also to all the Government agencies, banks, customers, shareholders, vendors and other related organisations 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

Adi Godrej
Chairman

Mumbai, April 26, 2010

Annexure A 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 in respect of Godrej Consumer Products Limited Employee Stock Option Plan:

Sr. No.	Heading	Particulars
a	Options granted	3,553,000
b	The pricing formula	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.
c	Options vested upto March 31, 2010	100,000
d	Options exercised upto March 31, 2010	100,000
e	The total number of shares arising as a result of exercise of option;	Nil - Since no fresh issue of shares by the Company.
f	Options lapsed;	619,000 lapsed and forfeited (on account of employees leaving the service of the Company before the date of vesting).
g	Variation of terms of options	See Note 1 below
h	Money realized by exercise of options	Rs. 19,415,800
i	Total number of options in force	2,834,000
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;	} See Note 2 below (i, ii) Nil (iii)
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 arising on account of exercise of options. Hence, not applicable.

Sr. No.	Heading	Particulars
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 Rs.4.43 crore, Profit after tax lower by Rs.4.43 crore and basic EPS would have been lower by Rs.0.16.
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.	Exercise price Rs.148.17 plus interest as mentioned in pricing formula Fair Value Rs.46.9
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:	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:
	i) risk-free interest rate,	5.50%
	ii) expected life,	4 years
	iii) expected volatility,	50%
	iv) expected dividends	1.46% – 2.38%
	v) the price of the underlying share in market at the time of option grant	Rs. 167.75 – 273.85

Note: 1 - Variation of terms of options

1. **Amendment to clause 5.7(c) the GCPL ESOP**

   Clause before the amendment

   "In the event of separation from employment for reasons of normal Retirement or Retirement specifically approved by a Participating Company, (i) all Vested Options should be Exercised by the Option Grantee immediately after, but in no event later than six months from the date of such Option Grantee's Retirement, (ii) all Unvested Options will lapse as on the date of such Retirement, unless otherwise determined by the Compensation Committee and which determination will be final and binding"

   Clause after the amendment

   "In the event of separation from employment for reasons of normal Retirement or Retirement specifically approved by a Participating Company, (i) all Unvested Options shall vest in the employee on the date of retirement or at an earlier date as may be decided by the Compensation Committee, subject to the requirement of minimum vesting period specified in clause 5.4 of the GCPL ESOP (ii) all Vested Options should be Exercised by the Option Grantee immediately on retirement, but in no event later than six months from the date of such Option Grantee's Retirement.

2. Change in vesting date of options

The HR & Compensation Committee of the Company approved the change in vesting dates in respect of options granted to certain employees.

Note: 2 - Employee wise details of options granted

Name of senior managerial persons to whom stock options have been granted	Number of options granted
Mr Dalip Sehgal *	300,000
Dr R K Sinha	110,000
Mr A Rangarajan	100,000
Mr B S Sodhi	100,000
Mr Jimmy Anklesaria	100,000
Mr Rajesh Tiwari	100,000
Mr Sumit Mitra	100,000
Dr Sunder Nurani Mahadevan	50,000
Mr Raj Shahaney	50,000
Mr Keith Harrison	50,000
Mr P Ganesh	50,000
Mr Naveen Gupta	150,000

* More than 5% of Options granted during financial year 2009-10.

Annexure B 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 & OUTGO.

A. Conservation of Energy

I. (A) Energy Conservation measures undertaken:

1. Right sizing of following pumps done based on process requirement
   a) Chilling cooling tower pumps
   b) FADP # 3 tempered cooling tower pumps
   c) SWEP # 3 cooling tower pumps
   d) FADP & FSP # 3 feed pumps
   e) FADP # 3 steam separator water feed pump.
2. Two numbers of Energy efficient motor EEF-1 provided in place of low efficient EEF-0 motors.
3. Provided oxygen analyzer in 10 TPH medium pressure boiler.
4. Provided arrangements for utilizing the surplus waste heat of FADP # 2 for the preheating of feed water of LP boiler # 2.
5. Modifications done in steam network for improving the boiler loadings.
6. Started collecting waste condensate in Raw Oil storage tank farm and using for process purpose.

(B) Proposed energy conservation measures:

1. Provision of Air Pre-heater in TP-25.
2. Provision of LED lights in place of conventional lights.
3. Provision of VFD in induction motors.
4. Optimization of high pressure steam generators in order to reduce fuel consumption.
5. Provision of Energy efficient motors in place of low efficiency motors.
6. Optimization of brine chilling plants.

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

Saving in energy costs during the period under consideration.

B. Technology Absorption

Research and Development (R&D)

GCPL R&D operates on a strategy that moves in tandem with the long-term organizational goals. It aims to cater to the demands of the market place and growing consumer expectations. The continuous focus of efforts at R&D is on creating distinctively new products that are also consumer centric and backs it with a strong quality assurance process.

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

1. Hair Care
2. Skin Care
3. Customer Centricity
4. Packaging Development
5. Fabric care
6. Hygiene Products

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

During the financial year, your Company derived several benefits from its R&D operations, resulting in the launch of several products.

1. Godrej No.1 'Moisturising Soap' and Godrej No. 1 with Lime and Aloe vera.
2. Godrej Protekt range consisting of Hand Sanitizer, Hand wash and Hand Wipes.
3. Two new shades in Renew Hair colour range – Wine Red and Plum Crazy.
4. Cinthol Skin Protection Talc.

III. Future Plan of Action:

1. Focus on new categories.
2. Exploration of new technologies in existing categories.
3. Explore a variety of fashion hair colours with added benefits, hair colour highlights and newer formats for hair colouring.

IV. Expenditure on R&D

		This Year Rs. Crore	Previous Year Rs. Crore
(a)	Capital	**0.2**	0.4
(b)	Recurring	**4.7**	2.5
(c)	**Total**	**4.9**	2.9
(d)	Total R&D expenditure as a percentage of total sales turn-over	**0.38%**	0.27%

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

Commercialization of new product formats such as Hand Sanitizer gels and wipes.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.:

The above efforts helped in cost reduction, customer satisfaction and top line and bottom line improvements.

3. Imported Technology:

The Company has not imported any technology since incorporation.

C. Foreign Exchange earnings and outgo:

(Rs. in Crore)

	This Year	Previous Year
I. Foreign exchange used	**155.2**	223.4
II. Foreign exchange earned	**32.0**	21.5

Annexure C forming part of the Directors' Report

"Group" for interse transfer of shares under Clause 3(1)(e)of the Securities & Exchange Board of India (Substantial Acquistion of Shares and Takeovers) Regulations,1997.

1	Godrej & Boyce Mfg. Co. Ltd.	32	Golden Feed Products Ltd.
2	Godrej Industries Ltd.	33	Godrej Oil Palm Ltd.
3	Cartini India Ltd.	34	Cauvery Palmoil Ltd.
4	Godrej Investments Pvt. Ltd.	35	Natures Basket Ltd.
5	Godrej Efacec Automation & Robotics Ltd.	36	Godrej Tyson Foods Limited
6	Godrej Holdings Pvt. Ltd.	37	Aadhaar Retailing Limited
7	Godrej Infotech Ltd.	38	Godrej IJM Palm Oil Ltd.
8	Geometric Ltd.	39	Godrej Gold Coin Aquafeed Ltd.
9	Mercury Manufacturing Co. Ltd.	40	Polychem Hygiene Laboratories Pvt. Ltd.
10	Godrej (Malaysia) Sdn. Bhd.	41	Creamline Dairy Products Ltd.
11	Godrej (Singapore) Pte. Ltd.	42	ACI Godrej agrovet Pvt. Ltd.
12	J T Dragon Pte. Ltd.	43	Wadala Commodities Ltd.
13	Godrej Vietnam Company Ltd.	44	Mr. Adi B. Godrej
14	Veromatic International BV	45	Mrs. Parmeshwar A. Godrej
15	Veromatic Services BV	46	Ms. Nisa A. Godrej
16	Water Wonder Benelux BV	47	Mr. Pirojsha A. Godrej
17	Ensemble Holdings & Finance Ltd.	48	Mrs Tanya A. Dubash
18	Swadeshi Detergents Ltd.	49	Mr. Jamshyd N. Godrej
19	Vora Soaps Ltd.	50	Mrs. Pheroza J. Godrej
20	Godrej International Ltd.	51	Ms. Raika J. Godrej
21	Godrej Properties Ltd.	52	Mr. Navroze J. Godrej
22	Godrej Reality Pvt. Ltd.	53	Mr. Nadir B. Godrej
23	Godrej Waterside Properties Pvt. Ltd.	54	Mrs Rati N. Godrej
24	Godrej Real Estate Pvt. Ltd.	55	Master Burjis N. Godrej
25	Godrej Developers Pvt. Ltd.	56	Master Sohrab N. Godrej
26	Godrej Seaview Properties Pvt. Ltd.	57	Master Hormuzd N. Godrej
27	Godrej Estate Developers Pvt. Ltd.	58	Mr. Vijay M. Crishna
28	Happy Highrises Ltd.	59	Mrs. Smita V. Crishna
29	Tahir Properties Ltd.	60	Ms. Freyan V. Crishna
30	Godrej Agrovet Ltd.	61	Ms. Nyrika V. Crishna
31	Bahar Agro Chem & Feeds Pvt. Ltd.	62	Mr. Rishad K. Naoroji

Annexure D forming part of the Directors' Report

To the Members of
Godrej Consumer Products Limited,
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Godrej Consumer Products Limited (the Company) for the year ended on March 31, 2010, 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.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai, April 26, 2010

Financials

Auditors' Report

TO THE MEMBERS OF GODREJ CONSUMER PRODUCTS LIMITED

1. We have audited the attached Balance Sheet of GODREJ CONSUMER PRODUCTS LIMITED as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 such books.
   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
   d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
      ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
      iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010, 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: April 26, 2010.

Annexure to the Auditors' Report

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report that:

1. Fixed Assets:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   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, there have been no significant disposals of fixed assets during the year which 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 and no material discrepancies were noticed on verification between the physical stocks and the book records.
3. Loans and Advances:
   a) The Company has granted unsecured loans to two companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1473.93 lac and the closing balance amounted to Rs. 1439.60 lac.
   b) In our opinion, the rate of interest and other terms and conditions on which the unsecured loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
   c) The parties to whom the Company had granted loans have repaid the principal amounts as stipulated and have also been regular in the payment of interest.
   d) There is no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956.
   e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
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 Rs. 5.00 lac 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.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder. 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.

Annexure to the Auditors' Report

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 soaps, cosmetics and toiletries 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 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 (Rs. Lac)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Rate differences on account of soap scrap.	61.54	2000-04	CESTAT
	Cenvat credit availed on input services.	10.81	2009-10	Commissioner of Central Excise (Appeal)
	Excise duty claim in respect of non payment of education cess.	118.27	2004-08	Assistant Commissioner
	Special Rate for value addition.	830.85	2008-10	CESTAT
	Others.	20.73	1996-99 2007-08 2008-09	Assistant Commissioner CESTAT
Sales Tax Act	Interest on sales tax dues.	12.07	2001-02	High Court
	Sales Tax Dues.	106.41	2004-05	Sales Tax Authority
	Sales Tax Dues	17.58	2009-10	Joint Commissioner (A)
	Others.	32.53	2000-01 2002-03 2003-04 2006-08 2009-10	Assistant / Joint/ Deputy Commissioner Sales Tax Authority
Income-tax Act, 1961	Appeal against order of regular assessment u/s 143(3) of the Act.	668.48	Assessment Year 2004-05	CIT(A)
	Appeal against order of regular assessment u/s 143(3) of the Act.	639.82	Assessment Year 2005-06	CIT(A)
	Appeal against order of regular assessment u/s 143(3) of the Act.	322.71	Assessment Year 2006-07	CIT(A)
	Appeal against order of regular assessment u/s 115WE(3) of the Act.	116.89	Assessment Year 2006-07	CIT(A)

Annexure to the Auditors' Report

Name of Statute	Nature of Dues	Amount (Rs. Lac)	Period to which the amount relates	Forum where dispute is pending
	Demand based on the order of regular assessment u/s 143(3) of the Act.	406.10	Assessment Year 2008-09	AO
	Others.	8.95	Assessment Year 2003-04 2006-07 2007-08	CIT (A)

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. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or 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. The Company does not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and the records examined by us, the terms and conditions of guarantee given by the Company for loans taken by its subsidiary from banks are not prima facie prejudicial to the interest of the Company.
16. According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans, which have been repaid during the year, were applied by the Company for the purpose for which they 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 not used funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to any parties 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 Company has not raised any money through a public issue during the 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, except in one case where certain claims amounting to Rs. 2,424.18 lac have been made on the Company on account of the unauthorised, illegal and fraudulent acts of one of its employee whose services have since been terminated. The Company has been legally advised that it has a strong legal case in the matter.

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

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: April 26, 2010.

Balance Sheet as at March 31, 2010

	Schedule	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SOURCES OF FUNDS:				
1. Shareholders' Funds				
a) Share Capital	1	3081.90		2569.54
b) Reserves and Surplus	2	79664.63		51122.41
			82746.53	53691.94
2. Loan Funds				
a) Secured Loans	3	1239.80		1489.03
b) Unsecured Loans	4	–		4800.00
			1239.80	6289.03
3. Deferred Tax Liability (Net)	5		**632.12**	416.32
TOTAL			**84618.45**	60397.29
APPLICATION OF FUNDS:				
4. Fixed Assets	6			
a) Gross Block		27379.54		26654.29
b) Less: Depreciation		10823.75		9675.20
c) Net Block		16555.79		16979.08
d) Capital Work-in-Progress		83.72		249.67
			16639.51	17228.75
5. Investments	7		**52188.17**	9788.59
6. Current Assets, Loans and Advances	8			
a) Inventories		16804.82		12667.41
b) Sundry Debtors		3314.95		981.04
c) Cash and Bank Balances		18570.42		34456.81
d) Other Current Assets		604.42		900.64
e) Loans and Advances		15688.35		11483.99
		54982.97		60489.89
7. Less: Current Liabilities and Provisions	9			
a) Current Liabilities		37816.77		23816.19
b) Provisions		1375.43		3293.75
		39192.19		27109.94
8. Net Current Assets			**15790.77**	33379.96
TOTAL			**84618.45**	60397.29
Notes to Accounts	15			

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report attached

Signatures to the Balance Sheet and Schedules 1 to 9 and 15.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

For and on behalf of the Board
Adi Godrej
Chairman

Daraius Z. Fraser
Partner

P. Ganesh
Executive Vice President
(Finance & Commercial)
and Company Secretary

Dalip Sehgal
Managing Director

Mumbai: April 26, 2010.

Profit and Loss Account for the year ended March 31, 2010

	Schedule	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
INCOME:				
1. Sales (Gross)		129433.98		112660.41
Less: Excise Duty		(2645.86)		(4226.17)
			126788.12	108434.23
2. Processing Income			**-**	367.35
3. Other Income	10		**5060.48**	4399.23
			131848.60	113200.81
EXPENDITURE:				
4. Materials Consumed and Purchase of Goods	11	57730.62		60117.92
5. Expenses	12	43975.82		30080.28
6. Interest and Financial Charges	13	366.22		882.31
7. Depreciation and Amortisation		1374.94		1436.92
		103447.60		92517.42
8. Inventory Change	14	(1513.21)		2091.01
			101934.38	94608.43
Profit Before Tax:			**29914.22**	18592.38
9. Provision for Taxes				
- Current Taxes		4886.78		2106.67
- Deferred Taxes		215.80		320.74
- Fringe Benefits Tax		-		74.00
			5102.58	2501.41
Net Profit After Tax:			**24811.64**	16090.97
10. Tax Adjustments in Respect of Prior Years			**-**	63.72
Net Profit After Tax:			**24811.64**	16154.69
11. Surplus Brought Forward			**9814.58**	7324.05
Profit Available for Appropriation:			**34626.22**	23478.73
Appropriations:				
1. Dividend on Equity Shares				
- Interim			**12585.72**	8371.24
- Final (Proposed)			**–**	1927.15
2. Tax on Distributed Profit			**2138.94**	1750.17
3. Transfer to General Reserve			**2482.00**	1615.58
4. Surplus Carried Forward			**17419.56**	9814.58
TOTAL			**34626.22**	23478.73
Earnings Per Share (In Rupees)	15 (25)			
(Face value Re. 1)				
Basic and Diluted			**8.28**	6.36
Notes to Accounts	15			

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our Report attached

Signatures to the Profit and Loss Account and Schedules 10 and 15.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

For and on behalf of the Board
Adi Godrej
Chairman

Daraius Z. Fraser
Partner

P. Ganesh
Executive Vice President
(Finance & Commercial)
and Company Secretary

Dalip Sehgal
Managing Director

Mumbai: April 26, 2010.

Cash Flow Statement for the year ended March 31, 2010

	Rs. in Lac	**Current Year Rs. in Lac**	Previous Year Rs. in Lac
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax and Extraordinary Items:		**29914.22**	18592.38
Adjustments for:			
Depreciation	1374.94		1436.92
Dividend Income	(1001.07)		–
Foreign Exchange (Gain)/Loss	(421.79)		(138.78)
Loss on Fixed Assets Sold/Discarded	41.44		16.85
Profit on Sale of Investment	(207.06)		(21.56)
Discount on Prepayment of Deferred Sales Tax Loan	–		(1.49)
Interest Income	(2530.53)		(3473.26)
Interest Expense	138.40		728.24
Bad Debts Written off	1.73		0.80
Provision for Doubtful Debts and Advances	1.42		3.19
Provision for Non-Moving Inventory	71.13		73.32
Write in of Old Balances	(39.49)		(4.46)
Others Income Outstanding	155.15		72.21
		(2415.74)	(1308.02)
Operating Profit Before Working Capital Changes		**27498.48**	17284.36
Adjustments for:			
Inventories	(4208.55)		3750.28
Trade and Other Receivables	(4083.23)		(4860.54)
Trade and Other Payables	12496.90		(477.45)
		4205.12	(1587.71)
Cash Generated from/(used) in Operations		**31703.60**	15696.65
Adjustment for:			
Direct taxes paid		**(4904.99)**	(2058.22)
Net Cash Flow from Operating Activities		**26798.60**	13638.43
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(844.25)		–
Sale of/ Adjustments to Fixed Assets	17.11		17.85
Investments in Subsidiary	(16749.07)		(1277.65)
Investment Acqusition Expenses as per Scheme of Amalgamation	(731.15)		–
Purchase of Other Investments	(66797.52)		(28615.00)
Sale of Other Investment	61054.58		27886.56
Inter Corporate Deposit Placed	405.00		–
Inter Corporate Deposit Refunded	(405.00)		–
Loan to ESOP Trust	(950.84)		–
Loan to Subsidiaries	(1400.14)		–
Interest Received	2826.75		2572.62
Dividend Received	1001.07		–
Investment Expenses to be Capitalised	(227.70)		(55.29)
Net Cash Flow from Investing Activities		**(22801.15)**	529.09
Balance carried forward		**3997.45**	14167.53

Cash Flow Statement for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
Balance brought forward		**3997.45**	14167.53
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital - Right Issue	–		39645.75
Buyback of Equity Share Capital	–		(1490.00)
Proceeds from Borrowings	1503.28		36054.35
Repayments of Borrowings	(6966.67)		(42993.05)
Cash Credits (net)	414.16		(230.06)
Interest Paid	(148.94)		(739.48)
Dividend Paid	(12562.77)		(10023.69)
Tax on Distributed Profits	(2139.27)		(1711.99)
Rights Issue Expenses	–		(207.18)
Net Cash Flow from Financing Activities		**(19900.21)**	18304.66
Net Increase/(Decrease) in Cash and Cash Equivalents:		**(15902.76)**	32472.18
Cash and Cash Equivalents:			
As at The Beginning			
Cash and Bank Balances		**34456.81**	1984.63
Acqured Pursuant to the Scheme of Amalgamation		**16.36**	–
As at the Ending			
Cash and Bank Balances		**18570.42**	34456.81
Net Increase/(Decrease) in Cash and Cash Equivalents:		**(15902.76)**	32472.18

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants

Daraius Z. Fraser
Partner

Mumbai: April 26, 2010.

P. Ganesh
Executive Vice President
(Finance & Commercial)
and Company Secretary

For and on behalf of the Board

Adi Godrej
Chairman

Dalip Sehgal
Managing Director

Schedules forming part of the Accounts for the year ended March 31, 2010

		Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 1: SHARE CAPITAL				
1. Authorised:				
410,000,000	Equity shares (previous year			
290,000,000	Equity shares) of Re. 1/- each.		**4100.00**	2900.00
10,000,000	Preference shares (previous year			
10,000,000	Preference shares) of Re. 1/- each.		**100.00**	100.00
2. Issued:				
308,221,168	Equity shares (previous year		**3082.21**	2569.85
256,985,032	Equity shares) of Re. 1/- each fully paid up.			
3. Subscribed and Paid Up:				
308,190,044	Equity shares (previous year		**3081.90**	2569.54
256,953,908	Equity shares) of Re. 1/- each fully paid up.			
Total			**3081.90**	2569.54

Note:

a) Of the above, 51,236,136 equity shares of Rs. 1 each (previous year nil) have been issued pursuant to a Scheme of Amalgamation for a consideration other than cash.

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 2: RESERVES AND SURPLUS			
1. Capital Investment Subsidy Reserve		**15.00**	15.00
2. Capital Redemption Reserve			
As per last Balance Sheet	145.94		134.72
Add: Transfer from General Reserve	-		11.22
		145.94	145.94
3. Securities Premium Account			
As per last Balance Sheet	35703.58		-
Amount Received During the Year	-		39323.43
Less: Rights Issue Expenses and Trademarks Written off	-		(3619.84)
		35703.58	35703.58
4. General Reserve			
As per last Balance Sheet	5443.30		5317.72
Add : Transfer from Profit and Loss Account	2482.00		1615.58
Add : Transfer on Amalgamation of GCBL & GHCL	18455.25		-
Less : Premium on buy-back of shares	-		(1478.78)
Less : Transfer to Capital Redemption Reserve on buy-back of shares	-		(11.22)
		26380.55	5443.30
5. Profit and Loss Account		**17419.56**	9814.58
Total		**79664.63**	51122.41

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 3: SECURED LOANS			
1. Borrowings From Banks			
a) Term Loans	-		666.67
b) Cash Credit	1189.46		775.30
		1189.46	1441.97
2. Sales Tax Deferment Loan		**50.34**	47.06
Total		**1239.80**	1489.03
SCHEDULE 4: UNSECURED LOANS			
1. Term Loans and Advances			
a) From Banks		**-**	4800.00
Total		**-**	4800.00
Amount repayable within one year		**-**	4800.00
SCHEDULE 5: DEFERRED TAX LIABILITY (NET)			
1. Deferred Tax Liability			
a) Depreciation		**923.98**	645.78
2. Deferred Tax Asset			
a) Expenditure Disallowable under Section 43B	(210.09)		(218.28)
b) Provision for Doubtful Debts	(81.78)		(11.18)
		(291.87)	(229.46)
Total		**632.12**	416.32

SCHEDULE 6: FIXED ASSETS

(Rs. in Lac)

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2009	Additions	Deductions	As on 31-03-2010	Upto 31-03-2009	For the Year	On Deductions	Up to 31-03-2010	As on 31-03-2010	As on 31-03-2009
Tangible Assets:										
Freehold Land	11.43	-	-	**11.43**	-	-	-	**-**	**11.43**	11.43
Leasehold Land	684.71	-	-	**684.71**	28.61	7.10	-	**35.71**	**649.00**	656.10
Leasehold Improvement	-	102.16	-	**102.16**	-	7.58	-	**7.58**	**94.58**	-
Buildings	5702.98	114.92	-	**5817.90**	783.67	163.64	-	**947.31**	**4870.59**	4919.31
Plant and Machinery	18707.72	523.92	139.44	**19092.20**	8001.07	1046.73	134.06	**8913.74**	**10178.46**	10706.65
Furniture, Fixtures and Fittings	180.50	96.15	24.07	**252.58**	67.36	11.24	7.73	**70.87**	**181.71**	113.14
Office Equipment	381.82	61.44	51.17	**392.09**	145.20	19.06	33.63	**130.63**	**261.46**	236.62
Computers	461.35	48.25	26.31	**483.30**	349.53	64.32	25.72	**388.14**	**95.16**	111.82
Vehicles	47.54	63.35	17.92	**92.96**	37.09	6.70	15.52	**28.26**	**64.70**	10.44
Intangibles:										
Computer Software	434.54	-	-	**434.54**	250.14	45.49	-	**295.64**	**138.90**	184.39
Assets Under Finance Lease:										
Leased Vehicles	41.70	-	26.03	**15.67**	12.52	3.09	9.73	**5.88**	**9.79**	29.19
Total	**26654.29**	**1010.19**	**284.94**	**27379.54**	**9675.20**	**1374.94**	**226.40**	**10823.75**	**16555.79**	**-**
Previous Year	26556.21	6920.92	6822.84	**26654.29**	11098.27	1436.92	2859.98	**9675.20**	**-**	16979.08
Capital Work-in-Progress including Capital Advances									**83.72**	249.67
Total									**16639.51**	17228.75

Schedules forming part of the Accounts for the year ended March 31, 2010

SCHEDULE 7: INVESTMENTS

Previous Year Nos.	Current Year Nos.		Face Value	Rs. in Lac	**Current Year Rs. in Lac**	Previous Year Rs. in Lac
Long Term - At Cost - Fully Paid up						
1. IN EQUITY SHARES						
Unquoted:						
-	12,513,375	Godrej Sara Lee Ltd.	Rs. 4	19700.52		-
1,300,000	-	Godrej Hygiene Products Ltd. (formerly Godrej SCA Hygiene Ltd.) (Subsidiary w.e.f. April 1, 2009)	Rs. 10	-		1600.00
					19700.52	1600.00
2. IN EQUITY SHARES OF SUBSIDIARY COMPANIES						
Unquoted:						
200	200	Godrej Netherlands B.V.	€ 100	4912.57		4912.57
18,050,000	18,050,000	Rapidol (PTY) Ltd.	ZAR 1	1266.50		1266.50
5	5	Godrej Global Mideast FZE	USD 250,000	573.80		573.80
-	2,600,000	Godrej Hygiene Products Ltd. (formerly Godrej SCA Hygiene Ltd.) (Joint Venture upto March 31, 2009)	Rs. 10	2087.36		-
3	6	Godrej Consumer Products Mauritius Ltd.	USD 1	15079.45		685.72
-	1	Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	45.58		-
					23965.26	7438.59
3. IN PREFERENCE SHARES OF SUBSIDIARY COMPANIES						
Unquoted:						
-	4,000,000	Godrej Consumer Products Mauritius Ltd.	USD 1		**1822.40**	-
Current - At Cost - Fully Paid up						
4. IN UNITS OF MUTUAL FUNDS						
Unquoted:						
2,844,202	-	Birla Sunlife Mutual Fund Cash Plus - Instl. Premium - Growth	Rs. 10	-		400.00
90,991,617	128,355,243	- Purchased during the year				
88,147,415	131,199,445	- Sold during the year				

SCHEDULE 7: INVESTMENTS (Contd.)

Previous Year Nos.	Current Year Nos.		Face Value	Rs. in Lac	**Current Year Rs. in Lac**	Previous Year Rs. in Lac
1,963,259	18,940,359	Kotak Liquid (Institutional Premium) Plan				
		- Growth Scheme	Rs. 10	3500.00		350.00
26,513,828	121,728,924	- Purchased during the year				
24,550,569	104,751,824	- Sold during the year				
-	1,543,853	Prudential ICICI Institutional Liquid Plan				
		- Super Institutional Growth Scheme	Rs. 100	2100.00		-
-	6,568,298	- Purchased during the year	Rs. 100			
-	5,024,445	- Sold during the year	Rs. 100			
94,897,726	91,672,580	- Purchased during the year	Rs. 10			
94,897,726	91,672,580	- Sold during the year	Rs. 10			
		(During the year the face value of units was changed from Rs. 10 per unit to Rs. 100 per unit.				
-	5,965,196	HDFC Liquid Fund - Premium Plan	Rs. 10	1100.00		-
		- Growth Scheme				
-	23,902,997	- Purchased during the year				
-	17,937,801	- Sold during the year				
-	-	Reliance Liquid Fund - Treasury Plan	Rs. 10	-		-
		- Institutional Option - Daily Dividend Option				
-	3,859,831	- Purchased during the year				
-	3,859,831	- Sold during the year				
					6700.00	750.00
Total					**52188.17**	9788.59
Aggregate Book Value of Investments:						
Quoted					**-**	-
Unquoted					**52188.17**	9788.59
Total					**52188.17**	9788.59

Schedules forming part of the Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 8: CURRENT ASSETS, LOANS AND ADVANCES			
1. Inventories			
(At lower of cost and net realisable value)			
a) Raw Materials	7666.72		5047.55
b) Stores and Spares	394.68		389.64
c) Work-in-Progress	2298.91		1675.12
d) Finished Goods - Manufactured	5845.33		5091.65
- Trading	599.18		463.43
		16804.82	12667.41
2. Sundry Debtors			
(Unsecured - Considered good, unless otherwise stated)			
a) Debts outstanding for a period exceeding six months (Including doubtful debts Rs. 33.83 lac; - previous year Rs. 38.60 lac)	39.61		90.38
b) Other Debts	3309.17		929.26
	3348.78		1019.64
c) Less: Provision for Doubtful Debts	33.83		38.60
		3314.95	981.04
3. Cash and Bank Balances			
a) Cash in Hand	11.90		10.77
b) Cheques on Hand	734.23		975.04
c) Balances with Scheduled Banks			
- In Current Accounts	1316.98		1381.61
- In Deposit Accounts	16507.30		32089.39
(Under lien with the bank: Rs. 106.95 lac; previous year Rs. 105.35 lac)			
		18570.42	34456.81
4. Other Current Assets			
Accrued Interest		**604.42**	900.64
5. Loans and Advances			
(Unsecured - considered good, unless otherwise stated)			
a) To Subsidiaries	1439.60		–
b) Advances Recoverable in Cash or in Kind or For Value to be Received (Net of advances considered doubtful Rs. 6.86 lac); - previous year Rs. 0.66 lac)	6897.51		5783.55
c) Amount Due from ESOP Trust	5221.07		3843.94
d) Balances with Excise Authorities	1875.06		1584.39
e) Sundry Deposits	261.97		272.77
	15695.21		11484.65
Less: Provision for Doubtful Loans & Advances	6.86		0.66
		15688.35	11483.99
Total		**54982.97**	60489.89

Schedules forming part of the Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 9: CURRENT LIABILITIES AND PROVISIONS			
1. Current Liabilities			
a) Sundry Creditors			
- Dues to Micro, Small and Medium Enterprises	688.19		926.42
- Others	9381.69		7493.14
b) Advances and Deposits	553.36		504.86
c) Unclaimed Dividends*	433.16		408.28
d) Other Liabilities	22908.00		12545.79
e) Interim Dividend Payable	3852.38		1927.15
f) Interest Accrued but not Due on Loans	–		10.54
		37816.77	23816.19
2. Provisions			
a) For Taxation (Net of Advance Payment of Taxes)	102.63		120.16
b) For Proposed Dividend	–		1927.15
c) For Tax on Distributed Profits	654.71		655.04
d) For Leave Encashment	618.08		591.39
		1375.43	3293.75
Total		**39192.19**	27109.94

*The figure of Unclaimed Dividend reflects the position as at March 31, 2010. During the year, the Company has transferred an amount of Rs. 41.54 lac (previous year Rs. 11.31 lac) to the Investor Education and Protection Fund in accordance with the provisions of section 205C of the Companies Act, 1956.

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 10: OTHER INCOME			
1. Dividend		**1001.07**	–
2. Interest Received (Gross)			
a) On Advances and Deposits	94.93		37.31
b) On Rights Issue Proceeds	2005.92		3068.77
c) On ESOP Trust Loan	428.69		367.17
(Tax Deducted at Source Rs. 408.19 lac; previous year Rs. 573.63 lac)			
d) On Income Tax Refund	0.99		14.48
		2530.53	3487.73
3. Gain/(Loss) on Exchange Difference (Net)		**102.53**	(114.02)
4. Profit on Sale of Investments (Net)		**207.06**	21.56
5. Royalty and Technological Fees		**723.58**	509.46
6. Claims Received		**73.05**	60.26
7. Miscellaneous Income		**422.66**	434.23
Total		**5060.48**	4399.23
SCHEDULE 11: MATERIALS CONSUMED AND PURCHASE OF GOODS			
1. Raw Materials Consumed			
Opening Inventory	5047.55		6859.02
Add: Purchases (Net)	56731.82		55231.81
	61779.37		62090.84
Less: Closing Inventory	7666.72		5047.55
Raw Materials Consumed During the Year		**54112.65**	57043.29
2. Purchase of Goods for Resale		**3617.97**	3074.63
Total		**57730.62**	60117.92

Schedules forming part of the Accounts for the year ended March 31, 2010

		Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 12: EXPENSES				
1.	Salaries, Wages and Bonus		**11488.07**	5340.37
2.	Contribution to Provident and Other Funds		**497.76**	406.83
3.	Workmen and Staff Welfare Expenses		**108.59**	96.40
4.	Stores and Spares Consumed		**538.13**	556.27
5.	Processing Charges and Other Manufacturing Charges		**1847.81**	1638.22
6.	Excise Duty Provision on Inventory		**92.03**	(276.14)
7.	Power and Fuel		**3289.91**	3548.70
8.	Repairs and Maintenance			
	a) Plant and Machinery	191.42		187.64
	b) Buildings	35.38		25.68
	c) Others	134.07		81.10
			360.87	294.42
9.	Establishment Expenses		**366.76**	726.63
10.	Miscellaneous Expenses		**1169.15**	850.85
11.	Rent		**547.22**	475.83
12.	Rates and Taxes		**190.49**	225.42
13.	Travelling and Conveyance		**952.92**	849.87
14.	Legal and Professional Charges		**619.55**	653.17
15.	Insurance		**161.36**	112.77
16.	Donations		**5.63**	5.75
17.	Selling and Distribution Expenses		**1748.27**	1504.24
18.	Sales Promotion		**5319.93**	3023.38
19.	Freight		**4434.87**	3671.26
20.	Advertising and Publicity		**10168.90**	6314.86
21.	Commission		**14.30**	23.69
22.	Discount		**8.71**	14.82
23.	Loss on Sale of Assets (Net)		**41.44**	18.68
24.	Bad Debts Written Off		**1.73**	0.80
25.	Provision for Doubtful Debts and Advances		**1.42**	3.19
	Total		**43975.82**	30080.28
SCHEDULE 13: INTEREST AND FINANCIAL CHARGES				
1.	Interest Expense:			
	a) Interest on Term Loans	94.95		668.56
	b) Interest on Other Bank Loans	1.96		30.01
	c) Other Interest	41.49		29.66
			138.40	728.24
2.	Discounting and Other Finance Charges		**227.82**	154.07
	Total		**366.22**	882.31
SCHEDULE 14: INVENTORY CHANGE				
1.	Opening Inventory			
	a) Finished Goods	5091.65		6870.75
	b) Traded Goods	463.43		394.76
	c) Work-in-Progress	1675.12		2055.71
			7230.21	9321.22
2.	Less: Closing Inventory			
	a) Finished Goods	5845.33		5091.65
	b) Traded Goods	599.18		463.43
	c) Work-in-Progress	2298.91		1675.12
			8743.43	7230.21
3.	(Increase)/Decrease in Inventory		**(1513.21)**	2091.01

SCHEDULE 15: NOTES TO ACCOUNTS

1. **SIGNIFICANT ACCOUNTING POLICIES**

a) **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 Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b) **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.

c) **Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets.

Direct financing cost incurred during the construction period on major projects is also capitalised.

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

d) **Asset Impairment:**

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds its recoverable amount. An impairment loss, if any, is recognized in the period in which the impairment takes place.

e) **Investments:**

Investments are classified into current and long term investments. Long-term investments are carried at cost. Cost of acquisition includes all costs directly incurred on the acquisition of the investment. Provision for diminution, if any, in the value of long-term investments is made to recognize a decline, other than of a temporary nature. Current investments are stated at lower of cost and net realisable value.

f) **Inventories:**

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

g) **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.

Schedules forming part of the Accounts for the year ended March 31, 2010

No Provision is recognized for –

A. 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

B. 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. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

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

h) Revenue Recognition:

Sales are recognised when goods are supplied and 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.

Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Entitlement Pass Book Scheme.

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

Interest income is recognised on a time proportion basis.

Insurance claims and transport and power subsidies from the Government are accounted on cash basis when received.

i) 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.

j) Foreign Currency Transactions:

i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the period end are translated at the period end exchange rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Profit and Loss Account.

ii) Forward exchange contracts, remaining unsettled at the period end, backed by underlying assets or liabilities are also translated at period end exchange rates. Premium or discount on forward foreign exchange contracts is amortised over the period of the contract and recognised as income or expense for the period. Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account of the period in which they are cancelled.

iii) Non Monetary foreign currency items like investments in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of making the original investment.

k) Research and Development Expenditure:

Revenue expenditure on research and development is charged to the Profit and Loss Account of the year in which it is incurred. Capital expenditure incurred during the year on research and development is shown as addition to fixed assets.

l) Employee Benefits:

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 Profit and Loss Account of the year in which the employee renders the related service.

Post Employment Benefits:

(i) Defined Contribution Plans:

Payments made to a defined contribution plan such as Provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

(ii) Defined Benefit Plans:

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 Account 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.

Other Long Term Employee Benefits:

Other Long Term Employee Benefits viz., leave encashment and long service bonus are recognised as an expense in the Profit and Loss Account as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with the actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses in respect of such benefits are charged to the Profit and Loss Account.

Schedules forming part of the Accounts for the year ended March 31, 2010

m) **Incentive Plans:**

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

Up to the previous year, the EVA awards would flow through a notional bank whereby only the prescribed portion of the bank is distributed each year and the balance is carried forward. The amount distributed out of the notional bank is charged to Profit and Loss Account. The notional bank was held at risk and charged to EVA of future years and was payable at that time, if future performance so warranted. The opening notional bank balance accumulated till March 31, 2009, is being paid @ 33% every year.

During the year, the entire EVA award for the year has been charged to the Profit and Loss Account and has not been routed through the notional bank.

n) **Depreciation:**

Leasehold land is amortised equally over the lease period.

Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.

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 4 years.

Assets costing less than Rs. 5,000 are depreciated at 100% in the year of acquisition.

o) **Hedging:**

The Company uses forward exchange contracts to hedge it's foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts are recognized in the profit and loss account. Gains or losses on the commodity futures contracts are recorded in the Profit and Loss Account under Cost of Materials Consumed.

p) **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 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 assets on unabsorbed tax losses and tax depreciation are recognised only when there is a virtual certainty 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.

q) **Segment Reporting**

The Company is considered to be a single segment company – engaged in the manufacture of toilet soaps and other toiletries. Consequently, the Company has in its primary segment only one reportable business segment. As per AS-17 'Segment Reporting' if a single financial report contains both consolidated financial statements and the separate financial statement of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, information required to be presented under AS-17 Segment Reporting has been given in the consolidated financial statements.

2. BACKGROUND

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over as a going concern the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a scheme of arrangement as approved by the High Court, Mumbai. The Company is a focused fast moving consumer goods company, manufacturing and marketing toilet soaps, hair colour, liquid detergents and other toiletries.

3. SCHEME OF AMALGAMATION

a) A Scheme of Amalgamation ("the Scheme") for the amalgamation of Godrej ConsumerBiz Ltd. (GCBL) (a 100% subsidiary of Godrej & Boyce Manufacturing Company Ltd. (G&B)) and Godrej Hygiene Care Ltd. (GHCL) (a 100% subsidiary of Godrej Industries Limited (GIL)) together called "the Transferor Companies", with Godrej Consumer Products Limited (the Transferee Company), with effect from June 1, 2009, ("the Appointed Date") was sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated October 8, 2009 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on October 15, 2009 (the "Effective Date").

b) The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard AS 14 - Accounting for Amalgamations and the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these accounts and all assets and liabilities of the Transferor Companies stand transferred to and vested in the Transferee Company with effect from the Appointed Date and are recorded by the Transferee Company at their book values as appearing in the books of the Transferor Companies.

c) The value of Net Assets of the Transferor Companies taken over by the Transferee Company on Amalgamation are as under:

(Rupees in lac)

Particulars	**GHCL**	**GCBL**	**Total**
Investments in Godrej Sara Lee Limited	4,741.61	14,958.91	19,700.52
Cash and Bank Balances	1.34	15.02	16.36
Loans and Advances	-	0.30	0.30
Advance Taxes Paid	-	1.03	1.03
Current Liabilities and Provisions	(2.94)	(15.31)	(18.25)
Provision for Taxes	-	(1.20)	(1.20)
Net Assets	4,740.01	14,958.74	19,698.76

d) GCBL and GHCL held 29% and 20% respectively in Godrej Sara Lee Ltd., which is a 49:51 unlisted joint venture company between the Godrej Group and Saralee Corporation, USA. As a result of the amalgamation, Godrej Sara Lee Limited has become a Joint Venture between the Company and Sara Lee Corporation USA.

e) In accordance with the Scheme of Amalgamation, the Company has issued and allotted 30,296,727 equity shares having a face value of Re. 1 each to G&B and 20,939,409 equity shares having a face value of Re. 1 each to GIL, being 10 equity shares in the Transferee Company for every 11 equity shares held by them in GCBL and GHCL respectively, as consideration for the transfer. Consequently, the issued, subscribed and paid up equity share capital of the Company stands increased to 308,190,044 equity shares having a face value of Re. 1 each aggregating Rs. 3,081.90 lac.

Schedules forming part of the Accounts for the year ended March 31, 2010

f) The excess of book value of the net assets of the Transferor Companies taken over, amounting to Rs. 18,455.25 lac, after adjusting the expenses and cost of the Scheme which amounted to Rs. 731.15 lac, over the face value of shares issued as consideration to the Members of the Transferor Companies has been credited to the General Reserve as per the Scheme.

g) Had the Scheme not prescribed the above treatment, the balance in Security Premium Account would have been higher by Rs. 19,165.65 lac, Investments would have been higher by Rs. 731.15 lac, Capital Reserve would have been higher by Rs. 51.24 lac, the Profit and Loss Account and the General Reserve would have been lower by Rs. 30.50 lac and 18,455.25 lac respectively.

h) Since the aforesaid Scheme of amalgamation of GCBL and GHCL with the Company, which is effective from June 1, 2009, has been given effect to in these accounts, the figures for the current year to that extent are not comparable with those of the previous year.

4. CONTINGENT LIABILITIES

		Current Year Rs. in Lac	Previous Year Rs. in Lac
a)	Claims for excise duties, taxes and other matters:		
i)	Excise duty demands aggregating Rs. 93.08 lac (previous year Rs. 78.07 lac) against which the Company has preferred appeals (net of tax).	**61.44**	51.54
ii)	Excise duty claims in respect of non-payment of education cess for the period January 2005 to March 2008 at the Guwahati Factory amounting to Rs. 118.27 lac (previous year Rs. 118.27 lac) (net of tax).	**78.07**	78.07
iii)	Special Value Addition Rate application for excise purpose at Guwahati claimed at a rate higher than the normal rate as per new notification is yet to be granted. The excess special value addition claimed over and above the normal rate amounting to Rs. 830.86 lac (previous year Rs. 453.65 lac) has been accounted as recoverable and the same is contingent on the higher rate being granted (net of tax).	**548.45**	299.45
iv)	Sales tax demands aggregating Rs. 168.59 lac (previous year Rs. 135.33 lac) against which the Company has preferred appeals (net of tax).	**111.29**	89.33
v)	Income-tax matters: Demand notices issued by Income-tax Authorities.	**2162.96**	1755.36
vi)	Other matters - Rs. 6.62 lac (previous year Rs. 6.62 lac) (net of tax).	**4.37**	4.37
vii)	Entry tax demand by the Government of Assam on materials received at the Guwahati factory for the period December 2006 to May 2008 which is being disputed by the Company. During the previous year, the amount was not quantified. During the current year, the Company has made a provision for the same in the books of account.	**-**	-
b)	Guarantees issued by banks (secured by bank deposits under lien with the bank Rs. 106.95 lac (previous year – Rs. 105.00 lac)	**262.75**	234.75
c)	Guarantees of GBP 3 million (previous year GBP 3 million) given by the Company for securing loan availed by Godrej Netherlands B.V., a wholly owned subsidiary of the Company.	**2036.06**	2174.70

		Current Year Rs. in Lac	Previous Year Rs. in Lac
d)	Guarantee of USD Nil (previous year USD 40 million) given by the Company for securing loan given by the Hong Kong and Shanghai Banking Corporation to Godrej Consumer Products Mauritius Limited – a wholly owned subsidiary of the Company.	**–**	20288.00
e)	Guarantee of AED 1.4 million (previous year AED 1.4 million) given by the Company to guarantee principal amount of credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mideast FZE – a wholly owned subsidiary of the Company.	**171.69**	193.48
f)	Guarantee given by the Company to guarantee principal amount of credit facilities extended by the Royal Bank of Scotland to Godrej Hygiene Products Limited – a wholly owned subsidiary of the Company.	**300.00**	–
g)	Claims against the Company not acknowledged as debt: Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	**2424.19**	–

5. **CAPITAL COMMITMENTS**

Estimated value of contracts remaining to be executed on capital account to the extent not provided for Rs. 42.57 lac (previous year Rs. 88.92 lac)

6. **SECURED LOANS**

a) The Sales Tax Deferment Loan is secured by :

i) Malanpur location:

(a) a first charge by way of equitable mortgage of the immovable properties at Malanpur factory, and

(b) hypothecation of movable assets at Malanpur factory, save and except, book debts and subject to charges already created by the Company in favour of the banks for working capital facilities.

ii) Baddi Location:

Bank guarantee in favour of the sales tax authorities.

b) Bank cash credit, working capital demand loans and guarantees issued by banks are secured by hypothecation of stocks and book debts.

7. **INVESTMENTS**

a) During the year the Company has acquired a 49% stake in Godrej Sara Lee Limited which is a 49:51 unlisted joint venture company between the Godrej Group and Sara Lee Corporation, USA. through the amalgamation of Godrej ConsumerBiz Ltd. (GCBL) and Godrej Hygiene Care Ltd. (GHCL).

b) During the year the Company completed the acquisition of the balance 50% stake in Godrej SCA Hygiene Ltd. (subsequently renamed Godrej Hygiene Products Ltd.) from SCA Hygiene Products AB, Sweden, in terms of the Share Purchase Agreement between the Company, SCA Hygiene Products AB, Sweden and Godrej SCA Hygiene Ltd. Godrej Hygiene Products Ltd. has become a wholly owned subsidiary of the Company with effect from April 1, 2009.

c) During the year, the Company has set up Godrej Consumer Products Holding (Mauritius) Limited as a wholly owned subsidiary. Godrej Consumer Products Holding (Mauritius) Limited, in turn has set up Godrej Consumer

Schedules forming part of the Accounts for the year ended March 31, 2010

Products Dutch Cooperatief UA (Netherlands), Godrej Consumer Products (Netherlands) B.V. and Godrej Consumer Holdings (Netherlands) B.V. as further downstream subsidiaries. Subsequent to the year end, the Company has entered into an agreement to acquire P. T. Megasari Makmur Group and its distribution company in Indonesia through Godrej Consumer Products Holding (Mauritius) Limited and its subsidiaries.

d) The Company has also set up Godrej Nigeria Holdings Limited and its subsidiary Godrej Nigeria Limited as subsidiaries of its 100% subsidiary Godrej Consumer Products Mauritius Limited (Mauritius). The Company has entered into an agreement to acquire worldwide rights of Tura Brand from the Tura Group in Nigeria through the Company's 100% subsidiary Godrej Nigeria Holdings Limited, Mauritius.

8. SUNDRY DEBTORS

Sundry Debtors include amounts due from companies under the same management as under:

Name of the Company	Current Year Rs. in Lac	Previous Year Rs. in Lac
a) Godrej Industries Ltd.	**35.16**	46.11
b) Godrej Agrovet Ltd.	**3.39**	1.08

9. LOANS AND ADVANCES

a) Loans and Advances include loans to subsidiaries as under:

Name of the Company	Current Year Rs. in Lac	Previous Year Rs. in Lac
a) Godrej Hygiene Products Ltd.	**1,100.00**	-
Accrued Interest Due thereon	**57.15**	-
Maximum balance during the year	**1,157.15**	-
b) Godrej Netherlands B.V.	**339.60**	-
Accrued Interest Due thereon	**1.65**	-
Maximum balance during the year	**380.11**	355.63

b) The Company has granted a loan amounting to Rs. 4,430.84 lac (previous year Rs. 3,480.00 lac) (being the maximum amount of loan outstanding during the year) to The Godrej Consumer Products Limited ESOP Trust, a trust set up for administering the Employee Stock Option Plan of the Company set up for the employees / Directors of the Company and / or of the Company's subsidiaries. The Trust has acquired 3,109,000 (previous year 2,550,000) equity shares amounting to Rs. 4,465.14 lac (previous year Rs. 3,473.87 lac) of the Company as at March 31, 2010, for granting ESOPS for the benefit of its eligible employees. The aforesaid loan is repayable at the end of five years from the date of the loan agreement viz. five years from March 21, 2008. The repayment of the loan by the trust is dependant on the exercise of option by the employees and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period.

c) The Company has given advances amounting to Rs. Nil (previous year Rs. 6.46 lac) to companies under same management. Maximum debit balance during the year Rs. Nil (previous year Rs. 362.09 lac).

10. RIGHTS ISSUE PROCEEDS

Out of the funds raised from the rights issue in the previous year amounting to Rs. 39,645.75 lac, the Company has as of March 31, 2010, utilised an amount of Rs. 23,245.75 lac for part of the objects mentioned in the Rights Offer letter (as amended till date). The balance unutilized funds amounting to Rs. 16,400.00 lac have been temporarily invested in fixed deposits with banks pending their utilization.

11. LIABILITIES

a) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

b) The Company has acquired a vehicle under a finance lease. The liability for minimum lease payment is secured by hypothecation of the vehicle acquired under the lease. The minimum lease payments outstanding as on March 31, 2010, in respect of vehicle leased are as under:

(Rs. in Lac)

Maturity Profile	Total Future Minimum Lease Payments Outstanding as on March 31, 2010	Unmatured Finance Charges	Present Value of Future Minimum Lease Payments
Not later than one year	**3.92**	**0.03**	**3.89**
	(11.17)	*(0.62)*	*(10.55)*
Later than one year and not later than	**-**	**-**	**-**
five years	*(3.92)*	*(0.03)*	*(3.89)*
Later than five years	**-**	**-**	**-**
	(-)	*(-)*	*(-)*
Total	**3.92**	**0.03**	**3.89**
	(15.09)	*(0.65)*	*(14.44)*

(Note: Figures for previous year are given in brackets)

c) The Company's significant leasing agreements are in respect of operating lease for premises (office, godown, etc.) and the aggregate lease rentals payable, are charged as rent.

d) Sundry Creditors / Provision for Liabilities – Raw materials include overseas supplier credit amounting to Rs. 8,231.47 lac (previous year Rs. 7,134.32 lac).

12. HEDGING CONTRACTS

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by a Forex Committee. As at March 31, 2010, the Company had 15 (previous year 16) outstanding forward exchange contracts to purchase foreign currency aggregating to US Dollars 112.12 lac (previous year US Dollars 93.58 lac) at an average rate of Rs. 46.44 per US Dollar (previous year Rs. 49.04 per US Dollar). The uncovered foreign exchange exposure as at March 31, 2010, is as under:

(Rs. in Lac)

	Currency	Current Year	Previous Year
Purchase	USD	**71.21**	113.59
Sale	USD	**7.91**	3.25
Other Income	ZAR	**29.65**	-
Loan and Interest Receivable	GBP	**5.02**	-

13. PROFIT AND LOSS ACCOUNT

a) Exchange differences (net) recognised in the Profit and Loss Account for the year amounted to a gain of Rs. 102.53 lac (previous year Rs. 114.02 lac loss). The premium in respect of forward exchange contracts to be recognised in subsequent accounting periods is Rs. 38.26 lac (previous year Rs. 25.26 lac).

b) Research and Development Expenditure of revenue nature charged to the Profit and Loss Account amounts to Rs. 474.76 lac (previous year Rs. 248.98 lac).

c) Establishment expenses represent the Company's share of various expenses incurred by Godrej Industries Ltd. and other companies under the same management for sharing of services and use of common facilities.

Schedules forming part of the Accounts for the year ended March 31, 2010

d) Net borrowing cost capitalised under fixed assets amounts to Rs. Nil (previous year Rs. 21.78 lac).

e) Entry tax demands by the Government of Assam on materials received at the Guwahati factory for the period December 2006 to May 2008 amounting to Rs.100.00 lac has been accounted for during the year and charged to revenue.

14. EMPLOYEE STOCK OPTION PLAN

a) The shareholders of the Company have approved the setting up of the Godrej Consumer Products Ltd. Employee Stock Option Plan (GCPL ESOP) for the benefit of its eligible employees where by the Company can grant 45,00,000 stock options convertible into 45,00,000 equity shares of the nominal value Re. 1 each to the eligible employees / Directors of the Company and of the Company's subsidiaries.

b) The ESOP Scheme is administered by an independent ESOP trust created with IL&FS Trust Company Limited which acquires by subscription / purchase or otherwise, the Company's shares equivalent to the number of options proposed to be granted by the participating companies, as approved by the Compensation Committee.

c) The limit for ESOPS approved by the shareholders were as under:
   i) 2,000,000 options in the Extra-ordinary General Meeting on March 14, 2007.
   ii) 2,500,000 options in the Extra-ordinary General Meeting on April 28, 2008.

d) The options granted shall vest in the eligible employees within such period as may be prescribed by the Compensation Committee, which period shall not be less than one year and may extend up to three years from the date of grant of the option. Vesting may occur in tranches subject to the terms and conditions of vesting. The option is exercisable within two years after vesting.

e) Up to the previous year, the ESOP Scheme provided that in the case of retiring employees, all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such Option Grantee's Retirement and all Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the Compensation Committee, which determination will be final and binding.

   During this year, the Scheme has been modified to provide that all Unvested Options shall vest in the employee on the date of retirement or at an earlier date as may be decided by the Compensation Committee, subject to the requirement of minimum vesting period and all Vested Options should be exercised by the Option Grantee immediately on retirement, but in no event later than six months from the date of such Option Grantee's Retirement.

f) The price at which the Option Grantee would convert Options Granted into GCPL Shares (i.e. the exercise price) shall be the market price prevaling on the day prior to the day of grant plus interest at such rate not being less than the Bank Rate then prevailing compoundable on an annual basis for the period commencing from the date of Granting of the Option and ending on the date of intimating Exercise of the Option to the Company.

g) The status of the ESOP Scheme is as under:

	Current Year	Previous Year
Options Granted	**3,828,000**	2,755,000
Options Vested	**100,000**	NIL
Options Exercised	**100,000**	NIL
Options Lapsed / Forfeited	**619,000**	205,000
Options Lapsed / Forfeited to be re-granted	**275,000**	45,000
Total Number of Options Outstanding	**2,834,000**	2,505,000

h) The employee share based payment 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 is Nil.

Had the fair value method of accounting been used, the employee compensation cost would have been higher by Rs. 442.75 lac (previous year Rs. 384.26 lac).

15. INCENTIVE PLANS

The amount carried forward in notional bank after distribution of PLVR for the financial year 2009-10 is Rs. 525.00 lac as on March 31, 2010 (previous year Rs. 819.38 lac). The said amount is not provided in the books of account and is payable in future, if performance so warrants.

16. EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

i) Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. 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.

b) DEFINED BENEFIT PLAN

i) Gratuity:

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

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

The expected return on plan assets of 8.25% 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 Rs. 262.70 lac (previous year Rs. 228.85 lac) has been included in Schedule 12 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to Rs. 195.89 lac (previous year Rs. 130.00 lac) has been included in Schedule 12 under Contribution to Provident and Other Funds. The Company had made a short provision amounting to Rs. 4.34 lac in the current year and Rs. 1.90 lac in the previous year for which no adjustment entries have been passed in the books of account.

Schedules forming part of the Accounts for the year ended March 31, 2010

16. EMPLOYEE BENEFITS (Contd.)

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

		Gratuity	
		Current Year Rs. in Lac	Previous Year Rs. in Lac
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	**743.67**	603.02
	Liabilities on transfer of employees from group companies	**4.03**	–
	Current Service Cost	**53.55**	47.67
	Interest Cost	**59.49**	48.24
	Actuarial (Gain) / Loss on Obligation	**149.43**	98.34
	Benefits Paid	**(72.07)**	(53.60)
	Present value of the obligation at the end of the year	**938.11**	743.67
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	**748.01**	609.26
	Expected return on Plan Assets	**59.84**	48.74
	Actuarial Gain / (Loss) on Plan Assets	**2.40**	13.61
	Contributions by the Employer	**–**	130.00
	Benefits Paid	**(72.07)**	(53.60)
	Fair value of Plan Assets at the end of the year	**738.18**	748.01
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	**938.11**	743.67
	Fair value of Plan Assets at the end of the year	**738.18**	748.01
	Net Obligation at the end of the year	**199.92**	(4.34)
iv)	**Amounts Recognised in the statement of Profit and Loss:**		
	Current Service Cost	**53.55**	47.67
	Interest Cost on Obligation	**59.49**	48.24
	Expected return on Plan Assets	**(59.84)**	(48.74)
	Net Actuarial (Gain) / Loss recognised in the year	**147.03**	84.73
	Net Cost Included in Personnel Expenses	**200.24**	131.90
v)	**Actual Return on Plan Assets**	**62.24**	62.35
vi)	**Estimated contribution to be made in next financial year**	**87.12**	133.74
vii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	i) Insurer Managed Funds	**100%**	100%
viii)	**Actuarial Assumptions**		
	(i) Discount Rate	**8.25% P.A.**	8% P.A.
	(ii) Expected Rate of Return on Plan Assets	**8.25% P.A.**	8% P.A.
	(iii) Salary Escalation Rate	**5% P.A.**	5% P.A.
	(iv) Employee Turnover	**1% P.A.**	2% P.A.
	(v) Mortality	**L.I.C (1994-96) 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.

17. ANNUAL CAPACITIES AND PRODUCTION

	Item	Units	Installed Capacity*		Actual Production	
			Current Year	Previous Year	Current Year	Previous Year
1.	Soaps	M.T.	**159,000**	137,333	**92,290**	87,335
2.	Hair Colour and Other Toiletries	M.T.	**16,080**	16,080	**1,540**	1,203
3.	Fatty Acids	M.T.	**97,500**	97,500	**3,087**	4,791
4.	Glycerine	M.T.	**2,300**	2,300	**3,465**	1,648
5.	Detergents	M.T.	**12,000**	12,000	**5,134**	3,699

* As certified by the management and relied on by the Auditors, being a technical matter.

Notes:

1. The licensed capacities are not applicable in view of the exemption from licensing granted under Notification SO 477 (E) dated 25th July, 1991, issued under Industries (Development & Regulation) Act, 1951.
2. Actual production excludes production for captive consumption.
3. Actual production includes soaps produced by the Company for third parties - Nil MT (previous year 3,860.95 MT).
4. Actual production excludes items processed for the Company by third parties, viz., Hair colour and other toiletries 4544 MT (previous year 3,100 MT).

18. INVENTORY OF FINISHED GOODS

	Item	Quantity Units	March 31, 2010		March 31, 2009		March 31, 2008	
			Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac
	Manufactured:							
1.	Soaps	M.T.	**7,277**	**4113.61**	7,295	4171.54	9,400	5850.56
2.	Hair Colour and Other Toiletries	M.T.	**742**	**1471.45**	418	699.09	656	944.43
3.	Detergents	M.T.	**465**	**260.28**	310	212.32	171	75.55
4.	Fatty Acids and Glycerine	M.T.	**–**	**–**	21	8.70	1	0.21
	Purchased:							
1.	Soaps	M.T.	**12**	**12.02**	11	12.74	10	12.16
2.	Hair Colour and Other Toiletries	M.T.	**337**	**587.16**	225	450.70	164	382.60
	Total			**6444.51**		5555.09		7265.51

19. SALES TURNOVER (Net of Excise Duty)

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac
1.	Soaps	M.T.	**92,570**	**82837.93**	85,389	71379.77
2.	Hair Colour and Other Toiletries	M.T.	**7,266**	**35774.50**	5,253	29249.84
3.	Detergents	M.T.	**4,927**	**5326.24**	3,553	4284.81
4.	Fatty Acids and Glycerine			**2849.45**		3519.80
	Total			**126788.12**		108434.23

Schedules forming part of the Accounts for the year ended March 31, 2010

20. RAW MATERIALS CONSUMED

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac
1.	Oils and Fats	M.T.	**83,703**	**26058.46**	78,081	31165.47
2.	Chemicals, Perfumes, Colours and Catalysts	M.T.	**36,934**	**17418.01**	84,369	16592.67
3.	Packing Materials, etc.	M.T.		**10636.17**		9285.15
	Total			**54112.65**		57043.29

21. PURCHASE OF GOODS

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac
1.	Soaps	M.T.	**261**	**215.70**	205	211.04
2.	Hair Colour and Other Toiletries	M.T.	**1,742**	**3402.27**	1,163	2863.59
	Total			**3617.97**		3074.63

22. COMPUTATION OF PROFITS UNDER SECTION 349 OF THE COMPANIES ACT, 1956.

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
Profit for the year as per Profit and Loss Account		**24811.64**	16154.69
Add:			
Depreciation as per Accounts	1374.94		1436.92
Managerial Remuneration	1614.18		519.12
Loss on Sale of Assets	41.44		18.68
Provision for Doubtful Debts	1.42		3.19
Provision for Taxation	5102.58		2437.69
		8134.57	4415.60
		32946.21	20570.28
Less:			
Depreciation under Section 350	1364.93		1444.77
Profit on Sale of Investments as per Accounts	207.06		21.56
Loss on Sale of Assets as per section 349	41.44		18.68
		1613.43	1485.00
Eligible Net Profit as per Section 349 of the Companies Act, 1956.		**31332.78**	19085.28
Maximum limit of remuneration payable as per section 198 read with Schedule XIII of the Companies Act, 1956:			
a) To Wholetime Directors @ 10% of Eligible Profit:		**3133.28**	1908.52
b) To Non-wholetime Directors @ 1% of Eligible Profit:		**313.33**	190.85
Managerial Remuneration to Wholetime Directors		**1512.58**	433.69
Commission to Non-wholetime Directors		**90.00**	75.73

		Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
23.	**MANAGERIAL REMUNERATION**			
	Remuneration to the whole time Directors:			
a)	Salary and Allowances	350.27		181.38
b)	Contribution to Provident Fund	22.69		13.37
c)	Estimated Monetary Value of Perquisites	193.40		169.39
d)	Provision for Performance Linked Variable Remuneration	946.23		69.55
			1512.58	433.69
	Remuneration to Non-wholetime Directors:			
a)	Commission on Profits	90.00		75.73
b)	Directors' Sitting Fees	11.60		9.70
			101.60	85.43
	Total		**1614.18**	519.12
	Note: The above remuneration does not include contribution to Gratuity Fund and provision for Leave Encashment as separate figures are not available.			
24.	**AUDITOR'S REMUNERATION**			
a)	Statutory Audit Fees		**50.50**	38.00
b)	Audit Under Other Statutes		**10.00**	7.50
c)	In Other Capacity:			
	Taxation Matters	8.75		6.00
	Certification	9.20		11.11
	Other Charges	3.65		–
			21.60	17.11
d)	Reimbursement of Expenses		**3.30**	3.91
e)	Cost Audit Fees		**3.50**	2.64
f)	Service Tax		**9.16**	7.08
	Total		**98.06**	76.25
25.	**EARNINGS PER SHARE**			
a)	Net Profit After Tax		**24811.64**	16154.69
b)	Number of Equity Shares:			
	As at the commencement of the year		**256,953,908**	225,844,076
	Issued during the year / (bought back and extinguished)		**51,236,136**	31,109,832
	As at the end of the year		**308,190,044**	256,953,908
	Weighted average number of equity shares during the year:			
	Basic and Diluted		**299,627,293**	253,811,746
c)	Earning per Equity Share of Re. 1/- each.			
	Basic and Diluted (In Rupees)		**8.28**	6.36

Schedules forming part of the Accounts for the year ended March 31, 2010

	Current Year Rs. in Lac	Previous Year Rs. in Lac
26. DIVIDENDS REMITTED IN FOREIGN CURRENCY		
a) 4th Interim Dividend for the year ended March 31, 2009, to 282 non-resident shareholders on 78,352 shares @ Re. 0.75 per share	**0.59**	
Final Dividend for the year ended March 31, 2009, to 282 non-resident shareholders on 78,352 shares @ Re. 0.75 per share	**0.59**	
1st Interim Dividend for the year ended March 31, 2010, to 282 non-resident shareholders on 78,352 shares @ Re. 1 per share	**0.78**	
2nd Interim Dividend for the year ended March 31, 2010, to 278 non-resident shareholders on 78,512 shares @ Re. 1 per share	**0.79**	
3rd Interim Dividend for the year ended March 31, 2010, to 276 non-resident shareholders on 77,792 shares @ Re. 1 per share	**0.78**	
b) 4th Interim Dividend for the year ended March 31, 2008, to 279 non-resident shareholders on 76,872 shares @ Re. 0.75 per share		0.58
Final Dividend for the year ended March 31, 2008, to 279 non-resident shareholders on 77,152 shares @ Re. 0.75 per share		0.58
1st Interim Dividend for the year ended March 31, 2009, to 279 non-resident shareholders on 77,152 shares @ Re. 0.75 per share		0.58
2nd Interim Dividend for the year ended March 31, 2009, to 279 non-resident shareholders on 77,152 shares @ Re. 0.75 per share		0.58
3rd Interim Dividend for the year ended March 31, 2009, to 278 non-resident shareholders on 76,912 shares @ Re. 1 per share		0.77
TOTAL	**3.52**	3.08

27. CONSUMPTION OF RAW MATERIALS AND STORES

		Current Year Rs. in Lac	Current Year %	Previous Year Rs. in Lac	Previous Year %
a)	Raw Materials				
	- Imported	**18436.58**	**34.07**	29915.98	52.44
	- Indigenous	**35676.07**	**65.93**	27127.31	47.56
		54112.65	**100.00**	57043.29	100.00
b)	Stores and Spare Parts				
	- Imported	**10.47**	**1.94**	21.90	3.94
	- Indigenous	**527.66**	**98.06**	534.37	96.06
	Total	**538.13**	**100.00**	556.27	100.00

	Current Year Rs. in Lac	Previous Year Rs. in Lac
28. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	**15075.23**	22053.83
Total	**15075.23**	22053.83
29. EXPENDITURE IN FOREIGN CURRENCY		
a) Travelling Expenses	**180.59**	159.47
b) Consultancy	**228.93**	84.61
c) Trade Mark Registration	**11.23**	21.33
d) Sales Promotion	**5.59**	12.89
e) Others	**18.16**	13.37
Total	**444.50**	291.67
30. EARNINGS IN FOREIGN CURRENCY		
a) F.O.B. Value of Exports	**2473.26**	1623.28
b) Royalty and Technological Fees	**723.58**	509.46
c) Interest on Loan to Subsidiary	**7.79**	19.51
Total	**3204.63**	2152.25

31. RELATED PARTY TRANSACTIONS

A) List of Related Parties

a) Enterprise having control over reporting enterprise:

i) Godrej & Boyce Mfg. Co. Ltd.

b) Subsidiaries:

i) Godrej Netherlands B.V.

Godrej Consumer Products (UK) Limited (a subsidiary of Godrej Netherlands B.V.)

Keyline Brands Limited (a subsidiary of Godrej Consumer Products (UK) Limited)

Inecto Manufacturing Limited (a subsidiary of Keyline Brands Limited)

ii) Rapidol (Proprietary) Limited

iii) Godrej Global Mid East FZE

iv) Godrej Hygiene Products Limited (from April 1, 2009)

v) Godrej Consumer Products Mauritius Limited

Godrej Kinky Holdings Limited (a subsidiary of Godrej Consumer Products Mauritius Limited)

Kinky Group (Proprietary) Limited SA (a subsidiary of Godrej Kinky Holdings Limited)

Godrej Nigeria Holdings Ltd. (a subsidiary of Godrej Consumer Products Mauritius Ltd. from February 24, 2010)

Godrej Nigeria Limited (a subsidiary of Godrej Nigeria Holdings Limited from March 26, 2010)

Schedules forming part of the Accounts for the year ended March 31, 2010

vi) Godrej Consumer Products Holding (Mauritius) Limited (from February 23, 2010)

Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands)
(a subsidiary of Godrej Consumer Products Holding (Mauritius) Limited from March 24, 2010)

Godrej Consumer Products (Netherlands) B.V. (Netherlands)
(a subsidiary of Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands) from March 31, 2010)

Godrej Consumer Holdings (Netherlands) B.V. (Netherlands)
(a subsidiary of Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands) from March 31, 2010)

c) Joint Venture:

i) Godrej Sara Lee Limited (from June 1, 2009)

ii) Godrej Hygiene Products Ltd. (Formerly Godrej SCA Hygiene Limited) (up to March 31, 2009)

d) Enterprises under common control with whom transactions have taken place during the year:

i) Godrej Industries Limited

ii) Godrej Agrovet Limited

iii) Godrej Hershey Limited

iv) Godrej Infotech Limited

e) Enterprise over which Key Management Personnel exercise significant influence:

i) Godrej Investments Private Limited

ii) Godrej Sara Lee Limited (up to May 31, 2009)

f) Key Management Personnel and Relatives:

i)	Mr. Adi B. Godrej	Chairman
ii)	Mr. Hoshedar K. Press	Vice-Chairman
iii)	Mr. Dalip Sehgal	Managing Director
iv)	Mrs. Parmeshwar A. Godrej	Wife of Mr. Adi B. Godrej

B) Transactions with Related Parties

Rs. in Lac

Particulars	Enterprise Having Control Over Reporting Enterprise	Enterprise Under Common Control	Subsidiary Companies	Joint Venture Company	Enterprise over which Key Management Personnel Exercise Significant Influence	Relatives of Key Management Personnel	Key Management Personnel	Total
Sale of Goods	**19.88**	**617.91**	**1096.01**	**305.03**	**-**			**2038.82**
	18.43	*595.20*	*424.65*	*-*	*321.25*			*1359.53*
Purchase of Materials, Spares	**76.11**	**1178.37**	**1385.93**	**-**				**2640.41**
and Capital Equipment	*367.28*	*1312.49*	*8.98*	*1472.48*				*3161.23*
Establishment and Other Expenses	**10.64**	**695.84**	**(51.16)**	**70.86**	**-**			**726.18**
Paid / (Received)	*11.81*	*1152.06*	*10.66*	*(141.70)*	*(1.89)*			*1030.93*
Investments Made			**16749.07**	**19700.52**				**36449.59**
			628.39	*600.00*				*1228.39*
Royalty			**723.58**					**723.58**
			509.46					*509.46*
Loan Given		**405.00**	**1806.73**					**2211.73**
		-	*355.63*					*355.63*
Loan Repaid		**405.00**	**367.13**					**772.13**
		-	*355.63*					*355.63*
Interest Received on Loan		**6.12**	**64.94**					**71.06**
		-	*19.51*					*19.51*
Subscription towards Rights Issue		-						-
		31689.26						*31689.26*
Issue of Equity Shares	**302.97**	**209.39**						**512.36**
	-	*-*						*-*
Guarantees Given			**(19988.00)**					**(19988.00)**
			-					*-*
Dividend Remitted	**4976.79**	**2238.36**			**-**	**14.80**	**0.46**	**7230.41**
	4024.50	*1854.93*			*17.70*	*13.60*	*0.41*	*5911.14*
Dividend Received		**-**		**1001.07**				**1001.07**
		-		*-*				*-*
Managerial Remuneration							**1512.58**	**1512.58**
							433.69	*433.69*
Lease Rentals paid						**129.07**		**129.07**
						129.07		*129.07*
Outstanding Balances as at year end								
Receivable	**0.69**	**45.10**	**1873.97**	**9.20**	**-**			**1928.96**
	-	*55.72*	*233.80*	*96.45*	*0.14*			*386.11*
Payable	**0.56**	**42.12**	**78.20**	**18.70**			**-**	**139.58**
	17.54	*98.41*	*10.66*	*-*			*69.55*	*196.15*
Guarantees Outstanding		**-**	**2507.74**					**2507.74**
		-	*22656.18*					*22656.18*

Note: Figures in italics denote figures for previous year.

Schedules forming part of the Accounts for the year ended March 31, 2010

C) The Significant Related Party Transactions are as under:

Nature of Transaction	Enterprises under Common Control	Amount Rs. in lac	Subsidiary Companies	Amount Rs. in lac	Joint Venture Company	Amount (Rs. in lac)	Enterprise over which Key Management Personnel Exercise Significant Influence	Amount Rs. in lac	Key Management Personnel and Relatives	Amount Rs. in lac
Sale of Goods	Godrej Industries Ltd.	575.92	Godrej Global Mideast F.Z.E.	412.40	Godrej Sara Lee Ltd.	305.03	Godrej Sara Lee Ltd.	-		
		583.89		*204.13*		-		*321.25*		
	Godrej Agrovet Ltd.	21.93	Rapidol (Pty) Ltd	321.52						
		11.06		*220.51*						
	Godrej Hershey Ltd.	20.07	Godrej Hygiene Products Ltd.	362.09						
		-		-						
Purchase of Materials, Spares and Capital Equipment	Godrej Industries Ltd.	1131.68	Godrej Global Mideast F.Z.E.	10.92	Godrej Hygiene Product Ltd.	-				
		1312.49		*8.98*		*1472.48*				
	Godrej Hershey Ltd.	46.70	Godrej Hygiene Products Ltd.	1375.01						
		-		-						
Establishment and Other Expenses Paid / (Received)	Godrej Industries Ltd.	696.42	Rapidol (Pty) Ltd	-	Godrej Sara Lee Ltd.	70.86	Godrej Sara Lee Ltd.	-		
		1154.43		*10.66*		-		*(1.89)*		
	Godrej Hershey Ltd.	(23.43)	Godrej Hygiene Products Ltd.	(51.16)	Godrej Hygiene Product Ltd.	-				
		-		-		*(141.70)*				
	Godrej Agrovet Ltd.	21.50								
		(4.00)								
	Godrej Infotech Ltd.	1.35								
		-								
	Godrej HiCare Ltd.	-								
		0.64								
	Godrej Properties Ltd.	-								
		(1.34)								
Investments Made		-	Godrej Consumer Products Mauritius Ltd.	16216.13	Godrej Sara Lee Ltd.	19700.52				
		-		*628.39*		-				
			Godrej Hygiene Products Ltd.	487.36	Godrej Hygiene Product Ltd.	-				
				-		*600.00*				
			Godrej Consumer Products Holdings (Mauritius) Ltd.	45.58						
				-						
Royalty			Rapidol (Pty) Ltd	723.58						
				509.46						
Loan Given	Godrej Industries Ltd.	405.00	Godrej Netherlands B.V.	706.73						
		-		*355.63*						
			Godrej Hygiene Products Ltd.	1100.00						
				-						
Loan Repaid	Godrej Industries Ltd.	405.00	Godrej Netherlands B.V.	367.13						
		-		*355.63*						
Interest Received on Loan	Godrej Industries Ltd.	6.12	Godrej Netherlands B.V.	7.79						
		-		*19.51*						
			Godrej Hygiene Products Ltd.	57.15						
				-						
Subscription towards Rights Issue	Godrej Industries Ltd.	-								
		31689.26								
Issue of Equity Shares Pursuant to Scheme of Amalgamation	Godrej Industries Ltd.	209.39								
		-								
Guarantees Given			Godrej Hygiene Products Ltd.	300.00						
				-						
			Godrej Consumer Products Mauritius Ltd.	(20288.00)						
				-						
Dividend Remitted	Godrej Industries Ltd.	2238.36					Godrej Investments Ltd.	-	Mr. Adi B. Godrej	0.00
		1854.93						*17.70*		*0.00*
									Mr. Hoshedar K. Press	0.45
										0.40
									Ms. Parmeshwar A. Godrej	14.80
										13.60
Dividend Received					Godrej Sara Lee Ltd.	1001.07				-
						-				-
Managerial Remuneration									Mr. Adi B. Godrej	564.84
										271.68
									Mr. Hoshedar K. Press	500.17
										161.32
									Mr. Dalip Sehgal	447.57
										-
Lease Rentals Paid									Ms. Parmeshwar A. Godrej	129.07
										129.07

Note: Figures in italics denote figures for previous year.

32. INTEREST IN JOINT VENTURE

The Company's interest, as a venturer, in jointly controlled entities is as under:

Current Year:

a) Name of Company: Godrej Sara Lee Ltd. (with effect from June 1, 2009)
b) Country of Incorporation: India
c) Principal Activities: Manufacture of Personal and Household Care Products.
d) Percentage of Ownership Interest as at the year end: 49%

Previous Year:

a) Name of Company: Godrej SCA Hygiene Ltd. (up to March 31, 2009)
b) Country of Incorporation: India
c) Principal Activities: Manufacture of Sanitary Napkins and Baby Diapers
d) Percentage of Ownership Interest as at the year end: 50%

The Company's interest in jointly controlled entities is reported as Long-Term Investments in Schedule 7 and stated at cost less provision, if any, for permanent dimunition in value of such investments.

The Company's share of each of the assets, liabilities, income and expenses (without elimination of the effect of transactions between the Company and the Joint Venture), related to its interest in the joint venture is as under:

	Current Year Rs. in Lac	Previous Year Rs. in Lac
I. ASSETS		
1. Fixed Assets	**3383.19**	136.07
2. Current Assets		
Inventories	**3954.09**	294.17
Sundry Debtors	**1888.16**	50.97
Cash and Bank Balances	**8176.58**	72.77
Other Current Assets	**30.05**	–
Loans and Advances	**6030.63**	38.92
II. LIABILITIES		
1. Deferred Tax Liability	**17.67**	–
2. Current Liabilities	**9734.77**	718.16
3. Provisions	**215.07**	2.68
III. INCOME		
1. Sales (Net of Excise Duty)	**40884.90**	720.73
2. Other Income	**495.23**	5.92
IV. EXPENSES		
1. Materials Consumed and Purchase of Goods	**21335.14**	646.21
2. Expenses	**12458.39**	814.84
3. Interest and Finance Charges	**30.27**	10.74
4. Depreciation	**341.52**	5.49
5. Inventory Change - (Increase) / Decrease	**(466.28)**	(86.79)
6. Provision for Taxation	**1287.03**	1.13

Note: The Company's share in the Income and Expense for the current year related to its interest in the Joint Venture is for the period June 1, 2009 up to March 31, 2010.

33. GENERAL

a) Other information required by Schedule VI to the Companies Act, 1956, has been given only to the extent applicable.
b) Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

Schedules forming part of the Accounts for the year ended March 31, 2010

STATEMENT PURSUANT TO PART IV, SCHEDULE VI TO THE COMPANIES ACT, 1956: BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	**Registration Details:**		
	Registration No.	:	129806
	State Code	:	11
	Balance Sheet Date	:	March 31, 2010
II.	**Capital Raised During the Year: (Amount in Rs. Thousand)**		
	Public Issue	:	-
	Right Issue	:	-
	Bonus Issue	:	-
	Shares Issued Under Scheme of Amalgamation	:	51,236
	Private Placement	:	-
III.	**Position of Mobilisation and Deployment of Funds: (Amount in Rs. Thousand)**		
	Total Liabilities	:	12,381,064
	Total Assets	:	12,381,064
	Sources of Funds		
	Paid-up Capital	:	308,190
	Reserves and Surplus	:	7,966,463
	Secured Loans	:	123,980
	Unsecured Loans	:	-
	Deferred Tax Liability	:	63,212
	Application of Funds		
	Net Fixed Assets	:	1,663,951
	Investments	:	5,218,817
	Deferred Tax Asset	:	-
	Net Current Assets	:	1,579,077
	Miscellaneous Expenditure	:	-
	Accumulated Losses	:	-
IV.	**Performance of Company: (Amount in Rs. Thousand)**		
	Turnover	:	13,184,860
	Total Expenditure	:	10,193,438
	Profit / (Loss) Before Tax	:	2,991,422
	Profit / (Loss) After Tax	:	2,481,164
	Earning Per Share in Rs.	:	
	Basic		8.28
	Diluted		8.28
	Dividend Rate %	:	425%
V.	**Generic Names of 3 Principal Products / Services of Company:**		
	(As per monetary terms)		
	a) Item Code No. (ITC Code)	:	34.01*
	Product Description	:	Soaps
	b) Item Code No. (ITC Code)	:	33.07*
	Product Description	:	Cosmetics
	c) Item Code No. (ITC Code)	:	34.02*
	Product Description	:	Detergents

* Represents Heading No. of the Hormonised Commodity Description and Coding System

Consolidated Financials

Auditors' Report

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GODREJ CONSUMER PRODUCTS LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached consolidated Balance Sheet of GODREJ CONSUMER PRODUCTS LIMITED (the Company) and its subsidiaries (collectively referred to as the "Godrej Group") as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended annexed thereto (Consolidated Financial Statements). These Consolidated Financial Statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain subsidiaries and a joint venture included in the Consolidated Financial Statement whose financial statements reflect the Group's share of total assets of Rs. 41,320.43 lac as at March 31, 2010, the Group's share of total revenues of Rs. 79,591.12 lac and net cash inflows amounting to Rs. 8,526.94 lac for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

4. As stated in Note 2(b) of Schedule 15 to the Consolidated Financial Statements, certain subsidiaries whose financial statements reflect the Group's share of total assets of Rs. 4,570.43 lac as at March 31, 2010 and the Group's share of total revenues of Rs. 35.97 lac and net cash outflows amounting to Rs. 7.75 lac for the year ended on that date have not been audited and have been considered in the Consolidated Financial Statements based solely on the unaudited separate financial statements certified by Management.

5. We draw attention to Note 15 i), Schedule 15: Notes to Consolidated Accounts, where it has been stated that a Joint Venture company has given a loan of Rs. 5,940.00 lac to its ESOP trust to finance the purchase of the equity shares of Godrej Industries Ltd., being the underlying equity shares for the stock option scheme. As at March 31, 2010, the market value of the equity shares of Godrej Industries Ltd. are lower by Rs. 2,239.69 lac as compared to the cost of acquisition of these equity shares. The repayment of the loan granted to the ESOP trust is dependant on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period. The fall in the value of the underlying equity shares is on account of

current market volatility and the loss, if any, can be determined only at the end of the exercise period. In view of the aforesaid, provision for diminution of Rs. 2,239.69 lac has not been considered necessary in the accounts of the Joint Venture. The Group's 49% share in the above diminution amounts to Rs. 1,097.45 lac.

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements and Accounting Standard (AS) 27- Financial Reporting of Interest in Joint Venture issued by the Institute of Chartered Accountants of India.

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the management's certification of the unaudited financial statements, in our opinion and to the best of our information and according to the explanations given to us, the attached 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 consolidated state of affairs of Godrej Consumer Products Limited, its subsidiaries and joint venture as at March 31, 2010;

    (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit for the year ended on that date; and

    (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

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

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: April 26, 2010.

Consolidated Balance Sheet as at March 31, 2010

	Schedule	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SOURCES OF FUNDS:				
1. Shareholders' Funds				
a) Share Capital	1	3081.90		2569.54
b) Reserves and Surplus	2	92387.02		54582.50
			95468.92	57152.04
2. Loan Funds				
a) Secured Loans	3	3687.44		22957.23
b) Unsecured Loans	4	-		4800.00
			3687.44	27757.23
3. Deferred Tax Liability (Net)	5		**658.94**	421.04
TOTAL			**99815.30**	85330.30
APPLICATION OF FUNDS:				
4. Fixed Assets	6			
a) Gross Block		41487.43		33695.56
b) Less: Depreciation		15314.35		10976.26
c) Net Block		26173.08		22719.30
d) Capital Work-in-Progress		83.72		249.67
			26256.80	22968.97
5. Goodwill On Consolidation			**31186.13**	21324.77
6. Investments	7		**6700.00**	750.55
7. Current Assets, Loans and Advances	8			
a) Inventories		26443.33		16747.29
b) Sundry Debtors		11525.84		6018.99
c) Cash and Bank Balances		30515.90		37832.27
d) Other Current Assets		575.08		900.64
e) Loans and Advances		21892.77		11775.51
		90952.92		73274.71
8. Less: Current Liabilities and Provisions	9			
a) Current Liabilities		53261.82		29185.75
b) Provisions		2018.72		3802.94
		55280.54		32988.68
9. Net Current Assets			**35672.38**	40286.02
TOTAL			**99815.30**	85330.30
Notes to Accounts	15			

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report attached

Signatures to the Balance Sheet and Schedules 1 to 9 and 15.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

For and on behalf of the Board
Adi Godrej
Chairman

Daraius Z. Fraser
Partner

P. Ganesh
Executive Vice President
(Finance & Commercial)
and Company Secretary

Dalip Sehgal
Managing Director

Mumbai: April 26, 2010.

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
INCOME:				
1. Sales (Gross)		208177.50		143522.54
Less: Excise Duty		(4057.67)		(4226.17)
			204119.84	139296.37
2. Processing Income			**249.53**	367.35
3. Other Income	10		**4480.87**	3650.14
			208850.24	143313.86
EXPENDITURE:				
4. Materials Consumed and Purchase of Goods	11	98675.42		76062.68
5. Expenses	12	68757.35		41628.53
6. Interest and Financial Charges	13	1109.92		1885.91
7. Depreciation and Amortisation		2360.40		1922.69
		170903.10		121499.81
8. Inventory Change	14	(4044.95)		891.39
			166858.16	122391.20
PROFIT BEFORE TAX:			**41992.08**	20922.66
9. Provision for Taxes				
- Current Taxes		7955.14		3242.37
- Deferred Taxes		78.34		343.09
- Fringe Benefits Tax		-		75.13
			8033.48	3660.58
			33958.60	17262.08
10. Tax Adjustments in Respect of Prior Years			**-**	63.72
NET PROFIT AFTER TAX:			**33958.60**	17325.79
11. Surplus Brought Forward			**13762.40**	10100.76
PROFIT AVAILABLE FOR APPROPRIATION:			**47721.00**	27426.55
APPROPRIATIONS:				
1. Dividend on Equity Shares				
- Interim			**12585.72**	8371.25
- Final (Proposed)			**-**	1927.15
2. Tax on Distributed Profit			**2309.76**	1750.17
3. Transfer to General Reserve			**3129.80**	1615.58
4. Surplus Carried Forward			**29695.72**	13762.40
TOTAL			**47721.00**	27426.55
EARNINGS PER SHARE (in Rupees) (Face value Re. 1)	15 (17)			
Basic and Diluted			**11.33**	6.83
Notes to Accounts	15			

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our Report attached

Signatures to the Profit & Loss account and Schedules 10 to 15.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

For and on behalf of the Board
Adi Godrej
Chairman

Daraius Z. Fraser
Partner

P. Ganesh
Executive Vice President
(Finance & Commercial)
and Company Secretary

Dalip Sehgal
Managing Director

Mumbai: April 26, 2010.

Consolidated Cash Flow Statement for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax:		**41992.08**	20922.66
Adjustment for:			
Depreciation	2360.40		1922.69
Foreign Exchange (Gain)/Loss	297.78		(284.87)
(Profit)/Loss on Fixed Assets Sold/Discarded	50.94		16.61
Profit on Sale of Investment	(207.29)		(21.56)
Discount on Prepayment of Deferred Sales Tax Loan	-		(1.49)
Interest Expense	1109.92		1885.91
Interest Income	(2704.22)		(3607.35)
Bad Debts Written off	91.28		61.54
Provision for Doubtful Debts and Advances	1.42		214.93
Provision for Non Moving Inventory	71.13		–
Write in of Old Balances	(39.49)		–
Others Income Outstanding	155.15		–
		1187.02	186.42
Operating Cash Flows Before Working Capital Changes		**43179.10**	21109.08
Adjustments for:			
Inventories	(9696.04)		2408.49
Trade and Other Receivables	(9419.05)		(6298.55)
Trade Payables	17784.78		362.90
		(1330.32)	(3527.16)
Cash Generated from Operations		**41848.78**	17581.91
Adjustment for:			
Direct Taxes Paid		**(7795.58)**	(3254.92)
Net Cash Flow from Operating Activities		**34053.20**	14326.99
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(7459.03)		(4449.85)
Sale of/Adjustments to Fixed Assets	1759.86		(382.76)
Investment Acqusition Expenses as per Scheme of Amalgamation	(731.15)		-
Purchase of Investments	(66797.52)		(28615.00)
Sale of Investments	61055.36		27886.56
Investment Expenses to be Capitalised	(227.70)		-
Loan to ESOP Trust	(2050.84)		-
Adjustment for Goodwill on Consolidation	9094.62		(11297.22)
Interest Received	2704.22		2706.70
Net Cash Flow from Investing Activities		**(2652.18)**	(14151.56)
Balance carried Forward		**31401.02**	175.44

Consolidated Cash Flow Statement for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
Balance brought forward		**31401.02**	175.44
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital - Rights Issue	-		39645.75
Buyback of Equity Share Capital	-		(1490.00)
Borrowings from Bank (net)	(23396.60)		8191.48
Cash credits (net)	(1191.34)		857.29
Interest Paid	(1109.92)		(1863.68)
Dividend Paid	(8733.34)		(10023.69)
Tax on Distributed Profits	(1655.05)		(1711.99)
Rights Issue Expenses written off	-		(207.18)
Net Cash Flow from Financing Activities		**(36086.26)**	33397.98
Net Increase/(Decrease) in Cash and Cash Equivalents:		**(4685.24)**	33573.42
Cash and Cash Equivalents:			
As at the Beginning			
Cash and Bank Balances		**37832.27**	4258.86
Acquired Pursuant to the Scheme of Amalgamation		**16.36**	-
Acquisition of Balance 50% Share in Godrej Hygiene Products Ltd.		**72.77**	-
Acquisition of 49% Share in Godrej Sara Lee Ltd.		**2542.01**	-
As at the Ending			
Cash and Bank Balances		**30515.90**	37832.27
Net Increase/(Decrease) in Cash and Cash Equivalents:		**(4685.24)**	33573.42

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Daraius Z. Fraser
Partner

Mumbai: April 26, 2010.

P. Ganesh
Executive Vice President
(Finance & Commercial)
and Company Secretary

For and on behalf of the Board
Adi Godrej
Chairman

Dalip Sehgal
Managing Director

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 1: SHARE CAPITAL			
1. Authorised:			
410,000,000 Equity shares (previous year 290,000,000 equity shares) of Re. 1/- each.		**4100.00**	2900.00
10,000,000 Preference shares (previous year 10,000,000 preference shares) of Re. 1/- each.		**100.00**	100.00
2. Issued:			
308,221,168 Equity shares (previous year 256,985,032 equity shares) of Re. 1/- each fully paid up.		**3082.21**	2569.85
3. Subscribed and Paid Up:			
308,190,044 Equity shares of Re. 1/- each (previous year 256,953,908 equity shares of Re. 1/- each) fully paid up.		**3081.90**	2569.54
Total		**3081.90**	2569.54

Note:

a) Of the above, 51,236,136 equity shares of Re. 1 each (previous year nil) have been issued for a consideration other than cash pursuant to the Scheme of Amalgamation of Godrej Consumer Biz Limited (GCBL) and Godrej Hygiene Care Limited (GHCL) with Godrej Consumer Products Limited.

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 2: RESERVES AND SURPLUS			
1. Capital Investment Subsidy Reserve		**15.00**	15.00
2. Capital Redemption Reserve			
As per last Balance Sheet	145.94		134.72
Add: Transfer from General Reserve	-		11.22
		145.94	145.94
3. Foreign Currency Translation Reserve		**(189.95)**	(487.73)
4. Share Premium Account			
As per last Balance Sheet	35703.58		-
Amount Received During the Year	-		39323.43
Less: Rights Issue Expenses and Trademarks Written off	-		(3619.84)
		35703.58	35703.58
5. General Reserve			
As per last Balance Sheet	5443.30		5317.72
Add: Transfer from Profit and Loss Account	2482.00		1615.58
Add: Transfer Pursuant to Scheme of Amalgamation	18455.25		-
Less: Premium on buy-back of shares	-		(1478.78)
Less: Transfer to Capital Redemption Reserve on buy-back of shares	-		(11.22)
		26380.55	5443.30
6. Profit and Loss Account			
Balance as per Profit and Loss Account	29695.72		13762.40
Less: Share in Jointly Controlled Entity	4574.37		(994.02)
		25121.36	14756.42
7. Share in Jointly Controlled Entity		**5210.54**	(994.02)
Total		**92387.02**	54582.50

	Rs. in Lac	**Current Year Rs. in Lac**	Previous Year Rs. in Lac
SCHEDULE 3: SECURED LOANS			
1. Borrowings from Banks			
a) Term Loans	1068.93		21040.00
b) Cash Credit	1189.46		1862.65
c) Working Capital Demand Loans	1378.71		7.52
		3637.10	22910.17
2. Sales Tax Deferment Loan		**50.34**	47.06
Total		**3687.44**	22957.23
SCHEDULE 4: UNSECURED LOANS			
1. Term Loans and Advances			
a) From Banks		**-**	4800.00
Total		**-**	4800.00
SCHEDULE 5: DEFERRED TAX LIABILITY (NET)			
1. Deferred Tax Liability			
a) Depreciation	923.98		645.78
b) Others	9.15		4.72
		933.13	650.50
2. Deferred Tax Asset			
a) Expenditure Disallowable under Section 43B	(210.09)		(218.28)
b) Provision for Doubtful Debts	(81.78)		(11.18)
		(291.87)	(229.46)
3. Share in Jointly Controlled Entity		**17.67**	-
Total		**658.94**	421.04

SCHEDULE 6: FIXED ASSETS

(Rs. in Lac)

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1-Apr-09	Additions	Deductions	As on 31-Mar-10	Upto 31-Mar-09	For the Year	On Deductions	Upto 31-Mar-10	As on 31-Mar-10	As on 31-Mar-09
Tangible Assets:										
Freehold Land	768.64	-	(111.36)	**880.01**	-	-	-	**-**	**880.01**	768.64
Leasehold Land	854.81	207.21	(94.89)	**1156.92**	124.81	29.19	5.32	**148.68**	**1008.24**	730.00
Leasehold Improvements	-	102.16	-	**102.16**	-	7.58	-	**7.58**	**94.58**	-
Buildings	5702.98	163.30	0.15	**5866.13**	783.67	164.43	-	**948.10**	**4918.03**	4919.31
Plant and Machinery	18888.20	588.79	127.87	**19349.12**	8108.48	1083.48	123.64	**9068.31**	**10280.80**	10779.72
Furniture, Fixtures and Fittings	525.14	264.48	20.89	**768.73**	142.04	105.84	33.12	**214.76**	**553.97**	383.10
Office Equipment	382.04	71.74	51.32	**402.46**	145.30	19.86	33.38	**131.78**	**270.68**	236.74
Computers	607.18	61.86	78.40	**590.64**	454.65	90.68	79.61	**465.73**	**124.91**	152.53
Vehicles	150.35	64.51	8.46	**206.40**	64.29	40.21	13.90	**90.60**	**115.79**	86.06
Intangibles:										
Computer Software	434.54	17.40	(17.40)	**469.34**	250.14	51.13	(5.64)	**306.92**	**162.42**	184.39
Trade Marks and Brands	5197.26	-	(399.07)	**5596.33**	884.24	422.85	81.42	**1225.67**	**4370.66**	4313.02
Assets Under Finance Lease:										
Leased Vehicles	41.70	-	26.03	**15.67**	11.99	3.62	9.73	**5.88**	**9.79**	29.72
Share In Jointly Controlled Entity	142.70	6083.53	142.70	**6083.53**	6.64	341.52	(2352.18)	**2700.34**	**3383.19**	136.07
Total	**33695.56**	**7624.98**	**(166.89)**	**41487.43**	**10976.26**	**2360.40**	**(1977.69)**	**15314.35**	**26173.08**	**-**
Previous Year	29368.16	11380.03	7052.64	**33695.56**	12534.79	1922.69	3481.22	**10976.26**	**-**	22719.30
Capital Work-in-Progress including Capital Advances									**83.72**	249.67
Total									**26256.80**	22968.97

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

SCHEDULE 7: INVESTMENTS

Previous Year Nos.	Current Year Nos.		Face Value	Rs. in Lac	**Current Year Rs. in Lac**	Previous Year Rs. in Lac
(Fully paid unless otherwise stated)						
Long Term - At Cost - Fully Paid up						
1. In Equity Shares						
Quoted:						
2,500	–	Creightons plc			–	0.55
Current - At Cost						
2. In Units of Mutual Funds						
Unquoted:						
2,844,202	–	Birla Sunlife Mutual Fund - Liquid Scheme BSL Cash Plus - Instl. Premium - Growth	10	–		400.00
90,991,617	128,355,243	- Purchased during the year				
88,147,415	131,199,445	- Sold during the year				
1,963,259	18,940,359	Kotak Liquid (Institutional Premium) Plan		3500.00		350.00
		- Growth Scheme	10			
26,513,828	121,728,924	- Purchased during the year				
24,550,569	104,751,824	- Sold during the year				
–	1,543,853	Prudential ICICI Institutional Liquid Plan				
		- Super Institutional Growth Scheme	100	2100.00		–
-	6,568,298	- Purchased during the year	100			
-	5,024,445	- Sold during the year	100			
94,897,726	91,672,580	- Purchased during the year	10			
94,897,726	91,672,580	- Sold during the year (During the year the face value of units was changed from Rs. 10 per unit to Rs. 100 per unit.)	10			
-	5,965,196	HDFC Liquid Fund - Premium Plan - Growth Scheme	10	1100.00		
-	23,902,997	- Purchased during the year				
-	17,937,801	- Sold during the year				
-	-	Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Option	10	–		
-	3,859,831	- Purchased during the year				
-	3,859,831	- Sold during the year				
					6700.00	750.00
Total					**6700.00**	750.55
Aggregate Book Value of Investments:						
Quoted					–	0.55
Unquoted					**6700.00**	750.00
Total					**6700.00**	750.55

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 8: CURRENT ASSETS, LOANS AND ADVANCES			
1. Inventories			
(At lower of cost and net realisable value)			
a) Raw Materials	7946.37		5480.87
b) Stores and Spares	404.06		412.11
c) Work-in-Progress	2322.14		1697.69
d) Finished Goods - Manufactured	10849.97		6798.87
- Trading	966.70		2063.59
e) Share in Jointly Controlled Entity	3954.09		294.17
		26443.33	16747.29
2. Sundry Debtors			
(Unsecured - Considered good, unless otherwise stated)			
a) Debts outstanding for a period exceeding six months (Including doubtful debts Rs. 111.19 lac; - previous year Rs. 254.84 lac)	121.83		347.29
b) Other Debts	9627.05		5875.57
	9748.87		6222.86
c) Less: Provision for Doubtful Debts	111.19		254.84
	9637.68		5968.02
d) Share in Jointly Controlled Entity	1888.16		50.97
		11525.84	6018.99
3. Cash and Bank Balances			
a) Cash in Hand	13.12		14.54
b) Cheques on Hand	734.23		975.12
c) Balances with Scheduled Banks			
- In Current Accounts	1440.57		1381.61
- In Deposit Accounts (Under Lien with the bank: Rs. 107.30 lac; previous year Rs. 105.35 lac)	16507.30		32089.39
d) Balances with Non - Scheduled Banks	3644.09		3298.84
e) Share in Jointly Controlled Entity	8176.58		72.77
		30515.90	37832.27
4. Other Current Assets			
a) Accrued Interest	545.04		900.64
b) Share in Jointly Controlled Entity	30.05		-
		575.08	900.64
5. Loans and Advances			
(Unsecured - considered good, unless otherwise stated)			
a) Advances Recoverable in Cash or in Kind or For Value to be Received	7340.30		6223.23
b) Amount Due from ESOP Trust	6378.77		3851.35
c) Balances with Excise Authorities	1875.06		1378.82
d) Sundry Deposits	274.87		283.84
	15869.00		11737.24
Less: Provision for Doubtful Loans and Advances	6.86		0.66
	15862.14		11736.59
e) Share in Jointly Controlled Entity	6030.63		38.92
		21892.77	11775.51
Total		**90952.92**	73274.71

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

		Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 9: CURRENT LIABILITIES AND PROVISIONS				
1.	Current Liabilities			
	a) Sundry Creditors			
	- Dues of Micro and Small Enterprises	688.19		926.42
	- Others	13014.78		10528.38
	b) Advances and Deposits	846.50		489.05
	c) Unclaimed Dividends	433.16		408.28
	d) Other Liabilities	24692.04		14177.76
	e) Interim Dividend Payable	3852.38		1927.15
	f) Interest Accrued but not Due on Loans	–		10.54
	g) Share in Jointly Controlled Entity	9734.77		718.16
			53261.82	29185.75
2.	Provisions			
	a) For Taxation (Net of Advance Payment of Taxes)	515.57		613.97
	b) For Proposed Dividend	–		1927.15
	c) For Tax on Distributed Profits	654.71		655.04
	d) For Leave Encashment	633.37		604.09
	e) Share in Jointly Controlled Entity	215.07		2.68
			2018.72	3802.94
	Total		**55280.54**	32988.68
SCHEDULE 10: OTHER INCOME				
1.	Dividend		**–**	0.38
2.	Interest Income (Gross)			
	a) On Investments	168.21		130.94
	b) On Advances and Deposits	165.35		25.94
	c) On Rights Issue Proceeds	2005.92		3068.77
	d) On ESOP Trust Loan	363.75		367.17
	(Tax Deducted at Source Rs. 408.19 lac; previous year Rs. 573.63 lac)			
	e) On Income Tax Refund	0.99		14.52
			2704.22	3607.35
3.	Gain / (Loss) on Exchange Difference (Net)		**94.05**	(343.69)
4.	Profit on Sale of Investments (Net)		**207.29**	21.56
5.	Royalty Income		**–**	27.29
6.	Claims Received		**74.65**	60.26
7.	Miscellaneous Income		**905.43**	271.07
8.	Share In Jointly Controlled Entity		**495.23**	5.92
	Total		**4480.87**	3650.14
SCHEDULE 11: MATERIALS CONSUMED AND PURCHASE OF GOODS				
1.	Raw Materials Consumed			
	Opening Inventory	5480.87		7082.64
	Add: Purchases (Net)	64300.56		60965.20
		69781.43		68047.84
	Less: Closing Inventory	7822.12		5480.87
			61959.30	62566.97
2.	Purchase of Goods for Resale		**15380.98**	13114.34
3.	Share in Jointly Controlled Entity		**21335.14**	381.37
	Total		**98675.42**	76062.68

Schedules forming part of the Consolidated Accounts for the year ended March 31, 2010

		Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 12: EXPENSES				
1.	Salaries, Wages and Bonus		**14373.66**	7928.21
2.	Contribution to Provident and Other Funds		**644.90**	540.65
3.	Workmen and Staff Welfare Expenses		**161.52**	183.77
4.	Stores and Spare Consumed		**619.70**	557.22
5.	Processing Charges and Other Manufacturing Charges		**2258.42**	1638.22
6.	Excise Duty Provision on Inventory		**92.03**	(276.14)
7.	Power and Fuel		**3345.74**	3561.52
8.	Repairs and Maintenance			
	a) Plant and Machinery	210.02		197.13
	b) Buildings	50.04		60.68
	c) Others	153.74		135.83
			413.80	393.64
9.	Establishment Expenses		**302.80**	740.02
10.	Miscellaneous Expenses		**1914.81**	1236.27
11.	Rent		**1208.36**	1090.68
12.	Rates and Taxes		**289.28**	357.79
13.	Travelling and Conveyance		**1251.60**	1019.88
14.	Legal and Professional Charges		**845.61**	795.83
15.	Insurance		**241.41**	210.12
16.	Donations		**5.66**	16.13
17.	Selling and Distribution Expenses		**2442.06**	2581.91
18.	Sales Promotion		**6868.24**	4117.92
19.	Freight		**5042.90**	3673.70
20.	Advertising and Publicity		**13279.85**	9668.53
21.	Commission		**327.94**	236.25
22.	Discount		**225.04**	14.82
23.	Loss on Sale of Assets (Net)		**50.94**	18.44
24.	Bad Debts Written Off		**91.28**	61.54
25.	Provision for Doubtful Debts and Advances		**1.42**	214.93
26.	Share in Jointly Controlled Entity		**12458.39**	1046.68
	Total		**68757.35**	41628.53
SCHEDULE 13: INTEREST AND FINANCIAL CHARGES				
1.	Interest Expense:			
	i) Interest on Other Bank Loans	643.19		1430.02
	ii) Other Interest	37.40		201.62
			680.60	1631.64
2.	Discounting and Other Finance Charges		**399.06**	243.53
3.	Share in Jointly Controlled Entity		**30.27**	10.74
	Total		**1109.92**	1885.91

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 14: INVENTORY CHANGE			
1. Opening Inventory			
a) Finished Goods	6798.87		7067.40
b) Traded Goods	2063.59		2382.98
c) Work-in-Progress	1697.69		2087.94
d) Share in Jointly Controlled Entity	211.10		124.31
		10771.25	11662.64
2. On Acquisition of Subsidiary/JV During the Year			
a) Finished Goods			
3. Less: Closing Inventory			
a) Finished Goods	10849.97		6798.87
b) Traded Goods	966.70		2063.59
c) Work-in-Progress	2322.14		1697.69
d) Share in Jointly Controlled Entity	2754.11		211.10
		16892.92	10771.25
4. (Increase)/Decrease in Inventory		**(4044.95)**	891.39

SCHEDULE 15: NOTES TO ACCOUNT

1. SIGNIFICANT ACCOUNTING POLICIES

a) 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 Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b) 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.

c) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets.

Direct financing cost incurred during the construction period on major projects is also capitalised.

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

d) Asset Impairment:

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds its recoverable amount. An impairment loss, if any, is recognized in the period in which the impairment takes place.

e) **Intangible Assets:**

The cost of acquisition of trade marks is amortised equally over the best estimate of its useful life not exceeding a period of ten years, except in case of the Kinky brand where the brand is amortised equally over a period of twenty years.

f) **Investments:**

Investments are classified into current and long term investments. Long term investments are carried at cost. Cost of acquisition includes all costs directly incurred on the acquisition of the investment. Provision for diminution, if any, in the value of long term investments is made to recognize a decline, other than of a temporary nature. Current investments are stated at lower of cost and net realisable value.

g) **Inventories:**

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

h) **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 –

A. 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

B. 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. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

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

i) **Revenue Recognition:**

Sales are recognised when goods are supplied and 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.

Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Entitlement Pass Book Scheme.

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

Interest income is recognised on a time proportion basis.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

Insurance claims and transport and power subsidies from the Government are accounted on cash basis when received.

j) **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.

k) **Foreign Currency Transactions:**

i. Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the period end are translated at the period end exchange rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Profit and Loss Account.

ii. Forward exchange contracts, remaining unsettled at the period end, backed by underlying assets or liabilities are also translated at period end exchange rates. Premium or discount on forward foreign exchange contracts is amortised over the period of the contract and recognised as income or expense for the period. Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account of the period in which they are cancelled.

iii. Non Monetary foreign currency items like investments in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of making the original investment.

iv. For the purpose of consolidation of non-integral foreign operations, all assets and liabilities, both monetary and non-monetary are translated at the closing rate. Items of income and expenditure are translated at exchange rates at the date of the relevant transactions. All resulting exchange differences are accumulated in a Foreign Currency Translation Reserve until disposal of the net investment.

l) **Research and Development Expenditure:**

Revenue expenditure on research and development is charged to the Profit and Loss Account of the year in which it is incurred. Capital expenditure incurred during the year on research and development is shown as addition to fixed assets.

m) **Employee Benefits:**

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 Profit and Loss Account of the year in which the employee renders the related service.

Post Employment Benefits:

Defined Contribution Plans:

Payments made to a defined contribution plan such as Provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

Defined Benefit Plans:

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 Account 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.

Other Long Term Employee Benefits:

Other Long Term Employee Benefits viz., leave encashment and long service bonus are recognised as an expense in the Profit and Loss Account as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with the actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses in respect of such benefits are charged to the Profit and Loss Account.

n) **Incentive Plans:**

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

Up to the previous year, the EVA awards would flow through a notional bank whereby only the prescribed portion of the bank is distributed each year and the balance is carried forward. The amount distributed out of the notional bank is charged to Profit and Loss Account. The notional bank was held at risk and charged to EVA of future years and was payable at that time, if future performance so warranted. The opening notional bank balance accumulated till March 31, 2009, is being paid @ 33% every year.

During the year, the entire EVA award for the year has been charged to the Profit and Loss Account and has not been routed through the notional bank.

o) **Depreciation:**

Leasehold land is amortised equally over the lease period.

Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.

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 4 years.

Assets costing less than Rs. 5,000 are depreciated at 100% in the year of acquisition.

Depreciation in the subsidiary companies is provided under the Straight Line Method over the expected useful lives of the respective assets ranging between 3 years to 10 years except in the case of Kinky brand where the brand is amortised equally over a period of twenty years. It is estimated that the impact on depreciation of the difference in expected useful lives between the holding company and subsidiaries is not material.

p) **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 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 assets on unabsorbed tax losses and tax depreciation are recognised only when there is a virtual certainty 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.

q) **Hedging:**

The Company uses forward exchange contracts to hedge it's foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts are recognized

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

in the profit and loss account. Gains or losses on the commodity futures contracts are recorded in the Profit and Loss Account under Cost of Materials Consumed.

r) Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of toilet soaps and other toiletries. The Company has identified geographic segments as its primary segment. Geographic segments of the Company are 'Within India' and 'Outside India'. Segment revenues and assets have been identified to represent segments on the basis of their relationship to the respective segment.

2. Principles of Consolidation

a) The consolidated financial statements relate to Godrej Consumer Products Limited, the Holding Company, its wholly owned subsidiaries and it's interest in jointly controlled entities (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 unrealised profits or losses are fully eliminated. The consolidation of its interest in joint ventures has been prepared in accordance with Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures". The Company uses the proportionate consolidation method for reporting its interest in the assets, liabilities, income and expenses of the jointly controlled entities. Separate line items are included to disclose its share in the assets, liabilities, income and expenses of the jointly controlled entity.

b) The financial statements of the subsidiaries and joint venture used in the consolidation are drawn up to the same reporting date as of the Company i.e. up to March 31, 2010.

The financial statements of following subsidiaries have been audited for the year ended March 31, 2010

- Godrej Consumer Products (UK) Limited, U.K.
- Keyline Brands Limited, U.K.
- Inecto Manufacturing Limited, U.K.
- Rapidol (Proprietary) Limited, South Africa.
- Godrej Global Mid East FZE, UAE.
- Godrej Consumer Products Mauritius Limited, Mauritius.
- Godrej Kinky Holdings Limited, Mauritius.
- Kinky Group (Proprietary) Limited, South Africa.
- Godrej Hygiene Products Limited (formerly Godrej SCA Hygiene Limited – A Joint Venture upto March 31, 2009).
- Godrej Consumer Products Holding (Mauritius) Ltd, Mauritius.
- Godrej Nigeria Holdings Limited, Mauritius.

The financial statements of Godrej Sara Lee Limited – a Joint Venture from June 1, 2009, have also been audited.

The financial statements of the investment company- Godrej Netherlands, B.V. and the non-operating companies- Godrej Consumer Products Dutch Cooperatief U.A., Netherlands, Godrej Consumer Products (Netherlands) B.V., Netherlands, Godrej Consumer Holdings (Netherlands) B.V., Netherlands and Godrej Nigeria Limited, Nigeria, for the year ended March 31, 2010, have not been audited and have been consolidated on the basis of accounts certified by Management.

c) Accordingly, the consolidated financial statements include the results of the subsidiaries for the year ended March 31, 2010 and their assets and liabilities as on the Balance Sheet date and in the case of the joint venture, to the extent of its interest, for the year and its share in the assets and liabilities as on the Balance Sheet date.

d) 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.

3. Particulars of Subsidiaries and joint ventures

a) The subsidiary companies/entities 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 Netherlands B.V.	Netherlands	100%	100%
2.	Godrej Consumer Products (UK) Limited (100% subsidiary of Godrej Netherlands B.V.)	UK	100%	100%
3.	Keyline Brands Limited (100% subsidiary of Godrej Consumer Products (UK) Limited)	UK	100%	100%
4.	Inecto Manufacturing Limited (100% subsidiary of Keyline Brands Limited)	UK	100%	100%
5.	Rapidol (Proprietary) Limited	South Africa	100%	100%
6.	Godrej Global Mid East FZE	UAE	100%	100%
7.	Godrej Consumer Products Mauritius Limited	Mauritius	100%	100%
8.	Godrej Kinky Holdings Limited (100% subsidiary of Godrej Consumer Products Mauritius Limited)	Mauritius	100%	100%
9.	Kinky Group (Proprietary) Limited (100% subsidiary of Godrej Kinky Holdings Limited)	South Africa	100%	100%
10.	Godrej Hygiene Product Limited (formerly Godrej SCA Hygiene Limited – A Joint Venture)	India	100%	–
11.	Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	100%	–
12.	Godrej Nigeria Holdings Limited (100% subsidiary of Godrej Consumer Products Mauritius Limited)	Mauritius	100%	–
13.	Godrej Nigeria Limited (99.99% held by Godrej Nigeria Holdings Limited, 0.1% held by Godrej Consumer Products Mauritius Limited)	Nigeria	100%	–
14.	Godrej Consumer Products Dutch Cooperatief U.A., (99.99% held by Godrej Consumer products Holding (Mauritius) Limited, 0.1% held by Godrej Consumer Products Mauritius Limited)	Netherlands	100%	–
15.	Godrej Consumer Products (Netherlands) B.V. (100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.,)	Netherlands	100%	–
16.	Godrej Consumer Holdings (Netherlands) B.V. (100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.,)	Netherlands	100%	–

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

Note: Godrej Hygiene Products Limited (formerly Godrej SCA Hygiene Limited) was a 50% joint venture in the previous year which has become a subsidiary in the current year.

b) **Interest in Joint Ventures:**

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Ownership
1.	Godrej Sara Lee Limited (w.e.f. June 1, 2009)	India	49%

4. **SCHEME OF AMALGAMATION**

a) A Scheme of Amalgamation ("the Scheme") for the amalgamation of Godrej ConsumerBiz Ltd. (GCBL) (a 100% subsidiary of Godrej & Boyce Manufacturing Company Ltd. (G&B)) and Godrej Hygiene Care Ltd. (GHCL) (a 100% subsidiary of Godrej Industries Limited (GIL)) together called "the Transferor Companies", with Godrej Consumer Products Limited (the Transferee Company), with effect from June 1, 2009, ("the Appointed Date") was sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated October 8, 2009 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on October 15, 2009 (the "Effective Date").

b) The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard AS 14 - Accounting for Amalgamations and the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these accounts and all assets and liabilities of the Transferor Companies stand transferred to and vested in the Transferee Company with effect from the Appointed Date and are recorded by the Transferee Company at their book values as appearing in the books of the Transferor Companies.

c) The value of Net Assets of the Transferor Companies taken over by the Transferee Company on Amalgamation are as under:

(Rupees in lac)

Particulars	GHCL	GCBL	Total
Investments in Godrej Sara Lee Limited	4,741.61	14,958.91	19,700.52
Cash and Bank Balances	1.34	15.02	16.36
Loans and Advances	-	0.30	0.30
Advance Taxes Paid	-	1.03	1.03
Current Liabilities and Provisions	(2.94)	(15.31)	(18.25)
Provision for Taxes	-	(1.20)	(1.20)
Net Assets	4,740.01	14,958.74	19,698.76

d) GCBL and GHCL held 29% and 20% respectively in Godrej Sara Lee Ltd., which is a 49:51 unlisted joint venture company between the Godrej Group and Saralee Corporation, USA. As a result of the amalgamation, Godrej Sara Lee Limited has become a Joint Venture between the Company and Sara Lee Corporation USA.

e) In accordance with the Scheme of Amalgamation, the Company has issued and allotted 30,296,727 equity shares having a face value of Re. 1 each to G&B and 20,939,409 equity shares having a face value of Re. 1 each to GIL, being 10 equity shares in the Transferee Company for every 11 equity shares held by them in GCBL and GHCL respectively, as consideration for the transfer. Consequently, the issued, subscribed and paid up equity share capital of the Company stands increased to 308,190,044 equity shares having a face value of Re. 1 each aggregating Rs. 3,081.90 lac.

f) The excess of book value of the net assets of the Transferor Companies taken over, amounting to Rs. 18,455.25 lac, after adjusting the expenses and cost of the Scheme which amounted to Rs. 731.15 lac, over the face value of shares issued as consideration to the Members of the Transferor Companies has been credited to the General Reserve as per the Scheme.

g) Had the Scheme not prescribed the above treatment, the balance in Security Premium Account would have been higher by Rs. 19,165.65 lac, Investments would have been higher by Rs. 731.15 lac, Capital Reserve would have been higher by Rs. 51.24 lac, the Profit and Loss Account and the General Reserve would have been lower by Rs. 30.50 lac and Rs. 18,455.25 lac respectively.

h) Since the aforesaid Scheme of amalgamation of GCBL and GHCL with the Company, which is effective from June 1, 2009, has been given effect to in these accounts, the figures for the current year to that extent are not comparable with those of the previous year.

5. **CONTINGENT LIABILITIES**

			Current Year Rs. in Lac	Previous Year Rs. in Lac
a)	Claims for excise duties, taxes and other matters:			
	i)	Excise duty demands aggregating Rs. 93.08 lac (previous year Rs. 78.07 lac) against which the Company has preferred appeals (net of tax).	**61.44**	51.54
	ii)	Excise duty claims in respect of non-payment of education cess for the period January 2005 to March 2008 at the Guwahati Factory amounting to Rs. 118.27 lac (previous year Rs. 118.27 lac) (net of tax).	**78.07**	78.07
	iii)	Special Value Addition Rate application for excise purpose at Guwahati claimed at a rate higher than the normal rate as per new notification is yet to be granted. The excess special value addition claimed over and above the normal rate amounting to Rs. 830.86 lac (previous year Rs. 453.65 lac) has been accounted as recoverable and the same is contingent on the higher rate (net of tax) being granted.	**548.45**	299.45
	iv)	Sales tax demands aggregating Rs. 168.59 lac (previous year Rs. 135.33 lac) against which the Company has preferred appeals (net of tax).	**111.29**	89.33
	v)	Income-tax matters: Demand notices issued by Income-tax Authorities.	**2,162.96**	1,755.36
	vi)	Other matters - Rs. 6.62 lac (previous year Rs. 6.62 lac) (net of tax).	**4.37**	4.37
	vii)	Entry tax demand by the Government of Assam on materials received at the Guwahati factory for the period December 2006 to May 2008 which is being disputed by the Company. During the previous year, amount was not quantified. During the current year, the Company has made a provision for the same in the books of account.	**–**	–
b)	Guarantees issued by banks (secured by bank deposits under lien with bank – Rs. 106.95 lac) (Previous year – Rs. 105.00 lac)		**262.74**	234.74
c)	Guarantees of GBP 3 million (previous year GBP 3 million) given by the Company for securing loan availed by Godrej Netherlands B.V., a wholly owned subsidiary of the Company.		**2,036.05**	2,174.70
d)	Guarantee of USD NIL (previous year USD 40 million) given by the Company for securing loan given by the Hong Kong and Shanghai Banking Corporation to Godrej Consumer Products Mauritius Limited – a wholly owned subsidiary of the Company.		**-**	20,288.00

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

	Current Year Rs. in Lac	Previous Year Rs. in Lac
e) Guarantee of AED 1.4 million (previous year AED 1.4 million) given by the Company to guarantee principal amount of credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mid East FZE – a wholly owned subsidiary of the Company.	**171.69**	193.48
f) Guarantee given by the Company to guarantee principal amount of credit facilities extended by the Royal Bank of Scotland to Godrej Hygiene Products Limited – a wholly owned subsidiary of the Company.	**300.00**	-
g) Claims against the Company not acknowledged as debt:		
Claims by various parties on account of unauthorised, illegal and fraudulent acts by an employee.	**2,424.19**	-
h) Share in Jointly Controlled Entity		
i) Guarantees given to bank on behalf of subsidiary for their loan and cash credit facility	**370.62**	-
ii) Claims by various employees, distributors, transporters, etc.	**12.86**	-
iii) Guarantees given by banks on behalf of the Company for export performance and to sales tax authorities	**103.34**	-
iv) Demand raised by tax authorities against the group		
Sales Tax	**597.72**	-
Excise Duty	**27.26**	-
Income Tax	**7.03**	-
Service Tax	**7.94**	-

6. CAPITAL COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for Rs. 42.57 lac (previous year Rs. 88.92 lac).

In respect of Share in Jointly Controlled entity, estimated amounts of contracts (net of capital advances) remaining to be executed on capital account to the extent not provided for Rs. 28.16 lac (previous year – Rs. Nil)

7. SECURED LOANS

a) The Sales Tax Deferment Loan is secured by :

(i) Malanpur location:

- a first charge by way of equitable mortgage of the immovable properties at Malanpur factory, and
- hypothecation of movable assets at Malanpur factory, save and except, book debts and subject to charges already created by the Company in favour of the banks for working capital facilities.

(ii) Baddi Location:

Bank guarantee in favour of the sales tax authorities.

b) Bank cash credit, working capital demand loans and guarantees issued by banks are secured by hypothecation of stocks and book debts.

c) Bank borrowings of Godrej Global Mid East FZE are secured by assignment of insurance policies covering inventory, assets and corporate guarantee from parent company.

d) Bank borrowings of Keyline Brands Limited are secured by a charge on the fixed and current assets of the Company and other group undertakings and also by pledge of shares of subsidiary companies.

8. FIXED ASSETS

The Kinky brand is being amortised over a period of twenty years. The major influencing factors behind amortising over a period of twenty years are that Kinky brand has been in existence since last forty years and ever growing. It witnessed a growth of 22% during the period under review.

9. INVESTMENTS

a) During the year the Company has acquired a 49% stake in Godrej Sara Lee Limited which is a 49:51 unlisted joint venture company between the Godrej Group and Sara Lee Corporation, USA. through the amalgamation of Godrej ConsumerBiz Ltd. (GCBL) and Godrej Hygiene Care Ltd. (GHCL).

b) During the year the Company completed the acquisition of the balance 50% stake in Godrej SCA Hygiene Ltd. (subsequently renamed Godrej Hygiene Products Ltd.) from SCA Hygiene Products AB, Sweden, in terms of the Share Purchase Agreement between the Company, SCA Hygiene Products AB, Sweden and Godrej SCA Hygiene Ltd. Godrej Hygiene Products Ltd. has become a wholly owned subsidiary of the Company with effect from April 1, 2009.

c) During the year, the Company has set up Godrej Consumer Products Holding (Mauritius) Limited as a wholly owned subsidiary. Godrej Consumer Products Holding (Mauritius) Limited, in turn has set up Godrej Consumer Products Dutch Cooperatief UA (Netherlands), Godrej Consumer Products (Netherlands) B.V. and Godrej Consumer Holdings (Netherlands) B.V. as further downstream subsidiaries. Subsequent to the year end, the Company has entered into an agreement to acquire P. T. Megasari Makmur Group and its distribution company in Indonesia through Godrej Consumer Products Holding (Mauritius) Limited and its subsidiaries.

d) The Company has also set up Godrej Nigeria Holdings Limited and its subsidiary Godrej Nigeria Limited as subsidiaries of its 100% subsidiary Godrej Consumer Products Mauritius Limited (Mauritius). The Company has entered into an agreement to acquire worldwide rights of Tura Brand from the Tura Group in Nigeria through the Company's 100% subsidiary Godrej Nigeria Holdings Limited, Mauritius.

10. RIGHTS ISSUE PROCEEDS

Out of the funds raised from the rights issue in the previous year amounting to Rs. 39,645.75 lac, the Company has as of March 31, 2010, utilised an amount of Rs. 23,245.75 lac for part of the objects mentioned in the Rights Offer letter (as amended till date). The balance unutilized funds amounting to Rs. 16,400.00 lac have been temporarily invested in fixed deposits with banks pending their utilization.

11. LOANS AND ADVANCES

The Company has granted a loan amounting to Rs. 4,430.84 lac (previous year Rs. 3,480.00 lac) to The Godrej Consumer Products Limited ESOP Trust, a trust set up for administering the Employee Stock Option Plan of the Company set up for the employees / Directors of the Company and / or of the Company's subsidiaries. The Trust has acquired 3,609,000 (previous year 2,550,000) equity shares amounting to Rs. 5,551.51 lac (previous year Rs. 3473.87 lac) of the Company as at March 31, 2010, for granting ESOPS for the benefit of its eligible employees. The aforesaid loan is repayable at the end of five years from the date of the loan agreement viz. five years from March 21, 2008. The repayment of the loan by the trust is dependant on the exercise of option by the employees and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period.

12. LEASES

a) The Company has acquired a vehicle under a finance lease. The liability for minimum lease payment is secured by hypothecation of the vehicle acquired under the lease. The minimum lease payments outstanding as on March 31, 2010, in respect of vehicle leased are as under:

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

(Rs. in Lac)

Maturity Profile	Total Future Minimum Lease Payments Outstanding as on March 31, 2010	Unmatured Finance Charges	Present Value of Future Minimum Lease Payments
Not later than one year	**3.92** (11.17)	**0.03** (0.62)	**3.89** (10.55)
Later than one year and not later than five years	**-** (3.92)	**-** (0.03)	**-** (3.89)
Later than five years	**-** (-)	**-** (-)	**-** (-)
Total	**3.92** (15.09)	**0.03** (0.65)	**3.89** (14.44)

(Note: Figures for previous year are given in brackets)

b) The Group has also acquired assets under non cancellable operating leases. The liability for minimum lease payment is secured by hypothecation of the assets acquired under the lease. The future minimum lease payments outstanding as on March 31, 2010, in respect of assets leased are as under:

(Rs. in Lac)

Maturity Profile	Total Future Minimum Lease Payments Outstanding as on March 31, 2010	Unmatured Finance Charges	Present Value of Future Minimum Lease Payments
Not later than one year	**115.67** (150.91)	**-** (-)	**115.67** (150.91)
Later than one year and not later than five years	**11.23** (450.13)	**-** (-)	**11.23** (450.13)
Later than five years	**138.59** (71.16)	**-** (-)	**138.59** (71.16)
Total	**265.49** (672.20)	**-** (-)	**265.49** (672.20)

(Note: Figures for previous year are given in brackets)

c) The details of operating lease in respect of the Share in Jointly Controlled Entity is as follows:

(Rs. in Lac)

Maturity Profile	Total Future Minimum Lease Payments Outstanding as on March 31, 2010	Unmatured Finance Charges	Present Value of Future Minimum Lease Payments
Not later than one year	50.08 (-)	- (-)	50.08 (-)
Later than one year and not later than five years	37.22 (-)	- (-)	37.22 (-)
Later than five yearss	- (-)	- (-)	- (-)
Total	87.30 (-)	- (-)	87.30 (-)

(Note: Figures for previous year are given in brackets)

d) The Company's significant leasing agreements are in respect of operating lease for premises (office, godown etc.) and the aggregate lease rentals payable, are charged as rent.

13. HEDGING CONTRACTS

The Group uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by a Forex Committee. As at March 31, 2010, the Group had 18 (previous year 16) outstanding forward exchange contracts to purchase foreign currency aggregating to US Dollars 113.35 lac (previous year US Dollars 93.58 lac) and Euro 6.86 lac (previous year Euro Nil) at an average rate of Rs. 46.43 per US Dollar (previous year Rs. 49.04 per US Dollar) and Rs. 60.19 per Euro (previous year Rs. Nil). The uncovered foreign exchange exposure as at March 31, 2010 is as under:

(Rs. in Lac)

Details	Currency	Current Year	Previous Year
Payables	USD	82.45	105.84
	Euro	2.02	-
Receivables	USD	15.16	0.35
	Euro	3.33	-
Advance against Investments	USD	0.61	-
Cash & Cash Equivalent	USD	2.00	9.55
Bank Borrowings	USD	-	(349.32)
Redeemable Convertible Pref. Shares	USD	(40.00)	-

14. PROFIT AND LOSS ACCOUNT

a) Exchange differences (net) recognised in the Profit and Loss Account for the year amounted to a gain of Rs. 94.05 lac (previous year Rs. 343.69 lac loss). The premium in respect of forward exchange contracts to be recognised in subsequent accounting periods is Rs. 38.26 lac (previous year Rs. 25.26 lac).

b) Research and Development Expenditure of revenue nature charged to the Profit and Loss Account amounts to Rs. 715.66 lac (previous year Rs. 248.98 lac). This includes various expenditure of Research and Development department such as Staff Cost, Light and power, Depreciation and Other General charges.

c) Establishment expenses represent the Company's share of various expenses incurred by Godrej Industries Ltd. and other companies under the same management for sharing of services and use of common facilities.

d) Net borrowing cost capitalised under fixed assets amounts to Rs. Nil (previous year Rs. 21.78 lac).

e) Entry tax demands by the Government of Assam on materials received at the Guwahati factory for the period December 2006 to May 2008 amounting to Rs.100.00 lac has been accounted for during the year and charged to revenue.

15. Employee Stock Option Plan

a) The shareholders of the Company have approved the setting up of the Godrej Consumer Products Ltd. Employee Stock Option Plan (GCPL ESOP) for the benefits of its eligible employees where by the Company can grant 45,00,000 stock options convertible into 45,00,000 equity shares of the nominal value Re. 1 each to the eligible employees / Directors of the Company and of the Company's subsidiaries.

b) The ESOP Scheme is administered by an independent ESOP trust created with IL&FS Trust Company Limited which acquires by subscription / purchase or otherwise, the Company's shares equivalent to the number of options proposed to be granted by the participating companies, as approved by the Compensation Committee.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

c) The limit for ESOPS approved by the Shareholders were as under:

(a) 2,000,000 options in the Extra-ordinary General Meeting on March 14, 2007.

(b) 2,500,000 options in the Extra-ordinary General Meeting on April 28, 2008.

d) The options granted shall vest in the eligible employees within such period as may be prescribed by the Compensation Committee, which period shall not be less than one year and may extend up to three years from the date of grant of the option. Vesting may occur in tranches subject to the terms and conditions of vesting. The option is exercisable within two years after vesting.

e) Up to the previous year, the ESOP Scheme provided that in the case of retiring employees, all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such Option Grantee's Retirement and all Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the Compensation Committee, which determination will be final and binding.

During this year, the Scheme has been modified to provide that all Unvested Options shall vest in the employee on the date of retirement or at an earlier date as may be decided by the Compensation Committee, subject to the requirement of minimum vesting period and all Vested Options should be exercised by the Option Grantee immediately on retirement, but in no event later than six months from the date of such Option Grantee's Retirement.

f) The price at which the Option Grantee would convert Options Granted into GCPL Shares (i.e. the exercise price) shall be the market price prevailing on the day prior to the day of grant plus interest at such rate not being less than the Bank Rate then prevailing compoundable on an annual basis for the period commencing from the date of Granting of the Option and ending on the date of intimating Exercise of the Option to the Company.

g) The status of the ESOP Scheme is as under:

	Current Year	Previous Year
Options Granted	**3,828,000**	2,755,000
Options Vested	**100,000**	Nil
Options Exercised	**100,000**	Nil
Options Lapsed/Forfeited	**619,000**	205,000
Options Lapsed/Forfeited to be re-granted	**275,000**	45,000
Total Number of Options Outstanding	**2,834,000**	2,505,000

h) The employee share based payment 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 is Nil.

Had the fair value method of accounting been used, the employee compensation cost would have been higher by Rs. 442.75 lac (previous year Rs. 384.26 lac).

i) Stock options have been granted to eligible employees of the Joint Venture of the Company under an ESOP scheme instituted by the Joint Venure company. The equity shares of Godrej Industries Ltd. are the underlying equity shares for the stock option scheme. The ESOP Scheme is administered by an independent ESOP trust created with IL&FS Trust Company Limited which acquires by subscription / purchase or otherwise, the shares of Godrej Industries Ltd. equivalent to the number of options proposed to be granted. The Joint Venture company has given a loan of Rs. 5,940.00 lac to the ESOP trust to finance the purchase of such equity shares. As at March 31, 2010, the market value of the equity shares of Godrej Industries Ltd. are lower by Rs. 2,239.69 lac as compared to the cost of acquisition of these equity shares. The repayment of the loan granted to the ESOP trust is dependant on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period. The fall in the value of the underlying equity shares is on account of current market volatility and the loss, if any, can be determined only at the end of the exercise period. In view of the aforesaid, provision for diminution of Rs. 2,239.69 lac has not been considered necessary in the accounts of the Joint Venture. The Group's 49% share in the above diminution amounts to Rs. 1097.45 lac.

16. INCENTIVE PLANS

The amount carried forward in notional bank after distribution of PLVR for the financial year 2009-10 is Rs. 525.00 lac as on March 31, 2010 (previous year Rs. 819.38 lac). The said amount is not provided in the books of account and is payable in future, if performance so warrants.

		Current Year Rs. in Lac	Previous Year Rs. in Lac
17.	**EARNINGS PER SHARE**		
a)	Net Profit After Tax	**33958.60**	17325.79
b)	Number of Equity Shares:		
	As at the commencement of the year	**256,953,908**	225,844,076
	Issued during the year / (bought back and extinguished)	**51,236,136**	31,109,832
	As at the end of the year	**308,190,044**	256,953,908
	Weighted Average Number of Equity Shares during the year:		
	Basic and Diluted	**299,627,293**	253,811,746
c)	Earning per Equity Share of Re. 1/- each.		
	Basic and Diluted	**11.33**	6.83

18. EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. 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.

b) DEFINED BENEFIT PLAN

Gratuity:

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

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

The expected return on plan assets of 8% to 8.25% has been considered based on the current investment pattern in Government securities.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

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

Rs. in Lac

		Gratuity	
		Current Year	Previous Year
i)	**Change in Present Value of Obligation**		
	Present value of the obligation at the beginning of the year	743.67	603.02
	Acquisition of 49% Share in Godrej Sara Lee Ltd.	197.31	-
	Liability on transfer of employees from group companies	4.03	-
	Current Service Cost	78.63	47.67
	Past Service Cost (Vested Benefit)	52.70	-
	Interest Cost	74.43	48.24
	Actuarial (Gain)/Loss on Obligation	168.66	98.34
	Benefits Paid	(87.96)	(53.60)
	Present value of the obligation at the end of the year	1231.49	743.67
ii)	**Change in Plan Assets**		
	Fair value of Plan Assets at the beginning of the year	748.01	609.26
	Acquisition of 49% Share in Godrej Sara Lee Ltd.	199.38	-
	Expected return on Plan Assets	79.94	48.74
	Actuarial Gain/(Loss) on Plan Assets	34.66	13.61
	Contributions by the Employer	59.78	130.00
	Benefits Paid	(87.96)	(53.60)
	Fair value of Plan Assets at the end of the year	1033.82	748.01
iii)	**Amounts Recognised in the Balance Sheet:**		
	Present value of Obligation at the end of the year	1231.49	743.67
	Fair value of Plan Assets at the end of the year	1033.82	748.01
	Net Obligation at the end of the year	197.67	(4.34)
iv)	**Amounts Recognised in the statement of Profit and Loss:**		
	Current Service Cost	78.63	47.67
	Interest Cost on Obligation	74.43	48.24
	Expected return on Plan Assets	(79.94)	(48.74)
	Net Actuarial (Gain)/Loss recognised in the year	134.00	84.73
	Past Service Cost	52.70	-
	Net Cost Included in Personnel Expenses	259.83	131.90
v)	**Actual Return on Plan Assets**	114.60	55.64
vi)	**Estimated contribution to be made in next financial year**	143.46	133.74
vii)	**Major categories of Plan Assets as a % of total Plan Assets**		
	i) Insurer Managed Funds	100%	100%
viii)	**Actuarial Assumptions**		
	i) Discount Rate	7.75% to 8.25% P.A.	8% P.A.
	ii) Expected Rate of Return on Plan Assets	8% to 8.25% P.A.	8% P.A.
	iii) Salary Escalation Rate	5% to 7% P.A.	5% P.A.
	iv) Employee Turnover	1% to 2% P.A.	2% P.A.
	v) Mortality	L.I.C (1994-96) 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.

Note: The Employee Benefit details furnished above pertain only to the Indian subsidiaries / joint ventures of the Company. The disclosure of the above details not being mandatory in the respective countries of the foreign subsidiaries, have not been furnished.

19. Related Party Transactions

A) List of Related Parties

a) Enterprise having control over reporting enterprise:

i) Godrej & Boyce Mfg. Co. Ltd.

b) Joint Ventures:

i) Godrej Sara Lee Limited (from June 1, 2009)

ii) Godrej Hygiene Products Ltd. (Formerly Godrej SCA Hygiene Limited) (up to March 31, 2009)

c) Enterprises under common control with whom transactions have taken place during the year:

i) Godrej Industries Limited

ii) Godrej Agrovet Limited

iii) Godrej Hershey Limited

iv) Godrej Infotech Limited

d) Enterprise over which Key Management Personnel exercise significant influence:

i) Godrej Investments Private Limited

ii) Godrej Sara Lee Limited (up to May 31, 2009)

e) Key Management Personnel and Relatives:

i)	Mr. Adi B. Godrej	Chairman
ii)	Mr. Hoshedar K. Press	Vice-Chairman
iii)	Mr. Dalip Sehgal	Managing Director
iv)	Mrs. Parmeshwar A. Godrej	Wife of Mr. Adi B. Godrej

B) Transactions with Related Parties:

(Rs. in Lac)

Particulars	Enterprise Having Control Over Reporting Enterprise	Enterprise Under Common Control	Joint Venture Company	Enterprise over which Key Management Personnel Exercise Significant Influence	Relatives of Key Management Personnel	Key Management Personnel	Total
Sale of Goods	**19.88**	**617.91**	**155.56**	**-**	**-**	**-**	**793.35**
	18.43	*595.20*	*-*	*321.25*			*934.88*
Purchase of Materials, Spares and Capital Equipment	**76.11**	**1178.37**	**-**	**-**	**-**	**-**	**1254.49**
	367.28	*1312.49*	*736.24*	*-*	*-*	*-*	*2416.01*
Establishment and Other Expenses Paid/(Received)	**10.64**	**695.84**	**36.14**	**-**	**-**	**-**	**742.62**
	11.81	*1152.06*	*(70.85)*	*(1.89)*	*-*	*-*	*1091.13*
Loan Given	**-**	**405.00**	**-**	**-**	**-**	**-**	**405.00**
	-	*-*	*-*	*-*	*-*	*-*	*-*
Loan Repaid	**-**	**405.00**	**-**	**-**	**-**	**-**	**405.00**
	-	*-*	*-*	*-*	*-*	*-*	*-*
Interest Received on Loan	**-**	**6.12**	**-**	**-**	**-**	**-**	**6.12**
	-	*-*	*-*	*-*	*-*	*-*	*-*
Subscription towards Rights Issue	**-**	-	**-**	-	-	-	-
	-	*31689.26*	*-*	*-*	*-*	*-*	*31689.26*
Issue of Equity Shares	**302.97**	**209.39**	**-**	**-**	**-**	**-**	**512.36**
	-	*-*	*-*	*-*	*-*	*-*	*-*
Dividend Remitted	**4976.79**	**2238.36**	**-**	**-**	**14.80**	**0.46**	**7230.41**
	4024.50	*1854.93*	*-*	*17.70*	*13.60*	*0.41*	*5911.14*
Managerial Remuneration	**-**	**-**	**-**	**-**	**-**	**1512.58**	**1512.58**
	-	*-*	*-*	*-*	*-*	*433.69*	*433.69*
Lease Rentals paid	**-**	**-**	**-**	**-**	**129.07**	**-**	**129.07**
	-	*-*	*-*	*-*	*129.07*	*-*	*129.07*
Outstanding Balances as at year end							
Receivable	**0.69**	**45.10**	**9.20**	**-**	**-**	**-**	**54.99**
	-	*55.72*	*96.45*	*0.14*	*-*	*-*	*152.31*
Payable	**0.56**	**42.12**	**18.70**	**-**	**-**	**-**	**61.38**
	17.54	*98.41*	*-*	*-*	*-*	*69.55*	*185.50*

Note: Figures in italics denote figures for previous year.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

C) The Significant Related Party Transactions are as under:

Nature of Transaction	Enterprises under Common Control	Amount Rs. in lac	Joint Venture Company	Amount (Rs. in lac)	Enterprise over which Key Management Personnel Exercise Significant Influence	Amount Rs. in lac	Key Management Personnel and Relatives	Amount Rs. in lac
Sale of Goods	Godrej Industries Ltd.	**575.92**	Godrej Sara Lee Limited	**155.56**	Godrej Sara Lee Limited	-		
		583.89		-		*321.25*		
	Godrej Agrovet Ltd.	**21.93**						
		11.06						
	Godrej Hershey Ltd.	**20.07**						
		-						
Purchase of Materials, Spares and Capital Equipment	Godrej Industries Ltd.	**1131.68**	Godrej SCA Hygiene Ltd.	-				
		1312.49		*736.24*				
	Godrej Hershey Ltd.	**46.70**						
		-						
Establishment and Other Expenses Paid / (Received)	Godrej Industries Ltd.	**696.42**	Godrej Sara Lee Limited	**36.14**	Godrej Sara Lee Limited	-		
		1154.43		-		*(1.89)*		
	Godrej Hershey Ltd.	**(23.43)**	Godrej SCA Hygiene Ltd.	-				
		-		*(70.85)*				
	Godrej Agrovet Ltd.	**21.50**						
		(4.00)						
	Godrej Infotech Limited	1.35						
		-						
	Godrej HiCare Limited	-						
		0.64						
	Godrej Properties Limited	-						
		(1.34)						
Loan Given	Godrej Industries Ltd.	**405.00**						
		-						
Loan Repaid	Godrej Industries Ltd.	**405.00**						
		-						
Interest Received on Loan	Godrej Industries Ltd.	**6.12**						
		-						
Subscription towards Rights Issue	Godrej Industries Ltd.	-						
		31689.26						
Issue of Equity Shares Pursuant to Scheme of Amalgamation	Godrej Industries Ltd.	**209.39**						
		-						
Dividend Remitted	Godrej Industries Ltd.	**2238.36**			Godrej Investments Limited	-	Mr. Adi B. Godrej	**0.00**
		1854.93				*17.70*		*0.00*
							Mr. Hoshedar K. Press	**0.45**
								0.40
							Ms. Parmeshwar A. Godrej	**14.80**
								13.60
Managerial Remuneration							Mr. Adi B. Godrej	**564.84**
								271.68
							Mr. Hoshedar K. Press	**500.17**
								161.32
							Mr. Dalip Sehgal	**447.57**
								-
Lease Rentals Paid							Ms. Parmeshwar A. Godrej	**129.07**
								129.07

Note: Figures in italics denote figures for previous year.

20. SEGMENTAL INFORMATION

Rs. in Lac

	Within India		Outside India		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales revenue by geographical markets	**156745.83**	106057.54	**46309.87**	33238.83	**204119.84**	139296.37
Carrying amount of segment assets	**113534.61**	80475.06	**41561.23**	37376.55	**155095.84**	117851.61
Total cost incurred during the year to acquire assets	**7242.65**	6940.09	**382.33**	4439.94	**7624.98**	11380.03

21. JOINT VENTURE

Sales includes Rs. 40884.90 lac (previous year Rs. 720.73 lac) net of Excise Duty Rs. 1411.80 lac (previous year Rs. Nil lac), being share in sales of jointly controlled entity.

Figures for the current year pertain to Godrej Sara Lee Ltd., while the previous year figures pertain to Godrej SCA Hygiene Ltd. (subsequently renamed Godrej Hygiene Products Ltd.)

22. GENERAL

a) Other information required by Schedule VI to the Companies Act, 1956, has been given only to the extent applicable.

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

Schedules forming part of Consolidated Accounts for the year ended March 31, 2010

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956

1. Name of the Company	Godrej Netherlands B.V.	Godrej Consumer Products (UK) Limited	Keyline Brands Limited	Inecto Manufacturing Limited	Godrej Consumer Products Mauritius Limited	Godrej Kinky Holdings Limited	Kinky Group Proprietary Limited	Rapidol Pty Limited	Godrej Global Mideast FZE	Godrej Hygiene Products Ltd.	Godrej Consumer Products Holding Mauritius Ltd.	Godrej Nigeria Holding Ltd.	Godrej Nigeria Ltd.	Godrej Consumer Products Dutch Cooperatief UA	Godrej Consumer Products (Netherlands B.V.)	Godrej Consumer Holdings (Netherlands B.V.)
2. The company's interest in the subsidiaries as on March 31, 2010																
a. Number of Equity Shares	200	5000000	29156	100000	6	10	3096	18050000	5	2600000	1	2		45001	20000	20000
Total Number of Shares	200	5000000	29156	100000	4000006	10	3096	18050000	5	2600000	1	2		45001	20000	20000
b. Face Value	Euro 100	£1	£1	£1	US $1	US $1	ZAR 1	ZAR 1	US $250000	INR 10	US $1	US $1		Euro 1	Euro 1	Euro 1
c. Extent of Holding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		100%	100%	100%
3. Net aggregate Profit/(Loss) of the subsidiary company so far it concerns the members of the Company	GBP	GBP	GBP	GBP	USD	USD	ZAR	ZAR	AED	INR	USD	USD		Euro	Euro	Euro
A. For the financial year ended on March 31, 2010																
i. Not dealt with in the books of Account of the Company	(3,565)	(61,296)	2,769,721	(17,325)	(952,386)	(13,388)	14,862,131	20,586,201	718,004	47,078,794	(4,935)	(4,113)				
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	(120,588)	(1,169,259)	2,241,987	191,166	(1,786,564)	(24,433)	10,614,792	26,424,825	(2,831,544)							
ii. Dealt with in the books of Account of the Company																

Notes:

1. The Financial Year of all subsidiary companies have ended on March 31, 2010.
2. 5000000 equity shares of GBP 1 each are held in Godrej Consumer Products (UK) Ltd by Godrej Netherlands BV, a subsidiary of the Company.
3. 29156 equity shares of GBP 1 each are held in Keyline Brands Ltd by Godrej Consumer Products (UK) Ltd., a subsidiary of Godrej Netherlands B.V.
4. 100000 equity shares of GBP 1 each are held in Inecto Manufacturing Ltd by Keyline Brands Ltd a subsidiary of Godrej Consumer Products (UK) Limited.
5. 18050000 shares of ZAR 1 each are held in Rapidol PTY Ltd., by Godrej Consumer Products Limited.
6. 5 shares of USD 250,000 each are held in Godrej Global Mideast FZE, by Godrej Consumer Products Limited.
7. 10 shares of USD 1 each are held in Godrej Kinky Holdings Limited, by Godrej Consumer Products Mauritius Limited a subsidiary of the Company.
8. 3096 shares of ZAR 1 each are held in Kinky Group Proprietary Limited, by Godrej Kinky Holdings Limited a subsidiary of the Godrej Consumer Products Mauritius Limited.
9. 2 shares of USD 1 each are held in Godrej Nigeria Holdings Limited, by Godrej Consumer Products Holding (Mauritius) Limited a subsidiary of the Company.
10. 1 share of USD 1 each are held in Godrej Consumer Products Holding (Mauritius) Limited by Godrej Consumer Products Limited.
11. 1 share of USD 1 each are held in Godrej Nigeria Holdings Limited by Godrej Consumer Products Mauritius Limited, a subsidiary of the Company.
12. Godrej Nigeria Limited has been incorporated in March 2010 as a 100% subsidiary of Godrej Nigeria Holdings Limited and Godrej Consumer Products Mauritius Limited. Share Capital is yet to be infused into the company.
13. Godrej Consumer Products Dutch Cooperatief UA has been incorporated in March 2010 with Godrej Consumer Products Holding (Mauritius) Limited as the majority member and Godrej Consumer Products Mauritius Limited as the minority member.
14. Godrej Consumer Products Netherlands BV has been incorporated as a 100% subsidiary of Godrej Consumer Products Dutch Cooperatief UA in March 2010. Shares are yet to be issued by the company.
15. Godrej Consumer Holdings Netherlands BV has been incorporated as a 100% subsidiary of Godrej Consumer Products Dutch Cooperatief UA in March 2010. Shares are yet to be issued by the company.
16. The above statement does not include GBP 1711457 in point 3A & GBP 9493839 in point 3B on account of dividend paid by Keyline Brands Limited to Godrej Consumer Products (UK) Limited.

A. B. Godrej
Chairman

Dalip Sehgal
Managing Director

P. Ganesh
Executive Vice President (Finance & Commercial & Company Secretary)

Mumbai, April 26, 2010

Information of Subsidiaries companies for the year ended March 31, 2010 as required by terms of exemption under Section 212(8) of the Companies Act, 1956 granted by the Central Government

All figures in Lac

Sr. No.	Information	Name of Subsidiaries															
		Godrej Netherlands BV		Godrej Consumer Products (UK) Limited		Keyline Brands Limited		Inecto Manufacturing Limited		Rapidol (Pty) Limited		Godrej Global Mideast FZE		Godrej Consumer Products Mauritius Limited		Godrej Kinky Holdings Limited	
	Currency	GBP	Indian Rupees	GBP	Indian Rupees	GBP	Indian Rupees	GBP	Indian Rupees	ZAR	Indian Rupees	AED	Indian Rupees	USD	Indian Rupees	USD	Indian Rupees
	Period	01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010	
(a)	Capital	0.18	12.08	50.00	3,393.50	0.29	19.79	1.00	67.87	180.50	1,102.86	45.86	562.27	40.00	(***)-	(***)-	(***)-
(b)	Reserves	54.65	3,709.24	99.75	6,769.86	50.23	3,409.11	1.74	117.99	470.11	2,872.37	(28.32)	(347.15)	296.46	(***)-	334.40	15,058.03
(c)	Total assets	67.54	4,583.84	171.80	11,659.95	137.59	9,338.23	2.79	189.25	817.93	4,997.55	45.25	554.80	336.55	15,154.85	(***)-	(***)-
(d)	Total liabilities	67.54	4,583.84	171.80	11,659.95	137.59	9,338.23	2.79	189.25	817.93	4,997.55	45.25	554.80	336.55	15,154.85	(***)-	(***)-
(e)	Investments (Excepting in Subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Turnover	-	-	-	-	290.47	19,714.06	0.11	7.44	1,132.26	6,918.10	135.58	1,662.15	-	-	-	-
(g)	Profit Before Taxes	(0.04)	(2.42)	16.24	1,102.21	38.26	2,596.47	(0.17)	(11.64)	286.08	1,747.97	7.18	88.03	(9.52)	(428.69)	(0.13)	(5.85)
(h)	Provision for Taxes	-	-	(0.26)	(17.65)	10.56	716.66	(0.00)	(0.12)	80.22	490.16	-	-	-	-	-	-
(i)	Profit after Taxation	(0.04)	(2.42)	16.50	1,119.86	27.70	1,879.81	(0.17)	(11.53)	205.86	1,257.82	7.18	88.03	(9.52)	(428.69)	(0.13)	(5.85)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-

All figures in Lac

Sr. No.	Information	Name of Subsidiaries													
		Kinky Group Proprietary Limited		Godrej Consumer Products Holding (Mauritius) Limited (****)		Godrej Nigeria Holding Limited (*****)		Godrej Nigeria Limited (******)		Godrej Consumer Products Dutch Cooperatief UA (*******)		Godrej Consumer Products Netherlands B.V. (********)		Godrej Consumer Holdings Netherlands B.V. (*********)	
	Currency	ZAR	Indian Rupees	USD	Indian Rupees	USD	Indian Rupees	ZAR	Indian Rupees	EURO	Indian Rupees	EURO	Indian Rupees	EURO	Indian Rupees
	Period	01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010		01.04.2009-31.03.2010	
(a)	Capital	0.03	0.19	(***)-	(***)-	(***)-	(***)-	(**)-	(**)-	0.45	27.27	0.20	12.12	0.20	12.12
(b)	Reserves	1,197.76	7,318.31	0.95	42.78	0.06	2.65	-	-	-	-	-	-	-	-
(c)	Total assets	1,390.10	8,493.51	0.98	44.13	0.09	4.05	-	-	0.05	3.03	0.20	12.12	0.20	12.12
(d)	Total liabilities	1,390.10	8,493.51	0.98	44.13	0.09	4.05	-	-	0.05	3.03	0.20	12.12	0.20	12.12
(e)	Investments (Excepting in Subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Turnover	1,175.51	7,182.37	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Profit Before Taxes	196.28	1,199.27	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provision for Taxes	47.66	291.20	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Profit after Taxation	148.62	908.07	-	-	-	-	-	-	-	-	-	-	-	-
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(**) - The companies have not carried out any transactions during the year

(***) - The values have not been mentioned as same are less than 500 GBP / INR, 500 ZAR / INR, 500 USD / INR and 500 AED / INR

(****) - Incorporated on Feb 23, 2010.

(*****) - Incorporated on Feb 24, 2010.

(******) - Incorporated on March 26, 2010.

(*******) - Incorporated on March 24, 2010.

(********) - Incorporated on March 31, 2010.

(*********) - Incorporated on March 31, 2010.

The values in Indian Rupees are converted at exchange rate as on 31.03.2010 1 GBP = 67.87 INR, 1 ZAR = 6.11 INR, 1 AED = 12.26 INR and 1 USD = 45.03 INR and 1 EURO = 60.59 INR.

Subsidiary Financials

Godrej Consumer Products Holding (Mauritius) Limited

FINANCIAL STATEMENTS

31 March 2010

Corporate Information

		Date appointed
DIRECTORS:	Ashraf Ramtoola	23 February, 2010
	Rooksana Shahabally	23 February, 2010
	Kamalam Rungapadiachy	23 February, 2010
	Adi Burjor Godrej	23 February, 2010
	Dalip Sehgal	23 February, 2010

ADMINISTRATOR & SECRETARY:

International Management (Mauritius) Ltd.
Les Cascades
Edith Cavell Street
Port Louis
REPUBLIC OF MAURITIUS

REGISTERED OFFICE:

Les Cascades
Edith Cavell Street
Port Louis
REPUBLIC OF MAURITIUS

AUDITORS:

Morison (Mauritius)
Public Accountants
1st Floor, Fairfax House
21, MgrGonin Street
Port Louis
REPUBLIC OF MAURITIUS

COMMENTARY OF THE DIRECTORS

The directors have pleasure in submitting their first annual report together with the audited financial statements for the period ended 31 March 2010.

INCORPORATION

The Company was incorporated in the Republic of Mauritius on 23 February 2010 as a private company limited by shares under the Mauritius Companies Act, 2001.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The results for the period are as shown in the statement of comprehensive income.

The directors do not recommend the payment of dividend for the period under review.

DIRECTORS

The present membership of the Board is set out on page 137 of the Annual Report.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act, 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board:

for **International Management (Mauritius) Ltd.**
Corporate Secretary

Date 22 April 2010

Certificate from the Secretary

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act, 2001 in terms of Section 166(d) for the period ended 31 March 2010.

for **International Management (Mauritius) Ltd.**

Corporate Secretary

Date: 22 April 2010

Morison (Mauritius)

Public Accountants

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GODREJ CONSUMER PRODUCTS HOLDING (MAURITIUS) LIMITED

This report is made solely to the shareholders of Godrej Consumer Products Holding (Mauritius) Limited, the "Company", as a body in accordance with Section 205 of the Mauritius Companies Act, 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of the Company, which comprise the statement of financial position at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as 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, the financial statements on page 140 to 147 give a true and fair view of the financial position of the Company at 31 March 2010, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act, 2001.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act, 2001

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Morison (Mauritius)
Public Accountants

Nazeer Bhugaloo, FCCA
Signing Partner

Date: 22 April 2010
Port Louis, Mauritius

Statement of financial position at 31 March 2010

	Notes	Current Year	
		US $	Rs. Lac
ASSETS			
Non-current assets			
Advance against investment	4	61,160	27.54
		61,160	27.54
Current assets			
Other receivable	5	7,540	3.40
Cash and cash equivalents		29,536	13.30
		37,076	16.70
Total assets		98,236	44.24
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	6	2	–
Share premium	7	99,999	45.03
Revenue deficit		(4,935)	(2.22)
		95,066	42.81
Current liabilities			
Other payables	8	3,170	1.43
Total equity and liabilities		98,236	44.24

Approved by the Board of Directors on 22 April 2010 and signed on its behalf by

Rooksana Shahabally
Director

Ashraf Ramtoola
Director

The notes on pages 143 to 147 form an integral part of these financial statements. Independent Auditors' report on page 139.

Statement of Comprehensive Income for the period from 23 February 2010 (Date of Incorporation) to 31 March 2010

	Notes	Current Year US $	Current Year Rs. Lac
INCOME		–	–
EXPENSES			
Administration fees		4,015	1.81
Audit fees		920	0.41
		4,935	2.22
Loss for the period before taxation		(4,935)	(2.22)
Taxation	9	–	–
Loss for the period		(4,935)	(2.22)
Other comprehensive income		–	–
Total comprehensive loss for the period		(4,935)	(2.22)

Note: The Rupee equivalant of US $ have been given at Rs. 45.03 per US Dollar.

The notes on pages 143 to 147 form an integral part of these financial statements.
Independent Auditors' report on pages 139.

Statement of Changes in Equity for the period from 23 February 2010 (Date of Incorporation) to 31 March 2010

	Stated capital		Share premium		Revenue deficit		Total	
	USD	Rs. Lac	USD	Rs. Lac	USD	Rs. Lac	USD	Rs. Lac
At 23 February 2010	–	–	–	–	–	–	**–**	**–**
Issue of shares	2	–	99,999	45.03	–	–	**100,001**	**45.03**
Total comprehensive loss for the period	–	–	–	–	(4,935)	(2.22)	**(4,935)**	**(2.22)**
At 31 March 2010	2	–	99,999	45.03	(4,935)	(2.22)	**95,066**	**42.81**

The notes on pages 143 to 147 form an integral part of these financial statements.
Independent Auditors' report on page 139.

Statement of Cash Flows for the period from 23 February 2010 (Date of Incorporation) to 31 March 2010

	Current Year	
	US $	Rs. Lac
Operating activities		
Loss for the period before taxation	(4,935)	(2.22)
Adjustments for:		
Increase in other receivable	(7,540)	(3.40)
Increase in other payables	3,170	1.43
Net cash used in operating activities	(9,305)	(4.19)
Investing activities		
Advance against investment	(61,160)	(27.54)
Net cash used in investing activities	(61,160)	(27.54)
Financing activities		
Proceeds from issue of shares	2	–
Proceeds from share premium	99,999	45.03
Net cash generated from financing activities	100,001	45.03
Net increase in cash and cash equivalents	29,536	13.30
Cash and cash equivalents at beginning of the period	–	–
Cash and cash equivalents at end of the period	29,536	13.30
Cash and cash equivalents consist of:		
Cash at bank	29,536	13.30

The notes on pages 143 to 147 form an integral part of these financial statements. Independent Auditors' report on page 139.

Notes to the Financial Statements for the period from 23 February 2010 (Date of Incorporation) to 31 March 2010

1. **COMPANY PROFILE**

   Godrej Consumer Products Holding (Mauritius) Limited is a private company, limited by shares and incorporated in the Republic of Mauritius on 23 February 2010 under the Mauritius Companies Act, 2001. Godrej Consumer Products Holding (Mauritius) Limited holds a Category 1 Global Business Licence under Section 72(6) of the Financial Services Act, 2007 and is regulated by the Financial Services Commission.

   The principal activity of the Company is that of investment holding and its registered office is at Les Cascades, Edith Cavell Street, Port Louis, Mauritius.

2. **ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

   In the current period, the Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 23 February, 2010.

   At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue and effective as per the following dates:

   IFRS 1 First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters *(effective on or after 1 January 2011)*

   IFRS 9 Financial Instruments - New standard that forms the first part of a three part project to replace IAS 39 Financial Instruments: Recognition and Measurement *(effective on 1 July 2010)*

   IAS 24 Related Party Disclosures - Simplification of the disclosure requirements for government-related entities and clarification of the definition of a related party *(effective on or after 1 January 2011)*

   IAS 39 Financial Instruments: Recognition and Measurement - Treating loan prepayment penalties as closely related embedded derivatives, scope exemption for business combination contracts and Cash flow hedge accounting *(effective on or after 1 January 2010)*

   The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company as at 31 March 2010.

3. **ACCOUNTING POLICIES**

   (a) Statement of compliance

   The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards.

   (b) Basis of preparation

   The financial statements are prepared under the historical cost convention.

   The preparation of financial statements in accordance with International Financial Reporting Standards requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

   (c) Going concern

   The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the continued support of the parent company.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United Sates Dollar ('USD'), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(e) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Revenue recognition

Interest income is recognised on a time proportion basis using the effective interest rate method. Dividend income is recognised when the Company's right to receive payment is established.

(g) Provision

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(h) Current and Deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations is subject to interpretations and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(i) Expense recognition

Expenses are accounted for in the statement of comprehensive income on an accrual basis.

(j) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company has become a party to the contractual measures of the financial instruments. Financial instruments are initially measured at cost, which include transaction costs.

Subsequent to initial recognition, these instruments are measured as set out below:

- **Other payables**

  Other payables are stated at their nominal values.
- **Other receivables**

  Other receivables are stated at their nominal value.
- **Cash resources**

  Cash resources are measured at fair values.
- **Equity instruments**

  Equity instruments are recorded at the proceeds received, net of direct issue costs.

(k) Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

4. ADVANCE AGAINST INVESTMENT	**Current Year**	
	USD	Rs. Lac
Godrej Consumer Products Dutch Cooperatief U.A	61,160	27.54

The above represent share application money pending allotement of EUR 45,000 in Godrej Consumer Products Dutch Cooperatief U. A, a company incorporated in Netherland.

5. OTHER RECEIVABLE	**Current Year**	
	USD	Rs. Lac
Prepayments	7,540	3.40
6. STATED CAPITAL		
2 ordinary shares of USD 1 each	2	–
7. SHARE PREMIUM		
Shares issued at a premium	99,999	45.03
8. OTHER PAYABLES		
Accruals	3,170	1.43

The loan is unsecured, interest free and payable within one year.

9. TAXATION

The Company is liable to pay tax in Mauritius at the rate of 15%. The effective tax rate after foreign tax credit, would be at most 3% of gross foreign source income. Foreign tax credit is the higher of:

(a) deemed foreign tax credit of 80% of Mauritius tax charge, and

(b) withholding tax suffered on foreign source income. In addition to the withholding tax credit, in the case of dividend income, tax credit is available for any foreign tax imposed on the profits out of which that dividend income was directly and indirectly received.

No provision for tax has been made in the period due to availability of tax losses.

10. FINANCIAL INSTRUMENTS

(a) Values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The Company has financial assets and liabilities which includes advance against investment, cash at bank and other payables. The carrying amounts of these assets and liabilities approximate their fair values.

(b) Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial Assets 2010		Financial Liabilities 2010	
	USD	Rs. Lac	USD	Rs. Lac
Euro	61,160	27.54	–	–
United States Dollars	29,536	13.30	3,170	1.43
	90,696	40.84	3,170	1.43

Prepayments of USD 7,540 have been excluded from financial assets.

(c) Financial risks

(i) Currency risk

The Company has assets denominated in Euro (EUR). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the EUR may change in a manner which has a material effect on the reported values of the Company's assets which are denominated in EUR.

The Company's exposure to foreign currency risk was as follows:

	2010		2010	
	USD	Rs. Lac	USD	Rs. Lac
	USD		EUR	
Advance against investment	–	–	61,160	27.54
Cash at Bank	29,536	13.30	–	–
Accruals	(3,170)	(1.43)	–	–
	26,366	11.87	61,160	27.54

Sensitivity analysis

Foreign currency sensitivity analysis

A 1 percent strengthening of USD against EUR at 31 March would have decreased loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	USD/EUR	Rs. Lac
Rate		
Before sensitivity analysis	0.736	–
Increase 1%	0.743	–
Amount		
Before sensitivity analysis	61,160	27.54
Increase 1%	60,557	27.27
Difference	603	0.27

A 1 percent weakening of USD against EUR at 31 March would have had equal but opposite effect on EUR to the amounts shown above, on the basis that all other variables remain constant.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from investment securities.

At period end the Company had no significant concentration of credit risk which had been adequately provided for.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falls due. The Company maintains sufficient cash and manages liquidity risk through the ability to close out market position.

	2010					
	Less than 1 year		**Over 1 year**		**Total**	
	USD	Rs. Lac	USD	Rs. Lac	USD	Rs. Lac
Liabilities						
Accruals	3,170	1.43	–	_	3,170	1.43

(iv) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Concentration risk

At 31 March 2010, a significant portion of the Company's net assets consisted of advance against investment in a Dutch company and policies have been established to mitigate any potential loss arising from such concentration.

11. RELATED PARTY TRANSACTIONS

For the period ended 31 March 2010, the Company does not have any balance receivable or payable from/to related parties.

12. CONTINGENT LIABILITIES

At 31 March 2010, the Company has no material litigation claims outstanding, pending or threatened against, which could have a material effect on the Company's financial position or results of operations.

13. EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting period, which would require disclosure or adjustment to the financial statements at 31 March 2010.

14. COMPARATIVES

There are no comparatives as these are the first set of financial statements prepared by the Company since its incorporation on 23 February 2010.

15. HOLDING AND ULTIMATE HOLDING COMPANIES

The directors consider Godrej Consumer Products Ltd. a company incorporated in India as the holding and ultimate holding company.

16. REPORTING CURRENCY

The financial statements are presented in United States Dollars (USD).

Godrej Nigeria Holdings Limited

FINANCIAL STATEMENTS

31 March 2010

Corporate Information

		Date Appointed
DIRECTORS:	Ashraf Ramtoola	24 February, 2010
	Rooksana Shahabally	24 February, 2010
	Kamalam Rungapadiachy	24 February, 2010
	Adi Godrej	24 February, 2010
	Dalip Sehgal	24 February, 2010

ADMINISTRATOR & SECRETARY:

International Management (Mauritius) Ltd
Les Cascades
Edith Cavell Street
Port Louis
REPUBLIC OF MAURITIUS

REGISTERED OFFICE:

Les Cascades
Edith Cavell Street
Port Louis
REPUBLIC OF MAURITIUS

AUDITORS:

Morison (Mauritius)
Public Accountants
1st Floor, Fairfax House
21, Mgr Gonin Street
Port Louis
REPUBLIC OF MAURITIUS

Commentary of the Directors

The directors present their first annual report together with the audited financial statements of Godrej Nigeria Holdings Limited (the "Company") for the period ended 31 March 2010.

INCORPORATION

The Company was incorporated in the Republic of Mauritius on 24 February 2010 as a private company limited by shares under the Mauritius Companies Act, 2001.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The results for the period are as shown in the statement of comprehensive income.

The directors do not recommend the payment of dividend for the period under review.

DIRECTORS

The present membership of the Board is set out on page 149.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act, 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board:

For **International Management (Mauritius) Ltd**

Corporate Secretary

Date: 22 April 2010.

Certificate from the Secretary

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act, 2001 in terms of Section 166(d) for the period ended 31 March 2010.

For **International Management (Mauritius) Ltd**

Corporate Secretary

Date: 2 2 April 2010.

Morison (Mauritius)

PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GODREJ NIGERIA HOLDINGS LIMITED

This report is made solely to the shareholders of Godrej Nigeria Holdings Limited, the "Company", as a body in accordance with Section 205 of the Mauritius Companies Act, 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of the Company, which comprise the statement of financial position at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as 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, the financial statements on pages 152 to 157 give a true and fair view of the financial position of the Company at 31 March 2010, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act, 2001.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act, 2001

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Morison (Mauritius)
Public Accountants

Nazeer Bhugaloo, FCCA
Signing Partner

Date: 22 April 2010.

Port Louis, Mauritius

Statement of Financial Position at 31 March 2010

	Notes	Current year	
		USD	Rs. Lac
ASSETS			
Current assets			
Other receivable	4	7,540	3.40
Cash and cash equivalents		1,518	0.68
		9,058	4.08
Total assets		9,058	4.08
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	5	2	–
Share premium	6	9999	4.50
Revenue deficit		(4,113)	(1.85)
		5,888	2.65
Current liabilities			
Other payables	7	3,170	1.43
Total equity and liabilities		9,058	4.08

Approved by the Board of Directors on 22 April 2010 and signed on its behalf by

Rooksana Shahabally
Director

Ashraf Ramtoola
Director

The notes on pages 154 to 157 form an integral part of these financial statements. Independent Auditors' report on page 151.

Statement of Comprehensive Income for the period from 24 February 2010 (Date of Incorporation) to 31 March 2010

	Notes	Current Year USD	Current Year Rs. Lac
INCOME		–	–
EXPENSES			
Administrative expenses		3,193	1.44
Audit fees		920	0.41
		4,113	1.85
Loss for the period before taxation		(4,113)	(1.85)
Taxation	8	–	–
Loss for the period		(4,113)	(1.85)
Other comprehensive income		–	–
Total comprehensive loss for the period		(4,113)	(1.85)

Note: The Rupee equivalant of US $ have been given at Rs. 45.03 per US Dollar.

The notes on pages 154 to 157 form an integral part of these financial statements.
Independent Auditors' report on page 151.

Statement of Changes in Equity for the period from 24 February 2010 (Date of Incorporation) to 31 March 2010

	Stated capital		Share Premium		Revenue deficit		Total	
	USD	Rs. Lac	USD	Rs. Lac	USD	Rs. Lac	USD	Rs. Lac
At 24 February 2010	–	–	–	–	–	–	–	–
Issue of shares	2	–	9999	4.5	–	–	10,001	4.5
Total comprehensive loss for the period	–	–	–	–	(4,113)	(1.85)	(4,113)	(1.85)
At 31 March 2010	2	–	9999	4.5	(4,113)	(1.85)	5,888	2.65

The notes on pages 154 to 157 form an integral part of these financial statements.
Independent Auditors' report on page 151.

Statement of Cash Flows for the period from 24 February 2010 (Date of Incorporation) to 31 March 2010

	Current Year	
	USD	**Rs. Lac**
Operating activities		
Loss for the period before taxation	(4,113)	(1.85)
Adjustments for:		
Increase in other receivable	(7,540)	(3.40)
Increase in other payables	3,170	1.43
Net cash used in operating activities	(8,483)	(3.82)
Financing activities		
Proceeds from issue of shares	2	–
Proceeds from share premium	9999	4.50
Net cash generated from financing activities	10001	4.50
Net increase in cash and cash equivalents	1,518	0.68
Cash and cash equivalents at beginning of the period	–	–
Cash and cash equivalents at end of the period	1,518	0.68
Cash and cash equivalents consist of:		
Cash at bank	1,518	0.68

The notes on pages 154 to 157 form an integral part of these financial statements. Independent Auditors' report on page 151.

Notes to the Financial Statements for the period from 24 February 2010 (Date of Incorporation) to 31 March 2010

1. COMPANY PROFILE

Godrej Nigeria Holdings Limited is a private company, limited by shares and incorporated in the Republic of Mauritius on 24 February 2010 under the Mauritius Companies Act, 2001. Godrej Nigeria Holdings Limited holds a Category 1 Global Business Licence under Section 72(6) of the Financial Services Act, 2007 and is regulated by the Financial Services Commission which requires it to carry on its business in a currency other than the Mauritian Rupee. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies, the Company uses the United States Dollar (USD) as its functional currency.

The principal activity of the Company is that of investment holding and its registered office is at Les Cascades, Edith Cavell Street, Port Louis, Mauritius.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current period, the Company has adopted all of the new and Revised Standards and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 24 February 2010.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective.

IFRS 1	First-time Adoption of International financial Report Standards - Limited Exemption from comparative IFRS 7. Disclosures for first-time adopters *(effective on or after 1 July 2010)*
IFRS 9	Financial Instruments - New standard that forms the first part of a three part project to replace IAS 39 Financial Instruments: Recognition and Measurement *(effective on or after 1 January 2013)*
IAS 24	Related Party Disclosures - Simplification of the disclosure requirements for government-related entities and clarification of the definition of a related party *(effective on or after 1 January 2011)*

3. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements are prepared under the historical cost convention.

The preparation of financial statements in accordance with International Financial Reporting Standards requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

(c) Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the continued support of the shareholders.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United Sates Dollar ('USD'), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(e) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Provision

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(g) Current and Deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations is subject to interpretations and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(h) Revenue recognition

Interest income is recognised on a time proportion basis using the effective interest rate method. Dividend income is recognised when the Company's right to receive payment is established.

(i) Expense recognition

Expenses are accounted for in the statement of comprehensive income on an accrual basis.

(j) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company has become a party to the contractual measures of the financial instruments. Financial instruments are initially measured at cost, which include transaction costs.

Subsequent to initial recognition, these instruments are measured as set out below:

- ***Other payables***

  Other payables are stated at their nominal values.

- ***Other receivables***

  Other receivables are stated at their nominal value.

- ***Cash resources***

  Cash resources are measured at fair values.

(k) Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

	Current Year	
	USD	Rs. Lac
4. OTHER RECEIVABLE		
Prepayments	7,540	3.40
5. STATED CAPITAL		
2 ordinary shares of USD 1 each	2	–
6. SHARE PREMIUM		
Issue of share at a premium	9999	4.50
7. OTHER PAYABLES		
Accruals	3,170	1.43

8. TAXATION

The Company is liable to pay tax in Mauritius at the rate of 15%. The effective tax rate after foreign tax credit, would be at most 3% of gross foreign source income. Foreign tax credit is the higher of:

(a) deemed foreign tax credit of 80% of Mauritius tax charge, and

(b) withholding tax suffered on foreign source income. In addition to the withholding tax credit, in the case of dividend income, tax credit is available for any foreign tax imposed on the profits out of which that dividend income was directly and indirectly received.

No provision for tax has been made in the period due to availability of tax losses.

9. **FINANCIAL INSTRUMENTS**

(a) Values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The Company has financial assets and liabilities which include other receivables, cash and cash equivalent and other payables. The carrying amounts of these assets and liabilities approximate their fair values.

(b) Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets Current Year		Financial liabilities Current Year	
	USD	Rs. Lac	USD	Rs. Lac
United States Dollars	1,518	0.68	3,170	1.43

Prepayments of USD 7,540 (Rs. 3.4 Lac) have been excluded from financial assets.

(c) Financial risks

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from investment securities.

At period end the Company had no significant concentration of credit risk which had been adequately provided for.

(ii) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company maintains sufficient cash and manages liquidity risk through the ability to close out market position.

(iii) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

At period end the Company had no significant concentration of market risk which had been adequately provided for.

10. **RELATED PARTY TRANSACTIONS**

The Company has no related party transactions during the year.

11. **CONTINGENT LIABILITIES**

At 31 March 2010, the Company has no material litigation claims outstanding, pending or threatened against, which could have a material effect on the Company's financial position or results of operations.

12. **EVENTS AFTER THE REPORTING PERIOD**

There have been no material events after the reporting period, which would require disclosure or adjustment to the financial statements at 31 March 2010.

13. **HOLDING AND ULTIMATE HOLDING COMPANY**

The holding company of Godrej Nigeria Holdings Limited is Godrej Consumer Products Mauritius Ltd, a company incorporated in the Mauritius and the ultimate holding company is Godrej Consumer Products Ltd, a company incorporated in India.

14. **REPORTING CURRENCY**

The financial statements are presented in United States Dollars (USD).

15. **COMPARATIVES**

There are no comparatives as these are the first set of financial statements prepared by the Company since its incorporation on 24 February 2010.

Godrej Consumer Products Limited

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Tenth ANNUAL GENERAL MEETING of the members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Saturday, July 24, 2010 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 receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2010, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report;
2. To declare a dividend on equity shares;
3. To appoint a Director in place of Ms. Rama Bijapurkar, who retires by rotation and being eligible, offers herself for re-appointment;
4. To appoint a Director in place of Mr. Bharat Doshi who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Mr. Nadir Godrej who retires by rotation and being eligible, offers himself for re-appointment;
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to authorise the Board of Directors of the Company to fix their remuneration. M/s. Kalyaniwalla & Mistry, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

7. **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 309 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company and within the limits stipulated in Section 309(4) of the said Act, the Company be and is hereby authorised to pay to its Directors (other than a Managing Director and Whole-time Director of the Company) for a period of three years commencing from April 1, 2010, such commission as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time and in default of such determination equally), but so that such commission shall not exceed 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 349 & 350 of the Companies Act, 1956) or Rs. 10 lac per director per annum, whichever is less.

By Order of the Board of Directors

P. Ganesh
Executive Vice President (Finance & Commercial) &
Company Secretary

Mumbai, April 26, 2010

Registered Office:
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy so appointed shall not have any right to speak at the meeting.

2 The relative explanatory statement in respect of business under Item No. 7 as set out in the notice is annexed hereto.

3. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

4. 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.

5. Unclaimed Dividends pertaining to the financial years 2003-04 and 2004-05, 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 dates mentioned below. Those Members who have so far not encashed these dividend warrants or dividend warrants for financial years 2005-06 and onwards, may claim or approach our Registrars viz. Computech Sharecap Ltd., 147, M. G. Road, Fort, Mumbai 400 001 (e-mail: gcpl@computechsharecap.com) or the Company for the payment thereof.

   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 Period	Due date for transfer
Final 2002-03 and First Interim 2003-04-paid in August 2003	27-08-2010
Second Interim 2003-04-paid in November 2003	27-11-2010
Third Interim 2003-04-paid in February 2004	06-03-2011
Fourth Interim 2003-04 paid in May 2004	03-06-2011
First Interim 2004-05 paid in July 2004	27-08-2011
Second Interim 2004-05 paid in November 2004	02-12-2011
Third Interim 2004-05 paid in February 2005	27-02-2012
Fourth Interim 2004-05 paid in May 2005	03-06-2012

6. The details required to be given in pursuance of Clause 49 of the listing agreement in case of directors being re-appointed viz. Ms. Rama Bijapurkar, Mr. Bharat Doshi and Mr. Nadir Godrej are given in the Corporate Governance section of the Annual Report.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM 7

The Non-Executive Directors and the Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, corporate strategy, information systems and finance.

The Board is of the view that it is necessary that adequate compensation should be given to the Non-Executive Directors and the Independent Directors so as to compensate them for their time and efforts and also to retain and attract the pool of talent for the growth and prosperity of the Company.

The shareholders in the Annual General Meeting held on August 3, 2007 passed a special resolution for approving the payment of commission to the Non-Executive Directors and Independent Directors at a rate not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 198 and 309(4) of the Companies Act, 1956) or Rs. 10 lac per director, whichever is less for a period of three years from April 1, 2007 till March 31, 2010.

It is now proposed to pay commission to the Non-Executive Directors and Independent Directors at the same rate as above for a further period of three years commencing from April 1, 2010.

The payment is subject to the approval of members by way of a Special Resolution.

The three Non-Executive Directors viz. Mr. Jamshyd Godrej, Mr. Nadir Godrej, and Mr. A. Mahendran and all the Independent Directors viz. Mr. Bala Balachandran, Ms. Rama Bijapurkar, Mr. Bharat Doshi, Dr. Omkar Goswami, Mr. Aman Mehta and Mr. D. Shivakumar are concerned or interested in the resolution to the extent of the payment that they may receive by way of commission on profits. Mr. Adi Godrej, being the brother of Mr. Nadir Godrej, may also be deemed to be interested in this resolution.

No other Director of the Company is any way concerned or interested in the resolution.

The Board of Directors recommends the passing of the resolution as set out at Item No. 7 of the Notice.

By Order of the Board of Directors

P. Ganesh
Executive Vice President (Finance & Commercial) &
Company Secretary

Mumbai, April 26, 2010

Godrej Consumer Products Limited

Registered Office:

Pirojshanagar,
Eastern Express Highway,
Vikhroli (East), Mumbai - 400 079.
Phone: 022 - 25188010, 25188020, 25188030
Fax: 022 - 25188040
website: http:\\www.godrejcp.com

Factories

BADDI:
Plot Nos. 85 - 88, EPIP Phase - II,
Village Thana, Tehsil Nalagarh,
District Solan,
Himachal Pradesh - 173 205.
Phone: 01795 - 274298, 274289
Fax: 01795 - 274235

GUWAHATI:
Shed Nos. 9,10,11,12,
By - Lane No.1,
Bamuni Maidam Industrial Estate,
Guwahati - 781 021, Assam.
Phone: 0361 - 2653437, 2654186
Fax: 0361 - 2653597

KATHA:
Plot No.6,
Apparel Park cum Industrial Area,
Katha PO. Baddi,
Tehsil Nalagarh,
Dist. Solan (HP)

MALANPUR:
U-30, Industrial Area,
Malanpur, Dist. Bhind,
Madhya Pradesh - 477 116
Phone: 07539 - 283113, 283419
Fax: 07539 - 283421

SIKKIM:
Village - Mamring,Namthang Road,
PO Mamring (Via - Rangpo)
Dist. Namchi (South Sikkim)
Sikkim - 737 132.
Phone: 03592 - 240594

DELHI:
4th Floor, Delite Theatre Building,
4/1, Asaf Ali Road, New Delhi - 110 002.
Phone: 011 - 23261077
Fax: 011 - 23261099

KOLKATA:
Godrej Bhawan,
Block GN, Sector - V,
Salt Lake City, Kolkata - 700 091.
Phone: 033 - 23570081, 23573944
Fax: 033 - 23573945

CHENNAI:
554/555, Capitale,
6th Floor, Anna Salai,
Teynampet, Chennai - 600 018.
Phone: 044 - 4266 6604
Fax: 044 - 4266 6609

MUMBAI:
Admn. Bldg., 3rd Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli, Mumbai - 400 079.
Phone: 022 - 25188010, 25188020, 25188030
Fax: 022 - 25188069

UNITED KINGDOM:
Keyline Brands Limited
2nd Floor, Central House,
Hounslow, Middlesex,
TW3 1HY, England
Phone: + 44 20 8538 1251

SOUTH AFRICA:
Rapidol (Pty.) Limited
11, Young Road
Pinetown, South Africa
Phone: + 27317101150

SOUTH AFRICA:
Kinky Group (Pty.) Ltd.
3, Berkshire Drive,
New Germany, 3610
South Africa
Phone: + 2731705 4849

MIDDLE EAST:
Godrej Global Mideast FZE
600 M2 Warehouse B2-23,
PO Box 7966, SAIF Zone
Sharjah, UAE
Phone: + 97165572323

Godrej

www.godrejcp.com

GODREJ CONSUMER PRODUCTS LTD.