

Godrej Consumer Products Ltd.
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CIN : L24246MH2000PLC129806

July 8, 2016

The Bombay Stock Exchange Limited
Corporate Relations Department
1st Floor, Rotunda Bldg., P.J. Towers, Dalal Street,
Mumbai 400 023.

Scrip Code : 532424

**Fax Nos : 22723121/ 22722037 /
22722041/ 22722061/
22722039 /2272 3719**

Dear Sirs,

Sub: Submission of Annual Report for FY 2011-12

This is with reference to your email dated July 1, 2016 on non-receipt of Soft Copy of Annual Report for FY 2011-12.

We enclose herewith Annual Report for FY 2011-12 for your records.

Yours Faithfully,
For Godrej Consumer Products Ltd



R Shivshankar
DGM- Corporate Secretarial



GROWTH & INNOVATION

ANNUAL REPORT
2011-2012

unleashing



The logo features the word "GROWTH" in a large, green, sans-serif font at the top. Below it, the word "INNOVATION" is written in a smaller, green, sans-serif font. A green heart shape is positioned between the two words, containing a white ampersand (&).

CONTENTS

02	Vision
04	Performance Highlights
06	Board of Directors
08	Chairman's Address
12	Managing Director's Address
16	Director's Report and Management Discussion & Analysis
41	Corporate Governance
68	Business Responsibility Statement
78	Shareholders Value Added
81	Financials
123	Consolidated Financials
159	Subsidiary Information u/s 212

VISION

1

VISION

To deliver superior value for our stakeholders by providing leading quality, affordable home and personal care products that enhance the quality of life of consumers in high growth emerging markets. We will achieve this through enduring trust, relentless innovation, passion for our consumers and a strong entrepreneurial spirit.

PERFORMANCE HIGHLIGHTS (CONSOLIDATED)

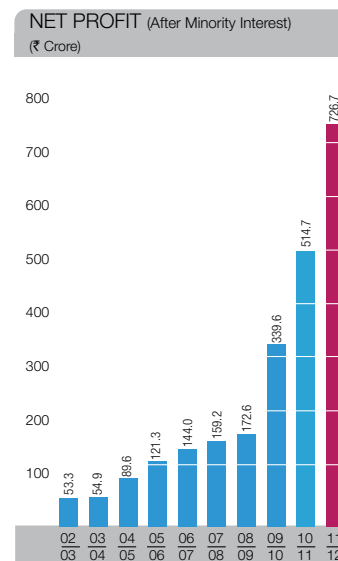
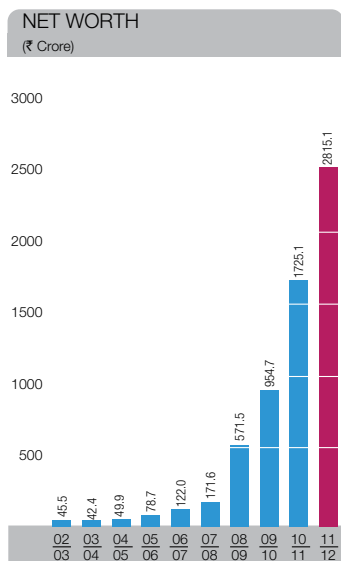
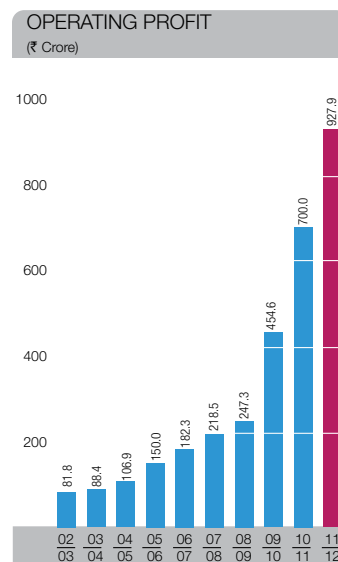
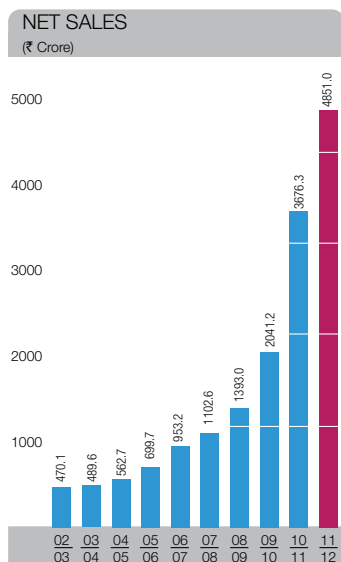
Sales
+32%
at ₹ 4851 crore

Operating Profit
+33%
at ₹ 928 crore

PBT
+50%
at ₹ 977 crore

Net Profit*
+41%
at ₹ 727 crore

*after Minority interest



Net Worth
+63%
at ₹ 2815 crore

EVA
+19%
at ₹ 309 crore

EPS
+39%
at ₹ 22.3

Dividend
₹4.75 per share

PERFORMANCE HIGHLIGHTS

Leading Positions in our Domestic & International Operations

- 1** in home insecticides and liquid detergents in India.
in air fresheners and wet tissues in Indonesia.
in hair colours in India & many countries in Africa & Latam.
in hair extensions in Africa.

- 2** in toilet soaps in India.
in home insecticides in Indonesia.
in medicated soaps in Nigeria.

Brand Recognitions in domestic operations in core categories

- GoodKnight ranked 2nd in Household Care by Brand equity.
- Cinthol ranked 9th in Personal Care by Brand equity.
- Godrej No. 1 ranked 16th in Personal Care by Brand equity.
- Godrej Expert Powder Hair Colour ranked 25th in Personal Care by Brand equity.
- 3 of GCPL's Brands viz. Cinthol, GoodKnight and Godrej No. 1 ranked in 100 Most Trusted Brands by Brand equity.
- Godrej Expert Powder Hair Colour-Care-Voted Product of the year 2012 in powder hair colour category.

One GCPL Culture-Post merger and acquisitions

- On the domestic front-smooth integration post merger of the Home Insecticides business with GCPL.
- Successful integration of international business in the Godrej Way, maintaining the right balance between localization and creating the right Godrej culture.

Key Innovations

- ❖ Successful Launches in Domestic Operations:
 - Godrej Expert Care powder hair colour launched with Henna & Amla for natural looking colour.
 - Godrej Expert Advanced powder hair colour launched with a Pro-Gel formula with a gel like consistency which does not drip and is easy to spread.
- ❖ Successful Launches in International Operations:
 - HIT magic paper, a disruptive innovative paper format mosquito repellent in Indonesia.
 - HIT extra power electric mosquito repellent in Indonesia.
 - Stella Duo, an air freshener with a dual fragrance in Indonesia.
 - 10 new shades in Renew hair colour and 3 new shades in Inecto powder hair colour in South Africa.
 - Abha Herbal Black Henna in Sri Lanka.
 - "Issue Precious Secrets" an ammonia free hair colour with a three dimensional gloss feature in Argentina.
 - Relaunch of TOUCH of Silver - "It's your time to shine" in the UK.

BOARD OF DIRECTORS

2

BOARD OF DIRECTORS



Narendra Ambwani

D. Shivakumar

Bharat Doshi

Nadir Godrej

Tanya Dubash

Adi Godrej

Jamshyd Godrej

Nisaba Godrej

Bala Balachandran

Aman Mehta

A. Mahendran

Dr. Omkar Goswami

CHAIRMAN'S ADDRESS



CHAIRMAN'S ADDRESS



Adi Godrej
Chairman

Dear Shareholders,

I am delighted to address you at the end of what has been yet another eventful and action packed year for GCPL. The recently concluded fiscal year can be best described as one of both consolidation and growth – we have endeavored to put in place a strong foundation for growth, while continuing to explore accretive opportunities to enhance both our scale and competitive position. Today, we are prominently placed across the three geographies and business categories of our 3 X 3 strategy. All our global businesses have imbibed the Godrej philosophy of Brighter Living – we share common values and similar processes and are focused on driving accelerated growth and creating value for all our stakeholders.

2012 has been a year of uncertainty for both the global economy and the political environment. From the uprisings in the Middle East and North Africa, to increased unemployment across regions and the sovereign debt crisis in the Eurozone, the impact has been widespread – volatile commodity prices, disruptions in supply chains and overall uncertainty across the globe. The economic center of gravity has been shifting from the mature to the emerging or developing economies. These countries offer excellent

opportunities for growth, driven by low costs and a relatively nascent consumer base.

The Indian Economy

The economic environment in India over the last year has been challenging. Surrounded by global uncertainties, the Indian economy has itself had a subdued performance over the last fiscal year with expected GDP growth of 6.5%. The reform programme has slowed down and governance issues have not been tackled as rapidly as they should be, but the opportunity is tremendous. Restoring growth through reforms and good governance is going to be very important and should be the main objective of the government. We expect the economy to get a push on the back of reforms such as the Goods and Services Tax, Direct Tax Code and opening up of FDI in key sectors. Progress on reforms will create a virtuous cycle of boosting production and consumption, improving India's image, attracting more investments and reviving growth.

The FMCG Sector

Despite high interest rates, inflation and political uncertainty, the Indian FMCG market continued to grow at a healthy rate in the last fiscal year.

Consumer demand within India remains strong and we are hopeful of that continuing. The FMCG sector continues to offer considerable opportunity for growth, given the increasing rural penetration and development in tier 2 and tier 3 cities.

The sector has benefitted in the last few years from the rise in disposable income in rural areas, where 70% of the country resides. Through government programs such as National Rural Employment Guarantee Act (NREGA), and Minimum Support Prices (MSP), rural incomes and standards of living have improved. This has also led to increasing awareness and exposure to consumer products, and brand preferences in line with urban counterparts.

The rise in overall cost of living and concerns over decrease in social expenditure may have some impact on the growth in rural FMCG sales in the short run, but over the medium to long-term, wage increases and enhanced exposure to consumer products will lead to sustained demand. Companies that are innovative, agile and responsive to the needs of consumers will stand out.

Perspectives on our Performance

Our performance for the year under review is a reflection of our focused endeavor to drive profitability and growth. Despite challenges on the economic front, I am delighted to report very strong operating performance, which is a reflection of our robust business model, a great team and our ability to manage risks and challenges effectively.

Our domestic business performed impressively, with strong growth in Toilet Soaps and Home Insecticides and we continue to be the largest

Indian Household and Personal Care Company. The focus continues to be on growing ahead of the market, driving consumption and penetration and strengthening our portfolio across product categories.

Our overall growth was also supported by the expansion of our international business, in line with our 3 X 3 strategy. This year, our international businesses delivered 38% of our total consolidated revenue, led by the Indonesia and Africa businesses.

We recently entered the Chilean market with the acquisition of 60% stake in Cosmetica Nacional, a leading hair colourant player with a presence in colour cosmetics. This has helped us expand our scale and strengthen our portfolio of offerings in the South American continent. We have also completed the first phase of our acquisition of the Darling Group, which significantly accelerates our plans in Africa.

I would like to welcome Temasek Holdings Pte. as an investor. In January 2012, we accepted a binding offer from Baytree Investments (Mauritius) Pte. Ltd. (an indirect wholly-owned subsidiary of Temasek) to subscribe to 16,707,317 equity shares of face value ₹ 1 at a premium of ₹ 409 per equity share, for an aggregate issue size of ₹ 685 crore on a preferential allotment basis. As you are aware, Temasek is a leading investor globally. Apart from being one of the earliest investors in India, Temasek's focus geographies match very well with our global 3 X 3 strategy. The entry of this large and respected group, further endorses our strategy, team and execution capabilities.

Outlook

Going forward, we will continue to take strides towards executing our strategy. We believe there

are significant opportunities to create value and derive synergies across geographies and business categories and are working on several initiatives to drive this. I look forward to sharing the results of these efforts in the year ahead.

We will continue to strive to maintaining or extending our leadership in our core categories. We are leaders in Hair Colour, Home Insecticides and Liquid Detergents and the number two player in Toilet Soaps in the Indian market. We are also leaders in Air Fresheners and Wet Tissues in Indonesia, in Hair Colours in many countries in Africa and Latin America and in Hair Extensions in Africa, while holding the number two position in Home Insecticides in Indonesia and in Medicated Soaps in Nigeria.

We will continue to leverage innovation as a differentiator and have a strong innovation pipeline in place to introduce exciting and disruptive new products like Godrej Advanced Powder Hair Colour and Hit Magic Paper.

We are also simultaneously building a best in class supply chain and future ready sales organisation to support our business, while fostering a culture of professional entrepreneurship.

I would like to take this opportunity to acknowledge the contribution of all our people, who have contributed immensely to our success. I would also like to acknowledge our business partners, vendors and other business associates. Finally, I would like to thank all our stakeholders for their continuous interest, support, trust and encouragement.

We believe that the year ahead provides us with tremendous opportunities. While there will be challenges, we are confident that we have a sound strategy and a strong management team in place to capture the promise that lies ahead.

Yours sincerely

Adi Godrej
Chairman

MANAGING DIRECTOR'S ADDRESS

4

MANAGING DIRECTOR'S ADDRESS



A Mahendran
Managing Director

Dear Shareholders,

I am pleased to share my thoughts with you at the end of what has been an eventful year, marked by integrations, consolidation and growth. We continue to take strides towards becoming an emerging markets multinational, while focusing on our 3 X 3 strategy of building our presence in emerging markets in 3 continents (Asia, Africa and Latin America) through 3 core categories (Home Care, Personal Wash and Hair Care). We believe there is considerable opportunity to increase consumption and penetration in these categories and geographies that we operate in.

Let me share my perspectives on our performance against the six pillars of our business:

Achieving leadership in core markets

Our 3 X 3 strategy as you know, is aimed at achieving leadership or a position of strength in the categories or geographies that we are present in. I believe that we are doing well on this front and have consistently driven growth ahead of the market in most of the categories that we participate in. In India, GCPL is the leader in Hair Colours, Home Insecticides and Liquid Detergents and the number two player in Toilet Soaps. On the international front, we

are the market leader in Air Fresheners and Wet Tissues in Indonesia, in Hair Colours across several countries in Africa and Latin America and in Hair Extensions in Africa. We are also the number two player in Home Insecticides in Indonesia and in Medicated Soaps in Nigeria. Several of our brands are leaders or among the top 3 in their categories. Three Godrej brands featured in the 100 Most Trusted Brands 2011 by Brand Equity, a survey that is the largest and most diverse of its kind, with over 8,000 respondents from across the country. Moreover, GoodKnight was ranked 2nd in Household Care, Cinthol ranked 9th, Godrej No. 1 ranked 16th and Godrej Expert Powder Hair Colour ranked 25th in Personal Care. Bio-oil in the U.K. was also voted the best classic beauty product at coveted Cosmetic Executive Women CEW (UK) 2011 Beauty Awards.

Driving international growth

We have further expanded our international footprint and entered new geographies in Africa and Latin America this year. We acquired the rights for a 51% stake in a leading pan-African hair care company, Darling Group's business in South Africa, Mozambique and Nigeria which

represents about 45% of the group's business. The group's well spread manufacturing facilities also offer us significant production efficiencies. I strongly believe that the introduction of this business, aided by our brand Kinky opens up immense opportunities for us in the African continent.

We have also expanded our presence in Latin America, with the acquisition of a 60% stake in Cosmetica Nacional, a leading Hair Colourant and Cosmetics company in Chile. Apart from offering us a foothold in the continent's fastest growing economy, this has added some highly regarded heritage brands like Pamela Grant and Illicit to our portfolio.

Today, we have a presence in 4 continents and exports to 60 nations.

Innovation will continue to be a focus

We continue to innovate across our product portfolio. During the year, we re-launched our heritage brand, Godrej Expert powder hair colour in three variants, namely Original, Care and Advanced. All three continue to track well, post-launch. We also introduced a new variant under Godrej No. 1, Saffron and Milk Cream, as a response to an expressed consumer need for a soap with natural ingredients. In our international businesses, we focused on creating value and excitement for the consumer through meaningful new introductions. An example of this is HIT Magic Paper, a disruptive and innovative paper format repellent, which has been extremely well received in Indonesia. The introduction of the Renew range in Africa has also worked well and widened our presence across the Caucasian and Ethnic hair color markets.

Creating a Future Ready Sales System

The merger of GCPL and the erstwhile Godrej Household Products Ltd. (GHPL) has helped us capitalise on synergies and facilitate an improved sales system. It has also significantly contributed to helping expand and deepen our presence across urban and rural areas.

We have leveraged the strong GHPL presence in Modern Trade to introduce our hair colorants and toiletries. Concurrently, we have also introduced our Home Insecticides range across our outlets in the Tier 2 and Tier 3 regions. Our rural salience has increased over the year by over 8,000 villages.

This year, we also tapped into new channels and developed our sales teams in line with the increasing responsibility. Today, we reach out to more than 46 lakh outlets and our wide spread network is the result of efforts by our team, as well as efficiently synergizing distribution across our product portfolio.

In our international businesses too, we have explored opportunities to enhance our sales and time to market capabilities. The integration of our two businesses in Argentina, namely Argencos and Issue, has strengthened our sales and distribution networks and reduced the time to market. In Africa, we have leveraged Rapidol's strong presence in the continent to introduce the Renew range and are looking at this channel to further expand our portfolio presence.

Building a world-class global supply chain

We have successfully integrated our global supply chain and are concentrating on building centers

of excellence, leveraging strategic sourcing and driving cost efficiencies. In addition to this, we have also completed the integration of logistics and CFAs, leading to key synergy benefits and a far more streamlined organization.

Today, we are keen on further enhancing our Demand Driven Supply Chain. As a part of this effort, we have efficiently managed our relations with suppliers and dealers and reduced inventory and time to market. We have also implemented a lean supply chain through integrated planning, network optimization and a consumer centric supply chain. These initiatives, along with flexible and scalable IT systems, offer us immense benefits and savings.

Our supply chain enhancements have resulted in additional capacity across coils, aerosols and toilet soaps. Further, debottlenecking initiatives combined with the strategic sourcing of raw material and packaging material is also resulting in much improved productivity. Additional cost efficiencies are being driven through energy conservation and the deployment of lean and six sigma principles.

We have been effectively leveraging technology for all these initiatives. After having completed the domestic SAP integration, we are now in the process of a phased migration of our international operations to SAP. Our business intelligence and efficiencies have also been enhanced significantly by the use of hand held terminals across our sales force. Several of our distributor management systems have also been enhanced.

Ensuring Agility and Professional Entrepreneurism

Our biggest strength lies in our people and the time we invest in nurturing them and our

culture of professional entrepreneurship. We will continue to have this as a lead priority and provide tremendous learning opportunities to create an inspiring place to work.

Across the Group, we have embraced the 'Godrej Way', which involves rolling out common processes, practices and a culture of innovation and entrepreneurship. I believe that this helps ensure that we are well placed to create even greater value for all our stakeholders.

One of the focus areas of our Group is the Good and Green Vision 2020. As part of Good & Green, the group aspires by 2020 to create a more employable Indian workforce. In line with this, your Company proposes to train a significant number of rural youth and equip them with training on direct and indirect sales and marketing. This will help create a large set of employable young people who could either become a part of our talent pool or opt to start out on their own.

Going forward

An extension of our 3 X 3 strategy is the 10 X 10 objective, which defines our aspiration to be ten times our present size in ten years. In line with this objective, we will continue to invest prudently across all aspects of our business – R & D, advertising and promotion, people and supply chain. We are focused on building a larger and stronger GCPL. The building blocks are in place and I invite you to continue to partner with us on this exciting journey.

Best regards,

A. Mahendran
Managing Director

DIRECTOR'S
REPORT
AND
MANAGEMENT
DISCUSSION
& ANALYSIS

5

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have pleasure in presenting their Report along with the Audited Accounts for the year ended March 31, 2012.

1. Financial Highlights and Review of Operations

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

(₹ Crore)

Sr. No.	PARTICULARS	Consolidated		Standalone	
		Year ended 31-Mar-12	Year ended 31-Mar-11	Year ended 31-Mar-12	Year ended 31-Mar-11
1.	Income from Operations				
	Net Sales (Net of Excise Duty)	4,850.94	3,676.31	2,933.53	2,425.37
	Other Operating Income	15.22	17.29	46.55	43.53
	Other Income	52.00	46.96	63.05	37.14
	Total Revenue	4,918.16	3,740.56	3,043.13	2,506.04
2.	Total Expenses other than depreciation & Finance Cost	3,990.26	3,040.50	2,410.64	1,972.53
3.	Profit before Depreciation, Finance Cost & Exceptional Items	927.90	700.06	632.49	533.51
4.	Depreciation	64.44	49.92	25.83	21.98
5.	Profit before Finance Cost, Exceptional Items and Tax	863.46	650.14	606.66	511.53
6.	Foreign Exchange Gain / (Loss)	(20.50)	5.28	(15.16)	(1.18)
7.	Finance Cost	65.84	43.64	13.39	5.70
8.	Profit after Finance Costs but before Exceptional Items	777.12	611.78	578.11	504.65
9.	Exceptional Items	200.17	41.14	180.95	40.31
10.	Profit Before Tax	977.29	652.92	759.06	544.96
11.	Tax Expense	226.05	138.21	154.67	110.00
12.	Net Profit after Tax before Minority Interest	751.24	514.71	604.39	434.96
13.	Minority Interest	(24.52)	0.00	0.00	0.00
14.	Net Profit for the period	726.72	514.71	604.39	434.96
15.	EPS (Basic & Diluted)	22.34	16.11	18.58	13.62

2. Appropriation

Your Directors recommend appropriation as under:

(₹ Crore)

GCPL Standalone	Year ended 31-Mar-12	Year ended 31-Mar-11
Surplus as at end of previous year	407.91	174.20
Add : Net Profit for the year	604.39	434.96
Add : Addition on Amalgamation	-	60.44
Available for appropriation	1,012.30	669.60
Less : Interim Dividend	156.63	163.20
Less : Tax on distributed profits	25.41	33.39
Less : Transfer to General Reserve	60.44	65.10
Total Appropriation	242.48	261.69
Surplus Carried Forward	769.82	407.91

3. Dividend

For the year 2011-12, three interim dividends were paid on shares of face value ₹ 1/- each – as follows: ₹ 1/- per equity share on July 23, 2011, ₹ 1/- per equity share on October 23, 2011 and ₹ 1/- per equity share on January 21, 2012.

In addition to the above, the Board of Directors has also declared a fourth interim dividend on April 30, 2012 at the rate of ₹ 1.75 per equity share on shares of nominal value ₹ 1/- each. The record date for the same has been fixed as May 10, 2012.

Your Directors recommend that the aforesaid interim dividends aggregating to ₹ 4.75 per equity share on shares of face value ₹ 1/- each be declared as final dividend for the year ended on March 31, 2012.

4. Preferential Allotment of Equity Shares

During the year your Company issued 16,707,317 equity shares of face value ₹ 1/- each at a premium of ₹ 409 per equity share to Baytree Investments (Mauritius) Pte. Ltd. on a preferential basis. The pricing was higher than the floor price calculated as per the SEBI ICDR regulations. The issue proceeds aggregating ₹ 685 crore is proposed to be used for general corporate purpose including retirement of debts.

5. Issue of Non-Convertible Debentures

In November 2011, your Company has made a fresh issue of unsecured redeemable non-convertible debentures on a private placement basis, aggregating to ₹ 225 crore for a tenor of three years and the same is outstanding as at

the year end. The said debentures have a credit rating of ICRA AA.

Subsequent to the close of the financial year, your Company made a fresh issue of unsecured redeemable non-convertible debentures on a private placement basis, aggregating to ₹ 50 crore for a tenor of 18 months. The said debentures have a credit rating of ICRA AA.

During the year your Company redeemed debentures aggregating to ₹ 200 crore on their respective redemption dates.

6. Acquisitions

Your Company acquired a 51% stake in the Darling Group's business in South Africa, Nigeria & Mozambique, which represents about 45% of the Group's business. The acquisition of the balance stake will be completed in phases spread over the next 3 to 5 years.

Kinky will leverage Darling's efficient production facilities to considerably lower their costs while hair extensions including artificial hair, wigs and braids manufactured by Darling have a readymade consumer interface through the Kinky outlets.

During the year, your Company also entered into an agreement for acquisition of 60% stake in Cosmetica Nacional, a leading hair colourant and cosmetics company based in Chile and with important presence in Panama and Costa Rica as well. The Company also has a strong presence in the colour cosmetics segment - "Pamela Grant" is the second largest brand in the colour cosmetics market. Cosmetica Nacional also has popular heritage brands including "Illicit" and "U2". The Company exports to 7 countries in Latin America – this acquisition will enable your Company to strengthen its foothold in the LatAm region. The acquisition has been completed in April 2012.

7. Termination of Licenses

The Kiwi Manufacturing and Distribution license for the use of Kiwi Shoe Care and Kiwi Kleen Brands in India and Sri Lanka, granted to the erstwhile Godrej Household Products Ltd. by Sara Lee Corporation, USA, has been terminated with effect from April 3, 2011. Your Company received ₹ 156 crore and its wholly owned subsidiary Godrej Household Products Lanka (Private) Ltd. received ₹ 19 crore as a one-time exit compensation.

The license for the use of Brylcreem brand in India and Sri Lanka granted to the erstwhile Godrej Household Products Ltd. by Sara Lee Corporation, USA has been terminated with effect from March 31, 2012. This is consequent to the sale of global rights of the Brylcreem brand by Sara Lee Corporation to Unilever. As a result of the termination, your Company received ₹ 24.76 crore and its wholly owned subsidiary Godrej Household Products Lanka (Private) Ltd. received ₹ 0.24 crore.

8. Subsidiaries

Your Company's focus is on emerging markets. The 3x3 strategy concentrates on three categories namely personal wash, hair care and home care in three geographies which comprise Asia, Africa and Latin America. In the past few years we acquired subsidiaries in the three continents in line with our '3 x 3' strategy.

The details of business of the subsidiaries are given in Management Discussion and Analysis section of the Directors' Report, under the heading 'International Businesses'. In line with the General Circular No. 2 /2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, the Board of Directors of your Company has passed a resolution for giving its consent for not attaching the financial

statements of subsidiaries of the Company to the Balance Sheet of the Company for the year ended March 31, 2012.

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. A one page financial summary for all the subsidiaries giving the required information is disclosed in the consolidated Balance Sheet.

As directed by the aforesaid circular the accounts of the subsidiary companies and the related detailed information will be made available to any shareholder seeking such information. The accounts of the subsidiary companies are also available for inspection by any shareholder at the registered office of the Company or at the registered offices of the subsidiary companies.

9. Directors

In accordance with Articles 130 and 131 of the Articles of Association of your Company, Prof. Bala Balachandran, Mr. Aman Mehta and Mr. D. Shivakumar retire by rotation and being eligible, offer themselves for re-appointment.

Accordingly, the proposals for their re-appointments are included in the notice of the Annual General Meeting.

10. Management Discussion and Analysis

In order to avoid duplication between the Directors' Report and Management Discussion and Analysis, your Directors give below a composite summary of the various business and functions of the Company.

10.1 Overview

Fiscal year 2012 began on a weak note with the debt crisis in the Eurozone and consequent challenges faced by economies across the world created further uncertainty and led to erosion of investor risk appetite globally. As developed economies struggle to revive their growths, it is becoming increasingly clear that emerging market economies will continue to play a vital role in the revival of the world economy and be greater influencers on policy going forward. According to the Indian Economic Survey, the global economy is expected to grow by 3.3%, while emerging economies are expected to grow by 6.2% in 2012.

India however continues to face its own internal challenges. High inflation, driven primarily by supply chain bottlenecks, combined with relatively slow policy actions are all playing their role in slowing down growth. Revenues of the Centre have been lesser than expected and reflect weak manufacturing activity and rising costs and, with higher than budgeted expenditure outgo, an expanding slippage on the fiscal side is evident. The Indian economy is predicted to grow at 6.5% in the year 2011-12 as compared to 8.5% in 2010-11.

The FMCG sector is the fourth fastest growing segment in the country with a CAGR of 11% over the last decade led by strong domestic consumption. FMCG companies continue to pursue expansion into rural India. The recent budget has proposed increasing allocation to the Bharat Nirman Programme, from ₹ 10,000 crore to ₹ 58,000 crore – a move that can be expected to further drive rural growth and in turn, boost FMCG companies. Overall, this sector is expected to maintain its robust growth rate.

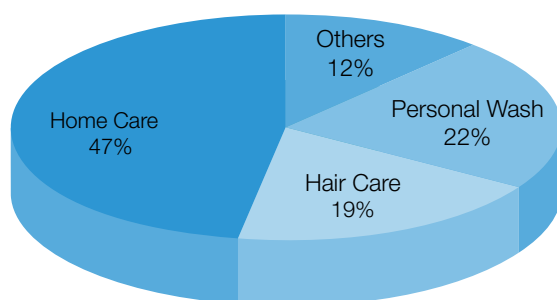


In line with the pattern of growing consumption, we have expanded volumes across all our businesses. Our growth has been a mix of organic and inorganic. On the organic front, our performance has been driven by innovations and a number of effective marketing, sales and supply chain initiatives. We have also leveraged accretive opportunities to enhance our scale and presence through inorganic growth.

We have also invested prudently to build on leadership in our core categories. Today, we are

the leaders in hair colour, home insecticides and liquid detergents and the number two player in toilet soaps in the Indian market, while also being the market leaders in air fresheners and wet tissues in Indonesia, in hair colours in many countries in Africa and Latin America and in hair extensions in Africa. In addition to this, we are also the number two player in home insecticides in Indonesia and in medicated soaps in Nigeria. Several of our brands are leaders or among the top 3 in their category globally.

Category Mix (Consolidated) FY 11-12

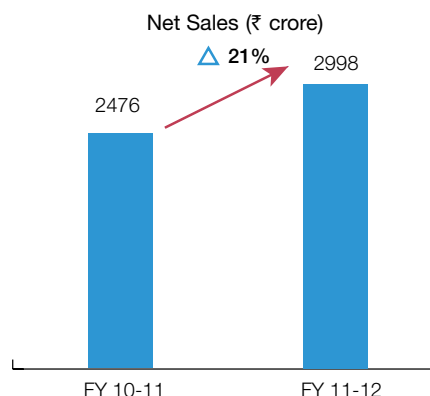


Profitability Perspective (Consolidated)

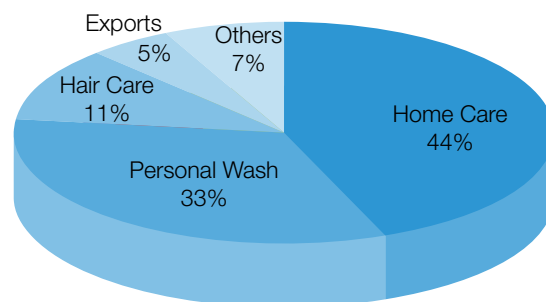
	FY 2011-12	FY 2010-11
PBDIT/Sales	19%	19%
PBT/Sales (before exceptional items)	16%	17%
PAT/Sales	15%	14%
EPS (₹)	22.34	16.11

10.2 Domestic Business

Your Company's domestic growth story has been strongly aided by the acquisition of GHPL



Category Mix (Domestic Business*) – FY 11-12



* Domestic business includes Sri Lanka and Bangladesh operations also



10.2.1 Home Care

We continue to gain and enjoy market leadership positions across all three formats of coils, aerosols and electrics. Higher growth is being driven by innovative product launches, continuous brand building and distribution gains resulting from the GCPL-GHPL merger. Our home insecticides business grew by 31% as opposed to 10% for the category as a whole.

Goodknight, our iconic home care brand remains a leader in the Indian Home Insecticides category. It is also the fastest growing refill brand and enjoys a dominant market share. The Goodknight Advanced Range comprises three products—Goodknight Active Plus (which was voted ‘Product of the Year’ in 2009 in the Home Insecticide category), Goodknight Advanced Low Smoke Coil (the world’s first low smoke coil that emits 80% less smoke while being 25% more effective) and Goodknight Naturals. Our mosquito repellent is enriched with moisturizing and skin care benefits and is available in 50 ml and 125 ml packs. Goodknight Silver Mats has been developed in the mat format and is packaged in quantities of 30 mats and 100 mats.

HIT remains the leader in the aerosol format. This brand, which envisions ‘building a happy and safe home’ has grown impressively due to enhanced

visibility and focused marketing initiatives. Jet, another well regarded brand, today enjoys high market share in the coil category in Andhra Pradesh.



10.2.2 Personal Wash

Personal Wash contributed 33% of our business this year. The toilet soaps business delivered a growth of 27%, against the market category growth of 10%. We also maintained our position as the second largest soap player in India. Godrej No. 1 remains India's leading Grade 1 soap. Today it is a leading soap brand, with strong market positions in both urban and rural markets and is backed by excellent brand building and brand activation. During the year, the portfolio was expanded to include one more variant Godrej No. 1 Saffron and Milk Cream, which has been one of the most successful new variants in recent years in the Personal Wash category. We have been significantly strengthening the equity of this brand with the 'Prakriti ka Spars' campaign and see further opportunities to drive penetration.

Godrej FairGlow, our fairness specialist soap is the first of its kind in India and continues to grow.

Our renowned Cinthol brand also continues to perform exceptionally well. Cinthol stands for activeness and re-energizing freshness. It holds a strong position in key states in the North, West and South. It is available in the following variants – Cinthol Deodorant and Complexion Soap, Cinthol Deo Soap – Aqua, Classic, Cologne, Musk, and

Sport; and Cinthol Fresh - Lime. We are also present in the fast growing deodorant segment in six variants – Sport, Cologne, Classic, Musk, Unleash and Rainstorm. Cinthol talcum powder is also available in five perfumed variants – Sport, Classic, Cologne, Musk and Lime.





10.2.3 Hair Care

We are leaders in the hair colour category in India and also the world's largest manufacturer of powder hair colour. We grew by 14% this year.

Godrej Expert Powder Hair Colour and Nupur Natural Mehendi led this healthy growth. We recently launched a new communication campaign for the Godrej Expert range of powder hair colours, which creatively communicates the brand positioning while highlighting the functional benefits of the new variants. Godrej Expert Original continues to be the category recruitment driver and the new variants, Godrej Expert Care Powder Hair Colour and Godrej Expert Advanced Powder Hair Colour, both of which were introduced during the year, are also becoming increasingly popular. The brand set a new benchmark by entering the Limca Book of Records 2012 when 1,511 people created history by colouring their hair with Godrej Expert within a span of 12 hours. Godrej Expert Care was also voted Product of the Year 2012, based on an independent survey by AC Nielsen amongst 30,000 people across India. Nupur Mehendi continued with strong growth, much ahead of the category and garnered the largest household base among henna users in India. Other products like Kali Mehendi have also performed encouragingly.



Our premium offerings, namely Renew and Colour Soft have faced some headwinds, but we are focused on strengthening our value proposition in this category and look forward to a better year going forward.



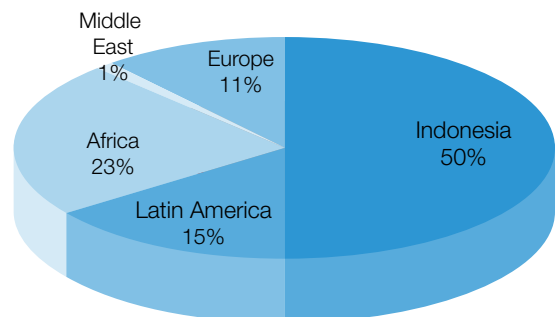
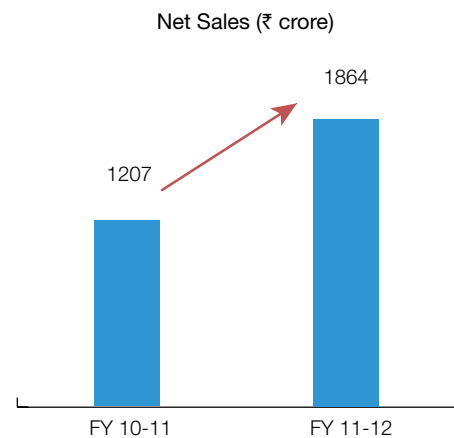
10.3 International Businesses

Our 3 X 3 strategy concentrates on three categories (Personal Wash, Hair Care and Home Care) in three emerging geographies (Asia, Africa and Latin America).

Our capabilities across these categories is well established, we have a strong understanding of the dynamics of these business and are well positioned to leverage our distribution and supply chain efficiencies as well as our strengths in terms of brand management, technology and manufacturing to create immense value.

Our key international businesses include Rapidol, Kinky, Darling Group, Tura in the African continent, Godrej Global Mideast FZE in UAE, Megasari Makmur Group in Indonesia, Issue Group and Argencos in Argentina and Keyline Brands in the United Kingdom.

Our international business has grown significantly



International business mix (FY 11-12)

Indonesia



The Indonesian economy is one of the largest in South East Asia, with a large middle class population that accounts for the major FMCG spends in the country. The FMCG sector in the country is expected to maintain its double-digit growth and consumers across classes have increased their spend significantly over the year. Overall though, the Indonesian consumer is a focused 'Value for Money' buyer, an attribute that fits in nicely with our strategy. Indonesia has been upgraded to the investment grade by leading international agencies and received strong FDI over the last year, which translated into improved market buoyancy.

The Megasari Makmur Group has performed extremely well as a result of a strong focus on innovation and impactful marketing. Megasari manufactures and distributes a wide range of household and personal care products, including home insecticides, wet tissues and air fresheners in Indonesia. It ranks first in Air Fresheners and Baby Wipes and is number two in the Home Insecticides market in Indonesia. Our major brands, HIT and Stella have delivered strongly during the year. We believe that this business has tremendous potential and look forward to building it further in the coming years.

Africa

The African continent has a population of over 1 billion and the expected GDP growth rates for the next decade is over 5%. Inflation has also witnessed a declining trend in the continent. Most of our core businesses grew ahead of their categories. We have done well in both the Caucasian and Ethnic hair colour markets. In fact, Rapidol is the market leader in the ethnic hair colour market in South Africa. Our Inecto hair colour range has also grown strongly during the year. The introduction of Renew in 2011 has enabled the brand to further expand its presence in the African market with a Caucasian hair colour offering. The business has also imbibed considerable learning from our Argentinian hair colourant business.

We have acquired a 51% stake in the Darling Group's business in South Africa, Nigeria & Mozambique, which represents about 45% of the Group's business. This partnership enables us to access major countries in sub-Saharan Africa and build other portfolio categories.



Our Kinky brand will leverage Darling's efficient production facilities to considerably lower their costs while hair extensions manufactured by Darling have a readymade consumer interface through the Kinky outlets.



Latin America

Proactive measures like controls on fiscal spends and a reduction in subsidies will help cement the future of the Argentinian economy, though there will be near-term pressures. In addition to this, government directives controlling imports have led to difficult manufacturing and trade environment for many businesses. Our Argentine businesses however see this as an opportunity, since many MNCs import their finished goods. Our performance here has been good, with 30% of the turnover comprising exports in the continent.

The combined businesses of Issue and Argencos have provided us with a strong entry and presence in South American markets, particularly in Argentina, Uruguay, Paraguay, Bolivia, Peru, Ecuador and Chile.

We have also acquired a 60% stake in Cosmetica Nacional, a leading hair colourant and cosmetics company based in Chile, with an important presence in Panama and Costa Rica as well. The company also has popular heritage brands like Illicit and U2. It exports to 7 countries in Latin America and this will help us to strengthen our foothold in the region.

Chile has the highest GDP per capita on PPP basis and is among the five most populated countries in Latin America and is expected to grow the fastest in Latin America in the next 5 years. It has also been rated as the country with best business environment in Latin America (EIU 2009).



United Kingdom

Our UK business has performed very well in an economy that has just entered a double dip recession, with challenges from high unemployment to low consumer confidence. This must be credited to our innovative sales and marketing efforts. Provoke Touch of Silver, our hair care range for blonde and grey consumers has nearly doubled in size in the last year and we continue to expand, by taking the brand to Canada, South Africa and other Caucasian markets. Cuticura, our hand sanitiser and skincare brand has also grown strongly.

We are very optimistic about growth in the UK and the potential of future innovations and strong marketing plans, across our well-regarded brand portfolio.



Middle East

Godrej Global Mideast FZE (GGME) continues to perform well, distributing soaps, hair colours, and toiletries in the UAE and other GCC countries.

10.4 Distribution and Supply Chain

Over the years, we have put in place a strong and effective supply chain. From sourcing raw materials to delivering the end product, we have established a supply chain management process across all businesses and have improved visibility, alignment and synchronization.

We have now developed a demand driven supply chain and our supply chain management system has resulted in value-added customer service experience, reduced inventories, agility, lower operating costs and prudent use of fixed assets. Our integrated supply chain follows the replenishment model, starting with customer demand, which is driven all the way down to the supplier who achieves it in the most effective manner. Our global supply organization allows us to be an industry benchmark in end-to-end replenishment and Theory of Constraints.

We have built centers of excellence in TPM, Lean, Six Sigma and low cost automation to expand our business. Additional cost efficiencies have been determined through energy conservation and deploying Lean and Six Sigma principles.

The merger of GHPL with GCPL has contributed meaningfully to expanding our distributor presence across India, especially in rural areas. This increased coverage of touch points across distant demographics has led to a wide distribution network. We also enjoy a significant competitive advantage due to our flexible and scalable IT systems.

10.5 Sales

In order to drive our initiatives to expand and enhance our urban and rural penetration, we have

been building a new and improved future ready sales system. Synergies, especially from the GCPL-GHPL merger have helped us streamline our operations and make our Company more efficient.

Our team has been pushing micro-planning to the next level in order to address the needs of our consumers. We are now focusing on locally relevant activations and harnessing the power of technology to improve the quality of our coverage.

We have updated our IT systems and processes, which will help our front line sales force with advanced analytical information. The new sales technologies in urban markets and the MIS interface are designed to increase our sales efficiencies. We are also streamlining our sales operations to increase our coverage of modern trade.

10.6 Human Resources

Our greatest asset is our people and we are proud to be known as an employer of choice. We continue to provide several developmental opportunities for our teams and inspire a culture of professional entrepreneurship. Our 'One GCPL' culture is also playing a critical role in unifying our vision and focus by building a strong team with similar values and processes, driven by clearly defined goals. We are in the process of integrating all our businesses in the Godrej way making sure that we maintain the right balance. Local management teams are fully empowered to drive local decisions, while we continuously explore opportunities to enhance synergies and learning across geographies.

Our focus on developing leadership skills continues and we have launched different initiatives in collaboration with leading business schools from around the world. One of these is a



lecture series on our three pillars of Leading Self, Leading Others and Leading Business. We have also been building capabilities across teams and introduced 'Shifting Gears', to evaluate and develop the members of the supply chain and manufacturing teams.

'Just Like That' is a great informal platform for employees to interact and 'Monday Mania', our campaign against Monday morning blues is a favourite. Our in-house magazine, 'Connect' offers a space for sharing ideas.

Our focus for the year ahead will be on improving the talent pipeline and leadership, driving more engagement and cultural collaboration and building on rural employability.

10.7 Research and Development

Our R&D efforts are in line with changing consumer demand and preference. These include consumer studies to measure feedback on new products, modification of products to suit the changing consumer preferences and adding features and variants to our existing products as substitute solutions to offer our consumers.

Innovation continues to be our focus. It is imperative that we give consumers enough reasons to remain excited about our products and return to buy more. In line with this objective, we are dramatically strengthening our R&D

capabilities. Over the next three years, the endeavour will be to re-launch or innovate across our product portfolio and create products with meaningful differentiation. We have a dedicated design and innovation cell and are employing design driven thinking to accelerate the time to market and to improve the odds of success.

We have had a number of innovations and launches this year. In Personal Wash, we launched a new variant of Godrej No. 1, Saffron and Milk Cream. Both milk and saffron are natural ingredients that beautify the skin and respond to the expressed need of soap users looking for a product with limited artificial constituents. We have also introduced the Godrej Expert powder hair colour range in three variants – Original, Care and Advanced. Godrej Expert Original, trusted by over 40 million consumers, is now available in a new pack with the time-tested Colour Lock Formula. Godrej Expert Care is a herbal-based formulation with henna and amla. It cares for the hair and keeps it strong while colouring. This is available in three shades – Gentle Black, Natural Brown and Burgundy. Godrej Expert Advanced is available in three colours namely Gentle Black, Natural Brown and Burgundy and for the first time ever, introduces a Pro-Gel formula with a gel like consistency that does not drip and is easy to spread. It also packs in triple conditioners, which make hair soft and beautiful while adding an attractive coat of colour.

On the international front, we have been modifying our global products to suit consumer tastes in different geographies. HIT Magic is undisputedly the most innovative product that has been launched in Indonesia, a paper format mosquito repellent. HIT Extra is a power electric mosquito repellent which has been successfully launched this year. We have also introduced Stella Duo, an air freshener with a dual fragrance in the Indonesian market. In Hair Care, we have launched 10 new shades in Renew hair colour and 3 new shades in Inecto powder hair colour in South Africa. We have also launched Abha Herbal Black Henna in Sri Lanka. We have introduced an ammonia free hair colour under our Issue brand in Argentina – Issue Precious Secrets hair colour with a three dimensional gloss feature. We also launched Diamond Black, the first of the select new colours. Our new Salon Selectives brand in the UK has a range of shampoos, conditioners, mousses, sprays, gels and oils.

10.8 Promotional Activities

We have supported our new initiatives with extensive promotional activities. The Goodknight Soorya Festival, which has been successfully running for the last 35 years, included dance and theatre performances by renowned artists and movie screenings of regional feature films at various locations across India. Well-known artists Shobana, K. J. Yesudas and Pandit Ramesh Narayan performed at this one-of-a-kind cultural festival. It has been recognized by the Limca Book of Records as the cultural programme with the longest duration run (of 111 days).

We also partnered with Shah Rukh Khan to launch Cinthol's special edition Ra One Deo spray at Filmcity. The special edition can showed

pictures of Shah Rukh in his superhero character G One. Cinthol fans also had a chance to win exciting prizes like bikes, iPads, mobiles and mp3 players.

10.9 Good & Green

In conjunction with our vision for “brighter living” for all stakeholders, we have developed a long-term vision for playing an active part in creating a more inclusive and greener India. This vision has been named “Godrej Good & Green”.

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

We kick started our initiatives around Employability, through the introduction of two shared value projects in Front Line Sales and Beauty and Hair Care.

The pilots in Front Line Sales have started in the Raigarh district of Madhya Pradesh, Raipur district of Chattisgarh and in Cuttack in Odisha. This programme aims at training rural underprivileged youth in sales. Participants certified by Godrej through this programme will be given the opportunity to get a job with a Godrej distributor or sub-stockist in these areas. The Beauty, Hair Care and Mehendi programme, ‘Godrej Saloni’ has been launched in 5 community locations

in Mumbai, in partnership with NGOs. More than 350 women from nearby communities are expected to complete this three-month programme and receive their certification in May 2012. Post certification, the participants will be ready to operate as self-employed beauticians and hairdressers. In order to equip them for this, we will also aid with training in entrepreneurship and provide them with starter kits.

A number of initiatives have been undertaken at GCPL on Greener India. GCPL is striving towards reducing specific energy consumption, utilizing a higher proportion of renewable energy sources, becoming carbon neutral and water positive and eliminating solid waste sent to landfills.

10.10 Internal Control and Adequacy

We have a proper system of Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

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

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

The GCPL Head Office and all major factories and offices across India operate on an Information Security Management System which is ISO/IEC 27001 certified.

10.11 Corporate Social Responsibility

The disclosure on your Company's and the Godrej Group's commitment to fulfill its Environment, Social and Economic responsibilities on the key principles enunciated in the guidelines issued by the Ministry of Company Affairs and mandated by SEBI is included separately in this Annual Report in the section titled "Business Responsibility Statement".

10.12 Awards and recognition

- a) Brand Equity's Most Trusted Brand Survey 2011.
 - GoodKnight ranked 2nd in Household Care.
 - Cinthol ranked 9th in Personal Care.
 - Godrej No. 1 ranked 16th in Personal Care.
 - Godrej Powder Hair Colour ranked 25th in Personal Care.
 - 3 of GCPL's Brands viz. Cinthol, GoodKnight and Godrej No.1 ranked in 100 Most Trusted Brands.

Source: Brand Equity - Nielsen Survey

- b) Godrej Expert Care Powder Hair Colour – voted Product of the year 2012 in powder hair colour category.
- c) Malanpur factory won the famous Bhamashah Award in 2011 by the M. P. Govt.
- d) Malanpur factory won 14 awards at the 25th National Convention of Quality Circle 2011, held at Hyderabad.
- e) Malanpur factory won the prestigious National Level Knowledge Test on Quality Circle concepts and tools organised by NCQC.

- f) At a Legal Risk Assessment conducted by M/s. Chess Management Services, Malanpur factory was awarded the 'Best legally complied factory.'
- g) Godrej Consumer Products awarded NDTV Profit Business Leadership Awards 2011 in 'Consumer Product Goods' category

10.13 Risk and Concerns

As we expand our global reach, we will be exposed to an increasing degree of risks. These risks can adversely impact our operating performance, cash flows, financial performance, management performance and overall sustainability. We have an active risk management strategy in place and a Risk Committee, whose role is to identify potential risks, create mitigation strategies and monitor the occurrence of risk.

The risks that may affect us 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 we have a presence or operate.

10.14 Outlook

The coming year provides us with tremendous opportunity and we are motivated by the thought of building a stronger GCPL. While there will undoubtedly be challenges, we believe that we have a sound strategy and strong management team to lead this change.

10.15 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 industry, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

11. 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 4,500,000 stock options convertible into 4,500,000 equity shares of the nominal value ₹ 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, 2012, 419,925 options convertible into 419,925 shares of nominal value of ₹ 1/- each are outstanding in respect of options granted under the GCPL ESOP to employees of the Company.

No fresh options have been granted during the year.

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 2011-12 based on the intrinsic value of the options. Under the Scheme of Amalgamation between your Company and Godrej Household Products Limited (GHPL), the Employee Stock Option Scheme of the erstwhile unlisted GHPL has now become part of your Company. The equity shares of 'Godrej Industries Limited' are the underlying equity shares for the stock option scheme. As at March 31, 2012, 1,462,000 options convertible into 1,462,000 equity shares of Godrej Industries Ltd. are outstanding.

12. Employee Stock Purchase Plan

The Board of Directors at its meeting held on January 22, 2011 had approved an Employee Stock Purchase Plan (GCPL ESPL) under the provisions of Section 77 of the Companies Act, 1956. The GCPL ESPL is administered by the GCPL ESOP Trust. Employees in the cadre of

Vice Presidents and above, are eligible to be covered under the plan.

Under the GCPL ESPL, the Company 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 upto 1,000,000 shares of the Company from the secondary market.

Under the GCPL ESPL 1,000,000 shares have been granted, which have vested on March 30, 2012. Within the exercise period of two years, the shares shall be compulsorily exercised by acquiring them from the GCPL ESOP trust. The exercise price shall be the market price on the day prior to the date of grant plus interest at a rate not less than the bank rate till the date of exercise.

13. Employee Stock Grant Scheme

The shareholders have on March 18, 2011, approved a new Employee Stock Grant Scheme (ESGS 2011). The scheme envisages the issue of up to 2,500,000 fully paid equity shares at a nominal value of ₹ 1 each in the Company to certain eligible employees of the Company and/or its subsidiaries. In terms of the scheme, 94,966 grants are outstanding and not vested as at March 31, 2012.

The eligible employees shall be entitled to exercise the options vested in them, within one month from the date of vesting or such dates as may be determined by the HR & Compensation Committee. The exercise price shall be ₹ 1/- per equity share. The equity shares vested in the eligible employees shall be allotted on payment of the exercise price.

The details of the grants allotted under GCPL ESGS, 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.

14. 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.

15. Listing

The shares of your Company are listed at the BSE Limited and the National Stock Exchange of India Ltd.

2,250 unsecured redeemable non-nonvertible debentures of face value ₹ 10 lac each aggregating to ₹ 225 crore issued in November 2011 on private placement basis are listed in the whole sale debt segment of the National Stock Exchange of India Ltd.

500 unsecured redeemable non-convertible debentures of face value ₹ 10 lac each aggregating to ₹ 50 crore issued in April 2012 on private placement basis are listed in the whole sale debt segment in of the National Stock Exchange of India Ltd.

The applicable annual listing fees have been paid to the stock exchanges before the due date.

16. Auditors

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

Pursuant to directions from the Department of Company Affairs, M/s. P. M. Nanabhoy & Co., Cost Accountants have been appointed as Cost Auditors for the applicable products of the Company for the year 2011-12. They are required to submit the report to the Central Government within 180 days from the end of the accounting year. M/s. P. M. Nanabhoy & Co., Cost Accountants have also been appointed as Cost Auditors for the year 2012-13 for the applicable products of the Company.

17. 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.

18. Corporate Governance

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.

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 C** and forms a part of this Annual Report.

19. Acknowledgement

Your Directors wish to place their sincere thanks to the Union Government and the various State Governments 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 30, 2012

Annexure A forming part of the Directors' Report

As per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, following information is disclosed in respect of employee stock benefit plans are given below:

Sr. No.	Heading	Godrej Consumer Products Limited Employee Stock Option Plan	Employee Stock Grant Scheme
a	Options granted	3,667,000	114,102
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	₹ 1 per equity share
c	Options vested up to March 31, 2012	2,744,000	Nil
d	Options exercised up to March 31, 2012	2,450,075	Nil
e	The total number of shares arising as a result of exercise of option	Nil - Since no fresh issue of shares by the Company	Nil
f	Options lapsed	797,000 lapsed and forfeited (on account of employees leaving the service of the company before the date of vesting)	19,136 on account of employee leaving service before vesting
g	Variation of terms of options	None	None
h	Money realized by exercise of options	₹ 471,894,683	None
i	Total number of options in force	419,925	94,966
j	Employee wise details of options granted to:- i) senior managerial personnel ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil- Outstanding Nil Nil	As per note 1 below Nil Nil
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	There is no fresh issue of shares arising on account of exercise of options. Hence, not applicable.	₹ 18.58 per share

Continued....

Sr. No.	Heading	Godrej Consumer Products Limited Employee Stock Option Plan	Employee Stock Grant Scheme
I	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 ₹ 0.66 crore, Profit after tax lower by ₹ 0.52 crore and basic EPS would have been lower by ₹ 0.00	The company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted the employee compensation cost would have been lower by ₹ 0.01 crore, Profit after tax higher by ₹ 0.01 crore and basic EPS would have been higher by ₹ 0.00
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 ₹ 192.60 plus interest as mentioned in pricing formula Fair Value ₹ 34.10	Exercise price ₹ 1.00 Fair Value ₹ 369.90
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:	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,	7.42%	7.50%
	ii) expected life,	4 years	2 years
	iii) expected volatility,	38%	36%
	iv) expected dividends, and	0.95% - 3.01%	1.01%-1.20%
	v) the price of the underlying share in market at the time of option grant	₹ 129.65- ₹ 418.85	₹ 376.20- ₹ 447.50

Note 1- Employee wise details of stock grants

Name of senior managerial persons to whom stock options have been granted	Number of options outstanding
Rakesh Sinha	7,176
P Ganesh	7,176
Sunder Nurani Mahadevan	4,784
Rahul Gama	3,189
Tarun Arora	4,784
Shashank Sinha	14,352
Sunil Kataria	4,784
Naveen Gupta	10,764
Jatin Brahmecha	7,176
R Anand	3,189
Ravi Venkateswar	7,176

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 AND OUTGO

A. Conservation of Energy

I. (A) Energy Conservation measures undertaken:

1. Energy consumption reduction in coil lines through debottlenecking and moisture improvement. Savings in FY 11-12 – ₹139 Lac
2. Reduced steam consumption of SWEP3 by increasing the inlet temperature of sweet water through utilizing of waste heat of steam drum. Savings in FY 11-12 - ₹ 11.5 Lac.
3. Optimized lighting load in chemical plant and also provided transparent sheets to utilize sunlight in chemical plant # 1. Savings in FY 11-12 ₹ 1.2 Lac.
4. Unified high pressure steam network of high pressure steam generators in order to optimize steam generators loading in turn to reduce fuel consumptions in fat splitting plants. Savings in FY 11-12 - ₹ 2.8 Lac.

(B) Proposed energy conservation measures:

1. Provision of heat recovery units in coil factories.
2. Provision of energy efficient motors in place of low efficiency motors.

3. Provision of LED lights in place of conventional lights in plant area and street lights.
4. Provision of energy efficient air compressors equipped with VFD.
5. Provision of boiler feed water heating from waste heat of distiller condenser.
6. Provision of waste heat recovery from condensate.
7. To reduce feed water percentage by 10% in fat splitting plant for low FFA feed stock to reduce the thermal load.
8. Provision of thermostatic traps in place of thermodynamic traps for the jacketed lines to reduce the steam consumption.

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)

The Research & Development function of your Company, working in tandem with internal and external customers, continued to play a key role in ensuring successful launches during the year. These include the launch of the following new products during the year.

1. Godrej No. 1 'Saffron and Milk Cream' Soap
2. Godrej Expert Powder Hair Colour Care – 3 shades
3. Godrej Expert Powder Hair Colour Advanced - 3 shades

The current year also saw a sharper focus on Consumer Centric and relevant, design led innovation.

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

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

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

Strong R & D initiatives have led to a number of new products being launched successfully in the market in the current financial year.

III. Future Plan of Action:

Your R & D will systematically plan to come out with newer innovations in the market place. Your R & D shall endeavour to delight both our domestic and international customers by:

1. Ensuring successful commercial launches for the coming year.
2. Focusing on newer consumer relevant product experiences.
3. Maintain strong focus on R & D training needs and people development.

We believe that the three key pillars of Consumer Centricity, NPD process and training led skill up-gradation will continue to propel your Company ahead of competition in its strategy of innovation led value creation.

IV. Expenditure on R & D

(₹ Crore)

		FY 2011-12	FY 2010-11
(a)	Capital	0.4	-
(b)	Recurring	8.0	7.9
(c)	Total	8.4	7.9
(d)	Total R & D expenditure as a percentage of total sales turnover	0.28%	0.32%

Technology absorption, adaptation and innovation

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

Commercialisation of new products such as Godrej No.1 Soap – Saffron & Milk Cream, Godrej Expert Powder Hair Colour – “Care & Advanced”

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:

(₹ Crore)

		FY 2011-12	FY 2010-11
I.	Foreign exchange used	284.45	177.33
II.	Foreign exchange earned	372.15	201.90

Annexure C forming part of the Directors' Report

Auditors' Certificate on Corporate Governance

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, 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

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

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

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

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

Daraius Z. Fraser
Partner
Membership No.: 42454

Mumbai, April 30, 2012

CORPORATE GOVERNANCE

6

Company's Philosophy on Corporate Governance:

At Godrej, Corporate Governance has been practiced over the past 115 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.

1. Board of Directors:

Board Procedures

GCPL currently has a 12 member Board, with six independent directors. The independent directors are eminent professionals from diverse fields such as finance, information systems, marketing and corporate strategy. None of the independent directors have been associated with the Godrej group in the past. GCPL's Board has a lead independent director, in line with accepted best practices, to strengthen the focus and quality of discussion at the Board level.

The Board meets at least once in a quarter to review the quarterly performance and financial results. Board meetings are governed with a structured agenda. The Board periodically reviews compliance reports in respect of laws and regulations applicable to the Company. Before the commencement of the Audit Committee meeting, the members of the Audit Committee which consists entirely of independent directors, have discussions with the statutory auditor without the management team or whole time directors being present in that meeting. For all major items, discussed at the Board meeting, comprehensive background information is provided to the Board to enable them to take an informed decision. Once in a year, the Board members participate in a strategy meeting in which it also interacts with the management teams of the Company. During the strategy meeting process, the independent directors also

have a meeting amongst themselves after which they provide their valuable insight to the entire Board and the management team.

a. Composition of the Board:

The composition of the Board as on March 31, 2012 was as under:

Category	No of Directors
(i) Non Independent Directors	
Executive Chairman	1
Managing Director	1
Other Non Executive Promoter Directors	4
Sub. Total	6
(ii) Independent Directors	6
Total Strength (i + ii)	12

b. Directors' Profile:

Mr. Adi Godrej:

Adi Godrej is the chairman of the Godrej Group. He is also chairman of Godrej Industries Ltd., Godrej Consumer Products Ltd., Godrej Properties Ltd., Godrej Hershey Ltd., The Godrej Group is one of India's largest conglomerates.

Mr. Godrej is a Director in numerous companies, including Godrej & Boyce Mfg. Co. Ltd., Godrej Agrovet Ltd., Godrej International Ltd. He is the former Chairman and President of the Indian Soap & Toiletries Makers' Association, The Central Organisation for Oil Industry and Trade, The Solvent Extractors' Association of India, The Compound Livestock Feeds Manufacturers' Association, the Indo-American Society and the Governing Council of the Narsee Monjee Institute of Management Studies and former member of the Dean's Advisory Council of the MIT Sloan School of Management and the Wharton Asian Executive Board. Mr. Godrej is a member of Tau Beta Pi (The

Engineering Honor Society). Mr. Godrej is Chairman of the Board of the Indian School of Business; President, Confederation of Indian Industry; Mr. Godrej is a patron of the Himalayan Club. He is a recipient of several awards and recognitions including the Rajiv Gandhi Award 2002, the Entrepreneur of the Year for the Asia Pacific Entrepreneurship Awards 2010, Best Businessman of the Year for the GQ Men of the Year Awards 2010, Chemexcil's Life Time Achievement Award 2010, AIMA-JRD Tata Corporate Leadership Award 2010, BMA-Management Man of the Year Award 2010-2011, Qimpro Platinum Standard award for business in 2011.

Mr. Godrej received his undergraduate and Master's degree in management from the Massachusetts Institute of Technology.

Mr. Jamshyd Godrej:

Mr. Jamshyd N. Godrej is the Chairman and Managing Director of Godrej & Boyce Manufacturing Company Limited, the holding company of the Godrej group. Godrej and Boyce has diverse businesses ranging from refrigerators, washing machines, air-conditioners, office and home furniture, security equipment for banks (such as safes, strong room doors, bank lockers, etc.) and for commercial establishments and homes, locks and latches, forklift trucks and warehousing equipment, to process equipment for chemical, petrochemical, refineries and allied industries, precision tools for sheet metal, zinc, aluminium and real estate development.

The Godrej group is a leader in home appliances, consumer durables, office equipment, industrial products, consumer products and services.

Jamshyd is the Chairman Emeritus of Aspen Institute India. He is the Trustee and President Emeritus of World Wide Fund for Nature – India.

He is the Chairperson of the Board of Directors of Shakti Sustainable Energy Foundation and Chairman of India Resources Trust. He is a Director of World Resources Institute, USA, Director of Climate Works Foundation, USA and Director of Global Footprint Network, USA. He is a member of the Toyota Motor Asia Pacific Regional Advisory Committee. He is the Past President of Confederation of Indian Industry and also the Past President of the Indian Machine Tool Manufacturers' Association.

Jamshyd is the Chairman of the CII Sohrabji Godrej Green Business Centre. The Centre is housed in a LEED Platinum demonstration building which is the first green building in India and the greenest building in the world at the time when it was rated. The Green Business Centre is a Centre of Excellence for green buildings, energy efficiency, energy conservation, non-conventional energy sources, water policy, water conservation, etc.

Jamshyd is an ardent yachting enthusiast and has done extensive cruising along the west coast of India, the Baltic & North Sea, the Atlantic Ocean and in the Mediterranean Sea.

For his contribution to Indian industry Jamshyd has been the recipient of several awards and recognitions including the 'Padma Bhushan', conferred upon him by the President of India on 3rd April, 2003.

Jamshyd received his graduate degree in Mechanical Engineering from Illinois Institute of Technology, USA.

Mr. Nadir Godrej :

Nadir Godrej is the Managing Director of Godrej Industries and Chairman, Godrej Agrovet. He is also a Director in many companies including Godrej & Boyce, Godrej Properties, Godrej

Consumer Products, Mahindra & Mahindra and Tata Teleservices (Maharashtra) Ltd.

A veteran of Indian industry, Nadir has played an important role in developing the animal feed, agricultural input and chemicals businesses owned by Godrej. His active interest in research related to these areas has resulted in several patents in the field of agricultural chemicals and surfactants.

With his tremendous experience and expertise Nadir has also contributed to the development of a variety of industries by participating keenly in industry bodies such as the Compound Livestock Feed Manufacturers Association of India, Indian Chemical Manufacturers Association and Oil Technologists' Association of India.

Currently, Nadir is the President of Alliance Francaise Mumbai. For his contribution to Indo-French relations, the French Government has honored Mr. Godrej with the awards of "Chevalier de L'Ordre National due Merite" and "The National Order of the Legion of Honour".

A Bachelor of Chemical Engineering from the Massachusetts Institute of Technology and a Master of Chemical Engineering from Stanford University, Nadir has also done his MBA from the Harvard Business School.

Ms. Tanya Dubash :

Tanya Dubash is on the boards of several Godrej Group companies including Godrej Consumer Products Ltd., Godrej Industries Ltd., and Godrej Agrovet Ltd. As Executive Director & Chief Brand Officer of Godrej Industries Limited, she is also charged with enhancing the value of the Godrej Brand and evolving the Group to a more Brand driven organization.

She heads the Strategic Marketing Group (SMG) that guides the Godrej Masterbrand and portfolio strategy, and chairs a Marketing Council comprising of Group Marketing Heads. She also heads Corporate Communications and Media for the Group and oversees Godrej Nature's Basket, a gourmet food retailing chain.

She is AB cum laudé, Economics & Political Science, Brown University, USA, and an alumnus of the Harvard Business School. She was recognized by the WEF as a YGL in 2007. She is a Trustee of the Brown University and a member of the Brown - India Advisory Council..

Ms. Nisaba Godrej :

Nisa is the President, Human Capital & Innovation for Godrej Industries and associate companies. She is responsible for driving the Group's transformation efforts including efforts to attract and develop outstanding talent and make the culture more agile and innovative. Nisa instituted a design and innovation cell in 2010 and is working very closely with the Godrej Consumer Products (GCPL) team on the innovation strategy for the Company.

Nisa's previous assignments within the Godrej Group have included the successful turnaround of Godrej Agrovet. She has also led the creation of a strategy cell for the group and the development of the FMCG strategy for the Group. This has included creating a five year roadmap for Godrej's FMCG portfolio, outlining category choices and instituting a M & A cell with a focused playbook that led to eight acquisitions between 2009 and 2011.

Nisa drives the Group's CSR strategy and is the point person for the operations of the Godrej

Family Council. She is on the Board of Directors of Godrej Consumer Products, Godrej Agrovet, Teach For India and the Heroes Project. Nisa has a B.Sc. degree from The Wharton School, University of Pennsylvania and an MBA from Harvard Business School. She is passionate about girl's education, the human mind, trekking, equestrian and water sports.

Mr. Narendra Ambwani :

Narendra is a professionally trained executive coach and business advisor. He brings with him experience of over 34 years of work with renowned multinational Johnson & Johnson. He was Managing Director in Indonesia for 5 years followed by appointment as MD in India in 1995. He led the rapid growth of Indian operations of Johnson & Johnson by building hugely successful and strong brand names like Johnsons' Baby and Stayfree. His strong focus on people engagement and development made J & J India as one of the "Best Companies to work for in India.

Narendra has impeccable academic background having graduated in Electrical Engineering from IIT Kanpur followed by post graduate management training from IIM, Ahmedabad. He recently completed professional program for Executive Coaching from CFI, Chennai.

He serves on boards of leading corporates in India and acts as business strategy advisor.

Prof. Bala Balachandran :

A teacher by qualification and an academic entrepreneur by vocation, Bala Balachandran is one of the best known names in the Indian Management Education landscape. His teaching days began as early as in 1960 while as a student at Annamalai University, India from where he

moved to Carnegie Mellon, Dayton and finally Kellogg at Northwestern University in the USA where he served as Distinguished Professor for almost 35 years till his retirement in 2008.

With more than 85 research publications to his credit and several books currently on the anvil, Prof. Bala's research interests focus on Strategic Profitability through Customer Centric business strategies. His groundbreaking work in the areas of accounting, forecasting, and strategic decision support systems has earned him numerous scholastic honors, awards, and fellowships. He serves as a consultant to the senior management of many Companies, Educational Institutions as well as the Governments of the United States, India and Malaysia.

Prof. Bala has been actively involved in setting up Management Institutes in India and was part of the team that recruited the first set of faculty members for IIM Bangalore in the late 60's. He has been instrumental in designing the MBA Programs at MDI, Gurgaon in early 90s and ISB at Hyderabad at the turn of this century and Great Lakes Institute of Management at Chennai in 2004.

Great Lakes is Prof. Bala's dream project of putting Chennai on the International Management Education Map. He is a full time faculty member in the area of Accounting and Finance and chairs the Academic Advisory Council at Great Lakes. The Government of India conferred on him, the 'Padmashri' in 2001, in recognition of his contribution towards higher education in India.

Mr. Bharat Doshi :

Mr. Bharat Doshi is presently Executive Director & Group Chief Financial Officer (Group CFO), of Mahindra & Mahindra Limited (M & M), flagship company of the US \$ 15.4 billion Mahindra

Group, one of the leading industrial houses in India. M & M is the largest manufacturer of multi-utility vehicles and agricultural tractors in India.

He holds a Bachelor's Degree in Commerce and Master's Degree in Law from the Bombay University, and is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has participated in the Program for Management Development (PMD) at the Harvard Business School. Mr. Doshi was also a Fellow of the Salzburg Seminar on "Asian Economies: Regional and Global Relationships", held in December 2000.

Mr. Bharat Doshi joined Mahindra & Mahindra Limited in 1973 and has held various senior managerial positions over the past 38 years and was elevated to the Company's Board in 1992.

He is Chairman of Mahindra & Mahindra Financial Services Limited, and Mahindra Intertrade Limited. He also serves on the Boards of Tech Mahindra Limited, Mahindra Holdings Limited, Mahindra Navistar Automotives Limited., Mahindra Navistar Engines Private Limited, Mahindra USA Inc. and SsangYong Motor Company Limited.

He serves as an independent director on the Board of NSE.IT Ltd. He is on the Board of Governors of the Mahindra United World College of India and a Director on the Board of Indian Council on Global Relations. He is also on the Board of Governors of Indian Institute of Management, Tiruchirappalli. He was the President of Bombay Chamber of Commerce and Industry (BCCI) for the year 2009-10 and presently he is a member of the Managing Committee of BCCI. He was a Founding Member and member of the Governing Council of InAct (Indian Association of Corporate

CFOs & Treasurers), now renamed Association of Finance Professionals of India (AFPI).

He is actively involved with the work of several Chambers of Commerce and Industry in India and is a member of various Expert Committees, which influence economic and business policies of the Government. He was the Chairman of Expert Committee on Economic Affairs of Bombay Chamber of Commerce & Industry (BCCI) during 1996-97. He was also the Convenor of the BCCI "Think Tank", constituted as a special body to support the Chamber's initiatives on policy issues. In 1991, he was selected by the World Bank to attend a course on 'Development Policy & Management - The Role of the Public Sector in Development', which was held in Washington and Tokyo under the joint auspices of the Economic Development Institute of the World Bank and the Japanese Foundation for Advanced Studies on International Development.

Mr. Bharat Doshi was a member of the High Powered Expert Committee constituted by the Ministry of Finance, Government of India, on Making Mumbai an International Financial Centre and was a member of the SEBI (Securities and Exchange Board of India) Committee on Disclosures and Accounting Standards (SCODA). Mr. Doshi was a member of the Working Group constituted by Reserve Bank of India (RBI) to examine a range of emerging issues pertaining to regulation of the NBFCs (Non-Banking Financial Companies) Sector. He is presently a Member of CII National Council on Corporate Governance & Regulatory Affairs.

Mr. Bharat Doshi was adjudged 'India's Best CFO' by the leading business fortnightly Business Today (India Today Group Publication)

in April 2005. He was also conferred the 'CFO of the Year' Award, honouring financial excellence, by IMA India, an associate of The Economist Group, in December 2005. In November 2007, Mr. Doshi was honoured with the prestigious CNBC CFO of the Year 2007 award. In March, 2011, he has been inducted by CFO India as a Founding Member to the CFO Hall of Fame in recognition of an exemplary career and a lifetime of contribution to the field of Finance.

Dr. Omkar Goswami :

Dr. Omkar Goswami is the Founder and Chairman of CERG Advisory Private Limited. CERG is the acronym for the Corporate and Economic Research Group. Its objectives are to use Indian as well as international resources to provide best in class service in the following areas:

- Corporate advisory and consulting services for companies and industries in India and abroad.
- Research and analytics on markets, industries and businesses.
- Economic and policy analyses of different markets, regions, countries, industries, as well as trade, monetary, fiscal and exchange rate regimes.
- Strategic profiling of countries, regions and international institutions for clients.
- Research, surveys and analytical work for governments, companies, banks, investors, international multilateral institutions and NGOs.
- International and national workshops, conferences and roundtables on focused policy areas.

A professional economist, Goswami did his Masters in Economics from the Delhi School of Economics in 1978 and his D. Phil (Ph.D) from Oxford in 1982. He taught and researched economics for 18 years at Oxford, Delhi School of Economics, Harvard, Tufts, Jawaharlal Nehru University, Rutgers University and the Indian Statistical Institute, New Delhi.

In March 1997 he moved away from formal academics to become the Editor of Business India, one of the country's prestigious business magazines. From August 1998 up to March 2004, Goswami served as the Chief Economist of the Confederation of Indian Industry & the premier apex industry organisation of India.

Dr. Goswami has served on several government committees. He was the Chairman of the Committee on Industrial Sickness and Corporate Restructuring in 1993, which recommended revamping India's bankruptcy laws and procedures; member of the Working Group on the Companies Act; the CII Committee on Corporate Governance; the Rakesh Mohan Committee on Railway Infrastructure Reform; the Vijay Kelkar Committee on Direct Tax Reforms; the Naresh Chandra Committee on Auditor-Company Relationship; the N.R. Narayana Murthy SEBI Committee on Corporate Governance Reforms; and others.

Dr. Goswami has been a consultant to the World Bank, the IMF, the Asian Development Bank and the OECD. He serves on the board of Dr. Reddy's Laboratories and Infosys Technologies — two of India's most prestigious knowledge-based companies. He also serves on the board of Infrastructure Development Finance Company, Crompton Greaves, Cairn India Ltd. and DSP-Merrill Lynch Fund Managers.

Other than his regular columns for newspapers and magazines, Goswami has authored three books and over 70 research papers on economic history, industrial economics, public sector, bankruptcy laws and procedures, economic policy, corporate finance, corporate governance, public finance, tax enforcement and legal reforms.

Mr. A. Mahendran :

A. Mahendran is Managing Director of Godrej Consumer Products Ltd. He is also Director of Godrej Hershey. In addition to his current profile, he is Director for the Godrej group's FMCG portfolio and, as part of the group's leadership team, plays a key role in the areas of M&A, Leadership Development, Strategy, Channel Development and Finance.

In his earlier role as the Managing Director of Godrej Sara Lee, Mahendran has played a pivotal role and steered the fortunes of the Company since its inception and has nurtured the Good Knight brand into an acknowledged 'Super Brand' every year.

He was the architect of the merger between Godrej Tea and Godrej Industries Foods Division to create Godrej Beverages & Foods (GBFL) in 2006 (since renamed as Godrej Hershey).

Prior to his association with the Godrej Group, Mahendran was a partner with M/s R G N Price & Co. before joining Transelektra Domestic Products Limited, as an Executive Director in 1987. On Transelektra's takeover by the Godrej Group in 1994, he was nominated as Managing Director of the Company by the Godrej Group and continued in this capacity after Sara Lee Corp. acquired a 51% stake in 1995.

Mr. Mahendran is a founder member and President of the Home Insect Control Association (HICA) and an acknowledged authority on

household pest control. He is also a Promoter-Director of Harvey Heart Hospitals, Chennai, a super-specialty hospital in cardiac care, and a founder member of the Great Lakes Institute of Management. He served on the board of the Multi Commodity Exchange (MCX) and is on several industry forums such as FICCI, CII, Crop Care Federation of India and the Pest Control Association of India.

Mr. Mahendran graduated from Madras Loyola College in 1976 and proceeded to complete his Chartered Accountancy in 1979.

Mr. Aman Mehta :

Mr. Aman Mehta has over 35 years of experience in various positions with the HSBC Group. He was the Manager, Corporate Planning at The Hong Kong and Shanghai Banking Corporation's headquarters in Hong Kong.

He was the Chairman and Chief Executive Officer of HSBC USA Inc., the New York -based arm of HSBC Holdings plc which oversaw HSBC group companies in the Americas, before being appointed as Deputy Chairman of HSBC Bank Middle East, based in Dubai with responsibility for the Group's operations in the Middle East region. He was re-appointed General Manager International of the Hong Kong and Shanghai Banking Corporation in February 1998, Executive Director International in May 1998 and Chief Executive Officer in January 1999.

Mr. Aman Mehta also became Chairman of HSBC Bank Malaysia Berhad on January 1, 1999 and a Director of HSBC Bank Australia Limited. He retired from HSBC in December 2003 and presently is an independent non-executive director of several public companies in India such as Tata Consultancy Services Ltd., Wockhardt Ltd, Max India Ltd. and Jet Airways Ltd. and overseas companies such as PCCW Ltd. and Vedanta Resources PLC.

Mr. Aman Mehta has a Bachelor's degree in Economics from Delhi University.

Mr. D. Shivakumar :

Shivakumar or 'Shiv' as he is popularly known is currently the Managing Director and VP of Nokia India. From January 1, 2012, Shiv handles India, Middle East and Africa for Nokia as the Senior VP, based out of Dubai.

Shiv is an Engineer and an MBA.

Shiv is essentially a Marketer and a General Manager. Shiv has run more than 34 brands in his career over two decades. Shiv is a 'growth' manager, having grown every brand and business he has been associated with. He has a track record of building brands, developing people and bringing creative and innovative business model solutions in the categories and industries he has worked in. Shiv is an avid reader, he writes regularly for business magazines and teaches regularly at all the top business schools across the world. The achievements of the Nokia India team under Shiv have been case studies at Harvard, ISB and the Ivey School of Business. In the last six years, Nokia has become India's largest multinational and also was the most trusted brand between 2007 and 2010, surpassing many hundred and fifty year old household brands in India.

Shiv is on the board of Godrej Consumer Products and is also the Senior Vice President of the All India Management Association. Shiv has received many awards, One of top five Marketers in India 2003, Brand Builder of the year in 2008, Best CEO in 2009 and recently his alma mater IIM Calcutta awarded him the most distinguished alumnus award in November 2011 during their golden jubilee celebrations, one of nine alumni to get this in the history of IIM Calcutta. Shiv follows sport and is a keen sportsman himself.

c) Board Meetings held during the year :

Dates on which the Board meetings were held	Total Strength of the Board	No. of Directors Present
May 2, 2011	12	10
July 23, 2011	12	11
October 21, 2011	12	8 (and 1 one telephone)
January 21, 2012	12	12

The maximum gap between any two board meetings during the year was 99 days (calculated with respect to the gap between January 22, 2011 board meeting and May 2, 2011 board meeting)

d) Other Relevant Details of the Directors

Name of Director	Date of appointment	Relationship with other Directors	Category	Number of Directorships held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL**	
					(excluding Committee Chairmanship)**	Committee Chairperson**
Mr. Adi Godrej	November 29, 2000	Brother of Mr. Nadir Godrej, Father of Ms. Tanya Dubash and Ms. Nisaba Godrej	Promoter/ Chairman/ Whole-time	10 (3)	1	3
Mr. Jamshyd Godrej	March 1, 2001	None	Promoter/ Non-Executive	9 (5)	2	1
Mr. Nadir Godrej	November 29, 2000	Brother of Mr. Adi Godrej	Promoter/ Non-Executive	12 (6)	1	1
Ms. Tanya Dubash	May 2, 2011	Daughter of Mr. Adi Godrej, Sister of Ms Nisaba Godrej	Promoter/ Non-Executive	6 (2)	1	-
Ms. Nisaba Godrej	May 2, 2011	Daughter of Mr. Adi Godrej, Sister of Ms. Tanya Dubash	Promoter/ Non-Executive	2 (1)	-	-
Mr. Narendra Ambwani	May 2, 2011	None	Non-Executive/ Independent	3 (3)	4	-
Mr. Bala Balachandran	April 1, 2001	None	Non-Executive/ Independent	3 (3)	2	-
Mr. Bharat Doshi	April 1, 2001	None	Non-Executive /Independent	8 (4)	1	3

Name of Director	Date of appointment	Relationship with other Directors	Category	Number of Directorships held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL**	
					(excluding Committee Chairmanship) **	Committee Chairperson **
Dr. Omkar Goswami	June 18, 2008	None	Non-Executive/Independent	10 (8)	4	5
Mr. A. Mahendran	June 18, 2008	None	Managing Director / Whole-time	7 (1)	2	1
Mr. Aman Mehta	April 26, 2006	None	Non-Executive/Independent	6 (6)	3	2
Mr. D. Shivakumar	April 1, 2009	None	Non-Executive/Independent	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;
 - f) is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares; and
 - g) is not less than 21 years of age

e) **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 Prof. Bala Balachandran, Mr. Aman Mehta and Mr. D. Shivakumar 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 reappointment are as mentioned above in the Directors Profile.

2. Committees of the Board

The Company has set up an Audit Committee in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement with the stock exchanges. The Shareholders' Committee formed in accordance with Clause 49 of the listing agreement inter alia looks into Investor Grievances. Apart from these, the Company has also formed two non mandatory committees viz. Nomination committee and HR & Compensation Committee.

The composition of the Committees are as below:

Name of the Director	Category of the Director	Name of the Committee and Position held in that Committee			
		Audit Committee	HR & Compensation Committee	Nomination Committee	Shareholders' Committee
Mr. Adi Godrej	Promoter, Executive	None	None	None	Member
Mr. Nadir Godrej	Promoter, Non-Executive	None	None	None	Chairman
Mr. Jamshyd Godrej	Promoter, Non-Executive	None	None	None	Member
Mr. Tanya Dubash	Promoter, Non-Executive	None	None	None	None
Ms. Nisaba Godrej	Promoter, Non-Executive	None	None	None	None
Mr. A. Mahendran	Executive	None	None	None	Member
Mr. Narendra Ambwani	Independent	Member	Member	Member	None
Prof. Bala Balachandran	Independent	Member	Chairman	Chairman	None
Mr. Bharat Doshi	Independent	Chairman	Member	Member	None
Dr. Omkar Goswami	Independent	Member	Member	Member	None
Mr. Aman Mehta	Independent	Member	Member	Member	None
Mr. D. Shivakumar	Independent	Member	Member	Member	None
Total Strength of the Committee		6	6	6	4
No. of Independent Directors in the Committee		6	6	6	-
No. of Non-Independent Directors in the Committee		-	-	-	4

Mr. P. Ganesh, Executive Vice President (Finance & Commercial) & Company Secretary is the Secretary for all the Board Committees.

3. Attendance details at Board/Committee meetings and at the last Annual General Meeting

	Name of Meeting					
	Board	Audit Committee	HR & Compensation Committee	Nomination Committee	Shareholders' Committee	AGM- July 23, 2011
No of Meetings held ----->	4	4	3	1	15	
Attendance of the Director						
Mr. Adi Godrej	4	NA	NA	NA	14	Yes
Mr. Nadir Godrej	4	NA	NA	NA	13	Yes
Mr. Jamshyd Godrej	1	NA	NA	NA	5	No
Mr. Tanya Dubash	3	NA	NA	NA	NA	Yes
Ms. Nisaba Godrej	4	NA	NA	NA	NA	Yes
Mr. A Mahendran	4	NA	NA	NA	10	Yes
Mr. Narendra Ambwani	4	3*	2*	-	NA	Yes
Prof. Bala Balachandran	3(1)	3(1)	2(1)	1	NA	Yes
Mr. Bharat Doshi	3	3	2(1)	(1)	NA	Yes
Dr. Omkar Goswami	4	4	3	1	NA	Yes
Mr. Aman Mehta	4	4	3	1	NA	Yes
Mr. D Shivakumar	3	3	2	1	NA	Yes

Notes:

- 1) Board Meetings and Audit Committee meetings held on May 2, 2011, July 23, 2011, October 21, 2011 and January 21, 2012
- 2) HR & Compensation Committee meetings were held on May 2, 2011, July 23, 2011 and October 21, 2011
- 3) Nomination Committee meeting was held on May 2, 2011
- 4) Shareholders' Committee meetings were held on April 7, 2011, May 12, 2011, May 23, 2011, June 9, 2011, July 7, 2011, July 21, 2011, August 25, 2011, September 12, 2011, September 29, 2011, October 13, 2011 and November 3, 2011, December 12, 2011, January 12, 2012, February 13, 2012 and March 13, 2012.
- 5) *Joined the Committee with effect from May 2, 2011 (after the Committee meeting held on that day). 3 Audit Committee meeting, 2 HR & Compensation Committee meetings held after he joined the Board.
- 6) Figures in bracket indicates participation through concall
- 7) Leave of absence was granted to the directors whenever they could not be physically present for the Board/Committee meeting.
- 8) NA indicates not a member of the Committee.

4. Constitution and Terms of Reference of Board Committees

A. Audit Committee:

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 2, 2011. 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.

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 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 judgment 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.

B. Human Resources and Compensation Committee (Non-Mandatory Committee):

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 an 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. Accordingly the Company has set up the Human Resources & Compensation Committee.

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

- Review of human resource policies and practices of the Company and in particular, policies regarding remuneration of whole-time Directors and Senior Managers.
- In principle approval of Compensation Philosophy.
- Review of senior management compensation.
- Induction of new people, attrition, etc.
- To formulate detailed terms and conditions of Employee Stock Option Plan (ESOP), Employee Stock Purchase Plan (ESPP)

and Employee Stock Grant Plan (ESGP) (collectively referred to as 'Employee stock benefits' including -

- The quantum of Employee stock benefits to be granted under the relevant plans per Employee and in aggregate.
- The eligibility criteria.
- The conditions under which the Employee stock benefits vested in Employees may lapse in case of termination of employment for misconduct.
- The exercise period within which the employee should exercise the Employee stock benefits and the stock benefits that would lapse on failure to exercise the same within the exercise period.
- The specified time period within which the employee shall exercise the vested stock benefits in the event of termination or resignation of an employee.
- 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:
 - the number and the price of the stock benefits shall be adjusted in a manner such that the total value of the stock benefits remains the same after the corporate action;

- for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
- The Vesting Period and the life of the stock benefits shall be left unaltered as far as possible to protect the rights of the employee.
- The grant, vesting and exercise of stock benefits in case of employees who are on long leave.
- The procedure for cashless exercise of stock benefits, if required.
- 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.
- Fixing the exercise price.
- Approve forms, writings and/or agreements for use in pursuance of the Employee Stock benefit plans.
- To form a Trust and appoint Trustees.

C. Nomination Committee (Non-Mandatory Committee):

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

- Identify and nominate for the Board's approval, suitable candidates to fill Board vacancies as and when they arise.
- Drawing up selection criteria and appointment procedures for Directors.

- 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.

- Board Evaluation.

D. Shareholders' Committee:

The terms of reference of the Shareholders Committee include looking 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.

5. Remuneration Policy

a) Whole-time Directors, Managers and Officers of the Company

The components of the total compensation vary for different grades and are governed by industry norms, qualifications and experience of the employee, responsibilities handled and individual performance of the employee. GCPL has adopted EVA as a tool for driving performance, and has linked improvements in EVA to Performance Linked Variable Remuneration (PLVR). The Company has also stock benefit schemes as detailed in the Directors report, for eligible employees.

b) Non Executive Directors

At the Extra Ordinary General meeting held on February 21, 2012 the shareholders of the Company have approved 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 ₹12.50 lac per director per annum, whichever is less. The above approval is for a period of three

c) Remuneration of Directors:

The details of the remuneration package of Directors are as under:

₹ Lac

Name of Director	Sitting Fees	Commission	Salary, Allowances and other benefits	Company's contribution to PF	PLVR	Monetary value of perquisites	Total
Mr. Adi Godrej	-	-	174.05	11.05	249.64	308.62	743.36
Mr. Jamshyd Godrej	0.20	12.50	-	-	-	-	12.70
Mr. Nadir Godrej	0.80	12.50	-	-	-	-	13.30
Ms. Tanya Dubash*	0.60	11.44	-	-	-	-	12.04
Ms. Nisaba Godrej*	0.80	11.44	-	-	-	-	12.24
Mr. Narendra Ambwani*	1.05	11.44	-	-	-	-	12.49
Mr. Bala Balachandran	0.90	12.50	-	-	-	-	13.40
Mr. Bharat Doshi	0.85	12.50	-	-	-	-	13.35
Dr. Omkar Goswami	1.20	12.50	-	-	-	-	13.70
Mr. A Mahendran	-	-	343.65	16.80	213.20	56.27	629.92
Mr. Aman Mehta	1.20	12.50	-	-	-	-	13.70
Mr. D Shivakumar	0.90	12.50	-	-	-	-	13.40
Total	8.50	121.82	517.70	27.85	462.84	364.89	1503.60

*Appointed with effect from May 2, 2011.

Notes:

- In the case of Mr. Adi Godrej, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites include accommodation, furnishing, car, electricity and telephone expenses, reimbursement of medical/hospitalisation expenses incurred for self and family, medical insurance premium paid by the Company.
- In the case of Mr. A Mahendran salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites includes accommodation, expenses on car, club fees and interest on housing loan.
- The Performance Linked Variable Remuneration to Mr. Adi Godrej and Mr A. Mahendran is the amount payable for the financial year 2011-12. The same is based on the Economic Value Added (EVA) in the business and other relevant factors.
- The service contract of Mr. Adi Godrej is for a period of three years beginning from April 1, 2010. The service contract of Mr. A. Mahendran is for a period of three years beginning from July 1, 2010. The contracts are terminable with a notice period of three months by either side.
- The Non-Executive Directors are eligible for a Commission on Profits at the rate of 1% of the net profits, or ₹ 12.50 lac for each director, whichever is lower.
- The Board of Directors in its meeting held on January 22, 2011 had approved an Employee Stock Purchase Plan for Mr. A. Mahendran which is administered by the GCPL ESOP

Trust. The Company 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 upto 1,000,000 shares of the Company from the secondary market.

Under the plan, 10,00,000 shares have been granted to Mr Mahendran.

The shares so granted and held by the trust for the benefit of Mr. A. Mahendran. The shares have vested with Mr. A. Mahendran on March 30, 2012. Mr. A. Mahendran shall compulsorily exercise the shares by acquiring the shares from the GCPL ESOP trust. The exercise price shall be the closing market price on the day prior to the date of grant plus interest at a rate not less than the bank rate till the date of exercise.

6. Details of Shareholder Complaints

Sr. No.	Nature of Complaint/ Query	Total Received	Total Replied
1.	Non-Receipt of Dividend	85	85
2.	Non-Receipt of shares lodged for transfer / exchange	73	73
3.	Non-receipt of Annual Report	17	17
4	Others	1	1

There are no pending share transfers as on March 31, 2012.

7. General Body Meetings

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

Date	Time	Venue	Details of Special Resolutions passed
July 25, 2009	3.30 p.m	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.	Appointment of Mr. Dalip Sehgal as Managing Director Appointment of Mr. Adi Godrej as Whole-time Director designated as “Chairman” 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.
July 24, 2010	3.30 p.m	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.	Payment of commission on profits to non-executive directors
July 23, 2011	3.30 p.m	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.	None

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

Date	Time	Venue	Purpose of the meeting
May 25, 2010	11.00 a.m	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To announce the results of postal ballot in respect of resolutions passed for: <ul style="list-style-type: none"> Utilisation of rights issue proceeds for inter alia funding the acquisition of Tura, Nigeria / Megasari, Indonesia Acquisition of balance 51% stake in Godrej Sara Lee Ltd. at a revised consideration amount not exceeding ₹1200 crore.
March 18, 2011	11.00 a.m	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To announce the results of postal ballot in respect of resolutions passed for: <ul style="list-style-type: none"> Approval of Employee Stock Grant Scheme 2011(GCPL ESGS) and allotment of equity shares thereunder to the Employees of the Company Extension of the benefits of GCPL ESGS to employees of subsidiary companies Appointment of Mr. A Mahendran as Managing Director
February 21, 2012	11.30 a.m	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To accord consent for <ul style="list-style-type: none"> Preferential allotment of shares to Baytree Investments (Mauritius) Pte. Ltd. Payment of commission on profits to non executive Directors

8. Postal Ballot

No postal ballots were conducted during the year 2011-12

9. Disclosures

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

Name of Director	Shares held as on March 31, 2012	Dividend paid during the year (₹)
Mr. Adi Godrej	500	2250
Mr. Jamshyd Godrej	Nil	Nil
Mr. Nadir Godrej *	2,055,744	9,250,848.00
Ms Tanya Dubash	1,370,990	6,169,455.00
Ms Nisaba Godrej	1,370,999	6,169,495.50
Mr Narendra Ambwani	1,500	4,500.00
Mr. Bala Balachandran	Nil	Nil
Mr. Bharat Doshi	13,714	61,713.00
Dr. Omkar Goswami	Nil	Nil
Mr. A Mahendran	147,247	1,300,000.00
Mr. Aman Mehta	Nil	Nil
Mr. D Shivakumar	Nil	Nil
Total	4,960,694	22,958,261.5

*includes 1,028,724 shares held on behalf of minor son.

b) Materially significant related party transaction that may have potential conflict with the interest of the Company

During 2011-12, 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 Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in note number 39 of notes to accounts.

c) Whistle Blower Policy

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds or violation of 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). No person has been denied access to the Audit Committee.

d) Policy to prevent sexual harassment at the work-place

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Godrej group. To redress complaints of sexual harassment, a Complaint Committee for the group has been formed which is headed by Ms. T. A. Dubash

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 II(D)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes

Particulars	Clause of Listing Agreement	Compliance Status Yes / No
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

*Refer Note 13 and Note 45 of the Notes to the Financial Statements for the year ended March 31, 2012 for Management explanation on Accounting Treatment.

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 except for delay in submission of the quarterly compliance report to the stock exchanges on two occasions ranging from two days to ten days.

10. Means of Communication

GCPL has sent the Chairman's statement and unaudited financial results for the half-year ended September 30, 2011, 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 analyst once a quarter and their transcripts are posted on the website soon thereafter.

The Company files the quarterly results in the NSE Electronic Application Processing System (NEAPS). 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.

11. 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.

12. Shareholders

a) Communication to Shareholders:

The Chairman's statement and unaudited financial results for the half year ended September 30, 2011, 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.

13. 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, 2012, is annexed to the corporate governance report.

14. 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.

15. General Shareholder Information

a) Annual General Meeting:

Date and time : Saturday, August 4, 2012 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
Board Meeting for consideration of unaudited quarterly results for the financial year ending March 31, 2013	Within forty-five days from the end of the quarter as stipulated under the Listing Agreement with the Stock Exchanges
Board meeting for consideration of Audited results for the financial year ending March 31, 2013	Within two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges.

c) Book Closure:

There was an annual book closure on March 27, 2012, 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 2011-12:

Dividend Type	Declared at Board Meeting Dated	Dividend rate per share on shares of face value ₹1 each	Record Date
1 st Interim for FY 2011-12	July 23, 2011	₹ 1.00	August 1, 2011
2 nd Interim for FY 2011-12	October 21, 2011	₹ 1.00	November 2, 2011
3 rd Interim for FY 2011-12	January 21, 2012	₹ 1.00	January 31, 2012
Proposed 4 th Interim for FY 2011-12	April 30, 2012	₹ 1.75	May 10, 2012
TOTAL		₹ 4.75	

e) Listing:

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

Name & Address of the stock exchange	Stock/Scrip Code	ISIN number for NSDL/CDSL
BSE Limited Phiroze Jeejeebhoy, Towers, Dalal Street Mumbai 400 001	532424	INE102D01028.
The National Stock I Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	GODREJCP	

The Privately placed Non-Convertible Debentures are listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

ISIN Numbers for 2250 redeemable non-convertible debentures issued on Private Placement basis	INE102D08080
ISIN Numbers for 500 redeemable non-convertible debentures issued on Private Placement basis	INE102D08098

f) 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, 2012, are as under:

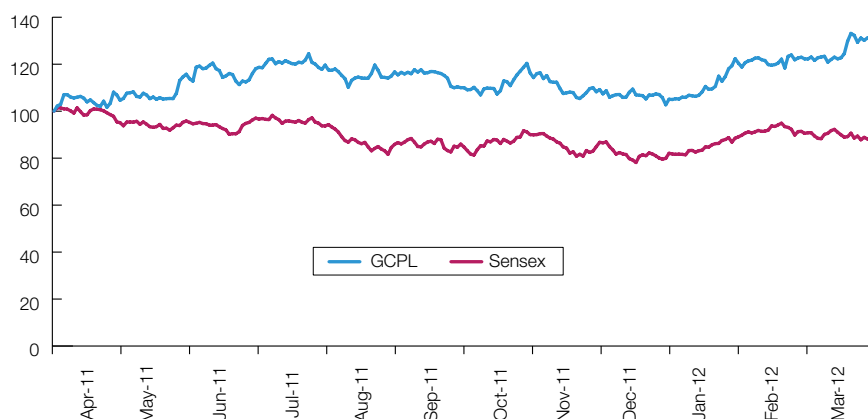
Month	Price in BSE			Price in NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
April 2011	398.60	363.15	1,33,370	410.00	364.45	1,754,533
May 2011	424.00	373.05	4,74,643	432.00	372.10	3,737,155
June 2011	445.00	401.25	1,057,364	446.55	400.50	8,829,590
July 2011	463.95	425.05	572,546	470.00	425.00	4,579,550
August 2011	443.00	398.00	389,673	441.00	393.30	5,092,793
September 2011	434.00	399.00	1,575,963	438.00	380.00	5,346,852
October 2011	455.55	387.00	281,787	441.80	355.00	3,698,424
November 2011	437.90	374.15	137,629	437.50	375.00	2,822,244
December 2011	408.70	376.95	1,139,308	422.25	376.55	3,804,816
January 2012	450.00	370.00	504,146	451.00	368.05	4,473,976
February 2012	459.00	420.55	278,647	460.00	429.00	4,270,099
March 2012	494.00	431.00	1,503,656	494.90	391.60	4,759,226

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.

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

GCPL share performance compared to the BSE Sensex for FY 2011-12



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

h) Registrar and Share Transfer Agents:

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**i) 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.

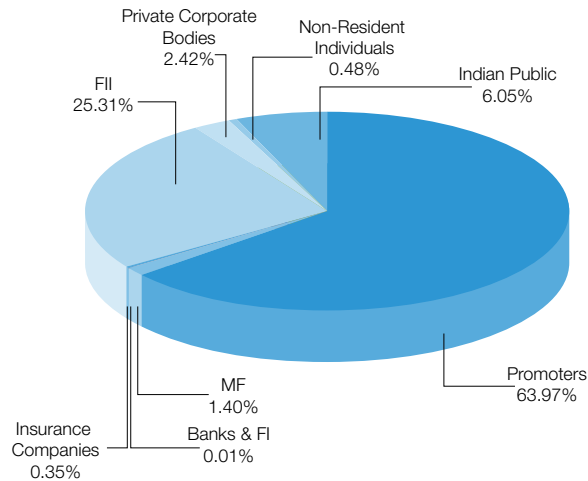
j) Distribution of Shareholding:

Distribution of shareholding by size class as of March 31, 2012

Number of Shares	Number of Shareholders	Shareholders %	Number of shares held	Shareholding %
1 – 500	75,935	89.65%	9,485,041	2.79%
501 – 1000	5,988	7.07%	4,037,316	1.19%
1001 – 2000	1691	2.00%	2,379,954	0.70%
2001 – 3000	378	0.45%	943,868	0.28%
3001 – 4000	140	0.17%	505,481	0.15%
4001 – 5000	101	0.12%	466,816	0.14%
5001 – 10000	160	0.19%	1,123,258	0.33%
10001 & above	310	0.37%	321,355,727	94.43%
Total	84,703	100.00%	340,297,461	100.00%

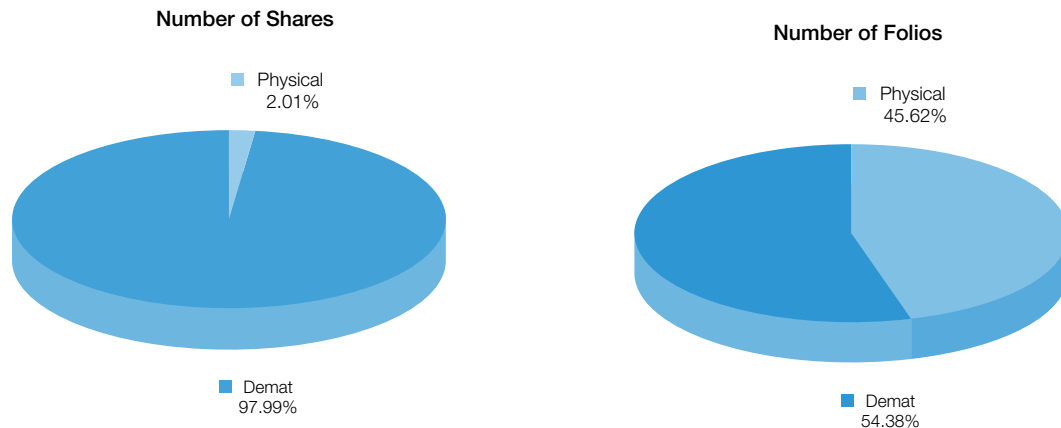
Distribution of shareholding by ownership as of March 31, 2012:

Category	Shares held (Nos.)	% of holding
Promoter's Holding		
Promoters	217,701,174	63.97%
Institutional Investors		
Mutual Funds	4,775,639	1.40%
Financial Institutions and Banks	41,208	0.01%
Insurance Companies	1,177,221	0.35%
Foreign Institutional Investors	86,144,068	25.31%
Others		
Private Corporate Bodies	8,245,778	2.42%
Indian Public	20,585,078	6.05%
NRI	1,627,295	0.48%
Total	340,297,461	100.00%



k) Shares held in Physical and Dematerialised Form :

Break up of physical and dematerialised shares as on March 31, 2012:



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

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

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

During the financial year 2011-12, the Company had issued 16,707,310 equity shares of face value ₹ 1 each at a premium of ₹ 409 per equity share on a preferential basis to Baytree Investments (Mauritius) PTE Ltd. The pricing was higher than the floor price calculated in accordance with SEBI guidelines.

During the financial year 2010-11 the Company had issued 15,400,100 equity shares of face value ₹1 each at a premium of ₹ 344 per equity shares to Qualified Institutional Buyers (QIB's). The pricing was equal to the floor price of ₹ 345 calculated in accordance with SEBI guidelines.

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

n) Plant Locations:

The Company's plants are located in the following states:

- **Jammu & Kashmir** - Kathua
- **Himachal Pradesh** - Thana, Baddi; Katha, Baddi
- **Sikkim** - Namchi
- **Assam** - Village Sila, Guwahati; Bamauni Maidan, Guwahati; Kalapahar, Guwahati ; Lokhara, Guwahati
- **Meghalaya** - Burnihat, Rebhoi District

- **Madhya Pradesh** - Malanpur, Dist Bhind
- **Goa** - Bardez; Corlim
- **Pondicherry** - Kattukuppam Manpet Post; Mannadipet Commune
- **Tamil Nadu** - Nedungadu Commune, Karaikal; Thirunallar Commune, Karaikal; Maraimalai nagar

o) 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.

p) 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 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.

q) 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 ₹ 10 to ₹ 6, and each equity shareholder in GSL

was allotted one share of GCPL with a face value of ₹ 4 (which has been subdivided into shares of face value of ₹ 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. ₹ 45.6 crore) / (net worth of GSL immediately before de-merger i.e. ₹ 286.9 crore). i.e 15.89% of the cost of acquisition of GSL shares.

r) 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.

BUSINESS RESPONSIBILITY STATEMENT





BUSINESS RESPONSIBILITY STATEMENT

Part A – Basic information about the business.

Section A-1

Basic details about the business

The Company is promoted by Godrej & Boyce Manufacturing Company Limited, Godrej Industries Limited and Godrej family members. The shareholding of promoter/promoter group constitute 63.97% of the paid up capital of the Company as at March 31, 2012.

The Consumer Products business was part of the erstwhile Godrej Soaps Limited (GSL) and was demerged into Godrej Consumer Products Limited in April 2001, pursuant to a scheme of demerger approved by the Hon'ble High Court of Judicature, Mumbai, dated March 14, 2001. Subsequently, Godrej Soaps Limited was renamed as "Godrej Industries Limited". We are listed on the BSE and the NSE since 2001.

With effect from April 2010 Godrej Household Products Limited was merged into GCPL pursuant to a scheme of arrangement sanctioned by the High Court of Judicature at Bombay.

GCPL is a leader among India's Fast Moving Consumer Goods (FMCG) companies, with leading Household and Personal Care Products.

Our brands, which include Goodknight, Cinthol, Godrej No. 1, Expert, Hit, Jet, Fairglow, Ezee, Protekt and Snuggly, among others, are

household names across the country. We are one of the largest marketers of toilet soaps in the country and are also leaders in hair colours and household insecticides. Three of our brands have been placed in 100 most trusted brands in the country.

We are driven by our mission to continuously enhance the quality of life of consumers in high-growth markets with superior-quality and affordable home care, personal care and hygiene products.

We also have a strong emerging presence in markets outside India.

As part of increasing our global footprint, we recently acquired 51% rights in the Darling group in Africa.

With acquisitions of Tura, a leading medicated brand in West Africa, Megasari Group, a leading household care company in Indonesia and Issue Group and Argencos, two leading hair colorant companies in Argentina, Keyline Brands in the United Kingdom, Rapidol and Kinky Group, South Africa and Godrej Global Mideast FZE, we own international brands and trademarks in Asia (ex. India), Latam, Africa, Europe, Australia,

Canada and the Middle East.

Further details about the business is provided in the Management Discussion and Analysis section of the Directors Report, which forms a part of this Annual Report.

Details of People in Top Management:

Name	Designation	Qualification
Adi Godrej	Chairman	B.S, M.S, Massachusetts Institute of Technology, U.S.A
A Mahendran	Managing Director	ACA
Rakesh Sinha	COO (Global Supply Chain, Manufacturing & IT)	B.Tech (Mech) P.G.D.I.E. A I C W A, CFA
Shashank Sinha	President (International Business)	BE, MBA
P Ganesh	Executive Vice President (Finance & Commercial) & Company Secretary	B.Com, ACA, ACS, Grad CWA
Rahul Gama	Executive Vice President (HR)	MBA
Sundar Nurani Mahadevan	Executive Vice President (R & D)	PHDM, MSC, BSC
Sunil Kataria	Executive Vice President (Sales & Marketing)	MBA

Economic and financial data as on 31 March, 2012:

A summary of the financial data is given in the Director's Report and Management Discussion and Analysis which is a part of the Annual Report.

Factories in India

- **Assam** - Village Sila,Guwahati; Bamauni Maidan, Guwahati; Kalapahar,Guwahati ; Lokhara, Guwahati
- **Goa** - Bardez; Corlim
- **Himachal Pradesh** - Thana, Baddi; Katha, Baddi
- **Jammu & Kashmir** - Kathua
- **Madhya Pradesh** - Malanpur,Dist Bhind
- **Meghalaya** - Burnihat, Rebhoi District
- **Pondicherry** - Kattukuppam Manpet Post; Mannadipet Commune
- **Sikkim** - Namchi
- **Tamil Nadu** - Nedungadu Commune,Karaikal; Thirunallar Commune,Karaikal; Maraimalainagar

Branches in India

- Chennai
- Delhi
- Kolkata
- Mumbai

International Operations

- **Africa:** South Africa, Nigeria, Mozambique
- **Asia:** Indonesia, Bangladesh, Sri Lanka
- **Europe:** United Kingdom
- **Latin America:** Argentina, Uruguay, Brazil
- **Middle East:** UAE

Section A-2

The Godrej Group has been at the forefront of philanthropic and social activities for several decades. 25% of the shares of the Godrej Group's holding company Godrej & Boyce are held in a trust that invests back in initiatives that support the environment, and improve the quality and availability of healthcare and education. Through the investment and oversight by the trust, a large tract of mangrove forests in Mumbai

have been protected, developed and maintained for several years and have served as a second set of lungs for the city. The Godrej Group has supported education for all through its support of the Udayachal pre-primary and primary schools which focus on all round development of children.

Additionally, the Godrej Group has supported initiatives in healthcare, through its Godrej Memorial Hospital (GMH), which aims to provide quality healthcare at affordable costs. One such initiative is GMH's partnership with a US based NGO 'Smile Train' which helps in performing corrective cleft lip and palate surgeries for low income children. GMH offers surgery and hospitalization to the patients free of cost.

Through active employee engagement and involvement, the Group continues to support the Indian chapter of "Table for Two", which it initiated at the World Economic Forum India Summit in December 2009. The initiative is targeted at addressing hunger and malnutrition in the developing world by combining our organization's tradition of serving society and individual involvement.

The Godrej Group also continues to support Heroes AIDS Project (HAP). HAP is nationwide HIV/AIDS initiative launched in July 2004 to work with media organizations and societal leaders in India. It seeks to develop coordinated campaigns to address the spread of HIV/AIDs and reduce stigma and discrimination by influencing public perception and policy through two platforms, advocacy and communications.

Godrej Good & Green



In conjunction with our vision for "brighter living" for all stakeholders, we have developed a long-term vision for playing an active part in creating a more inclusive and greener India. This vision has been named "Godrej Good & Green".

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

Specifically, our goals at the Group level for 2020 as part of this vision are:

- Training 1 million rural and urban youth in skilled employment
- Achieving zero waste, carbon neutrality, positive water balance along with reducing our specific energy consumption and increasing proportion of renewable energy resources
- Having a third of our portfolio revenues comprising good and/or green products and services – defined as products that are environmentally superior or addresses a critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid

Part B

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

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

GCPL currently has a 12 member Board. Since GCPL Board has an executive Chairman, atleast 50% of the Board should comprise of independent directors as per the requirement of Clause 49 of the Listing agreement. Out of the 12 directors in the GCPL Board, there are six independent directors and hence the composition of the independent directors in the GCPL Board meets with the corporate governance requirement as envisaged in Clause 49 of the Listing Agreement.

The independent directors are eminent professionals from diverse fields such as finance, information systems, marketing and corporate strategy. None of the independent directors have been associated with the Godrej group in the past. GCPL's Board has a lead independent director, in line with accepted best practices, to strengthen the focus and quality of discussion at the Board level.

The Board meets at least once in a quarter to review the quarterly performance and financial results. Board meetings are governed with a structured agenda. The Board periodically reviews compliance reports in respect of laws and regulations applicable to the Company. Before the commencement of the Audit Committee meeting, the members of the Audit Committee which consists entirely of independent directors have discussion with the statutory auditor without

the management team or whole time directors being present in that meeting. For all major items, discussed at the Board meeting, comprehensive background information is provided to the Board to enable them to take an informed decision. Once in a year, the Board members participate in a strategy meeting in which it also interacts with the management teams of the Company. During the strategy meeting process, the independent directors also have a meeting amongst themselves after which they provide their valuable insight to the entire Board and the management team. The full details of the Board composition, details of meetings held and attendance record is given in the corporate governance section of the annual report.

Code of Conduct for the Board of Directors & Senior Management –

The Board of Directors and Senior Management of Godrej Consumer Products Ltd. (GCPL) should:

- Demonstrate the highest standards of integrity, business ethics, and corporate governance.
- Perform their roles with competence, diligence, in good faith and in the best interests of the Company.
- Provide expertise and experience in their areas of specialization and share learnings at Board meetings with the best interests of the Company and its stakeholders in mind. They should point the Company's management in the 'right' direction based on their experience and judgement.
- Give careful and independent consideration to the affairs of the company and all documents placed before them to satisfy themselves with the soundness of key decisions taken

by the Management. They should call for additional information, where necessary, for making such judgements.

- Not engage in any business, relationship or activity which detrimentally conflicts with the interest of the Company/Godrej Group or bring discredit to it. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests must be avoided at all costs.
- Follow all the guidelines put forth in the Insider Trading Code of Conduct.
- Not disclose any confidential/privileged information of the Company and should direct any media queries or approaches to the appropriate spokesperson within the Company.

Applicability of the Code of Conduct:

This Code of Conduct (Code) applies to Directors of Godrej Consumer Products Ltd. (GCPL). It also applies to the senior management of the company.

An annual confirmation affirming compliance with the code of conduct is obtained from Board Members and senior management every year and the same has been obtained for the year ended March 2012.

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

Our Good & Green vision supports the development of goods which are environmentally sustainable. As part of our vision, we aspire to develop products which consume fewer resources (energy, water), emit fewer greenhouse gases and include a hundred per cent of recyclable, renewable, and/or natural materials. Additionally,

we're also working towards reduction of any toxic materials such as polyvinyl chloride (PVC) from our packaging materials.

GCPL has moved from PVC packaging of its GoodKnight Active+ refill to the more environmentally sustainable PET (Polyethylene teraphthalate) packaging. The result has been the replacement of 620 tons of PVC polymers with recyclable PET. Additionally, in order to reduce waste following consumption we have consciously reduced the grammage of refill caps and coil stands as well as the amount of metal in aerosol cans. The spray through cap for HIT Aerosol was also redesigned to reduce polymer consumption by over ten per cent.

Through product re-engineering the diameter of the thermistor pill in Good Knight liquid vaporizers was reduced from 8 mm to 5 mm resulting in lower consumption of energy at the consumer's home and supporting our goal of ensuring that our products are more environmentally sustainable.

Principle 3: Businesses should promote the well being of all employees

GCPL focuses on ensuring well being of all employees. Safety and health of employees is extremely important to the Company and GCPL is committed to building and maintaining a safe and healthy workplace and providing a safe and healthy working environment, equipment and systems of work for all employees.

Ensuring diversity, zero discrimination, safety and health and other attributes essential to a healthy and good working environment are part of our Code of Conduct and employees in the organization are committed to this code. Examples of a few of these codes are listed below.

Diversity and Anti-discrimination: We recognize

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

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

Prevention of sexual harassment: The Company is committed to creating and maintaining an atmosphere in which our team members can work together, without fear of sexual harassment, exploitation or intimidation. Every team member is made aware that the Godrej Group is strongly opposed to sexual harassment and that such behavior is prohibited both by law and the Group policy. We will take all necessary action(s) required to prevent, correct and if necessary, discipline behavior which violates this policy.

The Good & Green office launched the Good & Green policy through a launch carnival in September 2011 whereby the employees were made aware of the Good & Green goals for 2020 and also encouraged to participate in achieving them. Constant communication during and after the event, raised the awareness of environmental issues among the employees and also equipped them with ways to make sustainable choices in their lives. The employees interacted with various NGOs (Non Governmental Organizations) that

work in the space of employability or environmental issues and took back concrete ways to make their lifestyle at home and work 'good & green'.

The Good & Green office also conducted a 'Children's Day' event in November 2011 for the children of employees. The participating children learnt how to make their homes and classrooms 'good & green'.

Various other Human Resource policies – flexible working hours, work from home arrangements, part-time work, leave and benefits, adoption leave and benefits, maternity leave and benefits, paternity leave and benefits – to name a few – go a long way in ensuring that the employees successfully strike a work-life balance.

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

Recruitment of candidates from the Scheduled Caste/Scheduled Tribe and Physically Challenged categories has been taken up as one of the major performance measures of central recruitment process owner. GCPL participates in government fairs for recruiting candidates from the categories of Scheduled Caste/Scheduled Tribe and Physically Challenged. GCPL has also partnered with NGOs to provide employment opportunities and counseling to people that fall in one of those categories.

11 per cent of our domestic manpower belongs to the Scheduled Caste/Scheduled Tribe and Physically Challenged categories. As part of our employee referral policy, referrals of Scheduled Class/Scheduled Tribe/Physically Challenged candidates are offered higher referral amounts than that offered to the general category candidates.

While partnering with contractors GCPL actively looks for candidates which belong to one of these categories. In our Thana and Katha plants, 40% of the contract workers are from the Scheduled Caste and Scheduled Tribe categories.

GCPL provides apprentice opportunities to students who have completed some form of technical education. In the past fiscal year, 40% of apprentices hired were from the Scheduled Caste and Scheduled Tribe categories.

GCPL also provides scholarships and awards to meritorious Schedule Caste/ Scheduled Tribe/ Physically Challenged students in the schools identified near our manufacturing units.

Principle 5: Businesses should respect and promote human rights

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

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

GCPL is a signatory to the Confederation of Indian Industry's (CII) Mission of Sustainable Growth, which proposes to promote and champion conservation of natural resources in Indian industry without compromising on high and accelerated growth.

Under our Good & Green vision, we have made a commitment to create a "Greener India". Our business is striving towards reducing specific energy consumption, utilizing a higher proportion of renewable energy sources, becoming carbon neutral and water positive and eliminating solid waste sent to landfills.

A number of initiatives have been undertaken at GCPL on Greener India. For energy consumption,

power factor improvements, use of variable frequency drives and more energy efficient motors combined with initiatives on process re-engineering have all been initiated. The GCPL plant at Malanpur has also put in several initiatives to save and recycle water including collection of backwash water of reverse osmosis plant for gardening purposes and collection of condensate for additional processes.

In order to control levels of waste, segregation of chemical and biological sludge has been undertaken at plants. Through active work on packaging, amount of wrapper and stiffener wastage has been reduced.

Going forward ensuring a "Greener India" is a key area of focus for GCPL along with the rest of the Godrej Group.

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

have also partnered with the Ambedkar Institute for handicapped in Kanpur for recruiting physically challenged individuals and have organized workshops at the Institute on industrial practices for skills development.

Since 2007, our Malanpur factory has adopted a neighboring village “Singwari”, which is predominantly inhabited by people belonging to scheduled castes and scheduled tribes. The adoption started with assisting a school by granting scholarships, providing computers, and organizing an eye-check up in the school. The focus has continued with education and health care support for the village, including running a dispensary with regular doctor visits, free distribution of medicines, and an annual “Health Check-up camp” with assistance from the Government Block Health Centre. The development and welfare of Singwari village has become integral to the employees of GCPL Malanpur and they have undertaken self motivated initiatives including conducting sports and cultural activities in the school as well as training teachers on the use of computers. In order to promote the economic status of youth and women in Singwari, the Malanpur factory organizes an annual “Entrepreneur Development Program” in association with Central Board for Workers Education.

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

Youth un-employability is a bigger crisis than unemployment. 57% of India’s youth suffers from some degree of un-employability. 90% of

employment opportunities require vocational skills whereas 90% of school/college output is not relevant to these opportunities. On the one hand, there is higher unemployment amongst the educated and on the other, employers are complaining of lack of skilled manpower. The responsibility to address this mismatch is as much of the education system as it of the industry which needs the skilled manpower. With this idea of shared commitment and benefit of shared value, the Godrej Group has committed to skill 1 million rural and urban youth by 2020.

Employability has to do with knowledge and skills, be they in terms of basic skills (e.g. numeracy, literacy etc.) or subject and occupation specific knowledge at different levels. These skills alone however do not result in an increase in Employability. Personal attributes and attitudes, ranging from basic levels of reliability, common sense, attitude to work and integrity etc. are just as important to seek employment, maintain such employment and upgrade oneself while in the job.

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

One of the first employability programs that has been piloted and is now being scaled up is Godrej SALONi. It is a program to skill young girls and middle-aged housewives in the skills of Beauty & Hair Care. Almost, 350 candidates are undergoing the program and will be graduating in early FY13. An in-house program of 200 hours has been built to skill the candidates in basic beauty and hair care skills. The training makes use of GCPL products, which will also be made available to the graduates after the program at

a considerable discount. Currently 10 SALONI training centres are operational in Maharashtra and Karnataka. These women are provided with a start-up kit at the end of the training, for them to operate as mobile beauticians. Separate modules on 'enterprise development program' and an 'employment readiness program' too have been developed for the beneficiaries of all employability programs to set them up for success early in their career.

Another program 'VIJAY' was piloted this year, to train rural youth in Channel Sales. This program has till now seen three batches in Raisen (MP), Abhanpur (Chattisgarh) and Cuttack (Odisha) respectively and will also be ramped up in FY13. The youth are trained over 22 full days to take up a job as a salesperson, post the training. The program includes 12 days of soft skills training, 5 days of sales training, 2 days of assessment and certification processes and 5 days of On-the-job-training. The program has been specially designed for the purpose of training DSRs (Distributor Sales Resources.) This initiative is helping us create a pipeline of skilled persons that will be available for all Godrej distributors to choose their DSRs from. The graduates of the program may be placed with any of the Godrej companies or even other company distributors in the vicinity of the training program.

In the next year these programs are likely to be scaled up to benefit many more rural and urban

underprivileged youth and create value for the Godrej businesses as well.

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

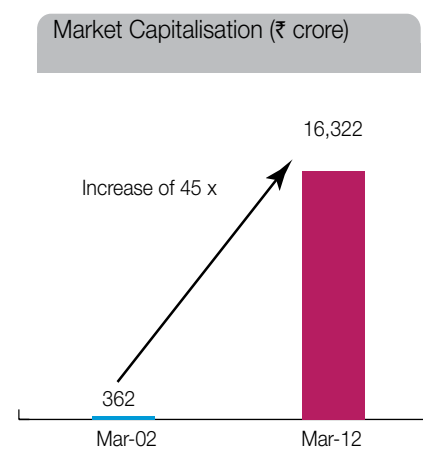
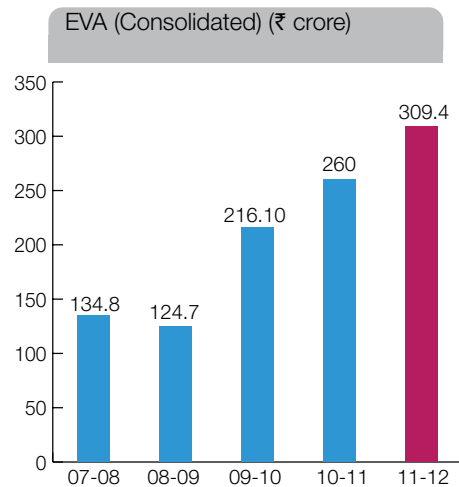
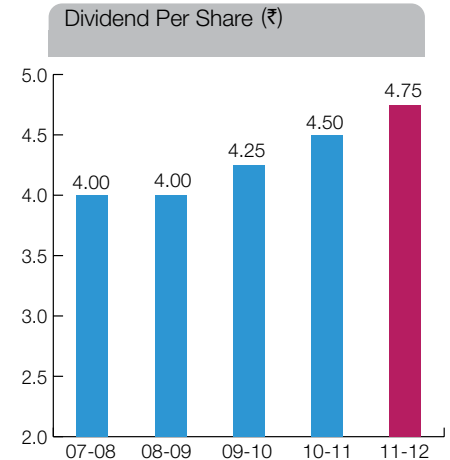
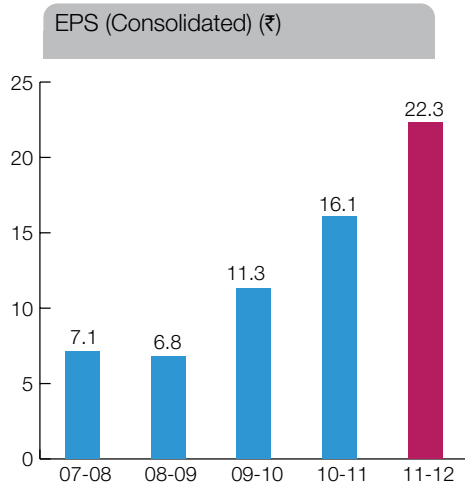
We are a customer centric company and greatly value the trust, satisfaction and loyalty of our customers across the world. Our primary focus is delighting our customers, both external and internal. Customer centricity is part of Godrej Group's 'Code of Conduct'. We strive to ensure that customer needs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

HIT, a leader in the home insecticide aerosol market, kicked off a multi-city crusade named 'HIT Kill Malaria'. The campaign focused on spreading awareness about malaria and preventive action against it. The campaign was also active on social media with ₹ 2 donated for every person joining the viral campaign. The collective sum was used for awareness campaigns in slums and for fumigation and clean-up drives.

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

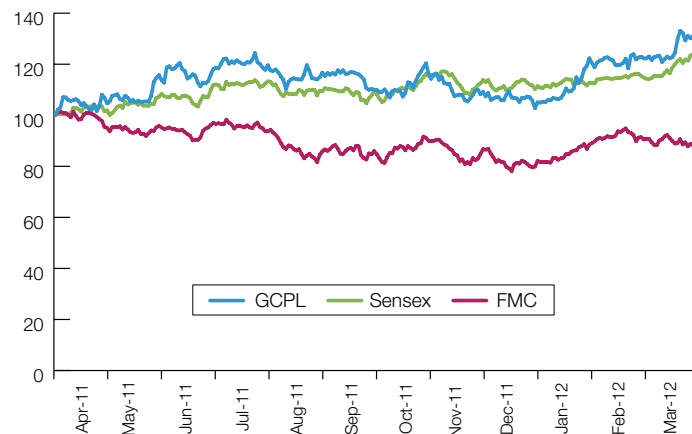
SHAREHOLDERS VALUE ADDED

Your company has shown continuous growth in the major indicators of shareholder value i.e. Earning Per Share (EPS), Economic Value Added (EVA), Dividend, Market capitalisation



Note: 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.

GCPL closing price vis a vis FMCG index and BSE Sensex
(all figures indexed to 100 at the beginning of the financial year)



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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, 2012 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, as amended by the Companies (Auditor's Report) (Amendment) order, 2004, 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. Without qualifying our opinion, attention is drawn to:
 - a) Note 13: Notes to the Financial Statements, regarding the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited with the Company approved by The Hon'ble High Court of Judicature at Bombay whereby an amount of ₹ 52.75 crore for the year ended on March 31, 2012, equivalent to the amortisation of the Goodknight and HIT Brands is directly debited to the General Reserve Account instead of debiting the same to the Statement of Profit and Loss. Had this amount been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.
 - b) Note 45: Notes to the Financial Statements, regarding the Scheme of Amalgamation of the wholly owned subsidiaries of the Company viz. Naturesse Consumer Care Products Limited (NCCPL) and Essence Consumer Care Products Limited (ECCPL), with the Company approved by The Hon'ble High Court of Judicature at Bombay, whereby all the assets and liabilities of NCCPL and ECCPL have been taken over at their respective book values as on December 3, 2010. The difference between the book value of the assets and liabilities taken over amounting to ₹ 37.67 crore, after giving effect to the adjustments proposed in the Scheme, has been debited to the General Reserve in accordance with the Scheme of Amalgamation.
5. Further to our comments in the Annexure referred to in paragraph 3 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

Auditors' Report

- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss 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, 2012;
 - ii) in the case of the Statement of Profit and Loss, 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.
6. On the basis of the written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012, 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 30, 2012.

Annexure to the Auditors' Report

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004, 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 (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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:

The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. Transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
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.
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, household insecticides 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.

Annexure to the Auditors' Report

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 (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Rate differences on account of soap scrap.	6,154,000	2000-04	CESTAT
	Cenvat credit availed on input services.	1,081,274	2008-09	CESTAT
	Excise duty claim in respect of non-payment of education cess.	11,826,624	2004-08	CESTAT
	Differential duty on value of by-product credit apportioned in cost of soap noodle	10,644,000	2006-07	Commissioner of Central Excise (Appeals)
	Duty on one to one correlation in terms of excisable material purchased and cleared final product with reference to the said material wherein the benefit under notification No. 32 of 99, availed	1,912,132	2002-04	Supreme Court of India
		3,651,495	2000-03	Supreme Court of India
	Foreign Payment Service Tax not paid on Royalty.	6,747,181	2004-08	Commissioner of Central Excise (Appeals)
	Input Service tax Distribution Credit availed	1,609,987	2006-08	Commissioner of Central Excise (Appeals)
	Advertisement Service - Credit Availed As Input	1,418,981	2009	Commissioner of Central Excise (Appeals)
	Excise duty in dispute	1,755,920	2009-10	Commissioner of Central Excise (Appeals)
		86,115	2002-03	(Appeals)
	Others	100,000	1996-99	Assistant Commissioner
		669,426	2004-05	Commissioner of Central Excise (Appeals)
		152,462	2005-06	Commissioner of Central Excise (Appeals)
		333,526	2006-07	CESTAT
		976,000	2007-08	CESTAT
		236,000	2007-09	CESTAT
		28,000	2007-09	CESTAT
		56,167	2009-10	Commissioner of Central Excise (Appeals)
		60,674	2009-10	Commissioner of Central Excise (Appeals)
		212,528	2007-08	Sales Tax Authority
The Finance Act, 1994	Service Tax in dispute	1,621,000	September 2004 to November 2004 and February 2005 to June 2008	Commissioner (Appeals)
Central Sales Tax Act, 1956 and VAT Act of various states	Interest on sales tax dues.	1,207,000	2001-02	Joint Commissioner (A)
	Sales Tax Dues	1,757,925	2006-07	Assistant Commissioner (A)
	Sales Tax Dues	10,641,000	2004-05	Joint Commissioner (A)
	Sales Tax Dues on account of Classification Head	39,157,279	2006-07 2007-08 2008-09	Jaipur High Court

Annexure to the Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
	Sales Tax Dues on account of Classification Head	17,175,997	2009-10	Karnataka Tribunal
	Sales Tax Dues on account of Classification Head	6,340,450	2003-04 2004-05 2005-06	Supreme Court
	Sales Tax Dues	6,600,000	2005-06	Deputy Commissioner (Appeals) (West Bengal)
	Sales Tax Dues	35,892,717	2007-08	Additional Commissioner (West Bengal)
	Sales Tax Dues on account of Classification Head	6,000,940	2000-01	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	25,809,827	2010-11	Andhra Pradesh High Court
	Sales Tax Dues on account of Classification Head	22,449,405	2009-10	Andhra Pradesh High Court
	Sales Tax Dues on account of Classification Head	16,838,252	2007-08	Joint Commissioner (A)
	Sales Tax Dues	11,693,000	2006-07	Joint Commissioner (A)
	Sales Tax Dues on account of Classification Head	16,580,938	2005-06 2006-07 2007-08 2008-09	Andhra Pradesh High Court
	Sales Tax Dues on account of Classification Head	9,044,088	2005-06 2006-07 2007-08 2008-09	Andhra Pradesh High Court
	Sales Tax Dues on account of Classification Head	9,009,696	2001-02	Bihar Tribunal
	Sales Tax Dues	6,935,724	2002-03 2003-04 2004-05	Joint Commissioner (A)
	Sales Tax Dues on account of Classification Head	3,607,688	2002-03	Bihar Tribunal
	Non Submission of Form F	1,268,683	2004-05	Uttar Pradesh Tribunal
	Sales Tax Dues	2,287,249	2005-08 2003-04	Joint Commissioner (A)
	Sales Tax Dues	1,646,978	2003-04	Joint Commissioner (A)
	Sales Tax Dues	4,153,440	2005-06 2006-07	Deputy Commissioner (A)
	Sales Tax Dues	1,567,028	2004-05 2005-06 2006-07	Deputy Commissioner (A)
	Sales Tax Dues	1,465,192	2005-06	Joint Commissioner (A)
	Sales Tax Dues	1,239,044	2006-07	Joint Commissioner (A)
	Sales Tax Dues	1,757,925	2006-07	Deputy Commissioner (A)
	Others	13,766,689	2002-10	Joint Commissioner (A), Uttar Pradesh Tribunal, Deputy Commissioner (A), Madhya Pradesh High Court, Delhi Tribunal, Additional Commissioner of West Bengal, West Bengal Tribunal, Checkpost of Delhi and Zirakpur
The Customs Act, 1962	Differential Customs Duty on Imported Oils	57,317,813	2007-08	CESTAT
Income-tax Act, 1961	Appeal against order of regular assessment u/s 143(3) of the Act.	348,000	Assessment Year 2003-04	Income-tax Appellate Tribunal
	Appeal against order of regular assessment u/s 143(3) of the Act.	32,271,365	Assessment Year 2006-07	Income-tax Appellate Tribunal

Annexure to the Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	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.	150,528	Assessment Year 2007-08	Income-tax Appellate Tribunal
	Demand based on the order of regular assessment u/s 143(3) of the Act.	8,101,490	Assessment Year 2009-10	CIT (A)
	Income-tax in dispute pertaining to erstwhile Godrej Household Products Limited.	26,762,680	Assessment Year 2006-07	Income-tax Appellate Tribunal
		10,621,809	Assessment Year 2007-08	Income-tax Appellate Tribunal

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 or debenture holders. There are no dues to financial institutions.
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 guarantees given by the Company for loans taken by its subsidiaries 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 loan obtained by the Company was applied for the purpose for which the loan was 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 has issued unsecured redeemable non-convertible debentures during the year in respect of which no security is required to be created.
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.

For and on behalf of

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

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: April 30, 2012.

Balance Sheet as at March 31, 2012

			₹ Crore
	Note No.	Current Year	Previous Year
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	3	34.03	32.36
(b) Reserves and Surplus	4	2489.89	1501.34
		2523.92	1533.70
2. Non-Current Liabilities			
(a) Long-term Borrowings	5	235.32	0.14
(b) Deferred Tax Liabilities (Net)	6	10.86	8.53
(c) Other Long-term Liabilities	7	6.29	7.11
(d) Long-term Provisions	8	6.90	7.01
		259.37	22.79
3. Current Liabilities			
(a) Short-term Borrowings	9	2.19	69.25
(b) Trade Payables	10	531.01	248.15
(c) Other Current Liabilities	11	243.95	436.61
(d) Short-term Provisions	12	18.88	16.46
		796.03	770.47
TOTAL		3579.32	2326.96
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		215.61	210.72
(ii) Intangible Assets		965.80	1018.98
(iii) Capital Work-in-Progress		12.19	7.55
		1193.60	1237.25
(b) Non-Current Investments	14	1193.46	362.06
(c) Long-term Loans and Advances	15	238.67	158.60
		2625.73	1757.91
2. Current Assets			
(a) Inventories	16	433.04	306.37
(b) Trade Receivables	17	94.27	103.29
(c) Cash and Bank Balances	18	369.63	80.62
(d) Short-term Loans and Advances	19	53.07	77.64
(e) Other Current Assets	20	3.58	1.13
		953.59	569.05
TOTAL		3579.32	2326.96
Notes to the Financial Statements	1 to 46		

The Notes referred to above form an integral part of the Financial Statements

As per our Report attached

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Signatures to the Financial Statements and Notes

For and on behalf of the Board

Adi Godrej

Chairman

Daraius Z. Fraser

Partner

P. Ganesh

Executive Vice-President
(Finance & Commercial)
and Company Secretary

A. Mahendran

Managing Director

Mumbai: April 30, 2012

Statement of Profit and Loss for the year ended March 31, 2012

			₹ Crore
	Note No.	Current Year	Previous Year
I. Revenue from Operations			
Revenue from Operations (Gross)	23	3100.53	2551.20
Less: Excise Duty		(120.45)	(82.30)
		2980.08	2468.90
II. Other Income	24	63.05	37.14
III. Total Revenue (I + II)		3043.13	2506.04
IV. Expenses			
Cost of Raw Materials including Packing Material Consumed	25	1327.06	970.32
Purchases of Stock-in-Trade		235.72	195.68
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(86.74)	(31.46)
Employee Benefits Expenses	27	156.74	133.57
Finance Costs	28	13.39	5.70
Depreciation and Amortization Expenses		25.83	21.98
Other Expenses	29	793.02	705.60
Total Expenses		2465.02	2001.39
V. Profit Before Exceptional Item and Tax expenses (III - IV)		578.11	504.65
VI. Exceptional Items	30	180.95	40.31
VII. Profit Before Tax (V + VI)		759.06	544.96
VIII. Tax Expense			
(1) Current Tax		152.34	108.90
(2) Deferred Tax		2.33	1.10
		154.67	110.00
IX. Profit for the Year (VII - VIII)		604.39	434.96
X. Earnings per Equity Share (Face Value ₹ 1)	31		
(1) Basic (₹)		18.58	13.62
(2) Diluted (₹)		18.58	13.62
Notes to the Financial Statements	1 to 46		

The Notes referred to above form an integral part of the Financial Statements

As per our Report attached

Signatures to the Financial Statements and Notes

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

A. Mahendran

Managing Director

Mumbai: April 30, 2012

Cash Flow Statement for the year ended March 31, 2012

	₹ Crore	
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Exceptional Items and Tax	578.11	504.65
Adjustment for:		
Non-Cash Items		
Depreciation and Amortization Expenses	25.83	21.98
Unrealised Foreign Exchange Loss	5.89	1.18
Bad Debts Written off	0.98	0.03
Provision / (write back) for Doubtful Debts / Advances	(1.11)	0.55
Write in of Old Balances	(0.63)	(0.59)
Other Income Outstanding	11.93	(7.50)
Expenses on ESGs	1.39	-
Interest Expense	13.39	6.20
(Profit) / Loss on Sale of Fixed Assets (Net)	0.92	0.40
Interest Income	(33.45)	(30.91)
Dividend Income	(19.38)	(0.98)
	5.76	(9.64)
Operating Cash Flows Before Working Capital Changes	583.87	495.01
Adjustments for:		
Inventories	(126.68)	(60.84)
Trade Receivables	6.77	(34.30)
Loans and Advances	(80.80)	(69.33)
Other Assets	(0.29)	0.55
Liabilities and Provisions	276.25	(2.36)
	75.25	(166.28)
Cash Generated from Operations	659.12	328.73
Adjustment for:		
Direct Taxes Paid	(152.43)	(111.12)
Net Cash Flow from Operating Activities Before Exceptional Items	506.69	217.61
Exceptional Items - Termination Compensation	180.95	40.31
Net Cash Flow from Operating Activities	687.64	257.92
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(36.53)	(1102.12)
Sale of Fixed Assets	0.80	0.26
Investments in Subsidiaries	(870.51)	(73.31)
Cost and Expenses of Amalgamation	-	(6.14)
Dividend Received	19.38	0.98
Loan to ESOP Trust (Net)	17.05	(8.18)
Loan to Subsidiaries Repaid / (Given)	-	14.40
Investments in Fixed Deposits (Net)	(166.74)	-
Interest Received	30.94	21.97
Investment Expenses to be Capitalised	(0.78)	(2.69)
Net Cash Flow from Investing Activities	(1006.39)	(1154.83)

Cash Flow Statement for the year ended March 31, 2012

	Current Year	Previous Year
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Preferential Allotment of Equity Shares (Net)	684.71	522.78
Borrowings from Banks	-	59.50
Issue of Debentures (Net of Expenses)	224.18	177.74
Redemption of Debentures including Premium Paid	(219.93)	-
Repayment of Bank Borrowings	(59.50)	-
Repayment of Sales Tax Deferral Loan	(0.15)	-
Cash Credits (Net)	(7.56)	(2.14)
Interest Paid	(13.60)	(5.92)
Dividend Paid	(145.62)	(153.19)
Dividend Tax Paid	(23.62)	(32.06)
Net Cash Flow from Financing Activities	438.91	566.71
Net Increase / (Decrease) in Cash and Cash Equivalents	120.16	(330.20)
Cash and Cash Equivalents:		
As at the beginning	70.15	242.80
Acquired Pursuant to the Scheme of Amalgamation	1.66	157.55
As at the ending	191.97	70.15
Net Increase / (Decrease) in Cash and Cash Equivalents	120.16	(330.20)

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Daraius Z. Fraser
Partner

Mumbai: April 30, 2012

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

Signatures to the Financial Statements and Notes

For and on behalf of the Board
Adi Godrej
Chairman

A. Mahendran
Managing Director

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 1 : COMPANY OVERVIEW

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, household insecticides, liquid detergents, toiletries and others.

NOTE 2 : 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 applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and specified in the Companies (Accounting Standard) Rules, pronouncements of 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 of the Asset exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss, if any, is recognised in the period in which the impairment takes place.

e. Operating Leases

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

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 recognise 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 estimated 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

Notes to the Financial Statements for the year ended March 31, 2012

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

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

j. Expenditure

- Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.
- Revenue expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on research and development is shown as addition to fixed assets.

k. 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.

Notes to the Financial Statements for the year ended March 31, 2012

I. 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 Statement of Profit and Loss.
- 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 Statement of Profit and Loss 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) The Government of India, Ministry of Corporate Affairs has during the year amended the Companies (Accounting Standards) Rules, 2006, in respect of Accounting Standard (AS) 11 relating to "The Effects of Changes in Foreign Exchange Rates", wherein enterprises have been given an option to accumulate exchange differences in a "Foreign Currency Monetary Item Translation Difference Account" subject to the conditions specified in the Notification. Accordingly, the Company has exercised the option to accumulate the foreign currency gain/losses in the "Foreign Currency Monetary Item Translation Difference Account".

m. Hedging

The Company uses forward exchange contracts to hedge its foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts are recognised in the Statement of Profit and Loss. Gains or losses on the commodity futures contracts are recorded in the Statement of Profit and Loss under Cost of Materials Consumed.

n. Employee Benefits

i) Short-term Employee benefits

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

ii) Post Employment Benefits

a) Defined Contribution Plans

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

Upto the previous year all provident fund contributions, whether made to the Regional Provident Fund Office or to the Provident Fund Trust administered by the Company were considered as Defined Contribution Plans.

b) Defined Benefit Plans

Gratuity Fund

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 recognised on a

Notes to the Financial Statements for the year ended March 31, 2012

straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

Provident Fund

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

c) Other Long Term Employee Benefits

Other Long Term Employee Benefits viz., leave encashment and long service bonus are recognised as an expense in the Statement of Profit and Loss 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 Statement of Profit and Loss.

o. 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 March 31, 2009, 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 Statement of Profit and Loss. 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 notional bank balance accumulated till March 31, 2009, as at the beginning of the current year is being paid @ 33% every year on the reducing balance. The entire EVA award for the year has been charged to the Statement of Profit and Loss.

p. Depreciation and Amortisation

- i) Leasehold land is amortised equally over the lease period.
- ii) Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- iii) 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:
 - a) In case of computer hardware which is depreciated over 4 years.
 - b) SAP licenses acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company are amortised over a period of 4 years and Trademarks acquired are amortised equally over the best estimate of their useful life not exceeding a period of 10 years, except in the case of Goodknight and Hit brands where the brands are amortised equally over a period of 20 years.
 - c) Goodwill is amortised over a period of 5 years.
 - d) Tools, dies and moulds acquired are depreciated over a period of 3½ years.

Notes to the Financial Statements for the year ended March 31, 2012

- e) Technical Knowhow is depreciated over a period of 10 years.
- f) In accordance with the Court order approving the Scheme of Amalgamation of the erstwhile GHPL with the Company, an amount equivalent to the amortisation of the Goodknight and Hit brands at the end of each financial year is directly debited to the balance in the General Reserve Account.
- iv) Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.

q. Taxes on Income

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

Deferred tax subject to consideration of prudence, is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset / liabilities in respect of on timing differences which originate and reverse during the tax holiday period are not recognised. Deferred tax asset / liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only 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.

r. Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of Personal and Household Care products. 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.

NOTE 3 : SHARE CAPITAL

	₹ Crore	
	Current Year	Previous Year
Authorised		
410,000,000 Equity Shares (<i>previous year 410,000,000</i>) of ₹ 1 each	41.00	41.00
10,000,000 Preference Shares (<i>previous year 10,000,000</i>) of ₹ 1 each	1.00	1.00
Issued		
340,328,585 Equity Shares (<i>previous year 323,621,268</i>) of ₹ 1 each	34.03	32.36
Subscribed and Fully Paid-up		
340,297,461 Equity Shares (<i>previous year 323,590,144</i>) of ₹ 1 each fully paid up	34.03	32.36
TOTAL	34.03	32.36

Notes:

- a) During the year, the Company issued 16,707,317 equity shares of ₹ 1 each at a premium of ₹ 409 per equity share to Baytree Investments (Mauritius) Pte. Ltd. on preferential basis. The issue proceeds aggregating to ₹ 684.99 Crore have been utilized to retire debt and for general corporate purpose.
- b) 31,124 Right Issue Shares (i.e. difference in Issued capital and Paid-up capital) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order is awaited.

Notes to the Financial Statements for the year ended March 31, 2012 (Contd.)

c) Terms / rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 1 each. Each equity shareholder is entitled to one vote per share.

During the year ended March 31, 2012, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 4.75 (*previous year: ₹ 4.50*).

d) The reconciliation of number of equity shares outstanding and the amount of share capital:

	Current Year		Previous Year	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	323,590,144	32.36	308,190,044	30.82
Add: Shares Issued during the year	16,707,317	1.67	15,400,100	1.54
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	340,297,461	34.03	323,590,144	32.36

e) Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	Current Year		Previous Year	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co. Ltd.	125,231,815	36.8%	127,426,815	39.4%
Godrej Industries Limited	71,989,620	21.2%	69,794,620	21.6%

f) Aggregate no. of Equity shares during the five years immediately preceding the date of Balance Sheet:

	No. of Shares
Allotted as fully paid-up pursuant to contract without payment being received in cash	51,236,136
Shares Bought Back	1,122,484

g) Shares Reserved for issue under options

The Company has 94,966 (*previous year Nil*) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2012. (*as detailed in Note 44*)

NOTE 4 : RESERVES AND SURPLUS

	₹ Crore	
	Current Year	Previous Year
1. CAPITAL INVESTMENT SUBSIDY RESERVE		
Balance as per last financial statements	0.15	0.15
2. CAPITAL REDEMPTION RESERVE		
Balance as per last financial statements	1.46	1.46
3. SECURITIES PREMIUM ACCOUNT		
Balance as per last financial statements	853.09	357.04
(+) Premium Received on Allotment of QIP	-	529.76
(-) Expenses on QIP	-	(8.52)
(+) Premium Received on Preferential Allotment	683.33	-
(-) Expenses on Preferential Allotment	(0.29)	-
(-) Expenses on Issue of Debentures	(0.82)	(2.13)
(-) Premium on Redemption of Debenture	(27.23)	(23.06)
Closing Balance	1508.08	853.09

Notes to the Financial Statements for the year ended March 31, 2012

		₹ Crore
	Current Year	Previous Year
4. DEBENTURE REDEMPTION RESERVE		
Balance as per last financial statements	7.38	-
(+) Transfer from General Reserve	49.75	7.38
(-) Transfer to General Reserve	(50.00)	-
Closing Balances	7.13	7.38
5. EMPLOYEE SHARE OPTIONS OUTSTANDING		
Gross Employee Compensation for options granted during the year	3.59	-
Less: Deferred Employee Compensation Expense	(1.79)	-
Closing Balance	1.80	-
6. GENERAL RESERVE		
Balance as per last financial statements	231.35	263.81
(+) Transfer from Surplus	60.44	65.10
(-) Transfer to Debenture Redemption Reserve	(49.75)	(7.38)
(+) Transfer from Debenture Redemption Reserve	50.00	-
(-) Adjustment Pursuant to Scheme of Amalgamation of GHPL	(52.75)	(90.18)
(-) Adjustment Pursuant to Scheme of Amalgamation of Naturesse Consumer Care Products Limited and Essence Consumer Care Products Limited	(37.83)	-
Closing Balance	201.46	231.35
7. SURPLUS		
Balance as per last financial statements	407.91	174.20
(+) Net Profit for the Year	604.39	434.96
(-) Dividends - Interim	(156.63)	(163.20)
(-) Tax on Distributed Profit	(25.41)	(33.39)
(-) Transfer to General Reserve	(60.44)	(65.10)
(+) Addition on Amalgamation	-	60.44
Closing Balance	769.82	407.91
TOTAL	2489.89	1501.34

NOTE 5 : LONG-TERM BORROWINGS

		₹ Crore
	Current Year	Previous Year
A. Secured		
Deferred Sales Tax Loan (See Note (a) below)	0.08	0.14
B. Unsecured		
Debentures		
a) 2,250 Unsecured, Redeemable, Zero Coupon, Non-Convertible Debentures of ₹ 10 lac each	225.00	-
b) Premium on Redemption thereon (See Note (b) below)	10.24	-
	235.24	-
TOTAL	235.32	0.14

Notes to the Financial Statements for the year ended March 31, 2012

Notes:

- a) Deferred sales tax loan is interest free and will be paid in balance 28 monthly installments. It is secured by Bank Guarantee in favour of Sales Tax authorities.
- b) During the year, the Company had issued 2,250 zero-coupon, unsecured, redeemable, non-convertible debentures on private placement basis, redeemable at a premium, which will yield 10.75% p.a. at maturity. These debentures are redeemable on November 14, 2014 with call options on November 14, 2012 at a call option premium of 0.25% and November 14, 2013 without any call option premium.
- c) The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

NOTE 6 : DEFERRED TAX LIABILITIES (NET)

	₹ Crore	
	Current Year	Previous Year
1. Deferred Tax Liability		
a) Depreciation	16.96	12.66
2. Deferred Tax Assets		
a) Tax Disallowances	(4.92)	(2.48)
b) Provision for Doubtful Debts	(1.18)	(1.65)
	(6.10)	(4.13)
TOTAL	10.86	8.53

NOTE 7 : OTHER LONG-TERM LIABILITIES

	₹ Crore	
	Current Year	Previous Year
Security Deposit Received	6.29	7.11
TOTAL	6.29	7.11

NOTE 8 : LONG-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
Provision for Employee Benefits		
Leave Encashment	6.90	7.01
TOTAL	6.90	7.01

NOTE 9 : SHORT-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
A. Secured		
Loans Repayable on Demand		
Cash Credit from Bank (Refer Note (a) below)	2.19	9.75
B. Unsecured		
Short Term Loan from Bank	-	59.50
TOTAL	2.19	69.25

Notes:

- a) Cash Credit from Bank is secured by Hypothecation of Inventories and Book debts.
- b) The Company does not have any default as on the Balance Sheet date in repayment of any loan and interest.

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 10 : TRADE PAYABLES

	₹ Crore	
	Current Year	Previous Year
Due to Micro, Small and Medium Enterprises	-	-
Others	531.01	248.15
TOTAL	531.01	248.15

Note:

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.

NOTE 11 : OTHER CURRENT LIABILITIES

	₹ Crore	
	Current Year	Previous Year
1. Current Maturities of Long Term Debt (<i>Refer Note below</i>)	0.07	203.10
2. Interest Accrued but not Due on Borrowings	0.07	0.28
3. Security Deposit Received	0.41	0.13
4. Unpaid Dividends	5.34	4.89
5. Taxes, Duties and Other Levies Payable	30.90	23.20
6. Interim Dividend Payable	59.55	48.54
7. Other Payables	147.61	156.47
TOTAL	243.95	436.61

Note:

Current maturities of Long-term Debt in previous year include 2,000 zero-coupon, unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each. During the year, the Company had redeemed those debentures in two tranches in the month of December 2011 and January 2012.

NOTE 12 : SHORT-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
1. Provision for Employee Benefits		
Contribution to Provident and Other Funds	0.95	0.97
Gratuity	5.72	4.22
Leave Encashment	2.55	3.40
2. Others		
Provision for Tax on Distributed Profits	9.66	7.87
TOTAL	18.88	16.46

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 13 : FIXED ASSETS

₹ Crore

ASSETS	GROSS BLOCK					DEPRECIATION / AMORTISATION						NET BLOCK	
	Opening	Additions	Disposals	Acquisitions through Business Combinations	Closing	Opening	Depreciation for the Year	On Disposals	On Acquisitions through Business Combinations	Other Adjustments	Closing	Current Year	Previous year
A. TANGIBLE ASSETS													
Freehold Land	0.51	-	-	-	0.51	-	-	-	-	-	-	0.51	0.51
Leasehold Land	6.85	-	-	-	6.85	0.43	0.07	-	-	-	0.50	6.35	6.42
Leasehold Improvements	2.27	1.33	-	-	3.60	0.27	0.33	-	-	-	0.60	3.00	2.00
Buildings	75.59	0.66	(0.18)	-	76.07	18.29	2.14	(0.07)	-	-	20.36	55.71	57.30
Plant and Equipments	263.12	17.31	(6.47)	-	273.96	132.88	16.15	(5.44)	-	-	143.59	130.37	130.24
Furniture, Fixtures and Fittings	8.36	0.36	(1.11)	-	7.61	3.58	0.46	(0.95)	-	-	3.09	4.52	4.78
Office Equipment	9.19	0.50	(1.60)	-	8.09	4.62	0.40	(1.34)	-	-	3.68	4.41	4.57
Vehicles	3.73	6.48	(0.26)	-	9.95	1.15	0.53	(0.21)	-	-	1.47	8.48	2.58
Computers	10.64	1.17	(0.82)	-	10.99	8.41	1.14	(0.82)	-	-	8.73	2.26	2.23
Assets under Finance Lease:													
Leased Vehicles	0.16	-	(0.16)	-	-	0.07	-	(0.07)	-	-	-	-	0.09
Sub-total (A)	380.42	27.81	(10.60)	-	397.63	169.70	21.22	(8.90)	-	-	182.02	215.61	210.72
B. INTANGIBLE ASSETS													
Goodwill	12.60	-	-	-	12.60	0.23	2.47	-	-	-	2.70	9.90	12.37
Trademarks and Brands	1055.00	-	-	0.13	1055.13	52.75	-	-	-	52.75	105.50	949.63	1002.25
Computer Software	12.73	4.07	(0.14)	-	16.66	8.58	2.11	(0.12)	-	-	10.57	6.09	4.15
Technical Knowhow	0.30	-	-	-	0.30	0.09	0.03	-	-	-	0.12	0.18	0.21
Sub-total (B)	1080.63	4.07	(0.14)	0.13	1084.69	61.65	4.61	(0.12)	-	52.75	118.89	965.80	1018.98
TOTAL (A + B)	1461.05	31.88	(10.74)	0.13	1482.32	231.35	25.83	(9.02)	-	52.75	300.91	1181.41	
Previous Year	273.80	37.16	(5.86)	1155.96	1461.05	108.24	21.98	(5.20)	106.33	-	231.36		1229.70
C. CAPITAL WORK-IN-PROGRESS												12.19	7.55
TOTAL												1193.60	1237.25

Notes:

- Trademarks and Brands amounting to ₹ 0.13 crore have been acquired pursuant to the Scheme of Amalgamation of Essence Consumer Care Products Ltd. (ECCPL) and Naturesse Consumer Care Products Ltd. (NCCPL).
- Trademarks and Brands acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company are amortised over a period of 20 years. The major influencing factors behind amortising these brands over a period of 20 years are that Goodknight has been in existence since the last twenty seven years and been growing at a fast pace.
- In accordance with the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited with the Company which was sanctioned by the High Court of Judicature at Bombay, an amount of ₹ 52.75 crore for the year (*previous year ₹ 52.75 crore*), equivalent to the amortisation of the Goodknight and HIT Brands is charged to the General Reserve.

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 14 : NON-CURRENT INVESTMENTS

NOTE 14 : NON-CURRENT INVESTMENTS					₹ Crore
	Face Value	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
Trade Investments (At Cost)					
1. Investments in Equity Instruments of Subsidiary Companies					
Unquoted, fully paid-up:					
Godrej Netherlands B.V.	EUR 100	1,000	1,000	49.19	49.13
Rapidol (PTY) Ltd.	ZAR 1	18,050,000	18,050,000	12.67	12.67
Godrej Global Mideast FZE	USD 250,000	5	5	5.74	5.74
Godrej Hygiene Products Ltd.	₹ 10	2,600,000	2,600,000	20.87	20.87
Godrej Consumer Products Mauritius Ltd.	USD 1	13	8	547.82	165.01
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	7	3	438.81	20.01
Godrej Household Products (Bangladesh) Pvt. Ltd.	BDT 10	16,970,481	9,585,481	11.01	6.58
Godrej Household Products Lanka (Pvt.) Ltd.	LKR 10	21,501,045	21,501,045	27.10	27.10
Godrej Consumer Products Bangladesh Ltd.	BDT 10	1	1	0.04	0.04
Godrej Mauritius Africa Holdings Limited	USD 1	3	-	64.83	-
Essence Consumer Care Products Ltd. (Refer Note (b) below)	₹ 10	-	1,650,000	-	21.69
Naturesse Consumer Care Products Ltd. (Refer Note (b) below)	₹ 10	-	400,000	-	17.84
				1178.08	346.68
2. Investments in Preference Shares of Subsidiary Companies					
Unquoted, fully paid-up:					
Godrej Consumer Products Mauritius Ltd.	USD 1	4,000,000	4,000,000	18.22	18.22
TOTAL				1196.30	364.90
Less: Provision for Diminution in the Value of Investments				(2.84)	(2.84)
TOTAL				1193.46	362.06
Aggregate Amount of Quoted Investments				-	-
Aggregate Amount of Unquoted Investments				1196.30	364.90
Aggregate Provision for Diminution in the Value of Investments				2.84	2.84

Notes:

- a) During the year, the Company has completed the acquisition of 51% stake in Darling Group operations in South Africa, Nigeria and Mozambique through its subsidiary Godrej Mauritius Africa Holdings Ltd. The Darling Group is a market leader in hair extension products in the African continent.
- b) Essence Consumer Care Products Ltd. (ECCPL) and Naturesse Consumer Care Products Ltd. (NCCPL) have been amalgamated with the Company pursuant to scheme sanctioned by Hon'ble High Court effective May 18, 2011.

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 15 : LONG TERM LOANS AND ADVANCES

	Current Year	Previous Year
Unsecured, Considered Good, <i>Unless Otherwise Stated</i>		
1. Capital Advances	65.41	4.34
2. Security Deposits	19.51	14.74
3. Other Loans and Advances		
a) Amount due from ESOP Trust	87.49	104.19
b) Excise and VAT Receivables		
Unsecured, Considered Good	51.21	29.19
Doubtful	8.22	8.22
Less: Provision for Doubtful Receivables	(8.22)	(8.22)
	51.21	29.19
c) Advance Tax (Net of Provisions)	12.32	3.55
d) Miscellaneous Loans and Advances (<i>Refer Note below</i>)	2.73	2.59
TOTAL	238.67	158.60

Note:

Long Term Loans and Advances include ₹ 1.29 crore (*previous year ₹ 1.71 crore*) due from a Director.

NOTE 16 : INVENTORIES

	Current Year	Previous Year
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials	162.98	130.21
Goods-in Transit	6.57	0.88
	169.55	131.09
Work-in-Progress	35.51	19.66
Finished Goods	186.98	118.56
Stock-in-Trade	35.23	32.76
Stores and Spares	5.77	4.30
TOTAL	433.04	306.37

NOTE 17 : TRADE RECEIVABLES

	Current Year	Previous Year
Trade Receivables Outstanding for a Period Exceeding Six Months		
Unsecured: Considered Good	3.58	2.85
Considered Doubtful	3.46	4.73
	7.04	7.58
Less: Provision for Doubtful Debts	(3.46)	(4.73)
	3.58	2.85
Other Trade Receivables		
Secured, Considered Good	3.18	1.88
Unsecured: Considered Good	87.51	98.56
	90.69	100.44
TOTAL	94.27	103.29

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 18 : CASH AND BANK BALANCES

	Current Year	Previous Year
1. Cash and Cash Equivalents		
a) Balances with Banks		
on Current Accounts	26.01	16.20
Deposits with less than 3 months maturity	100.00	48.00
	126.01	64.20
b) Cheques, Drafts on Hand	2.18	5.73
c) Cash on Hand	0.28	0.22
d) Investments in Liquid Mutual Funds	63.50	-
	191.97	70.15
2. Other Bank Balances		
a) Deposits against Bank Guarantees	7.32	5.58
b) Deposits with more than 3 months but less than 12 months maturity	165.00	-
c) For Unpaid Dividend	5.34	4.89
	177.66	10.47
TOTAL	369.63	80.62

NOTE 19 : SHORT TERM LOANS AND ADVANCES

	Current Year	Previous Year
Unsecured, Considered Good, <i>Unless Otherwise Stated</i>		
Others		
a) Security Deposits	3.18	3.02
b) Excise and VAT Receivables	31.43	38.23
c) Miscellaneous Loans and Advances		
Unsecured, Considered Good (<i>Refer Note below</i>)	18.46	36.39
Doubtful	0.17	0.37
Less: Provision for Doubtful Loans and Advances	(0.17)	(0.37)
	18.46	36.39
TOTAL	53.07	77.64

Note:

Short Term Loans and Advances include ₹ 0.43 crore (*previous year ₹ 0.43 crore*) due from a Director.

NOTE 20 : OTHER CURRENT ASSETS

	Current Year	Previous Year
Accrued Interest	2.94	0.78
Deferred Premium on Forward Contracts	0.64	0.35
TOTAL	3.58	1.13

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 21 : CONTINGENT LIABILITIES

	₹ Crore	
	Current Year	Previous Year
a) Claims for Excise duties, taxes and other matters		
i) Excise duty demands aggregating ₹ 3.95 crore (<i>previous year ₹ 1.85 crore</i>) against which the Company has preferred appeals (net of tax).	2.67	1.23
ii) Customs Duty claims in respect of Classification	3.87	-
iii) 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 ₹ 1.18 crore (<i>previous year ₹ 1.18 crore</i>) (net of tax).	0.80	0.79
iv) Sales tax demands aggregating ₹ 28.07 crore (<i>previous year ₹ 20.80 crore</i>) against which the Company has preferred appeals (net of tax).	18.96	13.89
v) Income-tax matters Demand notices issued by Income-tax Authorities.	7.83	8.37
vi) Other matters - ₹ 3.00 crore (<i>previous year ₹ 3.00 crore</i>) (net of tax).	2.03	2.00
b) Guarantees		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 7.32 crore (<i>previous year ₹ 5.58 crore</i>)]	10.21	8.65
ii) Guarantees amounting to USD Nil (<i>previous year USD 95 million</i>) given by the Company towards loans provided by HSBC, Hongkong to Godrej Consumer Products Mauritius Ltd.	-	430.21
iii) Guarantee amounting to USD 297 million (<i>previous year USD 365 million</i>) given by the Company towards loan provided by banks to Godrej Consumer Products Holding (Mauritius) Ltd.	1511.15	1641.60
iv) Guarantee of AED 1.4 million (<i>previous year AED 1.4 million</i>) given by the Company to guarantee principal amount of credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mideast FZE.	1.94	1.73
v) Guarantee given by the Company to guarantee principal amount of credit facilities extended by the Royal Bank of Scotland to Godrej Hygiene Products Limited.	5.00	5.00
vi) Guarantee given by the Company to guarantee principal amount of credit facilities extended by Citibank Sri Lanka and Citibank Bangladesh to Godrej Household Products (Lanka) Private Limited and Godrej Household Products (Bangladesh) Private Limited respectively.	7.56	7.56
vii) Guarantee amounting to USD 10 million (<i>previous year Nil</i>) given by the Company to HSBC, Hongkong towards swap /derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Ltd.	50.88	-
viii) Guarantee amounting to USD 121 million (<i>previous year Nil</i>) given by the Company to DBS Bank, Singapore towards loan provided to Godrej Mauritius Africa Holdings Ltd for acquisition of 51% stake in Darling Group operations at South Africa, Nigeria and Mozambique	615.59	-
ix) Guarantee given by the Company to HSBC Bangladesh towards credit facilities provided by the Bank to Godrej Household Products (Bangladesh) Pvt. Ltd.	4.76	-
c) Claims against the company not acknowledged as debt:		
i) Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	24.24	24.24
ii) Claims pertaining to litigations filed against the erstwhile Godrej Household Products Limited.	0.25	0.25

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 22 : COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for – ₹ 139.29 crore (*previous year ₹ 7.25 crore*), net of advances amounting to ₹ 86.65 crore (*previous year ₹ 6.71 crore*).

NOTE 23 : REVENUE FROM OPERATIONS

	₹ Crore	
	Current Year	Previous Year
1. Sale of Products	3053.98	2507.67
2. Other Operating Revenues		
a) Royalty & Technical Fees	39.05	28.38
b) Business Support Fees	-	8.53
c) Miscellaneous Income	7.50	6.62
	3100.53	2551.20
3. Less : Excise Duty	(120.45)	(82.30)
TOTAL	2980.08	2468.90

NOTE 24 : OTHER INCOME

	₹ Crore	
	Current Year	Previous Year
1. Interest Income		
On Advances and Deposits	20.64	13.44
On Right Issue Proceeds	-	1.39
On Loan to ESOP Trust	12.53	15.67
On Income-tax Refund	0.28	0.41
2. Dividend Income		
From Subsidiaries	19.38	0.98
3. Net Gain on Sale of Investments	6.16	1.33
4. Other Non-Operating Income		
Claim Received	3.12	2.28
Miscellaneous Non-operating Income	0.94	1.64
TOTAL	63.05	37.14

NOTE 25 : COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

	₹ Crore	
	Current Year	Previous Year
Opening Inventory	131.08	76.67
Add: Purchases (Net)	1365.52	1024.73
	1496.60	1101.40
Less: Closing Inventory	(169.54)	(131.08)
Cost of Raw Materials including Packing Material Consumed	1327.06	970.32

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	₹ Crore	
	Current Year	Previous Year
Opening Inventory		
Finished Goods	118.56	58.45
Traded Goods	32.76	5.99
Work-in-Progress	19.66	22.99
	170.98	87.43
Add : Stock taken over on Amalgamation		
Finished Goods	-	19.41
Traded Goods	-	28.29
Work-in-Progress	-	4.39
	-	52.09
Less: Closing Inventory		
Finished Goods	186.98	118.56
Traded Goods	35.23	32.76
Work-in-Progress	35.51	19.66
	257.72	170.98
(Increase) / Decrease in Inventories	(86.74)	(31.46)

NOTE 27 : EMPLOYEE BENEFITS EXPENSES

	₹ Crore	
	Current Year	Previous Year
1. Salaries and Wages	144.17	121.52
2. Contribution to Provident and Other Funds	7.90	8.48
3. Expense on Employee Stock Grant Scheme (ESGS)	1.39	-
4. Staff Welfare Expenses	3.28	3.57
TOTAL	156.74	133.57

NOTE 28 : FINANCE COST

	₹ Crore	
	Current Year	Previous Year
1. Interest Expense	1.41	5.70
2. Bill Discounting Charges	11.98	-
TOTAL	13.39	5.70

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 29 : OTHER EXPENSES

	Current Year	Previous Year
		₹ Crore
Consumption of Stores and Spare Parts	8.58	8.59
Power and Fuel	67.34	51.16
Rent	11.62	12.18
Repairs and Maintenance		
Plant and Equipment	2.66	2.28
Buildings	0.89	1.00
Others	14.98	8.56
	18.53	11.84
Insurance	2.55	2.44
Rates and Taxes	2.56	7.21
Miscellaneous Expenses	18.30	19.83
Processing and Other Manufacturing Charges	67.59	103.51
Excise Duty Provision on Inventory	5.01	2.58
Travelling and Conveyance	22.21	18.73
Auditors' Remuneration		
As Auditor	1.06	0.93
For Taxation Matters	0.25	0.11
For Company Law Matters	0.01	0.01
For Management Services	0.03	0.03
For Other Services	0.15	0.25
Reimbursement of Expenses	0.01	0.04
Service Tax	0.17	0.10
	1.68	1.47
Legal and Professional Charges	15.30	11.75
Donations	0.44	0.92
Sales Promotion	141.80	108.18
Advertising and Publicity	235.59	199.24
Selling and Distribution Expenses	45.62	52.47
Freight	106.25	82.57
Bank Charges	3.57	3.07
Royalty Expense	1.25	5.04
Commission	1.28	0.65
Discount	-	0.01
Net Loss on Sale of Fixed Assets	0.92	0.40
Net Loss on Foreign Currency Transactions and Translations	15.16	1.18
Bad Debts Written Off	0.98	0.03
Provision for Doubtful Debts / Advances	(1.11)	0.55
TOTAL	793.02	705.60

Note:

Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 30 : EXCEPTIONAL ITEMS

	Current Year	Previous Year
License Agreement Termination Compensation	180.95	40.31
TOTAL	180.95	40.31

Notes:

- a) Pursuant to the 'Kiwi Manufacturing and Distribution License (excluding Sri Lanka) – Confirmation and Amendment Agreement dated May 28, 2010, entered into between Kiwi European Holdings B.V., Saralee Household & Body Care International B.V. and Godrej Household Products Limited (formerly known as Godrej Sara Lee Limited), and further pursuant to the letters dated February 9, 2011 and March 24, 2011, the 'Kiwi Manufacturing and Distribution License (excluding Sri Lanka) Agreement has been terminated effective April 3, 2011 and termination compensation of ₹ 156.19 crore has been received which is disclosed as an "Exceptional Item" in the Statement of Profit and Loss.
- b) The Brylcreem Manufacturing and Distribution license for the use of Brylcreem Brand in India and Sri Lanka to the erstwhile Godrej Household Products Ltd and its subsidiary by Sara Lee Corporation USA, subsequently assigned to Unilever Home & Personal Care Int. BV, has been terminated with effect from March 31, 2012 and termination compensation of ₹ 24.76 crore has been received which is disclosed as an "Exceptional Item" in the Statement of Profit and Loss.

NOTE 31 : EARNING PER SHARE

Net Profit After Tax (₹ Crore)	Current Year 604.39	Previous Year 434.96
Shares outstanding at the beginning of the year	323,590,144	308,190,044
Add: Shares Issued during the year	16,707,317	15,400,100
Shares outstanding at the end of the year	340,297,461	323,590,144
Weighted Average Number of Equity Shares		
For calculating Basic EPS	325,279,135	319,466,122
For calculating Diluted EPS	325,326,563	319,466,122
Earnings Per Share Before and After Extraordinary Items (Face value ₹ 1)		
Basic (₹)	18.58	13.62
Diluted (₹)	18.58	13.62

NOTE 32 : IMPORTED / INDIGENOUS CONSUMPTION

	Current Year		Previous Year	
	Amounts	%	Amounts	%
Raw Materials Consumed				
Imported	311.22	23.5%	166.62	17.2%
Indigenous	1015.84	76.5%	803.70	82.8%
	1327.06	100.0%	970.32	100.0%
Component, Stores and Spare Consumed				
Indigenous	8.58	100.0%	8.59	100.0%
TOTAL	8.58	100.0%	8.59	100.0%

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 33 : CONSUMPTION OF RAW MATERIAL AND PURCHASE OF TRADED GOODS

		₹ Crore
	Current Year	Previous Year
1. Raw Material Consumed		
a) Oils and Fats	480.62	317.36
b) Chemicals, Colours, Perfumes and Catalysts	286.15	249.24
c) Packing Material	287.06	259.49
d) Others	273.22	144.23
	1327.05	970.32
2. Traded Goods Purchased		
a) Hair Colour and Other Toiletries	17.88	36.51
b) Repellents	142.82	79.41
c) Others	75.02	79.76
	235.72	195.68
TOTAL	1562.77	1166.00

NOTE 34 : SALES (Net of Excise Duty)

		₹ Crore
	Current Year	Previous Year
Personal Wash	1015.62	795.86
Hair Care	332.00	304.73
Home Care	1373.76	1102.69
Others	212.15	222.08
TOTAL	2933.53	2425.37

NOTE 35 : VALUE OF IMPORTS OF CIF BASIS

		₹ Crore
	Current Year	Previous Year
Raw Materials	278.99	145.56
Spares Parts and Components	0.03	-
Capital Goods	1.21	0.22
TOTAL	280.23	145.78

NOTE 36 : EXPENDITURE IN FOREIGN CURRENCY

		₹ Crore
	Current Year	Previous Year
Royalty, Know-how and Technical Fees	0.96	4.98
Professional and Consultation Fees	1.92	5.81
Other Matters	1.30	3.14
TOTAL	4.18	13.93

NOTE 37 : EARNINGS IN FOREIGN EXCHANGE

		₹ Crore
	Current Year	Previous Year
Export of Goods on FOB Basis	147.77	132.42
Royalty, Know-how and Technical Fees	39.05	28.06
Interest and Dividends	19.38	0.98
Guarantee Commission from Subsidiary	-	0.13
License Agreement Termination Compensation	165.95	40.31
TOTAL	372.15	201.90

Notes to the Financial Statements for the year ended March 31, 2012

NOTE 38 : DIVIDEND REMITTED IN FOREIGN CURRENCY

		₹ Crore
	Current Year	Previous Year
4th Interim Dividend for the year ended March 31, 2011, to 269 non-resident shareholders on 75,112 shares @ ₹ 1.50 per share	0.01	
1st Interim Dividend for the year ended March 31, 2012, paid to 270 non-resident shareholders on 75,952 shares @ ₹ 1 per share	0.01	
2nd Interim Dividend for the year ended March 31, 2012, to 269 non-resident shareholders on 75,652 shares @ ₹ 1 per share	0.01	
3rd Interim Dividend for the year ended March 31, 2012, to 268 non-resident shareholders on 72,532 shares @ ₹ 1 per share	0.01	
4th Interim Dividend for the year ended March 31, 2010, to 273 non-resident shareholders on 77,212 shares @ ₹ 1.25 per share		0.01
1st Interim Dividend for the year ended March 31, 2011, paid to 286 non-resident shareholders on 79,260 shares @ ₹ 1 per share		0.01
Paid to 1 non-resident shareholder of erstwhile Godrej SaraLee Ltd. on 13,024,125 shares @ ₹ 13.50 per share		17.58
2nd Interim Dividend for the year ended March 31, 2011, to 272 non-resident shareholders on 76,712 shares @ ₹ 1 per share		0.01
3rd Interim Dividend for the year ended March 31, 2011, to 270 non-resident shareholders on 75,832 shares @ ₹ 1 per share		0.01
TOTAL	0.04	17.62

NOTE 39 : RELATED PARTY DISCLOSURES

A) Related Parties and their Relationship

a) Enterprise having control over reporting enterprise:

Godrej & Boyce Mfg. Co. Ltd.

b) Subsidiaries:

- i) Godrej Household Products Lanka (Private) Limited
- ii) Godrej Household Products (Bangladesh) Private Limited
- iii) Godrej Consumer Products Bangladesh Limited
- iv) Rapidol (Proprietary) Limited
- v) Godrej Global Mid East FZE
- vi) Godrej Hygiene Products Limited
- vii) Godrej Consumer Products Nepal Pvt. Ltd.
- viii) Godrej Netherlands B.V.
 - Godrej Consumer Products (UK) Limited
 - Keyline Brands Limited
 - Inecto Manufacturing Limited
- ix) Godrej Consumer Products Mauritius Limited
 - Godrej Kinky Holdings Limited
 - Kinky Group (Proprietary) Limited SA
 - Godrej Nigeria Holdings Ltd.
 - Godrej Nigeria Limited
 - Godrej Argentina Dutch Cooperatief U.A
 - Godrej Netherlands Argentina Holding B.V.

Notes to the Financial Statements for the year ended March 31, 2012

Godrej Netherlands Argentina B.V.
Laboratoria Cuenca S.A
Deciral S.A.
Issue Group Uruguay S.A
Issue Group Brazil Limited
Consell S.A
Argencos S.A
Panamar Produccioness Srl

- x) Godrej Consumer Products Holding (Mauritius) Limited
Indovest Capital Limited, Labuan
Godrej Consumer Products Dutch Cooperatief U.A.
Godrej Indonesia Netherlands Holding B.V.
Godrej Consumer Products (Netherlands) B.V.
Godrej Consumer Holdings (Netherlands) B.V.
PT Simba Indosnack Makmur
PT Indomas Susemi Jaya
PT Intrasari Raya
PT Megasari Makmur
PT Ekamas Sarijaya
PT Sarico Indah
- xi) Godrej Mauritius Africa Holdings Limited
Godrej Weave Holdings Limited (w.e.f. Septemer 1, 2011)
DGH Mauritius Pvt Ltd (w.e.f. Septemer 1, 2011)
Weave Business Holding Mauritius Pvt. Ltd. (w.e.f. Septemer 1, 2011)
Subinite Pty Ltd
Lorna Nigeria Ltd
Weave IP Holding Mauritius Pvt. Ltd.
Weave Mozambique Limitada
Weave Trading Mauritius Pvt. Ltd. (w.e.f. October 13, 2011)
Hair Trading (Offshore) S. A. L.

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

- i) Godrej Industries Limited
- ii) Godrej Agrovat Limited
- iii) Godrej Tyson Foods Ltd
- iv) Godrej Infotech Limited
- v) Godrej Properties Limited
- vi) Godrej Oil Palm Limited
- vii) Natures Basket Limited
- viii) Godrej Vikhroli Properties LLP

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

- i) Godrej Hershey Limited
- ii) Godrej Investments Private Limited

Notes to the Financial Statements for the year ended March 31, 2012

e) Key Management Personnel and Relatives:

i) Mr. Adi Godrej	Chairman
ii) Mrs. Parmeshwar Godrej	Wife of Mr. Adi Godrej
iii) Mr. A. Mahendran	Managing Director
iv) Mrs. Mythili Mahendran	Wife of Mr. A Mahendran
v) Mrs. Tanya Dubhash	Daughter of Mr. Adi Godrej
vi) Ms. Nisaba Godrej	Daughter of Mr. Adi Godrej
vii) Mr. Pirojsha Godrej	Son of Mr. Adi Godrej
viii) Mr. Nadir Godrej	Brother of Mr. Adi Godrej
ix) Mr. Burjis Godrej	Son of Mr. Nadir Godrej
x) Master Sohrab Godrej	Son of Mr. Nadir Godrej
xi) Master Hormazd Godrej	Son of Mr. Nadir Godrej

B) Transactions with Related Parties

₹ Crore

Nature of Transaction	Enterprise having control over Reporting Enterprise	Enterprises under Common Control	Subsidiary Companies	Enterprise over which key Management Personnel Exercise Significant Influence	Relatives of Key Management Personnel	Key Management Personnel	TOTAL
1. Sale of Goods	0.35 0.31	10.20 8.69	25.58 17.07	0.04 0.17	- -	- -	36.17 26.24
2. Sale of Capital Asset	- -	0.02 -	- -	- -	- -	- -	0.02 -
3. Purchase of Materials and Spares	0.38 7.14	22.45 16.46	14.27 15.29	- -	- -	- -	37.09 38.89
4. Purchase of Capital Asset	2.97 -	- -	- -	- -	- -	- -	2.97 -
5. Advance Paid	0.33 -	50.79 -	- -	- -	- -	- -	51.12 -
6. Establishment and Other Expenses Paid / (Received)	0.36 0.14	8.19 7.63	0.05 (0.15)	(0.39) 0.42	- -	0.03 -	8.24 8.05
7. Royalty and Technical Fees Received	- -	- -	38.65 29.74	- -	- -	- -	38.65 29.74
8. Investments Made	- -	- -	870.93 24.53	- -	- -	- -	870.93 24.53
9. Guarantees Given / (Cancelled)	- -	- -	642.05 2053.45	- -	- -	- -	642.05 2053.45
10. Security Deposit Given	- -	- -	- -	1.50 -	- -	- -	1.50 -
11. Repayment of Loan Given	- -	- -	- 14.40	- -	- -	0.43 0.43	0.43 14.82
12. Interest Received on Loans	- -	- -	- 0.55	- -	- -	0.18 0.25	0.18 0.80
13. Dividend Received	- -	- -	19.38 0.98	- -	- -	- -	19.38 0.98
14. Dividend Remitted	57.00 54.16	31.75 30.39	- -	- -	3.70 3.54	0.13 0.06	92.58 88.15
15. Managerial Remuneration	- -	- -	- -	- -	- -	13.73 10.57	13.73 10.57
16. Commission on Profits and Sitting Fees	- -	- -	- -	- -	0.48 0.11	- 0.03	0.48 0.14
17. Lease Rentals Paid	- -	- -	- -	- -	2.85 1.95	- -	2.85 1.95
Outstanding Balances as at March 31, 2012							
Receivable	0.03 0.80	7.51 2.99	14.37 42.87	0.35 -	- -	1.71 2.14	23.97 48.81
Payable	0.56 0.84	- 1.40	- 0.02	0.14 0.10	- -	- 0.01	0.71 2.37
Guarantees Outstanding	- -	- -	2196.87 2086.10	- -	- -	- -	2196.87 2086.10

Note : Figures in italics denote figures for previous year

Notes to the Financial Statements for the year ended March 31, 2012

C) The Significant Related Party Transactions are as under:

	₹ Crore	
	Current Year	Previous Year
Sale of Goods		
Godrej & Boyce Mfg. Co. Ltd.	0.35	0.31
Godrej Industries Ltd.	10.02	8.57
Godrej Properties Limited	-	-
Godrej Agrovat Ltd.	0.18	0.12
Godrej Tyson Foods Ltd	-	-
Godrej Hershey Ltd.	0.04	0.17
Godrej Global Mideast F.Z.E.	4.00	4.33
Godrej Hygiene Products Ltd.	-	-
Rapidol (Proprietary) Limited	6.97	2.81
Godrej Nigeria Ltd.	-	0.03
Godrej Household Products Lanka (Private) Ltd.	11.34	4.05
Godrej Household Products (Bangladesh) Private Ltd.	3.26	5.78
PT Megasari Makmur	-	0.08
Sale of Capital Asset		
Godrej Industries Ltd.	0.02	-
Purchase of Materials and Spares		
Godrej & Boyce Mfg. Co. Ltd.	0.38	7.14
Godrej Industries Ltd.	20.01	16.37
Godrej Oil Palm Limited	1.52	0.09
Godrej Global Mideast F.Z.E.	0.18	-
Keyline Brands Limited	0.01	-
Godrej Household Products Lanka (Private) Ltd.	0.01	-
Godrej Hygiene Products Ltd.	14.98	15.29
Purchase of Capital Asset		
Godrej & Boyce Mfg. Co. Ltd.	2.97	-
Advance Paid		
Godrej & Boyce Mfg. Co. Ltd.	0.33	-
Godrej Vikhroli Properties LLP	50.79	-
Establishment and Other Expenses Paid / (Received)		
Godrej & Boyce Mfg. Co. Ltd.	0.36	0.14
Godrej Industries Ltd.	8.08	5.49
Godrej Agrovat Ltd.	0.55	0.91
Godrej Infotech Ltd.	0.01	0.02
Godrej Properties Ltd.	(0.39)	1.21
Natures Basket Ltd.	(0.06)	-
Godrej Tyson Foods Ltd	-	-
Godrej Hershey Ltd.	(0.39)	0.42
Godrej Household Products Lanka (Private) Ltd.	0.05	(0.09)
Godrej Household Products (Bangladesh) Private Ltd.	-	(0.12)
Rapidol (Proprietary) Limited	-	0.06
Mr. A. Mahendran	0.03	-
Royalty and Technical Fees Received		
Rapidol (Proprietary) Limited	9.49	8.05
Godrej Household Products Lanka (Private) Ltd.	0.24	0.17
Godrej Household Products (Bangladesh) Private Ltd.	1.50	0.98

Notes to the Financial Statements for the year ended March 31, 2012

	₹ Crore	
	Current Year	Previous Year
PT Indomas Susemi Jaya	0.83	-
PT Ekamas Sarijaya	0.46	-
PT Simba Indosnack Makmur	2.74	-
PT Megasari Makmur	23.38	20.55
Investments Made		
Godrej Consumer Products Mauritius Ltd.	382.81	4.98
Godrej Netherlands B.V.	0.06	-
Godrej Household Products (Bangladesh) Pvt. Ltd.	4.43	-
Godrej Mauritius Africa Holdings Limited	64.83	-
Godrej Consumer Products Holdings (Mauritius) Ltd.	418.80	19.56
Guarantees Given / (Cancelled)		
Godrej Hygiene Products Ltd.	-	2.00
Godrej Consumer Products Holding (Mauritius) Ltd.	44.70	1641.60
Godrej Household Products (Bangladesh) Pvt. Ltd.	4.76	-
Godrej Mauritius Africa Holdings Limited	592.60	-
Godrej Consumer Products Mauritius Limited	-	430.21
Godrej Netherlands B.V.	-	(20.36)
Security Deposit Given		
Godrej Hershey Ltd.	1.50	-
Repayment of Loan Given		
Godrej Netherlands B.V.	-	3.40
Godrej Hygiene Products Limited	-	11.00
Mr. A. Mahendran	0.43	0.43
Interest Received on Loans		
Godrej Netherlands B.V.	-	0.02
Godrej Hygiene Products Ltd.	-	0.53
Mr. A. Mahendran	0.18	0.25
Dividend Received		
Godrej Household Products Lanka (Private) Limited	19.38	0.98
Dividend Remitted		
Godrej & Boyce Mfg. Co. Ltd.	57.00	54.16
Godrej Industries Ltd.	31.75	30.39
Mr. Adi Godrej	-	-
Mr. A. Mahendran	0.13	0.06
Ms. Parmeshwar Godrej	-	-
Ms. Tanya Dubhash	0.62	0.59
Ms. Nisaba Godrej	0.62	0.59
Mr. Pirojsha Godrej	0.62	0.59
Mr. Nadir Godrej	0.46	0.44
Mr. Burjis Godrej	0.46	0.46
Master Sohrab Godrej	0.46	0.44
Master Hormazd Godrej	0.46	0.44
Managerial Remuneration		
Mr. Adi Godrej	7.43	3.20
Mr. Hoshedar Press	-	1.84

Notes to the Financial Statements for the year ended March 31, 2012

		₹ Crore
	Current Year	Previous Year
Mr. Dalip Sehgal	-	0.76
Mr. A. Mahendran	6.30	4.77
Commission on Profits and Sitting Fees		
Mr. Nadir Godrej	0.23	0.11
Ms. Nisaba Godrej	0.12	-
Ms. Tanya Dubash	0.12	-
Mr. A. Mahendran	-	0.03
Lease Rentals Paid		
Ms. Parmeshwar Godrej	2.46	1.59
Ms. Mythili Mahendran	0.39	0.36

NOTE 40 : LEASES

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

The future minimum lease payments outstanding under non-cancellable operating leases are as follows:

	₹ Crore
	Current Year
Not later than one year	1.15
Later than one year and not later than five years	1.37
Later than five years	-
TOTAL	2.52

NOTE 41 : 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. The Company does not use foreign exchange forward contracts or commodity futures contracts for trading or speculation purposes.

a) Forward Contracts outstanding as at March 31, 2012:

	Current Year		Previous Year	
	Avg. Rate	USD Mn	Avg. Rate	USD Mn
Forward Contract to Purchase (USD) [32 contracts (previous year 6 contracts)]	50.98	22.78	45.91	6.61
Forward Contract to Sell (EUR) [Nil Contracts (previous year 4 contracts)]	-	-	63.36	0.93
Forward Contract to Sell (USD) [Nil Contracts (previous year 1 contract)]	-	-	46.61	0.05

Notes to the Financial Statements for the year ended March 31, 2012

b) The uncovered foreign exchange exposure as at March 31, 2012:

	Currency	Current Year	₹ Crore Previous Year
Payable	USD	67.61	1.58
Payable	EUR	2.30	3.77
Payable	GBP	0.01	0.02
Receivables	USD	27.42	16.24
Receivables	EUR	16.58	11.70
Receivables	ZAR	-	0.84
EEFC	USD	3.40	-
EEFC	EUR	0.12	-

NOTE 42 : INCENTIVE PLAN

The amount carried forward in notional bank after distribution of PLVR for the financial year 2011-12 is ₹ 3.49 crore as on March 31, 2012 (*previous year ₹ 6.67 crore*). The said amount is not provided in the books of account and is payable in future, if performance so warrants.

NOTE 43 : EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

Provident Fund:

The post-employment benefits of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, include contributions to the Provident Fund and Superannuation Fund. The contributions to the Provident Fund are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

Upto the previous year all provident fund contributions, whether made to the Regional Provident Fund Office or to the Provident Fund Trust administered by the Company were considered as Defined Contribution Plans.

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.

The gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through a Unit Linked Gratuity Plus Scheme with Life Insurance Corporation of India ('LIC') and HDFC Standard Life Insurance Company Limited. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for 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

Notes to the Financial Statements for the year ended March 31, 2012

authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

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

The expected return on plan assets of 8.50% 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 ₹ 4.52 crore (*previous year ₹ 5.34 crore*) has been included in Note 27 under Contribution to Provident Fund and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 2.14 crore (*previous year ₹ 2.15 crore*) has been included in Note 27 under Contribution to Provident and Other Funds.

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

	₹ Crore	
	Current Year	Previous Year
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	16.27	9.38
Obligation on Transfer of Employees pursuant to Scheme of Amalgamation	-	5.99
Current Service Cost	0.76	1.36
Interest Cost	0.85	1.27
Actuarial (Gain) / Loss on Obligation	1.28	0.25
Benefits Paid	(2.96)	(1.98)
Present value of the obligation at the end of the year	16.20	16.27
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	12.67	7.38
Plan Assets taken over pursuant to Scheme of Amalgamation	-	6.03
Expected return on Plan Assets	0.51	1.11
Actuarial Gain / (Loss) on Plan Assets	0.25	(0.37)
Contributions by the Employer	-	0.50
Benefits Paid	(2.96)	(1.98)
Fair value of Plan Assets at the end of the year	10.47	12.67
iii) Amounts Recognised in the Balance Sheet		
Present value of Obligation at the end of the year	16.20	16.27
Fair value of Plan Assets at the end of the year	10.47	12.67
Net Obligation at the end of the year	5.73	3.60
iv) Amounts Recognised in the statement of Profit and Loss		
Current Service Cost	0.76	1.36
Interest Cost on Obligation	0.85	1.27
Expected return on Plan Assets	(0.51)	(1.11)
Net Actuarial (Gain) / Loss recognised in the year	1.04	0.63
Net Cost included in Personnel Expenses	2.14	2.15
v) Actual Return on Plan Assets	0.76	0.74
vi) Estimated contribution to be made in next financial year	1.33	1.36
vii) Major categories of Plan Assets as a % of total Plan Assets		
Insurer Managed Funds	100%	100%

Notes to the Financial Statements for the year ended March 31, 2012

	₹ Crore	
	Current Year	Previous Year
viii) Actuarial Assumptions		
i) Discount Rate	8.50% P.A.	8.25% P.A.
ii) Expected Rate of Return on Plan Assets	8.50% P.A.	8.25% P.A.
iii) Salary Escalation Rate	5.00% P.A.	5.00% P.A.
iv) Employee Turnover	1.00% P.A.	1.00% P.A.
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.		
ix) Experience Adjustments (Gain) / Loss:	On Plan Liabilities	On Plan Assets
	1.63	(0.25)
April 11 - March 12	0.27	0.37
April 10 - March 11	1.86	(0.68)
April 09 - March 10	0.30	0.04
April 08 - March 09	0.89	(0.12)
April 07 - March 08		

NOTE 44 : EMPLOYEE STOCK BENEFITS PLANS

I. EMPLOYEE STOCK OPTION / PURCHASE 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 4,500,000 Stock Options convertible into 4,500,000 equity shares of the nominal value ₹ 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 ESOPS authorised for issue are 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) All unvested Options shall vest in the employees 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 Options 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.

Notes to the Financial Statements for the year ended March 31, 2012

- g) The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognised 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.
- h) The Board of Directors in its meeting held on January 22, 2011, had approved an Employee Stock Purchase Plan (GCPL ESPL) which is administered by the GCPL ESOP Trust. Under the plan, the Company provides loans to the GCPL ESOP Trust at an interest rate which is not less than the bank rate, to enable the Trust to acquire up to 1,000,000 shares of the Company from the secondary market. The HR and Compensation Committee had resolved that the surplus shares held by the GCPL ESOP Trust at any point of time for grant of Options under GCPL ESOP be utilised for grant of shares to the employees under the GCPL ESPL within the maximum of 1,000,000 equity shares. Under the plan, entire 1,000,000 shares have been granted and vested till March 31, 2012. These shares have to be compulsorily acquired from the GCPL ESOP Trust within the exercise period of two years. The exercise price shall be the market price on the day prior to the date of grant plus interest at a rate not less than the bank rate till the date of exercise.
- i) The status of the above plans are as under:

	Current Year	Previous Year
Options / Shares Granted	4,667,000	4,647,000
Options Vested	3,744,000	2,810,000
Options Exercised	2,450,075	1,001,500
Options Lapsed / Forfeited and re-granted	762,000	762,000
Options Lapsed / Forfeited to be re-granted	35,000	20,000
Total Number of Options / Shares Outstanding	1,419,925	2,883,500

II. EMPLOYEE STOCK OPTION PLAN OF ERSTWHILE GODREJ HOUSEHOLD PRODUCTS LTD.

- a) Under the Scheme of Amalgamation, the Company has obtained the 'Godrej Sara Lee Limited Employees Stock Option Plan' set up for eligible employees of the erstwhile Godrej Household Products Limited. The equity shares of Godrej Industries Limited (GIL) are the underlying equity shares for the stock option plan. The ESOP Scheme is administered by an independent ESOP Trust created with IL&FS Trust Company Limited. The independent ESOP Trust has purchased shares of GIL from the market against which the options have been granted. The purchases have been financed by loans from the erstwhile Godrej Household Products Limited, which together with interest amounted to ₹ 70.69 crore as at beginning of the year. The Company has given a further loan of ₹ 0.50 crore during the year. The total amount of loans given together with interest thereon as at March 31, 2012 amounts to ₹ 77.43 crore. The repayment of the loans granted to the ESOP Trust and interest thereon is dependent 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.
- b) The status of the above plan is as under:

	Current Year	Previous Year
Options Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	-	-
Options Lapsed / Forfeited	6,67,000	2,05,000
Total Number of Options Outstanding	1,462,000	1,924,000

Notes to the Financial Statements for the year ended March 31, 2012

III. EMPLOYEE STOCK GRANT SCHEME

- a) During the year the Company set up the **Employees Stock Grant Scheme 2011 (ESGS)** pursuant to the approval by the Shareholders at their Meeting held on March 18, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees of the Company or its Subsidiary Company. The entitlement of each employee would be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid-up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid-up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan is as under:

	Current Year	Previous Year
Options Granted	114,102	-
Options Vested	-	-
Options Exercised	-	-
Options Lapsed	19,136	-
Total Number of Options Outstanding	94,966	-

- IV. Had the fair value method of accounting been used, the employee compensation cost for the year ended March 31, 2012 would have been higher by ₹ 0.67 crore (*previous year ₹ 11.33 crore*).

NOTE 45 : SCHEME OF AMALGAMATION

- a) The Hon'ble High Court of Judicature at Bombay has vide order dated April 26, 2011, sanctioned a Scheme of Amalgamation of the wholly owned subsidiaries of the Company viz. Naturesse Consumer Care Products Limited (NCCPL) and Essence Consumer Care Products Limited (ECCPL), with Godrej Consumer Products Limited (GCPL). The Appointed Date as per the Scheme is December 3, 2010 and the Effective Date is May 18, 2011. Accordingly, the standalone results of the Company for the year ended March 31, 2012, includes the results of the erstwhile ECCPL and NCCPL for the period April 1, 2011, up to May 18, 2011.

Notes to the Financial Statements for the year ended March 31, 2012

- b) In accordance with the Scheme of Amalgamation, all the assets and liabilities of ECCPL and NCCPL have been taken over at their respective book values as on December 3, 2010. The difference between book value of assets and liabilities taken over amounting to ₹ 37.66 crore, after giving effect to the adjustments proposed in the Scheme, has been debited to General Reserve in accordance with the Scheme of Amalgamation.
- c) Since the entire issued, subscribed and paid-up share capitals of NCCPL and ECCPL were held by the Company, upon the Scheme of Amalgamation becoming effective, no shares of the Company have been allotted in lieu or exchange of its holding in NCCPL and ECCPL, and the share capitals of NCCPL and ECCPL stand cancelled.
- d) Since the aforesaid Scheme of Amalgamation, which is effective from December 3, 2010, 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.

NOTE 46 : GENERAL

The Revised Schedule VI has become effective from the current year for the presentation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. However, it does not impact recognition & measurement principles followed for preparation of financial statements. Figures of the previous years have been regrouped / restated wherever necessary to confirm to current year's presentation.

CONSOLIDATED FINANCIALS

10

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, 2012, the Consolidated Statement of Profit and Loss 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 included in the Consolidated Financial Statement whose financial statements reflect the Group's share of total assets of ₹ 1646.59 crore as at March 31, 2012, the Group's share of total revenues of ₹ 1956.53 crore and net cash flows amounting to ₹ 129.70 crore 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): Notes to Consolidated Accounts, certain subsidiaries whose financial statements reflect the Group's share of total assets of ₹ 901.97 crore as at March 31, 2012 and the Group's share of total revenues of ₹ 3.33 crore and net cash flows amounting to ₹ 6.44 crore 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. Without qualifying our opinion, attention is drawn to:
 - a. Note 13: Notes to Consolidated Accounts, regarding the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited with the Company approved by The Hon'ble High Court of Judicature at Bombay whereby an amount of ₹ 52.75 crore for the year ended on March 31, 2012, equivalent to the amortisation of the Goodknight and HIT Brands is directly debited to the General Reserve Account instead of debiting the same to the Statement of Profit and Loss. Had this amount been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.

- b. Note 40: Notes to Consolidated Accounts, regarding the Scheme of Amalgamation of the wholly owned subsidiaries of the Company viz. Naturesse Consumer Care Products Limited (NCCPL) and Essence Consumer Care Products Limited (ECCPL), with the Company approved by The Hon'ble High Court of Judicature at Bombay, whereby all the assets and liabilities of ECCPL and NCCPL have been taken over at their respective book values as on December 3, 2010. The difference between the book value of the assets and liabilities taken over amounting to ₹ 37.67 crore, after giving effect to the adjustments proposed in the Scheme, has been debited to the General Reserve in accordance with the Scheme of Amalgamation.
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 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 and its subsidiaries as at March 31, 2012;
 - (b) in the case of the Consolidated Statement of Profit and Loss, 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 30, 2012.

Consolidated Balance Sheet as at March 31, 2012

			(₹ Crore)	
	Note No.		Current Year	Previous Year
I. EQUITY AND LIABILITIES				
1. Shareholder's Funds				
(a) Share Capital	3	34.03		32.36
(b) Reserves and Surplus	4	2781.15		1692.80
			2815.18	1725.16
2. Minority Interest			88.23	-
3. Non-Current Liabilities				
(a) Long-term Borrowings	5	1528.12		1342.04
(b) Deferred Tax Liabilities	6	11.05		8.60
(d) Other Long-term Liabilities	7	7.15		9.14
(e) Long-term Provisions	8	22.26		17.57
			1568.58	1377.35
4. Current Liabilities				
(a) Short-term Borrowings	9	35.92		126.72
(b) Trade Payables	10	770.23		333.13
(c) Other Current Liabilities	11	698.09		917.32
(d) Short-term Provisions	12	52.06		17.49
			1556.30	1394.66
TOTAL			6028.29	4497.17
II. ASSETS				
1. Non-Current Assets				
(a) Fixed Assets	13			
(i) Tangible Assets		394.53		354.87
(ii) Intangible Assets		1151.85		1182.40
(iii) Capital Work-in-Progress		37.58		8.02
		1583.96		1545.29
(b) Goodwill on Consolidation		2145.41		1540.41
(c) Deferred Tax Assets (net)	14	11.56		7.20
(d) Long-term Loans and Advances	15	246.34		164.81
(e) Other Non-Current Assets	16	14.16		2.39
			4001.43	3260.10
2. Current Assets				
(a) Inventories	17	783.91		439.41
(b) Trade Receivables	18	472.53		383.99
(c) Cash and Bank Balances	19	639.87		226.91
(d) Short-term Loans and Advances	20	118.13		174.58
(e) Other Current Assets	21	12.42		12.18
			2026.86	1237.07
TOTAL			6028.29	4497.17

Notes to the Financial Statements 1 to 41

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

As per our Report attached

Signatures to the Financial Statements and Notes

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

For and on behalf of the Board
Adi Godrej
Chairman

Darius Z. Fraser
Partner

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

A. Mahendran
Managing Director

Mumbai: April 30, 2012

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

	Note No.		(₹ Crore)
		Current Year	Previous Year
I. Revenue from Operations			
Revenue from Operations (Gross)	24	4986.61	3775.89
Less: Excise Duty		(120.45)	(82.29)
		4866.16	3693.60
II. Other Income	25	52.00	52.24
III. Total Revenue (I + II)		4918.16	3745.84
IV. Expenses			
Cost of Raw Materials including Packing Material Consumed	26	2174.67	1458.28
Purchases of Stock-in-Trade		356.11	294.12
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(212.26)	(45.22)
Employee Benefits Expenses	28	391.91	284.51
Finance Costs	29	65.84	43.64
Depreciation and Amortization Expenses		64.44	49.92
Other Expenses	30	1300.33	1048.81
Total Expenses		4141.04	3134.06
V. Profit Before Exceptional Item and Tax (III - IV)		777.12	611.78
VI. Exceptional Items	31	200.17	41.14
VII. Profit Before Tax (V + VI)		977.29	652.92
VIII. Tax Expense			
(1) Current Tax		227.95	137.82
(2) Deferred Tax		(1.89)	0.39
		226.05	138.21
IX. Profit for the year Before Minority Interest (VII - VIII)		751.24	514.71
X. Minority Interest		24.52	-
XI. Profit for the Year (IX - X)		726.72	514.71
XII. Earnings per Equity Share (Face Value ₹ 1)	32		
(1) Basic (₹)		22.34	16.11
(2) Diluted (₹)		22.34	16.11
Notes to the Financial Statements	1 to 41		

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

As per our Report attached

Signatures to the Financial Statements and Notes

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

For and on behalf of the Board
Adi Godrej
Chairman

Darius Z. Fraser
Partner

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

A. Mahendran
Managing Director

Mumbai: April 30, 2012

Consolidated Cash Flow Statement for the year ended March 31, 2012

		(₹ Crore)
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax and Extraordinary Items:	777.12	611.78
Adjustments for:		
Depreciation / Amortization expensive	64.44	49.91
Unrealised Foreign Exchange (Gain) / Loss	20.50	5.28
Bad Debts Written off	1.14	0.47
Provision for Doubtful Debts / Advances	3.82	0.90
Write-Off/(Write-in) of Old Balances	(0.63)	0.56
Other Income Outstanding	11.93	8.96
Expenses on ESGs	1.80	-
Interest Expense	65.84	32.33
(Profit)/Loss on Fixed Assets Sold / Discarded	0.63	(0.43)
Interest Income	(39.77)	(26.79)
Profit on Sale of Investment	(6.16)	(1.33)
	123.56	69.89
Operating Profit Before Working Capital Changes	900.68	681.67
Effect of exchange difference on translation of assets and liabilities	(22.59)	
Adjustments for :		
Inventories	(344.50)	(252.46)
Trade Receivables	(93.65)	(306.50)
Loans and Advances	(39.96)	(322.68)
Other Current Assets	(0.56)	(0.25)
Current Liabilities and Provisions	702.79	507.17
	224.13	(374.72)
Cash Generated from / (used) in Operations	1,102.22	306.95
Adjustment for:		
Direct taxes paid	(210.05)	(141.96)
Net Cash Flow from Operating Activities Before Exceptional Items	892.17	164.99
Exceptional Items:		
- Licence Agreement Termination Compensation	200.17	40.31
- Compensation for Assignment of Rights Leasehold Land	-	0.83
	200.17	41.14
Net Cash Flow from Operating Activities After Exceptional Items	1,092.34	206.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) / Sale of Fixed Assets (net)	(156.51)	(1,388.03)
Cost and Expenses of Amalgamation	-	(6.14)
(Purchase) / Sale of Investments / Deposits (net)	(171.44)	62.75
Investment Expenses to be Capitalised	-	(2.31)
Loan to ESOP Trust (net)	17.04	(29.12)
Investment in Subsidiaries	(579.11)	(1,027.06)
Interest Received	39.82	20.06
Net Cash Flow from Investing Activities	(850.20)	(2,369.86)
	242.14	(2,163.73)

Consolidated Cash Flow Statement for the year ended March 31, 2012

		(₹ Crore)	
		Current Year	Previous Year
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Preferential Allotment of Equity Shares (net)	684.70		522.79
Borrowing from Banks (net)	(139.13)		1,760.49
Issue of Debentures (net of expenses)	224.18		177.74
Redemption of Debentures / Long Term Debt	(559.21)		-
Repayment of Sales Tax Deferral Loan	(0.15)		-
Cash Credits (net)	(5.71)		5.12
Interest Paid	(42.22)		(32.05)
Dividend Paid	(146.07)		(163.71)
Tax on Distributed Profits	(23.62)		(33.49)
Net Cash Flow from Financing Activities		(7.24)	2,236.89
Net Increase / (Decrease) in Cash and Cash Equivalents		234.90	73.16
CASH AND CASH EQUIVALENTS:			
AS AT THE BEGINNING			
Cash and Bank Equivalents		216.44	300.83
Acquired Pursuant to the Scheme of Amalgamation		-	157.55
AS AT THE ENDING			
Cash and Bank Equivalents		451.34	216.44
Net increase/(decrease) in cash and cash equivalents		234.90	73.16

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Darius Z. Fraser
Partner

Mumbai: April 30, 2012

Signatures to the Financial Statements and Notes

For and on behalf of the Board
Adi Godrej
Chairman

A. Mahendran
Managing Director

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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 applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and specified in the Companies (Accounting Standard) Rules, pronouncements of 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 of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss, if any, is recognized in the period in which the impairment takes place.

e. Intangible Assets:

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

f. Operating Leases

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

g. 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.

h. Inventories

Inventories are valued at lower of cost and estimated 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

i. Provisions and Contingent Liabilities

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

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 recognised in the financial statements since this may result in the recognition of income that may never be realised.

j. Revenue Recognition

- i) Sales are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates, sales taxes and excise duties.
- ii) Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.
- iii) Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Entitlement Pass Book Scheme.
- iv) Dividend income is recognised when the right to receive the same is established.
- v) Interest income is recognised on a time proportion basis.
- vi) Insurance claims and transport and power subsidies from the Government are accounted on cash basis when received.

k. Expenditure

- i) Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.
- ii) Revenue expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on research and development is shown as addition to fixed assets.

l. 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.

m. 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 Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

- 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 Statement of Profit and Loss 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.
- v) The Government of India, Ministry of Corporate Affairs has during the year amended the Companies (Accounting Standards) Rules, 2006, in respect of Accounting Standard (AS) 11 relating to "The Effects of Changes in Foreign Exchange Rates", wherein enterprises have been given an option to accumulate exchange differences in a "Foreign Currency Monetary Item Translation Difference Account" subject to the conditions specified in the Notification. Accordingly, the Company has exercised the option to accumulate the foreign currency gain / losses in the "Foreign Currency Monetary Item Translation Difference Account".

n. Hedging

The Company uses forward exchange contracts to hedge its foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts are recognised in the Statement of Profit and Loss. Gains or losses on the commodity futures contracts are recorded in the Statement of Profit and Loss under Cost of Materials Consumed.

o. Employee Benefits

i) Short-term Employee benefits

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

ii) Post Employment Benefits

a) Defined Contribution Plans

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

Upto the previous year all provident fund contributions, whether made to the Regional Provident Fund Office or to the Provident Fund Trust administered by the Company were considered as Defined Contribution Plans.

b) Defined Benefit Plans

Gratuity Fund

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 recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

Provident Fund

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

c) Other Long Term Employee Benefits

Other Long Term Employee Benefits viz., leave encashment and long service bonus are recognised as an expense in the Statement of Profit and Loss 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 Statement of Profit and Loss.

p. 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 March 31, 2009, 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 Statement of Profit and Loss. 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 notional bank balance accumulated till March 31, 2009, as at the beginning of the current year is being paid @ 33% every year on the reducing balance. The entire EVA award for the year has been charged to the Statement of Profit and Loss.

q. Depreciation and Amortisation

- i) Leasehold land is amortised equally over the lease period.
- ii) Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- iii) 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:
 - a) In case of computer hardware which is depreciated over 4 years.
 - b) SAP licenses acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company are amortised over a period of 4 years and Trademarks acquired are amortised equally over the best estimate of their useful life not exceeding a period of 10 years, except in the case of Goodknight and Hit brands where the brands are amortised equally over a period of 20 years.
 - c) Goodwill is amortised over a period of 5 years.
 - d) Tools, dies and moulds acquired are depreciated over a period of 3½ years.
 - e) Technical Knowhow is depreciated over a period of 10 years.
 - f) In accordance with the Court order approving the Scheme of Amalgamation of the erstwhile GHPL with the Company, an amount equivalent to the amortisation of the Goodknight and Hit brands at the end of each financial year is directly debited to the balance in the General Reserve Account.
- iv) Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

r. Taxes on Income

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

Deferred tax subject to consideration of prudence, is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset / liabilities in respect of on timing differences which originate and reverse during the tax holiday period are not recognized. Deferred tax asset / liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognized. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only 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.

s. Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of Personal and Household Care products. The Company has identified business segment 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 its 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, 2012.

The financial statements of following subsidiaries have been audited for the year ended March 31, 2012

- 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

- Godrej Hygiene Products Limited
- Godrej Consumer Products Holding (Mauritius) Ltd., Mauritius
- Godrej Nigeria Holdings Limited, Mauritius
- Godrej Household Products Lanka (Pvt.) Ltd.
- Godrej Household Products (Bangladesh) Pvt. Limited
- Godrej Nigeria Ltd.
- PT Megasari Makmur
- PT Simba Indosnack Makmur
- PT Ekamas Sarijaya
- PT Sarico Indah
- PT Indomas Susemi Jaya
- PT Intrasari Raya
- Laboratoria Cuenca S.A.
- Issue Group Uruguay S.A.
- Deciral S.A.
- Issue Group Brazil Ltd.
- Consell S.A.
- Argencos S.A.
- Panamar Produccioness Srl
- Godrej Mauritius Africa Holdings Limited
- Godrej Weave Holdings Limited
- Weave Trading Mauritius Pvt. Ltd.
- DGH Mauritius Private Limited
- Weave Business Holding Mauritius Pvt. Ltd.
- Weave IP Holdings Mauritius Pvt. Ltd.
- Subinite (Pty) Limited
- Lorna Nigeria Limited
- Weave Mozambique Limitada
- Hair Trading (Offshore) S. A. L.

The financial statements of Godrej Netherlands, B.V., Godrej Consumer Products Dutch Cooperatief U.A., Godrej Consumer Products (Netherlands) B.V., Godrej Consumer Holdings (Netherlands) B.V., Godrej Consumer Products Bangladesh Ltd., Godrej Indonesia Netherlands Holding BV, Godrej Argentina Dutch Cooperatief U.A, Godrej Netherlands Argentina Holding B.V, Godrej Netherlands Argentina B.V, and Indovest Capital Ltd., for the year ended March 31, 2012, have not been audited and have been consolidated on the basis of accounts certified by Management.

Accordingly, the consolidated financial statements include the results of the subsidiaries for the year ended March 31, 2012 and their assets and liabilities as on the Balance Sheet date and in the case of the joint venture, to the extent of it's interest, for the year and its share in the assets and liabilities as on the Balance Sheet date.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

- c) 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.

2. PARTICULARS OF SUBSIDIARIES

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 Nigeria Holdings Limited (100% subsidiary of Godrej Consumer Products Mauritius Limited)	Mauritius	100%	100%
11.	Godrej Nigeria Limited (99.99% held by Godrej Nigeria Holdings Limited, 0.01% held by Godrej Consumer Products Mauritius Limited.)	Nigeria	100%	100%
12.	Godrej Argentina Dutch Cooperatief U.A. (100% subsidiary of Godrej Consumer Products Mauritius Limited)	Netherlands	100%	100%
13.	Godrej Netherlands Argentina Holding B.V. (100% subsidiary of Godrej Argentina Dutch Cooperatief U.A.)	Netherlands	100%	100%
14.	Godrej Netherlands Argentina B.V. (100% subsidiary of Godrej Argentina Dutch Cooperatief U.A.)	Netherlands	100%	100%
15.	Laboratoria Cuenca S.A. (90% held by Godrej Netherlands Argentina Holding B.V. and 10% held by Godrej Netherlands Argentina B.V.)	Argentina	100%	100%
16.	Issue Group Uruguay S.A. (99% held by Laboratoria Cuenca S.A. and 1% held by Deciral S.A.)	Argentina	100%	100%
17.	Issue Group Brazil Limited (100 % subsidiary of Laboratoria Cuenca S. A.)	Argentina	100%	100%
18.	Deciral S.A. (100 % subsidiary of Laboratoria Cuenca S.A)	Argentina	100%	100%
19.	Consell S.A. (97.31% held by Laboratoria Cuenca S.A, 2.42% held by Godrej Netherlands Argentina B.V. and 0.27% held by Godrej Netherlands Argentina Holding B.V.)	Argentina	100%	100%
20.	Argencos S.A. (85.81% held by Godrej Netherlands Argentina B.V and 14.19% held by Panamar Producciones S.A.)	Argentina	100%	100%
21.	Panamar Producciones S.A. (90% held by Godrej Netherlands Argentina B.V. and 10% held by Godrej Netherlands Argentina Holding B.V.)	Argentina	100%	100%
22.	Godrej Hygiene Product Limited	India	100%	100%

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
23.	Godrej Consumer Products Holding (Mauritius) Limited	Mauritius	100%	100%
24.	Indovest Capital Limited (100% subsidiary of Godrej Consumer Products Holding (Mauritius) Limited)	Malaysia	100%	100%
25.	Godrej Consumer Products Dutch Cooperatief U.A., (99.99% held by Godrej Consumer Products Holding (Mauritius) Limited, 0.01% held by Godrej Consumer Products Mauritius Limited)	Netherlands	100%	100%
26.	Godrej Indonesia Netherlands Holding B.V. (100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)	Netherlands	100%	100%
27.	Godrej Consumer Products (Netherlands) B.V. (100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)	Netherlands	100%	100%
28.	Godrej Consumer Holdings (Netherlands) B.V. (100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)	Netherlands	100%	100%
29.	PT. Megasari Makmur (96% held by Godrej Consumer Holdings Netherlands B.V. and 4% held by Godrej Consumer Products Netherlands B.V.)	Indonesia	100%	100%
30.	PT. Simba Indosnack Makmur (95% held by Godrej Consumer Holdings Netherlands B.V. and 5% held by Godrej Consumer Products Netherlands B.V.)	Indonesia	100%	100%
31.	PT. Ekamas Sarijaya (96% held by Godrej Consumer Holdings Netherlands B.V. and 4% held by Godrej Consumer Products Netherlands B.V.)	Indonesia	100%	100%
32.	PT. Sarico Indah (96% held by Godrej Consumer Holdings Netherlands B.V. and 4% held by Godrej Consumer Products Netherlands B.V.)	Indonesia	100%	100%
33.	P.T.Indomas Susemi Jaya (95% held by Godrej Consumer Holdings Netherlands B.V. and 5% held by Godrej Consumer Products Netherlands B.V.)	Indonesia	100%	100%
34.	P.T. Intrasari Raya (99% held by Godrej Consumer Holdings Netherlands B.V. and 1% held by Godrej Consumer Products Netherlands B.V.)	Indonesia	100%	100%
35.	Godrej Household Products Lanka (Private) Limited	Sri Lanka	100%	100%
36.	Godrej Household Products (Bangladesh) Private Limited	Bangladesh	100%	100%
37.	Godrej Consumer Products Bangladesh Limited	Bangladesh	100%	100%
38.	Godrej Mauritius Africa Holdings Limited	Mauritius	100%	100%
39.	Godrej Weave Holdings Limited (100% subsidiary of Godrej Mauritius Africa Holdings Limited)	Mauritius	100%	100%
40.	DGH Mauritius Private Limited (51% subsidiary of Godrej Weave Holdings Limited)	Mauritius	51%	--
41.	Weave Trading Mauritius Private Limited (51% subsidiary of Godrej Weave Holdings Limited)	Mauritius	51%	--
42.	Weave Business Holding Mauritius Private Limited (100% subsidiary of DGH Mauritius Limited)	Mauritius	51%	--
43.	Lorna Nigeria Limited (99.99% subsidiary of Weave Business Holding Mauritius Private Limited)	Nigeria	51%	--
44.	Subinite (Proprietary) Limited (100% subsidiary of Weave Business Holding Mauritius Private Limited)	South Africa	51%	--
45.	Weave Mozambique Limitada (99% subsidiary of Weave Business Holding Mauritius Private Limited)	Mozambique	51%	--
46.	Weave IP Holdings Mauritius Private Limited (100% subsidiary of Weave Business Holding Mauritius Private Limited.)	Mauritius	51%	--
47.	Hair Trading (Offshore) S. A. L. (99.80% subsidiary of Weave Trading Mauritius Private Limited)	Lebanon	51%	--

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 3: SHARE CAPITAL

	(₹ Crore)	
	Current Year	Previous Year
Authorised		
410,000,000 Equity Shares (<i>previous year 410,000,000</i>) of ₹ 1 each	41.00	41.00
10,000,000 Preference Shares (<i>previous year 10,000,000</i>) of ₹ 1 each	1.00	1.00
Issued		
340,328,585 Equity Shares (<i>previous year 323,621,268</i>) of ₹ 1 each	34.03	32.36
Subscribed and Fully Paid up		
340,297,461 Equity Shares (<i>previous year 323,590,144</i>) of ₹ 1 each fully paid up	34.03	32.36
Total	34.03	32.36

NOTES:

- a) During the year, the Company issued 16,707,317 equity shares of ₹ 1 each at a premium of ₹ 409 per equity share to Baytree Investments (Mauritius) Pte. Ltd. on preferential basis. The issue proceeds aggregating to ₹ 684.99 Crore have been utilised to retire debt and for general corporate purpose.
- b) 31,124 Right Issue Shares (i.e. difference in Issued capital and Paid up capital) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order is awaited.

c) Terms / rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share.

During the year ended March 31, 2012, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 4.75 (*previous year: ₹ 4.50*).

d) The reconciliation of number of equity shares outstanding and the amount of share capital:

	Current Year		Previous Year	
	No. of Shares	(₹ Crore)	No. of Shares	(₹ Crore)
Shares outstanding at the beginning of the year	323,590,144	32.36	308,190,044	30.82
Add: Shares Issued during the year	16,707,317	1.67	15,400,100	1.54
Shares outstanding at the end of the year	340,297,461	34.03	323,590,144	32.36

e) Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	Current Year		Previous Year	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co. Ltd.	125,231,815	36.8%	127,426,815	39.4%
Godrej Industries Limited	71,989,620	21.2%	69,794,620	21.6%

f) Aggregate no. of Equity shares during the five years preceding the date of Balance Sheet

	No. of Shares
Allotted as fully paid up pursuant to contract without payment being received in cash	51,236,136
Shares Bought Back	1,122,484

g) Shares Reserved for issue under options

The Company has 94,966 (*previous year nil*) numbers of equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2012. (*as detailed in Note 39*)

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 4: RESERVE AND SURPLUS

	(₹ Crore)	
	Current Year	Previous Year
1. CAPITAL INVESTMENT SUBSIDY RESERVE		
Balance as per last financial statements	0.15	0.15
2. CAPITAL REDEMPTION RESERVE		
Balance as per last financial statements	1.46	1.46
3. SECURITIES PREMIUM ACCOUNT		
Balance as per last financial statements	853.09	357.04
(+) Premium Received on Allotment of QIP	-	529.76
(-) Expenses on QIP	-	(8.52)
(+) Premium Received on Preferential Allotment	683.33	-
(-) Expenses on Preferential Allotment	(0.29)	-
(-) Expenses on Issue of Debentures	(0.82)	(2.13)
(-) Premium on Redemption of Debenture	(27.23)	(23.06)
Closing Balance	1508.08	853.09
4. DEBENTURE REDEMPTION RESERVE		
Balance as per last financial statements	7.38	-
(+) Transfer from General Reserve	49.75	7.38
(-) Transfer to General Reserve	(50.00)	-
Closing Balance	7.13	7.38
5. EMPLOYEE SHARE OPTIONS OUTSTANDING		
Gross Employee Compensation for Options granted during the year	3.59	-
Less: Deferred Employee Compensation Expense	(1.79)	-
Closing Balance	1.80	-
6. FOREIGN CURRENCY TRANSLATION RESERVE	(29.75)	(7.21)
	(29.75)	(7.21)
7. GENERAL RESERVE		
Balance as per last financial statements	231.35	263.81
(+) Transfer from Surplus	60.44	65.10
(-) Transfer to Debenture Redemption Reserve	(49.75)	(7.38)
(+) Transfer from Debenture Redemption Reserve	50.00	-
(-) Adjustment Pursuant to Scheme of Amalgamation of GHPL	(52.75)	(90.18)
(-) Adjustment Pursuant to Scheme of Amalgamation of Naturesse Consumer Care Products Limited and Essence Consumer Care Products Limited	(37.82)	-
Closing Balance	201.46	231.35
8. SURPLUS		
Balance as per last financial statements	606.58	293.16
(+) Net Profit for the Year	726.72	514.71
(-) Dividends - Interim	(156.63)	(163.14)
(-) Tax on Distributed Profit	(25.41)	(33.49)
(-) Transfer to General Reserve	(60.44)	(65.10)
(+) Addition on Amalgamation	-	60.44
Closing Balance	1090.82	606.58
TOTAL	2781.15	1692.80

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 5: LONG TERM BORROWINGS

		(₹ Crore)
	Current Year	Previous Year
A. Secured		
Term Loans		
from Banks (See Note (a) below)	703.79	1067.04
from Other Parties	-	-
Deferred Sales Tax Loan (See Note (b) below)	0.08	0.14
	703.87	1067.18
B. Unsecured		
Bonds / Debentures		
a) 2,250 Unsecured, Redeemable, Zero Coupon, Non-Convertible Debentures of ₹ 10 lac each	225.00	-
b) Premium on Redemption thereon (See Note (c) below)	10.24	-
	235.24	-
Term loans		
from Banks	588.28	274.86
from Other Parties	0.72	-
	824.24	274.86
TOTAL	1528.12	1342.04

NOTES:

- Secured Loans represent borrowings from various financial institutions for the acquisition of Megasari Group and Indovest Capital. The loan is secured by pledge of shares of Indovest Capital repayable quarterly at a floating rate of interest ranging from 2% to 3%.
- Deferred sales tax loan is interest free and will be paid in balance 28 monthly installments. It is secured by Bank Guarantee in favour of Sales Tax authorities.
- During the year, the Company had issued 2,250 zero-coupon, unsecured, redeemable, non-convertible debentures on private placement basis, redeemable at a premium, which will yield 10.75% p.a. at maturity. These debentures are redeemable on November 14, 2014 with a call option on November 14, 2012 with a call premium of 0.25% and November 14, 2013 without any call premium.
- The Company does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

NOTE 6: DEFERRED TAX LIABILITIES (NET)

		(₹ Crore)
	Current Year	Previous Year
1. Deferred Tax Liability		
a) Depreciation	17.15	12.73
b) Others	-	-
	17.15	12.73
2. Deferred Tax Assets		
a) Tax Disallowances	4.92	2.48
b) Provision for Doubtful Debts	1.18	1.65
c) Others	-	-
	6.10	4.13
TOTAL	11.05	8.60

NOTE 7: OTHER LONG-TERM LIABILITIES

Security Deposit Received	6.29	7.60
Others	0.86	1.54
TOTAL	7.15	9.14

NOTE 8: LONG-TERM PROVISIONS

Provision for Employee Benefits		
Leave Encashment	6.90	7.01
Gratuity	15.36	10.56
TOTAL	22.26	17.57

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 9: SHORT TERM BORROWINGS

	(₹ Crore)	
	Current Year	Previous Year
A. Secured		
Loans Repayable on Demand		
Cash Credit from Bank (<i>Refer Note (a) below</i>)	4.04	9.75
Other Loans and Advances	0.14	0.13
	4.18	9.88
B. Unsecured		
Loans Repayable on Demand		
Short Term Loan from Bank	31.69	88.61
Other Loans and Advances	0.05	28.23
	31.74	116.84
TOTAL	35.92	126.72

NOTES:

- Cash Credit from Bank is secured by Hypothecation of Inventories and Book debts.
- The Company does not have any default as on the Balance Sheet date in repayment of any loan and interest.

NOTE 10: TRADE PAYABLES

	(₹ Crore)	
	Current Year	Previous Year
Due to Micro, Small and Medium Enterprises	-	-
Others	770.23	333.13
TOTAL	770.23	333.13

NOTE:

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.

NOTE 11: OTHER CURRENT LIABILITIES

	(₹ Crore)	
	Current Year	Previous Year
1. Current Maturities of Long-Term Debt (<i>Refer Note below</i>)	312.87	531.99
2. Interest Accrued but not Due on Borrowings	26.04	2.42
3. Security Deposit Received	0.41	0.13
4. Unpaid Dividends	5.34	4.89
5. Taxes, Duties and Other Levies Payable	39.51	24.00
6. Interim Dividend Payable	59.55	48.54
7. Other Payables	254.37	305.35
TOTAL	698.09	917.32

NOTE:

Current maturities of Long term Debt in previous year include 2,000 zero-coupon, unsecured, redeemable, nonconvertible debentures having a face value of ₹ 10 lac each and borrowings from banks for acquisition of Megasari Group, Nigeria and Argentina Group. During the year, the Company had redeemed the debentures in two tranches in the month of December 2011 and January 2012 and loans in August, November, December and February.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 12: SHORT TERM PROVISIONS

(₹ Crore)

	Current Year	Previous Year
1. Provision for Employee Benefits		
Contribution to Provident Fund and Other Funds	0.95	0.97
Gratuity	5.72	4.22
Leave Encashment	2.55	3.40
2. Others		
Provision for Taxes	33.18	1.03
Provision for Tax on Distributed Profits	9.66	7.87
TOTAL	52.06	17.49

NOTE 13: FIXED ASSETS

(₹ Crore)

ASSETS	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	Opening	Additions	Disposals	Acquisitions through Business Combinations	Other Adjustments	Closing	Opening	Depreciation for the Year	On Disposals	On Acquisitions through Business Combinations	Other Adjustments	Closing	Current Year	Previous year
A. TANGIBLE ASSETS														
Freehold Land	23.75	8.17	0.10	-	(5.49)	26.53	-	-	-	-	-	-	26.53	23.75
Leasehold Land	7.94	-	-	-	(1.09)	6.85	0.53	0.07	-	-	(0.10)	0.50	6.35	7.41
Leasehold Improvements	10.90	1.46	-	-	(7.16)	5.20	4.26	0.45	-	-	(3.83)	0.88	4.32	6.64
Buildings	136.20	5.90	(1.86)	-	19.46	159.70	30.45	2.90	1.43	-	5.25	40.03	119.67	105.75
Plant and Equipments	383.50	38.44	(7.23)	2.02	11.36	428.09	206.89	36.34	(0.49)	-	(5.35)	237.39	190.70	176.62
Furniture, Fixtures and Fittings	40.18	3.70	4.80	0.05	(21.16)	27.57	23.92	2.29	5.52	-	(17.32)	14.41	13.16	16.25
Office Equipment	11.66	4.37	(8.40)	-	14.21	21.84	6.42	5.68	(3.87)	-	3.81	12.04	9.80	5.24
Vehicles	20.54	12.65	(1.27)	0.25	2.03	34.20	9.41	1.64	1.60	-	0.29	12.94	21.26	11.13
Computers	7.60	3.04	(1.01)	0.11	8.26	18.00	6.66	2.53	0.64	-	5.43	15.26	2.74	0.94
Assets under Finance Lease:														
Leased Vehicles	1.37	-	(0.16)	-	0.16	-	0.23	-	0.07	-	(0.07)	-	-	1.14
Sub-Total (A)	643.64	77.73	(15.03)	2.43	20.58	727.98	288.77	51.90	4.90	-	(11.89)	333.45	394.53	354.87
B. INTANGIBLE ASSETS														
Goodwill	12.60	-	-	-	1.12	13.72	0.22	2.69	-	-	0.69	3.60	10.12	12.37
Trademarks and Brands	1242.21	-	-	16.34	19.77	1278.32	79.00	7.62	-	-	59.14	145.76	1132.56	1163.21
Computer Software	16.00	4.30	(0.14)	-	(0.15)	20.01	9.38	2.21	0.12	-	(0.69)	11.02	8.99	6.61
Technical Knowhow	0.30	-	-	-	-	0.30	0.09	0.03	-	-	-	0.12	0.18	0.21
Sub-Total (B)	1271.11	4.30	(0.14)	16.34	20.74	1312.35	88.69	12.55	0.12	-	59.14	160.50	1151.85	1182.40
TOTAL (A + B)	1914.75	82.03	(15.17)	18.77	41.32	2040.33	377.46	64.45	5.02	-	47.25	493.95	1546.38	-
Previous Year	414.87	218.58	79.67	-	1360.97	1914.75	153.14	49.91	33.94	-	208.35	377.46	-	1537.29
C. CAPITAL WORK-IN-PROGRESS													37.58	8.02
TOTAL													1583.96	1545.31

NOTES:

- Trademarks and Brands amounting to ₹ 0.13 crore have been acquired pursuant to the Scheme of Amalgamation of Essence Consumer Care Products Ltd. (ECCPL) and Naturesse Consumer Care Products Ltd. (NCCPL).
- Trademarks and Brands acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company are amortised over a period of 20 years. The major influencing factors behind amortising these brands over a period of 20 years are that Goodknight has been in existence since the last twenty seven years and been growing at a fast pace.
- In accordance with the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited with the Company which was sanctioned by the High Court of Judicature at Bombay, an amount of ₹ 52.75 crore (*Previous year ₹ 52.75 cr.*) for the year ended on March 31, 2012, equivalent to the amortisation of the Goodknight and HIT brands is charged to the General Reserve.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 14: DEFERRED TAX ASSETS (NET)

	(₹ Crore)	
	Current Year	Previous Year
1. Deferred Tax Liability		
a) Depreciation	0.64	-
	0.64	-
2. Deferred Tax Assets		
a) Tax Disallowances	12.20	-
b) Others	-	7.20
	12.20	7.20
TOTAL	(11.56)	(7.20)

NOTE 15: LONG-TERM LOANS AND ADVANCES

	(₹ Crore)	
	Current Year	Previous Year
Unsecured, Considered Good		
1. Capital Advances	65.41	7.36
2. Security Deposits	21.43	15.94
3. Other Loans and Advances		
a) Amount due from ESOP Trust	87.49	104.19
b) Excise and VAT Receivables		
Unsecured, Considered Good	51.21	29.19
Doubtful	8.22	8.22
Less: Provision for Doubtful Receivables	(8.22)	(8.22)
	51.21	29.19
c) Advance Tax	14.24	-
d) Miscellaneous Loans and Advances (<i>Refer Note below</i>)	6.56	8.13
	246.34	164.81

NOTE:

Long-Term Loans and Advances include ₹ 1.29 crore (*previous year ₹ 1.71 crore*) due from a Director.

NOTE 16: OTHER NON-CURRENT ASSETS

	(₹ Crore)	
	Current Year	Previous Year
1. Foreign Currency Monetary Item Translation Difference Account	11.21	-
2. Others		
Unsecured, Considered Good	2.95	2.39
TOTAL	14.16	2.39

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 17: INVENTORIES

		(₹ Crore)
	Current Year	Previous Year
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials and Packing Materials	309.29	192.41
Goods-in Transit	14.80	-
	324.09	192.41
Work-in-Progress	41.17	21.38
Finished Goods	370.61	181.33
Stock-in-Trade	39.15	35.97
Stores and Spares	8.89	8.32
TOTAL	783.91	439.41

NOTE 18: TRADE RECEIVABLES

	(₹ Crore)
Current Year	Previous Year
Trade Receivables Outstanding for a Period Exceeding Six Months	
Secured, Considered Good	-
Unsecured: Considered Good	5.86
Considered Doubtful	4.52
	10.38
Less: Provision for Doubtful Debts	(4.52)
	5.86
Other Trade Receivables	
Secured, Considered Good	3.18
Unsecured : Considered Good	469.67
Considered Doubtful	-
	472.85
Less: Provision for Doubtful Debts	(6.17)
	466.68
TOTAL	472.53

NOTE 19: CASH AND BANK BALANCES

	(₹ Crore)
Current Year	Previous Year
1. Cash and Cash Equivalents	
a) Balances with Banks	
In Current Accounts	121.37
Deposits with less than 3 months maturity	259.83
	381.20
b) Cheques, Drafts on Hand	2.38
c) Cash on Hand	4.26
d) Investments in Liquid Mutual Funds	63.50
	451.34
2. Other Bank Balances	
a) Deposits against Bank Guarantees held against Other Commitments	7.32
b) Deposits with more than 3 months but less than 12 months maturity	175.87
c) For Unpaid Dividend	5.34
	188.53
TOTAL	639.87

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 20: SHORT-TERM LOANS AND ADVANCES

(₹ Crore)

		Current Year	Previous Year
Others			
a) Security Deposits		3.32	3.02
b) Excise and VAT Receivables		57.62	54.07
c) Miscellaneous Loans and Advances		-	-
Secured considered good			
Unsecured, Considered Good (<i>Refer Note below</i>)	57.19		117.49
Doubtful	0.17		0.31
Less: Provision for Doubtful Loans and Advances	(0.17)		(0.31)
		57.19	118.33
TOTAL		118.13	174.58

NOTES:

Short-Term Loans and Advances include ₹ 0.43 crore (*previous year ₹ 0.43 crore*) due from a Director.

NOTE 21: OTHER CURRENT ASSETS

(₹ Crore)

	Current Year	Previous Year
Accrued Interest	11.78	12.18
Deferred Premium on Forward Contracts	0.64	-
TOTAL	12.42	12.18

NOTE 22: CONTINGENT LIABILITIES

(₹ Crore)

	Current Year	Previous Year
a) Claims for Excise duties, taxes and other matters		
i) Excise duty demands aggregating ₹ 3.95 crore (<i>previous year ₹ 1.85 crore</i>) against which the Company has preferred appeals (net of tax).	2.67	1.23
ii) Customs Duty claims in respect of Classification	3.87	-
iii) 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 ₹ 1.18 crore (<i>previous year ₹ 1.18 crore</i>) (net of tax).	0.80	0.79
iv) Sales tax demands aggregating ₹ 28.07 crore (<i>previous year ₹ 20.80 crore</i>) against which the Company has preferred appeals (net of tax).	18.96	13.89
v) Income-tax matters		
Demand notices issued by Income-tax Authorities.	7.83	8.37
vi) Other matters - ₹ 3.00 crore (<i>previous year ₹ 3.00 crore</i>) (net of tax).	2.03	2.00
b) Guarantees		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 7.32 crore (<i>previous year ₹ 5.58 crore</i>)]	10.21	8.65
ii) Guarantees amounting to USD Nil (<i>previous year USD 95 million</i>) given by the Company towards loans provided by HSBC, Hongkong to Godrej Consumer Products Mauritius Ltd.	-	430.21
iii) Guarantee amounting to USD 297 million (<i>previous year USD 365 million</i>) given by the Company towards loan provided by banks to Godrej Consumer Products Holding (Mauritius) Ltd.	1511.15	1641.60

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 22: CONTINGENT LIABILITIES

	(₹ Crore)	
	Current Year	Previous Year
iv) Guarantee of AED 1.4 million (<i>previous year AED 1.4 million</i>) given by the Company to guarantee principal amount of credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mideast FZE.	1.94	1.73
v) Guarantee given by the Company to guarantee principal amount of credit facilities extended by the Royal Bank of Scotland to Godrej Hygiene Products Limited.	5.00	5.00
vi) Guarantee given by the Company to guarantee principal amount of credit facilities extended by Citibank Sri Lanka and Citibank Bangladesh to Godrej Household Products (Lanka) Private Limited and Godrej Household Products (Bangladesh) Private Limited respectively.	7.56	7.56
vii) Guarantee amounting to USD 10 million (<i>previous year Nil</i>) given by the Company to HSBC, Hongkong towards swap /derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Ltd.	50.88	-
viii) Guarantee amounting to USD 121 million (<i>previous year Nil</i>) given by the Company to DBS Bank, Singapore towards loan provided to Godrej Mauritius Africa Holdings Ltd for acquisition of 51% stake in Darling Group operations at South Africa, Nigeria and Mozambique	615.59	-
ix) Guarantee given by the Company to HSBC Bangladesh towards credit facilities provided by the Bank to Godrej Household Products (Bangladesh) Pvt. Ltd.	4.76	-
c) Claims against the Company not acknowledged as debt:		
i) Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	24.24	24.24
ii) Claims pertaining to litigations filed against the erstwhile Godrej Household Products Limited.	0.25	0.25
iii) Others	4.28	-

NOTE 23: COMMITMENTS

	(₹ Crore)	
	Current Year	Previous Year
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	153.55	7.25
ii) Uncalled liability on shares and other investments partly paid	-	-
iii) Others	-	-

NOTE 24: REVENUE FROM OPERATIONS

	(₹ Crore)	
	Current Year	Previous Year
1. Sale of Products	4971.39	3758.60
2. Other Operating Revenues		
Miscellaneous Income	15.22	17.29
	4986.61	3775.89
3. Less : Excise Duty	(120.45)	(82.29)
TOTAL	4866.16	3693.60

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 25: OTHER INCOME

	(₹ Crore)	
	Current Year	Previous Year
1. Interest Income		
On Investments	1.97	8.35
On Advances and Deposits	24.99	0.96
On Right Issue Proceeds	-	1.39
On Loan to ESOP Trust	12.53	15.67
On Income-tax Refund	0.28	0.41
2. Net Gain on Sale of Investments	6.16	1.33
3. Other Non-Operating Income		
Net Gain on Foreign Currency Transactions and Translations	-	5.28
Profit on Sale of Fixed Assets	-	0.42
Claim Received	3.12	0.55
Miscellaneous Non-operating Income	2.95	17.88
TOTAL	52.00	52.24

NOTE 26: COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

	(₹ Crore)	
	Current Year	Previous Year
Opening Inventory	192.41	78.22
Add: Purchases (Net)	2306.35	1572.47
	2498.76	1650.69
Less: Closing Inventory	(324.09)	(192.41)
Cost of Raw Materials including Packing Material Consumed	2174.67	1458.28

NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	(₹ Crore)	
	Current Year	Previous Year
Opening Inventory		
Finished Goods	181.32	136.03
Traded Goods	35.97	9.67
Work-in-Progress	21.38	23.22
	238.67	168.92
Add: Stock taken over on Amalgamation		
Finished Goods	-	2.21
Traded Goods	-	17.94
Work-in-Progress	-	4.39
	-	24.54
Less: Closing Inventory		
Finished Goods	370.61	181.32
Traded Goods	39.15	35.97
Work-in-Progress	41.17	21.38
	450.93	238.67
(Increase)/Decrease in Inventory	(212.26)	(45.21)

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 28: EMPLOYEE BENEFITS EXPENSES

		(₹ Crore)
	Current Year	Previous Year
1. Salaries and Wages	365.44	262.48
2. Contribution to Provident and Other Funds	8.15	8.61
3. Expense on Employee Stock Grant Scheme (ESGS)	1.78	-
4. Staff Welfare Expenses	16.54	13.41
TOTAL	391.91	284.50

NOTE 29: FINANCE COST

		(₹ Crore)
	Current Year	Previous Year
1. Interest Expense	52.13	27.39
2. Bill Discounting Charges	11.98	-
3. Other Borrowing costs	1.73	16.25
TOTAL	65.84	43.64

NOTE 30: OTHER EXPENSES

		(₹ Crore)
	Current Year	Previous Year
Consumption of Stores and Spare Parts	16.38	14.20
Power and Fuel	79.96	53.39
Rent	28.59	27.99
Repairs and Maintenance		
Plant and Equipment	4.59	3.76
Buildings	2.14	2.33
Others	18.87	3.75
	25.60	9.84
Insurance	5.92	5.02
Rates and Taxes	14.06	24.26
Miscellaneous Expenses	79.26	128.06
Processing and Other Manufacturing Charges	70.00	62.03
Excise Duty Provision on Inventory	5.01	0.85
Travelling and Conveyance	43.27	31.22
Legal and Professional Charges	38.12	41.01
Donations	0.44	0.92
Sales Promotion	140.68	91.08
Advertising and Publicity	449.86	352.85
Selling and Distribution Expenses	80.50	74.14
Freight	155.96	96.08
Bank Charges	6.75	4.94
Royalty Expense	1.25	9.99
Commission	23.63	18.76
Discount	12.82	1.71
Net Loss on Sale of Fixed Assets	0.63	-
Net Loss on Foreign Currency Transactions and Translations	20.50	-
Bad Debts Written Off	1.14	0.47
TOTAL	1300.33	1048.81

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTES:

- a) Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

NOTE 31: EXCEPTIONAL ITEMS

(₹ Crore)

	Current Year	Previous Year
License Agreement Termination Compensation	200.17	41.38
TOTAL	200.17	41.38

NOTES:

- a) Pursuant to the 'Kiwi Manufacturing and Distribution License (excluding Sri Lanka) – Confirmation and Amendment Agreement dated May 28, 2010, entered into between Kiwi European Holdings B.V., Saralee Household & Body Care International B.V. and Godrej Household Products Limited (formerly known as Godrej Sara Lee Limited), and further pursuant to the letters dated February 9, 2011 and March 24, 2011, the 'Kiwi Manufacturing and Distribution License Agreement has been terminated effective April 3, 2011 and termination compensation of ₹ 175.14 crore has been received which is disclosed as an "Exceptional Item" in the Statement of Profit and Loss.
- b) The Brylcreem Manufacturing and Distribution license for the use of Brylcreem Brand in India to the erstwhile Godrej Household Products Ltd. and its subsidiary by Sara Lee Corporation USA, subsequently assigned to Unilever, has been terminated with effect from March 31, 2012 and termination compensation of ₹ 24.76 crore has been received which is disclosed as an "Exceptional Item" in the Statement of Profit and Loss.

NOTE 32: EARNINGS PER SHARE

	Current Year	Previous Year
Net Profit After Tax (₹ Crore)	726.72	514.71
Shares outstanding at the beginning of the year	323,590,144	308,190,044
Add: Shares Issued during the year	16,707,317	15,400,100
Shares outstanding at the end of the year	340,297,461	323,590,144
Weighted Average Number of Equity Shares		
For calculating Basic EPS	325,279,135	319,466,122
For calculating Diluted EPS	325,326,563	319,466,122
Earnings Per Share Before and After Extraordinary Items (Face value ₹ 1)		
Basic (₹)	22.34	16.11
Diluted (₹)	22.34	16.11

NOTE 33: LEASES

(₹ Crore)

	Current Year	Previous Year
Not later than one year	7.58	4.35
Later than one year and not later than five years	7.98	3.48
Later than five years	0.82	1.39
TOTAL	16.38	9.22

NOTE 34: 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. The Company does not use foreign exchange forward contracts or commodity futures contracts for trading or speculation purposes.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

a) Forward Contracts outstanding as at March 31, 2012:

Particulars	Current Year		Previous Year	
	Avg. Rate	USD Mn.	Avg. Rate	USD Mn.
Forward Contract to Purchase (USD) [32 contracts (<i>previous year 6 contracts</i>)]	50.98	22.78	45.91	6.61
Forward Contract to Sell (EUR) [Nil Contracts (<i>previous year 4 contracts</i>)]	-	-	63.36	0.93
Forward Contract to Sell (USD) [Nil Contracts (<i>previous year 1 contracts</i>)]	-	-	46.61	0.05

b) The uncovered foreign exchange exposure as at March 31, 2012:

(₹ Crore)

	Currency	Current Year	Previous Year
Payable	USD	138.87	228.46
Payable	SGD	0.01	-
Payable	EUR	2.32	3.77
Payable	GBP	0.01	0.02
Payable	ZAR	-	1.31
Loan and Interest payable	USD	240.99	-
Receivables	USD	52.77	16.24
Receivables	EUR	-	11.70
Receivables	ZAR	-	1.28
Cash and cash equivalents	USD	35.91	10.61
Cash and cash equivalents	EUR	0.27	6.37
Bank Borrowings	USD	4.65	(1559.72)
Redeemable convertible preference shares	USD	-	(18.15)

NOTE 35: INCENTIVE PLAN

The amount carried forward in notional bank after distribution of PLVR for the financial year 2011-12 is ₹ 3.49 crore as on March 31, 2012 (*previous year ₹ 6.67 crore*). The said amount is not provided in the books of account and is payable in future, if performance so warrants.

NOTE 36: EMPLOYEE BENEFITS

a) Defined Contribution Plan

Provident Fund:

The post-employment benefits of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, include contributions to the Provident Fund and Superannuation Fund. The contributions to the Provident Fund are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

Upto the previous year all provident fund contributions, whether made to the Regional Provident Fund Office or to the Provident Fund Trust administered by the Company were considered as Defined Contribution Plans.

b) Defined Benefit Plan

Gratuity:

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of HDFC Standard

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

The gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through a Unit Linked Gratuity Plus Scheme with Life Insurance Corporation of India ('LIC') and HDFC Standard Life Insurance Company Limited. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for 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.

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

The expected return on plan assets of 8.50% 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 ₹ 4.52 crore (*previous year ₹ 5.34 crore*) has been included in Note 28 under Contribution to Provident Fund and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 2.07 crore (*previous year ₹ 2.15 crore*) has been included in Note 28 under Contribution to Provident and Other Funds.

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

(₹ Crore)

	Current Year	Previous Year
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	16.26	9.38
Obligation on Transfer of Employees pursuant to Scheme of Amalgamation	-	5.99
Current Service Cost	0.76	1.36
Interest Cost	0.85	1.27
Actuarial (Gain) / Loss on Obligation	1.28	0.25
Benefits Paid	(2.96)	(1.98)
Present value of the obligation at the end of the year	16.19	16.26
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	12.67	7.38
Plan Assets taken over pursuant to Scheme of Amalgamation	-	6.03
Expected return on Plan Assets	0.51	1.11
Actuarial Gain / (Loss) on Plan Assets	0.25	(0.37)
Contributions by the Employer	-	0.50
Benefits Paid	(2.96)	(1.98)
Fair value of Plan Assets at the end of the year	10.47	12.67

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(₹ Crore)

	Current Year	Previous Year
iii) Amounts Recognised in the Balance Sheet		
Present value of Obligation at the end of the year	16.19	16.26
Fair value of Plan Assets at the end of the year	10.47	12.67
Net Obligation at the end of the year	5.72	3.59
iv) Amounts Recognised in the statement of Profit and Loss		
Current Service Cost	0.76	1.36
Interest Cost on Obligation	0.85	1.27
Expected return on Plan Assets	(0.51)	(1.11)
Net Actuarial (Gain) / Loss recognised in the year	1.02	0.63
Net Cost included in Personnel Expenses	2.14	2.16
v) Actual Return on Plan Assets	0.76	0.74
vi) Estimated contribution to be made in next financial year	1.33	1.36
vii) Major categories of Plan Assets as a % of total Plan Assets		
Insurer Managed Funds	100%	100%
viii) Actuarial Assumptions		
i) Discount Rate	8.50% P.A.	8.25% P.A.
ii) Expected Rate of Return on Plan Assets	8.50% P.A.	8.25% P.A.
iii) Salary Escalation Rate	5.00% P.A.	5.00% P.A.
iv) Employee Turnover	1.00% P.A.	1.00% P.A.
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.		
ix) Experience Adjustments (Gain)/Loss	On Plan Liabilities	On Plan Assets
April 11 - March 12	1.63	(0.25)
April 10 - March 11	0.27	0.37
April 09 - March 10	1.86	(0.68)
April 08 - March 09	0.30	0.04
April 07 - March 08	0.89	(0.12)

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 37: RELATED PARTY DISCLOSURES

A) Related Parties and their Relationship

a) Enterprise having control over reporting enterprise:

Godrej & Boyce Mfg. Co. Ltd.

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

i) Godrej Industries Limited

ii) Godrej Agrovat Limited

iii) Godrej Tyson Foods Ltd.

iv) Godrej Infotech Limited

v) Godrej Properties Limited

vi) Godrej Oil Palm Limited

vii) Natures Basket Limited

viii) Godrej Vikhroli Properties LLP

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

i) Godrej Hershey Limited

ii) Godrej Investments Private Limited

d) Key Management Personnel and Relatives:

i) Mr. Adi Godrej

Chairman

ii) Mrs. Parmeshwar Godrej

Wife of Mr. Adi Godrej

iii) Mr. A. Mahendran

Managing Director

iv) Mrs. Mythili Mahendran

Wife of Mr. A. Mahendran

v) Ms. Tanya Dubhash

Daughter of Mr. Adi Godrej

vi) Ms. Nisaba Godrej

Daughter of Mr. Adi Godrej

vii) Mr. Pirojsha Godrej

Son of Mr. Adi Godrej

viii) Mr. Nadir Godrej

Brother of Mr. Adi Godrej

ix) Mr. Burjis Godrej

Son of Mr. Nadir Godrej

x) Master Sohrab Godrej

Son of Mr. Nadir Godrej

xi) Master Hormazd Godrej

Son of Mr. Nadir Godrej

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

B) Transactions with Related Parties

(₹ Crore)

Nature of Transactions	Enterprise Having Control Over Reporting Enterprise	Enterprises Under Common Control	Enterprise Over Which Key Management Personnel Exercise Significant Influence	Relatives of Key Management Personnel	Key Management Personnel	TOTAL
1. Sale of Goods	0.35 0.31	10.20 8.69	0.04 0.17	- -	- -	10.59 9.17
2. Sale of Capital Asset	- -	0.02 -	- -	- -	- -	0.02 -
3. Purchase of Materials and Spares	0.51 7.14	22.79 16.46	- -	- -	- -	23.30 23.60
4. Purchase of Capital Asset	2.97 -	- -	- -	- -	- -	2.97 -
5. Advance Paid	0.33 -	50.79 -	- -	- -	- -	51.12 -
6. Establishment and Other Expenses Paid / (Received)	0.36 0.14	8.19 7.63	(0.39) 0.42	- -	0.03 -	8.19 8.19
7. Security Deposit Given	- -	- -	1.50 -	- -	- -	1.50 -
8. Loan Repaid	- -	- -	- -	- -	0.43 0.43	0.43 0.43
9. Interest Received on Loans	- -	- -	- -	- -	0.18 0.25	0.18 0.25
10. Dividend Remitted	57.00 54.16	31.75 30.39	- -	3.70 3.54	0.13 0.06	92.58 88.15
11. Managerial Remuneration	- -	- -	- -	- -	13.73 10.57	13.73 10.57
12. Commission on Profits and Sitting Fees	- -	- -	- -	0.48 0.11	- 0.03	0.48 0.14
13. Lease Rentals Paid	- -	- -	- -	2.85 1.95	- -	2.85 1.95

Outstanding Balances as at March 31, 2012

Receivable	0.03 0.80	7.51 2.99	0.35 -	- -	1.71 2.14	9.59 5.94
Payable	0.56 0.84	- 1.40	0.14 0.10	- -	- 0.01	0.71 2.35

Note : Figures in italics denote figures for previous year

C) The Significant Related Party Transactions are as under:

(₹ Crore)

Sale of Goods

Godrej & Boyce Mfg. Co. Ltd.
Godrej Industries Ltd.
Godrej Properties Limited
Godrej Agrovet Ltd.
Godrej Tyson Foods Ltd.
Godrej Hershey Ltd.

Sale of Asset

Godrej Industries Ltd.

Current Year	Previous Year
0.35	0.31
10.02	8.57
-	-
0.18	0.12
-	-
0.04	0.17
0.02	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

	(₹ Crore)	
	Current Year	Previous Year
Purchase of Materials and Spares		
Godrej & Boyce Mfg. Co. Ltd.	0.51	7.14
Godrej Industries Ltd.	20.04	16.37
Godrej Oil Palm Limited	1.52	0.09
Purchase of Capital Asset		
Godrej & Boyce Mfg. Co. Ltd.	2.97	-
Advance for Capital Asset		
Godrej & Boyce Mfg. Co. Ltd.	0.33	-
Godrej Vikhroli Properties LLP	50.79	-
Establishment and Other Expenses Paid / (Received)		
Godrej & Boyce Mfg. Co. Ltd.	0.36	0.14
Godrej Industries Ltd.	8.08	5.49
Godrej Agrovet Ltd.	0.55	0.91
Godrej Infotech Ltd.	0.01	0.02
Godrej Properties Ltd.	(0.39)	1.21
Natures Basket Ltd.	(0.06)	-
Godrej Tyson Foods Ltd.	-	-
Godrej Hershey Ltd.	(0.39)	0.42
Mr. A. Mahendran	0.03	-
Security Deposit Given		
Godrej Hershey Ltd.	1.50	-
Loan Repaid		
Mr. A. Mahendran	0.43	0.43
Interest Received on Loans		
Mr. A. Mahendran	0.18	0.25
Dividend Remitted		
Godrej & Boyce Mfg. Co. Ltd.	57.00	54.16
Godrej Industries Ltd.	31.75	30.39
Mr. Adi Godrej	-	-
Mr. A. Mahendran	0.13	0.06
Ms. Parmeshwar Godrej	-	-
Ms. Tanya Dubhash	0.62	0.59
Ms. Nisaba Godrej	0.62	0.59
Mr. Pirojsha Godrej	0.62	0.59
Mr. Nadir Godrej	0.46	0.44
Mr. Burjis Godrej	0.46	0.46
Master Sohrab Godrej	0.46	0.44
Master Hormazd Godrej	0.46	0.44
Managerial Remuneration		
Mr. Adi Godrej	7.43	3.20
Mr. Hoshedar Press	-	1.84
Mr. Dalip Sehgal	-	0.76
Mr. A. Mahendran	6.30	4.77
Commission on Profits and Sitting Fees		
Mr. Nadir Godrej	0.23	0.11
Ms. Nisaba Godrej	0.12	-
Ms. Tanya Dubhash	0.12	-
Mr. A. Mahendran	-	0.03
Lease Rentals Paid		
Ms. Parmeshwar Godrej	2.46	1.59
Ms. Mythili Mahendran	0.39	0.36

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38: SEGMENT INFORMATION

(₹ Crore)

	Within India		Outside india		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales revenue by geographical markets	2852.61	2252.46	2118.78	1410.13	4971.39	3662.60
Carrying amount of segment assets	4103.12	2317.55	1925.17	2281.76	6028.29	4599.31
Total cost incurred during the year to acquire assets	36.52	51.71	75.07	181.42	111.59	233.13

NOTE 39: EMPLOYEE STOCK BENEFIT PLANS

I. EMPLOYEE STOCK OPTION / PURCHASE 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 4,500,000 Stock Options convertible into 4,500,000 equity shares of the nominal value ₹ 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 ESOPS authorized for issue are 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) All unvested Options shall vest in the employees 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 Options 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 employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognised 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.
- h) The Board of Directors in its meeting held on January 22, 2011, had approved an Employee Stock Purchase Plan (GCPL ESPL) which is administered by the GCPL ESOP Trust. Under the plan, the Company provides loans to the GCPL ESOP Trust at an interest rate which is not less than the bank rate, to enable the Trust to acquire up to 1,000,000 shares of the Company from the secondary market. The HR and Compensation Committee had resolved that the surplus shares held by the GCPL ESOP Trust at any point of time for grant of Options under GCPL ESOP be utilised for grant of shares to the employees under the GCPL ESPL within the maximum of 1,000,000 equity shares. Under the plan, entire 1,000,000 shares have been granted and

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

vested till March 31, 2012. These shares have to be compulsorily acquired from the GCPL ESOP Trust within the exercise period of two years. The exercise price shall be the market price on the day prior to the date of grant plus interest at a rate not less than the bank rate till the date of exercise.

- i) The status of the above plans are as under:

	Current Year	Previous Year
Options / shares Granted	5,167,000	4,647,000
Options Vested	4,244,000	2,810,000
Options Exercised	2,950,075	1,001,500
Options Lapsed / Forfeited and re-granted	762,000	762,000
Options Lapsed / Forfeited to be re-granted	35,000	20,000
Total Number of Options / shares Outstanding	1,419,925	2,883,500

II. EMPLOYEE STOCK OPTION PLAN OF ERSTWHILE GODREJ HOUSEHOLD PRODUCTS LTD.

- a) Under the Scheme of Amalgamation, the Company has obtained the 'Godrej Sara Lee Limited Employees Stock Option Plan' set up for eligible employees of the erstwhile Godrej Household Products Limited. The equity shares of Godrej Industries Limited (GIL) are the underlying equity shares for the stock option plan. The ESOP Scheme is administered by an independent ESOP Trust created with IL&FS Trust Company Limited. The independent ESOP Trust has purchased shares of GIL from the market against which the options have been granted. The purchases have been financed by loans from the erstwhile Godrej Household Products Limited, which together with interest amounted to ₹ 70.69 crore as at beginning of the year. The Company has given a further loan of ₹ 0.50 crore during the year. The total amount of loans given together with interest thereon as at March 31, 2012 amounts to ₹ 77.43 crore. The repayment of the loans granted to the ESOP Trust and interest thereon is dependent 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.
- b) The status of the above plan is as under:

	Current Year	Previous Year
Options / shares Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	-	-
Options Lapsed / Forfeited	6,67,000	2,05,000
Options Lapsed	-	-
Total Number of Options / shares Outstanding	1,462,000	1,924,000

III. EMPLOYEE STOCK GRANT SCHEME

- a) During the year the Company set up the **Employees Stock Grant Scheme 2011 (ESGS)** pursuant to the approval by the Shareholders at their Meeting held on March 18, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees of the Company or its Subsidiary Company. The entitlement of each employee would be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty

Five Lac) fully paid-up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid-up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee;
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan is as under:

	Current Year	Previous Year
Options / shares Granted	114,102	-
Options Vested	-	-
Options Exercised	-	-
Options Lapsed	19,136	-
Total Number of Options / shares Outstanding	94,966	-

Had the fair value method of accounting been used, the employee compensation cost for the year ended March 31, 2012 would have been higher by ₹ 0.67 crore (previous year ₹ 11.33 crore).

NOTE 40: SCHEME OF AMALGAMATION

- a) The Hon'ble High Court of Judicature at Bombay has vide order dated April 26, 2011, sanctioned a Scheme of Amalgamation of the wholly owned subsidiaries of the Company viz. Naturesse Consumer Care Products Limited (NCCPL) and Essence Consumer Care Products Limited (ECCPL), with Godrej Consumer Products Limited (GCPL). The Appointed Date as per the Scheme is December 3, 2010 and the Effective Date is May 18, 2011. Accordingly, the standalone results of the Company for the year ended March 31, 2012, includes the results of the erstwhile ECCPL and NCCPL for the period April 1, 2011, up to May 18, 2011.
- b) In accordance with the Scheme of Amalgamation, all the assets and liabilities of ECCPL and NCCPL have been taken over at their respective book values as on December 3, 2010. The difference between book value of assets and liabilities taken over amounting to ₹ 37.66 crore, after giving effect to the adjustments proposed in the Scheme, has been debited to General Reserve in accordance with the Scheme of Amalgamation.
- c) Since the entire issued, subscribed and paid-up share capitals of NCCPL and ECCPL were held by the Company, upon the Scheme of Amalgamation becoming effective, no shares of the Company have been allotted in lieu or exchange of its holding in NCCPL and ECCPL, and the share capitals of NCCPL and ECCPL stand cancelled.
- d) Since the aforesaid Scheme of Amalgamation, which is effective from December 3, 2010, 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.

NOTE 41: GENERAL

The Revised Schedule VI has become effective from the current year for the presentation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. However, it does not impact recognition & measurement principles followed for preparation of financial statements. Figures of the previous years have been regrouped / restated wherever necessary to confirm to current year's presentation.

Details of subsidiaries as required under General Circular No 2/2011 of Government of India, Ministry of Company Affairs, pursuant to Section 212 of the Companies Act, 1956

	Name of the Company	Period	Currency	Exchange Rate As At 31.3.2012	Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit before Tax	Provision for Tax	All figures in Lac	
													Profit after Tax	Proposed Dividend on Tax
1.	Argencos SA	01-Apr-2011 To 31-Mar-2012	ARS	18.50	204.90		417.02	417.02	0.00	717.62	38.94	5.50	33.45	33.45
			INR	11.879	219.77	2,434.05	4,953.96	4,953.96	0.00	8,524.92	462.63	65.32	397.31	
2.	Consell SA (Argentina)	01-Apr-2011 To 31-Mar-2012	ARS	29.00	(10.49)		33.29	33.29	0.00	45.63	(7.22)	(1.57)	(5.65)	(5.65)
			INR	11.879	344.50	(124.58)	395.52	395.52	0.00	542.06	(85.74)	(18.66)	(67.08)	(67.08)
3.	DGH Mauritius Pvt. Ltd.	01-Apr-2011 To 31-Mar-2012	USD	8.29	241.68		250.22	250.22	0.00	0.00	(0.22)	0.00	(0.22)	(0.22)
			INR	51.966	430.67	12,559.31	13,002.91	13,002.91	0.00	0.00	(11.44)	0.00	(11.44)	(11.44)
4.	Godrej Argentina Dutch Coöperatief U.A. (Netherlands)	01-Apr-2011 To 31-Mar-2012	USD	438.07	(0.71)		441.60	441.60	0.00	0.38	(0.19)	0.00	(0.19)	(0.19)
			INR	51.966	22,764.81	(36.80)	22,948.08	22,948.08	0.00	19.61	(9.99)	0.00	(9.99)	(9.99)
5.	Godrej Consumer Holdings (Netherlands) BV (Netherlands)	01-Apr-2011 To 31-Mar-2012	USD	363.72	(0.75)		363.03	363.03	0.00	0.00	(0.29)	0.00	(0.29)	(0.29)
			INR	51.966	18,901.09	(38.75)	18,865.46	18,865.46	0.00	0.00	(15.00)	0.00	(15.00)	(15.00)
6.	Godrej Consumer Products (Netherlands) BV (Netherlands)	01-Apr-2011 To 31-Mar-2012	USD	15.35	(1.36)		14.04	14.04	0.00	0.00	(0.52)	0.00	(0.52)	(0.52)
			INR	51.966	797.47	(70.74)	729.86	729.86	0.00	0.00	(27.15)	0.00	(27.15)	(27.15)
7.	Godrej Consumer Products (UK) Ltd. (UK)	01-Apr-2011 To 31-Mar-2012	GBP	50.00	121.70		171.75	171.75	0.00	0.00	(0.05)	(0.10)	0.05	0.05
			INR	83.086	4,154.31	10,111.85	14,270.31	14,270.31	0.00	0.00	(4.15)	(7.98)	3.83	3.83
8.	Godrej Consumer Products Bangladesh Limited	01-Apr-2011 To 31-Mar-2012	Taka	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			INR	0.635	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.	Godrej Consumer Products Dutch Coöperatief U.A. (Netherlands)	01-Apr-2011 To 31-Mar-2012	USD	429.83	0.80		840.05	840.05	0.00	34.85	0.61	0.00	0.61	0.61
			INR	51.966	22,336.87	41.67	43,654.45	43,654.45	0.00	1,811.03	31.88	0.00	31.88	31.88
10.	Godrej Consumer Products Holding (Mauritius) Ltd (Mauritius)	01-Apr-2011 To 31-Mar-2012	USD	0.00	930.24		2,889.01	2,889.01	0.00	88.76	26.08	0.00	26.08	26.08
			INR	51.966	0.00	48,341.11	150,130.71	150,130.71	0.00	4,612.39	1,355.38	0.00	1,355.38	1,355.38
11.	Godrej Consumer Products Mauritius Ltd (Mauritius)	01-Apr-2011 To 31-Mar-2012	USD	40.00	1,060.45		1,100.55	1,100.55	0.00	6.73	(9.19)	0.00	(9.19)	(9.19)
			INR	51.966	2,078.65	55,107.52	57,191.53	57,191.53	0.00	349.65	(477.56)	0.00	(477.56)	(477.56)
12.	Godrej Global Mid East FZE	01-Apr-2011 To 31-Mar-2012	AED	45.86	(30.77)		52.16	52.16	0.00	155.81	(7.62)	0.00	(7.62)	(7.62)
			INR	14,148	648.87	(435.30)	737.92	737.92	0.00	2,204.39	(107.77)	0.00	(107.77)	(107.77)
13.	Godrej Household Products (Bangladesh) Pvt. Ltd.	01-Apr-2011 To 31-Mar-2012	Taka	1,697.05	(790.62)		2,282.06	2,282.06	0.00	7,461.73	(561.17)	56.77	(617.94)	(617.94)
			INR	0.635	1,077.46	(501.96)	1,448.88	1,448.88	0.00	4,737.45	(356.29)	36.04	(392.33)	(392.33)
14.	Godrej Household Products (Lanka) Pvt. Ltd.	01-Apr-2011 To 31-Mar-2012	LKR	2,314.63	737.77		4,461.91	4,461.91	0.00	7,665.97	5,616.33	279.97	5,336.35	5,336.35
			INR	0.406	939.51	299.46	1,811.09	1,811.09	0.00	3,111.62	2,279.67	113.64	2,166.03	2,166.03
15.	Godrej Hygiene Products Ltd.	01-Apr-2011 To 31-Mar-2012	INR	260.00	(59.50)		534.81	534.81	0.00	1,364.25	(73.64)	0.00	(73.64)	(73.64)
16.	Godrej Indonesia Netherlands Holding BV	01-Apr-2011 To 31-Mar-2012	USD	50.31	9.30		470.31	470.31	0.00	40.12	4.98	0.00	4.98	4.98
			INR	51.966	2,614.42	483.45	24,440.02	24,440.02	0.00	2,084.84	258.65	0.00	258.65	258.65
17.	Godrej Kinky Holdings Ltd. (Mauritius)	01-Apr-2011 To 31-Mar-2012	USD	0.00	334.46		334.51	334.51	0.00	0.00	(0.16)	0.00	(0.16)	(0.16)
			INR	51.966	0.01	17,380.52	17,383.29	17,383.29	0.00	0.00	(8.10)	0.00	(8.10)	(8.10)
18.	Godrej Mauritius Africa Holding	01-Apr-2011 To 31-Mar-2012	USD	0.00	103.81		1,234.66	1,234.66	0.00	0.00	(16.00)	0.00	(16.00)	(16.00)
			INR	51.966	0.00	5,394.52	64,160.49	64,160.49	0.00	0.00	(831.27)	0.00	(831.27)	(831.27)
19.	Godrej Netherlands Argentina B.V. (Netherlands)	01-Apr-2011 To 31-Mar-2012	USD	396.46	(1.11)		463.05	463.05	0.00	6.51	(0.53)	0.00	(0.53)	(0.53)
			INR	51.966	20,602.55	(57.44)	24,063.08	24,063.08	0.00	338.18	(27.53)	0.00	(27.53)	(27.53)
20.	Godrej Netherlands Argentina Holdings B.V. (Netherlands)	01-Apr-2011 To 31-Mar-2012	USD	40.91	(0.56)		43.91	43.91	0.00	0.00	(0.24)	0.00	(0.24)	(0.24)
			INR	51.966	2,125.71	(29.08)	2,281.63	2,281.63	0.00	0.00	(12.44)	0.00	(12.44)	(12.44)
21.	Godrej Netherlands BV (Netherlands)	01-Apr-2011 To 31-Mar-2012	GBP	0.14	54.60		54.91	54.91	0.00	0.10	0.00	0.00	0.00	0.00
			INR	83.086	11.36	4,536.21	4,562.01	4,562.01	0.00	8.41	0.31	0.00	0.31	0.31
22.	Godrej Nigeria Holdings Limited (Mauritius)	01-Apr-2011 To 31-Mar-2012	USD	0.00	233.56		233.70	233.70	0.00	0.00	(11.00)	0.00	(11.00)	(11.00)
			INR	51.966	0.00	12,137.35	12,144.57	12,144.57	0.00	0.00	(571.69)	0.00	(571.69)	(571.69)

Details of subsidiaries as required under General Circular No 2/2011 of Government of India, Ministry of Company Affairs, pursuant to Section 212 of the Companies Act, 1956

	Name of the Company	Period	Currency	Exchange Rate As At 31.3.2012	Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend on Tax
All figures in Lac														
23	Godrej Nigeria Ltd.	01-Apr-2011 To 31-Mar-2012	Naira	0.33	150.00	8,136.97	8,763.06	8,763.06	0.00	14,261.47	882.88	135.78	747.10	
			INR		49.43	2,681.29	2,887.60	2,887.60	0.00	4,699.43	290.92	44.74	246.18	
24.	Godrej Weave Holding Ltd.	01-Apr-2011 To 31-Mar-2012	USD		0.00	1,129.78	1,129.81	1,129.81	0.00	0.00	0.00	0.00	(0.15)	
			INR	51.966	0.00	58,710.47	58,711.92	58,711.92	0.00	0.00	(7.86)	0.00	(7.86)	
25.	Hair Trading (offshore) S. A. L	01-Apr-2011 To 31-Mar-2012	USD		0.20	2.13	6.73	6.73	0.00	6.63	2.13	0.00	2.13	
			INR	51.966	10.39	110.92	349.49	349.49	0.00	344.47	110.92	0.00	110.92	
26.	Indovest Capital	01-Apr-2011 To 31-Mar-2012	USD		0.00	17.22	17.57	17.57	0.00	59.93	58.56	0.07	58.49	
			INR	51.966	0.10	894.70	913.10	913.10	0.00	3,114.23	3,042.94	3.59	3,039.35	
27.	Inecto Manufacturing Limited	01-Apr-2011 To 31-Mar-2012	GBP		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			INR	83.086	0.08	0.00	0.08	0.08	0.00	0.00	0.00	0.00	0.00	
28.	Issue Brazil	01-Apr-2011 To 31-Mar-2012	Reales		22.50	(67.14)	34.66	34.66	0.00	18.83	(20.46)	0.00	(20.46)	
			INR	28.55	642.24	(1,916.73)	989.43	989.43	0.00	537.57	(584.22)	0.00	(584.22)	
29.	Issue Uruguay	01-Apr-2011 To 31-Mar-2012	Peso		169.00	252.47	708.28	708.28	0.00	1,070.88	76.47	0.00	76.47	
			INR	2.688	450.84	673.51	1,899.47	1,899.47	0.00	2,856.78	204.01	0.00	204.01	
30.	Keyline Brands Limited (UK)	01-Apr-2011 To 31-Mar-2012	GBP		0.29	51.59	148.30	148.30	0.00	267.13	20.25	7.02	13.23	
			INR	83.086	24.22	4,286.38	12,321.45	12,321.45	0.00	22,195.11	1,682.74	583.63	1,099.11	
31.	Kinky Group (Pty) Ltd (South Africa)	01-Apr-2011 To 31-Mar-2012	ZAR		0.03	1,098.53	1,171.26	1,171.26	0.00	889.47	(7.44)	7.95	(15.39)	
			INR	6.762	0.21	7,427.94	7,919.74	7,919.74	0.00	6,014.32	(50.31)	53.75	(104.06)	
32.	Laboratoria Cuenca (Argentina)	01-Apr-2011 To 31-Mar-2012	ARS		74.92	132.93	878.50	878.50	0.00	1,666.22	139.22	52.17	87.05	
			INR	11.879	890.01	1,579.17	10,436.17	10,436.17	0.00	19,793.83	1,653.83	619.75	1,034.09	
33.	Lorna Nigeria Ltd.	01-Apr-2011 To 31-Mar-2012	Naira		113.90	23,412.47	36,387.01	36,387.01	0.00	36,242.66	14,439.32	4,814.01	9,625.31	
			INR	0.33	37.53	7,714.86	11,990.22	11,990.22	0.00	11,942.65	4,758.03	1,586.31	3,171.72	
34.	Panamar Producciones S.A. (Argentina)	01-Apr-2011 To 31-Mar-2012	ARS		5.54	77.10	82.86	82.86	0.00	0.00	(0.93)	0.00	(0.93)	
			INR	11.879	65.78	915.96	984.37	984.37	0.00	0.00	(11.07)	0.00	(11.07)	
35.	PT Ekanas Sarijaya	01-Apr-2011 To 31-Mar-2012	IDR		25,000.00	30,342.03	278,070.76	278,070.76	0.00	278,274.56	30,261.41	8,186.33	22,075.08	
			INR	0.006	141.80	172.10	1,577.25	1,577.25	0.00	1,578.40	171.65	46.43	125.21	
36.	PT Indomas Susemi Jaya	01-Apr-2011 To 31-Mar-2012	IDR		17,600.00	344,884.17	496,244.75	496,244.75	0.00	470,577.39	132,281.09	35,778.77	96,502.32	
			INR	0.006	99.83	1,956.22	2,814.76	2,814.76	0.00	2,669.17	750.31	202.94	547.37	
37.	PT Intrasari Raya	01-Apr-2011 To 31-Mar-2012	IDR		10,000.00	197,999.55	5,242,218.08	5,242,218.08	0.00	17,224,221.12	34,886.56	9,991.48	24,895.08	
			INR	0.006	56.72	1,123.08	29,734.44	29,734.44	0.00	97,697.69	197.88	56.67	141.21	
38.	PT Megasari Makmur	01-Apr-2011 To 31-Mar-2012	IDR		17,500.00	2,070,497.07	7,462,603.84	7,462,603.84	0.00	13,409,539.37	1,194,694.01	381,637.54	813,056.46	
			INR	0.006	99.26	11,744.09	42,328.72	42,328.72	0.00	76,060.39	6,776.44	2,164.69	4,611.75	
39.	PT Sarico Indah	01-Apr-2011 To 31-Mar-2012	IDR		25,000.00	73,170.42	185,086.52	185,086.52	0.00	232,824.75	34,850.89	7,676.32	27,174.56	
			INR	0.006	141.80	415.03	1,049.83	1,049.83	0.00	1,320.61	197.68	43.54	154.14	
40.	PT Simba Indosnack Makmur	01-Apr-2011 To 31-Mar-2012	IDR		70,000.00	(63,981.39)	1,133,390.25	1,133,390.25	0.00	1,676,289.43	18,836.22	12,491.04	6,345.18	
			INR	0.006	397.05	(362.91)	6,428.72	6,428.72	0.00	9,508.10	106.84	70.85	35.99	
41.	Rapidol (Pty) Ltd.	01-Apr-2011 To 31-Mar-2012	ZAR		180.50	929.75	1,276.09	1,276.09	0.00	1,563.71	376.61	105.45	271.16	
			INR	6.762	1,220.49	6,286.70	8,628.54	8,628.54	0.00	10,573.32	2,546.56	713.04	1,833.52	
42.	Subnite (Pty) Ltd.	01-Apr-2011 To 31-Mar-2012	ZAR		0.01	1,061.26	1,502.67	1,502.67	0.00	1,684.15	188.78	52.83	135.94	
			INR	6.762	0.06	7,175.90	10,160.59	10,160.59	0.00	11,387.73	1,276.46	357.24	919.21	
43.	Weave Business Holdings Mauritius Pvt. Ltd.	01-Apr-2011 To 31-Mar-2012	USD		0.96	249.02	250.08	250.08	0.00	0.00	(0.20)	0.00	(0.20)	
			INR	51.966	49.66	12,940.83	12,995.76	12,995.76	0.00	0.00	(10.34)	0.00	(10.34)	
44.	Weave IP Holdings Mauritius Pvt. Ltd.	01-Apr-2011 To 31-Mar-2012	USD		0.01	3.28	3.53	3.53	0.00	0.00	(0.21)	0.00	(0.21)	
			INR	51.966	0.70	170.51	183.35	183.35	0.00	0.00	(10.69)	0.00	(10.69)	
45.	Weave Mozambique Limitada	01-Apr-2011 To 31-Mar-2012	MZN		1,234.66	821.84	3,029.38	3,029.38	0.00	2,896.03	1,220.58	398.74	821.84	
			INR	1.85	2,284.13	1,520.40	5,604.34	5,604.34	0.00	5,357.65	2,258.07	737.67	1,520.40	
46.	Weave Trading Mauritius Pvt. Ltd.	01-Apr-2011 To 31-Mar-2012	USD		0.01	(0.11)	0.21	0.21	0.00	0.00	(5.61)	0.00	(5.61)	
			INR	51.966	0.52	(5.61)	10.95	10.95	0.00	0.00	(5.61)	0.00	(5.61)	

CORPORATE INFORMATION

Registered Office

Pirojshanagar,
Eastern Express Highway,
Vikhroli (East), Mumbai - 400 079.
Phone: 022 - 25188010, 25188020, 25188030
Fax: 022 - 25188040
website: <http://www.godrejcp.com>

Company Secretary

P Ganesh

Auditors

Kalyaniwalla & Mistry

Registrar

Computech Sharecap Ltd.

Bankers

Central Bank of India, Citibank N. A., HDFC Bank Limited, State Bank of India,
The Hongkong & Shanghai Banking Corporation Limited.

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