

ANNUAL REPORT 2013-2014

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BOARD OF DIRECTORS



First Row (L-R)

Mr. Adi Godrej

Mr. Nadir Godrej

Ms. Tanya Dubash

Second Row (L-R)

Ms. Ireena Vittal

Mr. Narendra Ambwani

Mr. D. Shivakumar

Mr. Bharat Doshi

First Row (R-L)

Ms. Nisaba Godrej

Mr. Vivek Gambhir

Prof. Bala Balachandran

Mr. Jamshyd Godrej

Second Row (R-L)

Dr. Omkar Goswami

Mr. A. Mahendran

Mr. Aman Mehta



A MESSAGE FROM OUR CHAIRMAN

“Our success can be attributed to a relentless focus on our strategy, execution excellence, exciting innovations to delight our consumers and an agile and high-performing team.”

Dear shareholders,

I am very pleased to share with you that fiscal year 2014 has been yet another year of strong performance at GCPL. Your company is well on its way to becoming an emerging markets FMCG leader. We have continued to grow ahead of the overall FMCG sector, as well as the home and personal care categories that we participate in, despite a challenging macro environment. Our success can be attributed to a relentless focus on our strategy, execution excellence, exciting innovations to delight our consumers and an agile and high-performing team. This, in turn, allows us to generate strong value for all our stakeholders.



The Global economy

The global environment continues to be marked by political uncertainty and economic volatility. Several emerging economies are grappling with slowing growth, inflation, currency devaluations and high deficits. The impact of this slowdown is being felt on consumer sentiment and FMCG growth across India and other emerging markets that we operate in, including Indonesia, Argentina and South Africa.

There, however, continue to be significant long-term growth opportunities in all our markets. Our key geographies will contribute close to 36% of the estimated increase in the world's population in the next five years and consumption in these markets is slated to account for nearly half the global total.

The Indian economy

The last couple of years have not been very good for the Indian economy. Growth rates, which were as high as 9.3% in fiscal year 2011, have more than halved over the last three years. Stubbornly high consumer price inflation, which continues to remain around the 10% mark, has led to another recent rate hike. In the last three years, the Reserve Bank of India (RBI) has increased interest rates several times to combat inflation. Unfortunately, the impact of rate hikes has also been felt in lowered capital investment, stalled manufacturing growth and slower growth in the service sectors due to higher credit cost.

Furthermore, the lack of reforms has also had an adverse impact on the overall investment climate. A good monsoon in the last year did help farm output and along with some strong intervention by both the RBI and the government, the current account deficit has been reducing. Fortunately, the rapid drop in the rupee has also been arrested due to some timely measures from the RBI. Urgent policy measures and reforms are needed to revive sentiment and steer the economy out of the slowdown. Hopefully, the new government will take the necessary and urgent pro-growth and pro-industry steps to bring the economy back on the growth track.

The FMCG sector

Over the last year, the FMCG industry has witnessed a significant slowdown. This trend has been more pronounced across India and other emerging markets. The lag effect of deceleration in GDP growth and high food inflation has negatively impacted consumer sentiment in India. Consequently, consumption has taken a hit as consumers have been reducing their frequency of purchase.

We are confident that this is just a cyclical phenomenon. The fundamentals still remain positive, as there is still a lot of headroom for growth given the low penetration and consumption rates for many FMCG categories in India. With the new government coming in, we are hopeful that the economic environment will improve, consumer sentiment will turn positive and the industry will see better growth. We also expect new initiatives to be launched, which will boost foreign investment. The sector should also benefit from the implementation of the Goods & Services Tax and Direct Taxes Code, which will reduce bottlenecks and rationalise taxes.

Perspectives on our performance

We believe that uncertainties can offer much opportunity to propel forward and our success today is the result of us becoming much more agile as a company. We have been leveraging our understanding of consumer needs to become more innovative in our product offerings and processes, strengthen our leadership positions in the categories that we are present in and grow ahead of the market. We continue to make the right investments for the longer term, while managing our business more prudently in the short term. Our operational excellence in particular has held us in good stead, as has the great agility and resilience demonstrated by our teams, in what has been a turbulent market environment.

We have made good progress in our India business during this year. Today, we are one of the largest household and personal care companies in the

country; leaders in hair colour, household insecticides and liquid detergents, the number two player in toilet soaps and a fast-growing new entrant in air care. We strongly believe that our innovation pipeline is driving our currency for the future. Over a third of our growth now comes from new products and renovations – we invigorated our product portfolio with 12 launches and relaunches in India alone, in just over 18 months. We are also making significant marketing investments to back these launches, which in turn, are driving higher consumption and penetration across the board.

Our international business has been a major driver of our growth. It now contributes about 47% of total consolidated revenues, from 15% back in 2010. This expanding footprint is driven by our focussed 3x3 strategy – a presence in three business categories (personal wash, hair care and home care) in three geographies (Asia, Africa and Latin America) – to become an emerging markets FMCG leader.

We want to continue to drive growth in the categories where we are leaders and have a competitive advantage, by providing our consumers with superior quality products at affordable prices. This approach helps us capitalise on the potential of the emerging middle class in India and other emerging markets where we are present. We are the number one player in air fresheners and wet tissues in Indonesia, and hair colour across various countries in Africa and Latin America. We are also leaders in hair extensions in Africa and the number two player in household insecticides in Indonesia.

We have made good progress on the next phase of the integration of the Darling businesses, which has enabled us to take our presence in Africa to the next stage. We are now strengthening and building processes and talent infrastructure for sustainable growth. Our UK business continues to outperform. Our Indonesia and Latin America businesses too have performed well, despite market challenges.

Our superior global supply chain and future ready sales organisation leverage the latest technology for sharper execution and better decision-making, and help fortify our market positions. We take much pride in being an inspiring place to work and are committed to building an agile and high performance culture globally. Our values of trust, integrity and respect for others have always been an integral, defining part of our business. We have been ranked the number 1 FMCG company to work for in the Great Place to Work survey. This is our tenth consecutive year on the list. We also featured among Aon Hewitt's top 17 Best Employers in India, and are one of the only two FMCG companies mentioned.

“I am confident that with our clear strategic focus, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.”

Outlook

The global economic outlook continues to be turbulent and we remain watchful, agile and prudent. While the pace of economic recovery remains uncertain, we are hopeful that consumer sentiment will become more positive and we will see better growth in the year ahead. We have launched several operational excellence initiatives to further enhance our performance. We will also continue investing judiciously for the longer term to improve our position, create competitive advantage and emerge stronger than ever before. I am confident that with our clear strategic focus, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.

I would like to take this opportunity to acknowledge the many contributions, dedication and commitment of all our team members, which makes GCPL so successful. My deep appreciation to all our business partners, vendors and other business associates, for all their contributions. To the various central and state government authorities, many thanks for all the support that they continue to extend. Finally, I thank all our stakeholders for their wholehearted interest, faith and encouragement through the years, and look forward to their continued support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Adi Godrej', is positioned above the printed name.

Adi Godrej
Chairman

IN CONVERSATION WITH OUR MANAGING DIRECTOR

“Our team members demonstrated a lot of grit, resilience and determination and ensured that we executed with tremendous agility.”



GCPL has outperformed the FMCG sector in a challenging macro environment. What did you do differently to make this possible?

It has undoubtedly been a tough year for the industry. But these turbulent times are also a great opportunity to become more resilient and to invest in shaping the business for long-term success. We delivered a reasonably good performance and outperformed the sector due to four factors.

First, we remain focussed in areas where we have a competitive advantage. In difficult times, it is even more important to ensure that one does a few important things right. Our focus on a few categories in home and personal care, where we have leading positions, allowed us to hunker down to further strengthen our competitive position in these categories and gain share.

Second, we ensured that we continued to launch new products and back our innovations with competitive investments. Ultimately, the key measure of differentiation is the success rate of innovations. We maintained the rhythm in our innovations, despite the challenging environment. In fact, almost

40% of our incremental growth last year came from our new launches.

Third, we worked harder to engage with our dedicated team members. In challenging times, it becomes even more important to focus on motivating, rewarding and developing our team members. Our employee engagement scores improved significantly during this year. In our India business, our employee engagement scores would put us among the best employers, not just in India, but across Asia.

But what really drives outperformance is the great efforts that our team makes every single day. It may sound clichéd, but I truly believe that at the end of the day, what matters is superior execution. Our team members demonstrated a lot of grit, resilience and determination and ensured that we executed with tremendous agility.

How is innovation driving incremental growth for GCPL?

Over the last few years, we have rearchitected our approach to innovation. Our consumers have trusted us for decades and we are building on their trust to come up with even better products with sizzle. Innovation is our lifeblood and we have a robust pipeline in place for the future. Our innovations address both the bottom of the pyramid, as well as provide premium benefits to our mass consumers.

We are doing a lot more experimentation and prototyping, and employing design-driven thinking to come up with bigger, better and faster innovations. We have cross-functional teams (from across Marketing, Innovation, Design, R&D, Packaging, Manufacturing, Supply Chain) who come together to work on different innovation projects. To support our innovation efforts, we have enhanced our R&D spends and are building a new state-of-the-art R&D centre at our headquarters in Mumbai. Distinctive and delightful design is a big differentiator for us and we have set up a Design Centre with young graduates from the National Institute of Design, to lead these efforts.

Over the last 18 months, we launched 12 new products in India, including air fresheners, crème hair colour in a sachet, anti roach gel, paper-based mosquito repellent, shower gel and most recently, the most powerful liquid vaporiser in the household insecticides category.

We have also launched a number of new products across our international businesses and are actively cross-pollinating ideas and technology across geographies. We don't follow a 'copy and paste model', though. We tailor and wherever necessary, rework the product and proposition to best suit the particular requirement of a geography.



In Indonesia, we created a whole new format a couple of years ago when we introduced Hit Magic, a paper-based mosquito repellent. We later reworked this for the Indian market as Good knight Fast Card, a one rupee paper-based solution, which has been a runaway success.



Similarly, we leveraged learning from Stella, our category leading air freshener brand in Indonesia, when we created Godrej aer for our India market. We also used technology from our hair colour businesses in Latin America to build India's first ever crème-in-a-sachet, Godrej Expert Rich Hair Crème.

We are the leader in ethnic hair colour in South Africa. When we saw the tremendous potential in the Caucasian hair colour market there, we decided to introduce Renew from our India portfolio. Today, it is the number three player in the market. We have also forayed into the household insecticide market in Africa with our well-known Good knight brand from India and are exploring extending the brand to our other geographies as well.

International has been a big driver of growth for your business. What is your future roadmap going to be?

One of the biggest changes for us over the last five years has been international becoming a major contributor to our business. From making up some 15% of overall revenues back in 2010, our international geographies now account for close to half of our revenues. Over two-thirds of our team members are now based outside India and our products are available in more than 60 countries across the world.

We follow a disciplined approach to international expansion that we call 3 by 3, which means building a presence in 3 emerging geographies (Asia, Africa and Latin America) across 3 categories (personal wash, hair care and home care). Our operating model has also been quite unique. Unlike traditional multinational corporations, we follow a multi-local model, which is centred on values-based partnering and operational autonomy at the local level.

Over the last few years, we have successfully integrated our acquisitions. We are now working on defining the future roadmap to drive our international business to full potential. We have acquired strong local brands and are working with the teams in these countries to accelerate growth momentum. Our focus is on sustaining the entrepreneurial spirit that has made these companies successful, while providing the benefits of strong processes and scale that GCPL brings.

As part of these efforts, we have reorganised our international businesses into three key clusters – Africa, Latin America & Europe, and Rest of Asia. The cluster heads, who are all seasoned Godrej leaders, are now part of the GCPL Leadership Team and therefore, more closely involved in the overall business. We have made several changes to drive more agility, increase cross-pollination and enhance collaboration across these clusters and our India business.

Rural India is becoming increasingly important for FMCG companies. How is GCPL enhancing its go-to-market strategy to tap into this?

Over the last year, while we invested in expanding our reach in rural India, we also focussed on enhancing our urban coverage. We are making efforts to deepen distribution and have been increasing the outlets and villages we cover. Today, we cover close to 50,000 villages directly and have added around 10,000 villages in the last 12 months alone. As a result of our efforts, rural, which currently accounts for 28% of our India sales, has been significantly outpacing our urban growth.

Our team is also working on improving productivity to increase the range of products being sold through more training and the use of hand held terminals and business intelligence applications to support sharper decision-making. In the last six months, we have equipped almost 2,000 sales representatives with hand held terminals. We have also added over 300 direct sales representatives to aid our expansion.

Through a better segmentation of sellers and more feet on the street, we have significantly expanded the number of outlets we cover in urban. We are also paying close attention to growing specialist channels like chemists and cosmetics.

Can you tell us about GCPL's 'mass premium' approach and brand architecture?

At GCPL, our approach to premiumisation is very calibrated. Core to this approach, is what we call democratisation in our categories. We want to be able to provide benefits and products hitherto not considered affordable by mass consumers. We believe that this makes our approach quite distinctive –



A classic example how premiumisation works in practice for us is in hair colours. Last year, we launched the first hair colour in a sachet in India, Godrej Expert Rich Hair Crème, at a price point of ₹ 30. Expert Crème is less than half the price of many competing products, with equal if not better quality than much more expensive products. At the same time, the crème product offers a consumer who may be using powders before that (priced at around ₹ 18) the opportunity to upgrade to crèmes.



bringing superior quality and delightful products to the masses at affordable prices and convincing consumers to up-trade to these products. As middle-class incomes increase, the mass population will increasingly seek products with higher order benefits. We believe that we are well-positioned to grow with these desires of our consumers.

Today, around 33% of our portfolio is premium, by which we mean that it is priced at more than 20% of the average price in the category. This number was around 25% a couple of years back. In the next three years, we expect close to 45% of our portfolio to be premium.

Where does digital fit into GCPL's marketing strategy?

Our focus is on increasing our use of digital marketing to better deploy marketing investments and better target younger consumers. This is not about a choice between digital and traditional marketing, but an integrated approach, which makes digital a key part of our overall marketing strategy.

We recognise that most of us are digital immigrants and not digital natives. We are working on accelerating digital adoption and embedding digital in our culture. As a first step, we have hired young people to be a part of our brand marketing teams and drive digital efforts across our brands. We are also exploring different platforms and developing digital specific content, rather than tailoring regular communication for digital use.

We have an Integrated Marketing Communication approach overall, whereby we focus on one big idea for each brand and ensure impactful execution of it across all mediums – mass media advertising, online marketing, trade engagements and consumer engagements at the point of purchase and public relations.



Cinthol, for example, was refreshed last year on the proposition of 'Alive is Awesome', which encourages people to explore things that make them feel alive. In the first phase, we launched the 'Alive Bathing Project' across platforms and engaged 85 influential travel and adventure bloggers for 45 days. Our YouTube channel received 1.5 lakh views, 300 enthusiasts sent their Alive Is Awesome bathing videos and we clocked 750 blog write-ups with pictures. It won the Silver Effie for 'Best Personal Wash Campaign', the Silver Abby Award for 'Integrated Advertising Campaign' and 'Direct Responses – Digital'. We followed this with a campaign for Cinthol deodorants, to reach out to young Indians and build excitement around Virat Kohli, the brand ambassador for the campaign. This was built on the thought of 'Intensely Alive' across TV, radio and digital. A unique element of this was that Cinthol generated customised responses from Virat to select consumers, which added a personalised touch to the campaign on social media. We trended worldwide within 5 hours of launch and continued top trending for 6 days. This inspired the launch of the 'Challenge Virat' campaign designed to offer young Indians an opportunity to not only meet Virat but to also challenge him.

GCPL has been consistently recognised as a great place to work. What do you think makes you an employer of choice?

We take much pride in fostering an inspiring workplace with an agile and high performance culture to attract, develop and retain the best global talent.



GCPL was ranked as the number 1 FMCG company to work for in India by the Great Place to Work institute this year. We have featured in the list of best companies to work for 10 years in a row, which is a great achievement, not matched by any other company. We also featured among Aon Hewitt's top 17 Best Employers in India, and are one of the only two FMCG companies mentioned.

Core to our employer brand, is the philosophy of tough love. We expect a lot from our team members, differentiate on the basis of performance and potential through career opportunities and rewards and lay particular emphasis to developing, mentoring and training. We expect 100/0 – 100% accountability and 0% excuses.

We believe that passionate, rounded individuals with diverse interests make for better Godrejites. We also understand that our team members play multi-faceted roles, both at home and at the workplace. This is why we encourage them, not just to explore their whole selves, but also create an enabling space for them to do so.

As part of the over 115-year young Godrej Group, we are fortunate to have a proud legacy built on the strong values of trust, integrity and respect for others. At the same time, our exciting and ambitious growth plans allow us to offer unparalleled career opportunities relatively early on in one's career.

What do you think you could have done better this year?

I can think of four areas where we could have probably done better. To start with, we did not estimate demand as well as we should have for some of our new launches. These launches began performing much better than expected, but we did not have the required capacity to fulfill demand. We need to work on taking better punts early on.

The sheer magnitude of currency volatility in some emerging markets such as Indonesia and South Africa took us by surprise. We were caught a bit off-guard in the early part of the year. Later, I think the teams did a very good job to respond to these fluctuations. We have now learnt, to the extent possible, how to become more proactive in addressing these challenges.

While we outperformed the soaps category in India, we should have done better. Last year saw a significant slowdown in the category and competitive intensity was unusually high. Our performance in this category was not as strong as that in our other categories.

On the international front, our Kinky business in South Africa did not perform well. While it is a very small part of our revenues (less than 1%), we want all businesses in our portfolio to hold their own. Our team in South Africa is working hard to turn around the business.

What are you most excited about for the year ahead?

The last couple of years have not been too kind to emerging markets and we are looking forward to strong macroeconomic growth returning in these geographies.

We believe that there is tremendous head-room for growth in the categories which we participate in. A significant number of people will also be entering the middle-class across our geographies. They will actively seek great quality, branded and affordable home and personal care products. We believe that we are well-positioned to serve these customers with an exciting range of innovative products from across our portfolio and will look for new ways to create value and delight them.



DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

*Industry growth and market share
figures are based on AC Nielsen
data, unless otherwise specified*

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Directors' Report and Management Discussion & Analysis

Your Directors have pleasure in presenting their Report along with the Audited Accounts for the year ended on March 31, 2014.

1. Financial Highlights and Review of Operations

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

Figures in ₹ Crore

Financials	Consolidated		Standalone	
Abridged Profit and Loss Statement	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Sales (Net of Excise Duty)	7582.57	6399.65	4024.74	3520.93
Other Operating Income	19.84	16.65	55.10	60.09
Total Income from Operations	7602.41	6416.30	4079.84	3581.02
Total Expenses other than Depreciation & Finance Cost	6425.32	5401.14	3326.87	2938.94
Profit from Operations before Other Income, Finance Cost & Exceptional Items & Depreciation	1177.09	1015.16	752.97	642.08
Depreciation	81.85	77.00	35.52	32.27
Profit from Operations before Other Income, Finance Cost & Exceptional Items	1095.24	938.16	717.45	609.81
Foreign Exchange Gain / (Loss)	(26.78)	(32.78)	(5.94)	(12.01)
Other Income	62.71	67.78	40.00	50.65
Profit before Finance Costs and Exceptional Items	1131.17	973.16	751.51	648.45
Finance Cost	107.37	77.45	38.52	15.49
Profit after Finance Costs but before Exceptional Items	1023.80	895.71	712.99	632.96
Exceptional Items	5.87	128.90	0.00	0.00
Profit Before Tax	1029.67	1024.61	712.99	632.96
Tax Expense	210.37	179.18	148.15	122.02
Net Profit after Tax before Minority Interest	819.30	845.43	564.84	510.94
Share of Profit in Associate Company	(0.05)	-	-	-
Minority Interest	(59.52)	(49.33)	-	-
Net Profit for the period	759.73	796.10	564.84	510.94

2. Appropriation

Your Directors recommend appropriation as under:

₹ Crore

GCPL Standalone	FY 2013-14	FY 2012-13
Surplus as at end of previous year	1010.09	769.82
Add: Net Profit for the year	564.84	510.94
Available for appropriation	1574.93	1280.76
Less: Transfer to DRR	23.53	21.25
Less: Interim Dividend	178.70	170.16
Less: Tax on distributed profits	30.37	28.13
Less: Addition on amalgamation of Godrej Hygiene Products Ltd.	15.50	-
Less: Transfer to General Reserve	56.50	51.13
Total Appropriation	304.60	270.67
Surplus Carried Forward	1270.33	1010.09

3. Dividend

For the year 2013-14, three interim dividends were declared on shares of face value ₹ 1/- each – as follows: ₹ 1/- per equity share on August 3, 2013, ₹ 1/- per equity share on November 11, 2013 and ₹ 1/- per equity share on January 31, 2014.

In addition to the above, the Board of Directors has also declared a fourth interim dividend on April 28, 2014 at the rate of ₹ 2.25/- per equity share on shares of face value ₹ 1/- each. The record date for the same has been fixed as May 7, 2014.

Your Directors recommend that the aforesaid interim dividends aggregating to ₹ 5.25/- per equity share on shares of face value ₹ 1/- each be declared as final dividend for the year ended on March 31, 2014.

4. Non-Convertible Debentures

The Unsecured Redeemable Zero Coupon Non-Convertible Debentures issued in October 2012 on private placement basis aggregating to ₹ 250 crore for a tenor of two years is outstanding as at the year-end and is due for redemption in October 2014. The said Debentures have a credit rating of [ICRA] AA (Stable).

The Unsecured Non-Convertible Debentures of ₹ 50 crore issued in April 2012 on a private placement basis was redeemed by your company in October 2013 on its maturity at the end of 18 months as per the terms of the issue.

5. Subsidiaries & Associates

During the year, your Company acquired balance 49% stake in the Nigeria business of Darling Group and additional 4.63% stake in the South Africa and Mozambique business of the Darling group through Godrej Mauritius Africa Holdings Ltd., a wholly owned subsidiary of your Company.

Your Company entered into an agreement on October 7, 2013, to acquire a 30% stake in Bhabani Blunt Hair Dressing Private limited (b:blunt), a premier hair salon company with one of the strongest consumer franchises in this space.

Pursuant to a Scheme of Amalgamation ("the Scheme"), sanctioned by a Dutch Court, vide its Order dated October 28, 2013, Godrej Indonesia Netherlands Holding B.V. (GINBV) has been merged with Godrej Consumer Holdings (Netherlands) B.V. (GCHNBV) with effect from September 30, 2013.

During the year, Godrej Hygiene Products (GHPL) has merged into your Company with effect from September 7, 2013 pursuant to a scheme of amalgamation sanctioned by the Honorable High Court of Judicature at Bombay vide its order dated August 12, 2013. The appointed date for the scheme was April 1, 2013.

The details of business of the key subsidiaries are given in the Management Discussion and Analysis section of the Directors' Report. 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, 2014.

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 Annual Report also.

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 at any point of time. 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.

6. 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.

Overview

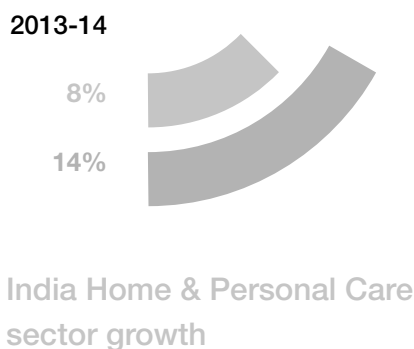
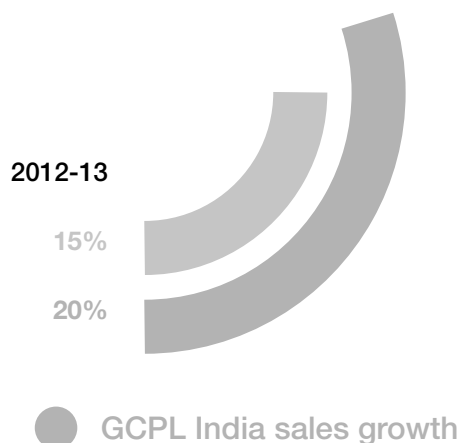
Macro Economic Environment

Over the last year, India's economic risks have been intensified by slowing economic growth, political logjams, high consumer price inflation, a depreciating currency and fluctuating equity markets. Growth rates over the last three years more than halved. Interest rate hikes translated into capital investment and growth in manufacturing and services becoming sluggish. We were however fortunate to have a good monsoon that helped agricultural output. The fast drop in the rupee too was checked by intervening measures by the RBI.

There have been some positive movements in reaching a consensus on the introduction of the Goods & Services Tax, which will create a unified market in India and make it easier to do business across the country, thereby having a significant upside to the investment climate and overall growth. This and other policy reforms will be needed to lift the economy out of the current slowdown.

FMCG Sector

Consequent to the turbulent macro economic scenario, the FMCG sector registered a marked slowdown this year. Consumer sentiment took a hit in the wake of decelerating GDP growth and high food inflation. While the pace of economic recovery remains uncertain, we are hopeful that consumer sentiment will become more positive and we will see better growth in the sector in the year ahead. The fundamentals of this sector continue to remain strong and we are confident of the growth potential of many categories, given their low penetration and consumption rates. Pro-growth initiatives by the new government will be greatly beneficial.



GCPL's Performance in FY 2013-14

Strong track record of performance

Consolidated Net Sales grew by 18% to ₹ 7,583 crore

Continue to invest strongly in our brands

Advertisement & sales promotion increased by 24%

EBITDA grew by 16% to ₹ 1,177 crore

Profit After Tax (adjusted for exceptionals) grew by 13% to ₹ 754 crore

GCPL's Performance over the last 4 years

Consolidated Net Sales

₹ 7,583 crore

FY 2013-14

₹ 2,041 crore

FY 2009 - 10

Consolidated Net Profit

₹ 760 crore

FY 2013-14

₹ 340 crore

FY 2009-10

2013-14 47%

2009-10 15%

International Sales as a percentage
of Consolidated Sales



EXTENDING LEADERSHIP IN OUR CORE CATEGORIES IN INDIA

PERSONAL CARE



Godrej No.1

- 1 Largest Grade 1 quality soap in India (simply put: more soap in each soap)
- 2 Godrej No. 1 offers you 'Nature's way to beauty' with carefully chosen ingredients to make your skin naturally beautiful
- 3 Increased innovations and strong brand presence in both urban and rural markets
- 4 Launched Godrej No. 1 Lavender & Milk Cream this year, adding to an existing portfolio of 8 variants

Second largest toilet soaps company in India



CINTHOL

- 1 Built on the high-energy proposition of 'alive is awesome', Cinthol inspires you to step out of the stale and embrace the fresh, the new
- 2 With premium international fragrances and innovative designs, it is undoubtedly one of the most refreshing grooming experiences across soaps, deodorants, talcs and shower gels
- 3 The fragrancing and cleansing choice of vibrant, young India
- 4 Introduced an exciting new 360-degree campaign for Cinthol Cool soap

PERSONAL CARE





- 1 Delightful, differentiated and efficacious range of products across the health, wellness and personal protection platforms
- 2 Range comprises three hand washes, a hand sanitiser and a personal mosquito repellent spray – includes India's first instant foam hand wash and alcohol-free hand sanitiser with 8-hour germ protection
- 3 Naturally derived ingredients and unique design-led and recyclable packaging

HAIR CARE



India's leading hair colour company



- 1 India's largest selling hair colour, used by over 40 million satisfied users
- 2 Innovative solutions include crème hair colour in a sachet, powder hair colour with a unique gel technology, and herbal hair colour, at unbelievably democratised prices
- 3 Hosted successful integrated marketing campaigns, unique initiatives like extensive engagement with salons, barber training, innovative media and communication
- 4 Godrej Expert Rich Crème Hair Colour launched a delightful 'The best ever hair colour' campaign, on the heels of the popular 'Oh my God!' campaign

HOME CARE



- 1 Built on the promise of 'protecting happy moments', Good knight aims to delight consumers through a deep understanding of their needs
- 2 Ranked number 1, among the Most Trusted Brands in Household Care in the 'Economic Times – Brand Equity Most Trusted Brands Survey' this year
- 3 Introduced a game-changing, innovative, paper-based mosquito repellent, Good knight Fast Card at just ₹ 1 per card
- 4 Good knight Xpress, the new liquid vapouriser, is India's fastest and most powerful electric household insecticide product – 3x faster than other solutions

Household Insecticides

Number 1 player across all formats in India



- 1 Clear leader in the aerosols market, focussed on killing pests and offering great efficacy
- 2 Innovating ways to make our products easy to use, safe and affordable to help every homemaker win the battle against pests
- 3 Ranked 8th among the Most Trusted Brands in Household Care in the 'Economic Times – Brand Equity Most Trusted Brands Survey' this year
- 4 HIT Anti Roach Gel, an innovative non-messy gel-based product that attracts and kills cockroaches and is effective for up to 45 days, is a big success
- 5 Digital campaign on 'Kill Pests Kill Diseases' is creating tremendous brand equity

HOME CARE



Air Fresheners

Number 2 player in the car category within 20 months of launch

First branded player to introduce gel technology in the AC vent and non AC formats for cars



- 1 Delightful range of home and car air fresheners
- 2 Intuitive designs – aer click comes with a simple button to switch it on and off; aer twist makes itself at home in the cup-holder of a car
- 3 Innovative new no-spill gel format and a musk.after.smoke variant introduced this year
- 4 Created India's first-ever Twitter-sourced song #dontsmokebecause

HOME CARE



Liquid Detergents

Leading liquid detergent
player in India



‘Raahat - Ek Abhiyaan’, our annual drive to encourage people to donate woollens, reached out to over 21,000 underprivileged school-going children in Delhi and the NCR

CAPITALISING ON INTERNATIONAL GROWTH POTENTIAL



OVERVIEW OF INTERNATIONAL BUSINESS

3x3 Strategy

3 categories (Home Care, Personal Care and Hair Care)
in 3 geographies (Asia, Africa and Latin America)

Disciplined M&A approach

Values based partnering

Salience of international
business revenues: **47%**

INDONESIA

Range of household and personal care products,
home insecticides, wet tissues and air fresheners

Business performs well despite a tough
macroeconomic environment

st
1 in air fresheners and wet tissues

nd
2 in household insecticides

Stella, the number one player in air fresheners



Mitu, our leading range of wet wipes and baby toiletries



Hit, the number one brand across all key modern formats of household insecticides – liquid vapourisers, aerosols and mats

AFRICA

Range of hair extensions, hair colours, household insecticides and personal wash

Continue scaling up of businesses with presence in South Africa, Mozambique, Nigeria and Kenya

1st in ethnic hair colours (14 countries)
and hair extensions* (10 countries)

2nd in hair extensions* (Nigeria)

3rd in Caucasian hair colours (South Africa)

**Source: Management estimates*



Darling, the number one player in hair extensions in 14 African countries

Renew is a leading player in the Caucasian hair colour market in South Africa



Inecto, the market leader in ethnic hair colour, has been offering African women up to 100% grey coverage for over 60 years now

LATIN AMERICA

Range of products across hair care, colour cosmetics, styling, professional and body care

Sales growth led by value market share gains and new product launches

2nd in hair colours (Argentina, Chile)

2nd in colour cosmetics (Chile)



Issue, the iconic leading hair colour in Argentina, offers a fun and stylish line of hair treatments



Pamela Grant, one of the leading colour cosmetics player in Chile



Illicit reaches out to over 1 million women and counting

UNITED KINGDOM

Range includes skin care, sanitisers,
sun care and deodorants

Business continues to outperform – investments in
innovation and brand development drive healthy growth in a
challenging macroeconomic environment

st
1st in stretch marks treatment

nd
2nd in hand sanitisers

th
4th in sun care

th
4th in female deodorants

Source : IRI data

Touch of Silver, a unique range
of salon inspired products for
blonde, white and grey hair



Cuticura offers moisturising and
nourishing protection for
the entire family



The relaunched Soft & Gentle range of
female deodorants



ACCELERATING INNOVATION AND RENOVATION

INDIA

Good knight Fast Card

- ① Revolutionary paper-based solution; opens up a whole new format
- ② Available at just ₹ 1 per card
- ③ Does not require electricity
- ④ Offers tremendous potential in rural India where penetration of household insecticides is very low



Scan me to learn more on our revolutionary paper-based mosquito repellent!



ADVANCED

फ़ास्ट कार्ड™

अब मच्छर को फटाक से फुट



फ़ास्ट कार्ड - फ़ोल्ड करो, जलाओ, फू करो
सिर्फ 3 मिनट में मच्छर फटाक से फुट

₹1 में 1 कार्ड

INDIA

Good knight Xpress

- 1 India's fastest and most powerful liquid vapouriser
- 2 3X more powerful than other liquid vapourisers in the market
- 3 Does away with the need for the dual regimen of clubbing liquid vapourisers with other faster acting formats like coils

**XPRESS ON
9 MINUTE MEIN
MACHHAR GONE!**



**ADVANCED
XPRESS SYSTEM**



Scan me to find out how Xpress
starts working in just 9 minutes!



**XPRESS
SYSTEM**

*India ka sabse tezz, Good knight Xpress System,
machhar bhagaye sirf 9 minute mein.*



INDIA

aer twist gel

- 1 Unique gel technology provides consistent fragrance from day 1 to day 60
- 2 Spill-proof
- 3 Exclusive twist mechanism makes it easy to turn on and off
- 4 Fits well in your cup holder or sits stylishly on the dashboard

Godrej aer twist gel
keeps your car consistently
fragrant for up to 60 days.

And given that it's summer, the days are a lot longer.



petal crush pink

musk after smoke

Twist to enjoy a pleasant
change in air. Its clever gel
technology is consistent,
spill-proof and, most
definitely, a good deal.



To find out more on this clever gel
technology, scan me!

Easy twist mechanism | Lasts up to 60 days | Three designer fragrances



INDIA

Godrej No.1

- ① Grade 1 soap, superior quality and outstanding value for money
- ② Builds on the natural beauty platform of Godrej No. 1
- ③ Exotic lavender and moisturising milk cream combined with natural oils, leaves your skin soft and fragrant

नया



Explore the irresistible
touch of nature. Scan me!

Gorrie **No.1**

लेवेण्डर एण्ड मिल्क क्रीम

आपको दे महकती,
खूबसूरत त्वचा.



INDIA

protekt

- 1 A new dimension in health and protection, by merging performance with a never-before user experience for Indian consumers
- 2 India's first instant foam hand wash with effective germ protection for children
- 3 An alcohol-free (and therefore skin-friendly) hand sanitiser with 8-hour germ protection, for the first time in India
- 4 Innovative, water-based, mosquito repellent spray, stays effective for 8 hours
- 5 Environmentally sensitive products, packed in 100% recyclable bottles



meet your new bodyguards



Before we start, here's a little something about us. protekt protects. (well, obviously). From nasty germs, nagging mosquitos, painful infections and trips to the doctors. But there's something more that we hold dear.

We call it clean. green. happy.

Clean is not just what our products do, it's also the way we make our products. No harmful chemicals. No irritants. No false claims. Nothing dirty. Just awesome products made with a clean conscience.

Green is where our products come from. Like a protekt hand sanitizer is made with 98% naturally derived ingredients. Ditto for our handwash. And it's all packed in little bottles that are totally recyclable.

And who said products that protect have to remind you of a hospital? 'Happy' is how we want you to feel. With our delightful design and delicious fragrances, protekt is the best and the happiest way to protect what you love!



Scan me to
discover how
protekt protects!

INDONESIA

Stella Membrane

- 1 Stella ventures into the car (rear view mirror) category
- 2 Becomes the market leader within just 8 months of launch
- 3 Range designed to appeal to whole family; becomes a major contributor to its success
- 4 A new home range launched, following on the success of the car range

**HARGA
PROMO**

Beli sekarang!!

LASTS UP TO
30 DAYS

STELLA®

Daily Freshness



Stella Daily Freshness is the latest innovation from Stella Air Freshener in the form of perfume concentrate which provides a long-lasting freshness up to 30 days.



**Freshen up your days with
STELLA DAILY FRESHNESS**

Find out what makes us a
hit with the entire family



AFRICA

Darling Easy Braid

- 1 Nigeria's first-ever hybrid braid
- 2 Pre-cut and pre-picked, it is ready-to-use; saves time, prevents waste and provides a perfect 'pencil finish'
- 3 Tangle-free and lightweight, minimising hassles
- 4 Hot water set, the tips of these braids curl when placed in hot water

DARLING[®] Easy Braid

Ready to use



*Beautiful Braids
Made Easy*



PRE-CUT, PRE-PICKED READY TO USE



www.facebook.com/DarlingNigeria

LATIN AMERICA

Illicit

- 1 Relaunches with a new proposition of revitalising hair colouring with silk proteins**
- 2 Endorsed for the first time by a celebrity brand ambassador, actress Carolina Arregui**
- 3 Maintains leadership in volume market share**

Carolina Arregui
for ILICIT

New

ilicit

NOW WITH
**REVITALIZING
TREATMENT**

WITH SILK PROTEINS

Strong and shiny hair.
As soft as silk



Scan me to watch our new
ad, featuring the glamorous
Carolina Arregui

- Long lasting color
- 100% grey covery



Ilicit, the best hair dye



UNITED KINGDOM

Soft & Gentle

- 1 Exciting new refreshed range of the highest quality, nature-inspired fragrances
- 2 Kind, even to sensitive skin
- 3 Longer lasting 48-hour protection
- 4 Establishes fragrance as the unique selling proposition: 2 new fragrances, Orange Blossom & Grapefruit and Pear & Cottonflower
- 5 Develops stick deodorants to ensure a comprehensive range of formats

Soft & Gentle

ANTI-PERSPIRANT DEODORANT

*All day
freshness*



Scan me and learn more on how to exude confidence and all-day freshness.

Find your perfect anti-perspirant deodorant.
With a range of nature-inspired fragrances to choose from, you can be confident that you will stay fresh, dry and protected, whatever your day brings.

48hr

48hr
Protection



Anti-White &
Yellow Marks



Super Skin
Kindness

Which fragrance are you? Find out at www.softandgentle.com



Join us on



BUILDING A FUTURE READY SALES SYSTEM

- ① Significant benefits of leveraging geography and channel synergies across our core categories
- ② Enhancing our go-to-market approach to deepen our distribution both in rural and urban markets
- ③ Improving productivity through more training, use of hand held terminals and business intelligence applications for better analytics to support sharper decision making
- ④ Merchandising programme for better visibility
- ⑤ Strengthening distribution infrastructure to be the preferred choice of distributors



MAKING OUR SUPPLY CHAIN BEST IN CLASS

- ① Best in class practices – Demand-driven Supply Chain, Theory of Constraints, Total Productive Maintenance, Lean, Six Sigma and Low Cost Automation
- ② Global strategic sourcing with significant benefits to the bottom-line
- ③ Deploying SAP across subsidiary units and integrating them into one SAP ERP
- ④ Strengthening our supply chain processes in international business

Pictures

Top & Bottom: Inside GCPL's largest soap manufacturing facility at Malanpur



BUILDING AN AGILE AND HIGH PERFORMANCE CULTURE



1 Building an inspiring place to work

Ranked number one in the FMCG category in the 'Great Place to Work' survey; featured on the list for the tenth year in a row

Ranked among the top 17 employers in India in the 'Aon Hewitt Best Employers' survey; one of only two FMCG companies to feature on the list



2 Strong focus on careers and learning

3 Building our employer brand

Godrej LOUD, our radically different approach to business school recruitment, encourages students to live out their personal dreams and offers sponsorship and summer internships with Godrej

Pictures

Bottom Left: The Gurukul Summer Intern batch of 2014 on their first day at Godrej

Bottom Right: The GCPL Finance team at their annual outbound



- 4 Successful integration of international businesses followed by base lining HR processes across geographies
- 5 Significant investment in upgrading our IT systems to support our HR processes

- 6 In-house employee engagement survey, Godrej In tune, in collaboration with Aon Hewitt

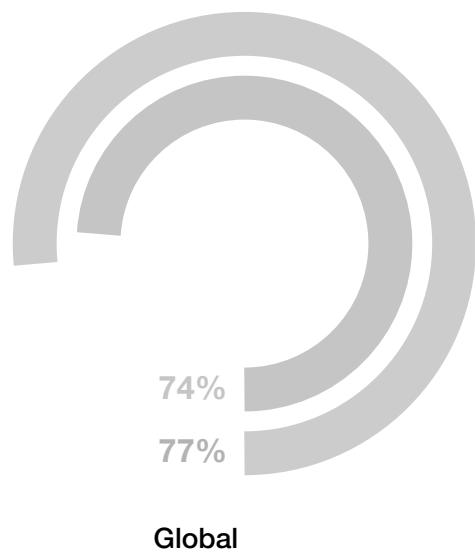
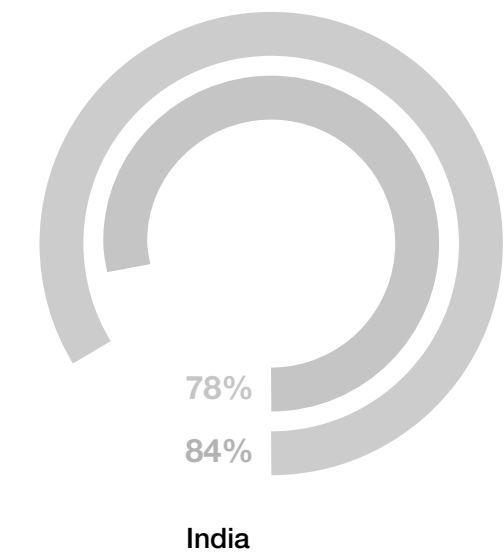
Benchmarking our people practices and understanding internal perspectives on what our team members think about our company and what we can improve.

in t((u))ne

Bottom: Senior leaders from across GCPL at a strategy workshop with Bharat Anand of Harvard Business School



GCPL overall scores



● 2014 ● 2012

Bottom: The Godrej Darling team celebrates Nelson Mandela Day in Nigeria



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

RISKS 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 operation

OPPORTUNITIES AND THREATS

We see significant long-term growth opportunities in all our international markets. Our key geographies will contribute to close to 36% of the estimated increase in the world's population in the next five years and consumption in these markets is slated to account for nearly half the global total. On the domestic front, inspite of significant slowdown in the FMCG industry, we believe that the fundamentals still remain positive and there is still a lot of headroom for growth given the low penetration and consumption rates for many FMCG categories in India. With a clear strategic focus, superior execution and top-notch team, we are confident that we will deliver industry-leading results in the future. In terms of threats, the key threats are compliance and regulatory pressures including changes to tax law, seasonal fluctuations and unrest and instability in countries where we have a presence or operation

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

CAUTIONARY STATEMENT

Some of the statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments in India and

overseas, political instability, change in international oil prices and input costs and new or changed priorities of the trade.

8. 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company 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.

9. 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 Limited 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, 2014, 10,000 options convertible into 10,000 equity shares of nominal value of ₹ 1/- each are outstanding in respect of options granted under the GCPL ESOP to employees of the Company.

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 2013-14 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 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, 2014, 10,40,000 options convertible into 10,40,000 equity shares of Godrej Industries Ltd. are outstanding.

10. 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 President and above, are eligible to be covered under the plan.

Under the GCPL ESPL, the Company provided a 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 which had vested on March 30, 2012 has been exercised during the current year and the GCPL ESOP Trust has repaid to the Company, the loan for these shares.

11. 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 ESGS 2011, 159,058 grants are outstanding and not vested as at March 31, 2014.

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 equity shares vested in the eligible employees shall be allotted on payment of the exercise price ₹ 1 per share.

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.

12. Unclaimed Shares

In compliance with clause 5A of the Listing Agreement with the stock exchanges, your Company has transferred the unclaimed shares into a demat account, viz. "Unclaimed-Suspense Account". As and when an allottee approaches the Company, the Company, after proper verification, either credit the shares lying in the Unclaimed Suspense Account to the demat account of the allottee to the extent of the allottee's entitlement, or deliver the physical certificates after re-materialising the same, depending on what has been opted for by the allottee.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year;	5,862	894,965
Number of shareholders and aggregate shares transferred to Unclaimed Suspense Account during the year;	-	-
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year and aggregate shares transferred;	54	12,116
Number of shareholders to whom shares were transferred from the Unclaimed Suspense account during the year and the aggregate shares transferred;	54	12,116
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	5,808	882,849

13. Directors

In accordance with Article 130 and 131 of the Articles of Association of your Company, Ms. Tanya Dubash and Mr. Jamshyd Godrej retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Narendra Ambwani, Independent Director is retiring by rotation at the forthcoming Annual General Meeting. In compliance with Section 149 of the Companies Act, 2013, Mr. Narendra Ambwani is being appointed as Independent Director to hold office upto June 30, 2019.

14. Listing

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

2500 Non-Convertible Debentures of face value ₹ 10 each aggregating ₹ 250 crore issued in October 2012 on private placement basis is listed in the whole sale debt segment in The National Stock Exchange of India Ltd.

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

15. Auditors

The Auditors, Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, retire and offer themselves for reappointment.

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 2013-14. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

16. 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.

17. 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 one). 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.

18. Acknowledgement

Your Directors wish to place their sincere thanks to the Central and State Governments as also 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 28, 2014

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 Stock Option Plan	Godrej Consumer Products Limited Employee Stock Grant Scheme
A	Options granted	3,667,000	268,611
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 upto March 31, 2014	2,870,000	80,849
d	Options exercised upto March 31, 2014	2,810,000	80,849
e	The total number of shares arising as a result of exercise of option;	Nil - Since no fresh issue of shares by the Company	51,385 during FY 2013-14 80,849 upto March 31, 2014
f	Options lapsed upto March 31, 2014	847,000 (out of which 762,000 option have been re-granted and included in Sr. no. A above)	53,398
g	Variation of terms of options	None	None
h	Money realised by exercise of options upto March 21, 2014	₹ 102.86 crore	₹ 0.01 crore
i	Total number of options in force	10,000	134,364
j	Employee wise details of options granted to:		
	i) senior managerial personnel	Nil - Outstanding	As per Note 1 below
	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	Nil	As per Note 2 below
	iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil
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.	₹ 16.59 per share (standalone) ₹ 22.32 per share (consolidated)

Sr. No.	Heading	Godrej Consumer Products Limited Stock Option Plan	Godrej Consumer Products Limited 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 recognised 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. As all the options got vested before the current financial year, there is no employee compensation cost accounted during the year. Had the fair value method been used, in respect of stock options granted the employee compensation cost for the year would have been higher by ₹ 0.24 crore, Profit after tax lower by ₹ 0.19 crore and basic EPS would have been lower by ₹ 0.006	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 for the year would have been higher by ₹ 0.24 crore, Profit after tax lower by ₹ 0.19 crore and basic EPS would have been lower by ₹ 0.006
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 ₹ 259.42 per share plus interest as mentioned in pricing formula Fair Value ₹ 38.53	Exercise price ₹ 1.00 per share Fair Value ₹ 591.30
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: 7.3% - 7.5% 4 years 38.7% 1.0% - 3.0% ₹ 129.65 - ₹ 401.05	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: 7.4% - 9.4% 2 years 32.8% 0.6% - 1.2% ₹ 376.20 - ₹ 849.85
Note 1 - Employee wise details of options granted			
Name of senior managerial persons to whom stock options have been granted		Number of Options Outstanding	
Vivek Gambhir		17,778	
P. Ganesh		6,800	
Naveen Gupta		10,200	
Omar Momin		2,252	
R. Anand		5,471	
Rahul Gama		5,473	
Rakesh Sinha		9,004	
Sunder Nurani Mahadevan		6,002	
Sunil Kataria		8,206	

Note 2 - Employees to whom options amounting to 5% or more of option granted in one year

Name of the employee	Number of Options Granted	Grant Year	Status as at March 31, 2014
Vivek Gambhir	17778	FY 2013-14	Not vested
Shashank Sinha	6005	FY 2013-14	Lapsed on account of employee leaving services.
Antonio Cao	4436	FY 2013-14	Lapsed on account of employee leaving services

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:

Following steps are taken to reduce specific energy consumption (KWH / MT of production), specific water consumption, waste reduction and specific GHG emission.

At Central-West Cluster (Malanpur Unit)

- 1) Following equipment replaced with energy efficient equipment:
 - a) Roots Blower for pneumatic conveying of soap noodle
 - b) Air Compressor
 - c) Air Conditioners
 - d) Multiple Cooling tower pumps in FADP # 3 & Chilling Cooling Tower pump with Single higher capacity pump
 - e) Traditional Light with LED light in Chemical Plant # 3 & Soap Making
- 2) Provided a Heat Exchanger to utilise waste heat of contaminated condensate for Boiler feed water pre-heating.
- 3) Reduced Lye Fat Ratio (water %) in FSP which resulted in water saving as well as Energy saving as overall feed mass reduced.
- 4) Optimised process air pressure and steam pressure in soap making to reduce energy consumption.
- 5) Optimised energy consumption of Brine Chilling plants through unification of multiple chillers and

Optimised energy consumption in Soap making through increase in feed rate of Continuous Saponification plant.

- 6) Condensated water after heat utilisation for cooling tower make up.
- 7) Provided Auto level controller in cooling towers make up line to avoid water overflow.

At Baddi Units

- 1) Optimised cooling tower fan working through interlocking with temperature controller to reduce power consumption in Thana unit.
- 2) Provided energy-efficient CFL lights in place of conventional lights like HPSV in Thana unit.
- 3) Started recycling treated effluent water for the flushing of toilets in Thana unit.
- 4) Provided float valves in soft water make up line of cooling towers to avoid water overflow in Katha unit.
- 5) Interlocked wrapping machine conveyors to avoid idle running in order to conserve energy.
- 6) Biomass Gasifier provided to use renewable energy for Hot air Generator in Jammu unit.

At North East Units

- 1) Provided natural draught air ventilators in place of exhaust fan.
- 2) Provided CFL lights in place of conventional tube lights.
- 3) Provided/increased transparent roof sheets to use sunlight, thus avoiding the use of electrical luminaries.
- 4) Provided push type water taps to avoid water wastage.
- 5) Reduced wet coil weight, thus reducing the consumption of fuel while drying the coils.
- 6) Reused water drained from water filter and distillation column cooling.

At South Units

- 1) Provided Natural Air draught ventilators in place of exhaust fan. Added more natural air draught ventilators.

- 2) Provided twin cyclone separators in Hot Air Generator to reduce suspended particulate in ambient air.
- 3) Provided CFL in place of traditional fittings.
- 4) A sewage treatment plant was installed, and its treated water used for gardening, thus reducing fresh water consumption.
- 5) Replaced CFB's with plastic trays for component transfers to reduce paper consumption.

Apart from the above, some other common initiatives that were undertaken included productivity improvement, de-bottlenecking of capacities and imparting awareness to all employees for energy, water conservation and waste reduction.

The results are as under:

Specific Energy Consumption (KWH/MT of production) reduced by 5.4% over previous year i.e. 2012-13.

Specific Water Consumption (KL/MT of production) reduced by 5.5% over previous year i.e. 2012-13

Specific GHG emissions (MT of CO₂ / MT of production) reduced by 2.5% over previous year i.e. 2012-13

(B) Proposed energy conservation measures:

- 1) Provision of biomass briquette (renewable fuel) fired boiler to replace fossil fuels.
- 2) Provision of Energy efficient soap driers.
- 3) Provision of Energy efficient air conditioners.
- 4) Provision of Energy efficient (steam ejector less) vacuum system for Fat Splitting Plant.
- 5) Provision of energy efficient vacuum system.
- 6) Provision of energy efficient LED lights.
- 7) Provision of additional waste heat recovery system for Flue gases.
- 8) Provision of natural air ventilators for Soap Making Plant.

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 & Development (R&D)

The Research & Development function of your Organisation continued to play a key role in ensuring successful commercial launch of AER Gel Twist and Click during the year.

The current year like previous years saw a strong focus on consumer-centric design led innovation, and, in addition, strong adoption to newly defined R&D processes in addressing innovation projects. The commercialisation of the gel technology for AER, with both the Twist and Click formats, is a notable example of a fine innovation in the marketplace, whilst offering a strong differentiated offering to our consumers in the air freshening space.

The current year has also witnessed more launches in the Household Insecticide Category with new product innovation. For the first time we entered into a new format such as 'Fast Card' for better management of mosquitoes, and also technology-led innovation with GK Express, providing a better upgradation of consumer benefits with quicker and more powerful mosquito control using latest technology in device and wick.

Several improvements in R&D systems have helped overall in product quality and process improvements, apart from better optimisation.

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

1. Hair Care and Hair Styling
2. Skin Cleansing & Care
3. Household Insecticides
4. Customer Centric Innovations
5. Packaging Development
6. Fabric Care
7. Hygiene Products

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

Strong R&D contribution to Innovation projects led to the successful commercial launches of the aforementioned products in the marketplace this year. It also resulted in better management of products and processes which resulted in revenue generation in the current financial year. In addition, work on few, purely R&D-led ideation projects was also focussed upon and progressed. Strong support towards few Household Insecticides and Personal Care projects was extended to some of our International businesses.

III. Future Plan of Action-

R&D shall continue to play a key role in development and successful execution of newer innovations in the marketplace for both the domestic, and, the international business. R&D shall constantly endeavour to deliver superior innovative products adopting newly defined R&D and Innovation

processes in order to delight, both, our domestic and international customers by:

1. Ensuring successful commercial launches within product categories for the coming year.
2. Engaging in providing support on defining global innovation strategies for product categories within our international businesses, and, extending support on relevant product development for international markets.
3. Focussing on newer consumer relevant product experiences within product categories.
4. Strong emphasis on adherence to newly defined R&D and Innovation processes which has helped streamline deliveries effectively.
5. Maintaining strong focus on R&D training needs, and, people as well as, people skills development.

IV. Expenditure on R & D

₹ Crore

	FY 2013-14	FY 2012-13
(a) Capital	0.5	0.6
(b) Recurring	11.5	8.9
(c) Total	12.0	9.5
(d) Total R & D expenditure as a percentage of total sales turnover	0.30%	0.27%

Technology absorption, adaptation and innovation

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

Commercialisation of New Products

AER: Launch of gel-based air freshener technology for car with both Twist and Click formats.

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

R&D-focussed efforts towards commercialising the above innovation in the marketplace have assisted in maintaining innovation momentum, thereby, raising your Company's image and credibility in marketplace. This innovation, whilst providing superior value and delight to our consumers, was maintained optimal on cost with a view to sustain business profitability.

3. Imported Technology:

The Company has not imported any technology since its incorporation.

C. Foreign Exchange earnings and outgo:

₹ Crore

	FY 2013-14	FY 2012-13
I. Foreign exchange used	195.64	290.54
II. Foreign exchange earned	170.63	174.62

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, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

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

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

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

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

Roshni Marfatia
Partner
Membership No.: 106548

Mumbai, April 28, 2014



BEYOND BUSINESS – GOOD & GREEN

Building a more inclusive and greener India

Our 2020 goals

Ensuring Employability

Train 1 million rural and urban youth in skilled employment

Creating a greener India

Become carbon neutral and water positive, achieve zero waste to landfill, reduce specific energy consumption and increase renewable energy sources

Innovating for Good & Green

Have a third of our portfolio revenues comprising good and / or green products and services

Brighter Giving

Employee volunteering



Top right: Godrej awarded the “Porter Prize for Creating Shared Value”

Bottom right: Godrej Sakhi graduates display handmade products

Bottom left: Godrejites run the Standard Chartered Mumbai Marathon to raise funds for Teach for India







BUSINESS RESPONSIBILITY REPORT 2013-14

BUSINESS RESPONSIBILITY REPORT 2013-14

Philanthropic Efforts of the Godrej Group:

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 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 all through and supports the Udayachal pre-primary and primary schools, which focuses on all-round development of children. The Udayachal high school has been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching.

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 children from low income families. GMH offers surgery and hospitalisation to the patients free of cost.

Table for Two

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 organisation's tradition of serving society and individual involvement.

Heroes AIDS Project

The Godrej Group also continues to support Heroes AIDS Project (HAP). Founded by Parmeshwar Godrej and Richard Gere over a decade ago, Heroes Project continued to partner with Bill and Melinda Gates Foundation to contribute strongly to the national and

regional effort to address HIV-related stigma and discrimination; educate especially vulnerable populations about HIV; identify and recruit a range of societal leaders to serve as spokespersons for the cause; and partner with the media to create and disseminate strategic "education entertainment" programming that incorporates HIV issues.

Teach for India

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

Godrej Good & Green

In conjunction with our vision of "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 Group level goals 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 address a critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid

These goals are fuelled by Brighter Giving (BG), a structured volunteering platform through which employees can offer their time and skills to help address a non-profit organisation's needs. Through Brighter Giving, our employees can donate their time, knowledge and skills to help address a non-profit organisation's specific needs, on a project basis. Brighter Giving also serves as a channel through which employees can connect with, and learn more about Good & Green. Much like the old Chinese proverb, "Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime," the programme takes a long-term view, seeking to enable and drive meaningful impact for BG non-profit partners and/or their beneficiaries. Volunteers accomplish this by using their corporate skills and expertise to build relevant, implementable and sustainable solutions for the organisations with whom they work. The programme was launched in July 2013 with a starting cohort of 15 Brighter Giving volunteers. Since then we have also partnered with two organisations who are helping us connect our employees to relevant projects as per their own time and convenience. Some of GCPL employees are also participating in BG.



Through Brighter Giving, our structured volunteering platform, we provide volunteering opportunities to employees who are keen to engage in skill-based, longer-term volunteering projects. We also offer short-term volunteering opportunities

Section A: General Information about the Company

1. Company's Corporate Identity Number: L24246MH2000PLC129806
2. Name of Company: Godrej Consumer Products Limited
3. Registered Address: Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079
4. Website: www.godrejcp.com
5. Email id: investor.relations@godrejcp.com
6. Financial Year Reported: 2013-14
7. Sector(s) that Company is engaged in: Personal and Household Care Products
8. List of three Key Products & Services that the Company manufactures/ provides: Personal Care, Hair Care and Home Care
9. No of Business Activity Locations:
 - a. **Number of International Locations**
GCPL has undertaken business activity in more than 12 international locations and the major ones are Indonesia, Argentina, UK, South Africa and Chile
 - b. **Number of National Locations:**
GCPL carried out business activities all over India with major manufacturing locations in Madhya Pradesh, Himachal Pradesh, Assam, Jammu, Puducherry and Goa
10. Markets Served: Indian market, export and operations in International geographies as above.

Section B: Financial Details of the Company (Standalone)

1. Paid-up Capital: INR 34.04 crore
2. Total Turnover: INR 4024.74 crore (Net of Excise)
3. Total Profit After Taxes: INR 564.84 crore
4. Total spending on CSR as a percentage of Profit After Taxes: 0.8%
5. List of activities in which expenditure in 4 above has been incurred

The major areas in which the above expenditure has been incurred includes

- Youth employability trainings
- Skill development trainings
- Training of retail shop owners and retail associates

- Beautician training for rural and urban low-income women
- Channel sales training for rural youth

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies? : Yes
2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies): GCPL has subsidiaries in foreign countries and encourages subsidiaries to participate in Business Responsibility (BR) initiatives. The Business Responsibility policies of the subsidiaries are in line with the local requirements.
3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more

than 60%). GCPL actively encourages adoption of BR initiatives by our Business Partners. Currently less than 30% of other entities participate in the BR initiatives of the Company.

Section D: Details of the BR head

1. Details of Director/Directors Responsible for BR
 - a. Details of the Director(s) responsible for implementation of BR policy/policies
DIN Number: 06527810
Name of the Director(s): Mr Vivek Gambhir
Designation: Managing Director
 - b. Details of Business Responsibility Head
DIN Number (if applicable): 06527810
Name: Mr Vivek Gambhir
Designation: Managing Director
Telephone Number: 022-25188010
Email ID: vivek.gambhir@godrejcp.com

2. Principle-wise (as per NVGs) BR policy/policies

Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
Does the Company have a policy/policies for the principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy confirm to any national /international standards? If yes, specify in about 50 words (These policies have been framed keeping in view the goals of the organisation and the economic environment of the operations of the Company).	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	N	N	N	N	N	N	N	N	N
Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
Indicate the link for the policy to be viewed online?	-	-	-	-	-	-	-	-	-
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

If answer to Sr. No 1 against any principle, is 'No', please explain why (tick up to 2 options):

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company has not understood the principles									
The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									Not Applicable
The Company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months									
It is planned to be done within the next 1 year									
Any other reason (please specify)									

3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company (within 3 months, 3-6 months, annually, more than 1 year).

The BR Head periodically assesses the BR performance of the Company.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The BR head will determine the frequency of the same.

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.

Section E: Principle-wise Performance

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

The Board of Directors and Senior Management of Godrej Consumer Products Limited (GCPL) comply with the following Code of Conduct:

- 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 specialisation 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

Applicability of the Code of Conduct:

This Code of Conduct (Code) applies to Directors of Godrej Consumer Products Limited (GCPL). It also applies to the senior management of the Company, i.e. one level below the executive directors, and all functional heads. An annual confirmation affirming compliance with the Code of Conduct is obtained from Board Members and senior management every year and the same has been obtained for the year ended March 2014.

Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The Company has a Code of Conduct, which is applicable to all individuals working in the Company. For the Subsidiaries and Joint Ventures, the Code is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the code.

How many Stakeholder complaints received in the past financial year and what percentage was satisfactorily resolved by the Management?

There were 81 complaints received during the year out of which 79 were resolved and 2 were outstanding at the close of the year. The outstanding complaint was also resolved in April 2014.

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

Godrej Group's Good & Green vision supports the development of products that are environmentally sustainable. As part of the vision, the Company aspires to develop products that consumes fewer energy resource (energy, water), emit fewer greenhouse gases and include 100% of recyclable, renewable, and/or natural materials.

Good & Green, a group-wide initiative, focuses on building a more inclusive and greener India by 2020. This targets achieving zero waste, carbon neutrality, positive water balance and the use of renewable energy for at least 30% of our energy requirements. Another objective of this initiative is to target achieving a third of our revenues being generated from environmentally friendly products and services.

List upto three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

1. The commercialization to the gel technology for AER with both the "Twist and Click Formats" is a notable example of a fine innovation in market place, whilst providing a strong differentiated offering to our consumers in air freshening space.

The above innovation, besides providing superior value and delight to our consumers, was maintained optimal on costs with a view to sustain business profitability.

2. The current year also witnessed more launches in Household Insecticide category with new product innovation and for the first time entering into a new format such as "GoodKnight Fast Card", a low cost format to drive innovation and product performance.
3. Refill category has experienced yet another launch with "GoodKnight Express", a latest improvement in technology for powerful and quicker mosquito control. This provides a better upgradation of consumer benefits with quicker and powerful

mosquito control, using latest technology in device and wick.

We have maintained a strong focus on sustainable development by meeting environmental parameters in site selection and planning, water efficiency, energy efficiency, material and indoor environmental quality.

Does the Company have procedures in place for sustainable sourcing (including transportation) and percentage of inputs sourced sustainably?

In India, our Demand Driven Supply Chain has led to mutually beneficial relationships with our suppliers and dealers. We have extended this to include partnerships with key Modern Trade players.

We have established an automated sourcing system that covers all consumer products globally and utilises practices such as the Theory of Constraints, Demand Driven Supply Chain, Total Productive Maintenance and Six Sigma. This initiative is designed to lower costs by reducing purchase and freight costs and wastage and improving manufacturing yields.

GCPL has always laid emphasis on procuring raw materials in a responsible manner. There has been an increasing trend in the amount of sustainably sourced palm oil which is used in place of crude oil derived products.

Has the Company taken steps to procure goods and services from local & small producers including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. All agri based bulk materials, shippers and plastic components are produced locally, closer to the plants. These vendors are given priority payments and also technology and quality systems upgradation supports.

Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as less than 5%, 5-10%, >10%)

Most of the wastes like wrappers, stiffeners and packaging materials like bottles and corrugated boxes are disposed to the vendors who recycle it. Spent lubricating oil is also disposed to recyclers, majority of waste soap is recycled by the Company, and balance is disposed to small scale manufacturers. All of our major units are certified by environment management system as per ISO-14000.

Principle 3: Businesses should promote the wellbeing of all employees

GCPL focuses on ensuring the well-being of all its employees. The safety and health of employees is extremely important to the Company and GCPL is committed to building and maintaining a safe and healthy workplace. Ensuring diversity, zero discrimination, safety, health and other attributes essential to a healthy and good working environment are part of our Code of Conduct. All employees who join GCPL demonstrate their commitment to follow the code of ethics by signing in their acceptance to adhere to the same. Examples of a few of the principles of this code of conduct are listed below.

Diversity, Anti-discrimination & 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.

Progressive Human Resource policies: GCPL prides itself as a great place to work, a fact recognised and acknowledged externally as well. This is evident in GCPL's consistent ranking as the best FMCG Company to work for in the "Great Place to Work Study 2013" as well as its featuring among the top 25 best employers in Asia, as per the Aon Hewitt Best Employers 2013 study. HR policies like flexible work hours, work from home arrangements, part-time work, leave and benefits, adoption leave and benefits, extended maternity leave and benefits, paternity leave and benefits – to name a few – go a long way in ensuring that the employees successfully strike a work-life balance. We are committed to the health and well-being of our employees and have an onsite medical centre, hospital and children's day care facility within the Godrej Vikhroli campus.

On-campus Facilities (Vikhroli, HO): We have a canteen facility in the campus where refreshments are provided. Transport facility is provided from the office to the nearest railway station and the Godrej Housing Colony. The Head Office premises has a Bank ATM and a travel helpdesk. Health and Fitness initiatives include morning Yoga session, a full-time fitness instructor and nutritionist. All GCPL sites are non-smoking zones. Smoking is strictly prohibited in the campus.

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. The Company has ensured compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. We have constituted an Internal Complaints Committee in accordance with the act and updated the group's policy to ensure that women are protected against sexual harassment at the workplace. Every team member is made aware that the Godrej Group is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and the Group policy. The Company takes all necessary action(s) required to prevent and correct behaviour which violates this policy.

Engagement Forums: There are multiple touch points for leadership team to interact with employees through forums like the long range plan, annual operating plan cascades and updates, open houses, town halls, focus groups around engagement surveys, HR connect sessions, skip level meetings by senior leadership, etc. GCPL practices 'Bedhadak Bolo' as a philosophy which salutes the spirit of expression and innovation at Godrej. This encourages people to 'Bedhadak Bolo' – to speak and express openly and fearlessly. 'Bedhadak Bolo' has resulted in employees coming forward and speaking translating into numerous changes and innovations within the organisation. It has also resulted in better team dynamics and an incredibly more open work environment.

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

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

Please indicate the Total Number of Employees

Total Permanent Employees: 2,187

Male: 1,942

Female: 245

Total Contract Employees 3450

Employees with Disabilities 76

Does the Company have an employee association that is recognised by management?

Yes

What percentage of permanent employees are members of the recognised employee association?

Approximately 41%

Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Nil

What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

Sl. No.	Category	Safety	Skill upgradation
1.	Permanent Employees	87.8%	83.42%
2.	Permanent Women Employees	100%	100%
3.	Employees with Disabilities	100%	100%
4.	Casual/ Temporary/ Contractual Employees	100%	100%

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

We have already identified and prioritised key stakeholders and we continue our engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc. Each year we review the stakeholder universe and add a few more groups. The feedback obtained during our interactions help us in prioritising the report content and its completeness.

The stakeholder engagement process consists of a variety of activities from Stakeholder Identification, Consultation, Prioritisation, Collaboration and Reporting. The identification of all relevant stakeholders and understanding their expectations is of high concern for GCPL in their quest to remain sustainable. Key

stakeholders are identified on the basis of their influence on the Company's operations and impact of the Company's operations on them.

Recruitment of candidates from the Scheduled Caste/ Scheduled Tribe and Physically Challenged categories has been taken up as one of the major performance measures of the central recruitment process owner. 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 counselling to people that fall in one of those categories.

Key Highlights:

1. To sustain Affirmative Action in GCPL, every SC/ST/PC candidate applying for a job is interviewed by the Unit head before the final decision is taken. This is done to remove individual biases of managers against these categories of candidates, if any. Recruitment of SC/ST/PC candidates has been taken up as one of the performance measures of central recruitment process owner.
2. Our employee referral policy promotes referrals of SC/ST/PC candidates by offering higher referral amounts.
3. The HR function keeps a regular track of progress of Affirmative Action in the organisation and takes necessary corrective actions, if needed. Adherence to and proactive involvement in Affirmative Action has been added to the performance targets of various employees.
4. For the physically challenged, we identify appropriate jobs and also put in place the necessary infrastructural facilities for them, depending on the nature of their disability.
5. GCPL has set aside a dedicated budget towards Affirmative Action.
6. To improve employability for the employees of these cadres, they are given equal opportunity in training and development.

Partnership & Initiatives for Affirmative Action:

GCPL Malanpur:

- To empower the SC/ST/PH cadre of society, the unit has been putting continuous efforts in the recruitment process. To strengthen the recruitment of SC/ST/PH employees/apprentices, various colleges were visited by the Company representatives. Sustenance allowance is given to PH employees. 14.22% and 1.03% of the unit

workforce are from SC/ST category respectively, 4 of the vendors are from SC/ST category and 3 employees are receiving sustenance allowance.

- The unit has been putting continuous efforts to improve knowledge/education for SC/ST/PH students. These efforts include a knowledge sharing session with PH students at Ambedkar Institute, Kanpur, signing an MoU with the Institute for sustainable support, providing scholarships to 9 students belonging to SC/ST/PH students in order to encourage them to study further.
- An annual function was organised in Singwari Primary/Middle School, where all the students participated with great zeal. Soap cakes were also distributed among the students of the school.
- In collaboration with CBEWA, a workshop on women empowerment was organised in Singwari village. The discussion at the workshop centred around how women can empower themselves in order to reduce their dependability on others. A total of 40 women participated in this workshop.



GCPL Malanpur Factory conducts a workshop with local women

- A medical dispensary was conducted at Singwari School with an objective of ensuring the health of the students and build their future.
- In order to improve the employability of the people, the Company is partnering with schools, colleges and industries to create awareness on Quality Concepts, Entrepreneurship, Environment and Safety based on Godrej experience.
- At the Vigyan Mela – organised in Bhopal by MPPCB in collaboration with Vigyan Bharti – GCPL showcased a live model of ETP/Soap processes and products, shared commitment of Godrej through

Good & Green initiatives. Around 10,000 people visited at our stall and appreciated our efforts.

GCPL North-East:

- Annual rainfall in Sikkim varies from 2,000mm to 4,000mm. This makes the state prone to vector-borne disease. Residents of this area are comparatively less literate and do not know about the disease. Dengue awareness camp was organised at Mamring Village in Sikkim. In this camp with the help of a local physician, symptoms and preventive measures were discussed with the residents of the village. Besides the presentation, our team members also distributed Good knight coils to the villagers. This initiative benefitted a total of 500 households.
- A street play on road safety was organised in Rangpo town for local taxi drivers. This play was prepared by students of a nearby school. The focus of the play was to make students and taxi drivers aware about their own safety and that of pedestrians. As this play was enacted by local students, taxi drivers took interest to watch it and it got good publicity in local media.



Street play on road safety at Rangpo town

- The unit took the initiative to make its employees and their family aware about the value of health and environment. An art competition based on the theme of nature and preservation of natural resources was organised for the children of the Company's employees on World Environment Day. 33 children participated in the event with zeal and prepared posters. The Art competition was followed by tree plantation.
- The unit, in association with the NGO Asha Bhawan, donated clothes to the needy. The NGO works to improve the livelihood of the homeless and those who struggle to make ends meet.

- In its continuous effort to help the underprivileged, the units have employed 14.25% its workforce from SC/ST/PC category.

GCPL North:

- Baddi, being Himachal Pradesh's largest industrial hub, has attracted migrant labourers from different parts of India. Of late, a large number of slums have come up in the area. The living conditions of these areas are not very hygienic, and children are at risk of getting infected. The unit organised a session on health and hygiene awareness at two schools in Baddi. Majority of the students who go to both schools are children of migrant labourers. A total of 120 students in both the schools were covered in the initiative.
- A dental health camp was organised for government school students with the help of Bhojia Dental College. A total of 220 students were covered, and each student got a free toothbrush and toothpaste following the camp.
- As part of a road safety initiative, the unit organised an eye checkup camp for 130 drivers from the Doon Tempo Union.
- To fulfill the Company's commitment towards a green environment, a tree plantation drive was organised in two schools in nearby villages. To encourage the students to contribute in improving the environment, a poster/slogan competition was organised. Winners of the competition were rewarded in a function.
- The unit also provided coaching assistance to less privileged students who cannot afford to attend classes for competitive exams such as PMT/AIEEE.
- In its continuous effort to help the underprivileged, the Baddi units have employed 32.89% of its workforce from SC/ST/PC category.

GCPL South:

- To show reverence to the aged, one of the unit celebrated World Old Age Day. Elderly people from the nearby village were called to the factory, where the management team had a pep talk with them. Team members shared snacks with the senior citizens, and bedsheets were distributed to all participants as a souvenir.



World Old Age Day celebration at GCPL South Cluster

- A rally was organised at a school close to one of the units, to spread awareness on the importance of children's education. Colourful school bags and diaries were distributed among the students to encourage them.
- One of the units celebrated Children's Day on November 14 at Baby Sarah's Home in Pondicherry. Baby Sarah's Home is a non-profit organisation for mentally challenged, physically challenged and orphaned children. The unit put together a sports event for all the children from the home and distributed prizes and snacks.



Volunteer Teaching Week at government school in South Cluster

- As a part of the Company's Good & Green initiative, the unit conducted a volunteer teaching week at a nearby government school. Primary-level students were taught the value of education, good habits, health & hygiene and environment.

Has the Company mapped its internal and external stakeholders?

Yes

Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes

Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

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

19 employees of GCPL ran the Standard Chartered Mumbai Marathon in January 2014 in support of Teach for India.



Every year, we run the Standard Chartered Mumbai Marathon raising funds in support of Teach for India, a leading Indian NGO dedicated to eradicating educational inequality in India

The employees of GCPL have voluntarily donated one day's salary for helping people from Uttarakhand who were affected by the floods in June 2013. The organisation also made a matching contribution towards this cause. These contributions totalled to about INR 22 lakhs (50% employee contribution).

Principle 5: Businesses should respect and promote human rights

GCPL respects and promotes human rights for all individuals.

Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/contractors/NGOs/Others?

The Company has a policy which is applicable to all employees in the Company. For its Subsidiaries and Joint Ventures, the code is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy.

How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

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

Good & Green is driven by the desire to help create a more inclusive and greener India. Launched in 2011 as one of our four key imperatives for 2020, Good & Green is based on shared value, a principle that aligns business competitiveness and growth with social and environmental impact. At its root lies the idea that companies can help solve critical social issues while strengthening their competitive advantage.

Greener India - Achieving zero waste, carbon neutrality, energy efficiency, positive water balance and a significant usage of renewable energy sources.

Good & Green Products – 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.

Our ‘good’ products are designed to address a critical social issue (e.g. healthcare and sanitation) for consumers at the base of the income pyramid. We define ‘green’ products as those that are environmentally sustainable.



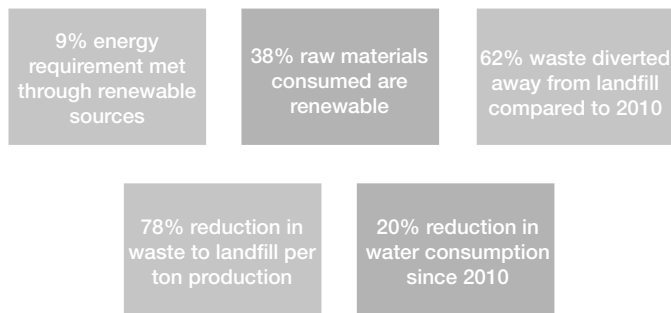
Every year, the Good & Green carnival attracts employees, their families and NGOs to a fun-filled and educational two days programme.

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

Specific energy consumption of GCPL has reduced from 904 kWh/t in 2012-13 to 854 kWh/t in 2013-14. This reduction has been achieved while the production has increased from 2,58,719 mt in 2012-13 to 2,66,689 mt in 2013-14. Specific GHG emission during the same period has reduced from 289 kg CO₂e/t during 2012-13 to 283 kg CO₂e/t for the year 2013-14.

Specific water consumption has been brought down from 1.81 kl/t during 2012-13 to 1.71 kl/t during 2013-14.

All the requirements of the Central Pollution Control Board and State Pollution Control Board have been complied with. Detailed checklists for compliance have been put in place. Continuous thrust is given on improving productivity and plant utilisation to improve specific consumption of water and energy. We have set targets for improvement in our environment performance for both short term as well as long term.



Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

All of our major manufacturing units have policies on environment, health and safety measures. For the Subsidiaries and Joint Ventures, the Code is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy.

Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. If yes, please give the hyperlink to the webpage.

GHG emissions are monitored by all the units and we have taken short term and long term targets for reduction of the same. Some other initiatives includes improvement in Boiler efficiency through an on-line oxygen analyser, installed heat exchanger to pre heat feed and water, installation of right size and energy efficient pumps, installation of energy saving lights amongst others.

Does the Company identify and assess potential environmental risks? Y/N

Yes, potential aspects related to environment are identified and evaluated for their impact on the basis of severity, scale and probability. All the significant aspects have operational control procedure in place.

Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, has any environmental compliance report been filed?

No

Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give the hyperlink to the webpage.

- Replacement of tube with CFL, review of illumination level
- Power saving through process modification in off line printing conveyor to online.
- Installation of Limit Switch, reduction in energy consumption in 3 ASEB indicator display boards from 15 watt to 2 watt
- Replacement of conventional lighting system with LED lights
- Installation and extension of solar system
- Wet coil weight reduction

- Biomass gasifier project successfully commissioned
- Saving initiatives like re-routing of brine chilling lines between Brine Chilling Units & Stamping Machines and installation of VFDs in Soap Mixers have helped in saving power.
- Interlocking of bucket elevators helped in saving power
- Installation of new semi bottle filling machines helped in improving productivity which has helped in reduction of power consumption in Liquid Detergent Plant
- Reduction in steam pressure from 3 to 2.5 kg/cm² for heating
- Enhancing the feed thru in-house modification resulting in lower power & steam consumption
- Started using flash steam of soap making 2 to heat jacket lines of process
- Provided PRS system to reduce the air pressure from 6 kg/cm² to 3 kg/cm² for reduction in power consumption



We have installed a Biomass Gasifier at our GCPL Jammu plant, which has reduced diesel in our DGset by 50%

Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All the units are complying with the norms of CPCB and SPCB.

Number of show cause/legal notices received from CPCB/SPCB which are pending as on end of Financial Year.

Nil

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

Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.

GCPL ensures that its policy is 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 with the relevant government bodies. GCPL is member of CII, FICCI and other trade associations.

Have you advocated/lobbied through above associations for the advancement or improvement of public good? Y/N. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive development policies, Energy Security, Water, Food Security, Sustainable business principle, others).

GCPL has representation through CII and other trade associations for advancement/improvement of public good.

Principle 8: Businesses should support inclusive growth and equitable development

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

Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, please provide details thereof.

Yes. A dedicated CSR department termed ‘Good & Green’ focuses on these projects and initiatives.

Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structure/any other organisation?

Godrej SALONI is a programme that trains young girls and housewives in Beauty & Hair Care. More than 12,000 candidates have graduated from this programme in FY 2014. Of this, close to 4,000 were part of a school programme. There are currently 122 centres and 71 schools that the programme is operational in. An in-house programme of 240 hours has been built to skill the candidates in basic beauty and hair care skills. The training makes use of GCPL products, which are also made available to graduates after the programme at a

considerable discount. The curriculum is completely digitised and is available as audio-visual content. Separate modules on 'enterprise development' and 'employment readiness' too have been developed for the beneficiaries of all employability programmes to set them up for success early in their career. 36 graduates have found placement in Naturals Salon & Spa and more than 85% of the graduates are operating as freelancers - using their skills to generate income.

The school girls' programme in Beauty & Wellness was launched this year in standard 9 as one of the elective subjects in 71 schools in Haryana. The programme is offered from standard 9 to 12. An after-school programme was also started to enroll students of 10th standard.

The SALONi initiative at "Save the Children Shelter Home" has been appreciated by the Government of Maharashtra. The "Chembur Protection and Rescue Centre for Adolescent Girls" has been given to Save the Children, India trust to start SALONi.

Another programme, 'VIJAY', piloted last year and has trained more than 15,000 youth in 37 centres across the country in Channel Sales. The youth undergo 70 hours of training – half of which is spent in the classroom and the other half as experiential learning. The programme 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 programme may be placed with any of the Godrej companies or even other company distributors in the vicinity of the training. More than 70% of the graduates have been placed.

Godrej Sakhi is a programme that trains rural women to become entrepreneurs. These women traditionally advance their family incomes by managing a combination of small farm and nonfarm micro-enterprises (both dependent on the vagaries of seasons and markets). This programme aims to teach rural women – who are either engaged in some form of entrepreneurship or plan to do so – in skills of market opportunity spotting, projecting revenues and earnings, sales & marketing, and time and

financial management. More than 2,700 women graduated from the programme this year.



Rural Entrepreneurship Training Program



Retail and Retail Associates' Training Program

Have you done any impact assessment of your initiative?

Yes. We are in the process of doing the impact assessments for two of our programmes – Sakhi and SALONi.

What is your Company's direct contribution to community development projects?

In the year, the Company spent 0.8% of PAT on CSR initiatives.

Principle 9: Businesses should engage with and provide value to their customers 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 on 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.

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.

What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

Nil

Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information).

GCPL displays adequate information to enable safe and effective usage of its products.

Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

None

Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes



REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

The Company is part of the 117-year old Godrej Group which has established a reputation for honesty, integrity and sound governance.

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 one) 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:

a) Board Procedures

GCPL currently has a 14-member Board, with 7 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 had any material association 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 Auditors without the management team or whole time directors being present in that meeting. For all major items, 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.

b. Composition of the Board:

The composition of the Board is as under:

Category	No. of Directors as at March 31, 2014
(i) Non Independent Directors	
Executive Chairman	1
Managing Director	1
Executive Director	1
Other Non-Executive Directors (including 3 promoter directors)	4
Sub Total	7
(ii) Independent Directors	7
Total Strength (i + ii)	14

c. Board Meetings held during the year:

Dates on which the Board meetings were held	Total Strength of the Board	No. of Directors Present
April 30, 2013	14	11
August 3, 2013	14	14
November 11, 2013	14	12
December 18, 2013	14	6 (and 2 on telephone)
February 1, 2014	14	14

The maximum gap between any two Board meetings during the year was 99 days (calculated with respect to the gap between August 3, 2013, Board meeting and November 11, 2013, 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	
					Committee Chairperson **	Committee member (excluding Committee Chairperson) **
Mr. Adi Godrej	November 29, 2000	Brother of Mr. Nadir Godrej, Father of Ms. Tanya Dubash and Ms. Nisaba Godrej	Promoter/ Executive / Chairman/ Whole-time	6 (3)	2	1
Mr. Nadir Godrej	November 29, 2000	Brother of Mr. Adi Godrej	Promoter/ Non-Executive	10 (6)	1	1
Mr. Jamshyd Godrej	March 1, 2001	None	Promoter/ Non-Executive	8 (5)	1	2
Ms. Tanya Dubash	May 2, 2011	Daughter of Mr Adi Godrej, Sister of Ms. Nisaba Godrej	Promoter/ Non-Executive	6 (2)	None	1
Ms. Nisaba Godrej	May 2, 2011	Daughter of Mr Adi Godrej, Sister of Ms. Tanya Dubash	Promoter/ Executive	2 (1)	None	None
Mr. A. Mahendran	June 18, 2008	None	Non-Executive	4 (1)	None	1
Mr. Vivek Gambhir	April 30, 2013	None	Managing Director/ Executive	2 (1)	None	2
Mr. Narendra Ambwani	May 2, 2011	None	Non-Executive / Independent	2 (2)	None	3
Prof. Bala Balachandran	April 1, 2001	None	Non-Executive / Independent	2 (2)	None	1
Mr. Bharat Doshi	April 1, 2001	None	Non-Executive / Independent	7 (4)	1	2

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	
					Committee Chairperson **	Committee member (excluding Committee Chairperson) **
Dr. Omkar Goswami	June 18, 2008	None	Non-Executive/Independent	10 (8)	3	7
Mr. Aman Mehta	April 26, 2006	None	Non-Executive/Independent	6 (6)	5	3
Mr. D. Shivakumar	April 1, 2009	None	Non-Executive/Independent	2 (1)	None	2
Ms. Ireena Vittal	April 30, 2013	None	Non-Executive/Independent	7 (7)	None	5

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

Notes

- Figures in brackets denote Directorships in listed companies
- Ms. Nisaba Godrej was a Non-Executive Director till June 30, 2013 and appointed as Executive Director, Innovation from July 1, 2013.
- Mr. Vivek Gambhir was appointed as Non-Executive Director on April 30, 2013 and as Managing Director from July 1, 2013.
- Mr. A. Mahendran was a Managing Director till June 30, 2013 and appointed as Non-Executive Director from July 1, 2013.

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

- 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;
- is not related to promoters or persons occupying management positions at the board level, or at one level below the board;
- has not been an executive of the Company in the immediately preceding three financial years;
- is not a partner, or an executive, or was not partner or an executive during the preceding three years, of any of the following:
 - the statutory audit firm, or the internal audit firm that is associated with the Company; and
 - the legal firm(s) and consulting firm(s) that have a material association with the company.
- is not a material supplier, service provider or customer, or a lessor, or lessee of the Company, which may affect independence of the director;
- is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares; and
- is not less than 21 years of age.

e. Reappointment of Directors Liable to Retire by Rotation

The Board has four Directors whose period of office is liable to be determined for retirement by rotation and out of these four directors one-third i.e. two Directors shall retire in the Annual General Meeting.

Thus, Ms. Tanya Dubash and Mr. Jamshyd Godrej shall retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment. The resumes of the above directors are annexed to the notice of the Annual General Meeting.

f. Appointment of Independent Director

Mr Narendra Ambwani, who was appointed as a Director liable to retire by rotation at the Annual General Meeting held on May 2, 2011 was also an Independent Director as envisaged under clause 49 of the Listing Agreement. He is retiring by rotation in the ensuing Annual General Meeting and is proposed to be appointed as an

Independent Director as envisaged in clause 149 of the Companies Act, 2013 to hold office for a term of five years from July 28, 2014. His resume is annexed to the notice of the Annual General Meeting.

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. The Stakeholders Relationship Committee (earlier known as Shareholders Committee) formed in accordance with clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 inter alia looks into Investor Grievances. The two non-mandatory committees, viz. Nomination Committee and HR & Compensation Committee, have been merged with effect from April 28, 2014 and renamed as Nomination and Remuneration Committee which is a mandatory committee as per the Companies Act, 2013.

The compositions 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	Stakeholders' Relationship Committee*
Mr. Adi Godrej	Promoter, Executive	NA	NA	NA	Member
Mr. Nadir Godrej	Promoter, Non Executive	NA	NA	NA	Chairman
Mr. Jamshyd Godrej	Promoter, Non Executive	NA	NA	NA	Member
Ms. Tanya Dubash	Promoter, Non Executive	NA	NA	NA	NA
Ms. Nisaba Godrej	Promoter, Executive	NA	NA	NA	NA
Mr. A. Mahendran	Non Executive	NA	NA	NA	Member**
Mr. Vivek Gambhir	Executive	NA	NA	NA	Member***
Ms. Ireena Vittal****	Independent	Member	Member	Member	NA
Mr. Narendra Ambwani	Independent	Member	Member	Member	NA
Prof. Bala Balachandran	Independent	Member	Chairman	Chairman	NA
Mr. Bharat Doshi	Independent	Chairman	Member	Member	NA
Dr. Omkar Goswami	Independent	Member	Member	Member	NA
Mr. Aman Mehta	Independent	Member	Member	Member	NA
Mr. D. Shivakumar	Independent	Member	Member	Member	NA
Total Strength of the Committee		7	7	7	4
No. of Independent Directors in the Committee		7	7	7	-
No. of Non Independent Directors in the Committee		-	-	-	4

* The Shareholders' Committee was renamed as Stakeholders' Relationship Committee on February 1, 2014. The renamed Committee complies with the requirement of Companies Act, 2013 and also handles investor grievance as envisaged under Clause 49 of the Listing Agreement.

** Mr. A. Mahendran was a Member of Stakeholders' Relationship Committee till June 30, 2013.

*** Mr. Vivek Gambhir became a member of the Stakeholders' Relationship Committee from July 1, 2013.

**** Ms. Ireena Vittal became a member of Audit Committee, HR & Compensation Committee, Nomination Committee from April 30, 2013.

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	Stakeholders' Relationship Committee	AGM - August 3, 2013
No of Meetings held	5	4	2	1	10	
Attendance of the Director						
Mr. Adi Godrej	5	NA	NA	NA	9	Yes
Mr. Jamshyd Godrej	4(1)	NA	NA	NA	7	Yes
Mr. Nadir Godrej	5	NA	NA	NA	10	Yes
Ms. Tanya Dubash	5	NA	NA	NA	NA	Yes
Ms. Nisaba Godrej	5	NA	NA	NA	NA	Yes
Mr. A. Mahendran	4	NA	NA	NA	0*	Yes
Mr. Vivek Gambhir	5	NA	NA	NA	9**	Yes
Ms. Ireena Vittal ***	2	2	1	0	NA	Yes
Mr. Narendra Ambwani	5	4	2	1	NA	Yes
Prof. Bala Balachandran	2 (1)	2	1	(1)	NA	Yes
Mr. Bharat Doshi	4	4	2	1	NA	Yes
Dr. Omkar Goswami	3	3	1	0	NA	Yes
Mr. Aman Mehta	4	4	2	1	NA	Yes
Mr. D. Shivakumar	4	4	2	1	NA	Yes

* Mr. A. Mahendran was the Member of Stakeholders' Relationship Committee till June 30, 2013.

** Mr. Vivek Gambhir was appointed on the Board from April 30, 2013 and became member of Stakeholders' Relationship Committee from July 1, 2013.

*** Ms. Ireena Vittal was appointed on the Board from April 30, 2013 and became a member of the Audit Committee, HR & Compensation Committee and Nomination Committee from April 30, 2013.

Notes:

- Board Meetings and Audit Committee Meetings held on April 30, 2013, August 3, 2013, November 11, 2013 and February 1, 2014.
Additionally one Board Meeting was also held on December 18, 2013.
- HR & Compensation Committee Meetings were held on April 30, 2013 and February 1, 2014.
- Nomination Committee Meeting was held on April 30, 2013.
- Stakeholders' Relationship Committee Meetings were held on June 12, 2013, July 12, 2013, August 12, 2013, September 19, 2013, October 11, 2013, November 19, 2013, December 9, 2013, January 13, 2014, February 13, 2014 and March 11, 2014.
Shareholders' Committee was renamed as Stakeholders' Relationship Committee with effect from February 1, 2014.
- Figures in bracket indicate participation through concall.
- Leave of absence was granted to the Directors whenever they could not be physically present for the Board/Committee meeting.
- NA indicates not a member of the Committee.

4. Constitution and Terms of Reference of Board Committees

A. Audit Committee:

The Audit Committee which was 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 April 30, 2013. Mr. Bharat Doshi, the Chairman of the Audit Committee, is knowledgeable in all areas of finance, accounts and 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 thereon.
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.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate

B. Human Resources & 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines require 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:
 - o 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;

- o for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
- o 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. Stakeholders’ Relationship Committee:

During the year, the Shareholders’ Committee was renamed as Stakeholders’ Relationship Committee. The renamed Committee has the terms of reference as per

clause 49 of the listing agreement which is redressing of shareholder complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends, as well as those required under Companies Act, 2013 i.e. looking into complaints of all security holders and deposit holders.

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

c) Remuneration of Directors:

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

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 and 350 of the Companies Act, 1956) or INR 12.50 lakhs per Director per annum, whichever is less. The above approval is for a period of three years from financial year 2011-12 to financial year 2013-14. Accordingly, the Company pays commission on profits within the said limits. In case of appointment/cessation of Directors during the year, they are entitled for a pro-rata amount for the period during which they are on the Board. In the forthcoming AGM, a special resolution is being placed before the shareholders for payment of commission on profits at a rate not exceeding 1% of the net profit of the company (computed in the manner provided in Section 198 of the Companies Act, 2013) subject to the maximum of INR 15 lakhs per financial year per director for a period of three years from FY 2014-15 to 2016-17.

INR Lakh								
Name of Director	Relationship with other directors	Sitting Fees	Commission	Salary, Allowances and other benefits	Company's contribution to PF/ Gratuity paid	PLVR	Monetary value of perquisites	Total
Mr. Adi Godrej	Brother of Mr. Nadir Godrej, Father of Ms. Tanya Dubash and Ms. Nisaba Godrej	-	-	291.33	12.96	304.36	336.90	945.55
Mr. Jamshyd Godrej	None	0.80	12.50	-	-	-	-	13.30
Mr. Nadir Godrej	Brother of Mr. Adi Godrej	1.00	12.50	-	-	-	-	13.50
Ms. Tanya Dubash	Daughter of Mr Adi Godrej, Sister of Ms. Nisaba Godrej	1.00	12.50	-	-	-	-	13.50
Ms. Nisaba Godrej	Daughter of Mr Adi Godrej, Sister of Ms. Tanya Dubash	0.20	3.12	172.95	8.32	58.29	1.74	244.62
Mr. Narendra Ambwani	None	1.35	12.50	-	-	-	-	13.85
Mr. Bala Balachandran	None	0.55	12.50	-	-	-	-	13.05
Mr. Bharat Doshi	None	1.15	12.50	-	-	-	-	13.65
Mr. Vivek Gambhir	None	0.20	2.12	351.54	16.20	233.67	68.28	672.01
Dr. Omkar Goswami	None	0.80	12.50	-	-	-	-	13.30
Mr. A Mahendran	None	0.60	9.38	110.17	196.30	-	87.67	404.12
Mr. Aman Mehta	None	1.15	12.50	-	-	-	-	13.65
Mr. D Shivakumar	None	1.15	12.50	-	-	-	-	13.65
Ms. Ireena Vittal	None	0.55	11.51	-	-	-	-	12.06
Total		10.50	138.63	925.99	233.78	596.32	494.59	2399.81

Notes:-

1. In the case of Mr. Adi Godrej, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites include accommodation, car, electricity expenses, reimbursement of medical/hospitalisation expenses incurred for self and family, medical insurance premium paid by the Company.
2. 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. All these figures are till June 30, 2013.
3. In the case of Ms. Nisaba Godrej and Mr. Vivek Gambhir, salary includes basic salary and various elements of flexible compensation and additionally for Mr. Gambhir, the perquisites includes perquisite value of stock grants. All these figures are from July 1, 2013.
4. The Performance Linked Variable Remuneration (PLVR) to Mr. Adi Godrej is the amount payable for the financial year 2013-14. The PLVR amount payable to Mr. Vivek Gambhir & Ms Nisaba Godrej is for the period July 1, 2013 to March 31, 2014. The same is based on the Economic Value Added (EVA) in the business and other relevant factors.
5. The service contract of Mr. Adi Godrej is for a period of three years beginning from April 1, 2013 to March 31, 2016. The contract is terminable with a notice period of three months by either side.

6. The service contracts of Ms. Nisaba Godrej, Executive Director, Innovation and Mr. Vivek Gambhir, Managing Director are for a period of three years beginning from July 1, 2013 to June 30, 2016. The contracts are terminable with a notice period of three months by either side.
7. Mr. Vivek Gambhir has been granted 17,778 options convertible into 17,778 equity shares of INR 1 each. The vesting will happen in various tranches with a minimum vesting period of one year and the options will have to be exercised within one month of their respective vesting dates.

6. Details of Shareholder Complaints

Sr. No.	Nature of Complaint/ Query	Total Received	Total Replied
1.	Non- Receipt of Dividend	43	42
2.	Non Receipt of shares lodged for transfer/ exchange	31	30
3.	Non receipt of Annual Report	4	4
4.	Others	3	3
	Total	81	79

The pending complaints have since been resolved.

There are no pending complaints or share transfers as on March 31, 2014 other than mentioned above.

7. General Body Meetings

Details of the last three Annual General Meetings of GCPL are as follows:

Date	Time	Venue	Details of Special Resolutions passed
July 23, 2011	3.30 p.m.	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400021.	None
August 4, 2012	3.30 p.m.	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400021.	None
August 3, 2013	3.30 pm	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400021.	Reappointment of Mr. Adi Godrej as whole-time director designated as Chairman for a period of three years from April 1, 2013 to March 31, 2016

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
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 • Payment of commission on profits to Non-Executive Directors at a rate not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 349 and 350 of the Companies Act, 1956) or INR 12.50 lakh per Director per annum, whichever is lower.
October 11, 2012	3.30 p.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To accord consent for <ul style="list-style-type: none"> • Modification of employee stock option plan of erstwhile Godrej Sara Lee Ltd. • Service tax on Commission on Profits payable to Non-Executive Director
December 24, 2012	11.30 a.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To accord consent for <ul style="list-style-type: none"> • Increase in maximum number of directors of the Company from 12 to 15

8. Postal Ballot

During the financial year 2013-2014, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011 and the notified provisions of Companies Act, 2013, one special resolution was passed by the Members through postal ballot for making investments and/or loans and/or providing guarantees to subsidiaries/associate companies, upto an amount of USD 150 million or equivalent thereof in any currency, in excess of paid up capital and free reserves.

The notice of the postal ballot dated December 18, 2013 was sent to all the shareholders of the Company along with postage prepaid envelopes. Mr. Kalidas Vanjpe, a Practicing Company Secretary was appointed as the Scrutiniser for the Postal Ballot, who had submitted his report to the Chairman, Mr. Adi Godrej. The details of the Postal Ballot conducted during the financial year 2013-2014, result of which was announced on February 5, 2014 is provided herein below:

Particulars	No. of Shares (through Postal Ballot)	No. of Shares (through eVoting)	Total No. of shares	% of Total Net Valid Votes (in percentage)
Total No. of Votes received	259,315,812	21,151,150	280,466,962	Not Applicable
Less: No. of Invalid Votes	23,959	-	23,959	Not Applicable
Less: No. of Votes not Polled	259,315,812	21,151,150	280,466,962	Not Applicable
Total No. of Votes received	0	0	0	Not Applicable
Net valid number of votes cast	259,291,853	21,151,150	280,443,003	100.00
Total No. of Votes cast in favour of the Resolution	245,939,927	21,149,625	267,089,552	95.24
Total No. of Votes cast against the Resolution	13,351,926	1,525	13,353,451	4.76

9. Disclosures

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

Name of Director	Shares held as on March 31, 2014	Dividend paid during the year (INR)
Mr. Adi Godrej	500	2,625
Mr. Jamshyd Godrej	Nil	Nil
Mr. Nadir Godrej*	1,551,178	7,928,064
Ms. Tanya Dubash	1,071,054	5,807,826
Ms. Nisaba Godrej	1,071,061	5,807,861
Mr. Narendra Ambwani	1,000	4,000
Mr. Bala Balachandran	Nil	Nil
Mr. Bharat Doshi	13,714	68,570
Mr. Vivek Gambhir	Nil	Nil
Dr. Omkar Goswami	Nil	Nil
Mr. A. Mahendran	521,344	2,295,591
Mr. Aman Mehta	Nil	Nil
Mr. D. Shivakumar	Nil	Nil
Ms. Ireena Vittal	Nil	Nil

Note : *includes 633,724 shares held on behalf of his son Mr. Burjis Godrej

Under the Employee Stock Grant Scheme of the Company, Mr. Vivek Gambhir holds 17,778 options convertible into equivalent equity shares on their vesting and exercise. The options will vest in tranches with a minimum vesting period of one year and the same has to be exercised within one month of the respective vesting dates.

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

During 2013-14, there were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors, or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in note number 40 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 of the Listing Agreement). No person has been denied access to the Audit Committee.

d) Policy to prevent sexual harassment at the workplace

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. Tanya 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
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 of the Notes to the Financial Statements for the year ended March 31, 2014 for Management explanation on Accounting Treatment.

f) Details of Non-compliance:

There has not been any non-compliance of mandatory requirements 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.

10. Means of Communication

GCPL has sent the Chairman's statement and unaudited financial results for the half-year ended September 30, 2013, to all the shareholders. Moreover GCPL has its own website, 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 website. 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 Line, Mint and also in the Marathi newspaper Maharashtra Times. The Chairman holds conference calls/meetings with financial analysts once a quarter and their transcripts are posted on the website soon thereafter.

The Company files its quarterly results in the NSE Electronic Application Processing System (NEAPS). The quarterly results of the Company are also available on the website of BSE Limited and National Stock Exchange of India Limited, 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, 2013, was sent to all the shareholders. The quarterly and annual results, official press releases and presentations to analysts/performance updates are posted on the website www.godrejcp.com and copies of the same are sent to the stock exchanges.

b) Investor Grievances:

As mentioned before, the Company has constituted a Stakeholders' Relationship 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 the year ended March 31, 2014, 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 : Monday, July 28, 2014
at 3.30 p.m.

Venue : Yashwantrao Chavan Pratishthan,
General Jaganath Bhosale Marg,
Nariman Point,
Mumbai – 400021.

b) Financial Calendar:

Financial year	April 1 to March 31
Board Meeting for consideration of unaudited quarterly results.	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.	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 26, 2014, 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 2013-14:

Dividend Type	Declared at Board Meeting Dated	Dividend rate per share on shares of face value INR 1 each	Record Date
1st Interim for FY 2013-14	August 3, 2013	INR 1.00	August 12, 2013
2nd Interim for FY 2013-14	November 11, 2013	INR 1.00	November 19, 2013
3rd Interim for FY 2013-14	February 1, 2014	INR 1.00	February 10, 2014
Proposed 4th Interim for FY 2013-14	April 28, 2014	INR 2.25	May 7, 2014
TOTAL		INR 5.25	

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 400001	532424	INE102D01028.
The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	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 Privately Placed Debentures NSDL & CDSL (INR 250 Crore issued in November 2012)	INE102D08106
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f) Market Price Data:

The monthly high and low prices and volumes of GCPL at BSE Limited and the National Stock Exchange of India Ltd (NSE) for the year ended March 31, 2014, are as under:

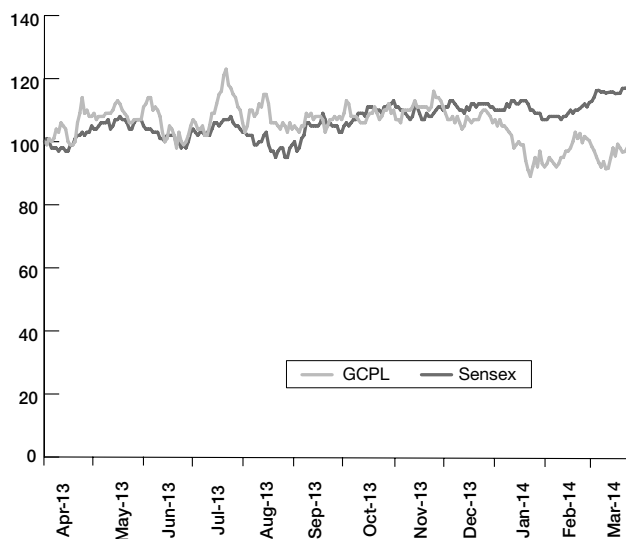
Month	Price in BSE			Price in NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
Apr-13	935.95	752.90	4,99,075	965.00	752.10	3,802,093
May-13	884.50	805.00	2,46,666	888.00	801.00	3,377,998
Jun-13	899.95	750.45	1,93,236	902.80	750.15	4,218,355
Jul-13	977.40	782.80	31,30,440	978.00	780.55	6,949,511
Aug-13	918.65	792.00	16,21,458	920.05	785.00	5,130,744
Sep-13	853.80	789.00	4,25,647	854.90	786.25	4,245,162
Oct-13	896.90	809.00	1,84,668	898.50	750.00	2,967,984
Nov-13	905.00	816.35	15,76,437	909.75	815.00	2,433,680
Dec-13	899.55	802.00	1,41,075	900.00	800.00	3,058,198
Jan-14	863.10	672.00	3,09,313	864.00	667.00	4,471,161
Feb-14	808.80	701.45	15,94,714	810.00	701.10	3,834,520
Mar-14	891.50	701.00	2,34,969	986.15	701.00	3,372,951

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 2013-14



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 - 400001.
Tel. No.: +91 22 22635000/01
Fax No. : +91 22 22635005
Email 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, 2014:

Number of Shares	Number of Shareholders	Shareholders %	Number of shares held	Shareholding %
1 – 500	76,836	90.54%	8,972,065	2.64%
501 – 1000	5,358	6.31%	3,610,857	1.06%
1001 – 2000	1,545	1.82%	2,166,247	0.64%
2001 – 3000	356	0.42%	881,064	0.26%
3001 – 4000	145	0.17%	516,916	0.15%
4001 – 5000	108	0.13%	498,793	0.15%
5001 – 10000	173	0.20%	1,264,130	0.37%
10001 & above	342	0.40%	322,468,238	94.74%
Total	84,863	100.00%	340,378,310	100.00%

Distribution of shareholding by ownership as of March 31, 2014:

Category	Shares held (Nos.)	% of holding
Promoter's Holding		
Promoters	215,496,082	63.31%
Institutional Investors		
Mutual Funds	734,799	0.22%
Banks	117870	0.03%
Financial Institutions	857843	0.25%
Insurance Companies	4287292	1.26%
Foreign Institutional Investors	96,715,744	28.41%
Others		
Private Corporate Bodies	2,712,966	0.80%
Indian Public	17,983,494	5.28%
NRI/OCB's	1,472,220	0.43%
Total	340,378,310	100.00%

k) Shares Held in Physical and Dematerialised Form:

Break up of physical and dematerialised shares as on March 31, 2014:

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:

The Company had not obtained any public funding in the year 2013-14 and 2012-13.

During the financial year 2011-12, the Company had issued 16,707,310 equity shares of face value INR 1 each at a premium of INR 409 per equity share on a preferential basis to Baytree Investments (Mauritius) PTE Ltd. The pricing was not less than the floor price calculated in accordance with SEBI guidelines.

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; Lokhara, Guwahati
- Meghalaya - Burnihat, Rebhoi District
- Madhya Pradesh - Malanpur, Distt Bhind
- Goa - Bardez, Corlim
- Pondicherry - Kattukuppam, Manpet Post; Mannadipet Commune
- Tamil Nadu - Nedungadu Commune, Karaikal; Thirunallar Commune, Karaikal; Maraimalainagar

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
Email ID: investor.relations@godrejcp.com
Website: www.godrejcp.com
CIN : L24246MH2000PLC129806

Investor correspondence should be addressed to:
Computech Sharecap Ltd.
147, M.G. Road, Opp. Jehangir Art Gallery
Mumbai 400001.

Tel. No. : +91 22 22635000/01

Fax No. : +91 22 22635005

Email ID: gcpl@computechsharecap.com

Website: www.computechsharecap.com

To allow us to service shareholders with greater speed and efficiency, the Company strongly recommends email-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 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) Consolidation of Shares Under One Folio:

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

Declaration by Chairman

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

- The Board of Directors of GCPL has laid down a Code of Conduct for all Board members and senior management of the Company. The said Code of Conduct has also been posted in the Investors/Board of Directors page in the company's website, www.godrejcp.com
- All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2014.

Adi Godrej

Chairman

Mumbai, April 28, 2014

FINANCIALS

Independent Auditors' Report

TO THE MEMBERS OF GODREJ CONSUMER PRODUCTS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013, of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

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

Emphasis of Matter

We draw attention to Note 13(b) to the Financial Statements for the year ended March 31, 2014, 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 March 31, 2014, 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 ended March 31, 2014, would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.

Our opinion is not qualified in respect of this matter.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - 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.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013, of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Firm Regn. No.: 104607W

ROSHNI MARFATIA
PARTNER

M. No.: 106548

Mumbai: April 28, 2014.

Annexure to the Independent Auditors' Report

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

1. Fixed Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 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 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 there under. 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 products covered under 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

Annexure to the Independent Auditors' Report

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.

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
Central Excise Act, 1944	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 3,651,495	2002-04 2000-03	Supreme Court of India Supreme Court of India
	Valuation of Soap Noodles for stock supplied by Malanpur factory to Himachal Pradesh factories	155,393,836	2007-08 to 2010 - 11	Appellate Tribunal
	Valuation of mosquito repellent refills to EMOX by GCPL	55,307,174	2008 - 12	CESTAT
	Foreign Payment Service Tax not paid on Royalty.	27,167,930	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	2008-09	Commissioner of Central Excise (Appeals)
	Excise duty in dispute	1,755,920 86,115	2009-10 2002-03	Commissioner of Central Excise (Appeals)
	Availment of Cenvat Credit on goods received against EMOX.	64,146,884	2007 - 2008	CESTAT
	Cenvat Credit availed on GTA	2,475,925	2006-08	Tribunal
	CENVAT credit on input services availed based on the invoices issued by suppliers to the branches prior to registration.	543,416	2007-08 to 2011 - 12	Commissioner of Central Excise (Appeals)
	Allegations of non-manufacturing of shoe polish brush	6,174,082	2007 - 12	Commissioner of Central Excise (Appeals)
	Others	100,000	1996-99	Assistant Commissioner
		333,526	2006-07	CESTAT
		976,000	2007-08	CESTAT
		236,000	2007-09	CESTAT
		28,000	2007-09	CESTAT
		212,528	2007-08	Sales Tax Authority
		141,191	2008-09	CESTAT
		221,133	2004	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944		877,690	2006-07	CESTAT

Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and VAT Acts of various states	Interest on sales tax dues.	1,207,000	2001-02	Chennai High Court
	Sales Tax Dues	1,757,925	2006-07	Joint Commissioner (A)
	Sales Tax Dues	10,641,000	2004-05	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	39,157,279	2006-07 2007-08 2008-09	Jaipur High Court
	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	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	4,947,927	2000-01	Bihar Tribunal
Central Sales Tax Act, 1956 and VAT Acts of various states	Sales Tax Dues on account of Classification Head	1,026,013	2000-01	Assessing Authority
	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	Allahabad High Court
	Sales Tax Dues	11,693,000	2006-07	Deputy Commissioner
	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	7,171,983	2001-02	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	1,837,713	2001-02	Assessing Authority
	Sales Tax Dues	6,935,724	2002-03 2003-04 2004-05	Assessing Authority
	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	1,000,585	2005-2008 2003-04	Orissa Tribunal
	Sales Tax Dues	1,286,664	2003-04	Deputy Commissioner (A)
	Sales Tax Dues	1,567,028	2004-05 2005-06 2006-07	Deputy Commissioner (A)
Central Sales Tax Act, 1956 and VAT Acts of various states	Sales Tax Dues	1,465,192	2005-06	Joint Commissioner (A)
	Sales Tax Dues	958,784	2005-06 2006-07	Deputy Commissioner (A)
	Sales Tax Dues	3,073,427	2009-10	Assessing Authority
	Sales Tax Dues	228,973,669	2010-12	Orissa Tribunal
	Sales Tax Dues	86,380,815	2010-12	Orissa Tribunal
	Sales Tax Dues on account of Classification Head	27,155,975	2012-14	Gujarat Tribunal
	Sales Tax Dues	63,651,140	2011-13	Andhra Pradesh High Court
	Others	18,736,205	2002-2014	Uttar Pradesh Tribunal, Deputy Commissioner (A), Commissioner of Commercial Taxes, Addt Commissioner (A), Jammu Tribunal, Assessing Authority, Madhya Pradesh High Court, Joint Commissioner (A), Delhi Tribunal, West Bengal Tribunal, Addl. Commissioner (A), Mohali.

Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
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
	Demand based on the order of regular assessment u/s 143(3) of the Act.	8,101,490	Assessment Year 2009-10	Income - tax Appellate Tribunal
Income-tax Act, 1961	Income-tax in dispute pertaining to erstwhile Godrej Household Products Limited.	3,266,327	Assessment Year 2005-06	CIT (Appeal)
		4,658	Assessment Year 2006-07	Income - tax Appellate Tribunal
		2,534,092	Assessment Year 2007-08	Income - tax Appellate Tribunal
		109,478,059	Assessment Year 2009-10	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 Company has not availed of any term loan.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has used funds raised on short term basis for long term investment to the extent of ₹ 118.64 crore. This is primarily on account of funds available from trade credit being applied towards non-current assets as the Company operates on negative working capital.
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 not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For and on behalf of

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Firm Regn. No.: 104607W

ROSHNI MARFATIA
PARTNER

M. No.: 106548

Mumbai: April 28, 2014.

Balance Sheet as at March 31, 2014

₹ Crore

	Note No.	Current Year	Previous Year
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	3	34.04	34.03
(b) Reserves and Surplus	4	2990.32	2727.07
		3024.36	2761.10
2. Non-Current Liabilities			
(a) Long-term Borrowings	5	-	260.22
(b) Deferred Tax Liabilities (Net)	6	1.64	4.59
(c) Other Long-term Liabilities	7	3.79	4.42
(d) Long-term Provisions	8	4.24	4.90
		9.67	274.13
3. Current Liabilities			
(a) Short-term Borrowings	9	0.88	0.60
(b) Trade Payables	10	797.63	666.53
(c) Other Current Liabilities	11	623.27	359.57
(d) Short-term Provisions	12	30.24	26.45
		1452.02	1053.15
TOTAL		4486.05	4088.38
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		237.24	225.69
(ii) Intangible Assets		867.85	920.14
(iii) Capital Work-in-Progress		147.99	121.10
		1253.08	1266.93
(b) Non-Current Investments	14	2064.99	1450.05
(c) Long-term Loans and Advances	15	117.84	167.50
(d) Other Non-Current Assets	16	1.44	-
		3437.35	2884.48
2. Current Assets			
(a) Current Investments	17	102.00	120.00
(b) Inventories	18	493.57	536.37
(c) Trade Receivables	19	139.26	122.13
(d) Cash and Bank Balances	20	205.26	340.55
(e) Short-term Loans and Advances	21	107.63	82.05
(f) Other Current Assets	22	0.98	2.80
		1048.70	1203.90
TOTAL		4486.05	4088.38
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

Firm Regn No. 104607W

For and on behalf of the Board

Adi Godrej

Chairman

Roshni Marfatia

Partner

M. No. 106548

P. Ganesh

Executive Vice-President

(Finance & Commercial)

and Company Secretary

Vivek Gambhir

Managing Director

Mumbai: April 28, 2014

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

₹ Crore

	Note No.	Current Year	Previous Year
I Revenue from Operations			
Revenue from Operations (Gross)	25	4300.37	3789.13
Less : Excise Duty		(220.53)	(208.11)
		4079.84	3581.02
II Other Income	26	40.00	50.65
III Total Revenue (I + II)		4119.84	3631.67
IV Expenses			
Cost of Raw Materials including Packing Material Consumed	27	1635.22	1587.49
Purchases of Stock-in-Trade		242.48	296.45
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	62.09	(116.91)
Employee Benefits Expenses	29	200.41	165.56
Finance Costs	30	38.52	15.49
Depreciation and Amortization Expenses		35.52	32.27
Other Expenses	31	1192.61	1018.36
Total Expenses		3406.85	2998.71
V Profit Before Tax (III-IV)		712.99	632.96
VI Tax Expense			
(1) Current Tax		151.10	128.28
(2) Deferred Tax		(2.95)	(6.26)
		148.15	122.02
VII Profit for the Year (V-VI)		564.84	510.94
VIII Earnings per Equity Share (Face Value ₹ 1)	32		
(1) Basic (₹)		16.60	15.01
(2) Diluted (₹)		16.59	15.01
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
Firm Regn No. 104607W

For and on behalf of the Board
Adi Godrej
Chairman

Roshni Marfatia
Partner
M. No. 106548

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

Vivek Gambhir
Managing Director

Mumbai: April 28, 2014

Cash Flow Statement for the year ended March 31, 2014

	Current Year	Previous Year
₹ Crore		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	712.99	632.96
Adjustments for:		
Non-Cash Items		
Depreciation and Amortization Expenses	35.52	32.27
Unrealised Foreign Exchange (Gain) / Loss	0.16	(6.22)
Bad Debts Written off	0.14	0.21
Provision / (Write-back) for Doubtful Debts / Advances	7.33	5.05
Provision for Non Moving Inventory	0.70	3.32
Write in of Old Balances	(1.35)	(1.77)
Expenses on ESGs	3.13	2.12
Interest Expense	38.52	15.49
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	(3.57)	2.21
(Profit) / Loss on Sale of Investments (Net)	(12.37)	(8.15)
Interest Income	(20.48)	(26.64)
Dividend Income	(0.19)	(13.41)
	47.54	4.48
Operating Cash Flows Before Working Capital Changes	760.53	637.44
Adjustments for:		
Inventories	45.04	(106.65)
Trade Receivables	(23.82)	(27.48)
Loans and Advances	(30.86)	2.25
Other Assets	(5.07)	0.62
Liabilities and Provisions	165.22	197.55
	150.51	66.29
Cash Generated from Operations	911.04	703.73
Adjustment for:		
Direct Taxes Paid	(148.03)	(131.18)
Net Cash Flow from Operating Activities	763.01	572.55
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(71.79)	(160.92)
Sale of Fixed Assets	7.45	0.36
Investments in Mutual Funds (Net)	30.37	(48.35)
Investments in Fixed Deposits (Net)	42.72	79.16
Investments in Subsidiaries (Net)	(600.50)	(255.90)
Investments in Associate Company	(34.32)	-
Repayment of Loan by ESOP Trust	46.95	18.08
Dividend Received	0.19	13.41
Interest Received	25.78	45.91
Net Cash Flow from Investing Activities	(553.15)	(308.25)

Cash Flow Statement for the year ended March 31, 2014

	Current Year	Previous Year
₹ Crore		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGs *	0.01	0.00
Issue of Debentures (Net of Expenses)	-	299.28
Redemption of Debentures (including Premium on Redemption)	(50.00)	(249.89)
Repayment of Sales Tax Deferral Loan	(0.03)	(0.07)
Short-term Borrowings (Net)	(3.45)	-
Cash Credits (Net)	(2.80)	(1.59)
Interest Paid	(46.06)	(11.01)
Dividend Paid	(170.15)	(161.67)
Dividend Tax Paid	(28.92)	(26.22)
Net Cash Flow from Financing Activities	(301.40)	(151.17)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(91.54)	113.13
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING	241.60	128.47
ACQUIRED PURSUANT TO THE SCHEME OF AMALGAMATION *	0.00	-
AS AT THE ENDING		
Cash and Bank Balances	150.60	241.09
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(0.54)	0.51
	150.06	241.60
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(91.54)	113.13

* amount less than ₹ 0.01 crore

As per our Report attached

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

Roshni Marfatia
Partner
M. No. 106548

Mumbai: April 28, 2014

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

Signatures to the Cash Flow Statement

For and on behalf of the Board
Adi Godrej
Chairman

Vivek Gambhir
Managing Director

Notes to the Financial Statements for the year ended March 31, 2014

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 Household and Personal Care products. The Company is domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

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 read with the General Circular No. 15/2013 dated September 12, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956 and the applicable sections of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria's set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of the products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

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 and impairment, if any. Cost includes all expenses related to acquisition and installation of the concerned assets and excludes any duties / taxes recoverable and capital subsidy / grant received. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing 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.

Items of fixed assets that have been retired from active use and are held for disposal are shown separately in the financial statement as Assets held for Sale under 'Other Current Assets'. Any expected loss on account of difference between book value and realisable value, is recognised immediately in the Statement of Profit and Loss.

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.

Notes to the Financial Statements for the year ended March 31, 2014

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 non-current investments. Investments intended to be held for a period less than twelve months or those maturing within twelve months from the balance sheet date are classified as 'Current Investments'.

Investments other than Current Investments are classified as 'Non-Current Investments'.

Current Investments are stated at lower of cost and net realisable value. Non-Current 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 Non-Current investments is made to recognise a decline, other than of a temporary nature.

g. Inventories

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

h. Provisions and Contingent Liabilities

Provisions are 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 –

- i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- ii) Any present obligation that arises from past events but is not 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 realized.

i. Revenue Recognition

- i) Sales are recognised on supply of goods when significant risks and rewards of ownership in the goods are transferred to the buyer. Sales are recorded net of returns, trade discounts, rebates, sales taxes and excise duties.
- ii) Income from processing operations is recognised on completion of production / dispatch of the goods, as may be provided in the terms of contract.
- iii) Dividend income is recognised when the right to receive the same is established.
- iv) Interest income is recognised on a time proportion basis.

Notes to the Financial Statements for the year ended March 31, 2014

j. Expenditure

- Expenses are accounted for on accrual basis, net of recoveries, if any 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.

l. 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) Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the year insofar as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognising as income or expense in each such periods.

m. Hedging

The Company uses forward exchange contracts to hedge its foreign exchange exposures. Gains or losses on settled contracts are recognised in the Statement of Profit and Loss.

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.

Notes to the Financial Statements for the year ended March 31, 2014

b) Defined Benefit Plans

Gratuity Fund

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

Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the 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 the 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 reducing balance. The entire EVA award for the year has been charged to the Statement of Profit and Loss.

p. Depreciation and Amortisation

Tangible Assets

- 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 or higher, e.g.:
 - a) In case of computer hardware which is depreciated over 4 years.
 - b) Tools, dies and moulds acquired are depreciated over a period of 9 years and 3½ years respectively.

Notes to the Financial Statements for the year ended March 31, 2014

- c) Vehicles are depreciated over a period ranging from 5 years to 10½ years depending on the use of vehicles.
- iv) Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.

Intangible Assets

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

- i) Software license is amortised over a period of 6 years.
- ii) 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.
- iii) 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) The cost of SAP licenses incurred for subsidiaries are being recovered from respective subsidiaries.
- v) Goodwill is amortised over a period of 5 years.
- vi) Technical Know how is depreciated over a period of 10 years

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 assets / liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

r. Cash and Cash Equivalents

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

s. Earnings Per Share

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

t. 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.

Notes to the Financial Statements for the year ended March 31, 2014

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		
340,409,434 Equity Shares (<i>previous year 340,358,049</i>) of ₹ 1 each	34.04	34.04
Subscribed and Fully Paid up		
340,378,310 Equity Shares (<i>previous year 340,326,925</i>) of ₹ 1 each fully paid up	34.04	34.03
TOTAL	34.04	34.03

NOTES:

- During the year, the Company has issued 51,385 equity shares (*previous year 29,464*) under the Employee Stock Grant Scheme.
- 31,124 Right Issue equity shares (*previous year 31,124 equity shares*) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order is awaited.
- 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, 2014 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.25 (*previous year: ₹ 5.00*).

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	340,326,925	34.03	340,297,461	34.03
Add : Shares Issued during the year *	51,385	0.01	29,464	0.00
Shares outstanding at the end of the year	340,378,310	34.04	340,326,925	34.03

* amount less than ₹ 0.01 crore

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
Holding Company				
Godrej & Boyce Manufacturing Co. Ltd.	122,411,815	35.97%	123,561,815	36.31%
Subsidiary of Holding Company				
Godrej Industries Limited	77,029,620	22.63%	73,659,620	21.64%

f) Shares Reserved for issue under options

The Company has 134,364 (*previous year 126,193*) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2014. (*As detailed in Note 45*).

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

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

- There are no calls unpaid on equity shares other than Rights shares kept in abeyance as mentioned in Note (b) above.
- No equity shares have been forfeited.

Notes to the Financial Statements for the year ended March 31, 2014

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	1483.65	1508.08
(+) Premium Received on Allotment of Shares	2.38	1.11
(-) Expenses on Issue of Debentures	(0.02)	(0.72)
(-) Premium on Redemption of Debentures	(24.45)	(24.82)
Closing Balance	1461.56	1483.65
4. DEBENTURE REDEMPTION RESERVE		
Balance as per last financial statements	21.25	7.13
(+) Transfer from Surplus	23.53	21.25
(-) Transfer to General Reserve	-	(7.13)
Closing Balance	44.78	21.25
5. EMPLOYEE SHARE OPTIONS OUTSTANDING		
Gross Employee Compensation for Options granted	8.92	6.08
(-) Deferred Employee Compensation Expense	(3.68)	(2.58)
Closing Balance	5.24	3.50
6. GENERAL RESERVE		
Balance as per last financial statements	206.97	201.46
(+) Transfer from Surplus	56.50	51.13
(+) Transfer from Debenture Redemption Reserve	-	7.13
(-) Trademark and Brands amortisation pursuant to Scheme of Amalgamation of GHPL (<i>Refer Note 13(b)</i>)	(52.75)	(52.75)
(-) Adjustment Pursuant to Scheme of Amalgamation of Godrej Hygiene Products Limited (<i>Refer Note 14(a)</i>)	(3.92)	-
Closing Balance	206.80	206.97
7. SURPLUS		
Balance as per last financial statements	1010.09	769.82
(+) Net Profit for the Year	564.84	510.94
(-) Dividends - Interim	(178.70)	(170.16)
(-) Tax on Distributed Profit	(30.37)	(28.13)
(-) Transfer to General Reserve	(56.50)	(51.13)
(-) Transfer to Debenture Redemption Reserve	(23.53)	(21.25)
(+) Addition on Amalgamation (<i>Refer Note 14(a)</i>)	(15.50)	-
Closing Balance	1270.33	1010.09
TOTAL	2990.32	2727.07

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 5 : LONG-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
A. Secured		
Deferred Sales Tax Loan	-	0.05
(See Note (a) below)		
B. Unsecured		
Debentures		
a) 2,500 Unsecured, Redeemable, Zero Coupon, Non-Convertible Debentures of ₹ 10 lac each	-	250.00
b) Premium on Redemption of Debentures (Refer Note 11(a))	-	10.17
	-	260.17
TOTAL	-	260.22

NOTES:

- Deferred sales tax loan was interest free and was secured by Bank Guarantee in favour of Sales Tax authorities.
- The Company does not have any continuing default as on the Balance Sheet date in the repayment of loans and interest.

NOTE 6 : DEFERRED TAX LIABILITIES (NET)

	₹ Crore	
	Current Year	Previous Year
1. Deferred Tax Liability		
a) Depreciation	19.76	18.31
2. Deferred Tax Assets		
a) Tax Disallowances	(16.78)	(12.60)
b) Provision for Doubtful Debts and Advances	(1.34)	(1.12)
	(18.12)	(13.72)
TOTAL	1.64	4.59

NOTE 7 : OTHER LONG-TERM LIABILITIES

	₹ Crore	
	Current Year	Previous Year
Security Deposits Received	3.79	4.42
TOTAL	3.79	4.42

NOTE 8 : LONG-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
Provision for Employee Benefits		
Leave Encashment	4.24	4.90
TOTAL	4.24	4.90

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 9 : SHORT-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
Secured		
Loans Repayable on Demand		
Cash Credit from Banks (<i>Refer Note (a) below</i>)	0.88	0.60
TOTAL	0.88	0.60

NOTES:

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

NOTE 10 : TRADE PAYABLES

	₹ Crore	
	Current Year	Previous Year
Due to Micro, Small and Medium Enterprises	-	-
Others	797.63	666.53
TOTAL	797.63	666.53

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 Notes below</i>)	284.68	50.03
2. Interest Accrued but not Due on Borrowings	-	4.55
3. Security Deposit Received	0.38	0.44
4. Unpaid Dividends	6.20	5.76
5. Taxes, Duties and Other Levies Payable	46.18	35.31
6. Interim Dividend Payable	76.59	68.07
7. Other Payables	209.24	195.41
TOTAL	623.27	359.57

NOTES:

- Current Maturities of Long term Debt in current year include 2,500 zero-coupon, unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each, redeemable at a premium, which will yield 9.40% p.a. at maturity. These debentures are redeemable on October 25, 2014, with call option on October 25, 2013, at a call option premium of 0.50%.
- Current maturities of Long term Debt in previous year include 500, 9.80% unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each. These debentures have been redeemed at par on October 28, 2013.

NOTE 12 : SHORT-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
1. Provision for Employee Benefits		
Gratuity	14.32	11.65
Leave Encashment	2.90	3.23
2. Others		
Provision for Tax on Distributed Profits	13.02	11.57
TOTAL	30.24	26.45

Notes to the Financial Statements for the year ended March 31, 2014

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 / Impairment	Closing	Current Year	Previous Year
A.	TANGIBLE ASSETS													
	Freehold Land	0.51	-	-	-	0.51	-	-	-	-	-	0.51	0.51	
	Leasehold Land	6.85	-	-	-	6.85	0.57	0.07	-	-	-	6.21	6.28	
	Leasehold Improvements	4.28	2.05	-	-	6.33	1.05	1.00	-	-	-	4.28	3.23	
	Buildings	77.52	3.58	(2.10)	-	79.00	22.54	2.57	(1.22)	-	-	55.11	54.98	
	Plant and Equipments	301.76	34.77	(4.51)	-	332.02	162.69	19.03	(3.91)	-	1.17	153.04	139.07	
	Furniture, Fixtures and Fittings	7.80	0.59	(0.45)	-	7.94	3.52	2.46	(0.23)	-	-	2.19	4.28	
	Office Equipment	8.40	0.73	(0.22)	0.01	8.92	3.99	1.03	(0.14)	0.01	-	4.03	4.41	
	Vehicles	11.36	1.76	(1.75)	-	11.37	2.68	1.53	(0.88)	-	-	8.04	8.68	
	Computers	14.12	1.32	(4.21)	0.05	11.28	9.87	1.68	(4.15)	0.05	-	3.83	4.25	
	(A)	432.60	44.80	(13.24)	0.06	464.22	206.91	29.37	(10.53)	0.06	1.17	237.24	225.69	
B.	INTANGIBLE ASSETS													
	Goodwill	12.60	-	-	-	12.60	5.17	2.48	-	-	-	4.95	7.43	
	Trademarks and Brands	1055.13	-	-	-	1055.13	158.27	0.01	-	-	52.75	844.10	896.86	
	Computer Software	26.20	6.54	-	0.35	33.09	12.72	3.40	-	0.28	-	16.69	13.48	
	Technical Knowhow	2.64	-	-	-	2.64	0.27	0.26	-	-	-	2.11	2.37	
	(B)	1096.57	6.54	-	0.35	1103.46	176.43	6.15	-	0.28	52.75	867.85	920.14	
	(A+B)	1529.17	51.34	(13.24)	0.41	1567.68	383.34	35.52	(10.53)	0.34	53.92	1105.09		
	Previous Year	1482.33	52.01	(5.17)	-	1529.17	300.92	32.27	(4.10)	-	54.25		1145.83	
C.	CAPITAL WORK-IN-PROGRESS											147.99	121.10	
	TOTAL											1253.08	1266.93	

NOTES:

- 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 and HIT brands have been in existence since the last two decades 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 directly to the General Reserve.
- During the year, the Company has capitalised borrowing costs amounting to ₹ 6.44 crore (*previous year ₹ 4.55 crore*).
- Acquisition through business combinations are assets acquired pursuant to a Scheme of Amalgamation, sanctioned by the Hon'ble High Court of Judicature at Bombay, vide its order dated August 12, 2013 assets of Godrej Hygiene Products Limited.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 14 : NON-CURRENT INVESTMENTS

	Face Value	Numbers		Amounts		₹ Crore
		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	76.58	76.41	
Godrej South Africa (Pty) Ltd.	ZAR 1	18,050,000	18,050,000	12.67	12.67	
Godrej Global Mid East FZE	USD 250,000	5	5	5.74	5.74	
Godrej Hygiene Products Ltd.	₹ 10	-	2,600,000	-	20.87	
Godrej Consumer Products Mauritius Ltd.	USD 1	37,385,006	34,385,006	566.83	547.88	
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	184,300,001	12,000,007	985.72	597.63	
Godrej Household Products (Bangladesh) Pvt. Ltd.	BDT 10	16,970,481	16,970,481	15.65	11.01	
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 Ltd.	USD 1	53,100,001	5	310.37	133.82	
Godrej East Africa Holdings Ltd.	USD 1	4,800,001	2	29.42	1.50	
Godrej Tanzania Holdings Ltd.	USD 1	200,001	1	1.11	-	
Of Associate Companies						
Unquoted, fully paid up:						
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	5,546	-	22.32	-	
				2053.55	1434.67	
2. Investments in Preference Shares						
Of Subsidiary Companies						
Unquoted, fully paid up:						
Godrej Consumer Products Mauritius Ltd.	USD 1	500,000	4,000,000	2.28	18.22	
3. Investments in Debentures						
Of Associate Companies						
Unquoted, fully paid up:						
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	3,060	-	12.00	-	
				2067.83	1452.89	
Less : Provision for Diminution in the Value of Investments				(2.84)	(2.84)	
TOTAL				2064.99	1450.05	
Aggregate Amount of Quoted Investments				-	-	
Aggregate Amount of Unquoted Investments				2067.83	1452.89	
Aggregate Provision for Diminution in the Value of Investments				2.84	2.84	

Notes to the Financial Statements for the year ended March 31, 2014

NOTES:

- a) Pursuant to a Scheme of Amalgamation ("the Scheme"), sanctioned by the Hon'ble High Court of Judicature at Bombay, vide its Order dated August 12, 2013, Godrej Hygiene Products Limited (GHPL) has been merged with Godrej Consumer Products Limited with effect from September 7, 2013. The appointed date as per the Scheme was April 1, 2013. The assets and liabilities of the erstwhile GHPL have been taken over at their book values which are also their fair values and the difference amounting to ₹ 3.92 crore including the expenses on amalgamation of ₹ 0.37 crore has been adjusted in General Reserve.
The assets amounting to ₹ 5.60 crore and liabilities amounting to ₹ 3.78 crore of the erstwhile GHPL have been acquired pursuant to the scheme.
- b) During the year, the Company has acquired 30% stake in Bhabani Blunt Hair Dressing Private Limited (b:blunt), a premier hair salon company with one of the strongest consumer franchises in this space. The Company has also invested in the Compulsorily Convertible Debentures (CCDs) issued by b:blunt.
- c) During the year, Godrej Consumer Products Mauritius Ltd. had redeemed Preference Shares having Face Value of USD 3.50 million.
- d) During the year, the Company has been allotted 106,799,994 bonus shares in Godrej Consumer Products Holding (Mauritius) Ltd., 25,099,996 bonus shares in Godrej Mauritius Africa Holdings Ltd. and 199,999 bonus shares in Godrej East Africa Holdings Ltd.
- e) During the year, the Company has invested ₹ 4.64 crore in its subsidiary Godrej Household Products (Bangladesh) Pvt. Ltd. for which shares are pending to be allotted.

NOTE 15 : LONG TERM LOANS AND ADVANCES

	Current Year	₹ Crore Previous Year
Unsecured, Considered Good,		
1. Capital Advances	3.80	2.55
2. Security Deposits		
Considered Good	24.15	20.98
Considered Doubtful	0.77	-
Less: Provision for Doubtful Deposits	(0.77)	-
	24.15	20.98
3. Other Loans and Advances		
a) Amount due from ESOP Trust	-	50.30
b) Excise and VAT Receivables		
Considered Good	77.06	77.15
Considered Doubtful	12.46	11.26
Less: Provision for Doubtful Receivables	(12.46)	(11.26)
	77.06	77.15
c) Advance Tax [Net of Provisions - ₹ 741.45 crore (previous year ₹ 589.35 crore)]	12.14	15.21
d) Miscellaneous Loans and Advances (Refer Note below)	0.69	1.31
TOTAL	117.84	167.50

NOTE:

Long Term Loans and Advances include ₹ Nil (previous year ₹ 0.53 crore) due from a Director.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 16 : OTHER NON-CURRENT ASSETS

	₹ Crore	
	Current Year	Previous Year
Fixed Deposits with original maturity of more than 12 months - under lien against Bank Guarantees	1.44	-
TOTAL	1.44	-

NOTE 17 : CURRENT INVESTMENTS

	₹ Crore				
	Face Value ₹	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
Investments in Mutual Funds					
<i>(Valued at lower of cost and fair value)</i>					
<i>Unquoted, fully paid-up:</i>					
ICICI Prudential Liquid - Direct Plan - Growth	100	2,214,487	2,311,590	42.00	40.00
Kotak Liquid Scheme - Plan A Direct Plan - Growth	1000	19,337	-	5.00	-
Birla Sun Life Cash Plus - Instl. Prem. - Growth	100	2,141,141	-	44.00	-
HDFC Liquid Fund - Direct Plan - Growth	10	4,353,953	34,746,132	11.00	80.00
TOTAL				102.00	120.00
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				102.00	120.00

NOTE 18 : INVENTORIES

	₹ Crore	
	Current Year	Previous Year
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials	175.88	156.03
Work-in-Progress	41.31	28.36
Finished Goods	243.39	293.98
Stock-in-Trade	27.84	52.29
Stores and Spares	5.15	5.71
TOTAL	493.57	536.37

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 19 : TRADE RECEIVABLES

	Current Year	Previous Year
₹ Crore		
Trade Receivables Outstanding for a Period Exceeding Six Months from the due date		
Unsecured : Considered Good	9.01	6.87
Considered Doubtful	3.38	2.87
	12.39	9.74
Less: Provision for Doubtful Debts	(3.38)	(2.87)
	9.01	6.87
Others (Considered Good)		
Secured	5.73	3.64
Unsecured	124.52	111.62
	130.25	115.26
TOTAL	139.26	122.13

NOTE 20 : CASH AND BANK BALANCES

	Current Year	Previous Year
₹ Crore		
1. Cash and Cash Equivalents		
a) Balances with Banks		
On Current Accounts	74.72	75.97
Deposits with less than 3 months maturity	75.00	165.00
	149.72	240.97
b) Cheques, Drafts on Hand	-	0.35
c) Cash on Hand	0.34	0.28
	150.06	241.60
2. Other Bank Balances		
a) Deposits with more than 3 months but less than 12 months maturity	45.00	85.00
b) Deposits under lien against Bank Guarantees	4.00	8.16
c) For Unpaid Dividend	6.20	5.79
	55.20	98.95
TOTAL	205.26	340.55

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 21 : SHORT TERM LOANS AND ADVANCES

	Current Year	Previous Year
Unsecured, Considered Good, Unless Otherwise Stated		
1. Security Deposits	0.25	2.48
2. Excise and VAT Receivables	74.58	53.60
3. Miscellaneous Loans and Advances		
Considered Good (<i>Refer Note (a) below</i>)	32.80	25.97
Considered Doubtful	0.56	0.58
Less: Provision for Doubtful Loans and Advances	(0.56)	(0.58)
	32.80	25.97
TOTAL	107.63	82.05

NOTES:

Short Term Loans and Advances include ₹ Nil (*previous year ₹ 0.26 crore*) due from a Director.

NOTE 22 : OTHER CURRENT ASSETS

	Current Year	Previous Year
Claims Receivable		
Considered Doubtful	4.94	-
Less: Provision for Doubtful Claims	(4.94)	-
	-	-
Accrued Interest	0.83	2.78
Deferred Premium on Forward Contracts	0.15	0.02
TOTAL	0.98	2.80

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 23 : CONTINGENT LIABILITIES

		₹ Crore	
		Current Year	Previous Year
a)	CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS		
i)	Excise duty demands aggregating ₹ 33.09 crore (<i>previous year ₹ 11.26 crore</i>) against which the Company has preferred appeals (net of tax).	21.84	7.61
ii)	Sales tax demands aggregating ₹ 62.92 crore (<i>previous year ₹ 22.68 crore</i>) against which the Company has preferred appeals (net of tax).	41.53	15.32
iii)	Income-tax matters		
	Demand notices issued by Income-tax Authorities.	12.37	7.81
iv)	Other matters : ₹ 3.00 crore (<i>previous year ₹ 3.00 crore</i>) (net of tax).	1.98	2.03
b)	GUARANTEES		
i)	Guarantee amounting to USD 78.8 million (<i>previous year USD 221.8 million</i>) given by the Company against loan provided by banks to Godrej Consumer Products Holding (Mauritius) Ltd.	471.83	1203.99
ii)	Guarantee amounting to USD 99.0 million (<i>previous year USD 121.0 million</i>) given by the Company to DBS Bank, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	593.16	656.85
iii)	Guarantee amounting to GBP 30.0 million (<i>previous year GBP 30.0 million</i>) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	299.30	246.68
iv)	Guarantee amounting to USD 84.0 million (<i>previous year USD 84.0 million</i>) given by the Company to HSBC, Hongkong & SCB Mauritius Limited against loan provided to Godrej East Africa Holdings Limited.	503.29	455.99
v)	Guarantee amounting to GBP 9.9 million (<i>previous year GBP 9.9 million</i>) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	98.77	81.41
vi)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 5.44 crore (<i>previous year ₹ 8.16 crore</i>)]	8.19	10.25
vii)	Guarantee of AED 1.4 million (<i>previous year AED 1.4 million</i>) given by the Company to secure credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mid East FZE.	2.28	2.07
viii)	Guarantee given by the Company to secure credit facilities extended by the Royal Bank of Scotland to Godrej Hygiene Products Limited.	-	5.00
ix)	Guarantee given by the Company to secure 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.	2.96	7.56
x)	Guarantee amounting to USD 10.0 million (<i>previous year USD 10.0 million</i>) given by the Company to HSBC, Hongkong towards interest rate swap/derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Ltd.	59.92	54.29

Notes to the Financial Statements for the year ended March 31, 2014

	Current Year	Previous Year
	₹ Crore	
xi) Guarantee amounting to Nil (<i>previous year BDT 245.0 million</i>) given by the Company to HSBC Bangladesh towards credit facilities provided by the Bank to Godrej Household Products (Bangladesh) Pvt. Ltd.	-	17.13
xii) Guarantee amounting to USD 5.0 million (<i>previous year USD 5.0 million</i>) given by the Company to HSBC Hongkong towards interest rate swap/derivative facilities provided to Godrej Netherlands BV.	29.96	27.14
xiii) Guarantee amounting to USD 5.0 million (<i>previous year Nil</i>) given by the Company to HSBC Hongkong towards interest rate swap/derivative facilities provided to Godrej East Africa Holdings Limited.	29.96	-
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.	32.22	24.94
ii) Others	0.28	0.28

NOTE 24 : COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 39.72 crore (*previous year ₹ 30.34 crore*), net of advances thereagainst of ₹ 3.46 crore (*previous year ₹ 4.85 crore*).

NOTE 25 : REVENUE FROM OPERATIONS

	Current Year	Previous Year
	₹ Crore	
1. Sale of Products	4245.27	3729.04
2. Other Operating Revenues		
a) Royalty & Technical Fees	46.23	48.42
b) Miscellaneous Income	8.87	11.67
	4300.37	3789.13
3. Less : Excise Duty	(220.53)	(208.11)
TOTAL	4079.84	3581.02

NOTE 26 : OTHER INCOME

	Current Year	Previous Year
	₹ Crore	
1. Interest Income		
On Advances and Deposits	20.03	21.24
On Loan to ESOP Trust	0.45	5.40
2. Dividend Income		
From Subsidiaries	0.19	13.41
3. Net Gain on Sale of Investments	12.37	8.15
4. Other Non-Operating Income		
Profit on Sale of Fixed Assets	3.57	-
Claim Received	0.48	1.88
Miscellaneous Non-operating Income	2.91	0.57
TOTAL	40.00	50.65

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 27 : COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

	₹ Crore	
	Current Year	Previous Year
Opening Inventory	156.03	169.54
Add : Purchases (Net)	1655.07	1573.98
	1811.10	1743.52
Less: Closing Inventory	(175.88)	(156.03)
Cost of Raw Materials including Packing Material Consumed	1635.22	1587.49

NOTE 28 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN- TRADE

	₹ Crore	
	Current Year	Previous Year
Opening Inventory		
Finished Goods	293.98	186.98
Stock-in-Trade	52.29	35.23
Work-in-Progress	28.36	35.51
	374.63	257.72
Less: Closing Inventory		
Finished Goods	243.39	293.98
Stock-in-Trade	27.84	52.29
Work-in-Progress	41.31	28.36
	312.54	374.63
(Increase) / Decrease in Inventories	62.09	(116.91)

NOTE 29 : EMPLOYEE BENEFITS EXPENSES

	₹ Crore	
	Current Year	Previous Year
1. Salaries and Wages	183.33	147.24
2. Contribution to Provident and Other Funds	10.00	12.20
3. Expense on Employee Stock Grant Scheme (ESGS)	3.13	2.12
4. Staff Welfare Expenses	3.95	4.00
TOTAL	200.41	165.56

NOTE 30 : FINANCE COSTS

	₹ Crore	
	Current Year	Previous Year
1. Interest Expense	0.56	1.72
2. Bill Discounting Charges	37.96	13.77
TOTAL	38.52	15.49

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 31 : OTHER EXPENSES

	Current Year	Previous Year
	₹ Crore	
Consumption of Stores and Spare Parts	10.06	10.53
Power and Fuel	90.62	82.98
Rent	12.92	11.37
Repairs and Maintenance		
Plant and Equipment	3.57	3.02
Buildings	0.85	0.78
Others (Net)	17.29	16.92
	21.71	20.72
Insurance	6.33	4.45
Rates and Taxes	2.86	3.42
Miscellaneous Expenses (Net)	30.57	24.54
Processing and Other Manufacturing Charges	94.67	85.35
Excise Duty	16.27	8.36
Travelling and Conveyance	28.49	24.59
Auditors' Remuneration		
As Statutory Auditor	1.15	1.06
For Taxation Matters	0.48	0.29
For Company Law Matters	0.01	0.01
For Management Services	0.03	0.03
For Other Services	0.17	0.07
Reimbursement of Expenses	0.08	0.05
Service Tax	0.24	0.19
	2.16	1.70
Legal and Professional Charges	16.98	11.95
Donations	0.58	0.65
Advertising, Publicity and Sales Promotion	611.71	501.23
Selling and Distribution Expenses	78.28	64.94
Freight	156.33	140.68
Bank Charges	1.67	2.43
Royalty Expense	0.40	0.04
Commission	3.50	1.99
Net Loss on Sale of Fixed Assets	-	2.21
Net Loss on Foreign Currency Transactions and Translations	5.94	12.01
Bad Debts Written Off	0.14	0.21
Provision for Doubtful Debts / Advances	0.42	2.01
TOTAL	1192.61	1018.36

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, 2014

NOTE 32 : EARNINGS PER SHARE

		Current Year	Previous Year
Net Profit After Tax	₹ Crore	564.84	510.94
Number of Shares outstanding at the beginning of the year		340,326,925	340,297,461
Add : Shares Issued during the year		51,385	29,464
Number of Shares outstanding at the end of the year		340,378,310	340,326,925
Weighted Average Number of Equity Shares			
For calculating Basic EPS		340,363,605	340,318,803
For calculating Diluted EPS		340,445,040	340,396,437
Earnings Per Share Before and After Extraordinary Items			
(Face Value ₹ 1)			
Basic (₹)		16.60	15.01
Diluted (₹)		16.59	15.01

NOTE 33 : IMPORTED / INDIGENOUS CONSUMPTION

	Current Year		Previous Year	
	Amounts	%	Amounts	%
Raw Materials Consumed				
Imported	229.36	14.0%	314.50	19.8%
Indigenous	1405.86	86.0%	1272.99	80.2%
	1635.22	100.0%	1587.49	100.0%
Component, Stores and Spare Consumed				
Imported	0.02	0.2%	0.02	0.2%
Indigenous	10.04	99.8%	10.51	99.8%
TOTAL	10.06	100.0%	10.53	100.0%

NOTE 34 : CONSUMPTION OF RAW MATERIAL AND PURCHASE OF STOCK-IN-TRADE

		Current Year	Previous Year
1. Raw Material Consumed			
a) Oils and Fats		496.77	539.72
b) Chemicals, Colours, Perfumes and Catalysts		369.60	344.32
c) Packing Material		391.68	339.09
d) Others		377.17	364.36
		1635.22	1587.49
2. Stock-in-Trade Purchased			
a) Hair Color and Other Toiletries		29.81	27.30
b) Repellents		101.64	168.69
c) Others		111.03	100.46
		242.48	296.45
TOTAL		1877.69	1883.94

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 35 : SALES (NET OF EXCISE DUTY)

	₹ Crore	
	Current Year	Previous Year
Personal Wash	1340.23	1260.68
Hair Care	494.14	378.71
Home Care	1895.87	1628.13
Others	294.50	253.41
TOTAL	4024.74	3520.93

NOTE 36 : VALUE OF IMPORTS ON CIF BASIS

	₹ Crore	
	Current Year	Previous Year
Raw Materials	191.54	287.07
Spares Parts and Components	0.02	0.10
Capital Goods	0.44	0.34
TOTAL	192.00	287.51

NOTE 37 : EXPENDITURE IN FOREIGN CURRENCY

	₹ Crore	
	Current Year	Previous Year
Royalty, Know-how and Technical Fees	0.40	-
Professional and Consultation Fees	1.12	2.16
Other Matters	2.07	0.83
TOTAL	3.59	2.99

NOTE 38 : EARNINGS IN FOREIGN EXCHANGE

	₹ Crore	
	Current Year	Previous Year
Export of Goods on FOB Basis	122.68	111.00
Royalty, Know-how and Technical Fees	46.23	48.42
Interest and Dividends	0.19	13.41
Others	1.53	1.79
TOTAL	170.63	174.62

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 39 : DIVIDEND REMITTED IN FOREIGN CURRENCY

	Current Year	Previous Year
4th Interim Dividend for the year ended March 31, 2013, to 290 non-resident shareholders on 79,780 shares @ ₹ 2 per share	0.02	
1st Interim Dividend for the year ended March 31, 2014, paid to 299 non-resident shareholders on 82,180 shares @ ₹ 1 per share	0.01	
2nd Interim Dividend for the year ended March 31, 2014, to 305 non-resident shareholders on 84,060 shares @ ₹ 1 per share	0.01	
3rd Interim Dividend for the year ended March 31, 2014, to 309 non-resident shareholders on 85,140 shares @ ₹ 1 per share	0.01	
4th Interim Dividend for the year ended March 31, 2012, to 283 non-resident shareholders on 77,740 shares @ ₹ 1.75 per share		0.01
1st Interim Dividend for the year ended March 31, 2013, paid to 270 non-resident shareholders on 80680 shares @ ₹ 1 per share		0.01
2nd Interim Dividend for the year ended March 31, 2013, to 291 non-resident shareholders on 80,260 shares @ ₹ 1 per share		0.01
3rd Interim Dividend for the year ended March 31, 2013, to 290 non-resident shareholders on 80,260 shares @ ₹ 1 per share		0.01
TOTAL	0.05	0.04

NOTE 40 : RELATED PARTY DISCLOSURES

A) Related Parties and their Relationship

a) Holding Company:

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) Godrej South Africa (Proprietary) Limited
- v) Godrej Global Mid East FZE
- vi) Godrej Hygiene Products Limited (*merged with Godrej Consumer Products Ltd w.e.f. April 1, 2013*)
- vii) Godrej Netherlands B.V.

Godrej UK Limited (*Earlier Godrej Consumer Products (UK) Limited*)

Godrej Consumer Products (UK) Limited (*Earlier Keyline Brands Limited*)

Inecto Manufacturing Limited

Godrej Consumer Investments (Chile) Spa

Godrej Holdings (Chile) Limitada

Cosmetica Nacional

Plasticos Nacional

Notes to the Financial Statements for the year ended March 31, 2014

- viii) Godrej Consumer Products Mauritius Limited
 - Godrej Kinky Holdings Limited
 - Kinky Group (Proprietary) Limited
 - Godrej Nigeria Limited
 - Godrej Argentina Dutch Cooperatief U.A.
 - Godrej Netherlands Argentina Holding B.V.
 - 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 Producciones S.A
 - Godrej Consumer Investments Holdings Limited *(w.e.f. October 8, 2013)*
- ix) Godrej Consumer Products Holding (Mauritius) Limited
 - Indovest Capital Limited
 - Godrej Consumer Products Dutch Cooperatief U.A.
 - Godrej Indonesia Netherlands Holding B.V. *(merged with Godrej Consumer Holdings (Netherlands) B.V. w.e.f. September 30, 2013)*
 - Godrej Consumer Products (Netherlands) B.V.
 - Godrej Consumer Holdings (Netherlands) B.V.
 - PT Simba Indosnack Makmur *(upto March 21, 2013)*
 - PT Indomas Susemi Jaya
 - PT Intrasari Raya
 - PT Megasari Makmur
 - PT Ekamas Sarijaya
 - PT Sarico Indah
- x) Godrej Mauritius Africa Holdings Limited
 - Godrej Weave Holdings Limited
 - DGH Mauritius Pvt Ltd.
 - Weave Business Holding Mauritius Pvt. Ltd.
 - Lorna Nigeria Ltd.
 - Godrej West Africa Holdings Limited
 - Subinite Pty Ltd.
 - Weave IP Holding Mauritius Pvt. Ltd.
 - Weave Mozambique Limitada

Notes to the Financial Statements for the year ended March 31, 2014

Weave Trading Mauritius Pvt. Ltd.

Hair Trading (Offshore) S.A.L.

xi) Godrej East Africa Holdings Limited

DGH Phase Two Mauritius Pvt. Ltd.

Style Industries Limited

xii) Godrej Tanzania Holdings Ltd.

DGH Tanzania Ltd.

Sigma Hair Ind Limited

c) Fellow Subsidiaries with whom transactions have taken place during the year:

i) Godrej Industries Limited

ii) Godrej Agrovat Limited

iii) Godrej Tyson Foods Ltd

iv) Godrej Properties Limited

v) Natures Basket Limited

vi) Godrej Vikhroli Properties LLP

vii) Godrej Oil Palm Limited (*upto April 27, 2012*)

d) Associate Company:

i) Bhabhani Blunt Hairdressing Pvt. Limited (*w.e.f. October 7, 2013*)

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

i) Godrej Hershey Limited (*upto September 27, 2012*)

ii) Godrej Investments Private Limited

iii) Great Lakes Institute of Management (*upto June 30, 2013*)

f) Key Management Personnel and Relatives:

i) Mr. Adi Godrej Chairman

ii) Mr. Vivek Gambhir Managing Director (*from July 1, 2013*)

iii) Mr. A. Mahendran Managing Director (*upto June 30, 2013*)

iv) Ms. Nisaba Godrej Executive Director (*from July 1, 2013*) / Daughter of Mr. Adi Godrej

v) Ms. Parmeshwar Godrej Wife of Mr. Adi Godrej

vi) Mr. Pirojsha Godrej Son of Mr. Adi Godrej

vii) Ms. Tanya Dubhash Daughter of Mr. Adi Godrej

viii) Mr. Nadir Godrej Brother of Mr. Adi Godrej

ix) Mr. Burjis Godrej Son of Mr. Nadir Godrej

x) Mr. Sohrab Godrej Son of Mr. Nadir Godrej

xi) Master Hormazd Godrej Son of Mr. Nadir Godrej

xii) Ms. Mythili Mahendran Wife of Mr. A Mahendran (*Related Party upto June 30, 2013*)

Notes to the Financial Statements for the year ended March 31, 2014

B) The Significant Related Party Transactions are as under :

	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Associate Company		Enterprise Over Which Key Management Personnel Exercise Significant Influence		Key Management Personnel		Relatives of Key Management Personnel		₹ Crore Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods																
Godrej & Boyce Mfg. Co. Limited	0.61	0.51													0.61	0.51
Godrej Industries Limited					28.26	15.76									28.26	15.76
Godrej Properties Limited					0.01	0.03									0.01	0.03
Godrej Agrovet Limited					0.40	0.21									0.40	0.21
Godrej Tyson Foods Limited *					0.00	0.00									0.00	0.00
Godrej Global Mid East FZE			7.23	5.55											7.23	5.55
Godrej South Africa (Proprietary) Limited			5.89	9.09											5.89	9.09
Godrej Nigeria Limited			2.47	2.86											2.47	2.86
Godrej Household Products Lanka (Private) Limited			12.61	10.62											12.61	10.62
Godrej Household Products (Bangladesh) Private Limited			8.04	3.84											8.04	3.84
Laboratoria Cuenca S.A			-	0.28											-	0.28
Sale of Capital Asset																
PT Megasari Makmur			0.41	-											0.41	-
Purchase of Materials and Spares																
Godrej & Boyce Mfg. Co. Limited	2.84	3.06													2.84	3.06
Godrej Industries Limited					31.77	28.77									31.77	28.77
Godrej Oil Palm Limited					-	0.03									-	0.03
Godrej Agrovet Limited					1.05	1.17									1.05	1.17
Godrej Properties Limited					-	-									-	-
Natures Basket Limited					0.00	-									0.00	-
Godrej Global Mid East FZE			0.10	-											0.10	-
Godrej Consumer Products (UK) Limited *			-	0.00											-	0.00
Godrej Household Products Lanka (Private) Limited			1.90	0.02											1.90	0.02
Godrej Hygiene Products Limited			-	15.42											-	15.42
PT Indomas Susemi Jaya			-	0.50											-	0.50
Purchase of Capital Asset																
Godrej & Boyce Mfg. Co. Limited	0.32	1.07													0.32	1.07
Godrej Industries Limited *					-	0.00									-	0.00
Godrej Vikhroli Properties LLP					12.84	103.15									12.84	103.15
Advance Paid																
Godrej & Boyce Mfg. Co. Limited	2.02	0.09													2.02	0.09
Godrej Properties Limited					2.53	-									2.53	-

Notes to the Financial Statements for the year ended March 31, 2014

	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Associate Company		Enterprise Over Which Key Management Personnel Exercise Significant Influence		Key Management Personnel		Relatives of Key Management Personnel		₹ Crore Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Royalty and Technical Fees Received																
Godrej South Africa (Proprietary) Limited			11.33	10.62											11.33	10.62
Godrej Household Products Lanka (Private) Limited			0.16	0.26											0.16	0.26
Godrej Household Products (Bangladesh) Private Limited			-	0.23											-	0.23
PT Indomas Susemi Jaya			0.89	1.00											0.89	1.00
PT Simba Indosnack Makmur			-	3.58											-	3.58
PT Megasari Makmur			33.73	31.94											33.73	31.94
Establishment and Other Expenses Paid / (Received)																
Godrej & Boyce Mfg. Co. Limited	0.38	1.56													0.38	1.56
Godrej Industries Limited					8.46	10.47									8.46	10.47
Godrej Agrovet Limited					0.72	0.56									0.72	0.56
Godrej Properties Limited					(0.02)	(0.51)									(0.02)	(0.51)
Natures Basket Limited					(0.10)	(0.08)									(0.10)	(0.08)
Godrej Tyson Foods Limited *					(0.15)	(0.11)									(0.15)	(0.11)
Godrej Household Products Lanka (Private) Limited			(0.03)	0.08											(0.03)	0.08
Laboratoria Cuenca S.A			-	(1.79)											-	(1.79)
Godrej Hygiene Products Limited			-	0.04							-	0.06			-	0.04
Mr. Adi Godrej											-	0.04			-	0.04
Mr. A. Mahendran																
PT Megasari Makmur			(2.89)	-											(2.89)	-
Godrej South Africa (Proprietary) Limited			(0.76)	-											(0.76)	-
PT Indomas Susemi Jaya			(0.18)	-											(0.18)	-
Godrej Consumer Products (UK) Limited			(0.23)	-											(0.23)	-
PT Intraseri Raya			(0.37)	-											(0.37)	-
PT Sarico Indah			(0.18)	-											(0.18)	-
Great Lakes Institute of Management									-	0.01					-	0.01
Godrej Hershey Limited									-	(0.04)					-	(0.04)
Investments Made																
Godrej Consumer Products Mauritius Limited			18.94	0.06											18.94	0.06
Godrej Netherlands B.V.			0.18	27.22											0.18	27.22
Godrej Household Products (Bangladesh) Pvt. Limited			4.64	-											4.64	-
Godrej Mauritius Africa Holdings Limited			176.55	68.99											176.55	68.99
Godrej Consumer Products Holding (Mauritius) Limited			388.08	158.82											388.08	158.82
Godrej East Africa Holdings Limited			27.93	1.50											27.93	1.50

Notes to the Financial Statements for the year ended March 31, 2014

	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Associate Company		Enterprise Over Which Key Management Personnel Exercise Significant Influence		Key Management Personnel		Relatives of Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Godrej Tanzania Holdings Limited			1.11	-											1.11	-
Bhabhani Blunt Hairdressing Pvt Limited							34.31	-							34.31	-
Investments Sold																
Godrej Consumer Products Mauritius Limited			15.94	-											15.94	-
Guarantees Given / (Cancelled)																
Godrej Household Products (Bangladesh) Pvt. Limited			(23.70)	11.97											(23.70)	11.97
Godrej East Africa Holdings Limited			31.07	461.96											31.07	461.96
Godrej Netherlands B.V.			-	369.09											-	369.09
Godrej Hygiene Products Limited			(5.00)	-											(5.00)	-
Godrej Consumer Products Holding (Mauritius) Limited			(854.25)	-											(854.25)	-
Godrej Mauritius Africa Holdings Limited			(135.97)	-											(135.97)	-
Security Deposit Given / (Repaid)																
Godrej Hershey Limited									-	(1.50)					-	(1.50)
Repayment of Loan Given																
Mr. A. Mahendran											0.79	0.92			0.79	0.92
Interest Received on Loans																
Mr. A. Mahendran											0.02	0.10			0.02	0.10
Godrej Netherlands B.V.			-	0.03											-	0.03
Dividend Received																
Godrej Household Products Lanka (Private) Limited			0.19	1.00											0.19	1.00
Godrej South Africa (Proprietary) Limited			-	12.41											-	12.41
Dividend Paid																
Godrej & Boyce Mfg. Co. Limited	61.78	59.15													61.78	59.15
Godrej Industries Limited					37.27	34.53									37.27	34.53
Ms. Parneshwar Godrej *													0.00	0.00	0.00	0.00
Ms. Tanya Dubhash													0.58	0.64	0.58	0.64
Ms. Nisaba Godrej											0.33	-	0.25	0.64	0.58	0.64
Mr. Pirojsha Godrej													0.58	0.64	0.58	0.64
Mr. Nadir Godrej													0.36	0.44	0.36	0.44
Mr. Burjis Godrej													0.44	0.49	0.44	0.49
Mr. Sohrab Godrej													0.44	0.49	0.44	0.49
Master Hormazd Godrej													0.51	0.49	0.51	0.49
Mr. Adi Godrej *											0.00	0.00			0.00	0.00
Mr. A. Mahendran											0.00	0.05			0.00	0.05

Notes to the Financial Statements for the year ended March 31, 2014

	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Associate Company		Enterprise Over Which Key Management Personnel Exercise Significant Influence		Key Management Personnel		Relatives of Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Managerial Remuneration																
Mr. Adi Godrej											9.46	6.79			9.46	6.79
Mr. A. Mahendran											3.94	5.59			3.94	5.59
Ms. Nisaba Godrej											2.41	-			2.41	-
Mr. Vivek Gambhir											6.70	-			6.70	-
Commission on Profits and Sitting Fees																
Mr. Nadir Godrej													0.14	0.13	0.14	0.13
Ms. Tanya Dubhash													0.14	0.14	0.14	0.14
Ms. Nisaba Godrej													0.03	0.13	0.03	0.13
Lease Rentals Paid																
Godrej Industries Limited					2.27	2.24									2.27	2.24
Ms. Parmeshwar Godrej													2.46	2.46	2.46	2.46
Ms. Mythili Mahendran													0.10	0.42	0.10	0.42
Outstanding Balances as at March 31, 2014																
Receivable	0.04	0.12	32.34	28.55	0.69	1.51			-	0.17	-	0.79			33.07	31.14
Payable			-	0.33	0.25	2.81									0.25	3.14
Guarantees Outstanding			2091.41	2758.11											2091.41	2758.11

* amount less than ₹ 0.01 crore

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 41 : 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	Previous Year
Not later than one year	2.30	1.23
Later than one year and not later than five years	2.47	1.09
Later than five years	-	-
TOTAL	4.77	2.32

NOTE 42 : 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 its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

a) Forward Contracts outstanding as at March 31, 2014:

	Current Year		Previous Year	
	Avg Rate	USD Crore	Avg Rate	USD Crore
Forward Contract to Purchase (USD)	65.40	0.07	58.85	0.08
[1 contract (previous year 1 contract)]				

b) The uncovered foreign exchange exposure as at March 31, 2014:

		In Crore	
	Currency	Current Year	Previous Year
Payables	USD	0.69	2.42
Payables	EUR	0.05	0.04
Payables*	GBP	0.00	-
Payables*	SGD	-	0.00
Receivables*	GBP	0.00	0.00
Receivables	USD	0.68	0.62
Receivables	EUR	0.21	0.23
Cash & Cash Equivalents	USD	0.28	0.84
Cash & Cash Equivalents	EUR	0.03	0.09

* less than 0.01 crore

NOTE 43 : INCENTIVE PLAN

The amount carried forward in notional bank after distribution of PLVR for the financial year 2013-14 is ₹ 0.79 crore as on March 31, 2014 (previous year ₹ 1.68 crore). The said amount is not provided for in the books of account and is payable in future, if performance so warrants.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 44 : EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

Provident Fund:

The post-employment benefits of the erstwhile Godrej Household Products Ltd., which were acquired 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.

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 and is actuarially valued. 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:

An expected return of 9.31% on plan assets 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 ₹ 6.00 crore (*previous year ₹ 5.21 crore*) has been included in Note 29 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 2.67 crore (*previous year ₹ 5.92 crore*) has been included in Note 29 under Contribution to Provident and Other Funds.

Notes to the Financial Statements for the year ended March 31, 2014

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	20.50	16.20
	Current Service Cost	1.33	1.30
	Interest Cost	1.68	1.37
	Actuarial (Gain) / Loss on Obligation	0.16	4.21
	Benefits Paid	(1.69)	(2.58)
	Present value of the obligation at the end of the year	21.98	20.50
ii)	Change in Plan Assets		
	Fair value of Plan Assets at the beginning of the year	8.85	10.47
	Expected return on Plan Assets	0.73	0.89
	Actuarial Gain / (Loss) on Plan Assets	(0.23)	0.07
	Benefits Paid	(1.69)	(2.58)
	Fair value of Plan Assets at the end of the year	7.66	8.85
iii)	Amounts Recognised in the Balance Sheet		
	Present value of Obligation at the end of the year	21.98	20.50
	Fair value of Plan Assets at the end of the year	7.66	8.85
	Net Obligation at the end of the year	14.32	11.65
iv)	Amounts Recognised in the Statement of Profit and Loss		
	Current Service Cost	1.33	1.30
	Interest Cost on Obligation	1.68	1.37
	Expected return on Plan Assets	(0.73)	(0.89)
	Net Actuarial (Gain) / Loss recognised in the year	0.39	4.14
	Net Cost Included in Personnel Expenses	2.67	5.92
v)	Actual Return on Plan Assets	0.50	0.96
vi)	Estimated contribution to be made in next financial year	4.86	3.83
vii)	Major categories of Plan Assets as a % of total Plan Assets		
	Insurer Managed Funds	100%	100%
viii)	Actuarial Assumptions		
i)	Discount Rate	9.31% P.A.	8.25% P.A.
ii)	Expected Rate of Return on Plan Assets	9.31% P.A.	8.25% P.A.
iii)	Salary Escalation Rate	5.50% P.A.	5.00% P.A.
iv)	Employee Turnover	1.00% P.A.	1.00% P.A.
v)	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.			

Notes to the Financial Statements for the year ended March 31, 2014

ix) Experience Adjustments (Gain) / Loss:		On Plan Liabilities	On Plan Assets
	2013-14	2.32	0.23
	2012-13	2.80	(0.07)
	2011-12	1.63	(0.25)
	2010-11	0.27	0.37
	2009-10	1.86	(0.68)

NOTE 45 : EMPLOYEE STOCK BENEFIT PLAN

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 whereby 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 Option Grantee's retirement.
- f) The price at which the Option Grantee would convert Options granted into GCPL Shares (i.e. the exercise price) shall be the market price prevailing on the day prior to the day of grant plus interest at such rate not being less than the bank rate then prevailing compoundable on an annual basis for the period commencing from the date of granting of the Option and ending on the date of intimating exercise of the Option to the Company.
- g) The 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.

Notes to the Financial Statements for the year ended March 31, 2014

- h) The Board of Directors at 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 utilized 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, vested and exercised till March 31, 2014.
- i) The status of the above plans (since inception) are as under:

	As at March 31, 2014	As at March 31, 2013
Options Granted	4,667,000	4,667,000
Options Vested	3,870,000	3,870,000
Options Exercised	3,810,000	2,745,950
Options Lapsed / Forfeited and re-granted	762,000	762,000
Options Lapsed / Forfeited, pending sale	-	-
Options Lapsed / Forfeited and sold	85,000	85,000
Total Number of Options Outstanding	10,000	1,074,050

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 ₹ 51.00 crore as at beginning of the year. The ESOP Trust has made a net repayment of the loan amounting to ₹ 23.79 crore during the year. The total amount of loans outstanding together with interest thereon as at March 31, 2014 amounts to ₹ 27.21 crore which has been fully adjusted against the reserves in accordance with the scheme of amalgamation duly approved by the Hon'ble High Court of Judicature at Bombay during FY 2010-11. 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 (since inception) is as under:

	As at March 31, 2014	As at March 31, 2013
Options Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	-	-
Options Lapsed / Forfeited, pending sale	40,000	55,000
Options Lapsed / Forfeited and sold	1,049,000	954,000
Total Number of Options Outstanding	1,040,000	1,120,000

Notes to the Financial Statements for the year ended March 31, 2014

III. EMPLOYEE STOCK GRANT SCHEME

- a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders 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 Subsidiaries. The entitlement of each employee will 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 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (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 or as may be decided by the Compensation Committee 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 (since inception) is as under:

	As at March 31, 2014	As at March 31, 2013
Options Granted	268,611	184,361
Options Vested	80,849	29,464
Options Exercised	80,849	29,464
Options Lapsed / Forfeited	53,398	28,704
Total Number of Options Outstanding	134,364	126,193

- IV. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.
- V. Had the fair value method of accounting been used, the employee compensation cost for the year ended March 31, 2014 would have been lower by ₹ 0.51 crore (*previous year lower by ₹ 1.13 crore*).

NOTE 46 : GENERAL

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

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CONSOLIDATED FINANCIALS

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF GODREJ CONSUMER PRODUCTS LIMITED

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

Emphasis of Matter

We draw attention to the following Notes to the Consolidated Financial Statements for the year ended March 31, 2014:

- a) Note 13(b) to the Consolidated 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, 2014, equivalent to the amortisation

Independent Auditors' Report

of the Goodknight and HIT Brands is directly debited to the General Reserve 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 ended on March 31, 2014, would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.

- b) Note 41(b) to the Consolidated Financial Statements regarding the Amalgamation of Godrej Indonesia Netherlands Holding B.V. (GINBV) with Godrej Consumer Holdings B.V. (GCHNBV) approved by the Dutch Court. In accordance with the Scheme of Amalgamation, for the purposes of preparation of the consolidated financial statements of GCHNBV an amount of ₹ 39.34 crore, being the foreign exchange loss on revaluation of certain identified assets and liabilities of the subsidiaries of GCHNBV as determined by the Board of Directors of GCHNBV and costs and expenses of amalgamation amounting to ₹ 0.19 crore have been adjusted directly in the Reserves in the consolidated financial statements of GCHNBV. Had the Scheme not prescribed the above accounting treatment, the above mentioned exchange loss amounting to ₹ 39.34 crore and costs and expenses of amalgamation amounting to ₹ 0.19 crore would have been charged to the Statement of Profit and Loss, the consolidated profit for the year ended March 31, 2014, would have been lower by ₹ 39.53 crore and the General Reserve would have been higher by ₹ 39.53 crore as at March 31, 2014.

The cumulative impact of the above is that the profit before tax would have been lower by ₹ 92.28 crore year ended March 31, 2014 and the General Reserve would have been higher by ₹ 92.28 crore as at March 31, 2014.

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements of certain subsidiaries included in these Consolidated Financial Statements whose financial statements reflect the Group's share of total assets of ₹ 5,342.17 crore as at March 31, 2014, the Group's share of total revenues of ₹ 3,664.62 crore and net cash flows amounting to ₹ 165.86 crore for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries is based solely on the report of the other auditors.

Our opinion is not qualified in respect of this matter.

For and on behalf of

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Firm Regn. No.: 104607W

ROSHNI MARFATIA
PARTNER

M. No.: 106548

Mumbai: April 28, 2014.

Consolidated Balance Sheet as at March 31, 2014

₹ Crore

	Note No.	Current Year	Previous Year
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	3	34.04	34.03
(b) Reserves and Surplus	4	3741.36	3279.01
		3775.40	3313.04
2. Minority Interest		225.10	209.51
3. Non Current Liabilities			
(a) Long-term Borrowings	5	1590.25	1866.15
(b) Deferred Tax Liabilities (Net)	6	4.65	5.96
(c) Other Long-term Liabilities	7	5.62	5.14
(d) Long-term Provisions	8	23.78	22.14
4. Current Liabilities		1624.30	1899.39
(a) Short-term Borrowings	9	111.48	82.44
(b) Trade Payables	10	1234.42	1034.81
(c) Other Current Liabilities	11	1298.15	1104.40
(d) Short-term Provisions	12	55.89	57.44
		2699.94	2279.09
TOTAL		8324.74	7701.03
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		522.42	502.13
(ii) Intangible Assets		1046.49	1085.48
(iii) Capital Work-in-Progress		167.07	140.85
		1735.98	1728.46
(b) Goodwill on Consolidation		3552.45	2908.45
(c) Non - Current Investments	14	34.27	-
(d) Deferred Tax Assets (Net)	15	24.97	19.98
(e) Long-term Loans and Advances	16	157.37	194.75
(f) Other Non-Current Assets	17	1.44	1.02
		5506.48	4852.66
2. Current Assets			
(a) Current Investments	18	102.00	121.18
(b) Inventories	19	1082.13	1047.09
(c) Trade Receivables	20	711.28	728.76
(d) Cash and Bank Balances	21	704.79	747.60
(e) Short-term Loans and Advances	22	216.98	200.83
(f) Other Current Assets	23	1.08	2.91
		2818.26	2848.37
TOTAL		8324.74	7701.03
Notes to the Financial Statements	1 to 42		

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

Firm Regn No. 104607W

For and on behalf of the Board

Adi Godrej

Chairman

Roshni Marfatia

Partner

M. No. 106548

P. Ganesh

Executive Vice-President

(Finance & Commercial)

and Company Secretary

Vivek Gambhir

Managing Director

Mumbai: April 28, 2014

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

₹ Crore

	Note No.	Current Year	Previous Year
I Revenue from Operations			
Revenue from Operations (Gross)	26	7822.94	6624.41
Less : Excise Duty		(220.53)	(208.11)
		7602.41	6416.30
II Other Income	27	62.71	67.78
III Total Revenue (I + II)		7665.12	6484.08
IV Expenses			
Cost of Raw Materials including Packing Material Consumed	28	2967.62	2726.46
Purchases of Stock in Trade		536.68	451.03
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	50.38	(155.89)
Employee Benefits Expenses	30	748.87	590.68
Finance Costs	31	107.37	77.45
Depreciation and Amortization Expenses		81.85	77.00
Other Expenses	32	2148.55	1821.64
Total Expenses		6641.32	5588.37
V Profit Before Exceptional Items and Tax (III-IV)		1023.80	895.71
VI Exceptional Items	33	5.87	128.90
VII Profit Before Tax (V+VI)		1029.67	1024.61
VIII Tax Expense			
(1) Current Tax		216.71	191.88
(2) Deferred Tax		(6.34)	(12.70)
		210.37	179.18
IX Profit for the year Before Minority Interest (VII-VIII)		819.30	845.43
X Share of Profit / (Loss) in Associate Company		(0.05)	-
XI Minority Interest		(59.52)	(49.33)
XII Profit for the Year (IX-X-XI)		759.73	796.10
XIII Earnings per Equity Share (Face Value ₹ 1)	34		
(1) Basic (₹)		22.32	23.39
(2) Diluted (₹)		22.32	23.39
Notes to the Financial Statements	1 to 42		

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

For and on behalf of the Board

Kalyaniwalla & Mistry

Adi Godrej

Chartered Accountants

Chairman

Firm Regn No. 104607W

Roshni Marfatia

P. Ganesh

Vivek Gambhir

Partner

Executive Vice-President

Managing Director

M. No. 106548

(Finance & Commercial)
and Company Secretary

Mumbai: April 28, 2014

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

₹ Crore

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Exceptional Items and Tax	1023.80	895.71
Adjustments for:		
Depreciation and Amortization Expenses	81.85	77.00
Unrealised Foreign Exchange (Gain) / Loss	19.01	7.23
Bad Debts Written off	2.90	1.15
Provision / (Write-back) for Doubtful Debts / Advances	8.55	4.64
Write in of Old Balances	(1.35)	(1.77)
Adjustment Pursuant to Scheme of Amalgamation (Refer Note 41(b))	(39.53)	-
Expenses on ESGs	3.82	2.81
Interest Expense	107.37	77.45
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	(3.87)	(12.16)
(Profit) / Loss on Sale of Investments (Net)	(12.37)	(8.15)
Interest Income	(28.52)	(35.00)
	137.86	113.20
Operating Cash Flows Before Working Capital Changes	1161.66	1008.91
Effect of exchange difference on translation of assets and liabilities	29.64	(13.25)
Adjustments for :		
Inventories	(35.04)	(263.18)
Trade Receivables	12.92	(217.69)
Loans and Advances	(15.29)	(59.80)
Other Assets	(4.01)	1.93
Liabilities and Provisions	210.67	481.82
	169.25	(56.92)
Cash Generated from / (used) in Operations	1360.55	938.74
Adjustment for:		
Direct taxes paid	(237.78)	(206.64)
Net Cash Flow from Operating Activities Before Exceptional Items	1122.77	732.10
Exceptional Items :		
Proceeds from divestment of Food Business	5.87	88.02
Net Cash Flow from Operating Activities After Exceptional Items	1128.64	820.12
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Sale of Fixed Assets (Net)	(132.91)	(263.58)
Investments in Mutual Funds (Net)	31.55	(49.53)
Investments in Fixed Deposits (Net)	42.38	65.84
Investments in Subsidiaries (Net)	(482.31)	(691.09)
Investments in Associate Company	(34.27)	-
Repayment of Loan by ESOP Trust	46.95	18.08
Interest Received	33.83	55.10
Net Cash Flow From Investing Activities	(494.78)	(865.18)

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

₹ Crore

	Current Year	Previous Year
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGS*	0.01	0.00
Issue of Debentures (Net of Expenses)	-	299.28
Redemption of Debentures (including Premium on Redemption)	(50.00)	(249.89)
Short term / Long term Borrowings (Net)	(271.27)	508.08
Cash Credits (Net)	0.28	(3.58)
Interest Paid	(113.21)	(84.32)
Dividend Paid	(170.15)	(161.67)
Dividend Tax Paid	(28.92)	(26.22)
Net Cash Flow from Financing Activities	(633.26)	281.68
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	0.60	236.62
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING	624.46	387.84
AS AT THE ENDING		
Cash and Bank Balances	625.60	623.95
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(0.54)	0.51
	625.06	624.46
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	0.60	236.62

* amount less than ₹ 0.01 crore

As per our Report attached

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

Roshni Marfatia

Partner

M. No. 106548

Mumbai: April 28, 2014

P. Ganesh

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

Signatures to the Cashflow Statement

For and on behalf of the Board

Adi Godrej

Chairman

Vivek Gambhir

Managing Director

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE1 : 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 read with the General Circular No. 15/2013 dated September 12, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956 and the applicable sections of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criterias set out in the revised schedule VI to the Companies Act, 1956. Based on the nature of the products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

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 and impairment, if any. Cost includes all expenses related to acquisition and installation of the concerned assets and excludes any duties / taxes recoverable and capital subsidy / grant received. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

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

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

Items of fixed assets that have been retired from active use and are held for disposal are shown separately in the financial statement as Assets held for Sale under 'Other Current Assets'. Any expected loss on account of difference between book value and realisable value, is recognised immediately in the Statement of Profit and Loss.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

f. Investments

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

Investments other than Current Investments are classified as 'Non-current Investments'.

Current Investments are stated at lower of cost and net realisable value. Non-Current 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 Non-current investments is made to recognise a decline, other than of a temporary nature.

g. Inventories

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

h. Provisions and Contingent Liabilities

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

No Provision is recognised for –

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

i. Revenue Recognition

- i) Sales are recognised on supply of goods when significant risks and rewards of ownership in the goods are transferred to the buyer. Sales are recorded net of returns, trade discounts, rebates, sales taxes and excise duties.
- ii) Income from processing operations is recognised on completion of production / dispatch of the goods, as may be provided in the terms of contract.
- iii) Dividend income is recognised when the right to receive the same is established.
- iv) Interest income is recognised on a time proportion basis.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

j. Expenditure

- i) Expenses are accounted for on accrual basis, net of recoveries, if any 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.

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 capitalized 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.

l. 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) 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 yearly average exchange rates. All resulting exchange differences are accumulated in a Foreign Currency Translation Reserve until disposal of the net investment.
- v) Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the year insofar as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognising as income or expense in each such periods.

m. Hedging

The Group uses forward exchange contracts to hedge its foreign exchange exposures. Gains or losses on settled contracts are recognised in the Statement of Profit and Loss.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

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.

b) Defined Benefit Plans

Gratuity Fund

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

Provident Fund

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

p. Depreciation and Amortisation

Tangible Assets

- 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 or higher, e.g.:
 - a) In case of computer hardware which is depreciated over 4 years.
 - b) Tools, dies and moulds acquired are depreciated over a period of 9 years and 3½ years respectively.
 - c) Vehicles are depreciated over a period ranging from 5 years to 10½ years depending on the use of vehicles.
 - d) Depreciation in the subsidiary companies is provided under the Straight Line Method over the expected useful lives of the respective assets ranging between 3 years to 10 years.
- iv) Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.

Intangible Assets

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

- i) Software license is amortised over a period of 6 years.
- ii) 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, HIT, Kinky and Soft & Gentle brands where the brands are amortised equally over a period of 20 years.
- iii) 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) The cost of SAP licenses incurred for subsidiaries are being recovered from respective subsidiaries.
- v) Goodwill is amortised over a period of 5 years.
- vi) Technical Knowhow is depreciated over a period of 10 years.

It is estimated that the impact on depreciation and amortization of the difference in expected useful lives between the holding company and subsidiaries is not material.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

r. Cash and Cash Equivalents

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

s. Earnings Per Share

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

t. Segment Reporting

The Group is considered to be a single segment group – engaged in the manufacture of Personal and Household Care products. The Group has identified business segment as its primary segment. Geographic segments of the Group 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.

NOTE 2 : PRINCIPLES OF CONSOLIDATION

- a. The consolidated financial statements relate to Godrej Consumer Products Limited, the Holding Company and its subsidiaries. The consolidation of accounts of the Company with its subsidiaries and associates (collectively known as "Group") 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.
- b. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.
- c. The Audited financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. up to March 31, 2014.
- d. In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries 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.
- e. Minority interest in net income of the consolidated subsidiaries is adjusted against the income of the group in order to arrive at the net income attributable to shareholder's of the company. Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.
- f. Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23- Accounting for Investments in Associates in Consolidated Financial Statements using 'Equity Method'. The Company's share of the post-acquisition profits or losses is included in the carrying cost of investments.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

Particulars of Subsidiaries

The subsidiary companies / entities considered in the consolidated financial statements are:

100% Direct Subsidiaries of the Company:

Godrej Household Products Lanka (Private) Limited (Srilanka)

Godrej Household Products (Bangladesh) Private Limited (Bangladesh)

Godrej Consumer Products Bangladesh Limited (Bangladesh)

Godrej South Africa (Proprietary) Limited (South Africa)

Godrej Global Mid East FZE (UAE)

Godrej Hygiene Products Limited (India) *[merged with Godrej Consumer Products Ltd w.e.f. April 1, 2013]*

Godrej Netherlands B.V. (Netherlands)

Godrej UK Limited *[Erstwhile Godrej Consumer Products (UK) Limited] (UK)*

(100% subsidiary of Godrej Netherlands B.V.)

Godrej Consumer Products (UK) Limited *[Erstwhile Keyline Brands Limited] (UK)*

(100% subsidiary of Godrej UK Limited)

Inecto Manufacturing Limited (UK)

(100% subsidiary of Godrej Consumer Products (UK) Limited)

Godrej Consumer Investments (Chile) Spa (Chile)

(75% held by Godrej Netherlands B.V. and 25% held by Godrej UK Limited)

Godrej Holding (Chile) Limitada (Chile)

(99.99% held by Godrej Consumer Investments (Chile) Spa and 0.01% held by Godrej UK Limited)

Cosmetica Nacional (Chile)

(60% subsidiary of Godrej Holding Chile Limitada)

Plasticos Nacional (Chile)

(98.81% subsidiary of Cosmetica Nacional)

Godrej Consumer Products Mauritius Limited (Mauritius)

Godrej Consumer Investment Holding Limited

(100% subsidiary of Godrej Consumer Products Mauritius Limited)

Godrej Kinky Holdings Limited (Mauritius)

(100% subsidiary of Godrej Consumer Products Mauritius Limited)

Kinky Group (Proprietary) Limited (South Africa)

(100% subsidiary of Godrej Kinky Holdings Limited)

Godrej Nigeria Limited (Nigeria)

(99.99% held by Godrej Consumer Products Mauritius Limited and 0.01% held by Godrej Kinky Holdings Limited)

Godrej Argentina Dutch Cooperatief U.A (Netherlands)

(99.99% held by Godrej Consumer Products Mauritius Limited and 0.01% held by Godrej Kinky Holdings Limited)

Godrej Netherlands Argentina Holding B.V. (Netherlands)

(100% held by Godrej Argentina Dutch Cooperatief U.A.)

Godrej Netherlands Argentina B.V. (Netherlands)

(100% held by Godrej Argentina Dutch Cooperatief U.A.)

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

Laboratoria Cuenca S.A. (Argentina)

(91.68% held by Godrej Netherlands Argentina B.V. and 8.32% held by Godrej Netherlands Argentina Holding B.V.)

Deciral S.A. (Uruguay)

(99% held by Laboratoria Cuenca S.A. and 1% held by Issue Group Uruguay S.A.)

Issue Group Uruguay S.A. (Uruguay)

(99% held by Laboratoria Cuenca S.A. and 1% held by Deciral S.A.)

Issue Group Brazil Limited (Brazil)

(97% held by Laboratoria Cuenca S.A. and 3% held by Godrej Netherlands Argentina B.V.)

Consell S.A. (Argentina)

(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.)

Panamar Produccioness S.A. (Argentina)

(90% held by Godrej Netherlands Argentina B.V. and 10% held by Godrej Netherlands Argentina Holding B.V.)

Argencos S.A. (Argentina)

(85.81% held by Godrej Netherlands Argentina B.V. and 14.19% held by Panamar Produccciones S.A.)

Godrej Consumer Products Holding (Mauritius) Limited (Mauritius)

Indovest Capital Limited, Labuan (Malaysia)

(100% subsidiary of Godrej Consumer Products Holding (Mauritius) Limited)

Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands)

(99.99% held by Godrej Consumer Products Holding (Mauritius)Limited, 0.01% held by Godrej Consumer Products Mauritius Limited)

Godrej Indonesia Netherlands Holding B.V. (Netherlands)

[merged with Godrej Consumer Holdings (Netherlands) B.V. w.e.f. September 30, 2013]

(100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)

Godrej Consumer Products (Netherlands) B.V. (Netherlands)

(100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)

Godrej Consumer Holdings (Netherlands) B.V. (Netherlands)

(100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)

PT Indomas Susemi Jaya (Indonesia)

(96.93% held by Godrej Consumer Holdings (Netherlands) B.V. and 3.07% held by Godrej Consumer Products Netherlands B.V.)

PT Intrasari Raya (Indonesia)

(99% held by Godrej Consumer Holdings (Netherlands) B.V. and 1% held by Godrej Consumer Products Netherlands B.V.)

PT Megasari Makmur (Indonesia)

(99.95% held by Godrej Consumer Holdings (Netherlands) B.V. and 0.05% held by Godrej Consumer Products Netherlands B.V.)

PT Ekamas Sarijaya (Indonesia)

(96% held by Godrej Consumer Holdings (Netherlands) B.V. and 4% held by Godrej Consumer Products Netherlands B.V.)

PT Sarico Indah (Indonesia)

(98.51% held by Godrej Consumer Holdings (Netherlands) B.V. and 1.49% held by Godrej Consumer Products Netherlands B.V.)

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

Godrej Mauritius Africa Holdings Limited (Mauritius)

Godrej Weave Holdings Limited (Mauritius)

(100% subsidiary of Godrej Mauritius Africa Holdings Limited)

DGH Mauritius Private Limited (Mauritius) *(49% acquired during the year on March 18, 2014)*

(100% subsidiary of Godrej Weave Holdings Limited)

Weave Business Holding Mauritius Private Limited (Mauritius)

(100% subsidiary of DGH Mauritius Private Limited)

Lorna Nigeria Limited (Nigeria)

(99.99% held by Weave Business Holding Mauritius Private Limited and 0.01% held by DGH Mauritius Private Limited)

Godrej West Africa Holdings Limited (Mauritius)

(55.63% subsidiary of DGH Mauritius Private Limited)

Subinite Pty Limited (South Africa)

(100% subsidiary of Godrej West Africa Holdings Limited w.e.f. March 24, 2014)

(100% subsidiary of Weave Business Holding Mauritius Private Limited upto March 23, 2014)

Weave IP Holding Mauritius Private Limited (Mauritius)

(100% subsidiary of Godrej West Africa Holdings Limited w.e.f. March 24, 2014)

(100% subsidiary of Weave Business Holding Mauritius Private Limited upto March 23, 2014)

Weave Mozambique Limitada (Mozambique)

(99.9% held by Godrej West Africa Holdings Limited and 0.1% held by Weave IP Holding Mauritius Limited w.e.f. March 24, 2014)

(99% held by Weave Business Holding Mauritius Private Limited and 0.1% held by DGH Mauritius Private Limited upto March 23, 2014)

Weave Trading Mauritius Private Limited (Mauritius)

(51% subsidiary of Godrej Weave Holdings Limited)

Hair Trading (Offshore) S.A.L. (Lebanon)

(99.80% subsidiary of Weave Trading Mauritius Private Limited)

Godrej East Africa Holdings Limited (Mauritius)

DGH Phase Two Mauritius Private Limited (Mauritius)

(51% subsidiary of Godrej East Africa Mauritius Limited)

Style Industries Limited (Kenya)

(99.99% held by of DGH Phase Two Mauritius Private Limited and 0.01% held by Godrej East Africa Holdings Limited)

Godrej Tanzania Holdings Limited (Mauritius)

DGH Tanzania Ltd (Mauritius)

(100% subsidiary of Godrej Tanzania Holdings Limited)

Sigma Hair Industries Limited

(99.95% held by DGH Tanzania Limited and 0.05% held by Godrej Tanzania Holdings Limited)

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

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		
340,409,434 Equity Shares (<i>previous year 340,358,049</i>) of ₹ 1 each	34.04	34.04
Subscribed and Fully Paid up		
340,378,310 Equity Shares (<i>previous year 340,326,925</i>) of ₹ 1 each fully paid up	34.04	34.03
TOTAL	34.04	34.03

NOTES:

- a) During the year, the Company has issued 51,385 equity shares (*previous year 29,464*) under the Employee Stock Grant Scheme.
- b) 31,124 Right Issue equity shares (*previous year 31,124 equity shares*) 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 equity shareholder is entitled to one vote per share.
During the year ended March 31, 2014 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.25 (*previous year: ₹ 5.00*).

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	340,326,925	34.03	340,297,461	34.03
Add : Shares Issued during the year *	51,385	0.01	29,464	0.00
Shares outstanding at the end of the year	340,378,310	34.04	340,326,925	34.03

* amount less than ₹ 0.01 crore

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
Holding Company				
Godrej & Boyce Manufacturing Co. Ltd.	122,411,815	35.97%	123,561,815	36.31%
Subsidiary of Holding Company				
Godrej Industries Limited	77,029,620	22.63%	73,659,620	21.64%

f) Shares Reserved for issue under options

The Company has 134,364 (*previous year 126,193*) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2014. (*As detailed in Note 40*).

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

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

- h) There are no calls unpaid on equity shares other than Rights shares in abeyance as mentioned in Note (b) above.
- i) No equity shares have been forfeited.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

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	1483.65	1508.08
(+) Premium Received on Allotment of Shares	2.38	1.11
(-) Expenses on Issue of Debentures	(0.02)	(0.72)
(-) Premium on Redemption of Debentures	(24.45)	(24.82)
Closing Balance	1461.56	1483.65
4. DEBENTURE REDEMPTION RESERVE		
Balance as per last financial statements	21.25	7.13
(+) Transfer from Surplus	23.53	21.25
(-) Transfer to General Reserve	-	(7.13)
Closing Balance	44.78	21.25
5. EMPLOYEE SHARE OPTIONS OUTSTANDING		
Gross Employee Compensation for Options granted	8.92	6.08
(-) Deferred Employee Compensation Expense	(3.68)	(2.58)
Closing Balance	5.24	3.50
6. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT	-	(3.74)
7. FOREIGN CURRENCY TRANSLATION RESERVE	(25.98)	(50.48)
8. GENERAL RESERVE		
Balance as per last financial statements	206.97	201.46
(+) Transfer from Surplus	96.03	51.13
(+) Transfer from Debenture Redemption Reserve	-	7.13
(-) Trademark and Brands amortisation pursuant to Scheme of Amalgamation of GHPL (Refer Note 13(b))	(52.75)	(52.75)
(-) Adjustment Pursuant to Scheme of Amalgamation of Godrej Hygiene Products Limited (Refer Note 41(a))	(3.92)	-
(-) Adjustment Pursuant to Scheme of Amalgamation of GINBV with GCHNBV (Refer Note 41(b))	(39.53)	-
Closing Balance	206.80	206.97
9. SURPLUS		
Balance as per last financial statements	1616.25	1090.82
(+) Net Profit for the Year	759.73	796.10
(-) Dividends - Interim	(178.70)	(170.16)
(-) Tax on Distributed Profit	(30.37)	(28.13)
(-) Transfer to General Reserve	(96.03)	(51.13)
(-) Transfer to Debenture Redemption Reserve	(23.53)	(21.25)
Closing Balance	2047.35	1616.25
TOTAL	3741.36	3279.01

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 5 : LONG-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
A. Secured		
Term Loans		
From Banks (See Note (a) below)	-	410.55
Deferred Sales Tax Loan (See Note (b) below)	-	0.05
	-	410.60
B. Unsecured		
Debentures		
a) 2,500 Unsecured, Redeemable, Zero Coupon, Non-Convertible Debentures of ₹ 10 lac each	-	250.00
b) Premium on Redemption of Debentures	-	10.17
(Refer Note 11 (a))	-	260.17
Term loans		
From Banks	1589.71	1179.76
From Other Parties	0.54	15.62
	1590.25	1195.38
TOTAL	1590.25	1866.15

NOTES:

- Deferred sales tax loan was interest free and was secured by Bank Guarantee in favour of Sales Tax authorities.
- Unsecured loans represent borrowings mainly for acquisitions, repayable at a floating rate of interest ranging from 2% - 3%.
- The Group 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	23.02	20.00
2. Deferred Tax Assets		
a) Tax Disallowances	(16.78)	(12.64)
b) Provision for Doubtful Debts and Advances	(1.41)	(1.40)
c) Others	(0.18)	-
	(18.37)	(14.04)
TOTAL	4.65	5.96

NOTE 7 : OTHER LONG-TERM LIABILITIES

	₹ Crore	
	Current Year	Previous Year
Security Deposits Received	3.79	4.42
Others	1.83	0.72
TOTAL	5.62	5.14

NOTE 8 : LONG-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
Provision for Employee Benefits		
Leave Encashment	4.24	4.90
Gratuity	19.54	17.24
TOTAL	23.78	22.14

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 9 : SHORT-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
A. Secured		
Loans Repayable on Demand		
Cash Credit from Banks (<i>Refer Note (a) below</i>)	0.88	0.60
B. Unsecured		
Short Term Loan from Bank	110.60	81.84
TOTAL	111.48	82.44

NOTES:

- Cash Credit from Banks are secured by hypothecation of Inventories and Book debts.
- The Group does not have any default as on the Balance Sheet date in repayment of any loan or interest.

NOTE 10 : TRADE PAYABLES

	₹ Crore	
	Current Year	Previous Year
Due to Micro, Small and Medium Enterprises	-	-
Others	1234.42	1034.81
TOTAL	1234.42	1034.81

NOTE:

There are no Micro, Small and Medium Enterprises, to whom the Group 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 Group. 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 Notes below</i>)	671.11	507.75
2. Interest Accrued but not Due on Borrowings	16.32	19.17
3. Security Deposit Received	0.38	0.44
4. Unpaid Dividends	6.20	5.76
5. Taxes, Duties and Other Levies Payable	123.02	82.25
6. Interim Dividend Payable	76.59	68.07
7. Other Payables	404.53	420.96
TOTAL	1298.15	1104.40

NOTES:

- Current Maturities of Long term Debt in current year include 2,500 zero-coupon, unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each, redeemable at a premium, which will yield 9.40% p.a. at maturity. These debentures are redeemable on October 25, 2014, with call option on October 25, 2013, at a call option premium of 0.50%.
- Current maturities of Long term Debt in previous year include 500, 9.80% unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each. These debentures have been redeemed at par on October 28, 2013.

NOTE 12 : SHORT-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
1. Provision for Employee Benefits		
Gratuity	14.32	11.65
Leave Encashment	2.90	3.23
2. Others		
Provision for Taxes [<i>Net of Advance Tax - ₹ 48.21 crore (previous year ₹ 36.41 crore)</i>]	25.65	30.99
Provision for Tax on Distributed Profits	13.02	11.57
TOTAL	55.89	57.44

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 13 : FIXED ASSETS

₹ Crore

ASSETS	GROSS BLOCK						DEPRECIATION /AMORTISATION						NET BLOCK	
	Opening	Additions	Disposals	Acquisitions through Business Combinations	Other Adjustment	Closing	Opening	Depreciation for the Year	On Disposals	On Acquisitions through Business Combinations	Other Adjustments / Impairment	Closing	Current Year	Previous Year
A. TANGIBLE ASSETS														
Freehold Land	32.50	1.98	(1.05)	-	7.31	40.74	-	-	-	-	-	-	40.74	32.50
Leasehold Land	17.40	1.35	-	-	1.16	19.91	0.57	0.25	-	-	(0.01)	0.81	19.10	16.83
Leasehold Improvements	5.40	2.05	-	-	(1.12)	6.33	1.39	1.38	-	-	0.08	2.85	3.48	4.01
Buildings	231.14	14.86	(3.67)	-	(31.77)	210.56	49.89	6.73	(1.78)	-	(6.19)	48.65	161.91	181.25
Plant and Equipments	450.79	61.46	(5.92)	-	0.25	506.58	240.53	32.94	(6.67)	-	(2.57)	264.23	242.35	210.26
Furniture, Fixtures and Fittings	24.99	3.23	(0.49)	-	(0.51)	27.22	11.16	4.74	(0.25)	-	(0.38)	15.27	11.95	13.83
Office Equipment	25.82	2.08	(0.22)	-	(8.81)	18.87	13.65	2.00	(0.19)	-	(5.65)	9.81	9.06	12.17
Vehicles	41.10	8.14	(3.75)	-	1.68	47.17	16.73	6.52	(1.72)	-	0.33	21.86	25.31	24.37
Computers	21.76	4.40	(4.19)	-	4.84	26.81	14.85	4.22	(4.13)	-	3.35	18.29	8.52	6.91
(A)	850.90	99.55	(19.29)	-	(26.97)	904.19	348.77	58.78	(14.74)	-	(11.04)	381.77	522.42	502.13
B. INTANGIBLE ASSETS														
Goodwill	13.58	-	-	-	(0.04)	13.54	6.16	2.47	-	-	(0.05)	8.58	4.96	7.42
Trademarks and Brands	1254.88	1.93	-	-	18.03	1274.84	198.69	13.84	-	-	56.37	268.90	1005.94	1056.19
Computer Software	35.53	21.63	(0.13)	-	(1.19)	55.84	16.03	6.50	0.26	-	(0.43)	22.36	33.48	19.50
Technical Knowhow	2.64	-	-	-	-	2.64	0.27	0.26	-	-	-	0.53	2.11	2.37
(B)	1306.63	23.56	(0.13)	-	16.80	1346.86	221.15	23.07	0.26	-	55.89	300.37	1046.49	1085.48
(A+B)	2157.53	123.11	(19.42)	-	(10.17)	2251.05	569.92	81.85	(14.48)	-	44.85	682.14	1568.91	
Previous Year	2040.33	218.69	(187.15)	87.14	(1.48)	2157.53	493.95	77.00	(69.12)	19.49	48.60	569.92		1587.61
C. CAPITAL WORK-IN-PROGRESS													167.07	140.85
TOTAL													1735.98	1728.46

NOTES:

- Trademarks and Brands acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company and Soft and Gentle Brand of UK 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 and HIT brands have been in existence since the last two decades and been growing at a fast pace. Soft and Gentle is the 4th largest by Market Share in the female Deodorant Market in the UK.
- 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 crore*), equivalent to the amortisation of the Goodknight and HIT brands is charged directly to the General Reserve.
- During the year, the Company has capitalised borrowing costs amounting to ₹ 6.44 crore (*Previous year ₹ 4.55 crore*).
- Other adjustments include re-classification of assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 14 : NON-CURRENT INVESTMENTS

	Face Value ₹	Numbers		Amounts		₹ Crore
		Current Year	Previous Year	Current Year	Previous Year	
Trade Investments (At Cost)						
1. Investments in Equity Instruments						
Of Associate Companies						
<i>Unquoted, fully paid up:</i>						
Bhabhani Blunt Hairdressing Pvt Ltd	10	5,546	-	22.27	-	
2. Investments in Debentures						
Of Associate Companies						
<i>Unquoted, fully paid up:</i>						
Bhabhani Blunt Hairdressing Pvt Ltd	10	3,060	-	12.00	-	
TOTAL				34.27	-	
Aggregate Amount of Quoted Investments				-	-	
Aggregate Amount of Unquoted Investments				34.27	-	

NOTE:

During the year, the Company has acquired 30% stake in Bhabani Blunt Hair Dressing Private Limited (b:blunt), a premier hair salon company with one of the strongest consumer franchises in this space. The Company has also invested in the Compulsorily Convertible Debentures (CCDs) issued by b:blunt.

NOTE 15 : DEFERRED TAX ASSETS (NET)

	₹ Crore	
	Current Year	Previous Year
1. Deferred Tax Assets		
a) Tax Disallowances	20.73	16.11
b) Others	6.99	4.73
	27.72	20.84
2. Deferred Tax Liability		
a) Depreciation	(1.97)	-
b) Others	(0.78)	(0.86)
	(2.75)	(0.86)
TOTAL	24.97	19.98

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 16 : LONG TERM LOANS AND ADVANCES

	Current Year	Previous Year
Unsecured, Considered Good, Unless Otherwise Stated		
1. Capital Advances	5.09	2.55
2. Security Deposits		
Considered Good	25.44	21.41
Considered Doubtful	0.77	-
Less: Provision for Doubtful Deposits	(0.77)	-
	25.44	21.41
3. Other Loans and Advances		
a) Amount due from ESOP Trust	-	50.30
b) Excise and VAT Receivables		
Considered Good	78.34	87.21
Considered Doubtful	12.46	11.26
Less: Provision for Doubtful Receivables	(12.46)	(11.26)
	78.34	87.21
c) Advance Tax [Net of Provisions - ₹ 749.43 crore (previous year ₹ 589.35 crore)]	42.55	26.82
d) Miscellaneous Loans and Advances (Refer Note below)	5.95	6.46
TOTAL	157.37	194.75

NOTE:

Long Term Loans and Advances include ₹ Nil (previous year ₹ 0.53 crore) due from a Director.

NOTE 17 : OTHER NON-CURRENT ASSETS

	Current Year	Previous Year
Unsecured, Considered Good, Unless Otherwise Stated		
Other Non-current Assets	-	1.02
Fixed Deposits with original maturity of more than 12 months - under lien against Bank Guarantees	1.44	-
TOTAL	1.44	1.02

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 18 : CURRENT INVESTMENTS

₹ Crore

	Face Value ₹	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
Investments in Mutual Funds					
(Valued at lower of cost and fair value)					
Unquoted, fully paid-up:					
ICICI Prudential Liquid - Direct Plan - Growth	100	2,214,487	2,311,590	42.00	40.00
Kotak Liquid Scheme - Plan A Direct Plan - Growth	1000	19,337	-	5.00	-
Birla Sun Life Cash Plus - Instl. Prem. - Growth	100	2,141,141	-	44.00	-
HDFC Liquid Fund - Direct Plan - Growth	10	4,353,953	34,746,132	11.00	80.00
BBVA Bank - Money Market Easy Liquidity		-	85,891	-	1.18
TOTAL				102.00	121.18
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				102.00	121.18

NOTE 19 : INVENTORIES

₹ Crore

	Current Year	Previous Year
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials & Packing Materials	513.31	430.69
Goods-in Transit	3.95	1.27
	517.26	431.96
Work-in-Progress	51.27	38.24
Finished Goods	397.17	501.60
Stock-in-Trade	108.00	66.98
Stores and Spares	8.43	8.31
TOTAL	1082.13	1047.09

NOTE 20 : TRADE RECEIVABLES

₹ Crore

	Current Year	Previous Year
Trade Receivables Outstanding for a Period Exceeding Six Months from the due date		
Unsecured : Considered Good	23.15	32.96
Considered Doubtful	7.47	7.33
	30.62	40.29
Less: Provision for Doubtful Debts	(7.47)	(7.33)
	23.15	32.96
Other Trade Receivables		
Secured, Considered Good	44.12	37.05
Unsecured : Considered Good	644.01	658.75
Considered Doubtful	6.06	4.54
	694.19	700.34
Less: Provision for Doubtful Debts	(6.06)	(4.54)
	688.13	695.80
TOTAL	711.28	728.76

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 21 : CASH AND BANK BALANCES

	Current Year	Previous Year
₹ Crore		
1. Cash and Cash Equivalents		
a) Balances with Banks		
On Current Accounts	409.55	448.59
Deposits with less than 3 months maturity	213.99	173.96
	623.54	622.55
b) Cheques, Drafts on Hand	-	0.56
c) Cash on Hand	1.52	1.35
	625.06	624.46
2. Other Bank Balances		
a) Deposits with more than 3 months but less than 12 months maturity	69.53	109.19
b) Deposits under lien against Bank Guarantees	4.00	8.16
c) For Unpaid Dividend	6.20	5.79
	79.73	123.14
TOTAL	704.79	747.60

NOTE 22 : SHORT TERM LOANS AND ADVANCES

	Current Year	Previous Year
₹ Crore		
Unsecured, Considered Good, Unless Otherwise Stated		
1. Security Deposits	1.24	3.41
2. Excise and VAT Receivables	100.90	89.95
3. Miscellaneous Loans and Advances		
Considered Good (Refer Note below)	114.84	107.47
Considered Doubtful	0.56	0.58
Less: Provision for Doubtful Loans and Advances	(0.56)	(0.58)
	114.84	107.47
TOTAL	216.98	200.83

NOTE:

Short Term Loans and Advances include ₹ Nil (previous year ₹ 0.26 crore) due from a Director.

NOTE 23 : OTHER CURRENT ASSETS

	Current Year	Previous Year
₹ Crore		
Claims Receivable		
Considered Doubtful	4.94	-
Less: Provision for Doubtful Claims	(4.94)	-
	-	-
Accrued Interest	0.93	2.89
Deferred Premium on Forward Contracts	0.15	0.02
TOTAL	1.08	2.91

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 24 : CONTINGENT LIABILITIES

₹ Crores

	Current Year	Previous Year
a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS		
i) Excise duty demands aggregating ₹ 33.09 crore (<i>previous year ₹ 11.26 crore</i>) against which the Company has preferred appeals (net of tax).	21.84	7.61
ii) Sales tax demands aggregating ₹ 62.92 crore (<i>previous year ₹ 22.68 crore</i>) against which the Company has preferred appeals (net of tax).	41.53	15.32
iii) Income-tax matters		
Demand notices issued by Income-tax Authorities.	12.37	7.81
iv) Other matters : ₹ 3.00 crore (<i>previous year ₹ 3.00 crore</i>) (net of tax).	1.98	2.03
b) GUARANTEES		
Guarantees against Borrowings (<i>in excess of Loans outstanding</i>)		
i) Guarantee amounting to USD 78.8 million (<i>previous year USD 221.8 million</i>) given by the Company against loan provided by banks to Godrej Consumer Products Holding (Mauritius) Ltd.	218.75	468.80
ii) Guarantee amounting to USD 99.0 million (<i>previous year USD 121.0 million</i>) given by the Company to DBS Bank, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	65.91	59.71
iii) Guarantee amounting to GBP 30.0 million (<i>previous year GBP 30.0 million</i>) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	59.86	49.34
iv) Guarantee amounting to USD 84.0 million (<i>previous year USD 84.0 million</i>) given by the Company to HSBC, Hongkong & SCB Mauritius Limited against loan provided to Godrej East Africa Holdings Limited.	47.93	43.43
v) Guarantee amounting to GBP 9.9 million (<i>previous year GBP 9.9 million</i>) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	8.98	7.40
Others		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 5.44 crore (<i>previous year ₹ 8.16 crore</i>)]	7.92	10.25
ii) Guarantee of AED 1.4 million (<i>previous year AED 1.4 million</i>) given by the Company to secure credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mid East FZE.	2.28	2.07
iii) Guarantee given by the Company to secure credit facilities extended by the Royal Bank of Scotland to Godrej Hygiene Products Limited.	-	5.00
iv) Guarantee given by the Company to secure 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.	2.96	7.56
v) Guarantee amounting to USD 10.0 million (<i>previous year USD 10.0 million</i>) given by the Company to HSBC, Hongkong towards interest rate swap/derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Ltd.	59.92	54.28

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 24 : CONTINGENT LIABILITIES (Contd.)

		₹ Crores	
		Current Year	Previous Year
vi)	Guarantee amounting to Nil (<i>previous year BDT 245.0 million</i>) given by the Company to HSBC Bangladesh towards credit facilities provided by the Bank to Godrej Household Products (Bangladesh) Pvt. Ltd.	-	17.13
vii)	Guarantee amounting to USD 5.0 million (<i>previous year USD 5.0 million</i>) given by the Company to HSBC Hongkong towards interest rate swap/derivative facilities provided to Godrej Netherlands BV.	29.96	27.14
viii)	Guarantee amounting to USD 5.0 million (<i>previous year Nil</i>) given by the Company to HSBC Hongkong towards interest rate swap/derivative facilities provided to Godrej East Africa Holdings Limited.	29.96	-
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.	32.22	24.94
ii)	Others	0.28	2.87

NOTE 25 : COMMITMENTS

		₹ Crores	
		Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capital account and not provided (<i>Net of Advances</i>)		54.22	41.05

NOTE 26 : REVENUE FROM OPERATIONS

		₹ Crore	
		Current Year	Previous Year
1.	Sale of Products	7803.10	6,607.76
2.	Other Operating Revenues		
	Miscellaneous Income	19.84	16.65
		7822.94	6624.41
3.	Less : Excise Duty	(220.53)	(208.11)
	TOTAL	7602.41	6416.30

NOTE 27 : OTHER INCOME

		₹ Crore	
		Current Year	Previous Year
1.	Interest Income		
	On Advances and Deposits	28.07	29.60
	On Loan to ESOP Trust	0.45	5.40
2.	Net Gain on Sale of Investments	12.37	8.15
3.	Other Non-Operating Income		
	Profit on Sale of Fixed Assets	3.98	14.93
	Claim Received	0.50	1.88
	Miscellaneous Non-operating Income	17.34	7.82
	TOTAL	62.71	67.78

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 28 : COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

	₹ Crore	
	Current Year	Previous Year
Opening Inventory	431.96	324.09
Add : Purchases (Net)	3052.92	2834.33
	3484.88	3158.42
Less: Closing Inventory	(517.26)	(431.96)
Cost of Raw Materials including Packing Material Consumed	2967.62	2726.46

NOTE 29 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN- TRADE

	₹ Crore	
	Current Year	Previous Year
Opening Inventory		
Finished Goods	501.60	370.61
Stock-in-Trade	66.98	39.15
Work-in-Progress	38.24	41.17
	606.82	450.93
Less: Closing Inventory		
Finished Goods	397.17	501.60
Stock-in-Trade	108.00	66.98
Work-in-Progress	51.27	38.24
	556.44	606.82
(Increase) / Decrease in Inventories	50.38	(155.89)

NOTE 30 : EMPLOYEE BENEFITS EXPENSES

	₹ Crore	
	Current Year	Previous Year
1. Salaries and Wages	706.17	550.08
2. Contribution to Provident and Other Funds	12.76	13.38
3. Expense on Employee Stock Grant Scheme (ESGS)	3.82	2.81
4. Staff Welfare Expenses	26.12	24.41
TOTAL	748.87	590.68

NOTE 31 : FINANCE COST

	₹ Crore	
	Current Year	Previous Year
1. Interest Expense	63.79	60.37
2. Bill Discounting Charges	43.58	17.06
3. Other Borrowing costs	-	0.02
TOTAL	107.37	77.45

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 32 : OTHER EXPENSES

	Current Year	Previous Year
	₹ Crore	
Consumption of Stores and Spare Parts	24.80	20.24
Power and Fuel	103.20	102.56
Rent	45.34	41.63
Repairs and Maintenance		
Plant and Equipment	8.97	6.94
Buildings	4.01	3.02
Others	30.44	26.06
	43.42	36.02
Insurance	14.80	10.44
Rates and Taxes	30.52	15.12
Miscellaneous Expenses (Net)	104.79	96.90
Processing and Other Manufacturing Charges	111.36	102.93
Excise Duty	16.27	8.36
Travelling and Conveyance	61.49	52.72
Legal and Professional Charges	47.47	47.73
Donations	1.16	0.79
Advertising, Publicity and Sales Promotion	1108.52	891.60
Selling and Distribution Expenses	132.81	116.07
Freight	244.42	211.74
Bank Charges	12.54	9.87
Commission	10.17	13.45
Discount	2.94	4.66
Net Loss on Sale of Fixed Assets	0.11	2.77
Net Loss on Foreign Currency Transactions and Translations	26.78	32.78
Bad Debts Written Off	2.90	1.15
Provision for Doubtful Debts / Advances	2.74	2.11
TOTAL	2148.55	1821.64

NOTE :

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

NOTE 33 : EXCEPTIONAL ITEMS

	Current Year	Previous Year
	₹ Crore	
Divestment of Foods Business	5.87	128.90
TOTAL	5.87	128.90

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 34 : EARNINGS PER SHARE

		Current Year	Previous Year
Net Profit After Tax	₹ Crore	759.73	796.10
Number of Shares outstanding at the beginning of the year		340,326,925	340,297,461
Add : Shares Issued during the year		51,385	29,464
Number of Shares outstanding at the end of the year		340,378,310	340,326,925
Weighted Average Number of Equity Shares			
For calculating Basic EPS		340,363,605	340,318,803
For calculating Diluted EPS		340,445,040	340,396,437
Earnings Per Share Before and After Extraordinary Items (Face Value ₹ 1)			
Basic (₹)		22.32	23.39
Diluted (₹)		22.32	23.39

NOTE 35 : LEASES

The Group'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	Previous Year
Not later than one year	5.89	6.84
Later than one year and not later than five years	4.74	4.06
Later than five years	0.21	0.91
TOTAL	10.84	11.81

NOTE 36 : HEDGING CONTRACTS

The Group uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy. The Group does not use foreign exchange forward contracts or commodity futures contracts for trading or speculation purposes.

a) Forward Contracts outstanding as at March 31, 2014:

	Current Year		Previous Year	
	Avg Rate	USD Crore	Avg Rate	USD Crore
Forward Contract to Purchase (USD)	63.50	1.70	58.85	0.08
[14 contract (previous year 1 contract)]				

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

b) The uncovered foreign exchange exposure as at March 31, 2014:

	Currency	Current Year	Previous Year
In Crore			
Payables	USD	5.47	7.23
Payables	SGD	0.01	0.01
Payables	EUR	0.06	0.05
Payables*	GBP	0.01	0.00
Payables	INR	1.45	-
Payables	JPY	0.08	0.15
Loan and Interest payable	USD	-	2.47
Receivables	USD	1.49	1.95
Receivables	EUR	0.21	0.23
Receivables	ZAR	0.08	0.05
Receivables*	GBP	0.00	-
Cash and cash equivalents	USD	2.39	0.91
Cash and cash equivalents	EUR	0.03	0.09
Cash and cash equivalents*	ZAR	0.00	0.00
Cash and cash equivalents	VND	0.11	-

* less than 0.01 crore

NOTE 37 : INCENTIVE PLAN

The amount carried forward in notional bank after distribution of PLVR for the financial year 2013-14 is ₹ 0.79 crore as on March 31, 2014 (*previous year ₹ 1.68 crore*). The said amount is not provided for in the books of account and is payable in future, if performance so warrants.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 38 : RELATED PARTY DISCLOSURES

A) Related Parties and their Relationship

a) Holding Company:

Godrej & Boyce Mfg. Co. Ltd.

b) Fellow Subsidiaries with whom transactions have taken place during the year:

- i) Godrej Industries Limited
- ii) Godrej Agrovet Limited
- iii) Godrej Tyson Foods Ltd
- iv) Godrej Properties Limited
- v) Natures Basket Limited
- vi) Godrej Vikhroli Properties LLP
- vii) Godrej Oil Palm Limited (*upto April 27, 2012*)

c) Associate Company:

- i) Bhabhani Blunt Hairdressing Pvt Limited (*w.e.f. October 7, 2013*)

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

- i) Godrej Hershey Limited (*upto September 27, 2012*)
- ii) Godrej Investments Private Limited
- iii) Great Lakes Institute of Management

e) Key Management Personnel and Relatives:

- | | | |
|-------|-----------------------|--|
| i) | Mr. Adi Godrej | Chairman |
| ii) | Mr. Vivek Gambhir | Managing Director (<i>from July 1, 2013</i>) |
| iii) | Mr. A. Mahendran | Managing Director (<i>upto June 30, 2013</i>) |
| iv) | Ms. Nisaba Godrej | Executive Director (<i>from July 1, 2013</i>) / Daughter of Mr. Adi Godrej |
| v) | Ms. Parmeshwar Godrej | Wife of Mr. Adi Godrej |
| vi) | Mr. Pirojsha Godrej | Son of Mr. Adi Godrej |
| vii) | Ms. Tanya Dubhash | Daughter of Mr. Adi Godrej |
| viii) | Mr. Nadir Godrej | Brother of Mr. Adi Godrej |
| ix) | Mr. Burjis Godrej | Son of Mr. Nadir Godrej |
| x) | Mr. Sohrab Godrej | Son of Mr. Nadir Godrej |
| xi) | Master Hormazd Godrej | Son of Mr. Nadir Godrej |
| xii) | Ms. Mythili Mahendran | Wife of Mr. A Mahendran (<i>Related Party upto June 30, 2013</i>) |

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

C) The Significant Related Party Transactions are as under :

	Holding Company		Fellow Subsidiaries		Associate Company		Enterprise Over which Key Management Personnel Exercise Significant Influence		Key Management Personnel		Relatives of Key Management Personnel		₹ Crore	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods														
Godrej & Boyce Mfg. Co. Ltd.	0.61	0.51											0.61	0.51
Godrej Industries Limited			28.27	15.76									28.27	15.76
Godrej Properties Limited			0.01	0.03									0.01	0.03
Godrej Agrovet Limited			0.40	0.21									0.40	0.21
Godrej Tyson Foods Ltd *			0.00	0.00									0.00	0.00
Purchase of Materials and Spares														
Godrej & Boyce Mfg. Co. Ltd.	2.84	3.06											2.84	3.06
Godrej Industries Limited			31.77	28.77									31.77	28.77
Godrej Oil Palm Limited			-	0.03									-	0.03
Godrej Agrovet Limited			1.05	1.17									1.05	1.17
Godrej Properties Limited			-	-									-	-
Natures Basket Limited			0.00	-									0.00	-
Purchase of Capital Asset														
Godrej & Boyce Mfg. Co. Ltd.	0.32	1.07											0.32	1.07
Godrej Industries Limited *			-	0.00									-	0.00
Godrej Vikhroli Properties LLP			12.84	103.15									12.84	103.15
Advance Paid														
Godrej & Boyce Mfg. Co. Ltd.	2.02	0.09											2.02	0.09
Godrej Properties Limited			2.53	-									2.53	-
Establishment and Other Expenses Paid / (Received)														
Godrej & Boyce Mfg. Co. Ltd.	0.38	1.56											0.38	1.56
Godrej Industries Limited			8.46	10.47									8.46	10.47
Godrej Agrovet Limited			0.72	0.56									0.72	0.56
Godrej Properties Limited			(0.02)	(0.51)									(0.02)	(0.51)
Natures Basket Limited			(0.10)	(0.08)									(0.10)	(0.08)
Godrej Tyson Foods Ltd *			(0.15)	(0.11)									(0.15)	(0.11)
Mr. Adi Godrej									-	0.06			-	0.06
Mr. A. Mahendran									-	0.04			-	0.04
Great Lakes Institute of Management							-	0.01					-	0.01
Godrej Hershey Limited							-	(0.04)					-	(0.04)
Investments Made														
Bhabhani Blunt Hairdressing Pvt Limited														
Security Deposit Given / (Repaid)														
Godrej Hershey Ltd.					34.32	-							34.32	-
							-	(1.50)					-	(1.50)

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

	Holding Company		Fellow Subsidiaries		Associate Company		Enterprise Over which Key Management Personnel Exercise Significant Influence		Key Management Personnel		Relatives of Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Repayment of Loan Given														
Mr. A. Mahendran									0.79	0.92			0.79	0.92
Interest Received on Loans														
Mr. A. Mahendran									0.02	0.10			0.02	0.10
Dividend Paid														
Godrej & Boyce Mfg. Co. Ltd.	61.78	59.15											61.78	59.15
Godrej Industries Limited			37.27	34.53									37.27	34.53
Ms. Parmeshwar Godrej *											0.00	0.00	0.00	0.00
Ms. Tanya Dubhash											0.58	0.64	0.58	0.64
Ms. Nisaba Godrej									0.33	-	0.25	0.64	0.58	0.64
Mr. Pirojsha Godrej											0.58	0.64	0.58	0.64
Mr. Nadir Godrej											0.36	0.44	0.36	0.44
Mr. Burjis Godrej											0.44	0.49	0.44	0.49
Mr. Sohrab Godrej											0.44	0.49	0.44	0.49
Master Hormazd Godrej											0.51	0.49	0.51	0.49
Mr. Adi Godrej *									0.00	0.00			0.00	0.00
Mr. A. Mahendran									0.00	0.05			0.00	0.05
Managerial Remuneration														
Mr. Adi Godrej									9.46	6.79			9.46	6.79
Mr. A. Mahendran									3.94	5.59			3.94	5.59
Ms. Nisaba Godrej									2.41	-			2.41	-
Mr. Vivek Gambhir									6.70	-			6.70	-
Commission on Profits and Sitting Fees														
Mr. Nadir Godrej											0.14	0.13	0.14	0.13
Ms. Tanya Dubhash											0.14	0.14	0.14	0.14
Ms. Nisaba Godrej											0.03	0.13	0.03	0.13
Lease Rentals Paid														
Godrej Industries Limited			2.27	2.24									2.27	2.24
Ms. Parmeshwar Godrej											2.46	2.46	2.46	2.46
Ms. Mythili Mahendran											0.10	0.42	0.10	0.42
Outstanding Balances as at March 31, 2014														
Receivable	0.04	0.12	0.70	1.51			-	0.17	-	0.79			0.74	2.59
Payable			0.25	2.81									0.25	2.82

* amount less than ₹ 0.01 crore

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 39 : 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	4085.41	3587.21	3717.69	3020.55	7803.10	6606.76
Carrying amount of segment assets	2391.57	2610.31	5933.17	5090.72	8324.74	7701.03
Total cost incurred during the year to acquire assets	78.23	160.92	71.10	161.04	149.33	321.96

NOTE 40 : 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 whereby 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 Option Grantee's retirement.
- f) The price at which the Option Grantee would convert Options granted into GCPL Shares (i.e. the exercise price) shall be the market price prevailing on the day prior to the day of grant plus interest at such rate not being less than the bank rate then prevailing compoundable on an annual basis for the period commencing from the date of granting of the Option and ending on the date of intimating exercise of the Option to the Company.
- g) The 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*.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

h) The Board of Directors at 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 utilized 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, vested and exercised till March 31, 2014.

i) The status of the above plans (since inception) are as under:

	As at March 31, 2014	As at March 31, 2013
Options Granted	5,167,000	5,167,000
Options Vested	4,370,000	4,370,000
Options Exercised	4,310,000	3,245,950
Options Lapsed / Forfeited and re-granted	762,000	762,000
Options Lapsed / Forfeited, pending sale	-	-
Options Lapsed / Forfeited and sold	85,000	85,000
Total Number of Options Outstanding	10,000	1,074,050

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 ₹ 51.00 crore as at beginning of the year. The ESOP Trust has made a net repayment of the loan amounting to ₹ 23.79 crore during the year. The total amount of loans outstanding together with interest thereon as at March 31, 2014 amounts to ₹ 27.21 crore which has been fully adjusted against the reserves in accordance with the scheme of amalgamation duly approved by the Hon'ble High Court of Judicature at Bombay during FY 2010-11. 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 (since inception) is as under:

	As at March 31, 2014	As at March 31, 2013
Options Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	-	-
Options Lapsed / Forfeited, pending sale	40,000	55,000
Options Lapsed / Forfeited and sold	1,049,000	954,000
Total Number of Options Outstanding	1,040,000	1,120,000

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

III. EMPLOYEE STOCK GRANT SCHEME

- a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders 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 Subsidiaries. The entitlement of each employee will 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 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (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 or as may be decided by the Compensation Committee 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 (since inception) is as under:

	As at March 31, 2014	As at March 31, 2013
Options Granted	268,611	184,361
Options Vested	80,849	29,464
Options Exercised	80,849	29,464
Options Lapsed / Forfeited	53,398	28,704
Total Number of Options Outstanding	134,364	126,193

- IV. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.
- V. Had the fair value method of accounting been used, the employee compensation cost for the year ended March 31, 2014 would have been lower by ₹ 0.23 crore (*previous year lower by ₹ 1.14 crore*).

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 41 : SCHEMES OF AMALGAMATION

- a) Pursuant to a Scheme of Amalgamation ("the Scheme"), sanctioned by the Hon'ble High Court of Judicature at Bombay, vide its Order dated August 12, 2013, Godrej Hygiene Products Limited (GHPL) has been merged with Godrej Consumer Products Limited with effect from September 7, 2013. The appointed date as per the Scheme was April 1, 2013. The assets and liabilities of the erstwhile GHPL have been taken over at their book values which are also their fair values and the difference amounting to ₹ 3.92 crore including the expenses on amalgamation of ₹ 0.37 crore has been adjusted in General Reserve.

The assets amounting to ₹ 5.60 crore and liabilities amounting to ₹ 3.78 crore of the erstwhile GHPL have been acquired pursuant to the scheme.

- b) Pursuant to a Scheme of Amalgamation sanctioned by a Dutch Court, Godrej Indonesia Netherlands Holding B.V. (GINBV) has been merged with Godrej Consumer Holdings (Netherlands) B.V. (GCHNBV) with effect from September 30, 2013. In accordance with the Scheme, for the purposes of preparation of the consolidated financial statements of GCHNBV, certain foreign exchange revaluation losses of the subsidiaries of GCHNBV and costs and expenses of amalgamation aggregating to USD 7.79 million (₹ 39.53 crore) were adjusted directly in the Reserves in the consolidated financial statements of GCHNBV.

NOTE 42 : GENERAL

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

Sl No	Name of the subsidiary	Period	Cur.	Exchange rate	Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Figures in crores Proposed Dividend on Tax
1	Argencos SA	01-Apr-2013 To 31-Mar-2014	ARS		0.19	2.63	4.39	4.39	-	7.09	1.21	0.43	0.78	-
			INR	7.483	1.38	19.70	32.86	32.86	-	53.05	9.08	3.21	5.87	-
2	Consell SA	01-Apr-2013 To 31-Mar-2014	ARS		0.29	-0.15	0.11	0.11	-	-	-0.00	0.05	-0.06	-
			INR	7.483	2.17	-1.12	0.80	0.80	-	-	-0.02	0.40	-0.42	-
3	Cosmetica Nacional	01-Apr-2013 To 31-Mar-2014	OPeso		1,088.27	114.55	1,771.32	1,771.32	-	1,904.73	170.33	29.41	140.93	-
			INR	0.109	118.36	12.46	192.64	192.64	-	207.15	18.52	3.20	15.33	-
4	Deciral Uruguay	01-Apr-2013 To 31-Mar-2014	ARS		-	-	-	-	-	-	-	-	-	-
			INR	7.483	-	-	-	-	-	-	-	-	-	-
5	DGH Mauritius Pvt. Ltd.	01-Apr-2013 To 31-Mar-2014	USD		0.55	1.63	2.18	2.18	-	-	0.55	-	0.55	-
			INR	59.811	32.63	97.32	130.19	130.19	-	32.78	32.78	0.01	32.78	-
6	DGH Phase 2	01-Apr-2013 To 31-Mar-2014	USD		1.41	0.50	1.93	1.93	-	-	0.25	0.01	0.25	-
			INR	59.811	84.39	30.18	115.41	115.41	-	15.24	0.46	0.46	14.79	-
7	DGH Tanzania Limited	01-Apr-2013 To 31-Mar-2014	USD		0.00	-0.00	0.00	0.00	-	-	-0.00	-	-0.00	-
			INR	59.811	0.00	-0.13	0.01	0.01	-	-	-0.07	-	-0.07	-
8	Godrej Argentina Dutch Coöperatief U.A.	01-Apr-2013 To 31-Mar-2014	USD		5.09	-0.01	5.07	5.07	-	-	-0.00	-	-0.00	-
			INR	59.811	304.19	-0.81	303.41	303.41	-	-0.16	-	-	-0.16	-
9	Godrej Consumer Products Mauritius Ltd	01-Apr-2013 To 31-Mar-2014	USD		3.79	5.25	9.04	9.04	-	-	0.03	-	0.03	-
			INR	59.811	226.59	313.80	540.52	540.52	-	1.52	1.52	-	1.52	-
10	Godrej Consumer Holdings (Netherlands) BV	01-Apr-2013 To 31-Mar-2014	USD		4.28	0.72	5.00	5.00	-	-	0.08	-	0.08	-
			INR	59.811	255.77	42.90	298.82	298.82	-	5.07	-	-	5.07	-
11	Godrej Consumer Investment Holding Ltd	01-Apr-2013 To 31-Mar-2014	USD		0.00	-0.00	0.00	0.00	-	-	-0.00	-	-0.00	-
			INR	59.811	0.00	-0.07	0.00	0.00	-	-	-0.07	-	-0.07	-
12	Godrej Consumer Investments (Chile) Spa	01-Apr-2013 To 31-Mar-2014	USD		3.98	-0.23	3.75	3.75	-	0.00	-0.03	0.01	-0.04	-
			INR	59.811	238.25	-13.74	224.55	224.55	-	0.30	-1.84	0.49	-2.33	-
13	Godrej Consumer Products (Netherlands) BV	01-Apr-2013 To 31-Mar-2014	USD		0.14	-0.01	0.14	0.14	-	-	0.00	-	0.00	-
			INR	59.811	8.65	-0.54	8.14	8.14	-	0.29	0.13	-	0.13	-
14	Godrej Consumer Products (UK) Ltd. (UK)	01-Apr-2013 To 31-Mar-2014	GBP		0.00	0.93	2.87	2.87	-	4.99	0.30	0.08	0.22	-
			INR	99.521	0.29	92.28	286.05	286.05	-	496.95	29.61	7.56	22.04	-
15	Godrej Consumer Products Dutch Coöperatief U.A.	01-Apr-2013 To 31-Mar-2014	USD		4.83	0.11	4.93	4.93	-	-	0.10	-	0.10	-
			INR	59.811	288.61	6.44	295.08	295.08	-	5.80	-	-	5.80	-
16	Godrej Consumer Products Holding (Mauritius) Ltd	01-Apr-2013 To 31-Mar-2014	USD		18.43	1.38	24.18	24.18	-	-	0.60	0.02	0.58	-
			INR	59.811	1,102.31	82.30	1,445.94	1,445.94	-	35.72	1.07	-	34.65	-
17	Godrej East Africa Holdings Limited	01-Apr-2013 To 31-Mar-2014	USD		0.48	-0.28	7.94	7.94	-	-	-0.21	-	-0.21	-
			INR	59.811	28.71	-16.98	474.73	474.73	-	-12.34	-	-	-12.34	-
18	Godrej Global Mid East FZE	01-Apr-2013 To 31-Mar-2014	AED		0.46	-0.07	1.00	1.00	-	2.51	0.15	-	0.15	-
			INR	16.284	7.47	-1.14	16.31	16.31	-	40.82	2.37	-	2.37	-
19	Godrej Holdings (Chile) Limitada	01-Apr-2013 To 31-Mar-2014	USD		3.75	-0.00	3.75	3.75	-	-	0.02	0.00	0.02	-
			INR	59.811	224.49	-0.04	224.47	224.47	-	87.43	-15.89	0.49	-16.38	-
20	Godrej Household Products (Bangladesh) Pvt. Ltd.	01-Apr-2013 To 31-Mar-2014	Taka		22.76	-29.42	41.22	41.22	-	67.46	-12.26	0.38	-12.64	-
			INR	0.772	17.56	-22.70	31.81	31.81	-	78.58	3.68	1.39	2.29	-
21	Godrej Household Products (Lanka) Pvt. Ltd.	01-Apr-2013 To 31-Mar-2014	LKR		23.15	10.72	59.28	59.28	-	35.97	1.68	0.64	1.05	-
			INR	0.458	10.59	4.91	27.13	27.13	-	-	0.01	0.00	0.01	-
22	Godrej Kinky Holdings Ltd.	01-Apr-2013 To 31-Mar-2014	USD		0.00	3.35	3.36	3.36	-	-	0.60	0.00	0.60	-
			INR	59.811	0.08	200.59	200.74	200.74	-	-	-0.26	-	-0.26	-
23	Godrej Mauritius Africa Holding	01-Apr-2013 To 31-Mar-2014	USD		5.31	-0.66	20.17	20.17	-	-	-15.40	-	-15.40	-
			INR	59.811	317.59	-39.41	1,206.63	1,206.63	-	-	-0.24	-	-0.24	-
24	Godrej Netherlands Argentina B.V.	01-Apr-2013 To 31-Mar-2014	USD		4.62	-0.26	4.37	4.37	-	-	-14.39	-	-14.39	-
			INR	59.811	276.50	-15.31	261.22	261.22	-	-	-0.00	-	-0.00	-
25	Godrej Netherlands Argentina Holdings B.V.	01-Apr-2013 To 31-Mar-2014	USD		0.45	-0.01	0.44	0.44	-	0.05	-0.05	0.01	-0.06	-
			INR	59.811	26.84	-0.62	26.25	26.25	-	4.50	-5.10	0.72	-5.82	-
26	Godrej Netherlands BV	01-Apr-2013 To 31-Mar-2014	GBP		0.00	0.92	4.26	4.26	-	182.41	15.18	5.23	9.90	-
			INR	99.521	0.14	91.79	423.94	423.94	-	66.19	5.51	1.92	3.59	-
27	Godrej Nigeria Ltd.	01-Apr-2013 To 31-Mar-2014	Naira		1.50	95.88	125.04	125.04	-	20.97	4.28	1.20	3.08	-
			INR	0.363	0.54	34.79	45.38	45.38	-	118.57	24.22	6.78	17.44	-
28	Godrej South Africa (Pty) Ltd.	01-Apr-2013 To 31-Mar-2014	ZAR		1.81	13.46	17.48	17.48	-	-	-	-	-	-
			INR	5.655	10.21	76.10	98.86	98.86	-	-	-	-	-	-

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

Sl No	Name of the subsidiary	Period	Cur.	Exchange rate	Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit before Tax	Provision for Tax	Figures in crores	
													Profit after Tax	Proposed Dividend on Tax
29	Godrej Tanzania Holdings LTD.	01-Apr-2013 To 31-Mar-2014	USD		0.02	-0.00	0.02	0.02	-	-	-0.00	-	-0.00	-
30	Godrej UK Ltd	01-Apr-2013 To 31-Mar-2014	INR	59.811	1.20	-0.16	1.07	1.07	-	-	-0.10	-	-0.10	-
		01-Apr-2013 To 31-Mar-2014	GBP		1.13	1.22	2.35	2.35	-	-	-0.00	-	-0.00	-
31	Godrej Weave Holding Ltd.	01-Apr-2013 To 31-Mar-2014	INR	99.521	112.79	121.01	233.90	233.90	-	-	-0.06	-	-0.06	-
		01-Apr-2013 To 31-Mar-2014	USD		7.50	11.99	19.49	19.49	-	0.69	0.69	-	0.69	-
32	Godrej West Africa Holdings Ltd.	01-Apr-2013 To 31-Mar-2014	INR	59.811	448.46	717.23	1,165.72	1,165.72	-	41.49	41.36	-	41.36	-
		01-Apr-2013 To 31-Mar-2014	USD		1.63	-0.00	1.63	1.63	-	-	-0.00	-	-0.00	-
33	Hair Trading (offshore)	01-Apr-2013 To 31-Mar-2014	INR	59.811	97.38	-0.05	97.39	97.39	-	-	-0.05	-	-0.05	-
		01-Apr-2013 To 31-Mar-2014	USD		0.00	0.85	1.78	1.78	-	4.82	1.11	0.00	1.11	-
34	Indovest Capital	01-Apr-2013 To 31-Mar-2014	INR	59.811	0.12	50.93	106.66	106.66	-	288.21	66.48	0.00	66.48	-
		01-Apr-2013 To 31-Mar-2014	USD		0.00	0.89	0.95	0.95	-	-	0.55	0.00	0.55	-
35	Inecto Manufacturing Limited	01-Apr-2013 To 31-Mar-2014	INR	59.811	0.00	53.37	56.63	56.63	-	-	33.00	0.04	32.96	-
		01-Apr-2013 To 31-Mar-2014	GBP		0.00	-	0.00	0.00	-	-	-	-	-	-
36	Issue Brazil	01-Apr-2013 To 31-Mar-2014	INR	99.521	0.00	-	0.00	0.00	-	-	-	-	-	-
		01-Apr-2013 To 31-Mar-2014	ARS		0.79	-3.31	0.96	0.96	-	-	0.15	-	0.15	-
37	Issue Uruguay	01-Apr-2013 To 31-Mar-2014	INR	7.483	5.94	-24.77	7.15	7.15	-	-	1.15	-	1.15	-
		01-Apr-2013 To 31-Mar-2014	ARS		0.60	1.09	2.94	2.94	-	3.14	0.04	0.01	0.03	-
38	Kinky Group (Pty) Ltd	01-Apr-2013 To 31-Mar-2014	INR	7.483	4.48	8.15	22.01	22.01	-	23.53	0.30	0.08	0.22	-
		01-Apr-2013 To 31-Mar-2014	ZAR		0.00	9.20	11.13	11.13	-	7.94	-0.75	-0.10	-0.65	-
39	Laboratoria Cuenca	01-Apr-2013 To 31-Mar-2014	INR	5.655	0.00	52.01	62.96	62.96	-	44.91	-4.25	-0.57	-3.68	-
		01-Apr-2013 To 31-Mar-2014	ARS		0.90	4.86	18.97	18.97	-	36.24	1.04	0.47	0.57	-
40	Lorna Nigeria Ltd.	01-Apr-2013 To 31-Mar-2014	INR	7.483	6.73	36.40	141.95	141.95	-	271.18	7.81	3.50	4.30	-
		01-Apr-2013 To 31-Mar-2014	Naira		1.14	221.40	290.83	290.83	-	570.68	23.65	-	23.65	-
41	Panamar Producciones S.A.	01-Apr-2013 To 31-Mar-2014	INR	0.363	0.41	80.34	105.54	105.54	-	207.09	8.58	-	8.58	-
		01-Apr-2013 To 31-Mar-2014	ARS		0.06	0.76	0.83	0.83	-	-	-0.01	-	-0.01	-
42	Plasticos National	01-Apr-2013 To 31-Mar-2014	INR	7.483	0.41	5.70	6.21	6.21	-	-	-0.05	-	-0.05	-
		01-Apr-2013 To 31-Mar-2014	Cpeso		27.96	20.35	59.21	59.21	-	56.10	8.42	2.06	6.36	-
43	PT Ekamas Sarijaya	01-Apr-2013 To 31-Mar-2014	INR	0.109	3.04	2.21	6.44	6.44	-	6.10	0.92	0.22	0.69	-
		01-Apr-2013 To 31-Mar-2014	IDR		250.00	827.75	1,144.64	1,144.64	-	-	379.11	31.77	347.35	-
44	PT Indomas Susemi Jaya	01-Apr-2013 To 31-Mar-2014	INR	0.005	1.32	4.38	6.05	6.05	-	-	2.00	0.17	1.84	-
		01-Apr-2013 To 31-Mar-2014	IDR		286.80	5,664.13	6,988.13	6,988.13	-	5,539.46	1,261.97	294.50	967.48	-
45	PT Intrasari Raya	01-Apr-2013 To 31-Mar-2014	INR	0.005	1.52	29.95	36.95	36.95	-	29.29	6.67	1.56	5.12	-
		01-Apr-2013 To 31-Mar-2014	IDR		100.00	4,144.99	60,370.97	60,370.97	-	256,497.18	1,619.59	492.32	1,127.27	-
46	PT Megasari Makmur	01-Apr-2013 To 31-Mar-2014	INR	0.005	0.53	21.92	319.20	319.20	-	1,356.16	8.56	2.60	5.96	-
		01-Apr-2013 To 31-Mar-2014	IDR		14,662.40	38,674.20	126,911.25	126,911.25	-	212,472.45	4,758.80	1,198.42	3,560.38	-
47	PT Sarico Indah	01-Apr-2013 To 31-Mar-2014	INR	0.005	77.52	204.48	671.01	671.01	-	1,123.39	25.16	6.34	18.82	-
		01-Apr-2013 To 31-Mar-2014	IDR		670.89	1,155.66	2,157.14	2,157.14	-	3,740.92	241.98	49.71	192.27	-
48	Sigma Hair Industries Limited	01-Apr-2013 To 31-Mar-2014	INR	0.005	3.55	6.11	11.41	11.41	-	19.78	1.28	0.26	1.02	-
		01-Apr-2013 To 31-Mar-2014	TZS		-	-	-	-	-	-	-	-	-	-
49	Style Industries Limited	01-Apr-2013 To 31-Mar-2014	INR	0.036	-	-	-	-	-	-	-	-	-	-
		01-Apr-2013 To 31-Mar-2014	KES		0.45	160.18	314.74	314.74	-	462.39	16.84	5.82	11.02	-
50	Subinite (Pty) Ltd.	01-Apr-2013 To 31-Mar-2014	INR	0.691	0.31	110.63	217.38	217.38	-	319.35	11.63	4.02	7.61	-
		01-Apr-2013 To 31-Mar-2014	ZAR		0.00	11.31	17.32	17.32	-	39.76	1.09	0.30	0.78	-
51	Weave Business Holdings Mauritius Pvt. Ltd.	01-Apr-2013 To 31-Mar-2014	INR	5.655	0.00	63.97	97.93	97.93	-	224.84	6.15	1.72	4.43	-
		01-Apr-2013 To 31-Mar-2014	USD		0.02	0.97	1.01	1.01	-	0.48	0.01	0.47	-	-
52	Weave IP Holdings Mauritius Pvt. Ltd.	01-Apr-2013 To 31-Mar-2014	INR	59.811	0.92	58.30	60.16	60.16	-	28.97	0.87	0.00	28.11	-
		01-Apr-2013 To 31-Mar-2014	USD		0.00	0.09	0.09	0.09	-	-	0.06	0.00	0.06	-
53	Weave Mozambique Limitada	01-Apr-2013 To 31-Mar-2014	INR	59.811	0.01	5.19	5.36	5.36	-	-	3.43	0.10	3.34	-
		01-Apr-2013 To 31-Mar-2014	MZN		12.35	33.41	50.47	50.47	-	82.47	7.87	1.24	6.63	-
54	Weave Trading Mauritius Pvt. Ltd.	01-Apr-2013 To 31-Mar-2014	INR	1.920	23.71	64.14	96.91	96.91	-	158.36	15.11	2.37	12.74	-
		01-Apr-2013 To 31-Mar-2014	USD		0.00	0.20	0.20	0.20	-	-	1.01	-	1.01	0.81
55	Godrej Consumer Product Bangladesh Ltd.	01-Apr-2013 To 31-Mar-2014	INR	59.811	0.01	11.84	12.14	12.14	-	-	60.51	-	60.51	48.56
		01-Apr-2013 To 31-Mar-2014	BDT		0.00	0.06	0.06	0.06	-	-	-	-	-	-
		01-Apr-2013 To 31-Mar-2014	INR	0.772	0.00	0.04	0.04	0.04	-	-	-	-	-	-

Note : Figures mentioned as 0.00 indicates amounts less than 100,000

[illegible]

[illegible]

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>
CIN : L24246MH2000PLC129806

Company Secretary P Ganesh

Auditors Kalyaniwalla & Mistry

Registrar Computech Sharecap Ltd.

Bankers

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

Branches

Delhi	Kolkata	Chennai	Mumbai
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Factories in India

Assam	Jammu & Kashmir	Puducherry
Goa	Madhya Pradesh	Sikkim
Himachal Pradesh	Meghalaya	Tamil Nadu

International Operations

ASIA Indonesia Bangladesh Sri Lanka	MIDDLE EAST UAE	AFRICA South Africa Mozambique Nigeria Kenya	EUROPE United Kingdom	LATIN AMERICA Argentina Uruguay Brazil Chile
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Godrej Consumer Products Limited

Registered Office:

Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.
Tel. +91 22 25188010/20/30, Fax: +91 22 25188040,
Website: www.godrejcp.com, e-mail:investor.relations@godrejcp.com
CIN: L24246MH2000PLC129806

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourteenth ANNUAL GENERAL MEETING of the Members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Monday, July 28, 2014 at 3.30 p.m. at Yashwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the year ended March 31, 2014 which includes the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2014, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report;
2. To declare dividend on equity shares;
3. To appoint a Director in place of Ms. Tanya Dubash (DIN: 00026028), who retires by rotation and being eligible, offers herself for re-appointment;
4. To appoint a Director in place of Mr. Jamshyd Godrej (DIN: 00076250), who retires by rotation and being eligible, offers himself for reappointment;
5. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration No. 104607W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this 14th Annual General Meeting (AGM) till the conclusion of the 17th Annual General Meeting to be held in 2017 (subject to ratification of reappointment by the members at every AGM held after this AGM) of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following resolutions

6. Ordinary Resolution for appointment of Mr. Narendra Ambwani as Independent Director

RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, Mr. Narendra Ambwani (DIN: 00236658), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director not liable to retire by rotation, is hereby appointed as an Independent Director of the Company to hold office for a period of five years from 28th July, 2014 to 27th July 2019.

7. Ordinary Resolution for ratification of remuneration payable to M/s. P. M. Nanabhoy & Co., appointed as Cost Auditors of the Company for FY 2014-15

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P. M. Nanabhoy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2014-15, be paid a remuneration of ₹ 5.75 lac per annum plus applicable service tax and out of pocket expenses that may be incurred

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

8. Special Resolution for Payment of Commission on Profits to Non-Executive Directors

RESOLVED THAT pursuant to Section 197, 198 and all other applicable provisions of the Companies Act, 2013, provisions of Listing agreement and the Articles of Association of the Company, in addition to sitting fees being paid/payable for attending the meetings of the Board of Directors of the Company and committees thereof, the Company be and is hereby authorized to pay to its Directors (other than a Managing Director and Whole-time Director of the Company) for a period of three years commencing from April 1, 2014, 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 198 of the Companies Act, 2013) plus service tax at applicable rate OR ₹15 lac per director per annum plus service tax at applicable rate, whichever is less.

By Order of the Board of Directors

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

Mumbai, June 20, 2014

Notes:-

1. The statement pursuant to Sec. 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE ON BEHALF OF SELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
4. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
5. Members are requested to note that as per section 124 of the Companies Act, 2013, dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the

Investor Education and Protection Fund of the Government. Unclaimed Dividends as per details given in the table below will be transferred to the 'Investor Education and Protection Fund' on the dates mentioned below. Those members who have so far not encashed these dividend warrants or any subsequent dividend warrants may claim or approach our Registrars viz. Computech Sharecap Ltd., 147, M G Road, Fort, Mumbai 400 001 (e-mail:gcpl@computechsharecap.com) or the Company for the payment thereof.

Dividend Period	Due date for transfer
First Interim 2007-08 paid in August 2007	05-09-2014
Second Interim 2007-08 paid in November 2007	28-11-2014
Third Interim 2007-08 paid in February 2008	25-02-2015
Fourth Interim 2007-08 paid in May 2008	03-06-2015
First Interim 2008-09 paid in August 2008	30-08-2015

Please note that Section 124 (6) of Companies Act, 2013 also provides that all shares in respect of the unclaimed dividend shall also be transferred to the IEPF. Hence it is in the shareholders' interest to claim any uncashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the investor's account on time

6. Details as stipulated under Clause 49 of the Listing Agreement in respect of the directors being appointed/ reappointed are annexed to this notice.

7. E-voting

In compliance of the provisions of section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Fourteenth Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited

The instructions for members for voting electronically are as under:-

(1) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account in dd/mm/yyyy format. If the shares are in physical form, enter the folio number.
Dividend Bank Details#	Enter the dividend bank details as recorded in your demat account. If the shares are in physical form, enter the dividend bank details as given to the company.
# If the details of DOB or Dividend Bank Details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.	

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for “GODREJ CONSUMER PRODUCTS LIMITED” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(2) In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

- (3) The voting period begins on Wednesday, July 23, 2014 and ends on Thursday, July 24, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 20, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (4) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (5) In case of Members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. **For clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting.** The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014
- (6) Mr. Kalidas Vanjpe, Practising Company Secretary, (Membership no. FCS 7132) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot cast by the Members at the Annual General Meeting) in a fair and transparent manner.
- (7) The Scrutinizer shall within a period not exceeding three working days from the date of close of e-voting unlock the votes in the presence of atleast two witnesses, not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (8) The results of e-voting and poll on resolutions shall be aggregated and declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the resolutions.
- (9) The results declared alongwith the Scrutinizer's report shall be placed on the Company's website www.godrejcp.com and on the website of CDSL viz www.cdslindia.com within two days of passing of the resolutions at the AGM of the Company and communicated to BSE and NSE.

By Order of the Board of Directors

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

Mumbai, June 20, 2014

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 6

Mr. Narendra Ambwani is a Non Executive (Independent) Director of the Company. He joined the Board of Directors of the Company in the year 2011. He retires by rotation at the ensuing AGM under the provisions of erstwhile Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013, Mr. Ambwani being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years. A notice has been received from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing Mr. Ambwani as a candidate for the office of Director of the Company.

The resume of Mr. Ambwani is enclosed with this notice. The Company has also received from him the consent in writing in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, the disclosure of his directorship in Form MBP-1 and a disclosure to effect that he is not disqualified under section 164(2).

In the opinion of the Board, Mr Narendra Ambwani fulfils the conditions specified in the Act and the rules made thereunder for the appointment of Independent Director of the Company and is independent of the management.

A copy of draft letter of appointment setting out the terms and conditions of appointment of Mr. Ambwani is open for inspection at the Registered Office of the Company on all working days (Monday to Friday) during normal business hours without payment of any fees by the Members.

No Director, Key Managerial Personnel or their relatives except Mr. Narendra Ambwani, to whom the resolution relates, is concerned or interested, financially or otherwise, in the above resolution. This statement may also be regarded as a disclosure under clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends this resolution for approval of the Members.

ITEM 7

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee at its meeting held on April 28, 2014, the Board has, considered and approved the appointment of Messrs. P. M. Nanabhoy & Co., Cost Accountants as the cost auditor for the financial year 2014-15 at a remuneration of ₹ 5.75 lac per annum plus applicable service tax and reimbursement of out of pocket expenses.

The Board recommends this resolution for approval of the Members

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM 8

The Non-Executive Directors and the Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, corporate strategy, information systems and finance.

The Board is of the view that it is necessary that adequate compensation should be given to the Non-Executive Directors and the Independent directors so as to compensate them for their time and efforts and also to retain and attract the pool of talent for the growth and prosperity of the Company

The shareholders of the Company have at the Extra-Ordinary General meeting held on October 11, 2012 accorded their consent for payment of commission on profits to the non-executive Directors of the Company at a rate not exceeding

1% of the net profits of the Company in any financial year (computed in the manner provided in Sections 349 and 350 of the Companies Act) plus service tax at applicable rate OR ₹ 12.50 lac per Non-Executive Director per annum plus service tax at applicable, whichever is less, for the financial years 2011-12, 2012-13 and 2013-14.

For FY 2014-15, 2015-16 and 2016-17, it is proposed to pay commission on profits at rate not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 198 of the Companies Act, 2013) plus service tax at applicable rate subject to a maximum amount of ₹ 15 lac per annum per director.

All the Non-Executive Directors of the Company are concerned or interested financially in the resolution since the resolution relates to payment of commission to self. Mr Adi Godrej, Chairman and Ms. Nisaba Godrej, Executive Director, Innovation who are Key Managerial Personnel are also concerned or interested financially in the resolution since the resolution relates to payment of commission to their relatives. Save and except these persons, no other Director or Key Managerial Personal of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.”

By Order of the Board of Directors

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

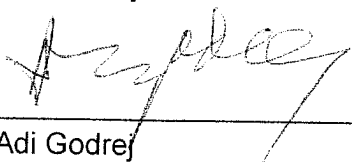

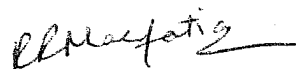
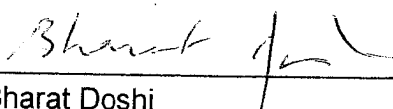
Mumbai, June 20, 2014

Information pursuant to clause 49 of the listing agreement in respect of Directors being reappointed

Name of Director	Tanya Dubash	Jamshyd Godrej	Narendra Ambwani
Date of Birth	14-Sep-68	24-Jan-49	15-Nov-48
Qualifications	AB cum laudé, Economics & Political Science, Brown University, USA, and an alumnus of the Harvard Business School	B.S. from Illinois Institute of Technology, USA	B.Tech, MBA
Specialised Expertise	Industrialist having rich business experience	Industrialist having rich business experience	Business Strategy, Coaching and People
No. of shares held in GCPL as at March 31, 2014	1071054	Nil	1000
Directorships in Companies	<p>Listed Public Companies Godrej Consumer Products Ltd. Godrej Industries Ltd.</p> <p>Public Companies Godrej Agrovet Ltd. Ensemble Holdings & Finance Limited Natures Basket Ltd. Bharatiya Mahila Bank Ltd.</p> <p>Foreign Companies: Keyline Brands Ltd. Rapidol (Pty) Ltd. Godrej Holdings Pvt. Ltd.</p> <p>LLP Anamudi Real Estates LLP (Designated Partner)</p>	<p>Listed Public Companies Geometric Ltd. Godrej Consumer Products Ltd. Godrej Industries Ltd. Bajaj Auto Ltd. Godrej Properties Ltd.</p> <p>Public Companies Godrej Agrovet Ltd. Godrej & Boyce Mfg. Co. Ltd. Haldia Petrochemicals Ltd.</p> <p>Private Companies: Godrej Investments Pvt. Ltd. Illinois Institute of Technology (India) Pvt. Ltd.</p> <p>Foreign Companies: Godrej (Malaysia) Sdn. Bhd. Godrej (Singapore) Pte.Ltd. Godrej (Vietnam) Company Ltd. Godrej & Khimji (Middle East) LLC Singapore-India Partnership Foundation, Singapore</p> <p>Climate Works Foundation, USA World Resources Institute, USA Global Footprint Network, USA</p> <p>Section 25 Companies: Breach Candy Hospital Trust Singapore-India Partnership Foundation (India)</p> <p>Indian Institute For Human Settlements Shakti Sustainable Energy Foundation Raptor Research and Conservation Foundation</p> <p>WWF India Foundation Indian Machine Tool Manufacturers Association IMTMA Machine Tool Industry Park</p>	<p>Listed Public Companies Agro Tech Foods Ltd Godrej Consumer Products Ltd</p> <p>Section 25 Companies: The Advertising Standards Council of India</p>
Committee Positions	<p>Member <u>Investor Grievance Committee</u> Godrej Industries Limited</p>	<p>Chairman <u>Investor Grievance Committee</u> Geometric Ltd.</p> <p>Member <u>Investor Grievance Committee</u> Godrej Consumer Products Ltd Bajaj Auto Ltd.</p>	<p>Member <u>Audit Committee</u> Godrej Consumer Products Ltd Agro Tech Foods Ltd</p> <p><u>Investor Grievance Committee</u> Agro Tech Foods Ltd</p>

FORM A

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

1	Name of the company	Godrej Consumer Products Limited
2	Annual financial statements for the year ended	March 31, 2014
3	Type of Audit observation	Unqualified/Matter of Emphasis
4	Frequency of observation	Matter of Emphasis in Consolidated Audit Report Point a) : Since the year ended March 31, 2011 Point b) : From the year ended March 31, 2014
5	To be signed by	<p>For Godrej Consumer Products Limited</p> <p></p> <hr/> <p>Adi Godrej Chairman</p> <p>For Godrej Consumer Products Limited</p> <p></p> <hr/> <p>P Ganesh CFO</p> <p>For Kalyaniwalla & Mistry Chartered Accountants Firm Regn. No.: 104607W</p> <p></p> <hr/> <p>Roshni Marfatia Partner M. No.: 106548</p> <p>For Godrej Consumer Products Limited</p> <p></p> <hr/> <p>Bharat Doshi Audit Committee Chairman</p>