
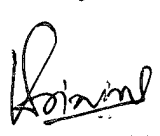
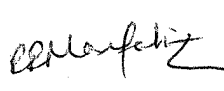
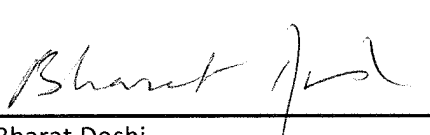


**FORM A**

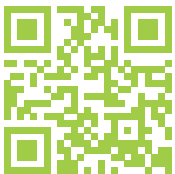
**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1.	Name of the company	Godrej Consumer Products Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	<p><b>Matter of Emphasis in Standalone Audit Report :</b>  Point i) : Since the year ended March 31, 2011  Point ii) : Since the year ended March 31, 2015</p> <p><b>Matter of Emphasis in Consolidated Audit Report :</b>  Point a) : Since the year ended March 31, 2011  Point b) : Since the year ended March 31, 2015  Point c) : Since the year ended March 31, 2015</p>
a)	To be signed by-	<p>For Godrej Consumer Products Limited</p> <p align="center">  Vivek Gambhir  Managing Director</p> <p>For Godrej Consumer Products Limited</p> <p align="center">  V Srinivasan  Chief Financial Officer &amp; Company Secretary</p> <p>For Kalyaniwalla &amp; Mistry  Chartered Accountants  Firm Regn. No. 104607W</p> <p align="center">  Roshni R. Marfatia  Partner  M. No.: 106548</p> <p>For Godrej Consumer Products Limited</p> <p align="center">  Bharat Doshi  Audit Committee Chairman</p>



# FUTURE NOW

ANNUAL  
REPORT 2014 -15



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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. Bharat Doshi  
Mr. D. Shivakumar



**First Row (R-L)**

Ms. Nisaba Godrej  
Mr. Vivek Gambhir  
Mr. Jamshyd Godrej

**Second Row (R-L)**

Mr. Aman Mehta  
Dr. Omkar Goswami  
Mr. Narendra Ambwani



# A MESSAGE FROM OUR CHAIRMAN

*Dear shareholders,*

*I am very pleased to share with you that GCPL has continued to deliver a strong performance in fiscal year 2015. Despite ongoing global macroeconomic challenges, our business has outperformed and grown ahead of the overall FMCG sector and the home and personal care categories that we participate in. This ensures that we are well on track to achieve our exciting growth aspirations of becoming an emerging markets FMCG leader.*

*We want to become more agile and future ready and continue to delight our consumers with innovative, superior quality products at affordable prices. In line with this objective, we have been driving a relentless focus on what we call 'Future Now' – our readiness to capitalise on the tremendous growth opportunities that we see ahead for our business. We are, therefore, strengthening our market leadership positions, consolidating our growing international presence and investing behind making our sales system, supply chain and people policies more robust. We believe that these efforts will help us create great value overall for all our stakeholders.*

## The global economy

Political uncertainty and economic volatility continue to define the global macroeconomic environment. Depreciating currencies and weakening growth remain significant challenges for the emerging markets that we operate in, including Indonesia, Argentina and South Africa. This slowdown has, in turn, impacted consumer sentiment and growth in the FMCG industry.

We are, however, confident of the long-term opportunities in emerging markets. There is also significant headroom for growth in our focal categories. In fact, estimates suggest that these markets will contribute close to 36 per cent of the forecasted increase in the world's population over the next five years. Close to half of the total global consumption is also slated to come from these markets.

“We have been driving a relentless focus on what we call 'Future Now' – our readiness to capitalise on the tremendous growth opportunities that we see ahead for our business”

## The Indian economy

The overall sentiment in India has been quite upbeat, with a new growth-oriented government at the helm. A number of major initiatives and changes have been announced in different spheres, in line with larger socioeconomic growth and reform agendas.

Over the last year, we have seen a revival in the economy, with macroeconomic indicators now starting to trend in the right direction. GDP growth has increased to 7.4 per cent from 6.9 per cent in the previous year. Consumer inflation dropped to 6 per cent from 9.5 per cent. Steps have also been taken to improve the investment climate in the country. While India continues to be the highest-ranking country on Nielsen's Consumer Confidence Index, for the sixteenth quarter in a row, demand on the ground is yet to pick up. The easing of lending rates and structural reforms such as the implementation of the Goods & Services Tax (GST) and enactment of the land acquisition bill will be key drivers of demand, going ahead.

Following the significant slowdown in the FMCG sector in fiscal year 2014, the first half of this year recorded sluggish growth. We started to see early signs of a recovery in consumer demand though in the second half of the year. This will be a gradual process and we expect it to pick up pace in fiscal year 2016, aided by pro-growth measures like the GST. The fundamentals of the sector remain strong and there is still significant growth potential, given the low penetration and consumption rates for many FMCG categories in the country.

## Perspectives on our performance

Our India business has delivered a strong performance. We continue to fortify our leadership position as one of the largest household and personal care companies in the country. We are leaders in hair colour, household insecticides and liquid detergents, the number two player in toilet soaps and a fast-growing entrant in air care.

Innovation is a key driver of our growth strategy. We have re-architected our approach over the last few years. Our focus has been on accelerating our innovation pipeline, ramping up internal capabilities, investing significantly in Research & Development and sharing learning across geographies to create more world-class products. These efforts are showing results. Close to 40 per cent of our growth now comes from new products and renovations. We have enhanced our product

portfolio with several launches and relaunches across our India and international businesses. Through our innovations, we are driving penetration and increasing consumption in our core categories, as well as extending into attractive adjacencies. GCPL was the highest ranked Indian company, at number 24, on Forbes' list of 'The World's 100 Most Innovative Growth Companies 2015', for the second year in a row.

Our international expansion is driven by a focused 3x3 strategy – a presence in three business categories (personal care, hair care and home care) in three geographies (Asia, Africa and Latin America) – to become an emerging markets FMCG leader. Today, our international business contributes to 47 per cent of our consolidated revenues. 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. Overall, our strategy is to drive growth in the categories where we are leaders and have a competitive advantage.

Our largest international business, in Indonesia, grew well ahead of the FMCG market in the country. We have made good progress on the next phase of the integration of the Darling businesses in Africa and also acquired Frika, a leading premium hair extensions player in South Africa. This has helped us further consolidate our presence in the continent. In Latin America too, our business performed well. Growth in our UK business though, was slower.

We are ramping up capabilities and leveraging technology for better decision-making, to make our sales organisation in India more future-ready. This includes overhauling our go-to-market strategy, intensifying efforts to expand distribution reach and tapping opportunities in emergent channels like e-commerce.

Through our global, best-in-class supply chain, we have established centres of excellence in TPM, lean, six sigma and low cost automation across our business. We have set up a strategic sourcing team to leverage scale and reduce our procurement costs and also introduced an advanced technology solution to improve our planning and execution capabilities.

We take much pride in being an inspiring place to work and building an agile and high performance culture for our people. Our values of trust, integrity and respect for others continue to hold us in very good stead and are core to who we are as a company. We were ranked the number 1 FMCG company to work for in India in the 'Great Place to

Work Survey 2015'. This is our eleventh consecutive year on the list. We ranked number 14 on the 'Great Place to Work – Best Workplaces in Asia 2015' list and were featured among Aon Hewitt's 'Best Employers in India 2015'.

The Godrej Group has always actively championed social responsibility. We have crafted a vision for helping create a more inclusive and greener India, through 'shared value' initiatives that create both social and business benefits. We call this 'Godrej Good & Green'. As part of Good & Green by 2020, we will aspire to train 1 million rural and urban youth in skilled employment, create a greener India and innovate for good and green products. GCPL plays a key role in Godrej Good & Green through different employability and environmental sustainability initiatives.

**"We are investing for the longer term and accelerating the pace of new product launches, to capitalise on the uptick in consumer sentiment and demand"**

## Outlook

*We expect to see a gradual recovery in the macroeconomic environment and for the Indian economy to consequently, gather pace in fiscal year 2016. While macroeconomic factors remain challenging in some of our international markets, we believe that we are well placed to continue our strong sales and profitability growth momentum. Overall, our focus will be on sustaining and extending leadership in our core categories. We are investing for the longer term and accelerating the pace of new product launches, to capitalise on the uptick in consumer sentiment and demand. I am confident that with our clear strategic focus, differentiated product portfolio, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.*

*I would like to take this opportunity to express my gratitude to all our business partners, vendors and other business associates, for all their contributions. Many thanks to the various central and state government authorities, for all the support that they continue to extend to our business. We owe our success very largely to the many contributions, dedication and commitment of all our team members, who work so hard to make GCPL so successful. My deep appreciation to each of you and your families. To all our stakeholders, for their continued interest, faith and encouragement through the years, a special thank you. We look forward to your continued partnership and support.*

Yours sincerely,



Adi Godrej  
Chairman

# IN CONVERSATION WITH OUR MANAGING DIRECTOR

## What is 'Future Now' all about?

We have ambitious growth plans. We aspire to become an emerging markets FMCG leader and delight our consumers with superior quality, world-class products at affordable prices. We believe that there are significant opportunities for growth in our core geographies and categories. In order to leverage this tremendous potential, we will need to become more agile and future ready as a company. So, we are building on the strong leadership positions of our brands, investing heavily in innovation, looking for ways to capitalise on the potential of our international businesses and ramping up our sales, supply chain and manufacturing systems. We are also ensuring that we have the right talent on board to lead all these efforts. This exciting, transformational journey at GCPL, is what we have named 'Future Now'.

## Tell us more about innovation at GCPL and how it is driving incremental growth.

Innovation is a key driver of our growth strategy. Over the last few years, we have re-architected our approach – we are accelerating our innovation

pipeline, ramping up internal capabilities, investing significantly in Research & Development and sharing learning across geographies to create more exciting products. We also have cross-functional teams from across Design, Marketing, Innovation, Research & Development and Supply Chain, who come together to drive these different innovation projects.

In our India business, we have introduced several new products and renovations over the last couple of years, including air fresheners, crème hair colour in a sachet, anti roach gel, paper-based mosquito repellents, shower gels, the most powerful liquid vapouriser in household insecticides, a range of hand washes, hand sanitisers and personal repellents, facewashes and a range of premium hair care products. We have also launched a number of new products across our international businesses. In fact, GCPL was the highest ranked Indian company, at number 24, on Forbes' list of 'The World's 100 Most Innovative Growth Companies 2015', for the second year in a row.

Our focus on innovation has allowed us to not just build on our core categories, but also find new, emerging footholds in adjacencies and thereby broaden our portfolio and drive additional sales. Today, almost 40 per cent of our incremental growth





Vivek Gambhir  
Managing Director



is being driven by these new launches. Our innovations address the bottom of the pyramid as well as provide premium benefits to our mass consumers, and are helping us accelerate our growth. For example, a couple of years ago, we democratised the crème colour category by introducing a disruptive crème hair colour in a sachet, a first for the Indian market. Good knight Fast Card, our hugely successful paper-based mosquito repellent at just one rupee, was designed as solution for the under penetrated rural market. Recently, we have extended our Godrej No. 1 soap brand to include a facewash range and created India's first ever multi-use facewash sachet.

“ Today, almost 40 per cent of our incremental growth is being driven by our new launches ”

### How has GCPL rewired its approach to Marketing?

We follow an Integrated Marketing Communication approach, where the focus is on one big idea for each brand and driving impactful execution across all mediums: mass media advertising, online marketing, trade engagements, consumer engagements at the point of purchase and public relations. Our Cinthol brand, for example, is built around the idea of 'Alive is Awesome'.

Becoming 'Digitally Fit' is critical for us. This is not a choice between digital and traditional marketing, but an integrated approach, which makes digital a key part of the overall marketing strategy. We want to accelerate digital adoption and embed digital in our overall culture. So, we have hired digital managers as part of our brand marketing teams who are closely involved in the overall brand strategy. We are exploring different platforms and developing digital specific content, instead of just tailoring regular communication for digital use. Experimenting with mobile technology for more engagement and outreach is also an important area of focus.

Similar to our efforts on digital, we are also in the process of creating a separate team to spearhead rural marketing initiatives in our key rural markets. This is part of our larger 'One Rural' drive.

Our approach overall, is more 'whole-brained'. We are doing a lot more experimentation and prototyping and employing design driven thinking to come up with faster and better innovations. As part of our collaborative approach, we have set up cross-functional teams to drive our innovation agenda. We are investing significantly in ramping up Research & Development, as well as building specialised teams to support Design, Innovation and Packaging.

At the same time, we are leveraging data and setting up sharper processes to drive decision-making. In order to better optimise marketing spends, we are piloting marketing mix modelling and assessing other Return On Investment analytics. We are working closely with specialised agencies and our Marketing, Sales, Market Research and Media functions, to drive these efforts, and hope to see results in the year ahead.

Our teams are also spending more time on research. Consumer Quest, our consumer connect initiative, ensures that our team members across different functions spend time in conversation with consumers across the country. We have set up an in-house research team, which works closely with our brand teams. We are also investing in larger scale, behavioral science research.

### International now contributes to half of GCPL's overall revenues. What is your outlook for these businesses?

Our approach to international expansion follows what we call a 3 by 3 strategy - building a presence in 3 emerging geographies (Asia, Africa and Latin America) across 3 categories (personal care, hair care and home care). We have considerably scaled up our international presence over the last five years, in line with our growth aspirations of becoming an emerging markets FMCG leader. Close to half our overall revenues now come from these geographies and our products are available in over 60 countries. Over two-thirds of our team members are also based outside India.

Our focus for the last few years, has been on successfully integrating our acquisitions and crafting a roadmap to realise the full potential of these businesses. What makes our approach unique, is that we are committed to sustaining the entrepreneurial spirit of our acquired businesses, while leveraging the benefits of scale that GCPL has to offer. So, we are working closely with our teams to build on our strong local brands and set up best-in-class processes. We are also driving a lot of cross-pollination of ideas and technology across these businesses.

“What makes our approach unique, is that we are committed to sustaining the entrepreneurial spirit of our acquired businesses, while leveraging the benefits of scale that GCPL has to offer”

We believe that there are tremendous long-term growth opportunities in emerging markets. These geographies are home to 80 per cent of the world's population. They are also slated to account for over half of the increase in global consumption, going ahead.

As we see it, as incomes increase, middle class consumers with rising aspirations will seek new and exciting products, and new categories will be created. A large section of the population will also finally be able to afford branded consumer goods and will be looking for quality products at accessible price points. New distribution channels too will improve availability and enhance the buying experience. There will be a lot of growth potential in driving penetration and increasing consumption in our core categories, as well as extending into attractive adjacencies. We are well poised to address these opportunities.

### Why did GCPL make the move to reorganise its businesses into clusters?

Last year, we organised our international business operations into clusters - Africa, Latin America & Europe, and Rest of Asia - to become more agile, provide greater focus and enable more cross pollination, while sustaining the entrepreneurial spirit of our unique multi-local model. The cluster heads, who are all seasoned Godrej leaders, became part of the GCPL Leadership Team and have been more closely involved in the overall business.

We also made our various functions like Human Resources, Supply Chain, Innovation and Research & Development, more global to better support our international operations and drive greater synergies. Our experience with this structure has been very positive.

As a next step in this journey, we have now extended the cluster structure to our India & SAARC business. We believe that this business is poised for tremendous growth. Our new structure will enable us to get better prepared now to achieve our aspirations for the future, while providing tremendous developmental opportunities for our team members.

### What is GCPL doing to drive growth in rural India?

Rural accounts for 35 per cent of the overall FMCG sales in India. 65 per cent of FMCG growth also comes from this segment. It is, therefore, an important focus for us and we continue to make efforts to deepen distribution and reach. As a result of our efforts, Rural, which comprises close to 30 per cent of our India sales, is significantly outpacing Urban growth.

The rural consumer is also evolving fast and increasingly seeking branded, quality products. The emergent 'rural super consumer segment' in fact, is of particular interest to us. If you look at the data, today, the top 35,000 villages in India contribute to close to half of all rural consumption. This is a significant opportunity for us to tap into. So, our focus is on driving smarter and increased rural extraction. This involves enhancing productivity in the top 20,000 villages. In line with this, we are now ramping up sales manpower and setting aside focused marketing investments for these areas.

We have launched a 'One Rural' programme to leverage cross-functional efforts from across Sales, Marketing and Media. This helps us better explore rural media opportunities, fine-tune our rural go-to-market strategy and use technology to measure the effectiveness of spends and support better decision-making. We are also in the process of creating a separate team to spearhead rural marketing initiatives in our key rural markets.

### How is GCPL's demand-driven global supply chain a competitive advantage for you?

Leveraging a global, best-in-class supply chain to become more agile, is imperative for us. We have integrated leading practices in demand driven supply chain, continuous replenishment and the Theory of Constraints, to make us more responsive to continuously changing consumer demand patterns. As a result of these efforts, we are clocking higher fill rates, which are now an industry

benchmark. We have mapped these cutting edge replenishment practices to the Advanced Planning and Optimisation module of SAP. These practices have now been deployed across our international businesses.

We are also equipping our manufacturing systems to become more flexible, with adequate capacity buffers, to support this agility in responding to changes in demand. This is being done through capacity de-bottlenecking using total productive maintenance, lean manufacturing, six sigma and low cost automation. Given the response to our new products over the last couple of years, we are also ramping up manufacturing capacity across geographies.

Our other initiatives are also complementing these efforts. Global strategic sourcing is resulting in significant benefits to our bottom-line. This year, we launched a project on bar coding shippers, which is progressing well. It helps improve the 'freshness' of our products at time of sale, while offering better logistics practices and product traceability.

**Building a strong pool of women leaders is increasingly becoming a focus for companies today. What is GCPL doing to drive this?**

At Godrej, we believe strongly in building and nurturing diverse teams. We have a Diversity & Inclusion programme that runs across our group of companies. One of the principal areas of focus is attracting, retaining and developing top female talent, so that we have a robust pipeline of potential leadership for the next three to five years.

We are reviewing our policies and infrastructure to ensure that we are providing the support that our talent requires to thrive at work. Our maternity policy of full pay for six months is generous, even at a global standard, and we are endeavouring to create an open and inclusive environment for our female talent, who return to work post an extended break. We have multiple flexible work, part-time, and work from home options, to support this.

We have created resource groups for working parents with children, cross-company leadership networks, and workshops and trainings on professional development. With this programme in place, we are also starting to define specific goals in terms of female representation in our teams and at different managerial levels. We are confident that in a few years, we are going to see a different profile of Godrejites.

**GCPL has again ranked as the number one FMCG company to work for in India. What do you think makes you an employer of choice?**

Being recognised as a great place to work is an important part of our overall ambition of being a leading global FMCG player. We take much pride in fostering an outstanding workplace and are fully committed to providing our team members with great careers, great rewards and a great work environment. We are also benchmarking ourselves against best-in-class global perspectives and becoming world-class in our approach to attracting, developing and retaining talent.

We are fortunate to be able to build on the strong Godrej legacy of trust, integrity and respect for others. At the same time, our exciting and ambitious growth plans translate into us being able to offer unparalleled career opportunities relatively early on in one's career.

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.

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 on developing, mentoring and training. We expect 100/0 – 100 per cent accountability and 0 excuses.

**“ We are benchmarking ourselves against best-in-class global perspectives and becoming world-class in our approach to attracting, developing and retaining talent ”**

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

There are three areas that I can think of, where we could have possibly done better this year.

In India, our growth in the second half of the year was much better than the first half. While much of this was driven by challenges in the overall macroeconomic environment, we should have been more agile, anticipated the growth challenges earlier on and overall, executed better in the first half of the year.

Innovation is key for us. While we have been driving our innovation agenda, our pace of new launches could have been better, both in our India and international businesses. What is encouraging though, is that we have a slew of new products ready for launch in the coming year.

On the Marketing front, while we have made some good headway in digital, we still need to learn faster, experiment more and become more innovative in our approach.

## What is GCPL doing to promote more inclusive and sustainable growth?

As a Group, we have always actively championed social responsibility. We are now exploring ways to further this commitment through 'shared value' initiatives that create both social and business benefits. In line with this, we have crafted a vision for playing our part in creating a more inclusive and greener India, called 'Godrej Good & Green'. As part of Good & Green by 2020, we will aspire to train 1 million rural and urban youth in skilled employment, create a greener India and innovate for good and green products.

GCPL plays a key role in Good & Green. Employability is high on our agenda. We have introduced different programmes to achieve our goals, that are delivering good results. Godrej Saloni, trains young women in beauty and hair care; Godrej Vijay, trains rural youth in channel sales; and Godrej Sakhi, helps rural women to become entrepreneurs. As of today, we have trained 85,000 youth as part of these programmes. To manage scale, we have built infrastructure to measure impact, enhance partner and programme capabilities and invested in technology solutions.

We are deeply committed to building environmental sustainability into our operations. We have implemented several initiatives to reduce specific energy and water consumption across all our manufacturing locations. We have also set targets for improvement on environmental aspects for the near term, including energy and water consumption and greenhouse gas emissions. These are regularly monitored to ensure progress. Our Green software too helps us map, understand and analyse our environmental footprint, from raw materials to finished goods, across all factories.

Our teams are also exploring ways of developing products that are 'good' and 'green'. A great example of this, is Good knight Fast Card, our paper-based mosquito repellent. Malaria is a serious concern in India. We see some 24 million cases of malaria each year, with 90 per cent of our population residing in malaria prone areas. To add to this, in rural India, the penetration of household insecticides is very low because current products are either expensive or require electricity. So, to tackle this problem, we created Fast Card, which is available at just one rupee, breaks the price barrier, works instantly and does not require electricity.



# 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, 2015.

## 1. REVIEW OF OPERATIONS

Your Company has continued to grow ahead of the overall FMCG sector, as well as home and personal care categories that it participates in, despite a challenging macro environment.

Godrej Consumer Products Limited's ("GCPL") expanding footprint is driven by a focused 3x3 strategy – a presence in three business categories (personal care, hair care and home care) in three geographies (Asia, Africa and Latin America) – to become an emerging markets FMCG leader. Despite challenges across geographies, its businesses have performed well, with the company's salience of international revenues at 47%.

GCPL's focus has been to accelerate innovation and back new products with strong marketing investments. In the past year, GCPL made several new launches in its domestic and international businesses, expected to further enhance the company's competitiveness, improve the equity of its brands and drive increased penetration and consumption. Over 40% of GCPL's growth now comes from new products and

renovations. It was also the highest ranked Indian company (at number 24) on Forbes' list of the 'World's 100 Most Innovative Growth Companies 2015', for the second year in a row.

Today, your Company is one of the largest household and personal care companies in India; the leader in hair colour, household insecticides and liquid detergents, the number two player in toilet soaps and a fast-growing new entrant in air care. Significant marketing investments have driven higher consumption and penetration across the board. GCPL's superior global supply chain and future-ready sales organisation leverage the latest technology for sharper execution and better decision making, thus strengthening market positions.

Your Company was ranked the number 1 FMCG Company to work for in the 'Great Place to Work – Best Workplaces in India 2014' list; its eleventh consecutive year on the list. It was also ranked number 14 on the 'Great Place to Work – Best Workplaces in Asia 2014' list and ranked among the 'Aon Hewitt Best Employers in India – 2015' survey.

Your Company's financial performance for the year under review is summarised below:

Figures in ₹ (Crore)

Financials Abridged Profit and Loss Statement	Consolidated		Standalone	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Net Sales	8242.20	7582.57	4369.25	4024.74
Other Operating Income	34.16	19.84	60.55	55.10
<b>Total Income from Operations</b>	<b>8276.36</b>	<b>7602.41</b>	<b>4429.80</b>	<b>4079.84</b>
<b>Total Expenses other than Depreciation &amp; Finance Cost</b>	<b>6907.80</b>	<b>6418.88</b>	<b>3590.13</b>	<b>3326.87</b>
<b>Profit from Operations before Other Income, Finance Cost, Exceptional Items &amp; Depreciation</b>	<b>1368.56</b>	<b>1183.53</b>	<b>839.67</b>	<b>752.97</b>
Depreciation	90.78	81.85	41.67	35.52
<b>Profit from Operations before Other Income, Finance Cost &amp; Exceptional Items</b>	<b>1277.78</b>	<b>1101.68</b>	<b>798.00</b>	<b>717.45</b>
Foreign Exchange Gain / (Loss)	(3.25)	(26.78)	2.27	(5.94)
Other Income	91.51	62.71	55.24	40.00



<b>Financials</b>				
<b>Abridged Profit and Loss Statement</b>				
	<b>Consolidated</b>		<b>Standalone</b>	
	<b>FY 2014-15</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2013-14</b>
<b>Profit before Finance Costs &amp; Exceptional Items</b>	<b>1366.04</b>	<b>1137.61</b>	<b>855.51</b>	<b>751.51</b>
Finance Cost	100.15	107.37	36.92	38.52
<b>Profit after Finance Costs but before Exceptional Items</b>	<b>1265.89</b>	<b>1030.24</b>	<b>818.59</b>	<b>712.99</b>
Exceptional Items	(17.17)	(0.57)	8.60	0.00
<b>Profit Before Tax</b>	<b>1248.72</b>	<b>1029.67</b>	<b>827.19</b>	<b>712.99</b>
Tax Expense	272.29	210.37	172.74	148.15
<b>Net Profit after Tax before Minority Interest</b>	<b>976.43</b>	<b>819.30</b>	<b>654.45</b>	<b>564.84</b>
Share of Profit in Associate Company	0.04	(0.05)	-	-
Minority Interest	(69.35)	(59.52)	-	-
<b>Net Profit for the period</b>	<b>907.12</b>	<b>759.73</b>	<b>654.45</b>	<b>564.84</b>

## 2. APPROPRIATION

Your Directors recommend appropriation as under:

<b>GCPL Standalone</b>	<b>FY 2014-15</b>	<b>FY 2013-14</b>
	<b>₹ (Crore)</b>	<b>₹ (Crore)</b>
Surplus as at the end of previous year	1270.33	1010.09
Add: Net Profit for the year	654.45	564.84
<b>Available for appropriation</b>	<b>1924.78</b>	<b>1574.93</b>
Add: Transfer to Debenture Redemption Reserve	20.39	(23.53)
Less: Interim Dividend	187.24	178.70
Less: Tax on distributed profits	36.73	30.37
Less: Transfer to General Reserve	-	56.50
Less: Adjustment on amalgamation of Godrej Hygiene Products Limited	-	15.50
Less: Depreciation Adjustment pursuant to implementation of Schedule II of the Companies Act, 2013	0.83	-
<b>Total Appropriation</b>	<b>204.41</b>	<b>304.60</b>
<b>Surplus Carried Forward</b>	<b>1720.37</b>	<b>1270.33</b>

## 3. DIVIDEND

For the year 2014-15, four interim dividends were paid on shares of face value ₹ 1/- each, the details of which are mentioned below:

<b>Dividend Type</b>	<b>Declared at Board Meeting Dated</b>	<b>Dividend rate per share on shares of face value ₹ 1 each</b>	<b>Record Date</b>
1 <sup>st</sup> Interim for FY 2014-15	July 28, 2014	₹ 1.00	August 4, 2014
2 <sup>nd</sup> Interim for FY 2014-15	November 1, 2014	₹ 1.00	November 12, 2014
3 <sup>rd</sup> Interim for FY 2014-15	February 5, 2015	₹ 1.00	February 13, 2015
4 <sup>th</sup> Interim for FY 2014-15	April 28, 2015	₹ 2.50	May 6, 2015
<b>TOTAL</b>		<b>₹ 5.50</b>	

Your Directors recommend that the aforesaid interim dividends aggregating to ₹ 5.50/- per equity share be declared as final dividend for the year ended on March 31, 2015.



## 4. BOARD OF DIRECTORS

Six Board meetings were held during the year. Details of the meetings and the attendance record of the directors are in the Corporate Governance section of the Annual Report.

At the last Annual General Meeting (“AGM”) held on July 28, 2014, Mr. Narendra Ambwani who was earlier appointed as an Independent Director under the provisions of the Listing Agreement retired by rotation and was appointed as an Independent Director for a period of five years till July 27, 2019, in compliance with Clause 49 of the Listing Agreement and the Companies Act, 2013.

The shareholders through a resolution passed by Postal Ballot on September 23, 2014 appointed Prof. Bala Balachandran, Mr. Bharat Doshi, Dr. Omkar Goswami, Mr. Aman Mehta, Mr. D Shivakumar and Ms. Ireena Vittal as Independent Directors for a period of five years from September 26, 2014 till September 25, 2019 in compliance with Clause 49 of the Listing Agreement and the Companies Act, 2013.

Prof. Bala Balachandran and Mr. A Mahendran resigned from the Board with effect from close of business hours on March 31, 2015. The Board of Directors placed on record its appreciation of their individual contributions during their tenure.

All the Independent Directors have given their declaration of independence as required under Section 149(6) of the Companies Act, 2013 and this has been recorded by the Board of Directors.

A familiarisation programme for the Independent Directors was conducted to familiarise them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

The same may also be accessed through the following link: <http://www.godrejcp.com/Resources/pdf/Familiarisation-Programme-for-Independent-Directors.pdf>

In the forthcoming Annual General Meeting, Mr. Nadir Godrej will retire by rotation and being eligible is considered for re-appointment.

Your Company has an Audit Committee in compliance with the Listing Agreement and the provisions of the Companies Act, 2013. The Committee consists entirely of the Independent Directors. The composition of the Committee is given in the Corporate Governance section of the Annual Report.

## 5. CHANGES IN KEY MANAGERIAL PERSONNEL

Mr. P Ganesh, Executive Vice President (Finance & Commercial) & Company Secretary resigned with effect from close of business hours on March 31, 2015. As a part of talent rotation within the Group, Mr. P Ganesh has moved to another Group Company from April 1, 2015. Mr. V Srinivasan has been appointed as the Chief Financial Officer and Company Secretary of the Company with effect from April 1, 2015.

## 6. REMUNERATION POLICY

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as **Annexure 'A'** to the Directors' Report. The Company's total rewards framework aims at holistically utilising elements such as fixed and variable compensation, long-term incentives, benefits and perquisites and non-compensation elements (career development, work-life balance and recognition).

The non-executive directors receive sitting fees and commission in accordance with the provisions of the Companies Act, 2013.

The Company also has a Board Diversity Policy in place and is annexed as **Annexure 'B'**. The criteria for determining qualification, positive attributes and independence of directors is as per the Board Diversity Policy, Listing Agreement and Companies Act, 2013.

## 7. REMUNERATION TO DIRECTORS

The disclosure on the details of remuneration to directors and other employees pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 'C'**. Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting and shall be made available to any shareholder on request. Such details are also available on your Company's website in the Annual Report section of the Investor's page.

Mr. Adi Godrej, Chairman; Ms. Nisaba Godrej, Executive Director, Innovation and Mr. Vivek Gambhir, Managing Director receive remuneration from your Company. Mr. Adi

Godrej receives commission from your Company's holding company viz. Godrej & Boyce Manufacturing Company Limited.

## 8. PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS, ITS INDIVIDUAL MEMBERS AND ITS COMMITTEES

We recently conducted a formal Board Effectiveness Review as part of our efforts to evaluate, identify improvements and thus enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements mentioned in the Companies Act, 2013 and the listing agreement.

The Corporate HR team of Godrej Industries Limited and Associate Companies (GILAC) worked directly with the Chairman and the Nomination and Remuneration Committee of the Board, to design and execute this process which was adopted by the Board. Each Board Member completed a confidential online questionnaire, providing vital feedback on how the Board currently operates and how it could improve its effectiveness.

The survey comprised four sections and compiled feedback and suggestions on:

- Board Processes (including Board composition, strategic orientation and team dynamics)
- Individual Committees
- Individual Board Members
- Chairman

The following reports were created, as part of the evaluation:

- Board Feedback Report
- Individual Board Member Feedback Report
- Chairman's Feedback Report

The overall Board Feedback Report was facilitated by Mr. Bharat Doshi with the Independent Directors. The Directors were vocal about the Board functioning effectively, but also identified areas that show scope for improvement. The Individual Committees and Board Members' feedback was shared with the Chairman. Following his evaluation, a Chairman's Feedback Report was also compiled.

## 9. FINANCE

### A. 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, having a credit rating of [ICRA] AA (Stable), have been redeemed during the year as per the terms of the issue.

Your Company issued 2,500 Unsecured Redeemable Zero Coupon Non-Convertible Debentures on October 16, 2014 on private placement basis, aggregating to ₹ 250 crore for a tenor of 1 year and 63 days (428 days). The said Debentures have been given a credit rating of "ICRA AA+ (Stable)" by ICRA.

### B. Particulars of Loans, Guarantees and Investment

Following are the particulars of Loans, Guarantees and Investments made by the Company during the year:-

Sr. No.	Company name	Amount USD (Mio)	Amount ₹ (Crore)
<b>INVESTMENTS:</b>			
1	Godrej Consumer Products Mauritius Limited	7.85	47.68
2	Godrej Global Middle East FZE *	(1.25)	(5.74)
3	Godrej Consumer Products Holding (Mauritius) Limited	1.50	8.98
4	Godrej Household Products (Bangladesh) Pvt. Limited	1.50	8.95
5	Godrej Consumer Products Mauritius Limited **	(0.50)	(2.28)
6	Godrej Mauritius Africa Holdings Limited	1.00	6.22
7	Godrej East Africa Holdings Limited	3.60	22.12
	<b>Total</b>	<b>13.70</b>	<b>85.94</b>

Note: \* Investments transferred to another wholly owned subsidiary.

\*\* Investment in preference capital.

All investments except the investment mentioned in Sr. No 5 above are in equity capital.

No Loans or Corporate Guarantees were given during the year.

## 10. RELATED PARTY TRANSACTIONS

In compliance with Clause 49 of the Listing Agreement, the Board has adopted a policy for transactions with Related Parties ("**RPT Policy**"). The RPT policy is available on the Company website, viz. [www.godrejcp.com](http://www.godrejcp.com), on the Investors page, under the section titled "Compliance".

This may also be accessed through the following link:  
<http://www.godrejcp.com/Resources/pdf/Related-Party-Transactions-Policy.pdf>

Apart from the Related Party Transactions in the ordinary course of business and at arm's length basis, details of which are given in the notes to the financial statements, there were no other Related Party Transactions requiring disclosure in the Directors' Report, for compliance with Section 134(3)(h) of the Companies Act, 2013. Therefore, a Nil Report is annexed as **Annexure 'D'** in the format prescribed i.e. Form AOC-2.

## 11. ACQUISITIONS & MERGERS

Your Company entered into the following agreements during the year for various acquisitions:

- With the Darling Group on October 1, 2014 to acquire 100% stake in its hair extensions business in Ghana through its wholly-owned subsidiary, Weave Business Holdings Mauritius Private Limited.
- With Frika Pty Limited, South Africa on January 6, 2015, for the acquisition of 100% equity stake in its hair extensions business in South Africa.
- With the Darling Group on February 24, 2015, for increasing the Company's shareholding in Darling Group's South Africa and Mozambique businesses to 90% in line with the intent of gradually scaling up its ownership of the Darling business.

Certain Subsidiaries of your Company have merged with another subsidiary, the details of which are given in the para on Subsidiaries and Associates below.

## 12. SUBSIDIARIES & ASSOCIATES

During the year, the following companies became subsidiaries of your Company:

DGH Phase 3 Mauritius  
Weave Ghana Limited  
Godrej Easy IP Holding Limited  
Darling Trading Company Limited  
Godrej Africa Holdings Limited  
Godrej Indonesia IP Holdings Limited  
Godrej Megasari Holdings Limited  
Frika Weave Pty Limited

Pursuant to a scheme of amalgamation sanctioned by the Supreme Court of Mauritius, Godrej Kinky Holdings Limited, a wholly owned subsidiary of your Company has merged with Godrej Consumer Investment Holding Limited, another wholly owned subsidiary. The merger is effective from April 1, 2014.

Pursuant to another scheme of amalgamation sanctioned by the Supreme Court of Mauritius, the wholly owned subsidiaries named below merged into Godrej Mauritius Africa Holdings Ltd, another wholly owned subsidiary.

Godrej Consumer Investment Holding Limited  
Godrej Weave Holdings Limited  
DGH Mauritius Private Limited  
Weave Business Holding Mauritius Private Limited  
DGH Phase 3 Mauritius

The merger is effective from March 31, 2015.

Inecto Manufacturing Limited, U.K and Issue Group Uruguay S.A were dissolved during the year.

The details of business of the key subsidiaries are given in the Management Discussion & Analysis section of the Directors' Report. The performance and financial position of each subsidiary and associate company is given in form AOC 1 which forms part of Consolidated Financial Statements.

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.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company has placed the financial statements of its subsidiaries on the Company's website [www.godrejcp.com](http://www.godrejcp.com).

In compliance with the Listing Agreement, the Board has adopted a policy for determining material subsidiaries. This policy is available on the Company's website [www.godrejcp.com](http://www.godrejcp.com), in the Investors page, under the section titled "Compliance".

This may also be accessed at the following link:  
<http://www.godrejcp.com/Resources/pdf/Policy-on-Material-Subsidiaries.pdf>

## 13. DISCLOSURE ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

**Annexure 'E'** to this Report provides information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, required under Section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 which forms a part of the Directors' Report.

## 14. RISK MANAGEMENT POLICY

The Board has constituted a Risk Management Committee. Elements of risks to the Company are given in the Management Discussion & Analysis section of this Report under the heading "Risks & Concerns".

## 15. CORPORATE SOCIAL RESPONSIBILITY

Your Company has a policy for meeting its Corporate Social Responsibility ("CSR"). Details of CSR projects are provided in **Annexure 'F'** in the prescribed format.

## 16. VIGIL MECHANISM

Your Company has adopted a Vigil Mechanism Policy.

The purpose of the policy is to enable employees to raise concerns about unacceptable improper practices and/or any unethical practices being carried out in the organisation without the knowledge of management. All employees shall be protected from any adverse action for reporting any unacceptable/improper practice and/or any unethical practice, fraud or violation of any law, rule or regulation. This Whistle Blower policy will also be applicable to the Directors of the Company.

The Audit Committee reviews on a quarterly basis, reports made under this policy and implements corrective actions, wherever necessary.

## 17. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In Compliance with Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 your Company constituted an "Internal Complaints Committee" ("Committee"). Twenty-six workshops were conducted to create awareness about sexual harassment among employees.

Since the number of complaints filed during the year was NIL the Committee prepared a NIL complaints report. This is in compliance with Section 22 of the Act.

## 18. AUDIT COMMITTEE

Your Company has an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and the Listing Agreement. The Audit Committee consists of the following Independent Directors: Mr. Bharat Doshi as Chairman of

the Committee and Mr. Narendra Ambwani, Prof. Bala Balachandran, Dr. Omkar Goswami, Mr. Aman Mehta, Mr. D Shivakumar and Ms. Ireena Vittal as members. Prof. Bala Balachandran has ceased to be a member of the Committee with effect from the close of business hours on March 31, 2015 since he has resigned from the Board.

## 19. EMPLOYEE STOCK GRANT SCHEME

The shareholders have on March 18, 2011, approved the Employee Stock Grant Scheme (GCPL 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 GCPL ESGS 2011, 174,121 grants are outstanding and not vested as at March 31, 2015.

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 Nomination and Remuneration Committee. The equity shares vested in the eligible employees shall be allotted on payment of the exercise price of ₹ 1/- per share.

The details of the grants allotted under GCPL ESGS 2011, as also the disclosures in compliance with Section 62 1(b) read with Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014 are set out in **Annexure 'G'** to this report.

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 April 1, 2014, 10,40,000 options convertible into 10,40,000 equity shares of Godrej Industries Limited (GIL) were outstanding. As at March 31, 2015, 35,000 options convertible into 35,000 equity shares of GIL were outstanding.

The Company has not given any loan to any person under any scheme for the purpose of or in connection with the subscription or purchase of shares in the Company or the Holding Company. Hence there are no disclosures on voting rights not directly exercised by the employees in respect of shares to which the scheme relates.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm 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;
- 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;
- 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 and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- the Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and this system is adequate and operating effectively.

## 21. 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, 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 them, 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;	5,808	882,849
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;	52	9,112
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year and the aggregate shares transferred;	52	9,112
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	5,756	873,737

## 22. LISTING

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

2500 Non-Convertible Debentures of face value ₹ 10 lakh each aggregating ₹ 250 crore issued in October, 2014 on private placement basis, are listed in the whole sale debt segment on The National Stock Exchange of India Limited.

The applicable annual listing fees have been paid to the Stock Exchanges before the due date.



## 23. EXTRACT OF ANNUAL RETURN

**Annexure 'H'** to this Report provides the Extract of Annual Return to be filed by the Company under the Companies Act, 2013.

## 24. AUDITORS AND AUDITORS' REPORT

### A. Statutory Auditors

In accordance with Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, have been appointed as statutory auditors to hold office from the conclusion of the 14th Annual General Meeting till the conclusion of the 17th Annual General Meeting which will be held in 2017 (subject to ratification of re-appointment by the members at every AGM held after the AGM in which the appointment was made) of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.

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

### B. Cost Auditors

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 2014-15. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

### C. Secretarial Auditors

The Board has appointed A. N. Ramani & Co., Company Secretaries, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure 'I'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 25. CORPORATE GOVERNANCE

The Company continues to enjoy a Corporate Governance Rating of CGR2+ (pronounced as CGR 2 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 Agreement, the Management Discussion & 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 'J'** and forms a part of this Annual Report.

## 26. MANAGEMENT DISCUSSION & ANALYSIS

In order to avoid duplication between the Directors' Report and Management Discussion & Analysis, your Directors give a composite summary of the various businesses and functions of the Company, in the following pages.

# OVERVIEW

## Macro Economic Environment

Over the last year, we have seen a revival in the Indian economy, with macroeconomic indicators now starting to trend in the right direction. GDP growth has increased to 7.4% from 6.9% in the previous year. Consumer inflation dropped to 6% from 9.5%. The fiscal deficit target too, has been reduced to 3.9% of the GDP for fiscal year 2016, from 4.1% in fiscal year 2015. The current account deficit and the Government's subsidy bill, both fell by nearly 50 basis points (as a percentage of GDP) and have consequently, helped in fiscal consolidation.

Steps have also been taken to improve the investment climate in the country. This includes the fast-tracking of projects under the Cabinet Secretariat, increase in the insurance sector FDI limit to 49% from 26%, and the initiation of regulatory reforms in labour, environment clearances and the mining sector. While India continues to be the highest-ranking country in Nielsen's Consumer Confidence Index, for the sixteenth quarter in a row, demand on the ground is yet to pick up. The ease of lending rates and structural reforms such as the implementation of the Goods & Services Tax and enactment of the land acquisition bill will be key drivers of demand, going ahead.

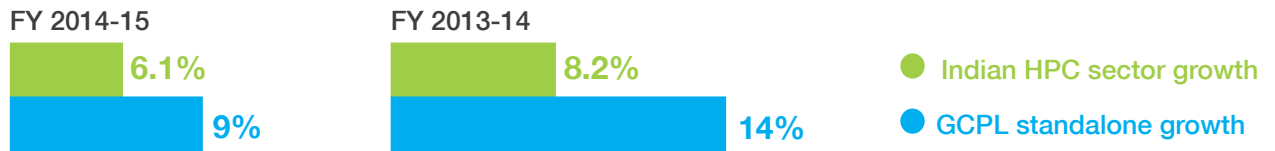
Depreciating currencies and weakening growth continue to remain significant challenges for our businesses, globally. Our teams are however, navigating them with a sharp focus on costs and constant innovation.

## FMCG Sector

Consequent to the turbulent macroeconomic scenario, the FMCG sector registered a sluggish growth in the first half of fiscal year 2015. Consumer demand in the second half of the year, however, started to show early signs of a recovery. While we see this as a gradual process, we expect the overall Indian economy to pick up pace in fiscal year 2016. Pro-growth initiatives by the government, such as the passing of the Goods & Services Tax Bill, will be greatly beneficial for this.

In this environment, our business has delivered strong, competitive double-digit growth across categories. We have also further strengthened our leadership positions across our core categories. Our robust performance is on the back of the gradual improvement we are seeing in the FMCG growth in India. This is aided by our continued focus on innovations and brand building, supported by competitive marketing investments and enhancements to our go-to-market infrastructure.

## GCPL outperforms the Home & Personal Care sector in India



## GCPL delivers a strong performance over the last 5 years

### Consolidated Net Sales



### EBITDA



## GCPL is becoming more international

International sales as a percentage of consolidated sales







EXTENDING  
LEADERSHIP IN OUR  
CATEGORIES IN INDIA

# PERSONAL CARE

Second largest toilet soaps company in India



- 1 Largest Grade 1 quality soap in India (simply put: more soap in each soap)
- 2 Offers you 'Nature's way to glowing skin' with carefully chosen natural ingredients to make your skin beautiful
- 3 Refreshes brand identity
- 4 Launches a new facewash in a tube and India's first ever multi-use facewash sachet
- 5 Brand crosses ₹ 1,000 crore
- 6 Ranks #15 in Personal Care in the 'Economic Times – Brand Equity Most Trusted Brands Survey 2014'

# CINTHOL



- 1 Built on the high-energy proposition of 'Alive is Awesome', it inspires you to step out of the stale and embrace the fresh, the new
- 2 With premium international fragrances and innovative designs, it is one of the most refreshing grooming experiences across soaps, deodorants, talcs and shower gels
- 3 Latest online campaign #AlivelsOffline, is a runaway success
- 4 Launches Cinthol Confidence+ with 99.9% germ protection; its insta deo fragrance provides an amazing bathing experience
- 5 Brand crosses ₹ 500 crore
- 6 Ranks #11 in Personal Care in the 'Economic Times – Brand Equity Most Trusted Brands Survey 2014'

# PERSONAL CARE

Our new health and wellness platform





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

# HAIR CARE

Leader in hair colour in India





- 1 India's largest selling hair colour, used by over 40 million satisfied consumers
- 2 Innovative solutions include crème hair colour in a sachet and a powder hair colour with a unique gel technology, at unbelievably democratised prices
- 3 Godrej Expert Rich Hair Crème is the fastest growing brand in the crème hair colour segment; features in Nielsen's 'Breakthrough Innovation Report 2014'
- 4 Launches new premium Godrej Expert Rich Hair Crème shades of Cinnamon Red and Honey Brown
- 5 Hosts successful integrated marketing campaigns and unique initiatives like extensive engagement with salons, barber training, innovative media and communication
- 6 Ranks #26 in Personal Care in the 'Economic Times – Brand Equity Most Trusted Brands Survey 2014'



- 1 Largest selling henna brand in India in terms of market share
- 2 Most penetrated henna brand in the country; used by more than 10 million households



# HOME CARE

Leader in household insecticides in India



- 1 Built on the promise of 'protecting happy moments', aims to delight consumers through a deep understanding of their needs
- 2 Good knight Fast Card, India's first paper-based mosquito repellent, becomes a ₹ 100 crore brand in just 11 months – among the highest run ups for a new FMCG brand
- 3 Good knight Xpress liquid vapouriser, the fastest and most powerful of its kind in the market, continues to perform well
- 4 Launches a Neem Activ+™ Low Smoke Coil variant to premiumise our coil franchise
- 5 Brand crosses ₹ 1,500 crore
- 6 Ranks #1 in Household Care in the 'Economic Times – Brand Equity Most Trusted Brands Survey 2014'



- 1 Clear leader in the aerosols market, focused on killing pests and offering great efficacy
- 2 Innovating ways to make our products easy to use, safe and affordable to help homemakers win the battle against pests
- 3 Hit Anti Roach Gel continues to outperform
- 4 Campaign on 'Kill Pests, Kill Diseases' creates tremendous brand equity
- 5 Ranks #8 in Household Care in the 'Economic Times – Brand Equity Most Trusted Brands Survey 2014'

# HOME CARE

Number 3 player in air care in India





- 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 sits pretty on the dashboard, and can also make itself at home in the cup-holder of a car
- 3 Innovative gel format and consumer engagement aids sales and distribution ramp up
- 4 Launches two new delightful spray variants – morning.misty.meadows and violet.valley.bloom
- 5 Ranks #11 in Household Care in the 'Economic Times – Brand Equity Most Trusted Brands Survey 2014'

# HOME CARE

Leader in liquid detergents in India





Scan me to watch our  
heart-warming 'Ezee  
Hugs' video

Last winter, we launched an 'Ezee Hugs' campaign, in conjunction with our Godrej Ezee 'Raahat - Ek Abhiyaan' initiative. As part of this drive, our team donated clean woollens, washed with Ezee, to over 31,000 underprivileged school-going children across eight cities in north India.





# CAPITALISING ON INTERNATIONAL GROWTH POTENTIAL





# INDONESIA

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

Business performs well despite a tough macroeconomic environment

**#1** in air fresheners and wet wipes

**#1** in key modern formats of household insecticides  
(aerosols, liquid vapourisers and mats)



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



# AFRICA

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

Continue scaling up businesses; now have a presence in South Africa, Mozambique, Kenya, Nigeria, Ghana, Uganda, Tanzania and Angola

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

**#2** in hair extensions (Nigeria)

**#3** in Caucasian hair colours (South Africa)

Source: Management estimates



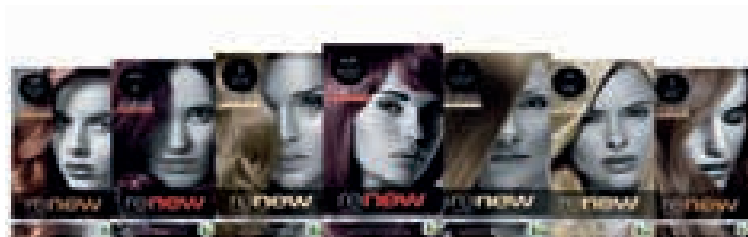
Darling, the number one player in hair extensions in 14 African countries



Frika, our latest acquisition, is a leading premium hair extensions brand in South Africa



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



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



# ARGENTINA

Range of products across hair colour, hair care and styling

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

**#2** in hair colours



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



Roby, the leading hair styling spray in Argentina, is an over 30-year old heritage brand



# CHILE

Range of products across hair colour, hair care, colour cosmetics, styling, depilation and skin care

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

**#2** in depilatory products

**#2** in hair colours

**#3** in colour cosmetics



Licit, the number one brand in hair colour in Chile, reaches out to over 1 million women and counting



Pamela Grant, a leading colour cosmetics and skin care player in Chile





# UNITED KINGDOM

Range includes skin care, sanitisers, sun care and female deodorants

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

**#1** in stretch marks treatment

**#2** in hand sanitisers

**#4** in sun care

**#4** in female deodorants



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



Cuticura offers anti-bacterial protection for the entire family



Our Soft & Gentle range of female deodorants



# BANGLADESH, SRI LANKA & NEPAL

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Strong presence in Bangladesh, Sri Lanka and Nepal

Range of products across household insecticides, air fresheners and hair colours

Business performs well despite a tough macroeconomic environment

**#1** in household insecticides in Nepal

**#2** in powder hair colour in Bangladesh

**#1** in hair colour in Sri Lanka



Our Good knight and Hit brands hold leadership positions in household insecticides in Nepal



Expert, Renew and Abha are leading players in their respective hair care segments in Bangladesh and Sri Lanka



# MIDDLE EAST

Range of household care, hair care and personal care products, including soaps, deodorant sprays, hair colour and air care

Business performs well despite a tough geopolitical environment

Leading player in the powder hair colour and henna segments

Strong market position in soaps (among consumers from the Indian subcontinent)

Strong entry into the air care segment in the region, with the launch of Godrej aer



Godrej aer makes a strong entry into the air care segment



Cinthol holds a strong market position among consumers from the Indian subcontinent



Leading player in the powder hair colour and henna segments



# ACCELERATING INNOVATION AND RENOVATION



# INDIA

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## Godrej No. 1 Facewash

- 1 Foray into skin cleansing
- 2 Builds on the natural beauty proposition of Godrej No. 1
- 3 Nature White Fairness and Nature Clear Pimple Control facewash variants in tube and sachet formats
- 4 Introduces India's first multi-use facewash sachet



Scan me to find out  
more about our  
foray into facewash

# AB FACE WASH SE PAAIYE KESARI NIKHAAR.

SIRF ₹35\* MEIN.

Introducing the new Godrej No.1 Fairness Face Wash.  
It's enriched with complexion enhancing Kashmiri Kesar and gentle  
cleansing Floral Extracts, that give you 50% more brightness\*.



Fairness Face Wash

# INDIA

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## Cinthol Confidence+

- 1 Only dual action soap that offers 99.9% germ protection
- 2 Insta deo fragrance provides an amazing bathing experience
- 3 Impactful launch video receives an overwhelming 2.3 million views on YouTube and other social media platforms



Scan me to learn  
about how Cinthol  
Confidence+ offers  
an amazing bathing  
experience



**CINTHOL**  
ALIVE IS AWESOME

**OVERCOME  
DIRT AND GERMS  
WITH CINTHOL  
CONFIDENCE+**

**99.9% germ protection\* soap with Insta Deo fragrance.**

\* Reduction on contact with product. As per lab test.

# INDIA

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## Good knight Neem Activ+™ Low Smoke Coil

- 1 For the first time, Neem Activ+™ is used as a constructive solution against mosquitoes
- 2 Advanced technology offers 12 hours of effective, enhanced protection
- 3 Available at a price point of just ₹ 33 for 10 coils



Scan me to find out how  
our Low Smoke Coil's  
Neem Activ+™ formula  
effectively drives  
mosquitoes away

नीम ऐक्टिव+ अंदर,  
मच्छर बाहर.



ADVANCED

NEEM  
ACTIV+  
LOW SMOKE COIL



# INDIA

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## BBLUNT

- 1 Foray into premium hair care
- 2 In collaboration with BBLUNT salon founder and celebrity stylist Adhuna Bhabani-Akhtar and her team, we create India's first integrated style system: the BSYSTEM

- 3 Specifically designed for Indian hair and Indian weather, it works through a unique three-fold approach:

Prep: shampoo-conditioner systems, for every hair type

Style: styling products and tools, bringing salon smarts into your hands

Transform: hair colour and hair extensions, for quick and easy makeovers



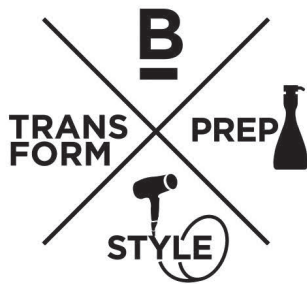
Need to do something  
with your hair? Scan  
me to find out what to  
do next!

# BBLUNT

Salons+Products+Expertise



## Introducing India's first integrated style system:



### BSYSTEM

**Prep:** shampoo-conditioner systems, for every hair type

**Style:** styling products and tools, bringing salon smarts into your hands

**Transform:** hair colour and hair extensions, for quick and easy makeovers



To find the perfect match for your hair or to be inspired by on-trend salon looks, go to [bblunt.com](http://bblunt.com)



# INDONESIA

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## Stella Daily Freshness

- 1 Stella becomes the market leader in membranes in 8 months
- 2 Range designed to appeal to whole family; a major contributor to success
- 3 New home range combines natural oils and fresh, long-lasting fragrances in a unique no-leak packaging
- 4 Popular animated characters and festive theme-led marketing programmes drive adoption



Scan me to learn more  
about our delightful  
Stella car membrane



LASTS UP TO  
**30** DAYS

# STELLA<sup>®</sup>

## 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



Stella Air Freshener | [www.stella-airfreshener.com](http://www.stella-airfreshener.com)

# AFRICA

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## Darling Ombré Braid

- 1 New Ombré braids in South Africa, build on a larger global trend towards ombré styles
- 2 First three-colour Ombré blend in the South African market
- 3 Ombré now a colour variant in both our entry level PP and Yaki Braids, as well as the more premium One Million Braid range
- 4 Ombré braids pegged at an 8% premium to valorise the braids category



Scan me to find out  
more about our stylish  
new Ombré braid

# One Million Braids®

100% PREMIUM QUALITY HAIR



**DARLING®**

PASSION FOR HAIR

**NEW**  
**OMBRE™**  
COLOUR BLEND



[www.darling.co.za](http://www.darling.co.za)

# LATIN AMERICA

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## Illicit Ammonia Free

- 1 New ammonia free hair colour with 100% grey coverage, available in 15 shades
- 2 Ammonia free formula protects hair structure during colouring
- 3 Its pleasant fragrance makes hair colouring a unique, aromatic experience
- 4 Post colour treatment enriched with natural oils and keratin



Scan me to learn  
more about Illicit's new  
ammonia free hair  
colour



ilicit<sup>®</sup>  
color **AMMONIA FREE**

PERMANENT HAIR COLOR

**AMMONIA FREE**

100% GRAY COVERAGE

LOVE YOUR HAIR



LONG LASTING COLOR • CLEAR UP TO 2 TONES NATURAL HAIR

# LATIN AMERICA

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## Dermo Capil

- 1 Anti-hairfall regenerator for men and women
- 2 Acts from the hair root, stopping loss of hair, increasing thickness and stimulating growth
- 3 Increases the body and volume of hair, providing shine and smoothness without making the scalp oily
- 4 Visible results in only six weeks



Scan me to see how  
our revolutionary  
product works!

"I can lose everything,  
but my hair."  
*Álvaro Morales*



NEW

# DERMO CAPIL

ANTI-HAIRFALL REGENERATOR

100%

VERIFIED CLINICAL  
EFFECTIVENESS



6

weeks for  
**Visible  
Results**

FORMULATED FOR  
MEN & WOMEN  
HYPOALLERGENIC

[www.dermocapil.cl](http://www.dermocapil.cl)





# UNITED KINGDOM

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## Soft & Gentle

- 1 New compressed cans last just as long as the regular size cans; smaller cans means we are kinder to the environment
- 2 Our ground-breaking new Skin Science range is clinically proven to provide advanced, ultra-effective and natural hair minimising protection



Scan me to find  
out more about our  
sensationally long-  
lasting deodorant

# Soft & Gentle

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SKINscience

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Ultra-effective  
deodorant with the  
**feel good  
factor**



Step out with confidence with Soft & Gentle **VISIBLY SMOOTH**. Enriched with Kelsolft™, it doesn't just help skin stay smoother for longer, it contains moisturising ingredients for long lasting softness too!



# BUILDING A FUTURE READY SALES SYSTEM



- 1 Leverage technology to drive greater portfolio penetration in urban markets; over 1,800 salesmen in urban markets use handheld terminals
- 2 Strengthen go-to-market in urban markets; sustain efficiency development and coverage; urban direct outlet coverage expands by over 20% in the last 18 months
- 3 Quality of coverage in rural markets and augmenting expansion efforts lead to significant benefits; rural coverage expands to 55,000 villages
- 4 Sales force enhanced to drive greater expansion of new markets and greater depths in existing markets
- 5 Continue to enhance functional capabilities through customised development programmes and business intelligence deployment
- 6 Augment go-to-market approach; set up a zonal structure to drive growth

*Picture*

Left: A GCPL sales team member at a kirana store in Mumbai



MAKING OUR  
SUPPLY CHAIN  
BEST IN CLASS





- 1 Leveraging best-in-class practices to become more agile: Demand-driven Supply Chain, Theory of Constraints, Total Productive Maintenance, Lean, Six Sigma and Low Cost Automation
- 2 Cutting edge replenishment practices now mapped to the Advanced Planning and Optimisation module of SAP
- 3 Ability to respond to constantly changing consumer demand patterns, leading to high fill rates; now an industry benchmark
- 4 Global strategic sourcing with significant benefits to the bottom-line
- 5 Project on bar coding shippers is progressing well; improves 'freshness' of products at time of sale, better logistics practices and product traceability
- 6 Enhancing manufacturing capacity, across geographies
- 7 Gearing up for the implementation of the Goods & Service Tax in India
- 8 Strengthening supply chain processes in international businesses: integration into one SAP ERP, Lean and Kaizen implemented
- 9 Driving sustainable manufacturing and supply chain practices results in significant improvements in energy and water consumption, carbon footprint, waste generation and renewable energy

#### *Pictures*

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

Bottom Left: Inside the new Gunung Putri factory in Indonesia, where we produce our popular Hit and Mitu products



# BUILDING AN AGILE AND HIGH PERFORMANCE CULTURE



## 1 Strengthening our employer brand across geographies

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 on developing, mentoring and training. We believe that passionate, rounded individuals with diverse interests make for better Godrejites.



Your Canvas



Tough Love



Whole Self

## 2 Innovative approach to recruitment

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

## 3 Strong focus on careers

100 Leaders Programme with individually tailored development plans runs across geographies

### *Pictures*

Top Left: The GALLOP management trainee batch of 2015 meets Adi Godrej on their first day at Godrej

Bottom Left: Winners of the 2014 edition of Godrej LOUD

#### 4 Investing in leadership development

World class training programmes with professors from global business schools

#### 5 Building an inspiring place to work

Ranks #1 in the FMCG category in the 'Great Place to Work – Best Workplaces in India 2014' list; we have featured on this list for 11 years in a row

Ranks #14 on the 'Great Place to Work – Best Workplaces in Asia 2014' list

Ranks among the Best Employers in India in the 'Aon Hewitt Best Employers 2015' survey



#### *Pictures*

Top Right: Bharat Anand, professor of strategy at Harvard Business School, conducts a special workshop with our senior team members

Bottom Right: Our Godrej Fellows 2016 batch. This programme brings together exceptional young Godrejites to lead change projects across our Group.





# DIVERSITY

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## Fostering an inclusive Godrej

### **We take pride in being an equal opportunities employer**

*“We recognise merit and perseverance and encourage diversity at Godrej. We do not tolerate any form of discrimination on the basis of nationality, race, colour, religion, caste, gender identity or expression, sexual orientation, disability, age or marital status and will allow for equal opportunities for all our team members.”*

We understand that our team members play multiple roles and our policies like flexi time are designed to enable them to do so.

### **Godrejite Resource Groups**

#### **Godrej Alliance for Parents**

*Our team members, along with their partners, share experiences on child care and work-life balance through meetings, parenting sessions and workshops*

#### **Godrej Women’s Leadership Network**

*We aim to make Godrej a workplace of choice for women and offer mentoring, leadership development and regular networking opportunities through this platform*

#### *Pictures*

Top Right: One of our Godrej Alliance for Parents events, on spending quality time with our children

Bottom Right: Godrej hosts the MINGLE Indian LGBT Youth Leadership Summit 2015





# BEYOND BUSINESS — GOOD & GREEN



Saloni



# GOOD & GREEN

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## Building a more inclusive and greener India



As a Group, we have always actively championed social responsibility. We are now exploring ways to further this commitment through 'shared value' initiatives that create both social and business benefits.

As part of Good & Green by 2020, as a group we will aspire to:

### Employability

**Train 1 million youth in skills that will enhance their earning potential**

As of March 31, 2015, GCPL has trained 85,000 youth in skills that will enhance their earning potential. These programmes comprise:

- 1 Beautician training for low income women
- 2 Channel sales training
- 3 Rural entrepreneurship training for women
- 4 Sales training in general trade

#### *Pictures*

Top Left: Godrej Saloni, our beautician training programme for low income women in India

Bottom Left: Godrejites engage in skill-based, long-term volunteering projects with our NGO partners



## Greener India

Achieve zero waste to landfill, carbon neutrality and a positive water balance, while reducing specific energy consumption and optimising the use of renewable energy

At a Group level, the progress achieved by our factories in improving environmental sustainability performance, compared to a 2011 baseline, is as below.

Greener India Goal 2020	Achievement to date
Become carbon neutral	36% reduction in specific greenhouse gas emissions
Have a positive water balance	33% reduction in specific water consumption
Have zero waste to landfill	61% reduction in waste to landfill
Reduce specific energy consumption by 30%	30.8% reduction in specific energy consumption
Increase renewable energy sources by 30%	37.6% of total energy consumption from renewable sources

## Product Innovation

Generate a third of our portfolio revenues from 'good' and/or 'green' products

Through innovation in our product pipeline, we are developing products that are safe and environmentally sustainable.



### Good knight Fast Card

*About 3.3 billion people are at risk of malaria, worldwide. India alone sees 24 million cases of malaria each year, with 90% of our population residing in malaria prone areas.*

*In rural India, in particular, penetration of household insecticides is very low because current products are either expensive or require electricity. With Good knight Fast Card, our idea was to launch a product that would break the price barrier (available at just ₹1 per card), work instantly and not require electricity.*

*We leveraged the idea of this revolutionary paper-based mosquito repellent from our Indonesia business and substantially modified the product for the Indian market.*

Pictures

Top Left: We own and care for the largest privately managed belt of mangroves in Mumbai



## 27. INTERNAL CONTROL AND ADEQUACY

We have a proper system of Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, 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.

## 28. RISKS AND CONCERNS

With our presence in three continents i.e. Asia, Africa and Latin America, we are exposed to risks which 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

## 29. OPPORTUNITIES AND THREATS

Close to 40% of our growth now comes from new products and renovations. We believe that there are tremendous long-term growth opportunities in emerging markets. These geographies are home to 80% of the world's population. Estimates suggest that these markets will contribute to close to 36% of the forecasted increase in the world's population over the next five years. Close to half of the total global consumption is also slated to come from here. We believe that there are significant opportunities for growth in our core geographies and categories.

On the domestic front, the fundamentals of the FMCG sector remain strong and there is still significant growth potential, given the low penetration and consumption rates for many FMCG categories in the country.

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

We expect to see a gradual recovery in the macroeconomic environment and for the Indian economy to consequently, gather pace in fiscal year 2016. While macroeconomic factors remain challenging in some of our international markets, we believe that we are well placed to continue our strong sales and profitability growth momentum. Overall, our focus will be on sustaining and extending leadership in our core categories. We are investing for the longer term and accelerating the pace of new product launches, to capitalise on the uptick in consumer sentiment and demand. We are confident that with our clear strategic focus, differentiated product portfolio, superior execution and top-notch team, we will continue to deliver industry-leading results in the future.

## 30. ACKNOWLEDGEMENT

Your Directors wish to extend 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, 2015

## ANNEXURE 'A'

### GCPL TOTAL REWARDS POLICY

GCPL's Total Rewards Framework aims at holistically utilising elements such as fixed and variable compensation, long-term incentives, benefits and perquisites and non-compensation elements (career development, work-life balance and recognition).

#### Highlights

The rewards framework offers to employees the flexibility to customise different elements, basis need. It is also integrated with GCPL's performance and talent management processes and designed to ensure sharply differentiated rewards for our best performers.

The total compensation for a given position is influenced by three factors: position, performance and potential. As a broad principle, for high performers and potential employees, GCPL strives to deliver total compensation at the 90th percentile of the market.

#### Total Cash Compensation

Employee's total cash compensation has three components:

1. 'Fixed Compensation' comprises the basic salary and retirement benefits like provident fund and gratuity.
2. 'Flexible Compensation' is a fixed pre-determined

component of an employee's compensation. Employees can allocate this amount to different components, as per their grade eligibility, defined at the start of each financial year.

3. 'Variable Compensation (Performance Linked Variable Remuneration)' rewards employees for delivering superior business results and individual performance. It is designed to provide a significant upside earning potential without cap for over achieving business results. It has a 'Collective' component, linked to the achievement of specified business results, measured by Economic Value Added or other related metrics, relative to the target set for a given financial year and an 'Individual' component, based on an employee's performance, as measured by the performance management process.

#### Long Term Incentives (Employee Stock Grant Scheme)

This scheme aims at driving a culture of ownership and focus on long-term results. It is applicable to Godrej Leadership Forum members, grades Vice President and above. Under this scheme, performance-based stock grants are awarded basis performance, measured by employee's annual review rating. The value of the stock grant is proposed by the management and approved by the compensation committee.

## ANNEXURE 'B'

### BOARD DIVERSITY POLICY

#### Godrej Consumer Products Limited (the "Company")

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age, or marital status.

The Company recognises merit and continuously seeks to enhance the effectiveness of its Board. The Company

believes that for effective corporate governance, it is important that the Board has the appropriate balance of skills, experience and diversity of perspectives.

Board appointments will be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders.

The Board will review this Policy on a regular basis to ensure its effectiveness.

## ANNEXURE 'C'

### Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- 1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

#### A. Whole-time Directors, Chief Financial Officer and Company Secretary

Sr. No.	Name of the KMP	% increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director to the median remuneration paid/payable to all employees for FY 2014-15
1	Adi Godrej	39**	264:1
2	Nisaba Godrej	*	90:1
3	Vivek Gambhir	*	258:1
4	P. Ganesh	60**	Not Applicable

\* Not comparable since figures for FY 2013-14 are effective July 1, 2013.

\*\* Remuneration increase includes actual variable bonus paid out based on performance.

Comparison of Remuneration of KMP against performance of the Company : Standalone net profit of the Company during the financial year grew from ₹ 564 crore to ₹ 654 crore (an increase of 15.8%)

#### B. Non-Executive Directors

Sr. No.	Name of the Director	% increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director to the median remuneration paid/payable to all employees for FY 2014-15
1	Jamshyd Godrej	46	3.8:1
2	Nadir Godrej	62	4.2:1
3	Tanya Dubash	54	4.0:1
4	Narendra Ambwani	36	3.8:1
5	Bala Balachandran	38	3.6:1
6	Bharat Doshi	54	4.0:1
7	Omkar Goswami	46	3.8:1
8	A. Mahendran	(96)	3.4:1
9	Aman Mehta	43	4.0:1
10	D. Shivakumar	36	3.8:1
11	Ireena Vittal	67	4.0:1

**Note:**

- i. As per the approval received from the shareholders at the Annual General Meeting held on July 28, 2014, Non-Executive Directors are entitled to a Commission on Profits at a rate not exceeding 1% of the net profits subject to a maximum of ₹ 15 lac per director, for a period of three financial years beginning from 2014-15. For the financial year ended on March 31, 2014, Non-Executive Directors were entitled to a Commission on Profits at a rate not exceeding 1% of the net profits subject to a maximum of ₹ 12.50 lac per director. Remuneration to Non-Executive Directors include sitting fees for attending Board/committee meetings. The sitting fees payable to each Director for attending Board meetings and Committee meetings during FY 2013-14 was ₹ 20,000 per meeting and ₹ 5,000 per meeting respectively. The sitting fees payable during FY 2014-15 has been increased to ₹ 1,00,000 for Board meetings and ₹. 20,000 for Committee meeting, which is within the limits as per the Companies Act, 2013.
- ii. Mr. A Mahendran was the Managing Director of your Company during the period April 1, 2013 to June 30, 2013 and was entitled to a remuneration. With effect from July 1, 2013 he is a Non-Executive Director and entitled to Commission on Profits at the rates mentioned in note 1 above. Hence the change in remuneration is not comparable.
- 2) Median remuneration of all the employees of the Company for the financial year 2014-2015: ₹ 4.98 Lac
- 3) The percentage increase in the median remuneration of employees in the financial year: 10.9%
- 4) The number of permanent employees on the payrolls of company as on March 31, 2015 : 2239.
- 5) Relationship between average increase in remuneration and company performance:

The average increase in remuneration (including performance bonus) during FY 2015 was 29.3% as compared to the previous financial year. Income from operations of the Company during the financial year grew from ₹ 4,079.84 crore to ₹ 4,429.80 crore (an increase of 8.6%) and Net Profit of the Company during the financial year grew from ₹ 564.84 crore to ₹ 654.45 crore (an increase of 15.8%).

- 6) Comparison of the remuneration of key managerial personnel against the performance of the Company is given in point 1.
- 7) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year, and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offering in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.

	As at March 31, 2015 ₹ (Crore)	As at March 31, 2014 ₹ (Crore)	Percentage increase / (decrease)
Market capitalisation	35,434	28,990	22%
Price earnings ratio	54	51	6%

The closing market price of the shares of the Company, as at March 31, 2015 in BSE, was ₹ 1,040.80. The Company has not come out with any public offer since its inception in 2001.

- 8) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof.

Total managerial remuneration comprises of remuneration of the Whole-time Directors and commission paid to Non-Executive Directors. The Whole-time Directors' remuneration is as per the resolution approved by the shareholders and will not exceed 5% of the Company's net profits as permitted by the Companies Act, 2013. The shareholders have approved Commission on Profits to Non-Executive Directors at a rate not exceeding 1% of the net profit subject to a maximum amount of ₹ 15 lakh per director. Overall increase in managerial remuneration is within the above limits. Average percentile increase in salary of employees other than managerial personnel is 28.6%. Percentile increase in managerial remuneration is given in point 1.

- 9) The key parameters for any variable component of remuneration availed by the directors;

The variable component of the remuneration of the Whole-time Directors is determined based on improvement in profitability and optimum utilisation of capital employed over last year.

- 10) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

Since no employee of the Company receives remuneration in excess of the highest paid director, i.e. Mr. Adi Godrej, Chairman, the same is not applicable.

- 11) Remuneration is as per the remuneration policy of the company.

## ANNEXURE 'D'

### Form AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

<b>1</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>	<b>NIL</b>
	a. Name(s) of the related party and nature of relationship	
	b. Nature of contracts/arrangements/transactions	
	c. Duration of the contracts/arrangements/transactions	
	d. Salient terms of the contracts or arrangements or transactions including the value, if any	
	e. Justification for entering into such contracts or arrangements or transactions	
	f. date(s) of approval by the Board	
	g. Amount paid as advances, if any :	
	h. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	
<b>2</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis</b>	<b>NIL</b>
	a. Name(s) of the related party and nature of relationship	
	b. Nature of contracts/arrangements/transactions	
	c. Duration of the contracts/arrangements/transactions	
	d. Salient terms of the contracts or arrangements or transactions including the value, if any :	
	e. Date(s) of approval by the Board, if any:	
	f. Amount paid as advances, if any:	

**For Godrej Consumer Products Limited**

sd/-  
**Adi Godrej**  
Chairman

## ANNEXURE 'E'

### INFORMATION PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014 IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. Conservation of Energy

##### I. Steps taken or impact on conservation of energy:

###### CENTRAL WEST CLUSTER

1. Installed an energy-efficient water based vacuum system in place of a steam-based system in soap dryers in order to eliminate the use of steam. Accrued Saving during 2014-15 – 8.9 lac KWH.
2. Provided an energy-efficient roots blower for transferring soap noodles which resulted in reducing power consumption. Accrued Saving during 2014-15 – 29,000 KWH.
3. Provided an energy-efficient air compressor, which is based on VFD and generates 35% more air than a motor rating of the same size. Accrued Saving during 2014-15 – 52,000 KWH.
4. Shifted CFA tanks from old RO location to new RO location in order to reduce power and steam consumption for transferring from old plants to new plants. Accrued Saving during 2014-15 – 2.86 lac KWH.

###### SOUTH CLUSTER

5. Installation of Heat recovery unit in coil 9 unit and energy efficient electrical devices.

##### II. Steps taken by the company to utilise alternate sources of energy:

The Company has started using briquette as fuel in place of coal in hot air generators of coil units in the North-east.

##### III. The capital investment on energy conservation equipment:

The Company made capital investment of ₹ 1.92 crore during the year.

#### B. Technology Absorption

The Research and Development function of your organisation continued to play a key role in ensuring the following successful launches during the year:

1. Godrej No. 1 Facewash – Two variants
2. Godrej Expert Hair colour Crème – Two new shades
3. Godrej aer Car and Home fresheners – Five new fragrances
4. Godrej No. 1 Lavender Soap
5. Godrej No. 1 Nature Soft – Glycerine & Honey
6. BBLUNT range of products – 17 products comprising Shampoos, Conditioners, Temporary Hair Colours, Men & Women's Styling Products
7. Protect range of products – Hand Wash, Hand Sanitiser and mosquito repellent spray

The current year, like previous years, also saw a sharp focus on consumer-centric and relevant, design led innovation.

##### I. Specific R&D Product Categories initiated by the Company:

1. Hair Care
2. Skin Care

3. Household Insecticides
4. Customer Centricity
5. Packaging Development
6. Fabric Care
7. Hygiene Products

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

Strong R&D led initiatives with innovation projects have led to successful launches of several new products in the marketplace in the current financial year. R&D has played a pivotal role in improving cost optimisation across product categories by contributing through both, product and process related innovations and improvements.

We believe that the three key pillars of consumer centricity, new product development and training-led skill upgradation will continue to propel your Company ahead of competition in its strategy of innovation led value creation.

### Future Plan of Action:

R&D shall continue to play a key role in the advancement and successful execution of newer innovations in the marketplace, for both domestic and international business. Our R&D team shall constantly endeavour to deliver superior innovative products thereby delighting, both domestic and international customers by:

1. Ensuring successful commercial launches within Hair Care and Household Insecticides categories for the coming year;
2. Engaging in providing support on global innovation strategies for various 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 all categories such as Skin Care, Household Insecticides, Hair Care and Fabric Care;
4. Maintaining a strong focus on R&D training needs and people development.

## III. Imported Technology:

The Company has not imported any technology since its incorporation.

## IV. Expenditure on R&D

		₹ Crore	
		FY 2014-15	FY 2013-14
(a)	Capital	0.34	0.50
(b)	Recurring	14.85	11.50
(c)	Total	15.19	12.00
(d)	Total R&D expenditure as a percentage of total sales turnover	0.35%	0.30%

## C. Foreign Exchange earnings and outgo:

		₹ Crore	
		FY 2014-15	FY 2013-14
I.	Foreign exchange used	199.31	195.64
II.	Foreign exchange earned	175.48	170.63

## CSR Report

1	A brief outline of the company's CSR policy, including an overview of projects or programmes proposed to be undertaken, with a URL to the CSR policy and initiatives	<p>GCPL is committed to the Godrej Group's "Good &amp; Green" vision of creating a more inclusive and greener India. The Good &amp; Green CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalised and less privileged sections of the society. Through our Good &amp; Green CSR policy, we align our CSR strategy with the Godrej Group's Good &amp; Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategy of the company, to benefit communities at large and deliver social and environmental impact.</p> <p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The policy as well as projects and programmes falling under the CSR policy are on the Company website. The URL is as follows: <a href="http://www.godrejcp.com/Resources/pdf/CSR-Policy.pdf">http://www.godrejcp.com/Resources/pdf/CSR-Policy.pdf</a>.</p>
2	Composition of the CSR Committee	<ol style="list-style-type: none"> <li>1. Nadir Godrej, Chairman</li> <li>2. Tanya Dubash, Director</li> <li>3. Nisaba Godrej, Executive Director, Innovation</li> <li>4. Vivek Gambhir, Managing Director</li> <li>5. Narendra Ambwani, Independent Director</li> </ol>
3	Average Net Profit of the company for last 3 financial years	₹ 620.72 crore
4	Prescribed CSR expenditure (2% of this amount as in item 3 above)	₹ 12.41 crore
5	Details of CSR spend for the financial year: <ol style="list-style-type: none"> <li>a) Total amount to be spent for the financial year</li> <li>b) Amount unspent, if any</li> <li>c) Manner in which the amount spent during the financial year</li> </ol>	The Company has spent ₹16.08 crore against the mandated amount of ₹12.41 crore. The manner in which the amount is spent is given in Table 1 which is annexed.



Table 1 - Details of CSR expenditure for the FY 2014-15

Amount in ₹ (Crore)

Sr. No.	CSR Project/ Activity identified	Sector in which the Project is covered	Projects/ Programmes 1) Local area or other 2) specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project / programme-wise	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative spend up to the reporting period	Amount spent (Direct / implementing agency)
1.	<b>Project Sakhi</b> Entrepreneurship training for rural women	Schedule VII (ii) Livelihood Enhancement Projects	<b>Bihar, Districts</b> -Madhubani and Bhagalpur <b>Assam, Districts -</b> Sonitpur, Sibsagar Darrang, Sootea Golaghat, Jorhat	0.30	Direct 0.36 Overhead 0.01 <b>Total 0.37</b>	0.37	Through Drishtee
2.	<b>Project Saloni</b> Beautician training for low income women	Schedule VII (ii) Livelihood Enhancement Projects	Pan-India	2.15	Direct 2.54 Overhead 0.13 <b>Total 2.67</b>	2.67	Through NSDC partner/ various NGOs (total of 325 such entities)
3.	<b>Project Vijay</b> Training in Channel sales for rural youth	Schedule VII (ii) Livelihood Enhancement Projects	20 districts spread over the following states: Andhra Pradesh, Delhi, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh & West Bengal	0.75	Direct 0.83 Overhead 0.04 <b>Total 0.87</b>	0.87	Through Labournet, Lok Bharti

Sr. No.	CSR Project/ Activity identified	Sector in which the Project is covered	Projects/ Programmes 1) Local area or other 2) specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project / programme-wise	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative spend up to the reporting period	Amount spent (Direct / implementing agency)
4.	<b>Adopting Advanced Energy Efficient Technologies to ensure environmental sustainability</b>	Schedule VII (iv) Environmental Sustainability	Madhya Pradesh, Dist. Bhind	1.15	Direct 1.30 Overhead 0.06 <b>Total 1.36</b>	1.36	Direct
5.	<b>Renewable Energy Development</b>	Schedule VII (iv) Environmental Sustainability	Madhya Pradesh, Dist. Bhind	6.75	Direct 8.03 Overhead 0.42 <b>Total 8.45</b>	8.45	Direct
6.	<b>Sweater Donation Drive</b> Alleviating winter hardship of underprivileged school going children	Schedule VII (i) Promoting Preventive Healthcare	Delhi, Gurgaon, Lucknow, Kanpur, Chandigarh, Jalandhar, Ludhiana, Patiala and Amritsar	1.75	Direct 1.90 Overheads 0.09 <b>Total 1.99</b>	1.99	Through Aarohan
7.	Donations	Schedule VII (viii) Contribution to PM Relief Fund and Schedule VII (vii) Training to promote rural sports		0.25	0.37	0.37	Direct to PM Relief Fund, Foundation for Promotion of Sports
	<b>Total</b>			<b>13.10</b>	<b>16.08</b>	<b>16.08</b>	

The implementation and monitoring of this CSR policy, is in compliance with the CSR objectives and policy of the Company.

sd/-

Nadir Godrej, Chairman of the CSR Committee

sd/-

Vivek Gambhir, Managing Director  
& member of the CSR Committee

## ANNEXURE 'G'

### INFORMATION IN RESPECT OF EMPLOYEE STOCK OPTIONS GRANTED UNDER THE EMPLOYEE STOCK GRANT SCHEME, 2011 (PURSUANT TO RULE 12(9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014)

Sr. No.	Heading	Godrej Consumer Products Limited Employee Stock Grant Scheme
A	Options granted	393,989
B	The pricing formula	Nominal value ₹ 1/- per equity share
C	Options vested up to March 31, 2015	149,529
D	Options exercised up to March 31, 2015	149,440
E	The total number of shares arising as a result of exercise of option	68,591 during FY 2014-15 149,440 up to March 31, 2015
F	Options lapsed	70,428
G	Variation of terms of options	None
H	Money realised by exercise of options up to March 31, 2015	₹ 0.01 crore
I	Total number of options in force	174,121
J	Employee wise details of options granted to:-	
	i) Key Managerial personnel	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	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

#### Notes :

#### 1. Employee wise details of options granted to key managerial personnel

Names & designation	Number of Options Granted	Number of Options Outstanding
Vivek Gambhir, Managing Director	23,118	34,970
P. Ganesh, Chief Financial Officer & Company Secretary (till March 31, 2015)	2,312	Nil

#### 2. Employees to whom options amounting to 5% or more were granted in one year

Names & designation	Number of Options Granted	Grant Year	Status as at March 31, 2015
Vivek Gambhir, Managing Director	17,778	FY 2013-14	11,852 options unvested and outstanding
Vivek Gambhir, Managing Director	23,118	FY 2014-15	Unvested and outstanding

## ANNEXURE 'H'

### Extract of Annual Return in form MGT-9

as on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS:</b>	
a.	CIN	L24246MH2000PLC129806
	Registration date	29-November-2000 (Date of Incorporation) 15-December-2000 (Date of Commencement of Business)
	Name of the Company	Godrej Consumer Products Limited
b.	Category/Sub Category (Government Company / Small Company / One Person Company / Subsidiary of Foreign Company / NBFC / Guarantee Company / Limited by shares / Unlimited Company / Company having share capital / Company not having share capital / Company Registered under Section 8)	Company having share capital
c.	Listing Status, if applicable	Listed on BSE and NSE
d.	Company's registered office address and contact details	Godrej Consumer Products Limited Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai - 400 079 Maharashtra, India Email: investor.relations@godrejcp.com Phone - +91 - 022 - 25188010/20/30 Fax - +91 - 022 - 25188040
e.	Registrar & Transfer Agent's Name, Address and Contact details	Computech Sharecap Limited, 147, Mahatma Gandhi Road, Opp Jehangir Art Gallery, Fort, Mumbai - 400 001, India Telephone: +91 - 022 - 22635000/5001 Fax: +91 - 022 - 22635005 Email: gcpl@computechsharecap.com
<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> - all business activities contributing 10% or more of the total turnover of the Company shall be stated:	
a.	Name and Description of main products / services	Personal Care, Hair Care and Home Care
b.	NIC Code of the Product/service	Household Insecticides - NIC code 20211 Soaps - NIC Code 20231 Hair Colours - NIC Code 20236
c.	% to total turnover of the Company	91.94%
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:</b>	Annexure 'H-1'
<b>IV.</b>	<b>SHAREHOLDING PATTERN</b> (Equity Share Capital Breakup as percentage of Total Equity)	Annexure 'H-2'

**V. INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment:

₹ (Crore)

Particulars	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal amount	0.93	284.63	-	285.56
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>0.93</b>	<b>284.63</b>	<b>-</b>	<b>285.56</b>
<b>Changes in Indebtedness during the financial year</b>				
- Addition	-	-	-	-
- Reduction	0.59	23.99	-	24.58
<b>Net Change</b>	<b>0.59</b>	<b>23.99</b>	<b>-</b>	<b>24.58</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal amount	0.34	260.64	-	260.98
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>0.34</b>	<b>260.64</b>	<b>-</b>	<b>260.98</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

**A. Remuneration to MD/WTG/Manager and Remuneration to KMP other than MD/Manager/WTG (CEO, CS & CFO)**

₹ (Crore)

Sr. No.	Particulars of Remuneration	Name of MD/WTG/ Manager			Total Amount	KMP other than MD/ Manager/WTG	
		Adi Godrej	Nisaba Godrej	Vivek Gambhir		P Ganesh	Total Amount
1.	<b>Gross salary</b>						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.19	4.49	12.41	29.09	1.96	1.96
	(b) Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	0.99	-	-	0.99	-	-
	(c) Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	0.47	0.47	0.61	0.61
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	<b>Total (A)</b>	<b>13.18</b>	<b>4.49</b>	<b>12.88</b>	<b>30.55</b>	<b>2.57</b>	<b>2.57</b>
	Ceiling as per the Act	42.72	42.72	42.72	85.43	NA	NA

## B. Remuneration to Independent/other Non Executive Directors

₹ (Crore)

Sr. No.	Particulars of Remuneration	Names of Independent Directors						Names of other Non Executive Directors					Total
		Narendra Ambwani	Bala Bala-chandran	Bharat Doshi	Omkar Goswami	Aman Mehta	D Shivakumar	Ireena Vittal	Jamshyd Godrej	Nadir Godrej	Tanya Dubash	A Mahendran	
1.	Sitting Fees	0.04	0.03	0.05	0.04	0.05	0.04	0.05	0.04	0.06	0.05	0.02	0.47
2.	Commission	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.65
3.	Others	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>0.19</b>	<b>0.18</b>	<b>0.20</b>	<b>0.19</b>	<b>0.20</b>	<b>0.19</b>	<b>0.20</b>	<b>0.19</b>	<b>0.21</b>	<b>0.20</b>	<b>0.17</b>	<b>2.12</b>
	Total Managerial Remuneration												32.67
	Ceiling as per the Act												93.98

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT / COURT]	Appeal made, if any (give Details)
<b>A. Company</b> Penalty Punishment Compounding			NIL		
<b>B. Directors</b> Penalty Punishment Compounding			NIL		
<b>C. Other Officers in Default</b> Penalty Punishment Compounding			NIL		

## ANNEXURE 'H-1'

Sr. No.	Name of the Company	Address of the Company	Effective Control	CIN/GLN	Holding/ Subsidiary /Associate	Applicable Section
1.	Godrej & Boyce Manufacturing Company Limited	Pirojshanagar, Vikhroli (West), Mumbai- 400 079, India	35.00%	U28993MH1932PLC001828	Holding	2(46)
2.	Godrej Household Products Lanka (Pvt) Limited	No 7 C, Post Masters Place, Off Templers Road, Mount Lavinia, Sri Lanka	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
3.	Godrej Household Products (Bangladesh) Pvt. Limited	HB- Tower (Level-5), Flat no. 601 and 602, House No. 1A, Road No.23, Gulshan- 1, Dhaka-1212, Bangladesh	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
4.	Godrej Consumer Products Bangladesh Limited	9 Mohakhali C/A, 11th floor, Dhaka 1212, Bangladesh	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
5.	Godrej South Africa (Proprietary) Limited	11 Young Road, Pinetown 3610, South Africa	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
6.	Godrej Netherlands B.V.	SGG Netherlands Claude Debussylaan 24, 1082 MD Amsterdam, Netherlands	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
7.	Godrej UK Limited (Erstwhile Godrej Consumer Products (UK) Limited)	1st Floor, Falcon House, 115-123, Staines Road, Hounslow, Middlesex, TW3 3LL, United Kingdom	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
8.	Godrej Consumer Products (UK) Ltd. (Erstwhile Keyline Brands Limited)		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
9.	Godrej Consumer Investments (Chile) Spa	Vargas Fontecilla 3830, Quinta Normal, RM Santiago, Chile	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
10.	Godrej Holding (Chile) Limitada		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
11.	Cosmetica Nacional		60.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
12.	Plasticos Nacional	Vargas Fontecilla 3984, Quinta Normal, RM Santiago, Chile	60.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
13.	Godrej Consumer Products Mauritius Limited	C/O Cim Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Republic Of Mauritius	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
14.	Godrej Easy IP Holding Limited		50.00%	NA-Foreign Company	Associate	2(6)
15.	Godrej Nigeria Limited	Plot No 2A, Ayodele Diyan Street, Ikeja, Lagos, Nigeria	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
16.	Godrej Argentina Dutch Cooperatief U.A.		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
17.	Godrej Netherlands Argentina Holding B.V.	SGG Netherlands Claude Debussylaan 24, 1082 MD Amsterdam, Netherlands	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
18.	Godrej Netherlands Argentina B.V.		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
19.	Panamar Produccioness S.A.		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
20.	Argencos S.A.	Empedrado 2435 – Ciudad Autónoma de Buenos Aires – Argentina	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
21.	Laboratoria Cuenca S.A.		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
22.	Consell S.A.		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
23.	Deciral S.A.	Calle Osvaldo Cruz 5398 Codigo Postal 12200 – Montevideo - Uruguay	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
24.	Issue Group Brazil Limited	Rod. João Leopoldo Jacomel 12475 – Sl 02 -Pinhais (Cep 83323-4100) – Parana - Brasil	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
25.	Godrej Consumer Products Holding (Mauritius) Limited	C/O Cim Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Republic Of Mauritius	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
26.	Godrej Indonesia IP Holdings Limited		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
27.	Godrej Megasari Holdings Limited		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
28.	Godrej Global Mid East FZE	B2-23, PO Box. 7966 Sharjah Airport International Free Zone Sharjah, UAE	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
29.	Indovest Capital Limited	Portcullis Trustnet (Labuan) Limited, Level 6(D), Main Office Tower, Financial Park Labuan Comple Jalan Merdeka 87000 Labuan F. T., Malaysia	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
30.	Godrej Consumer Products Dutch Cooperatief U.A.		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
31.	Godrej Consumer Products (Netherlands) B.V.	SGG Netherlands Claude Debussylaan 24, 1082 MD Amsterdam, Netherlands	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
32.	Godrej Consumer Holdings (Netherlands) B.V.		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
33.	PT Indomas Susemi Jaya	Jl. Raya Narogong KM. 15 Kampung Ciketing Barat RT.003 RW.001, Ciketing Udik Bantar Gebang Bekasi 17153, Indonesia	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
34.	PT Intrasaraya	Jl. Pancasila IV Cicadas Raya KM. 9 Gunung Putri, Bogor 16965	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
35.	PT Megasari Makmur	Jl. Pancasila V RT.04 RW.13 Cicadas Gunung Putri, Bogor 16965, Indonesia	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	Effective Control	CIN/GLN	Holding/ Subsidiary /Associate	Applicable Section
36.	PT Ekamas Sarijaya	Jl. Raya Narogong Paal 10 RT.02 RW.03 Limus Nunggal, Cileungsi Bogor 16965, Indonesia	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
37.	PT Sarico Indah	Jl. Pancasila IV RT.02 RW.04 Cicadas Gunung Putri, Bogor 16965, Indonesia	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
38.	Godrej Mauritius Africa Holdings Limited	C/O Cim Corporate Services Ltd., Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
39.	Darling Trading Company Mauritius Limited		90.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
40.	Godrej Africa Holdings Limited		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
41.	Frika Weave Pty Limited	30 Auckland Street, Paarden Eiland Cape Town, 7405, South Africa	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
42.	Weave Ghana Limited	Plot No 128, Spintex Road, Near Polytank Factory, Greater Accra, Ghana	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
43.	Kinky Group (Proprietary) Limited	11 Young Road, Pinetown 3610, South Africa	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
44.	Lorna Nigeria Limited	Plot No 2A, Ayodele Diyan Street, Ikeja, Lagos, Nigeria.	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
45.	Godrej West Africa Holdings Limited	C/O Cim Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Republic Of Mauritius	90.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
46.	Weave IP Holding Mauritius Private Limited		90.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
47.	Subinite Pty Limited	7 Potgieter Street, Alrode 1449, Johannesburg, Private Bag X 035, Unit 21, Alberton, 1450, South Africa	90.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
48.	Weave Mozambique Limitada	Av. Samora Machel, 6819-EN4, Maputo-Witibank KM 15Maputo, Mozambique	90.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
49.	Weave Trading Mauritius Private Limited	C/O Cim Corporate Services Ltd., Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius	51.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
50.	Hair Trading (Offshore) S.A.L.	Corniche Al-Mazraa- Mama Strt.- Chamat Bldg., Beirut- Lebanon	51.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
51.	Godrej East Africa Holdings Limited	C/O Cim Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
52.	DGH Phase Two Mauritius Private Limited		51.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
53.	Style Industries Limited	L.R No.1870/1/575, 1st Floor, Empress Plaza, Westlands, P.O Box 30682, 00100, Nairobi, Kenya	51.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
54.	Godrej Tanzania Holdings Limited	C/O Cim Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Republic Of Mauritius	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
55.	DGH Tanzania Limited		100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
56.	Sigma Hair Industries Limited	11th Floor, PPF Tower, Ohio Street/ Garden Avenue, P O Box 1160, Dar Es Salaam, Tanzania	100.00%	NA-Foreign Company	Subsidiary	2(87)(ii)
57.	Bhabhani Blunt Hairdressing Private Limited	Ground Floor, Block No. 1, Kohinoor Building, 29 Hughes Road, Mumbai - 400007, Maharashtra, India	30.00%	U93020MH2004PTC148187	Associate	2(6)



## ANNEXURE 'H-2'

### SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	16,054,647	-	16,054,647	4.72%	16,054,647	-	16,054,647	4.72%	0.00%
b) Central Govt.	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt.(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	199,441,435	-	199,441,435	58.59%	199,441,435	-	199,441,435	58.58%	0.00%
e) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any Other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (A) (1):-</b>	<b>215,496,082</b>	<b>-</b>	<b>215,496,082</b>	<b>63.31%</b>	<b>215,496,082</b>	<b>-</b>	<b>215,496,082</b>	<b>63.30%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other – Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any Other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>215,496,082</b>	<b>-</b>	<b>215,496,082</b>	<b>63.31%</b>	<b>215,496,082</b>	<b>-</b>	<b>215,496,082</b>	<b>63.30%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	719,895	14,904	734,799	0.22%	1,105,059	14,904	1,119,963	0.33%	100.00%
b) Banks/FI	971,933	3,780	975,713	0.29%	1,112,893	3,780	1,116,673	0.33%	0.00%
c) Central Govt.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Co.	4,287,292	-	4,287,292	1.26%	4,323,787	-	4,323,787	1.27%	0.00%
g) FIs	96,692,544	23,200	96,715,744	28.41%	97,906,378	23,200	97,929,578	28.77%	78.43%
h) Foreign Venture Capital Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (Specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B) (1)</b>	<b>102,671,664</b>	<b>41,884</b>	<b>102,713,548</b>	<b>30.18%</b>	<b>104,448,117</b>	<b>41,884</b>	<b>104,490,001</b>	<b>30.69%</b>	<b>89.07%</b>
<b>(2) Non Institutional</b>									
<b>a) Bodies Corp.</b>									
i) Indian	2,641,384	71,582	2,712,966	0.80%	2,492,753	71,494	2,564,247	0.75%	7.55%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12,201,570	5,988,258	18,189,828	5.34%	11,371,520	5,661,949	17,033,469	5.00%	7.87%
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	1,265,886	-	1,265,886	0.37%	863,102	-	863,102	0.25%	-11.81%
<b>c) Others (specify)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
Clearing Member	-	-	-	0.00%	-	-	-	0.00%	
Foreign Nationals									
- Non Resident Indians (Repat)	-	-	-	0.00%	-	-	-	0.00%	12.02%
- Non Resident Indians (Non Repat)	-	-	-	0.00%	-	-	-	0.00%	3.76%
Trust	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub total (B)(2)</b>	<b>16,108,840</b>	<b>6,059,840</b>	<b>22,168,680</b>	<b>6.51%</b>	<b>14,727,375</b>	<b>5,733,443</b>	<b>20,460,818</b>	<b>6.01%</b>	<b>0.54%</b>
<b>Total Public shareholding (B)=(B)(1) + (B)(2)</b>	<b>118,780,504</b>	<b>6,101,724</b>	<b>124,882,228</b>	<b>36.69%</b>	<b>119,175,492</b>	<b>5,775,327</b>	<b>124,950,819</b>	<b>36.70%</b>	<b>45.11%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>334,276,586</b>	<b>6,101,724</b>	<b>340,378,310</b>	<b>100.00%</b>	<b>334,671,574</b>	<b>5,775,327</b>	<b>340,446,901</b>	<b>100.00%</b>	<b>17.59%</b>

## II. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Godrej & Boyce Mfg. Co. Ltd.	122,411,815	35.96%	0.00%	119,163,815	35.00%	0.00%	0.96%
2	Godrej Industries Ltd.	77,029,620	22.63%	0.00%	80,277,620	23.58%	0.00%	-0.95%
3	Adi Burjorji Godrej	500	0.00%	0.00%	500	0.00%	0.00%	0.00%
4	Parmeshwar Adi Godrej	4	0.00%	0.00%	4	0.00%	0.00%	0.00%
5	Tanya Arvind Dubash	1,071,054	0.31%	0.00%	1,071,054	0.31%	0.00%	0.00%
6	Pirojsha Adi Godrej	1,071,075	0.31%	0.00%	1,071,075	0.31%	0.00%	0.00%
7	Nisaba Adi Godrej	1,071,061	0.31%	0.00%	1,071,061	0.31%	0.00%	0.00%
8	Jamshyd Naoroji Godrej and others as Trustee of Raika Godrej Family Trust	-	0.00%	0.00%	1,606,808	0.47%	0.00%	-0.47%
9	Navroze Jamshyd Godrej	1,606,809	0.47%	0.00%	1,606,809	0.47%	0.00%	0.00%
10	Raika Jamshyd Godrej	1,606,808	0.47%	0.00%	-	0.00%	0.00%	0.47%
11	Nadir Burjorji Godrej	917,454	0.27%	0.00%	917,454	0.27%	0.00%	0.00%
12	Nadir Burjorji Godrej (for the benefit of his son Burjis Nadir Godrej)	633,724	0.19%		633,724	0.19%		0.00%
13	Rati Nadir Godrej (for the benefit of her son Sohrab Nadir Godrej)	633,728	0.19%	0.00%	633,728	0.19%	0.00%	0.00%
14	Hormazd Nadir Godrej	1,028,728	0.30%	0.00%	1,028,728	0.30%	0.00%	0.00%
15	Nyrika Vijay Crishna	1,612,088	0.47%	0.00%	1,612,088	0.47%	0.00%	0.00%
16	Freyan Vijay Crishna	1,612,090	0.47%	0.00%	1,612,090	0.47%	0.00%	0.00%
17	Rishad Kaikhushru Naoroji	3,189,524	0.94%	0.00%	3,189,524	0.94%	0.00%	0.00%
	<b>Total:</b>	<b>215,496,082</b>	<b>63.31%</b>	<b>0.00%</b>	<b>215,496,082</b>	<b>63.30%</b>	<b>0.00%</b>	<b>0.01%</b>

### III. Change in Promoters' Shareholding

Sr. No.	Name	Shareholding		Date	Increase (+)/ Decrease(-) in shareholding	Reason	Cumulative Shareholding	
		No of shares at the beginning/ end of the period	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Godrej & Boyce Mfg Co. Ltd.	122,411,815	35.96%	01-04-2014				35.96%
				20-06-2014	(500,000)	Inter Se Transfer	121,911,815	35.82%
				23-09-2014	(490,000)	Inter Se Transfer	121,421,815	35.67%
				16-12-2014	(835,000)	Inter Se Transfer	120,586,815	35.42%
				23-12-2014	(626,000)	Inter Se Transfer	119,960,815	35.24%
				19-03-2015	(797,000)	Inter Se Transfer	119,163,815	35.00%
				31-03-2015			119,163,815	35.00%
2.	Godrej Industries Ltd.	77,029,620	22.63%	01-04-2014				22.63%
				20-06-2014	500,000	Inter Se Transfer	77,529,620	22.78%
				23-09-2014	490,000	Inter Se Transfer	78,019,620	22.92%
				16-12-2014	835,000	Inter Se Transfer	78,854,620	23.16%
				23-12-2014	626,000	Inter Se Transfer	79,480,620	23.35%
				19-03-2015	797,000	Inter Se Transfer	80,277,620	23.58%
				31-03-2015			80,277,620	23.58%
3.	Raika Jamshyd Godrej	1,606,808	0.47%	01-04-2014				0.47%
				06-06-2014	(1,606,808)	Inter Se Transfer	Nil	-
				31-03-2015			Nil	-
4.	Jamshyd Naoroji Godrej and others as Trustee of Raika Godrej Family Trust	Nil	Nil	01-04-2014				-
				06-06-2014	1,606,808	Inter Se Transfer	1,606,808	0.47%
				31-03-2015			1,606,808	0.47%

#### IV. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase (+)/ Decrease(-) in shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning/ end of the period	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Aberdeen Global Equity (Mauritius) Limited	12,700,000	3.73%	01-04-2014				3.73%
				09-05-2014	(21,414)	Transfer	12,678,586	3.72%
				17-10-2014	(11,658)	Transfer	12,666,928	3.72%
				24-10-2014	(92,824)	Transfer	12,574,104	3.69%
				31-10-2014	(239,886)	Transfer	12,334,218	3.62%
				07-11-2014	(180,798)	Transfer	12,153,420	3.57%
				12-11-2014	(124,834)	Transfer	12,028,586	3.53%
				20-02-2015	(16,820)	Transfer	12,011,766	3.53%
				27-02-2015	(39,115)	Transfer	11,972,651	3.52%
				06-03-2015	(244,065)	Transfer	11,728,586	3.45%
				13-03-2015	(187,418)	Transfer	11,541,168	3.39%
				20-03-2015	(241,164)	Transfer	11,300,004	3.32%
				27-03-2015	(391,359)	Transfer	10,908,645	3.20%
				31-03-2015	(85,129)	Transfer	10,823,516	3.18%
				31-03-2015			10,823,516	3.18%
2.	Baytree Investments (Mauritius) Pte Limited	12,530,166	3.68%	01-04-2014				3.68%
				31-03-2015			12,530,166	3.68%
3.	Arisaig Partners (Asia) Pte Ltd A/C Arisaig India Fund Ltd.	9,294,996	2.73%	01-04-2014				2.73%
				31-03-2015			9,294,996	2.73%
4.	National Westminster Bank Plc As Depositary Of First State Asia Pacific Leaders Fund A Sub Fund Of First State Investments Icv	7,416,256	2.18%	01-04-2014				2.18%
				16-05-2014	704,481	Transfer	8,120,737	2.39%
				23-05-2014	69,330	Transfer	8,190,067	2.41%
				30-05-2014	108,875	Transfer	8,298,942	2.44%
				06-06-2014	316,662	Transfer	8,615,604	2.53%
				13-06-2014	115,120	Transfer	8,730,724	2.57%
				20-06-2014	402,341	Transfer	9,133,065	2.68%
				12-09-2014	(52,589)	Transfer	9,080,476	2.67%
				29-09-2014	(94,851)	Transfer	8,985,625	2.64%
				30-09-2014	(166,832)	Transfer	8,818,793	2.59%
				10-10-2014	(176,559)	Transfer	8,642,234	2.54%
				28-11-2014	78,287	Transfer	8,720,521	2.56%
				31-03-2015			8,720,521	2.56%
5.	Life Insurance Corporation of India	4,287,292	1.26%	01-04-2014				1.26%
				02-05-2014	34,307	Transfer	4,321,599	1.27%
				12-11-2014	35,000	Transfer	4,356,599	1.28%
				13-03-2015	(32,812)	Transfer	4,323,787	1.27%
				31-03-2015			4,323,787	1.27%
6.	Aberdeen Global-Emerging Markets Smaller Companies Fund	3,000,000	0.88%	01-04-2014				0.88%
				11-04-2014	(250,000)	Transfer	2,750,000	0.81%
				18-04-2014	(30,145)	Transfer	2,719,855	0.80%
				25-04-2014	(7,256)	Transfer	2,712,599	0.80%
				23-05-2014	(2,173)	Transfer	2,710,426	0.80%
				12-09-2014	(82,089)	Transfer	2,628,337	0.77%
				19-09-2014	(7,247)	Transfer	2,621,090	0.77%
				30-09-2014	(1,452)	Transfer	2,619,638	0.77%
				12-12-2014	(68,339)	Transfer	2,551,299	0.75%
				09-01-2015	(20,510)	Transfer	2,530,789	0.74%
				16-01-2015	(31,151)	Transfer	2,499,638	0.73%
				30-01-2015	(64,275)	Transfer	2,435,363	0.72%
				06-02-2015	(52,725)	Transfer	2,382,638	0.70%

Sr. No.	Name	Shareholding		Date	Increase (+)/ Decrease(-) in shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning/ end of the period	% of total shares of the Company				No. of shares	% of total shares of the Company
				20-03-2015	(17,409)	Transfer	2,365,229	0.69%
				27-03-2015	(30,625)	Transfer	2,334,604	0.69%
				31-03-2015	(6,724)	Transfer	2,327,880	0.68%
				31-03-2015			2,327,880	0.68%
7.	First State Investments (Hongkong) Limited A/C First State Asian Equity Plus Fund	2,897,557	0.85%	01-04-2014				0.85%
				06-06-2014	99,942	Transfer	2,997,499	0.88%
				13-06-2014	29,194	Transfer	3,026,693	0.89%
				19-09-2014	(3,265)	Transfer	3,023,428	0.89%
				30-09-2014	(10,665)	Transfer	3,012,763	0.88%
				10-10-2014	(11,288)	Transfer	3,001,475	0.88%
				28-11-2014	198,622	Transfer	3,200,097	0.94%
				23-01-2015	(110,195)	Transfer	3,089,902	0.91%
				30-01-2015	(27,031)	Transfer	3,062,871	0.90%
				06-02-2015	(69,666)	Transfer	2,993,205	0.88%
				20-02-2015	(74,105)	Transfer	2,919,100	0.86%
				27-02-2015	(43,919)	Transfer	2,875,181	0.84%
				31-03-2015				0.00%
8.	Aberdeen Global-Asian Smaller Companies Fund	2,682,558	0.79%	01-04-2014				0.79%
				04-07-2014	398,000	Transfer	3,080,558	0.90%
				12-12-2014	(120,000)	Transfer	2,960,558	0.87%
				09-01-2015	(49,805)	Transfer	2,910,753	0.85%
				16-01-2015	(150,195)	Transfer	2,760,558	0.81%
				23-01-2015	(49,245)	Transfer	2,711,313	0.80%
				30-01-2015	(98,158)	Transfer	2,613,155	0.77%
				06-02-2015	(247,597)	Transfer	2,365,558	0.69%
				13-02-2015	(190,000)	Transfer	2,175,558	0.64%
				20-02-2015	(44,173)	Transfer	2,131,385	0.63%
				27-02-2015	(17,380)	Transfer	2,114,005	0.62%
				13-03-2015	(96,860)	Transfer	2,017,145	0.59%
				20-03-2015	(1,175)	Transfer	2,015,970	0.59%
				31-03-2015	(26,397)	Transfer	1,989,573	0.58%
				31-03-2015			1,989,573	0.58%
9.	The India Fund, Inc	2,334,014	0.69%	01-04-2014				0.69%
				11-04-2014	(190,000)	Transfer	2,144,014	0.63%
				09-01-2015	(62,895)	Transfer	2,081,119	0.61%
				16-01-2015	(77,879)	Transfer	2,003,240	0.59%
				31-01-2015	(2,003,240)	Transfer	0	-
				31-03-2015			0	-
10.	Government Of Singapore	2,296,509	0.67%	01-04-2014				0.67%
				04-04-2014	59,119	Transfer	2,355,628	0.69%
				11-04-2014	(41,395)	Transfer	2,314,233	0.68%
				02-05-2014	(42,694)	Transfer	2,271,539	0.67%
				30-05-2014	(33,988)	Transfer	2,237,551	0.66%
				06-06-2014	(33,332)	Transfer	2,204,219	0.65%
				20-06-2014	(5,910)	Transfer	2,198,309	0.65%
				30-06-2014	(12,177)	Transfer	2,186,132	0.64%
				04-07-2014	(4,278)	Transfer	2,181,854	0.64%
				11-07-2014	(1,177)	Transfer	2,180,677	0.64%
				01-08-2014	(49,498)	Transfer	2,131,179	0.63%
				04-08-2014	(7,639)	Transfer	2,123,540	0.62%
				29-08-2014	(14,810)	Transfer	2,108,730	0.62%
				05-09-2014	(15,888)	Transfer	2,092,842	0.61%
				12-09-2014	1,190	Transfer	2,094,032	0.62%

Sr. No.	Name	Shareholding		Date	Increase (+)/ Decrease(-) in shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning/ end of the period	% of total shares of the Company				No. of shares	% of total shares of the Company
				30-09-2014	(19,528)	Transfer	2,074,504	0.61%
				10-10-2014	23,587	Transfer	2,098,091	0.62%
				17-10-2014	(1,229)	Transfer	2,096,862	0.62%
				24-10-2014	(6,383)	Transfer	2,090,479	0.61%
				31-10-2014	(22,821)	Transfer	2,067,658	0.61%
				07-11-2014	51,637	Transfer	2,119,295	0.62%
				21-11-2014	(1,577)	Transfer	2,117,718	0.62%
				28-11-2014	(3,901)	Transfer	2,113,817	0.62%
				05-12-2014	(8,324)	Transfer	2,105,493	0.62%
				12-12-2014	3,903	Transfer	2,109,396	0.62%
				19-12-2014	(1,865)	Transfer	2,107,531	0.62%
				31-12-2014	(10,668)	Transfer	2,096,863	0.62%
				16-01-2015	36,790	Transfer	2,133,653	0.63%
				13-02-2015	33,662	Transfer	2,167,315	0.64%
				20-02-2015	(1,583)	Transfer	2,165,732	0.64%
				06-03-2015	2,026	Transfer	2,167,758	0.64%
				27-03-2015	8,859	Transfer	2,176,617	0.64%
				31-03-2015			2,176,617	0.64%

#### V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase (+)/ Decrease(-) in shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning/ end of the period	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Adi Godrej	500	<0.01%	01-04-2014				<0.01%
				31-03-2015			500	<0.01%
2.	Jamshyd Godrej and others as Trustee Of Raika Godrej Family Trust	Nil	Nil	01-04-2014				
				06-06-2014	1,606,808	Inter Se Transfer	1,606,208	0.47%
				31-03-2015			1,606,208	0.47%
3.	Nadir Godrej	917,454	0.27%	01-04-2014				0.27%
				31-03-2015			917,454	0.27%
4.	Nadir Godrej (for the benefit of his son Burjis Godrej)	633,724	0.19%	01-04-2014				0.19%
				31-03-2015			633,724	0.19%
5.	Tanya Dubash	1,071,054	0.31%	01-04-2014				0.31%
				31-03-2015			1,071,054	0.31%
6.	Nisaba Godrej	1,071,061	0.31%	01-04-2014				0.31%
				31-03-2015			1,071,061	0.31%
7.	Vivek Gambhir	Nil	Nil	01-04-2014				
					5,926	Exercise of ESOP'S	5,926	<0.01%
				31-03-2015			5,926	<0.01%
8.	Narendra Ambwani	1,000	<0.01%	01-04-2014				<0.01%
				01-03-2015			1,000	<0.01%
9.	Bharat Doshi	13,714	<0.01%	01-04-2014				<0.01%
				31-03-2015			13,714	<0.01%
10.	P Ganesh	5,962	<0.01%					
				11-07-2014	3470	Exercise of ESOP'S	9432	<0.01%
				08-08-2014	751	Exercise of ESOP'S	10183	<0.01%
				22-08-2014	-2500	Transfer	7683	<0.01%
				27-03-2015	2579	Exercise of ESOP'S	10262	<0.01%

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON March 31, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Godrej Consumer Products Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej Consumer Products Limited (hereinafter called the 'company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Godrej Consumer Products Limited's books, papers, minute books, forms and returns filed and other records maintained by the company, and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Godrej Consumer Products Limited for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.;
- (vi) Other laws applicable to the company as per the representation given by the company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India – Not applicable as not yet effective.
- (ii) The Listing Agreements entered into by the Company with BSE Limited & The National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the nature of appointment of independent directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were passed unanimously in the meetings of the Board.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has

- i. Issued shares on exercise of option under the Employee Stock Grant Scheme of the Company.
- ii. Issued Commercial papers and unsecured redeemable zero coupon non convertible debentures on private placement basis.

**For A. N. Ramani & Co.,**  
Company Secretaries  
**Unique Code - P2003MH000900**

sd/-

**Ashok N. Ramani**  
Partner  
FCS – 6808, COP - 5342

Place:- Thane

Date:- 27 April, 2015

This report is to be read with our letter of even date which is annexed and forms an integral part of this report.



## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members  
Godrej Consumer Products Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company. We have relied on the report of the statutory auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Company was following system of obtaining reports from various departments to ensure compliance with applicable laws and now is in the process of implementing electronic system for compliance management to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For A. N. Ramani & Co.,**  
Company Secretaries  
**Unique Code - P2003MH000900**

sd/-

**Ashok N. Ramani**  
Partner  
FCS – 6808, COP - 5342

Place:- Thane  
Date:- 27 April, 2015

## 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, 2015, 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 R. Marfatia**  
Partner  
Membership No.: 106548

Mumbai, April 28, 2015



# BUSINESS RESPONSIBILITY REPORT 2014-15

# BUSINESS RESPONSIBILITY REPORT

## 2014-15

### 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, which aims to provide quality healthcare at affordable costs. One such initiative is our partnership with a US-based NGO, Smile Train, which helps in performing corrective cleft lip and palate surgeries for children from low income families. The Group 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, initiated at the World Economic Forum India Summit in December 2009. Targeted at addressing hunger and malnutrition in the developing world, our involvement to the cause combines the Group's tradition of philanthropy and lends an opportunity to our team members to make a direct impact on someone's life.

### Teach For India

GCPL has been supporting Teach for India since its inception in 2009. Teach for India is a nationwide movement of outstanding college graduates and young professionals who will commit two years to teach full-time in under resourced schools and who will become lifelong leaders working from within various sectors towards the pursuit

of equity in education. In 2009, Teach for India began its journey in the classrooms with 78 Fellows (or teachers) in 2 cities and across 34 schools covering 3,000 children. The movement has grown in 2014-15 to cover 268 schools in 5 cities with about 900 fellows, impacting a little over 30,000 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 to landfill, 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, a structured volunteering platform through which our team members can offer their time and skills to help address a non-profit organisation's needs. Through Brighter Giving, Godrejites 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 our team members can connect with, and learn more about Good & Green. The programme takes a long-term view, seeking to enable and drive meaningful impact for our 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 our Group has also partnered with two organisations who are helping us connect Godrejites to relevant projects as per their own time and convenience. Some of our GCPL team members also participate in Brighter Giving.



Brighter Giving, our structured volunteering platform for Godrejites to engage in skill-based, longer-term volunteering projects

## 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](http://www.godrejcp.com)
5. Email ID: [investor.relations@godrejcp.com](mailto:investor.relations@godrejcp.com)
6. Financial Year Reported: 2014-15
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: General Information about the Company

1. Paid-up Capital: ₹ 34.04 crore
2. Total Turnover: ₹ 4369.25 crore (Net of excise)
3. Total Profit After Taxes: ₹ 654.45 crore (Standalone)
4. Total spending on CSR as a percentage of Profit After Taxes: 2.46% (2.6% of average net profits of last three years calculated in the manner specified in Section 135 of the Companies Act, 2013 read with rules thereunder.)
5. List of activities in which expenditure in point 4 above has been incurred

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

- Livelihood enhancement projects
- Environment sustainability
- Promotion of preventive healthcare

## 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](mailto:vivek.gambhir@godrejcp.com)

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

S. No	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Does the Company have a policy/policies for the principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform 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
4.	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
5.	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
6.	Does it indicate the link for the policy to be viewed online?	-	-	-	-	-	-	-	-	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	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
10.	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	Y	N	Y	N

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

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task					N/A				
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	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.

## 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 GCPL comply with the following code of conduct:

- Uphold ethical standards of integrity and probity.
- Act objectively and constructively while exercising their duties.
- Exercise their responsibilities in a bona fide manner in the interest of the company.
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making.
- Not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- Not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or the advantage of any associated person.
- Assist the company in implementing the best corporate governance practices.
- Strictly follow the guidelines and rules relating to insider trading as stipulated by SEBI.

The Board of Directors of GCPL shall:

- Act in accordance with the articles of the company and provisions of the Listing Agreement.
- Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- Exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- Not get involved in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- Not achieve or attempt to achieve any undue gain

or advantage either for themselves or their relatives, partners, or associates. If a director is found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain to the company.

- Not assign their office and any assignment so made shall be void.

### **Applicability of the Code of Conduct:**

This Code of Conduct (Code) applies to Directors of 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 31, 2015.

### **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 2 complaints outstanding at the beginning of the year and 102 complaints were received during the year. All complaints were resolved during the year.

### ***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 to landfill, 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 up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

None to report for the year.



**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.

GCPL has 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.

GCPL has also initiated supply chain sustainability. In order to extend our Good & Green commitment to our vendors and to encourage them to contribute towards supply chain sustainability, a booklet will be circulated to our vendors. A draft policy on sustainable procurement has been developed and is under review to be finalised.

**Has the Company taken steps to procure goods and services from local and 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 waste 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 14001.

**Principle 3: Businesses should promote the well being 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 and equal opportunities:**

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

**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 2014" as well as its featuring among the top 25 best employers in Asia, as per the Aon Hewitt Best Employers 2014 study. HR policies like flexible work hours, work from home arrangements, part-time work, 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, Head Office):** 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 help desk. Health and fitness initiatives include morning yoga sessions, 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.

**Please indicate the total number of employees**

Total permanent employees: **2,239**

Male: **2,089**

Female: **150**

Total contract employees: **5209**

Employees with disabilities: **13**

**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 40%

**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?**

Category	Safety	Skill upgradation
Permanent Male Employees	86.72%	88.03%
Permanent Female Employees	93.50%	93.50%
Employees with Disabilities	100%	100%
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 (SC/ST/ PC) 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 SC/ST/PC categories. 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 and initiatives for Affirmative Action:

### Malanpur factory:

- In line with our commitment to uplift the standard of living of the people around our factories we have adopted the Singwari village near our Malanpur factory.
- Singwari has a population of approximately 5,000 people but the village is deprived of basic medical facilities. In order to fill this gap, we provide free medical aid to the villagers along with a consulting doctor who visits thrice a week.
- The unit provides assistance to primary and middle schools in Singwari village. In order to motivate the children to stay in school, the unit distributed soap cakes to children with an average attendance of 80% and above. Other initiatives included organising a cultural/sports programme encouraging children to participate in solo/group activities and a picnic for the students of primary and middle school. We ended these day-long activities by distributing prizes to the winners and meritorious students.
- At the Vigyan Mela, organised in Bhopal by MPPCB in collaboration with Vigyan Bharti, we showcased a live model of ETP/soap processes and products and shared our commitment of building a more employable and greener India. Around 10,000 people visited our stall and appreciated our efforts.

- In collaboration with the Central Board for Workers Education, Government of India, we organised a workshop on women empowerment. The discussion centred around how women can empower themselves and reduce their dependability on others. A total of 40 women participated in this workshop.



Our Malanpur factory organises sports day for the primary and middle school children at Singwari school

- To empower the SC/ST/PC cadre of society, the unit has been putting continuous efforts in their recruitment process. The Company representatives visit various collages for recruitment. Sustenance allowance is given to PC employees. 14.07% and 1.08% of the unit workforce are from SC and ST category respectively.
- To ensure maximum employment to SC/ST & PC people on contractor's roll, 40% of contract workers working with us belong to SC/ST category.
- The unit has been making continuous efforts to promote and uplift the education level of SC/ST/PC students. These efforts include providing scholarships to meritorious students of Singwari village who aspire to excel in their studies. 8 SC/ST students & 1 PC student were given scholarships.
- To support and employ differently abled people, we visit Ambedkar Institute for Handicapped, Kanpur every year and employ candidates based on the requirements.
- To explore new avenues to help underprivileged people, we have identified two NGOs who are working for the SC/ST and differently abled children in and around Gwalior. We buy responsible products from these NGOs sustaining their livelihood.
- In order to improve the employability of the people, we partnered with schools, colleges and industries to create awareness on quality concepts, entrepreneurship, environment and safety based on Godrej experience.
- Additionally, we organised an awareness rally on the occasion of Road Safety Week and a sensitisation

programme on World No Tobacco Day on May 31. Over 200 Godrejites attended it and pledged to adopt a tobacco-free lifestyle.

#### **Baddi factory:**

- In line with our commitment to build a greener India, the unit celebrated World Environment Day at Baddi. A tree plantation drive was organised in two schools in nearby villages. To encourage the students to contribute towards improving the environment, a poster/slogan competition was organised. We carried out a cleanliness drive to sensitise people about the environment. Over 100 Godrejites participated in the drive with support from enthusiastic government officials.
- A dental health camp was organised for school students. In addition to the regular check-up each student got a free toothbrush and toothpaste, following the camp.



[Our Baddi factory organises a dental check-up for the primary and middle school children](#)

- We encouraged Godrejites to participate in a blood donation camp organised by the Rotary Club in Baddi. Over 20 of our team members participated in the camp.
- To encourage academic performance, every year the unit recognises and awards meritorious students at local schools nearby.

#### **North-East factory cluster:**

- We organised an art competition to create awareness on clean and green environment. Over 60 children from North Guwahati, near our unit, participated in the art competition. It was followed by a tree plantation drive by children in the factory premises.
- To encourage academic performance, every year the unit awards the meritorious students. This year the unit supported two meritorious students of a local school by providing books and other study material.
- The cluster organised a handwash awareness camp for

students in a local school to sensitise them on health and hygiene.

- As part of a road safety initiative, an awareness campaign was organised in Guwahati to sensitise bikers and car/truck drivers. Around 500 pamphlets with tips on safe driving tools and techniques were distributed at busy traffic points. A street play was also organised to sensitise people on road safety.



[Our North-East factory cluster conducts a road safety awareness campaign](#)

#### **South factory cluster:**

- A medical camp was organised for contract workers at Conso unit, Kattukuppam in Pondicherry. Around 150 workers participated and benefitted from this camp. The camp included AIDS awareness and blood testing, eye and dental check-up and general health counselling.
- A hearing and speech medical check-up camp was organised for our team members. Over 120 Godrejites participated in the camp.
- An eye donation awareness programme was organised in association with Aravind Eye Hospital. The programme put together detailed information on eye protection, causes of blindness, controlling blindness and importance of eye donation.
- A prevention of sexual harassment session was organised for adolescent school kids. Around 40 students attended it.
- A Women's Day celebration was conducted at the unit, supported by the Sub-inspector of Police. As part of the celebration, our women team members played fun team games.
- GCPL Karaikal unit organised a road safety awareness campaign in association with the Karaikal Police in busy traffic junctions.
- The unit with the local Panchayat honoured the freedomfighters of Karaikal region on Republic Day by presenting them a small memento for their contribution.





Our Conso unit organises a hearing and speech medical check-up camp

- In line with our greener India commitment we organised an energy, water and fuel saving event at a local school in Karaikal. The students enthusiastically participated in the event.

**Has the Company mapped its internal and external stakeholders?**

Yes

**Out of the above, has the Company identified the disadvantaged, vulnerable and 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. 27 employees of GCPL ran the Standard Chartered Mumbai Marathon in January 2015 in support of Teach for India.



Every year, we participate in the Standard Chartered Mumbai Marathon raising funds in support of Teach for India

**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 per cent 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 to landfill, 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.

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 has reduced from 846 kWh/t in 2013-14 to 820 kWh/t in 2014-15. Specific GHG emission during the same period has reduced from 259 kg CO<sub>2</sub> e/t during 2013-14 to 249 kg CO<sub>2</sub> e/t for the year 2014-15.\*

\* Till last year, we were using combined margin grid emission factor as a measurement method, but now we have changed to average grid emission factor, which is more appropriate

While specific waste generation has been reduced from 12.1 kg/t during 2013-14 to 11.3 kg/t during 2014-15, waste sent to landfill has also been reduced from 1.28 kg/t in 2013-14 to 1.06 kg/t in 2014-15.

We are also using clean energy sources by shifting from fossil fuels to renewable fuels such as biomass utilisation in boilers and also procuring renewable energy. Renewable energy component has increased from 9% during 2013-14 to 10.3% during 2014-15.



[In line with our commitment to building a Greener India, we are making environmental sustainability a key part of our manufacturing process and value chain](#)

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.

A Sustainable Procurement Policy is also under development (draft policy has already been prepared and the approved policy will be in place by the second quarter of FY 2015-16) through which suppliers are recommended to follow best practices in four major categories – ethical, social, environmental and quality.

**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.**

Greenhouse gas emissions are monitored by all the units

and we have taken short term and long term targets for a reduction of the same. Some of the initiatives include utilisation of biomass briquettes in place of coal, procurement of renewable energy, flue gas heat recovery from boiler and utilisation in the process, installation of energy efficient equipments, installation of energy saving lights amongst others. All our initiatives are covered and updated at [www.godrejgoodandgreen.com](http://www.godrejgoodandgreen.com)

**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.**

We have implemented over 40 initiatives across our manufacturing facilities in India on clean technology, energy efficiency and renewable energy. Some of the major initiatives we undertook during FY 2014-15 are:

- Installation of energy efficient water jet vacuum system in our soap dryers – Four vacuum systems using steam were replaced with energy efficient water jet vacuum systems at our Malanpur soap manufacturing plant. This resulted in steam saving of 60 kg/hour per dryer.
- Installation of oil preheater – An oil preheater was installed in the fat splitting plant to raise the oil temperature from 950C to 1350C. This resulted in reduction of overall thermal energy requirement due to improved atomisation of oil.
- Shifting of oil tanks from Chemical Plant-1 (CP1) to Chemical Plant-3 (CP3) at our soap manufacturing facility – As our CP3 operation yields better and lower energy consumption, the transfer of crude fatty acid stored in storage tanks from CP1 to CP3 resulted in additional steam flushing and pumping activity leading in steam and electricity savings.
- Capacity optimisation of chilling compressor - Enhanced the chiller and condenser to cater brine chilling requirement of two lines from a single compressor.
- Installation of energy efficient blower in soap drier – Existing 2 lube blower was replaced with energy efficient 3 lube blower at our soap manufacturing unit.

- Installation of energy efficient compressors – Reciprocating compressors replaced with variable speed drive screw compressors at two of our manufacturing plants.
- Implementation of heat recovery systems – heat recovery system was installed to capture waste heat from the boiler flue gases and utilise it to heat process water at one of our coil manufacturing plant.
- Replacement of coal with biomass briquettes – Biomass briquettes partially replaced coal in the boiler at one of our coil manufacturing plants.
- Implemented several energy efficient measures across various manufacturing plants, these included, optimisation in steam consumption, installation of energy efficient LED lighting, energy efficient pumps, air conditioning systems, replacing high HP motors with low HP motors, improvements in compressed air system.
- Installation of Reverse Osmosis (RO) systems – RO systems were installed at three of our manufacturing facilities for water treatment
- Renewable biomass boiler – We have initiated the installation of a 14 tph biomass briquette based boiler at our Malanpur soap manufacturing plant, which is our largest manufacturing facility. The boiler will be operational in FY 2015-16.

**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 a 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 and hair care. More than 22,000 candidates have graduated from this programme in FY 2014. Of this, close to 8,500 were part of the school programme.

The programme is currently operational in 185 centres across India. 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.

Through our partnerships, we have been able to help 370 women find jobs in recognised parlour chains. Close to 75% of the graduates work as freelancers or micro entrepreneurs using their skills to generate income.



Saloni, our beautician training programme for low income women in India

The school girls' programme in beauty and wellness is offered in standard 9 as an elective subject. The programme is offered from standard 9 to 12. An after-school programme was also started to enroll students of standard 10.

As Fast Moving Consumer Goods and other similar industries expand in India, a ready pipeline of skilled talent for sales, particularly in rural areas, will be an essential enabler for growth. The industry currently records high attrition of entry-level sales representatives. This can be partly attributed to the lack of requisite skills, leading to an inability to meet targets and manage pressure at work. Godrej Vijay, our training programme in channel sales, was launched in 2011 to help skill unemployed youth and build a talent pipeline for the industry.

The programme has trained 38,999 youth across 44 locations in channel sales. The youth undergo 40 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 distributor sales resources. 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 75% of our Vijay graduates have been placed.



Vijay, our training programme for youth in channel sales aims at bridging the talent gap across FMCG and other allied industries

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 non-farm microenterprises (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. About 2,500 women graduated from the programme this year.

Godrej Prerna is our sales training programme in general trade. The programme helps retail shop owners and in-shop associates build skills relevant to General Trade. It aims at equipping the small retailers with skills to compete

against the organised retail stores. The one for in-shop retail associates involves training in stock and shelf management. It helps them know their products and understand the growth drivers of the business. The other, for training shop owners, helps them understand the drivers of their business, how to efficiently manage stock and interact with customers. It also covers general trends in retail and self-service stores. This year about 3,000 people graduated from the programme.

#### **Have you done any impact assessment of your initiative?**

Yes. We did a mid-term programme evaluation 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 2.46% of PAT on CSR initiatives (2.6% of average net profits of last three years calculated in the manner specified in Section 135 of the Companies Act, 2013 read with rules thereunder.)

#### ***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 a part of the 118-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 SVG6 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 12-member Board, with 6 Independent Directors. During FY 2014-15, the total strength of the Company's Board was 14 members, out of which 2 directors resigned with effect from close of business hours on March 31, 2015 including 1 Independent Director. The Independent Directors are eminent professionals from diverse fields, with expertise in 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 Company's quarterly performance and financial results. Board meetings are governed with a structured agenda. The Board periodically reviews the Compliance Reports with respect to laws and regulations applicable to the Company. Before the commencement of the Audit Committee meeting, members of the Audit Committee – which consists entirely of Independent Directors – have a discussion with the Statutory Auditors, without the presence of the management team or whole-time directors 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 team of the Company. The Independent Directors also have a meeting amongst themselves, after which they provide their insights to the entire Board and the management team.

### i. Composition of the Board

The Board composition is as under:

Category	No. of Directors as on March 31, 2015	No. of Directors as on April 1, 2015
<b>(i) Non-Independent Directors</b>		
Executive Chairman	1	1
Managing Director	1	1
Executive Director	1	1
Other Non-Executive Directors (including 3 Promoter Directors)	4	3
<b>Sub Total</b>	<b>7</b>	<b>6</b>
<b>(ii) Independent Directors</b>	<b>7</b>	<b>6</b>
<b>Total Strength (i + ii)</b>	<b>14</b>	<b>12</b>

## ii. Other relevant details of the Directors

Name of Directors	Date of original 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)**
Adi Godrej	November 29, 2000	Brother of Nadir Godrej, Father of Tanya Dubash and Nisaba Godrej	Promoter / Executive Chairman	6 (3)	1	2
Nadir Godrej	November 29, 2000	Brother of Adi Godrej	Promoter / Non-Executive	10 (6)	1	2
Jamshyd Godrej	March 1, 2001	None	Promoter / Non-Executive	7 (5)	1	2
Tanya Dubash	May 2, 2011	Daughter of Adi Godrej, Sister of Nisaba Godrej	Promoter / Non-Executive	6 (2)	None	1
Nisaba Godrej	May 2, 2011	Daughter of Adi Godrej, Sister of Tanya Dubash	Promoter / Executive	2 (1)	None	None
Vivek Gambhir	April 30, 2013	None	Managing Director	2 (1)	None	2
A. Mahendran	June 18, 2008	None	Non-Executive	3 (1)	None	1
Bala Balachandran	April 1, 2001	None	Independent	1 (1)	None	1
Narendra Ambwani	May 2, 2011	None	Independent	5 (3)	None	5
Bharat Doshi	April 1, 2001	None	Independent	6 (4)	1	2
Omkar Goswami	June 18, 2008	None	Independent	9 (7)	1	8
Aman Mehta	April 26, 2006	None	Independent	6 (6)	3	3
D. Shivakumar	April 1, 2009	None	Independent	2 (1)	None	2
Ireena Vittal	April 30, 2013	None	Independent	8 (7)	None	7

\* Does not include Directorship in Private Companies, Section 8 Companies and Foreign Companies.

\*\* Does not include Chairmanship / Membership in Board Committees other than the Audit Committee, the Stakeholders' Relationship 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.
- Mr. A. Mahendran, Non-Executive Director, and Prof. Bala Balachandran, Independent Director, have resigned from the Board with effect from close of business hours on March 31, 2015.

## iii. Re-appointment 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. one Director shall retire at the Annual General Meeting.

Thus, Mr. Nadir Godrej shall retire at the ensuing Annual General Meeting of the Company and, being eligible is considered for re-appointment. His resume is annexed to the notice of the Annual General Meeting.

## B. Committees of the Board

The Company has set up an Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Stakeholders' Relationship 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 Company has also introduced a Nomination and Remuneration Committee which is mandatory as per the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The composition of the Committees is as below:

Name of the Director	Position in the Committee		
	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
Adi Godrej	NA	NA	Member
Nadir Godrej	NA	NA	Chairman
Jamshyd Godrej	NA	NA	Member
Tanya Dubash	NA	NA	NA
Nisaba Godrej	NA	NA	NA
A. Mahendran*	NA	NA	NA
Vivek Gambhir	NA	NA	Member
Narendra Ambwani**	Member	Member	NA
Bala Balachandran*	Member	Chairman	NA
Bharat Doshi	Chairman	Member	NA
Omkar Goswami	Member	Member	NA
Aman Mehta	Member	Member	NA
D. Shivakumar	Member	Member	NA
Ireena Vittal	Member	Member	NA
Total Strength of the Committee	7	7	4
No. of Independent Directors in the Committee	7	7	-
No. of Non-Independent Directors in the Committee	-	-	4

\* Mr. A. Mahendran and Prof. Bala Balachandran resigned from the Board with effect from close of business hours on March 31, 2015.

\*\* Mr. Narendra Ambwani shall be the Chairman of Nomination and Remuneration Committee w.e.f. April 1, 2015, as Prof. Bala Balachandran has resigned from the Board and hence, has ceased to be the member and chairman of the Committee.

Mr. P. Ganesh, Executive Vice President (Finance & Commercial) & Company Secretary was the Secretary for all the Board Committees during the FY 2014-15. He has resigned from his position with effect from close of business hours on March 31, 2015. Mr. V. Srinivasan has joined as the Chief Financial Officer & Company Secretary from April 1, 2015 and is the Secretary to the Committee w.e.f. April 1, 2015.

#### C. Attendance details for Board/Committee meetings and the last Annual General Meeting

Name of Meeting	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	AGM - July 28, 2014
No. of Meetings held	6	5	2	11	
Attendance of the Director					
Adi Godrej	6	NA	NA	10	Yes
Jamshyd Godrej	4	NA	NA	4	Yes
Nadir Godrej	6	NA	NA	8	Yes
Tanya Dubash	5	NA	NA	NA	Yes
Nisaba Godrej	6	NA	NA	NA	Yes
A. Mahendran	2	NA	NA	NA	No
Vivek Gambhir	5	NA	NA	8	Yes
Narendra Ambwani	3	4	2	NA	Yes
Bala Balachandran	2 (2)	2 (3)	1 (1)	NA	Yes
Bharat Doshi	4 (2)	5	2	NA	Yes
Omkar Goswami	3	4	2	NA	Yes
Aman Mehta	4	4 (1)	2	NA	Yes
D. Shivakumar	3	3 (1)	1	NA	Yes
Ireena Vittal	4	5	2	NA	Yes

## Notes:

- Board meetings and Audit Committee meetings were held on April 28, 2014; July 28, 2014; November 1, 2014 and February 5, 2015. Additionally, Board meetings were also held on June 23, 2014 and February 11, 2015 and Audit Committee meeting was held on September 30, 2014.
- The maximum gap between any two Board meetings did not exceed 120 days during the year.
- Nomination and Remuneration Committee meetings were held on April 28, 2014, and February 5, 2015.
- Stakeholders' Relationship Committee meetings were held on April 11, 2014; May 16, 2014; June 23, 2014; July 18, 2014; August 19, 2014; October 7, 2014; November 17, 2014; December 22, 2014; January 8, 2015; February 2, 2015 and March 13, 2015.
- Figures in bracket indicate participation through telephone call. Such participation is not considered for quorum.
- Leave of absence was granted to the Directors whenever they could not be physically present for the Board/Committee meetings.
- NA indicates not a member of the Committee.

## 2. Terms of reference of Board Committees

### A. Audit Committee:

The terms of reference for the Audit Committee include the matters specified in Section 177 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement as follows:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 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 and Auditor's Report thereon, 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 (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgement by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft Audit Report;
- 5) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the Company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing with the management, the performance of the Statutory and Internal Auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of Internal Audit function, if any, 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;
- 14) Discussion with internal auditors on any significant findings and follow up thereon;
- 15) 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;

- 16) 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;
- 17) 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;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) 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 and background, etc. of the candidate;

- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Explanation (i):** The term “related party transactions” shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

#### **B. Stakeholders' Relationship Committee:**

The terms of reference of the Stakeholders' Relationship Committee is redressing grievances of shareholders, debenture-holders and other security holders. The Committee shall consider and resolve the grievances of the security holders of the Company including complaints like transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends as well as those required under Companies Act, 2013.

#### **Details of stakeholder complaints**

Sr. No.	Nature of Complaint/Query	Total complaints pending at the beginning of the year	Total complaints received during the year	Total complaints replied during the year	Total complaints pending at the end of the year	Complaints not solved to the satisfaction of shareholders
1.	Non-receipt of dividend	1	45	46	0	0
2.	Non-receipt of shares lodged for transfer/exchange	1	35	36	0	0
3.	Non-receipt of annual report	0	21	21	0	0
4.	Others	0	1	1	0	0
	<b>Total</b>	<b>2</b>	<b>102</b>	<b>104</b>	<b>0</b>	<b>0</b>

#### **C. Nomination and Remuneration Committee:**

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

- Review of Human Resource policies and practices of the Company;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of all Directors, the Board as a whole and the Board Committees;
- Devise a policy on Board diversity;
- 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;
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and evaluate every Director's performance;
- Review of whole-time Directors and senior management compensation;
- Matters required under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Such other matters as may be required under the Companies Act, 2013/SEBI Regulations/Listing Agreement.

#### **D. Remuneration Policy**

The Remuneration Policy of the Company has been provided in the Directors' Report section of the Annual Report as Annexure 'A'.

## Remuneration to Directors:

The details of the remuneration to Directors are as follows:

							₹Crore
Name of Director	Sitting Fees	Commission	Salary, Allowances & Benefits	Company's contribution to PF	PLVR	Monetary value of perquisites	Total
<b>Whole-time Directors</b>							
Adi Godrej	-	-	6.30	0.16	6.08	0.64	13.18
Nisaba Godrej	-	-	2.62	0.12	1.74	0.01	4.49
Vivek Gambhir	-	-	5.48	0.24	6.68	0.48	12.88
<b>Non-Executive Directors</b>							
Jamshyd Godrej	0.04	0.15		-	-	-	0.19
Nadir Godrej	0.06	0.15		-	-	-	0.21
Tanya Dubash	0.05	0.15		-	-	-	0.20
Narendra Ambwani	0.04	0.15		-	-	-	0.19
Bala Balachandran	0.03	0.15		-	-	-	0.18
Bharat Doshi	0.05	0.15		-	-	-	0.20
Omkar Goswami	0.04	0.15		-	-	-	0.19
A. Mahendran	0.02	0.15		-	-	-	0.17
Aman Mehta	0.05	0.15		-	-	-	0.20
D. Shivakumar	0.04	0.15		-	-	-	0.19
Ireena Vittal	0.05	0.15		-	-	-	0.20
<b>Total</b>	<b>0.47</b>	<b>1.65</b>	<b>14.40</b>	<b>0.52</b>	<b>14.50</b>	<b>1.13</b>	<b>32.67</b>

### Notes:-

- In the case of Mr. Adi Godrej, salary includes basic salary and various elements of flexible compensation, lease rent for accommodation, reimbursement of medical/hospitalisation expenses incurred for self and family, medical insurance premium paid by the Company. The monetary value of perquisites includes car and electricity expenses.
- In the case of Ms. Nisaba Godrej and Mr. Vivek Gambhir, salary includes basic salary and various elements of flexible compensation. Additionally, the perquisites received by Mr. Vivek Gambhir include value of stock grants exercised.
- The Performance Linked Variable Remuneration (PLVR) to Mr. Adi Godrej, Ms. Nisaba Godrej and Mr. Vivek Gambhir is the amount payable for FY 2014-15. The same is based on the profitability and optimum utilisation of capital employed over last year.
- 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.
- 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.
- All the Independent Directors have been appointed for a period of five years beginning from September 26, 2014 to September 25, 2019. However, Prof. Bala Balachandran has resigned from the Board with effect from close of business hours on March 31, 2015.
- Mr. Vivek Gambhir has been granted stock options, the details of which are as follows:

Grant year	No. of options	Options exercised	Options outstanding
2013-14	17,778	5,926	11,852
2014-15	23,118	Nil	23,118



### 3. GENERAL BODY MEETINGS

#### A. Annual General Meeting

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

Date	Time	Venue	Details of special resolutions passed
August 4, 2012	3.30 p.m.	Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400 021	None
August 3, 2013	3.30 p.m.	Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400 021	Re-appointment 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
July 28, 2014	3.30 p.m.	Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400 021	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 197 and 198 of the Companies Act, 2013) or ₹ 15 lacs per director per annum, whichever is lower

#### B. Postal ballot

During FY 2014-2015, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, two special resolutions were passed by the members through postal ballot for adoption of new Articles of Association of the Company incorporating the provisions of the Companies Act, 2013 and making Private Placement of Non Convertible Debentures up to an amount of ₹ 300 Crore.

The notice of the postal ballot dated August 20, 2014 was sent to all shareholders of the Company along with postage prepaid envelopes. Mr. Kalidas Vanjpe, Practicing Company Secretary, was appointed as the Scrutiniser for the Postal Ballot, and submitted his report to Mr. Adi Godrej, Chairman. The results of the Postal Ballot were announced on September 23, 2014 and the details are as follows:

Agenda	Adoption of new Articles of Association of the Company <i>inter alia</i> incorporating the provisions of Companies Act, 2013						
Resolution Required	Special						
Mode of Voting	E-voting/Physical Postal Ballot						
Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100
Promoter and Promoter Group	215,496,082	215,496,082	100.00	215,496,082	-	100.00	0.00
Public – Institutional holders	106,435,758	66,361,111	62.35	66,161,454	199,657	99.70	0.30
Public - Others	18,511,127	165,000	0.89	162,695	2,305	98.60	1.40
<b>Total</b>	<b>340,442,967</b>	<b>282,022,193</b>	<b>82.84</b>	<b>281,820,231</b>	<b>201,962</b>	<b>99.93</b>	<b>0.07</b>

Agenda	Private placement of Non-convertible Debentures upto an amount of ₹ 300 Crore						
Resolution Required	Special						
Mode of Voting	E-voting/Physical Postal Ballot						
Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3) = [(2)/(1)]*100	(4)	(5)	(6) = [(4)/(2)]*100	(7) = [(5)/(2)]*100
Promoter and Promoter Group	215,496,082	215,496,082	100.00	215,496,082	-	100.00	0.00
Public – Institutional holders	106,435,758	66,685,282	62.65	66,684,742	540	100.00	0.00
Public - Others	18,511,127	165,000	0.89	157,932	7,068	95.72	4.28
<b>Total</b>	<b>340,442,967</b>	<b>282,346,364</b>	<b>82.93</b>	<b>282,338,756</b>	<b>7,608</b>	<b>100.00</b>	<b>0.00</b>

## 4. DISCLOSURES

### A. Materially significant related party transactions that may potentially conflict with the Company's interest

During FY 2014-15, there were no materially significant related party transactions i.e. transactions of the Company of material nature with its subsidiaries, promoters, directors, management, relatives, etc. which may have potential conflict with the interests of Company at large. Attention of members is drawn to disclosures of transactions with related parties, as set out in Notes to Accounts.

### B. Details of non-compliance

There has not been any non-compliance of mandatory requirements, expected of the Company. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any statutory authority for matters related to capital markets during the last three years.

### 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 have adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee.

### D. Details of Shares held by the Directors and Dividend paid to them

Name of Director	Shares held as on March 31, 2015	Dividend paid during the year (₹)
Adi Godrej	500	2,625
Jamshyd Godrej*	1,606,808	4,820,424
Nadir Godrej**	1,551,178	8,143,685
Tanya Dubash	1,071,054	5,623,033
Nisaba Godrej	1,071,061	5,623,070
Narendra Ambwani	1,000	5,250
Bala Balachandran	Nil	Nil
Bharat Doshi	13,714	71,999
Vivek Gambhir	5,926	17,778
Omkar Goswami	Nil	Nil
A. Mahendran	Nil	13,98,130
Aman Mehta	Nil	Nil
D. Shivakumar	Nil	Nil
Ireena Vittal	Nil	Nil

Notes:

\*Held with others as Trustee of Raika Godrej Family Trust.

\*\*Includes 633,724 shares held on behalf of his son.

Under the Employee Stock Grant Scheme of the Company, Mr. Vivek Gambhir holds 34,970 options convertible into equivalent equity shares on their vesting and exercise. The options will vest in tranches and the same has to be exercised within one month of the respective vesting dates.

## E. 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, Director.

## F. Details of compliance with mandatory requirements

Particulars	Clause no.	Compliance status (Yes/No/NA)
<b>Board of Directors</b>	<b>49 II</b>	
Composition of Board	49 II A	Yes
Independent Directors	49 II B	Yes
Non-executive Director's compensation and disclosures	49 II C	Yes
Other provisions as to Board and Committees	49 II D	Yes
Code of Conduct	49 II E	Yes
Whistle Blower Policy	49 II F	Yes
<b>Audit Committee</b>	<b>49 III</b>	
Qualified and Independent Audit Committee	49 III A	Yes
Meeting of Audit Committee	49 III B	Yes
Powers of Audit Committee	49 III C	Yes
Role of Audit Committee	49 III D	Yes
Review of information by Audit Committee	49 III E	Yes
<b>Nomination and Remuneration Committee</b>	<b>49 IV</b>	Yes
Subsidiary Companies	49 V	Yes
Risk Management	49 VI	Yes
Related Party Transactions	49 VII	Yes
<b>Disclosures</b>	<b>49 VIII</b>	
Related party transactions	49 VIII A	Yes
Disclosure of accounting treatment*	49 VIII B	Yes
Remuneration of Directors	49 VIII C	Yes
Management	49 VIII D	Yes
Shareholders	49 VIII E	Yes
Proceeds from public issues, rights issue, preferential issues	49 VIII I	NA
<b>CEO/CFO Certification</b>	<b>49 IX</b>	Yes
<b>Report on Corporate Governance</b>	<b>49 X</b>	Yes
<b>Compliance</b>	<b>49 XI</b>	Yes

\*Refer to Note 12 in the Standalone Financial Statements for the year ended March 31, 2015 for Management explanation on Accounting Treatment.

## 5. MEANS OF COMMUNICATION

GCPL has sent the Chairman's statement and unaudited financial results for the half-year ended September 30, 2014 to all shareholders. Moreover, GCPL has its own website, [www.godrejcp.com](http://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 in a quarter, and their transcripts are posted on the website soon after.

The Company files its quarterly results on 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

## 6. MANAGEMENT

### A. Management Discussion & Analysis:

The Management Discussion & Analysis forms a part of the Directors' Report and has been covered in the Directors' Report and Management Discussion & Analysis section of the Annual Report.

### 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.

## 7. DECLARATION BY MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT

The declaration by the Managing Director pursuant to Clause 49(II)(E) 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, 2015, is annexed to the Corporate Governance Report.

### D. Dividends for FY 2014-15

Dividend Type	Declared at Board Meeting dated	Dividend rate per share on shares of face value ₹ 1/- each	Record date
1st Interim for FY 2014-15	July 28, 2014	₹ 1.00	August 4, 2014
2nd Interim for FY 2014-15	November 1, 2014	₹ 1.00	November 12, 2014
3rd Interim for FY 2014-15	February 5, 2015	₹ 1.00	February 13, 2015
4th Interim for FY 2014-15	April 28, 2015	₹ 2.50	May 6, 2015
<b>TOTAL</b>		<b>₹ 5.50</b>	

### 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
<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532424	INE102D01028
<b>The National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	GODREJCP	

## 8. 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.

## 9. GENERAL SHAREHOLDER INFORMATION

### A. Annual General Meeting

Date and Time	Wednesday, July 29, 2015 at 3.30 p.m.
Venue	Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 400 021

### B. Financial Calendar

Financial year	April 1 to March 31
Board Meeting for consideration of unaudited quarterly results	Within 45 days from the end of the quarter as stipulated under the Listing Agreement.
Board meeting for consideration of Audited results	Within two months from the end of the last quarter as stipulated under the Listing Agreement.

### C. Book closure

There was an annual book closure on December 24, 2014 pursuant to Clause 16 of the Listing Agreement. There will be no book closure at the time of the Annual General Meeting.

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

ISIN for privately placed Debentures NSDL & CDSL (₹ 250 crore issued in October 2014)	INE102D08114
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#### F. Market price data

The monthly high and low prices of GCPL at BSE Limited and the NSE Limited for the year ended March 31, 2015, are as under:

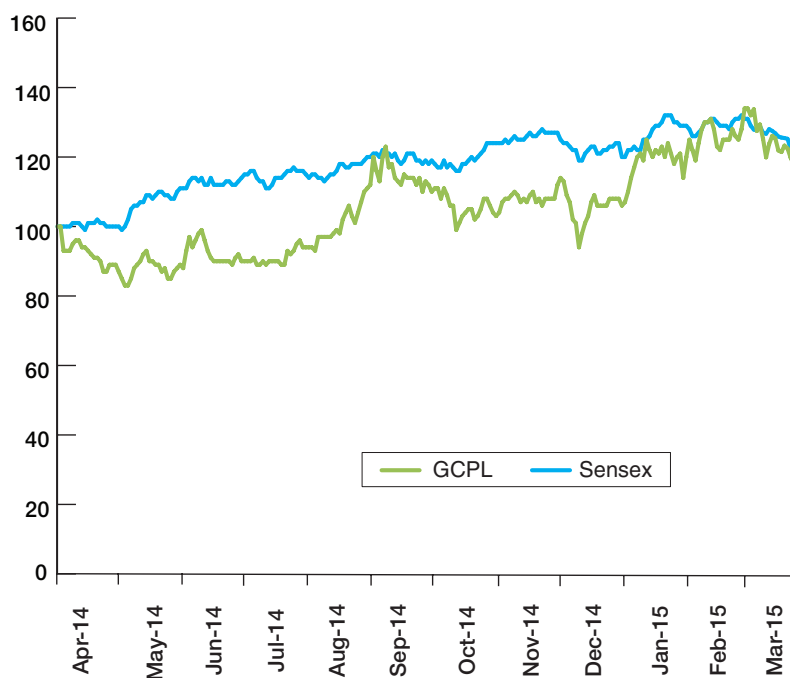
Month	BSE		NSE	
	High	Low	High	Low
Apr-14	958.45	770.50	915.00	775.20
May-14	848.90	742.05	848.95	740.00
Jun-14	969.70	782.25	903.70	781.05
Jul-14	872.65	790.00	880.00	791.55
Aug-14	1000.00	830.00	1003.00	830.05
Sep-14	1117.60	969.00	1119.00	967.40
Oct-14	1043.80	870.00	1044.80	862.05
Nov-14	995.00	923.00	997.00	921.15
Dec-14	1028.45	830.00	1029.25	835.15
Jan-15	1134.40	944.10	1141.20	949.25
Feb-15	1195.00	1022.50	1203.90	1022.25
Mar-15	1225.00	1025.10	1227.20	1025.05

Source: Websites of the respective stock exchanges

Note: High and low are in rupees per traded share

#### G. GCPL's share price at the BSE versus the Sensex

GCPL's share performance compared to the BSE Sensex for FY 2014-15 is as follows:



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 Limited,  
147, M.G. Road,  
Opp. Jehangir Art Gallery,  
Mumbai - 400 001  
Tel. No.: +91 22 22635000/01  
Fax: +91 22 22635005  
E-mail ID: gcpl@computechsharecap.in  
Website: www.computechsharecap.com

**I. Share transfer**

GCPL's share transfers and other related operations are conducted by Computech Sharecap Limited, registered with SEBI as a Category 1 Registrar. Share transfer is normally effected within a maximum 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 on March 31, 2015:

Number of Shares	Number of Shareholders	Shareholders %	Number of Shares held	Shareholding %
1 - 500	72,787	90.58	8,472,797	2.49
501 - 1,000	5,014	6.24	3,379,384	0.99
1,001 - 2,000	1,455	1.81	2,047,074	0.60
2,001 - 3,000	339	0.42	839,972	0.25
3,001 - 4,000	134	0.17	480,210	0.14
4,001 - 5,000	101	0.13	464,476	0.14
5,001 - 10,000	178	0.22	1,261,615	0.37
10,001 & above	352	0.44	323,501,373	95.02
<b>Total</b>	<b>80,360</b>	<b>100.00</b>	<b>340,446,901</b>	<b>100.00</b>

Distribution of shareholding by ownership as on March 31, 2015:

Category	Shares held (Nos.)	% holding
<b>Promoter's Holding</b>		
Promoters	215,496,082	63.30
<b>Institutional Investors</b>		
Mutual Funds	1,119,963	0.33
Banks	20,489	0.01
Financial Institutions	1,096,184	0.32
Insurance Companies	4,323,787	1.27
Foreign Institutional Investors	97,929,578	28.77
<b>Others</b>		
Private Corporate Bodies	2,564,247	0.75
Indian Public	16,581,474	4.86
NRI/OCB's	1,315,097	0.39
<b>Total</b>	<b>340,446,901</b>	<b>100.00</b>

**K. Shares held in physical and dematerialised form**

Breakup of physical and dematerialised shares as on March 31, 2015:

	Number of Shares	%	Number of Folios	%
Physical	5,775,327	1.70	33,832	42.10
Demat	334,671,574	98.30	46,528	57.90
<b>Total</b>	<b>340,446,901</b>	<b>100.00</b>	<b>80,360</b>	<b>100.00</b>

## L. Outstanding GDRs/ ADRs/warrants/convertible instruments and their impact on equity

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

## M. Plant locations

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

Name of the State	Location of Plant
Jammu & Kashmir	Kathua
Himachal Pradesh	Thana - Baddi, Katha - Baddi
Sikkim	Namchi
Assam	Village Sila - Guwahati, Kalapahar, Lokhra, Guwahati
Meghalaya	Burnihat, Rebhoi District
Madhya Pradesh	Malanpur, District Bhind
Goa	Bardez, Corlim
Pondicherry	Kattukuppam - Manpet Post, Mannadipet Commune
Tamil Nadu	Nedungadu Commune - Karaikal, Thirunallar Commune - Karaikal, Maraimalainagar

## N. Address for correspondence

Members can contact us at our Registered Office:

Godrej Consumer Products Limited,  
Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai - 400 079  
Tel. No. : +91 22 25188010/20/30  
Fax No. : +91 22 25188040  
E-mail ID : investor.relations@godrejcp.com  
Website : www.godrejcp.com  
CIN : L24246MH2000PLC129806

Investor correspondence should be addressed to  
M/s. Computech Sharecap Limited, whose address is  
provided in this section of the Annual Report.

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

## O. 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 an NECS declaration form to Computech Sharecap Limited. Shareholders can obtain the NECS declaration form either from GCPL's Registered Office, Computech Sharecap Limited or download it from the Investors page on the GCPL corporate website [www.godrejcp.com](http://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.

## P. Consolidation of shares under one folio

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

## Declaration by the Managing Director

I, Vivek Gambhir, Managing Director of Godrej Consumer Products Limited (GCPL) hereby confirm pursuant to Clause 49(II)(E) of the Listing Agreement that:

- The Board of Directors of GCPL has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website, [www.godrejcp.com](http://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, 2015.

Mumbai, April 28, 2015

Vivek Gambhir  
Managing Director

FINANCIALS



# Independent Auditors' Report

## TO THE MEMBERS OF GODREJ CONSUMER PRODUCTS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GODREJ CONSUMER PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to:

- i) Note 12(b) 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, 2015, 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 as per the provisions of AS 26. The said accounting treatment is in accordance with the accounting treatment prescribed in the Order of the High Court of Mumbai dated February 28, 2011 under section 394 of the Companies Act, 1956.

Had this amount been charged to the Statement of Profit and Loss, the profit for the year ended March 31, 2015, would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.

- ii) Note 23 on other income for the year ended March 31, 2015 including the recovery of loan amounting to ₹ 25.25 crore from GCPL ESOP Trust which was earlier written off and debited to Reserves under a Court approved Scheme of Amalgamation.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) Except for the matters described in sub-paragraph (i) of Emphasis of Matter paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The financial statements disclose the impact of pending litigations on the financial position of the Company – Refer Note 32 to the financial statements.
    - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or accounting standards.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**

Firm Registration No. 104607W

**ROSHNI R. MARFATIA**  
**PARTNER**

M. No.: 106548  
Mumbai: April 28, 2015

## Annexure to the Independent Auditors' Report

The Annexure referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2015 :

- i) 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.
- ii) 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.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3 (iii) of the Order are not applicable.
- iv) 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.
- v) 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 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
- vi) We have broadly reviewed the books of accounts 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 148 (i) of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanation given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to provident fund, Employees' State Insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, 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 and the records of the Company examined by us, dues of income tax, sales tax, service tax, customs duty and excise duty not deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
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 CENVAT credit availed on Capital Goods	1,912,132	2002-04	The Hon'ble Supreme Court of India
		3,651,495	2000-03	The Hon'ble Supreme Court of India
		1,755,920	2009-10	Commissioner of Central Excise (Appeals)
		86,115	2002-03	
	Advertisement Service - Credit availed as Input	1,418,981	2008-09	Commissioner of Central Excise (Appeals)
	Input Service Tax Distribution Credit availed	1,609,987	2006-08	Commissioner of Central Excise (Appeals)
	Service Tax not paid on Royalty (Foreign Payment)	27,167,930	2004-08	Commissioner of Central Excise (Appeals)
	Cenvat credit availed on GTA	2,475,925	2006-08	Assessing Authority
	Cenvat credit availed on goods received from Emox	64,146,884	2007-08	CESTAT, Chennai
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	155,393,836	2007-11	Adjudicating Authority
Central Excise Act, 1944	Cenvat credit on input services availed based on the invoices issued by suppliers to the branches prior to registration.	543,416	2007-12	Commissioner of Central Excise (Appeals)
	Allegations of non- manufacturing of shoe polish brush	6,174,082	2007-12	Commissioner of Central Excise (Appeals)
	Valuation of Mosquito Repellent supplied from Guwahati factories to Emox Puduchery	55,307,174	2008-12	CESTAT, Kolkata
	Excise valuation dispute on account of non-compete fees and trademark license fees paid by PGG (JV between Godrej Soaps Limited and Proctor and Gamble) to Godrej	51,800,000	1993-96	The Hon'ble Supreme Court of India
	Distribution of Cenvat Credit by Head Office to Other Factories	121,564,838	2008-12	CESTAT, Delhi
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	31,851,841	2011-12	Adjudicating Authority
	Valuation of PHD - Differential demand between Section 4 and 4A valuation	66,897,878	2011-13	CESTAT, Kolkata
	Valuation of Combipack which are marked as "Goods for Export"	1,522,705	2007-08	CESTAT, Chennai
	Violation of Target Plus Scheme of Customs	4,124,764	2007-08	CESTAT, Chennai
	CENVAT credit availed on Transportation Services	311,754	2011-12	Adjudicating Authority

## Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
Central Sales Tax Act, 1956 & Value Added Tax Act of Various States	CENVAT credit availed on the grounds of valuation methodology adopted by one plant while transferring goods from Lokhra plant	73,881,431	2008-12	CESTAT, Chennai
	CENVAT credit availed on supplementary invoices issued by GCPL to Emox upon payment of differential duty by GCPL.	1,114,212	2009	Adjudicating Authority
	CENVAT credit availed on account of trading activity conducted	18,922,839	2008-12	CESTAT, Chennai
	CENVAT credit availed on Capital Goods because same is not availed in the month which it pertains to Others	940,000	Aug-12	Adjudicating Authority
		976,000	2007-08	CESTAT
		212,528	2007-08	Sales Tax Authority
		141,191	2008-09	CESTAT, Kolkata
		221,133	2003-04	Commissioner of Central Excise (Appeals)
		877,690	2006-07	CESTAT, Chennai
	Sales Tax Dues on account of Classification Head	39,157,279	2006-07 2007-08 2008-09	Jaipur High Court
	Sales Tax Dues	689,121	2004-05	Uttar Pradesh Tribunal
	Central Sales Tax Dues	579,562	2004-05	Uttar Pradesh Tribunal
	Sales Tax Dues on account of Classification Head	642,305	1999-00 2001-02	Jammu Tribunal
	Sales Tax Dues on account of Classification Head	6,340,450	2003-04 2004-05 2005-06	The Hon'ble Supreme Court of India
	Central Sales Tax Dues	789,432	2006-07	Assessing Authority
	Central Sales Tax Dues	6,600,000	2005-06	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	6,000,940	2000-01	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	9,009,696	2001-02	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	3,607,688	2002-03	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	497,261	2005-06	Assessing Authority
	Entry Tax	1,000,585	2005-08	Orissa Tribunal
	Entry Tax	2,254,849	1999-00 2005-06 2006-07	Madhya Pradesh High Court
	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	22,449,405	2009-10	Andhra Pradesh High Court
	Central Sales Tax Dues	160,178	2004-05	Deputy Commissioner (A)
	Sales Tax Dues	1,406,850	2005-06 2006-07	Deputy Commissioner (A)
	Sales Tax Dues	700,728	2005-06	Deputy Commissioner (A)
	Sales Tax Dues	258,056	2006-07	Deputy Commissioner (A)
	Sales Tax Dues	1,146,028	2002-03 2003-04 2004-05	Deputy Commissioner Sales Tax Nagpur
	Sales Tax Dues	1,465,192	2005-06	Joint Commissioner (A)
	Central Sales Tax Dues	256,482	2005-06	Deputy Commissioner (A)
	Interest on Sales Tax Dues	1,207,000	2001-02	Chennai High Court
	Sales Tax Dues	510,000	2002-03	Additional Commissioner (Appeals)
	Sales Tax Dues	1,757,925	2006-07	Joint Commissioner (A)
	Central Sales Tax Dues & Others	1,190,919	2005-06 2006-07 2007-08 2013-14	West Bengal Tribunal
	Sales Tax Dues	10,641,000	2004-05	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	16,838,252	2007-08	Allahabad High Court
	Sales Tax Dues on account of Classification Head	4,838,279	2008-09 2009-10 2010-11	Assessing Authority
	Sales Tax Dues on account of Classification Head	9,044,088	2005-06 2006-07 2007-08 2008-09	Andhra Pradesh High Court

## Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
	Sales Tax Dues on account of Classification Head	25,809,827	2010-11	Andhra Pradesh High Court
	Sales Tax Dues	11,693,000	2006-07	Deputy Commissioner
	Sales Tax Dues	394,000	2006-07	Assessing Authority
	Checkpost	1,610,000	2010-11	Additional Commissioner (Appeals)
	Sales Tax Dues	3,073,427	2009-10	Assessing Authority
	Sales Tax Dues on account of Classification Head	228,973,669	2010-11	Orissa Tribunal
			2011-12	
	Sales Tax Dues on account of Classification Head	86,380,815	2010-11	Orissa Tribunal
			2011-12	
	Sales Tax Dues on account of Classification Head	27,155,975	2012-13	Orissa Tribunal
			2013-14	
	Sales Tax Dues on account of Classification Head	63,651,140	2011-12	Andhra Pradesh High Court
			2012-13	
	Central Sales Tax Dues	57,681	2011-12	Deputy Commissioner (Appeals), Jaipur
	Sales Tax Dues	539,028	2008-09	Deputy Commissioner (Appeals), Jammu
	Sales Tax Dues on account of Classification Head	555,281	2013-14	Deputy Commissioner (Appeals), Hyderabad
	Sales Tax Dues on account of Classification Head	650,541	2011-12	Deputy Commissioner III, Haldwani
	Sales Tax Dues on account of Classification Head	883,023	2012-13	Deputy Commissioner III, Haldwani
	Entry Tax	10,985,048	2005-06	Deputy Commissioner (Appeals)
	Entry Tax	12,586,720	2006-07	Deputy Commissioner (Appeals)
	Entry Tax	8,601,779	2007-08	Deputy Commissioner (Appeals)
	Other Sales Tax Dues	5,502,678	2002-13	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.
Income Tax Act, 1961	Demand based on the order of regular assessment u/s 143(3) of the Act.	8,101,491	AY 2009-10	Income - tax Appellate Tribunal
	Demand based on the order of regular assessment u/s 143(3) of the Act.	11,020	AY 2007-08	High Court
	Income-tax in dispute pertaining to erstwhile Godrej Household Products Limited.	3,266,327	AY 2005-06	CIT (Appeal)
		4,658	AY 2006-07	Income - tax Appellate Tribunal
		2,534,092	AY 2007-08	Income - tax Appellate Tribunal
		109,478,059	AY 2009-10	Income - tax Appellate Tribunal
		31,948,800	AY 2010-11	Income - tax Appellate Tribunal

- c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii) 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.
- ix) 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 were no dues to financial institutions during the year.
- x) According to the information and explanations given to us and based on the documents and records produced before us, the terms and conditions of guarantees given by the Company for loans taken by its subsidiaries from banks are prima facie not prejudicial to the interest of the Company.
- xi) According to the information and explanations given to us and the records examined by us, the Company has not obtained any term loans.
- xii) 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 KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 104607W

**ROSHNI R. MARFATIA**  
**PARTNER**  
M. No.: 106548  
Mumbai: April 28, 2015

## Balance Sheet as at March 31, 2015

₹ Crore

	Note No.	Current Year	Previous Year
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	34.04	34.04
(b) Reserves and Surplus	4	3349.01	2990.32
		<b>3383.05</b>	3024.36
<b>2. Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	5	1.11	1.64
(b) Other Long-term Liabilities	6	4.02	3.79
(c) Long-term Provisions	7	3.99	4.24
		<b>9.12</b>	9.67
<b>3. Current Liabilities</b>			
(a) Short-term Borrowings	8	0.34	0.88
(b) Trade Payables	9	804.53	797.63
(c) Other Current Liabilities	10	683.38	623.27
(d) Short-term Provisions	11	41.66	30.24
		<b>1529.91</b>	1452.02
<b>TOTAL</b>		<b>4922.08</b>	4486.05
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible Assets		242.93	237.24
(ii) Intangible Assets		817.26	867.85
(iii) Capital Work-in-Progress		178.83	147.99
		<b>1239.02</b>	1253.08
(b) Non-Current Investments	13	2148.83	2064.99
(c) Long-term Loans and Advances	14	175.39	117.84
(d) Other Non-Current Assets	15	0.06	1.44
		<b>3563.30</b>	3437.35
<b>2. Current Assets</b>			
(a) Current Investments	16	151.38	102.00
(b) Inventories	17	489.51	493.57
(c) Trade Receivables	18	142.94	139.26
(d) Cash and Bank Balances	19	495.36	205.26
(e) Short-term Loans and Advances	20	72.06	107.63
(f) Other Current Assets	21	7.53	0.98
		<b>1358.78</b>	1048.70
<b>TOTAL</b>		<b>4922.08</b>	4486.05
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements.

As per our Report attached  
**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

For and on behalf of the Board  
**Adi Godrej**  
Chairman

**Roshni R. Marfatia**  
Partner  
M. No. 106548

**V. Srinivasan**  
Chief Financial Officer and  
Company Secretary

**Vivek Gambhir**  
Managing Director

Mumbai: April 28, 2015

## Statement of Profit and Loss for the year ended March 31, 2015

₹ Crore

	Note No.	Current Year	Previous Year
<b>I Revenue from Operations</b>			
Revenue from Operations (Gross)		4702.94	4300.37
Less : Excise Duty		(273.14)	(220.53)
<b>Net Revenue from Operations</b>	22	4429.80	4079.84
<b>II Other Income</b>	23	57.51	40.00
<b>III Total Revenue (I + II)</b>		4487.31	4119.84
<b>IV Expenses</b>			
Cost of Raw Materials including Packing Material Consumed	24	1814.07	1635.22
Purchases of Stock-in-Trade		193.82	242.48
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	5.05	62.09
Employee Benefits Expense	26	259.30	200.41
Finance Costs	27	36.92	38.52
Depreciation and Amortization Expense	12	41.67	35.52
Other Expenses	28	1317.89	1192.61
<b>Total Expenses</b>		3668.72	3406.85
<b>V Profit Before Exceptional Items and Tax (III-IV)</b>		818.59	712.99
<b>VI Exceptional Items</b>	29	8.60	-
<b>VII Profit Before Tax (V+VI)</b>		827.19	712.99
<b>VIII Tax Expense</b>			
(1) Current Tax		172.84	151.10
(2) Deferred Tax		(0.10)	(2.95)
		172.74	148.15
<b>IX Profit for the Year (VII-VIII)</b>		654.45	564.84
<b>X Earnings per Equity Share (Face Value ₹ 1)</b>	30		
(1) Basic (₹)		19.22	16.60
(2) Diluted (₹)		19.22	16.59
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements.

As per our Report attached  
**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

For and on behalf of the Board  
**Adi Godrej**  
Chairman

**Roshni R. Marfatia**  
Partner  
M. No. 106548

**V. Srinivasan**  
Chief Financial Officer and  
Company Secretary

**Vivek Gambhir**  
Managing Director

Mumbai: April 28, 2015

## Cash Flow Statement for the year ended March 31, 2015

	₹ Crore	
	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Exceptional Items and Tax	818.59	712.99
<b>Adjustment for:</b>		
Non-Cash Items		
Depreciation and Amortization Expenses	41.67	35.52
Unrealised Foreign Exchange (Gain) / Loss	(0.73)	0.16
Bad Debts Written off	0.18	0.14
Provision / (Write-back) for Doubtful Debts / Advances	4.53	7.33
Provision for Non Moving Inventory	(2.17)	0.70
Write in of Old Balances	(0.94)	(1.35)
Expenses on ESGs	9.63	3.13
Interest Expense & Discounting Charges	36.92	38.52
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	0.63	(3.57)
(Profit) / Loss on Sale of Investments (Net)	(9.88)	(12.37)
Recovery from GCPL ESOP Trust	(25.25)	-
Interest Income	(17.13)	(20.48)
Dividend Income	-	(0.19)
	37.46	47.54
Operating Cash Flows Before Working Capital Changes	856.05	760.53
<b>Adjustments for:</b>		
Inventories	6.23	45.04
Trade Receivables	(7.22)	(23.82)
Loans and Advances	7.28	(30.86)
Other Assets	(0.27)	(5.07)
Liabilities and Provisions	100.58	151.75
	106.60	137.04
Cash Generated from Operations	962.65	897.57
<b>Adjustment for:</b>		
Direct Taxes Paid	(179.99)	(148.03)
<b>Net Cash Flow from Operating Activities</b>	<b>782.66</b>	<b>749.54</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(104.71)	(71.79)
Sale of Fixed Assets	0.32	7.45
Investments in Mutual Funds (Net)	(39.50)	30.37
Investments in Fixed Deposits (Net)	(268.66)	42.72
Investments in Subsidiaries (Net)	(85.94)	(600.50)
Investments in Associate Company	-	(34.32)
Repayment of Loan by ESOP Trust	25.25	46.95
Dividend Received	-	0.19
Loan to Subsidiaries Repaid / (Given)	-	-
Interest Received	10.85	25.78
Exceptional Item :		
Interest Received from ESOP Trust	8.60	-
<b>Net Cash Flow from Investing Activities</b>	<b>(453.79)</b>	<b>(553.15)</b>



## Cash Flow Statement for the year ended March 31, 2015

	Current Year	Previous Year
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Allotment of Equity Shares under ESGS	0.01	0.01
Issue of Debentures (Net of Expenses)	249.63	-
Redemption of Debentures (including Premium on Redemption)	(299.35)	(50.00)
Repayment of Sales Tax Deferral Loan	(0.05)	(0.03)
Short-term Borrowings (Net)	-	(3.45)
Cash Credits (Net)	(0.54)	(2.80)
Interest & Discounting Charges Paid	(47.92)	(32.59)
Dividend Paid	(178.72)	(170.15)
Dividend Tax Paid	(32.42)	(28.92)
<b>Net Cash Flow from Financing Activities</b>	<b>(309.36)</b>	<b>(287.93)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>19.51</b>	<b>(91.54)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
AS AT THE BEGINNING (Refer Note 19)	150.06	241.60
ACQUIRED PURSUANT TO THE SCHEME OF AMALGAMATION *	-	0.00
AS AT THE ENDING (Refer Note 19)		
Cash and Bank Balances	169.61	150.60
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(0.04)	(0.54)
	169.57	150.06
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>19.51</b>	<b>(91.54)</b>

\* amount less than ₹ 0.01 Crore

As per our Report attached  
**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

**Roshni R. Marfatia**  
Partner  
M. No. 106548

**V. Srinivasan**  
Chief Financial Officer and  
Company Secretary

For and on behalf of the Board  
**Adi Godrej**  
Chairman

**Vivek Gambhir**  
Managing Director

Mumbai: April 28, 2015



## Notes to the Financial Statements for the year ended March 31, 2015

### 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 Company has prepared these financial statements under the historical cost convention on an accrual basis to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company.

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 Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertain 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 and differences, if any, are recognised in the period in which the results are known/materialised.

#### c. Fixed Assets

Fixed assets are stated at cost (net of cenvat credit and capital subsidy/grant wherever applicable) less accumulated depreciation and impairment losses, if any. The cost includes cost of acquisition, construction, erection, installation etc., preoperative expenses (including trial run) and borrowing costs incurred during construction period. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

#### 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, 2015

### e. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction 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 ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### f. Operating Leases

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

### g. Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and are 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 fair value and the resultant decline, if any, is charged to revenue. Non-Current Investments are carried at cost. Provision for diminution, if any, in the value of each non-current investment is made to recognise a decline, other than of a temporary nature.

### h. Inventories

Inventories are valued at lower of cost and net realizable value. Cost is computed on the weighted average basis and is net of CENVAT credits. 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.

### i. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are neither recognised nor disclosed in the financial statements.

### j. 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, 2015

### k. 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.

### 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) The Company uses forward exchange contracts to hedge its exposure against movements in foreign exchange rates. Forward exchange contracts, remaining unsettled at the period end, backed by underlying assets or liabilities are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss. 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/losses on cancellation/settlement of forward exchange contracts are recognised in the Statement of Profit and Loss.

### m. 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. Short Term Employee Benefits 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.

##### b) Defined Benefit Plans

###### Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company's liability towards gratuity is actuarially determined using the Projected Unit Credit Method by an independent actuary. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

###### Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall

## Notes to the Financial Statements for the year ended March 31, 2015

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. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

### c) Other Long Term Employee Benefits

Other Long Term Employee Benefits viz, compensated absences 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 towards compensated absences based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date which is calculated using Projected Unit Credit Method. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

### n. Incentive Plans

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

Up to 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.

### o. Employee share based payments

Equity settled stock options granted under the Company's Employee stock option (ESOP) scheme and Employee Stock Grant Scheme (ESGS) are accounted as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share based payments issued by ICAI. The Company measures compensation cost relating to employee stock options and stock grants using the intrinsic value method and compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

### p. Depreciation and Amortisation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act, 2013 :

#### 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) Office Equipment are depreciated over 10 years.
- iv) Tools, dies and moulds are depreciated over a period of 9 years and 3 years respectively.
- v) Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.

## Notes to the Financial Statements for the year ended March 31, 2015

### 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. The cost of SAP licenses incurred for certain subsidiaries are being recovered from respective subsidiaries.
- iii) 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. In accordance with the Court approved 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) Goodwill is amortised over a period of 5 years.
- v) Technical Knowhow is depreciated over a period of 10 years.

Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

### 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 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 that future taxable income will be available against which such deferred tax assets can be realized and on other items including MAT credit entitlement 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

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less.

### 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, 2015

### NOTE 3 : SHARE CAPITAL

₹ Crore

	Current Year	Previous Year
<b>Authorised</b>		
410,000,000 Equity Shares (previous year 410,000,000) of ₹ 1 each	41.00	41.00
10,000,000 Preference Shares (previous year 10,000,000) of ₹ 1 each	1.00	1.00
<b>Issued</b>		
340,478,025 Equity Shares (previous year 340,409,434) of ₹ 1 each	34.05	34.04
<b>Subscribed and Fully Paid up</b>		
340,446,901 Equity Shares (previous year 340,378,310) of ₹ 1 each fully paid up	34.04	34.04
<b>TOTAL</b>	34.04	34.04

#### NOTES:

- During the year, the Company has issued 68,591 equity shares (previous year 51,385) 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.
- The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

	Current Year		Previous Year	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	340,378,310	34.04	340,326,925	34.03
Add : Shares Issued during the year *	68,591	0.00	51,385	0.01
<b>Shares outstanding at the end of the year</b>	<b>340,446,901</b>	<b>34.04</b>	<b>340,378,310</b>	<b>34.04</b>

\* amount less than ₹ 0.01 crore

#### d) 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, 2015 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.50 (previous year ₹ 5.25).

- Shares held by Holding Company and Subsidiary of Holding Company and details of 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
<b>Holding Company</b>				
Godrej & Boyce Manufacturing Co. Ltd.	119,163,815	35.00%	122,411,815	35.97%
<b>Subsidiary of Holding Company</b>				
Godrej Industries Limited	80,277,620	23.58%	77,029,620	22.63%

#### f) Shares Reserved for issue under options

The Company has 174,121 (previous year 134,364) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2015. (As detailed in Note 45)

- Information regarding 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
Allotted as fully paid up by way of bonus shares	-	-
Shares Bought Back	-	-

- There are no calls unpaid on equity shares other than 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, 2015

### NOTE 4 : RESERVES AND SURPLUS

	₹ Crore	
	Current Year	Previous Year
<b>1. CAPITAL INVESTMENT SUBSIDY RESERVE</b>		
Balance as per last financial statements	0.15	0.15
<b>2. CAPITAL REDEMPTION RESERVE</b>		
Balance as per last financial statements	1.46	1.46
<b>3. SECURITIES PREMIUM ACCOUNT</b>		
Balance as per last financial statements	1461.56	1483.65
(+) Premium Received on Allotment of Shares	4.05	2.38
(-) Expenses on Issue of Debentures	(0.37)	(0.02)
(-) Premium on Redemption of Debentures	(25.36)	(24.45)
Closing Balance	1439.88	1461.56
<b>4. DEBENTURE REDEMPTION RESERVE</b>		
Balance as per last financial statements	44.78	21.25
(+) Transfer from / (to) Surplus (Net)	(20.39)	23.53
Closing Balance	24.39	44.78
<b>5. EMPLOYEE SHARE OPTIONS OUTSTANDING</b>		
Gross Employee Compensation for Options granted	13.35	8.92
(-) Deferred Employee Compensation Expense	(4.64)	(3.68)
Closing Balance	8.71	5.24
<b>6. GENERAL RESERVE</b>		
Balance as per last financial statements	206.80	206.97
(+) Transfer from Surplus	-	56.50
(-) Trademark and Brands amortisation pursuant to Scheme of Amalgamation of GHPL (Refer Note 12(b))	(52.75)	(52.75)
(-) Adjustment Pursuant to Scheme of Amalgamation of Godrej Hygiene Products Limited	-	(3.92)
Closing Balance	154.05	206.80
<b>7. SURPLUS</b>		
Balance as per last financial statements	1270.33	1010.09
Net Profit for the Year	654.45	564.84
<b>Appropriations:</b>		
Dividends - Interim	(187.24)	(178.70)
Tax on Distributed Profit	(36.73)	(30.37)
Transfer to General Reserve	-	(56.50)
Transfer from / (to) Debenture Redemption Reserve	20.39	(23.53)
Adjustment pursuant to implementation of Schedule II of Companies Act, 2013 (Refer Note 12(d))	(0.83)	-
Addition on Amalgamation	-	(15.50)
Closing Balance	1720.37	1270.33
<b>TOTAL</b>	<b>3349.01</b>	<b>2990.32</b>



## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 5 : DEFERRED TAX LIABILITIES (NET)

	₹ Crore	
	Current Year	Previous Year
<b>1. Deferred Tax Liability</b>		
a) Depreciation	20.79	19.76
<b>2. Deferred Tax Assets</b>		
a) Tax Disallowances	(16.46)	(16.78)
b) Provision for Doubtful Debts and Advances	(3.22)	(1.34)
	(19.68)	(18.12)
<b>TOTAL</b>	<b>1.11</b>	<b>1.64</b>

### NOTE 6 : OTHER LONG-TERM LIABILITIES

	₹ Crore	
	Current Year	Previous Year
Security Deposits Received	4.02	3.79
<b>TOTAL</b>	<b>4.02</b>	<b>3.79</b>

### NOTE 7 : LONG-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
<b>Provision for Employee Benefits</b>		
Compensated Absences	3.99	4.24
<b>TOTAL</b>	<b>3.99</b>	<b>4.24</b>

### NOTE 8 : SHORT-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
<b>Secured</b>		
<b>Loans Repayable on Demand</b>		
Cash Credit from Banks (Refer Note (a) below)	0.34	0.88
<b>TOTAL</b>	<b>0.34</b>	<b>0.88</b>

#### 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 9 : TRADE PAYABLES

	₹ Crore	
	Current Year	Previous Year
Dues to Micro, Small and Medium Enterprises	-	-
Others	804.53	797.63
<b>TOTAL</b>	<b>804.53</b>	<b>797.63</b>

#### 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.



## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 10 : OTHER CURRENT LIABILITIES

	₹ Crore	
	Current Year	Previous Year
1. Current Maturities of Long Term Debt ( <i>Refer Notes (a) &amp; (b) below</i> )	260.64	284.68
2. Security Deposit Received	0.39	0.38
3. Unpaid Dividends ( <i>Refer Note (c) below</i> )	6.75	6.20
4. Taxes, Duties and Other Levies Payable	50.25	46.18
5. Interim Dividend Payable	85.11	76.59
6. Other Payables	280.24	209.24
<b>TOTAL</b>	<b>683.38</b>	<b>623.27</b>

#### 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 9.35% p.a. at maturity. These debentures are redeemable on December 18, 2015.
- Current Maturities of Long term Debt in previous 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 have been redeemed on October 25, 2014.
- There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 205C of the Companies Act, 1956 as at the year end.

### NOTE 11 : SHORT-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
<b>1. Provision for Employee Benefits</b>		
Gratuity (Net)	21.54	14.32
Compensated Absences	2.79	2.90
<b>2. Others</b>		
Provision for Tax on Distributed Profits	17.33	13.02
<b>TOTAL</b>	<b>41.66</b>	<b>30.24</b>

# Notes to the Financial Statements for the year ended March 31, 2015

## NOTE 12 : 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	0.64	0.07	-	-	-	0.71	6.14	6.21
Leasehold Improvements	6.33	3.37	-	-	9.70	2.05	0.93	-	-	(0.02)	2.96	6.74	4.28
Buildings	79.00	0.65	(0.34)	-	79.31	23.89	3.92	(0.34)	-	0.06	27.53	51.78	55.11
Plant and Equipments	332.02	29.73	(3.94)	-	357.81	178.98	23.41	(3.63)	-	1.46	200.22	157.59	153.04
Furniture, Fixtures and Fittings	7.94	0.63	(0.07)	-	8.50	5.75	0.72	(0.06)	-	0.09	6.50	2.00	2.19
Office Equipment	8.92	0.85	(0.19)	-	9.58	4.89	0.87	(0.14)	-	0.30	5.92	3.66	4.03
Vehicles	11.37	2.03	(0.46)	-	12.94	3.33	2.13	(0.24)	-	-	5.22	7.72	8.04
Computers	11.28	5.20	(0.60)	-	15.88	7.45	2.10	(0.60)	-	0.14	9.09	6.79	3.83
(A)	464.22	42.46	(5.60)	-	501.08	226.98	34.15	(5.01)	-	2.03	258.15	242.93	237.24
B. INTANGIBLE ASSETS													
Goodwill	12.60	-	-	-	12.60	7.65	2.47	-	-	-	10.12	2.48	4.95
Trademarks and Brands	1055.13	0.26	-	-	1055.39	211.03	0.05	-	-	52.75	263.83	791.56	844.10
Computer Software	33.09	9.43	-	-	42.52	16.40	4.74	-	-	0.01	21.15	21.37	16.69
Technical Knowhow	2.64	-	-	-	2.64	0.53	0.26	-	-	-	0.79	1.85	2.11
(B)	1103.46	9.69	-	-	1113.15	235.61	7.52	-	-	52.76	295.89	817.26	867.85
(A+B)	1567.68	52.15	(5.60)	-	1614.23	462.59	41.67	(5.01)	-	54.79	554.04	1060.19	
Previous Year	1529.17	51.34	(13.24)	0.41	1567.68	383.34	35.52	(10.53)	0.34	53.92	462.59		1105.09
C. CAPITAL WORK-IN-PROGRESS												178.83	147.99
TOTAL												1239.02	1253.08

### 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 w.e.f. April 1, 2010. 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 ₹ 1.56 crore (*previous year ₹ 6.44 crore*).
- Pursuant to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, the Company has realigned the useful lives of its fixed assets in accordance with Schedule II and the carrying amount of such assets as on April 1, 2014 has been depreciated over the remaining useful lives. The depreciation and amortization expense for the year would have been lower by ₹ 2.03 crore, had the Company continued with the previous assessment of useful lives of such assets. Further, in accordance with the transitional provision, an amount of ₹ 0.83 crore (*net of deferred tax*) has been recognised in the opening balance of retained earnings for adjustments of the carrying amount of fixed assets whose remaining useful life was *Nil*.

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 13 : NON-CURRENT INVESTMENTS

₹ Crore

	Face Value	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
Trade Investments (At Cost)					
1. Investments in Equity Instruments					
Of Subsidiary Companies					
Unquoted, fully paid up:					
Godrej Netherlands B.V.	EUR 100	1,000	1,000	76.22	76.58
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	-	5.74
Godrej Consumer Products Mauritius Ltd.	USD 1	45,235,006	37,385,006	614.41	566.83
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	185,800,001	184,300,001	993.19	985.72
Godrej Household Products (Bangladesh) Pvt. Ltd.	BDT 10	34,352,653	16,970,481	24.60	15.65
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	54,100,001	53,100,001	316.46	310.37
Godrej East Africa Holdings Ltd.	USD 1	8,400,001	4,800,001	51.55	29.42
Godrej Tanzania Holdings Ltd.	USD 1	200,001	200,001	1.11	1.11
Of Associate Company					
Unquoted, fully paid up:					
Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	5,546	5,546	22.32	22.32
				2139.67	2053.55
2. Investments in Preference Shares					
Of Subsidiary Company					
Unquoted, fully paid up:					
Godrej Consumer Products Mauritius Ltd.	USD 1	-	500,000	-	2.28
3. Investments in Compulsorily Convertible Debentures					
Of Associate Company					
Unquoted, fully paid up:					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	3,060	3,060	12.00	12.00
				2151.67	2067.83
Less : Provision for Diminution in the Value of Investments				(2.84)	(2.84)
TOTAL				2148.83	2064.99
Aggregate Amount of Quoted Investments				-	-
Aggregate Amount of Unquoted Investments				2151.67	2067.83
Aggregate Provision for Diminution in the Value of Investments				2.84	2.84

#### NOTES:

- During the year, Godrej Consumer Products Mauritius Ltd. has redeemed Preference Shares having Face Value of USD 0.50 million (*Previous Year USD 3.50 million*)
- During the year, Godrej Global Mid East FZE was sold by the Company to its Wholly Owned Subsidiary Godrej Consumer Products Holding (Mauritius) Ltd.

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 14 : LONG TERM LOANS AND ADVANCES

	Current Year	Previous Year
₹ Crore		
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
1. Capital Advances (Refer Note below)	27.08	3.80
2. Security Deposits	14.75	14.54
3. Other Loans and Advances		
a) Balances with Govt. Authorities		
Considered Good	113.72	86.67
Considered Doubtful	14.59	13.23
Less: Provision for Doubtful Receivables	(14.59)	(13.23)
	113.72	86.67
b) Advance Tax		
[Net of Provision for taxation - ₹ 913.17 crore		
(previous year ₹ 741.45 crore)]	19.29	12.14
c) Miscellaneous Loans and Advances	0.55	0.69
<b>TOTAL</b>	<b>175.39</b>	<b>117.84</b>

#### NOTE:

Capital Advances include ₹ 5.18 crore (previous year ₹ 2.89 crore) due from Related Parties.

### NOTE 15 : OTHER NON-CURRENT ASSETS

	Current Year	Previous Year
₹ Crore		
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
Fixed Deposits with maturity of more than 12 months - under		
lien against Bank Guarantees	0.06	1.44
<b>TOTAL</b>	<b>0.06</b>	<b>1.44</b>

### NOTE 16 : CURRENT INVESTMENTS

	Face Value	Numbers		Amounts	
	₹	Current Year	Previous Year	Current Year	Previous Year
₹ Crore					
<b>Investments in Mutual Funds</b>					
(Valued at lower of cost and fair value)					
Unquoted, fully paid-up:					
ICICI Prudential Liquid - Direct - Growth	100	144,926	2,214,487	3.00	42.00
ICICI Prudential Flexible Income - Direct - Growth	100	195,437	-	5.14	-
Kotak Liquid Scheme - Plan A Direct - Growth	1000	186,965	19,337	53.00	5.00
Birla Sun Life Cash Plus - Instl. Prem. - Growth	100	-	2,141,141	-	44.00
Birla Sun Life Savings Fund - Direct - Growth	100	1,304,239	-	35.17	-
Reliance Money Manager Fund - Direct -Growth	1000	259,848	-	50.07	-
SBI Magnum Insta Cash Fund - Direct - Growth	1000	16,182	-	5.00	-
HDFC Liquid Fund - Direct - Gowth	10	-	4,353,953	-	11.00
<b>TOTAL</b>				<b>151.38</b>	<b>102.00</b>
Aggregate amount of quoted investments					
				-	-
Aggregate amount of unquoted investments					
				151.38	102.00

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 17 : INVENTORIES

	₹ Crore	
	Current Year	Previous Year
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials	176.61	175.88
Work-in-Progress	47.11	41.31
Finished Goods	235.41	243.39
Stock-in-Trade	24.97	27.84
Stores and Spares	5.41	5.15
<b>TOTAL</b>	<b>489.51</b>	<b>493.57</b>

### NOTE 18 : TRADE RECEIVABLES

	₹ Crore	
	Current Year	Previous Year
<i>Unsecured, Considered Good, Unless Otherwise Stated</i>		
<b>Trade Receivables Outstanding for a Period Exceeding Six Months from the due date</b>		
Considered Good	2.90	9.01
Considered Doubtful	6.74	3.38
	9.64	12.39
Less: Provision for Doubtful Debts	(6.74)	(3.38)
	2.90	9.01
<b>Others (Considered Good)</b>		
Secured	5.44	5.73
Unsecured	134.60	124.52
	140.04	130.25
<b>TOTAL</b>	<b>142.94</b>	<b>139.26</b>

### NOTE 19 : CASH AND BANK BALANCES

	₹ Crore	
	Current Year	Previous Year
<b>1. Cash and Cash Equivalents</b>		
a) Balances with Banks		
In Current Accounts	44.18	74.72
Deposits with less than 3 months maturity	125.03	75.00
	169.21	149.72
b) Cheques, Drafts on Hand	0.09	-
c) Cash on Hand	0.27	0.34
	169.57	150.06
<b>2. Other Bank Balances</b>		
a) Deposits with maturities more than 3 months but less than 12 months	317.00	45.00
b) Deposits under lien against Bank Guarantees	2.04	4.00
c) In Unpaid Dividend Accounts	6.75	6.20
	325.79	55.20
<b>TOTAL</b>	<b>495.36</b>	<b>205.26</b>

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 20 : SHORT TERM LOANS AND ADVANCES

	Current Year	Previous Year
₹ Crore		
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
1. Security Deposits	0.21	0.10
2. Excise and VAT Receivables	52.54	74.73
3. Miscellaneous Loans and Advances		
Considered Good (Refer Note below)	19.31	32.80
Considered Doubtful	0.36	0.56
Less: Provision for Doubtful Loans and Advances	(0.36)	(0.56)
	19.31	32.80
<b>TOTAL</b>	<b>72.06</b>	<b>107.63</b>

#### NOTE:

Short Term Loans and Advances include ₹ 0.57 crore (previous year ₹ Nil) due from Related Parties.

### NOTE 21 : OTHER CURRENT ASSETS

	Current Year	Previous Year
₹ Crore		
Claims Receivable		
Considered Doubtful	-	4.94
Less: Provision for Doubtful Claims	-	(4.94)
	-	-
Accrued Interest	7.11	0.83
Deferred Premium on Forward Contracts	0.42	0.15
<b>TOTAL</b>	<b>7.53</b>	<b>0.98</b>

### NOTE 22 : REVENUE FROM OPERATIONS

	Current Year	Previous Year
₹ Crore		
1. Sale of Products (Refer Note 35)	4642.39	4245.27
2. Other Operating Revenues		
a) Royalty & Technical Fees	51.01	46.23
b) Miscellaneous Income	9.54	8.87
	4702.94	4300.37
3. Less : Excise Duty	(273.14)	(220.53)
<b>TOTAL</b>	<b>4429.80</b>	<b>4079.84</b>

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 23 : OTHER INCOME

	₹ Crore	
	Current Year	Previous Year
1. Interest Income		
On Advances and Deposits	16.23	20.03
On Loan to ESOP Trust	0.90	0.45
On Others*	0.00	0.00
2. Dividend Income		
From Subsidiaries	-	0.19
3. Net Gain on Sale of Current Investments	9.88	12.37
4. Other Non-Operating Income		
Net Gain on Foreign Currency Transactions and Translations	2.27	-
Profit on Sale of Fixed Assets	-	3.57
Claim Received	0.29	0.48
Miscellaneous Non-operating Income (Refer Note below)	27.94	2.91
<b>TOTAL</b>	<b>57.51</b>	<b>40.00</b>

\* amounts less than ₹ 0.01 crore

#### NOTE :

Miscellaneous non-operating income includes an amount of ₹ 25.25 crore (previous year ₹ 2.37 crore), recovered from the GCPL ESOP Trust towards loan repayment, which was earlier written off against reserves under a Scheme of Amalgamation approved by the Hon'ble High Court of Bombay.

### NOTE 24 : COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

	₹ Crore	
	Current Year	Previous Year
Opening Inventory	175.88	156.03
Add : Purchases (Net)	1814.80	1655.07
	1990.68	1811.10
Less : Closing Inventory	(176.61)	(175.88)
<b>Cost of Raw Materials including Packing Material Consumed</b>	<b>1814.07</b>	<b>1635.22</b>

### NOTE 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	₹ Crore	
	Current Year	Previous Year
Opening 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
Less: Closing Inventory		
Finished Goods	235.41	243.39
Stock-in-Trade	24.97	27.84
Work-in-Progress	47.11	41.31
	307.49	312.54
<b>(Increase) / Decrease in Inventories</b>	<b>5.05</b>	<b>62.09</b>

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 26 : EMPLOYEE BENEFITS EXPENSE

	₹ Crore	
	Current Year	Previous Year
1. Salaries and Wages	228.97	183.33
2. Contribution to Provident and Other Funds	15.98	10.00
3. Expense on Employee Stock Grant Scheme (ESGS)	9.63	3.13
4. Staff Welfare Expenses	4.72	3.95
<b>TOTAL</b>	<b>259.30</b>	<b>200.41</b>

### NOTE 27 : FINANCE COSTS

	₹ Crore	
	Current Year	Previous Year
1. Interest Expense	0.25	0.56
2. Discounting Charges	36.67	37.96
<b>TOTAL</b>	<b>36.92</b>	<b>38.52</b>

### NOTE 28 : OTHER EXPENSES

	₹ Crore	
	Current Year	Previous Year
Consumption of Stores and Spare Parts	11.84	10.06
Power and Fuel	98.16	90.62
Rent	14.81	12.92
Repairs and Maintenance:		
Plant and Equipment	3.55	3.57
Buildings	0.81	0.85
Others (Net)	18.30	17.29
	22.66	21.71
Insurance	6.56	6.33
Rates and Taxes	2.66	2.86
Miscellaneous Expenses (Net)	30.80	30.57
Processing and Other Manufacturing Charges	116.64	94.67
Excise Duty	19.62	16.27
Travelling and Conveyance	26.12	28.49
Auditors' Remuneration		
As Statutory Auditor	1.21	1.15
For Taxation Matters	0.40	0.48
For Company Law Matters	0.01	0.01
For Management Services	0.03	0.03
For Other Services	0.39	0.17
Reimbursement of Expenses	0.04	0.08
Service Tax	0.11	0.24
	2.19	2.16
Legal and Professional Charges	17.80	16.98
Donations	0.82	0.58
Advertising, Publicity and Sales Promotion	673.98	611.71
Selling and Distribution Expenses	89.56	78.28
Freight	170.75	156.33
Bank Charges	1.73	1.67
Royalty Expense	1.71	0.40
Commission	4.14	3.50
Net Loss on Sale of Fixed Assets	0.63	-
Net Loss on Foreign Currency Transactions and Translations	-	5.94
Bad Debts Written Off	0.18	0.14
Provision for Doubtful Debts / Advances	4.53	0.42
<b>TOTAL</b>	<b>1317.89</b>	<b>1192.61</b>

#### 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, 2015

### NOTE 29 : EXCEPTIONAL ITEMS

₹ Crore

	Current Year	Previous Year
Interest Income	8.60	-
<b>TOTAL</b>	<b>8.60</b>	<b>-</b>

#### NOTE :

The above exceptional item pertains to interest earned from GCPL ESOP Trust for the period from July 1, 2012 to March 31, 2014, which was earlier waived on account of uncertainty of receipt.

### NOTE 30 : EARNINGS PER SHARE

	Current Year	Previous Year
<b>Net Profit After Tax (₹ Crore)</b>	<b>654.45</b>	564.84
Number of Shares outstanding at the beginning of the year	<b>340,378,310</b>	340,326,925
Add : Shares Issued during the year	<b>68,591</b>	51,385
Number of Shares outstanding at the end of the year	<b>340,446,901</b>	340,378,310
<b>Weighted Average Number of Equity Shares</b>		
For calculating Basic EPS	<b>340,427,124</b>	340,363,605
For calculating Diluted EPS	<b>340,540,598</b>	340,445,040
<b>Earnings Per Share Before and After Extraordinary Items</b>		
(Face Value ₹ 1)		
Basic (₹)	<b>19.22</b>	16.60
Diluted (₹)	<b>19.22</b>	16.59

### NOTE 31 : COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 39.43 crore (previous year ₹ 39.72 crore), net of advances there against of ₹ 20.30 crore (previous year ₹ 3.46 crore).

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 32 : CONTINGENT LIABILITIES

₹ Crore

Current Year Previous Year

<b>a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS</b>		
i) Excise duty demands aggregating ₹ 69.70 crore ( <i>previous year ₹ 33.09 crore</i> ) against which the Company has preferred appeals (net of tax).	<b>46.01</b>	21.84
ii) Sales tax demands aggregating ₹ 62.46 crore ( <i>previous year ₹ 62.92 crore</i> ) against which the Company has preferred appeals (net of tax).	<b>41.23</b>	41.53
iii) Income-tax matters		
Demand notices issued by Income-tax Authorities.	<b>16.01</b>	12.37
iv) Other matters : ₹ 3.00 crore ( <i>previous year ₹ 3.00 crore</i> ) (net of tax).	<b>1.98</b>	1.98
<b>b) GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES</b>		
i) Guarantee amounting to Nil ( <i>previous year USD 78.8 million</i> ) given by the Company against loan provided by banks to Godrej Consumer Products Holding (Mauritius) Ltd.	-	471.83
ii) Guarantee amounting to Nil ( <i>previous year USD 99.0 million</i> ) given by the Company to DBS Bank, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	-	593.16
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.	<b>277.41</b>	299.30
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.	<b>525.00</b>	503.29
v) Guarantee amounting to GBP 4.95 million ( <i>previous year GBP 9.9 million</i> ) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	<b>45.77</b>	98.77
vi) Guarantee of AED Nil ( <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
vii) 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.	<b>2.96</b>	2.96
viii) Guarantee amounting to Nil ( <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
ix) 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.	-	-
x) 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.	<b>31.25</b>	29.96
xi) Guarantee amounting to Nil ( <i>previous year USD 5.0 million</i> ) given by the Company to HSBC Hongkong towards interest rate swap/derivative facilities provided to Godrej East Africa Holdings Limited.	-	29.96

## Notes to the Financial Statements for the year ended March 31, 2015

	Current Year	Previous Year
<b>c) OTHER GUARANTEES</b>		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.10 crore ( <i>previous year ₹ 5.44 crore</i> )]	7.35	8.19
ii) Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	0.80	-
<b>d) CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT</b>		
i) Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	32.22	32.22
ii) Others	0.28	0.28

### NOTE 33 : IMPORTED / INDIGENOUS CONSUMPTION

	Current Year		Previous Year	
	Amounts	%	Amounts	%
<b>Raw Materials Consumed</b>				
Imported	193.94	10.69%	229.36	14.03%
Indigenous	1620.13	89.31%	1405.86	85.97%
	1814.07	100.00%	1635.22	100.00%
<b>Component, Stores and Spare Consumed</b>				
Imported	0.10	0.84%	0.02	0.20%
Indigenous	11.74	99.16%	10.04	99.80%
<b>TOTAL</b>	<b>11.84</b>	<b>100.00%</b>	<b>10.06</b>	<b>100.00%</b>

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

	Current Year	Previous Year
<b>1. Raw Material Consumed</b>		
a) Oils and Fats	498.15	496.77
b) Chemicals, Colours, Perfumes and Catalysts	421.36	369.60
c) Packing Material	469.80	391.68
d) Others	424.76	377.17
	1814.07	1635.22
<b>2. Stock-in-Trade Purchased</b>		
a) Personal Wash	17.89	12.88
b) Hair Care	9.07	3.76
c) Home Care	160.03	193.72
d) Others	6.83	32.12
	193.82	242.48
<b>TOTAL</b>	<b>2007.89</b>	<b>1877.70</b>

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 35 : SALES (NET OF EXCISE DUTY)

	₹ Crore	
	Current Year	Previous Year
Personal Wash	1454.61	1340.23
Hair Care	556.44	494.14
Home Care	2074.77	1895.87
Others	283.43	294.50
<b>TOTAL</b>	<b>4369.25</b>	<b>4024.74</b>

### NOTE 36 : VALUE OF IMPORTS ON CIF BASIS

	₹ Crore	
	Current Year	Previous Year
Raw Materials	185.65	191.54
Traded Goods	3.11	-
Spares Parts and Components	0.12	0.02
Capital Goods	1.18	0.44
<b>TOTAL</b>	<b>190.06</b>	<b>192.00</b>

### NOTE 37 : EXPENDITURE IN FOREIGN CURRENCY

	₹ Crore	
	Current Year	Previous Year
Royalty, Know-how and Technical Fees	1.64	0.40
Professional and Consultation Fees	2.04	1.12
Other Matters	5.52	2.07
<b>TOTAL</b>	<b>9.20</b>	<b>3.59</b>

### NOTE 38 : EARNINGS IN FOREIGN EXCHANGE

	₹ Crore	
	Current Year	Previous Year
Export of Goods on FOB Basis	120.73	122.68
Royalty, Know-how and Technical Fees	51.01	46.23
Interest and Dividends	-	0.19
Business Support Services	3.86	1.53
<b>TOTAL</b>	<b>175.60</b>	<b>170.63</b>

## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 39 : DIVIDEND REMITTED IN FOREIGN CURRENCY

	₹ Crore	
	Current Year	Previous Year
4th Interim Dividend for the year ended March 31, 2014, to 312 non-resident shareholders on 85,920 shares @ ₹ 2.25 per share	0.02	-
1st Interim Dividend for the year ended March 31, 2015, paid to 314 non-resident shareholders on 86,380 shares @ ₹ 1 per share	0.01	-
2nd Interim Dividend for the year ended March 31, 2015, to 319 non-resident shareholders on 87,892 shares @ ₹ 1 per share	0.01	-
3rd Interim Dividend for the year ended March 31, 2015, to 318 non-resident shareholders on 86,992 shares @ ₹ 1 per share	0.01	-
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
<b>TOTAL</b>	<b>0.05</b>	<b>0.05</b>

### 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 Netherlands B.V.
- Godrej UK Limited
- Godrej Consumer Products (UK) 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, 2015

- vi) Godrej Consumer Products Mauritius Limited
  - Godrej Nigeria Limited
  - Godrej Argentina Dutch Cooperatief U.A.
    - Godrej Netherlands Argentina Holding B.V.
    - Godrej Netherlands Argentina B.V.
    - Issue Group Brazil Limited
    - Laboratoria Cuenca S.A
    - Deciral S.A
    - Consell S.A
    - Argencos S.A
    - Panamar Producciones S.A
  - Godrej Consumer Investments Holdings Limited *(merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
  - Godrej Easy IP Holding Ltd *(w.e.f. October 16, 2014)*
- vii) Godrej Consumer Products Holding (Mauritius) Limited
  - Indovest Capital Limited
  - Godrej Global Mid East FZE
  - Godrej Indonesia IP Holdings Limited *(w.e.f. March 17, 2015)*
  - Godrej Megasari Holdings Limited *(w.e.f. March 18, 2015)*
  - Godrej Consumer Products Dutch Cooperatief U.A.
    - Godrej Consumer Products (Netherlands) B.V.
    - Godrej Consumer Holdings (Netherlands) B.V.
      - PT Indomas Susemi Jaya
      - PT Intrasari Raya
      - PT Megasari Makmur
      - PT Ekamas Sarijaya
      - PT Sarico Indah
- viii) Godrej Mauritius Africa Holdings Limited
  - Darling Trading Company Mauritius Limited *(w.e.f. January 22, 2015)*
  - Godrej Africa Holdings Limited *(w.e.f. January 19, 2015)*
    - Godrej Weave Holdings Limited *(merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
      - DGH Mauritius Pvt. Ltd. *(merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
        - Weave Business Holding Mauritius Pvt. Limited
        - (merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
          - DGH Phase Three Mauritius *(merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
      - Frika Weave (Pty) Ltd. *(w.e.f. March 1, 2015)*
      - Kinky Group (Proprietary) Limited
      - Lorna Nigeria Limited
      - Weave Ghana Limited *(w.e.f. October 1, 2014)*
      - Godrej West Africa Holdings Limited
        - Subinite Pty Limited

## Notes to the Financial Statements for the year ended March 31, 2015

Weave IP Holding Mauritius Pvt. Limited

Weave Mozambique Limitada

Weave Trading Mauritius Pvt. Limited

Hair Trading (Offshore) S.A.L.

xi) Godrej East Africa Holdings Limited

DGH Phase Two Mauritius Pvt. Limited

Style Industries Limited

x) Godrej Tanzania Holdings Limited

DGH Tanzania Limited

Sigma Hair Ind Limited

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

i) Godrej Industries Limited

ii) Godrej Agrovet Limited

iii) Godrej Tyson Foods Limited

iv) Godrej Properties Limited

v) Natures Basket Limited

vi) Godrej Vikhroli Properties LLP

vii) Godrej Infotech Limited

viii) Godrej Projects Development Private Limited

ix) Godrej Anandan

d) Associate Company:

i) Bhabhani Blunt Hairdressing Private Limited

#### e) Key Management Personnel and Relatives

i) Mr. Adi Godrej Chairman

ii)	Ms. Nisaba Godrej	Executive Director / Daughter of Mr. Adi Godrej
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iii) Mr. Vivek Gambhir Managing Director (from July 1, 2013)

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

v) Mr. P. Ganesh	Chief Financial Officer and Company Secretary (upto March 31, 2015)
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vi) Ms. Parmeshwar Godrej	Wife of Mr. Adi Godrej
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vii) Mr. Pirojsha Godrej Son of Mr. Adi Godrej

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

ix) Ms. Tanya Dubash Daughter of Mr. Adi Godrej

x) 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, 2015

## NOTE 40 : RELATED PARTY DISCLOSURES (Contd.)

### B) The Related Party Transactions are as under :

₹ Crore

	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Associate Company		Key Management Personnel and Relatives		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
Sale of Goods	0.64	0.61	37.78	36.24	18.29	28.67	0.43	-	-	-	57.14	65.52
Sale of Capital Asset	-	-	-	0.41	-	-	-	-	-	-	-	0.41
Purchase of Materials and Spares	2.65	2.84	2.10	2.00	31.59	32.82	-	-	-	-	36.34	37.66
Payments made towards Assets under Construction	6.38	0.32	-	-	12.91	12.84	-	-	-	-	19.29	13.16
Advance Paid	0.60	2.02	-	-	-	2.53	-	-	-	-	0.60	4.55
Royalty and Technical Fees Received	-	-	51.02	46.11	-	-	-	-	-	-	51.02	46.11
Royalty and Technical Fees Paid	-	-	-	-	-	-	0.07	-	-	-	0.07	-
Business Development Expenses	-	-	2.81	-	-	-	-	-	-	-	2.81	-
Establishment and Other Expenses Paid / (Received) (Net)	0.27	0.38	(7.20)	(4.64)	9.59	8.91	0.12	-	-	-	2.78	4.65
Investments Made	-	-	93.95	617.43	-	-	-	34.31	-	-	93.95	651.74
Investments Sold / Redeemed	-	-	8.02	15.94	-	-	-	-	-	-	8.02	15.94
Guarantees Given / (Cancelled) (Net)	-	-	(1215.62)	(982.85)	-	-	-	-	-	-	(1215.62)	(982.85)
Guarantees / Surety Bonds Obtained	-	-	-	-	19.86	21.49	-	-	-	-	19.86	21.49
Repayment of Loan Given	-	-	-	-	-	-	-	-	-	0.79	-	0.79
Interest Received on Loans	-	-	-	-	-	-	-	-	-	0.02	-	0.02
Dividend Received	-	-	-	0.19	-	-	-	-	-	-	-	0.19
Dividend Paid	63.87	61.78	-	-	40.83	37.27	-	-	2.49	2.10	107.19	101.15
Managerial Remuneration	-	-	-	-	-	-	-	-	33.12	24.11	33.12	24.11
Commission on Profits and Sifting Fees	-	-	-	-	-	-	-	-	0.41	0.31	0.41	0.31
Lease Rentals Paid / (Received) (Net)	-	-	-	-	2.90	2.24	-	-	2.46	2.56	5.36	4.80
<b>Outstanding Balances as at March 31, 2015</b>												
Receivables	0.06	0.04	33.97	32.34	2.96	0.69	0.04	-	-	-	37.03	33.07
Payables	-	-	-	-	0.14	0.25	-	-	15.57	6.28	15.71	6.53
Guarantees Outstanding	-	-	882.39	2091.41	(41.35)	(21.49)	-	-	-	-	841.04	2069.92



## Notes to the Financial Statements for the year ended March 31, 2015

### NOTE 40 : RELATED PARTY DISCLOSURES (Contd.)

#### C) The Significant Related Party Transactions are as under :

₹ Crore

Nature of Transaction	Current Year	Previous Year
<b>Sale of Goods</b>		
Godrej Global Mid East FZE	12.56	7.23
Godrej Household Products Lanka (Private) Limited	13.62	12.61
Godrej Household Products (Bangladesh) Private Limited	7.55	8.04
Godrej Industries Limited	17.62	28.26
<b>Sale of Capital Asset</b>		
PT Megasari Makmur	-	0.41
<b>Purchase of Materials and Spares</b>		
Godrej Industries Limited	29.46	31.77
<b>Payments made towards Assets under Construction</b>		
Godrej & Boyce Mfg. Co. Limited	6.38	0.32
Godrej Vikhroli Properties LLP	12.91	12.84
<b>Advance Paid</b>		
Godrej & Boyce Mfg. Co. Limited	0.60	2.02
Godrej Properties Limited	-	2.53
<b>Royalty and Technical Fees Received</b>		
Godrej South Africa (Proprietary) Limited	11.16	11.33
PT Megasari Makmur	38.78	33.73
<b>Royalty and Technical Fees Paid</b>		
Bhabhani Blunt Hairdressing Pvt. Limited	0.07	-
<b>Business Development Expenses</b>		
Godrej Global Mid East FZE	2.81	-
<b>Establishment and Other Expenses Paid / (Received)</b>		
Godrej & Boyce Mfg. Co. Limited	0.27	0.38
PT Megasari Makmur	(3.17)	(2.89)
Godrej South Africa (Proprietary) Limited	(0.66)	(0.76)
Godrej Consumer Products (UK) Limited	(0.93)	(0.23)
PT Intrasari Raya	(0.40)	(0.37)
Lorna Nigeria Limited	(0.76)	-
Style Industries Limited	(1.21)	-
Godrej Global Mid East FZE	0.35	-
Godrej Industries Limited	9.31	8.46
Godrej Agrovet Limited	0.88	0.72
Godrej Properties Limited	(0.34)	(0.02)
Godrej Projects Development Private Limited	(0.33)	-

## Notes to the Financial Statements for the year ended March 31, 2015

Nature of Transaction	Current Year	Previous Year
<b>Investments Made</b>		
Godrej Consumer Products Mauritius Limited	47.68	18.94
Godrej Netherlands B.V.	-	0.18
Godrej Household Products (Bangladesh) Pvt. Limited	8.95	4.64
Godrej Mauritius Africa Holdings Limited	6.22	176.55
Godrej Consumer Products Holding (Mauritius) Limited	8.98	388.08
Godrej East Africa Holdings Limited	22.12	27.93
Godrej Tanzania Holdings Limited	-	1.11
Bhabhani Blunt Hairdressing Pvt. Limited	-	34.31
<b>Investments Sold / Redeemed</b>		
Godrej Consumer Products Mauritius Limited	2.28	15.94
Godrej Consumer Products Holding (Mauritius) Limited	5.74	-
<b>Guarantees Given / (Cancelled)</b>		
Godrej Household Products (Bangladesh) Pvt. Limited	-	(23.70)
Godrej Mauritius Africa Holdings Limited	(595.73)	(135.97)
Godrej East Africa Holdings Limited	(31.52)	31.07
Godrej Netherlands B.V.	(50.34)	-
Godrej Consumer Products Holding (Mauritius) Limited	(535.63)	(854.25)
Godrej Global Mid East FZE	(2.40)	-
<b>Guarantees / Surety Bonds Obtained</b>		
Godrej Industries Limited	19.86	-
Godrej Agrovet Limited	-	21.49
<b>Repayment of Loan Given</b>		
Mr. A. Mahendran	-	0.79
<b>Interest Received on Loans</b>		
Mr. A. Mahendran	-	0.02
<b>Dividend Received</b>		
Godrej Household Products Lanka (Private) Limited	-	0.19
<b>Dividend Paid</b>		
Godrej & Boyce Mfg. Co. Limited	63.87	61.78
Godrej Industries Limited	40.83	37.27
<b>Managerial Remuneration</b>		
Mr. Adi Godrej	13.18	9.46
Mr. A. Mahendran	-	3.94
Ms. Nisaba Godrej	4.49	2.41
Mr. Vivek Gambhir	12.88	6.70
Mr. P. Ganesh	2.57	1.60
<b>Commission on Profits and Sitting Fees</b>		
Mr. Nadir Godrej	0.21	0.14
Ms. Tanya Dubhash	0.20	0.14
Ms. Nisaba Godrej	-	0.03

## Notes to the Financial Statements for the year ended March 31, 2015

Nature of Transaction	Current Year	Previous Year
<b>Lease Rentals Paid / (Received)</b>		
Godrej Industries Limited	3.03	2.27
Natures Basket Limited	(0.13)	(0.03)
Ms. Parmeshwar Godrej	2.46	2.46
Ms. Mythili Mahendran	-	0.10
<b>Outstanding Balances as at March 31, 2015</b>		
<b>Receivables</b>		
Godrej Household Products (Bangladesh) Private Limited	4.61	4.45
Godrej Household Products Lanka (Private) Limited	11.90	7.73
PT Megasari Makmur	8.57	8.66
Godrej South Africa (Proprietary) Limited	3.79	4.24
<b>Payables</b>		
Mr. Adi Godrej	6.08	3.04
Ms. Nisaba Godrej	1.74	0.61
Mr. Vivek Gambhir	6.68	2.34
<b>Guarantees Outstanding</b>		
Godrej Consumer Products Holding (Mauritius) Limited	-	531.75
Godrej Mauritius Africa Holdings Limited	-	1,096.44
Godrej East Africa Holdings Limited	525.00	29.96
Godrej Netherlands B.V.	354.43	428.02
Godrej Agrovat Limited	(21.49)	(21.49)
Godrej Industries Limited	(19.86)	-

### 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 Total lease payments accounted for the year ended March 31, 2015 is ₹ 3.10 crore (*previous year ₹ 1.83 crore*).

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

	Current Year	Previous Year
		₹ Crore
Not later than one year	10.57	2.30
Later than one year and not later than five years	37.46	2.47
Later than five years	1.14	-
<b>TOTAL</b>	<b>49.17</b>	<b>4.77</b>

The Company has entered into agreement to give one of its office building on operating lease effective May 2015. With respect to non-cancellable period of the operating lease, the future minimum lease rental receivable is as follows:

	Current Year	Previous Year
		₹ Crore
Not later than one year	7.99	-
Later than one year and not later than five years	36.50	-
Later than five years	1.14	-
<b>TOTAL</b>	<b>45.63</b>	<b>-</b>

## Notes to the Financial Statements for the year ended March 31, 2015

### 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, 2015:

	Current Year		Previous Year	
	Avg. Rate	In million	Avg Rate	In million
Forward Contract to Purchase (USD)	64.90	US \$ 4.01	65.40	US \$ 0.74
[4 contracts (previous year 1 contract)]				
Forward Contract to Sell (EUR)	76.99	€2.00	-	-
[3 contracts (previous year Nil)]				

b) The uncovered foreign exchange exposure as at March 31, 2015:

	Currency	In Million	
		Current Year	Previous Year
Payables	USD	12.06	6.95
Payables	EUR	0.26	0.45
Payables*	GBP	0.00	0.03
Receivables	GBP	0.01	0.02
Receivables	USD	7.10	6.83
Receivables	EUR	0.51	2.13
Cash & Cash Equivalents	USD	3.47	2.83
Cash & Cash Equivalents	EUR	0.65	0.30

\* less than 0.01 million

### NOTE 43 : INCENTIVE PLAN

The amount carried forward in notional bank after distribution of PLVR for the financial year 2014-15 is ₹ 0.42 crore as on March 31, 2015 (previous year ₹ 0.79 crore). The said amount is not provided for in the books of account and is payable in future, if performance so warrants.

### NOTE 44 : EMPLOYEE BENEFITS

#### a) DEFINED CONTRIBUTION PLAN

##### Provident Fund:

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd.) 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.

## Notes to the Financial Statements for the year ended March 31, 2015

The Gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through Unit Linked Gratuity Plan with 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) Amounts Recognised as Expense:

#### i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 5.70 crore (*previous year ₹ 6.00 crore*) has been included in Note 26 under Contribution to Provident and Other Funds.

#### ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 7.88 crore (*previous year ₹ 2.67 crore*) has been included in Note 26 under Contribution to Provident and Other Funds.

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

	₹ Crore	
	Current Year	Previous Year
<b>i) Change in Present Value of Obligation</b>		
Present value of the obligation at the beginning of the year	21.98	20.50
Current Service Cost	1.52	1.33
Interest Cost	2.05	1.68
Actuarial (Gain) / Loss on Obligation	5.49	0.16
Benefits Paid	(2.29)	(1.69)
Present value of the obligation at the end of the year	28.75	21.98
<b>ii) Change in Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	7.66	8.85
Expected return on Plan Assets	0.71	0.73
Actuarial Gain / (Loss) on Plan Assets	0.46	(0.23)
Contributions by the Employer	0.67	-
Benefits Paid	(2.29)	(1.69)
Fair value of Plan Assets at the end of the year	7.21	7.66
<b>iii) Amounts Recognised in the Balance Sheet</b>		
Present value of Obligation at the end of the year	28.75	21.98
Fair value of Plan Assets at the end of the year	7.21	7.66
Net Obligation at the end of the year	21.54	14.32

## Notes to the Financial Statements for the year ended March 31, 2015

				₹ Crore	
				Current Year	Previous Year
iv) Amounts Recognised in the Statement of Profit and Loss					
Current Service Cost				1.52	1.33
Interest Cost on Obligation				2.05	1.68
Expected return on Plan Assets				(0.71)	(0.73)
Net Actuarial (Gain) / Loss recognised in the year				5.02	0.39
Net Cost included in Personnel Expenses				7.88	2.67
v) Actual Return on Plan Assets				1.17	0.50
vi) Estimated contribution to be made in next financial year				5.42	4.86
vii) Major categories of Plan Assets as a % of total Plan Assets					
Insurer Managed Funds				100%	100%
viii) Actuarial Assumptions					
i)	Discount Rate	7.96% P.A.		9.31% P.A.	
ii)	Expected Rate of Return on Plan Assets	7.96% P.A.		9.31% P.A.	
iii)	Salary Escalation Rate	5.50% P.A.		5.50% 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.					
ix) Amounts recognised in current year and previous four years:					
	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of the defined benefit obligation	28.75	21.98	20.50	16.20	16.27
Fair value of the plan assets	7.21	7.66	8.85	10.47	12.67
Surplus / (deficit) in the plan	(21.54)	(14.32)	(11.65)	(5.73)	(3.60)
Experience Adjustments (Gain)/Loss:					
On Plan Liabilities	2.33	2.32	2.80	1.63	0.27
On Plan Assets	(0.46)	0.23	(0.07)	(0.25)	0.37

## Notes to the Financial Statements for the year ended March 31, 2015

### 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*.
- h) The Board of Directors at its meeting held on January 22, 2011, had approved an Employee Stock Purchase Plan (GCPL ESPP) 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 ESPP 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.

## Notes to the Financial Statements for the year ended March 31, 2015

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

	As at March 31, 2015	As at March 31, 2014
Options Granted	4,667,000	4,667,000
Options Vested	3,870,000	3,870,000
Options Exercised	3,820,000	3,810,000
Options Lapsed / Forfeited and re-granted	762,000	762,000
Options Lapsed / Forfeited, pending sale	-	-
Options Lapsed / Forfeited and sold	85,000	85,000
<b>Total Number of Options Outstanding</b>	<b>-</b>	<b>10,000</b>

### 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 ₹ 27.21 crore as at beginning of the year. The ESOP Trust has made a net repayment of the loan amounting to ₹ 25.26 crore during the year. The total amount of loans outstanding together with interest thereon as at March 31, 2015 amounts to ₹ 1.95 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, 2015	As at March 31, 2014
Options Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	-	-
Options Lapsed / Forfeited, pending sale	-	40,000
Options Lapsed / Forfeited and sold	2,094,000	1,049,000
<b>Total Number of Options Outstanding</b>	<b>35,000</b>	<b>1,040,000</b>

### 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.



## Notes to the Financial Statements for the year ended March 31, 2015

- 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, 2015	As at March 31, 2014
Options Granted	393,989	268,611
Options Vested	149,529	80,849
Options Exercised	149,440	80,849
Options Lapsed / Forfeited	70,428	53,398
<b>Total Number of Options Outstanding</b>	<b>174,121</b>	<b>134,364</b>

- 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, 2015 would have been lower by ₹ 11.68 crore (*previous year lower by ₹ 0.51 crore*).

### NOTE 46 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Expenditure related to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of ₹ 12.41 crore :

	₹ Crore Current Year
Expenditure incurred on capital assets under CSR projects	9.32
Revenue Expenditure on CSR activities	6.76
<b>TOTAL</b>	<b>16.08</b>

### NOTE 47 : DISCLOSURE U/S 186 (4) OF THE COMPANIES ACT, 2013

Details of Investments made are disclosed under Note 13 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 32.

### NOTE 48 : GENERAL

- a) Other information required by Schedule III to the Companies Act, 2013, 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.

# CONSOLIDATED FINANCIALS

# Independent Auditors' Report

## TO THE MEMBERS OF GODREJ CONSUMER PRODUCTS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of GODREJ CONSUMER PRODUCTS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and an associate, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, of the consolidated state of affairs of the Group, and its associate as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

1. We draw attention to the following Notes to the Consolidated Financial Statements for the year ended March 31, 2015:

- a) Note 13(b) 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, 2015, 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 as per the provisions of AS 26. The said accounting treatment is in accordance with the accounting treatment prescribed in the Order of the High Court of Mumbai dated February 28, 2011 under section 394 of the Companies Act, 1956.  
Had this amount been charged to the Statement of Profit and Loss, the profit for the year ended March 31, 2015 would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.
- b) Note 42(b) regarding the Scheme of Amalgamation sanctioned by the Supreme Court of Mauritius, whereby Godrej Kinky Holdings Ltd (GKHL) has been merged with Godrej Consumer Investment Holding Ltd (GCIHL) with effect from April 1, 2014. In accordance with the Scheme, for the purposes of preparation of the consolidated financial statements of GCIHL, the asset and liabilities of the subsidiaries of GKHL, as identified by the Board of Directors of GCIHL have been accounted at their fair values. Since the Board of Directors of GCIHL have decided to restate the value of an asset in accordance with the Scheme, the resultant impact amounting to ₹ 24.91 crore has been written off and debited against Surplus under Reserves and Surplus instead of debiting the same to the Statement of Profit and Loss in the year ended March 31, 2015 as per the provisions of AS 26. The above accounting treatment is made in accordance with the accounting treatment prescribed in Order of the Supreme Court of Mauritius dated July 11, 2014.  
Had this amount been debited to the Statement of Profit and Loss, the profit before tax for the year ended March 31, 2015, would have been lower by ₹ 24.91 crore.
- c) Note 25 on other income for the year ended March 31, 2015, including the recovery of loan amounting ₹ 25.25 crore from the GCIPL ESOP Trust which was earlier written off and debited to Reserve under a Court approved Scheme of Amalgamation.

Our opinion is not modified in respect of these matters.

### Other Matters

- a) We did not audit the financial statements / financial information of 10 subsidiaries, whose consolidated financial statements / financial information reflect total assets of ₹ 5,900.55 crore as at March 31, 2015, total revenues of ₹ 3,978.26 crore and net cash flows amounting to ₹ 97.16 crore for the year ended on that date, as considered in the consolidated financial statements.  
These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b) The consolidated financial statements also include the Group's share of net profit of ₹ 0.04 crore for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

# Independent Auditors' Report

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding company incorporated in India, (all the subsidiaries of the Group being incorporated outside India not being covered under the Order and the financial statements of the associate company being unaudited), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) Except for the matters described in sub-paragraphs (a) and (b) of Emphasis of Matter paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company, is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note 33 to the Consolidated Financial Statements.
    - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

## For KALYANIWALLA & MISTRY CHARTERED ACCOUNTANTS

Firm Registration No. 104607W

## ROSHNI R. MARFATIA PARTNER

M. No.: 106548

Mumbai: April 28, 2015

# Annexure to Independent Auditor's Report

The Annexure referred to in in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Consolidated financial statements for the year ended March 31, 2015:

- i) **Fixed Assets:**
  - a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) The Holding 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..
- ii) **Inventory:**
  - a) The Management of the Holding Company 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 Holding Company and the nature of its business.
  - c) The Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) The Holding Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3 (iii) of the Order are not applicable.
- iv) 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 Holding 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.
- v) In our opinion and according to the information and explanations given to us, the Holding Company has not accepted any deposits from the public within the meaning of section 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
- vi) We have broadly reviewed the books of accounts and records maintained by the Holding Company in respect of manufacture of products covered under the Rules made by the Central Government for maintenance of cost records, under section 148 (i) of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) **Statutory Dues**
  - a) According to the information and explanation given to us and the records examined by us, the Holding Company is generally regular in depositing undisputed statutory dues, including dues pertaining to provident fund, Employees' State Insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise , value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, 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 and the records of the Holding Company examined by us, dues of income tax, sales tax, service tax, customs duty and excise duty not deposited on account of dispute are as follows:

## Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
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	2002-04	The Hon'ble Supreme Court of India
		3,651,495	2000-03	The Hon'ble Supreme Court of India
	CENVAT credit availed on Capital Goods	1,755,920	2009-10	Commissioner of Central Excise (Appeals)
		86,115	2002-03	
	Advertisement Service- Credit availed as Input	1,418,981	2008-09	Commissioner of Central Excise (Appeals)
	Input Service Tax Distribution Credit availed	1,609,987	2006-08	Commissioner of Central Excise (Appeals)
	Service Tax not paid on Royalty (Foreign Payment)	27,167,930	2004-08	Commissioner of Central Excise (Appeals)
	Cenvat credit availed on GTA	2,475,925	2006-08	Assessing Authority
	Cenvat credit availed on goods received from Emax	64,146,884	2007-08	CESTAT, Chennai
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	155,393,836	2007-11	Adjudicating Authority
	Cenvat credit on input services availed based on the invoices issued by suppliers to the branches prior to registration.	543,416	2007-12	Commissioner of Central Excise (Appeals)
	Allegations of non- manufacturing of shoe polish brush	6,174,082	2007-12	Commissioner of Central Excise (Appeals)
	Valuation of Mosquito Repellent supplied from Guwahati factories to Emax Puduchery	55,307,174	2008-12	CESTAT, Kolkata
	Excise valuation dispute on account of non-compete fees and trademark license fees paid by PGG (JV between Godrej Soaps Limited and Proctor and Gamble) to Godrej	51,800,000	1993-96	The Hon'ble Supreme Court of India
	Distribution of Cenvat Credit by Head Office to Other Factories	121,564,838	2008-12	CESTAT, Delhi
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	31,851,841	2011-12	Adjudicating Authority
	Valuation of PHD - Differential demand between Section 4 and 4A valuation	66,897,878	2011-13	CESTAT, Kolkata
	Valuation of Combipack which are marked as "Goods for Export"	1,522,705	2007-08	CESTAT, Chennai
	Violation of Target Plus Scheme of Customs	4,124,764	2007-08	CESTAT, Chennai
	CENVAT credit availed on Transportation Services	311,754	2011-12	Adjudicating Authority
	CENVAT credit availed on the grounds of valuation methodology adopted by one plant while transferring goods from Lokhra plant	73,881,431	2008-12	CESTAT, Chennai
	CENVAT credit availed on supplementary invoices issued by GCPL to Emax upon payment of differential duty by GCPL.	1,114,212	2009	Adjudicating Authority
	CENVAT credit availed on account of account of trading activity conducted	18,922,839	2008-12	CESTAT, Chennai
	CENVAT credit availed on Capital Goods because same is not availed in the month which it pertains to	940,000	Aug-12	Adjudicating Authority
	Others	976,000	2007-08	CESTAT
		212,528	2007-08	Sales Tax Authority
		141,191	2008-09	CESTAT, Kolkata
		221,133	2003-04	Commissioner of Central Excise (Appeals)
		877,690	2006-07	CESTAT, Chennai
Central Sales Tax Act, 1956 & Value Added Tax Act of Various States	Sales Tax Dues on account of Classification Head	39,157,279	2006-07	Jaipur High Court
			2007-08	
	Sales Tax Dues	689,121	2008-09	
			2004-05	Uttar Pradesh Tribunal
	Central Sales Tax Dues	579,562	2004-05	Uttar Pradesh Tribunal
	Sales Tax Dues on account of Classification Head	642,305	1999-00	Jammu Tribunal
			2001-02	
	Sales Tax Dues on account of Classification Head	6,340,450	2003-04	The Hon'ble Supreme Court of India
			2004-05	
			2005-06	
	Central Sales Tax Dues	789,432	2006-07	Assessing Authority
	Central Sales Tax Dues	6,600,000	2005-06	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	6,000,940	2000-01	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	9,009,696	2001-02	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	3,607,688	2002-03	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	497,261	2005-06	Assessing Authority
	Entry Tax	1,000,585	2005-08	Orissa Tribunal
	Entry Tax	2,254,849	1999-00	Madhya Pradesh High Court
			2005-06	
			2006-07	
	Sales Tax Dues on account of Classification Head	16,580,938	2005-06	Andhra Pradesh High Court
			2006-07	
			2007-08	
			2008-09	
	Sales Tax Dues on account of Classification Head	22,449,405	2009-10	Andhra Pradesh High Court
	Central Sales Tax Dues	160,178	2004-05	Deputy Commissioner (A)
	Sales Tax Dues	1,406,850	2005-06	Deputy Commissioner (A)
			2006-07	
	Sales Tax Dues	700,728	2005-06	Deputy Commissioner (A)
	Sales Tax Dues	258,056	2006-07	Deputy Commissioner (A)
	Sales Tax Dues	1,146,028	2002-03	Deputy Commissioner Sales Tax Nagpur
			2003-04	
			2004-05	
	Sales Tax Dues	1,465,192	2005-06	Joint Commissioner (A)
	Central Sales Tax Dues	256,482	2005-06	Deputy Commissioner (A)
	Interest on Sales Tax Dues	1,207,000	2001-02	Chennai High Court

## Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
	Sales Tax Dues	510,000	2002-03	Additional Commissioner (Appeals)
	Sales Tax Dues	1,757,925	2006-07	Joint Commissioner (A)
	Central Sales Tax Dues & Others	1,190,919	2005-06	West Bengal Tribunal
			2006-07	
			2007-08	
			2013-14	
	Sales Tax Dues	10,641,000	2004-05	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	16,838,252	2007-08	Allahabad High Court
	Sales Tax Dues on account of Classification Head	4,838,279	2008-09	Assessing Authority
			2009-10	
			2010-11	
	Sales Tax Dues on account of Classification Head	9,044,088	2005-06	Andhra Pradesh High Court
			2006-07	
			2007-08	
			2008-09	
	Sales Tax Dues on account of Classification Head	25,809,827	2010-11	Andhra Pradesh High Court
	Sales Tax Dues	11,693,000	2006-07	Deputy Commissioner
	Sales Tax Dues	394,000	2006-07	Assessing Authority
	Checkpoint	1,610,000	2010-11	Additional Commissioner (Appeals)
	Sales Tax Dues	3,073,427	2009-10	Assessing Authority
	Sales Tax Dues on account of Classification Head	228,973,669	2010-11	Orissa Tribunal
			2011-12	
	Sales Tax Dues on account of Classification Head	86,380,815	2010-11	Orissa Tribunal
			2011-12	
	Sales Tax Dues on account of Classification Head	27,155,975	2012-13	Orissa Tribunal
			2013-14	
	Sales Tax Dues on account of Classification Head	63,651,140	2011-12	Andhra Pradesh High Court
			2012-13	
	Central Sales Tax Dues	57,681	2011-12	Deputy Commissioner (Appeals), Jaipur
	Sales Tax Dues	539,028	2008-09	Deputy Commissioner (Appeals), Jammu
	Sales Tax Dues on account of Classification Head	555,281	2013-14	Deputy Commissioner (Appeals), Hyderabad
	Sales Tax Dues on account of Classification Head	650,541	2011-12	Deputy Commissioner III, Haldwani
	Sales Tax Dues on account of Classification Head	883,023	2012-13	Deputy Commissioner III, Haldwani
	Entry Tax	10,985,048	2005-06	Deputy Commissioner (Appeals)
	Entry Tax	12,586,720	2006-07	Deputy Commissioner (Appeals)
	Entry Tax	8,601,779	2007-08	Deputy Commissioner (Appeals)
	Other Sales Tax Dues	5,502,678	2002-13	Uttar Pradesh Tribunal,
Income-tax Act, 1961				Deputy Commissioner (A),
				Commissioner of Commercial Taxes,
				Addl. Commissioner (A),
				Jammu Tribunal,
				Assessing Authority,
				Madhya Pradesh High Court,
				Joint Commissioner (A),
				Delhi Tribunal,
				West Bengal Tribunal,
				Addl. Commissioner (A) Mohali,
	Demand based on the order of regular assessment u/s 143(3) of the Act.	8,101,491	AY 2009-10	Income - tax Appellate Tribunal
	Demand based on the order of regular assessment u/s 143(3) of the Act.	11,020	AY 2007-08	High Court
	Income-tax in dispute pertaining to erstwhile Godrej Household Products Limited.	3,266,327	AY 2005-06	CIT (Appeal)
		4,658	AY 2006-07	Income - tax Appellate Tribunal
		2,534,092	AY 2007-08	Income - tax Appellate Tribunal
		109,478,059	AY 2009-10	Income - tax Appellate Tribunal
		31,948,800	AY 2010-11	Income - tax Appellate Tribunal

- c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time by the Holding Company.
- viii) The Group 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.
- ix) 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 were no dues to financial institutions during the year.
- x) According to the information and explanations given to us and based on the documents and records produced before us, the terms and conditions of guarantees given by the Holding Company for loans taken by its subsidiaries from banks are prima facie not prejudicial to the interest of the Company.
- xi) According to the information and explanations given to us and the records examined by us, the Holding Company has not obtained any term loans.
- xii) 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 KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 104607W

**ROSHNI R. MARFATIA**  
**PARTNER**  
M. No.: 106548  
Mumbai: April 28, 2015

## Consolidated Balance Sheet as at March 31, 2015

₹ Crore

	Note No.	Current Year	Previous Year
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital	3	34.04	34.04
(b) Reserves and Surplus	4	4276.65	3741.36
		4310.69	3775.40
<b>2. Minority Interest</b>		162.04	225.10
<b>3. Non-Current Liabilities</b>			
(a) Long-term Borrowings	5	2023.03	1590.83
(b) Deferred Tax Liabilities (Net)	6	3.13	4.65
(c) Other Long-term Liabilities	7	4.12	5.04
(d) Long-term Provisions	8	26.34	23.78
		2056.62	1624.30
<b>4. Current Liabilities</b>			
(a) Short-term Borrowings	9	146.66	111.48
(b) Trade Payables	10	1086.94	1234.42
(c) Other Current Liabilities	11	1281.31	1298.15
(d) Short-term Provisions	12	97.68	55.89
		2612.59	2699.94
<b>TOTAL</b>		<b>9141.94</b>	<b>8324.74</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets	13		
(i) Tangible Assets		558.11	522.42
(ii) Intangible Assets		948.79	1046.49
(iii) Capital Work-in-Progress		224.61	167.07
		1731.51	1735.98
(b) Goodwill on Consolidation		4044.05	3552.45
(c) Non-Current Investments	14	34.31	34.27
(d) Deferred Tax Assets (Net)	15	34.34	24.97
(e) Long-term Loans and Advances	16	208.11	157.37
(f) Other Non-Current Assets	17	0.06	1.44
		6052.38	5506.48
<b>2. Current Assets</b>			
(a) Current Investments	18	151.38	102.00
(b) Inventories	19	1071.71	1082.13
(c) Trade Receivables	20	804.58	732.05
(d) Cash and Bank Balances	21	894.22	704.79
(e) Short-term Loans and Advances	22	160.09	196.21
(f) Other Current Assets	23	7.58	1.08
		3089.56	2818.26
<b>TOTAL</b>		<b>9141.94</b>	<b>8324.74</b>
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our Report attached  
**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

**Roshni R. Marfatia**  
Partner  
M. No. 106548

**V. Srinivasan**  
Chief Financial Officer  
and Company Secretary

For and on behalf of the Board  
**Adi Godrej**  
Chairman

**Vivek Gambhir**  
Managing Director

Mumbai: April 28, 2015



# Consolidated Statement of Profit and Loss for the year ended March 31, 2015

₹ Crore

	Note No.	Current Year	Previous Year
<b>I. Revenue from Operations</b>			
Revenue from Operations (Gross)	24	8549.50	7822.94
Less : Excise Duty		(273.14)	(220.53)
<b>Net Revenue from Operations</b>		<b>8276.36</b>	7602.41
<b>II. Other Income</b>	25	<b>91.51</b>	62.71
<b>III. Total Revenue (I + II)</b>		<b>8367.87</b>	7665.12
<b>IV. Expenses</b>			
Cost of Raw Materials including Packing Material Consumed	26	3370.75	2967.62
Purchases of Stock-in-Trade		435.73	536.68
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	35.04	50.38
Employee Benefits Expenses	28	776.95	742.43
Finance Costs	29	100.15	107.37
Depreciation and Amortization Expenses		90.78	81.85
Other Expenses	30	2292.58	2148.55
<b>Total Expenses</b>		<b>7101.98</b>	6634.88
<b>V. Profit Before Exceptional Items and Tax (III-IV)</b>		<b>1265.89</b>	1030.24
<b>VI. Exceptional Items</b>	31	<b>(17.17)</b>	(0.57)
<b>VII. Profit Before Tax (V+VI)</b>		<b>1248.72</b>	1029.67
<b>VIII. Tax Expense</b>			
(1) Current Tax		286.09	216.71
(2) Deferred Tax		(13.80)	(6.34)
		<b>272.29</b>	210.37
<b>IX. Profit for the year Before Minority Interest (VII-VIII)</b>		<b>976.43</b>	819.30
<b>X. Share of Profit / (Loss) in Associate Company</b>		<b>0.04</b>	(0.05)
<b>XI. Minority Interest</b>		<b>(69.35)</b>	(59.52)
<b>XII. Profit for the Year (IX+X-XI)</b>		<b>907.12</b>	759.73
<b>XIII. Earnings per Equity Share (Face Value ₹ 1)</b>	32		
(1) Basic (₹)		26.65	22.32
(2) Diluted (₹)		26.64	22.32
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our Report attached  
**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

**Roshni R. Marfatia**  
Partner  
M. No. 106548

**V. Srinivasan**  
Chief Financial Officer  
and Company Secretary

For and on behalf of the Board  
**Adi Godrej**  
Chairman

**Vivek Gambhir**  
Managing Director

Mumbai: April 28, 2015



## Consolidated Cash Flow Statement for the year ended March 31, 2015

₹ Crore

	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Exceptional Items and Tax	1265.89	1030.24
<b>Adjustments for:</b>		
Non-Cash Items		
Depreciation and Amortization Expenses	90.78	81.85
Unrealised Foreign Exchange (Gain) / Loss	3.25	19.01
Bad Debts Written off	3.83	2.90
Provision / (Write-back) for Doubtful Debts / Advances	1.71	8.55
Write in of Old Balances	(0.94)	(1.35)
Adjustment Pursuant to Scheme of Amalgamation	-	(39.53)
Expenses on ESGs	7.32	3.82
Interest Expense & Discounting Charges	100.15	107.37
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	(8.29)	(3.87)
(Profit) / Loss on Sale of Investments (Net)	(9.88)	(12.37)
Recovery from GCPL ESOP Trust	(25.25)	-
Interest Income	(28.36)	(28.52)
	<b>134.32</b>	137.86
Operating Cash Flows Before Working Capital Changes	<b>1400.21</b>	1168.10
Effect of exchange difference on translation of assets and liabilities	(15.07)	29.64
<b>Adjustments for :</b>		
Inventories	25.64	(35.04)
Trade Receivables	(81.44)	12.92
Loans and Advances	(14.18)	(15.29)
Other Assets	8.96	(4.01)
Liabilities and Provisions	(36.45)	197.90
	<b>(97.47)</b>	156.48
Cash Generated from Operations	<b>1287.67</b>	1354.22
<b>Adjustment for:</b>		
Direct taxes paid	(257.33)	(237.78)
<b>Net Cash Flow from Operating Activities Before Exceptional Items</b>	<b>1030.34</b>	1116.44
<b>Exceptional Items :</b>		
Proceeds from divestment of Food Business	-	5.87
Restructuring Cost	(25.77)	(6.44)
<b>Net Cash Flow from Operating Activities After Exceptional Items</b>	<b>1004.57</b>	1115.87
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase / Sale of Fixed Assets (Net)	(190.44)	(132.91)
Investments in Mutual Funds (Net)	(39.50)	31.55
Investments in Fixed Deposits (Net)	(410.01)	42.38
Investments in Subsidiaries (Net)	(629.84)	(482.31)

## Consolidated Cash Flow Statement for the year ended March 31, 2015

₹ Crore

	Current Year	Previous Year
Investments in Associate Company	-	(34.27)
Repayment of Loan by ESOP Trust	25.25	46.95
Interest Received	22.13	33.83
Exceptional Item :		
Interest received from ESOP Trust	8.60	-
<b>Net Cash Flow From Investing Activities</b>	<b>(1213.81)</b>	<b>(494.78)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Allotment of Equity Shares under ESGS	-	0.01
Issue of Debentures (Net of Expenses)	249.63	-
Redemption of Debentures (including Premium on Redemption)	(299.35)	(50.00)
Short term / Long term Borrowings (Net)	349.25	(271.27)
Cash Credits (Net)	18.46	0.28
Interest and Discounting Charges Paid	(118.89)	(100.44)
Dividend Paid	(178.72)	(170.15)
Dividend Tax Paid	(32.42)	(28.92)
<b>Net Cash Flow from Financing Activities</b>	<b>(12.04)</b>	<b>(620.49)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(221.28)</b>	<b>0.60</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
<b>AS AT THE BEGINNING</b> (Refer Note 21)	<b>625.06</b>	<b>624.46</b>
ACQUIRED PURSUANT TO BUSINESS COMBINATION	0.15	-
<b>AS AT THE ENDING</b> (Refer Note 21)		
Cash and Bank Balances	403.97	625.60
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(0.04)	(0.54)
	<b>403.93</b>	<b>625.06</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(221.28)</b>	<b>0.60</b>

As per our Report attached  
**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

**Roshni R. Marfatia**  
Partner  
M. No. 106548

**V. Srinivasan**  
Chief Financial Officer  
and Company Secretary

For and on behalf of the Board  
**Adi Godrej**  
Chairman

**Vivek Gambhir**  
Managing Director

Mumbai: April 28, 2015

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### 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 Company has prepared these financial statements under the historical cost convention on an accrual basis to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company.

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 Schedule III to the Companies Act, 2013. Based on the nature of 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 and differences, if any, are recognized in the period in which the results are known / materialized.

#### c. Fixed Assets

Fixed assets are stated at cost (net of cenvat credit and capital subsidy / grant wherever applicable) less accumulated depreciation and impairment losses, if any. The cost includes cost of acquisition, construction, erection, installation etc., preoperative expenses (including trial run) and borrowing costs incurred during construction period. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

#### 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. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction 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 ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### f. Operating Leases

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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### g. Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and are 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 fair value and the resultant decline, if any, is charged to revenue. Non-Current Investments are carried at cost. Provision for diminution, if any, in the value of each non-current investment is made to recognise a decline, other than of a temporary nature.

### h. Inventories

Inventories are valued at lower of cost and net realizable value. Cost is computed on the weighted average basis and is net of CENVAT credits. 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.

### i. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are neither recognised nor disclosed in the financial statements.

### j. 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.

### k. 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.

### 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

- ii) The Group uses forward exchange contracts to hedge its exposure against movements in foreign exchange rates. Forward exchange contracts, remaining unsettled at the period end, backed by underlying assets or liabilities are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss. 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/losses on cancellation/settlement of forward exchange contracts are recognised in the Statement of Profit and Loss.
- 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.

### **m. 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. Short Term Employee Benefits 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.

##### **b) Defined Benefit Plans**

###### **Gratuity Fund**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company's liability towards gratuity is actuarially determined using the Projected Unit Credit Method by an independent actuary. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

###### **Provident Fund**

Provident Fund Contributions which are made to a 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. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

##### **c) Other Long Term Employee Benefits**

Other Long Term Employee Benefits viz, compensated absences and long service bonus are recognised as an expense in the Statement of Profit and Loss as and when it accrues. The

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

Company determines the liability towards compensated absences based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date which is calculated using Projected Unit Credit Method. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

### **n. Incentive Plans**

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

Up to 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.

### **o. Employee share based payments**

Equity settled stock options granted under the Company's Employee Stock Option (ESOP) scheme and Employee Stock Grant Scheme (ESGS) are accounted as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share based payments issued by ICAI. The Company measures compensation cost relating to employee stock options and stock grants using the intrinsic value method and compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

### **p. Depreciation and Amortisation**

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act, 2013 :

#### **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) Office Equipments are depreciated over 10 years.
- iv) Tools, dies and moulds are depreciated over a period of 9 years and 3 years respectively.
- v) Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.
- vi) In some of the subsidiaries, useful lives are estimated to be lower as compared to useful lives defined in Schedule II of the Companies Act, 2013 for certain class of assets due to geographical environment.

#### **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. The cost of SAP licenses incurred for certain subsidiaries are being recovered from respective subsidiaries.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

- iii) 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. 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) Goodwill is amortised over a period of 5 years.
- v) Technical Knowhow is depreciated over a period of 10 years.

Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

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 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 that future taxable income will be available against which such deferred tax assets can be realized and on other items including MAT credit entitlement 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

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less.

### 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, its subsidiaries and associate. The consolidation of accounts of the Company with its subsidiaries and associate (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



## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

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, 2015.
- 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. Investment in the Associate is 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.

### Particulars of Subsidiaries, Associate and Joint Venture

The Company its subsidiaries, associate and its joint venture considered in the consolidated financial statements along with their Country of Incorporation are as under:

Godrej Household Products Lanka (Private) Limited (Sri Lanka)

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

Godrej Household Products (Bangladesh) Private Limited (Bangladesh)

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

Godrej Consumer Products Bangladesh Limited (Bangladesh)

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

Godrej South Africa (Proprietary) Limited (South Africa)

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

Godrej Netherlands B.V. (Netherlands)

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

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

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

Godrej Consumer Products (UK) Limited (UK)

*(100% subsidiary of Godrej 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)*

CosmeticaNacional (Chile)

*(60% subsidiary of Godrej Holding Chile Limitada)*

PlasticosNacional (Chile)

*(100% subsidiary of CosmeticaNacional)*

Godrej Consumer Products Mauritius Limited (Mauritius)

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



## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### Godrej Africa Holdings Limited

(100% subsidiary of Godrej Consumer Products Mauritius Limited from January 19, 2015 to March 30, 2015 & 10% of subsidiary of Godrej Consumer Products Mauritius Limited w.e.f March 31, 2015)

### Godrej Nigeria Limited (Nigeria)

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

### Godrej Argentina Dutch Cooperatief U.A (Netherlands)

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

### Godrej Netherlands Argentina Holding B.V. (Netherlands)

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

### Godrej Netherlands Argentina B.V. (Netherlands)

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

### Laboratoria Cuenca S.A. (Argentina)

(93.19% held by Godrej Netherlands Argentina B.V. and 6.81% held by Godrej Netherlands Argentina Holding B.V.)

### Deciral S.A. (Uruguay)

(100% subsidiary of Laboratoria Cuenca S.A)

### Issue Uruguay S.A. (Uruguay)

(99% held by Laboratoria Cuenca S.A. and 1% held by Deciral S.A.& dissolved w.e.f December 31, 2014)

### Issue Brazil Limited (Brazil)

(19.72% held by Laboratoria Cuenca S.A. and 80.28% 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 Easy IP Holdings (FZC) (Dubai)

(50% joint venture held by Godrej Consumer Products Mauritius Limited (Mauritius) w.e.f. October 16, 2014)

### Godrej Consumer Products Holding (Mauritius) Limited (Mauritius)

(100% subsidiary of Godrej Consumer Products Limited)

### Godrej Global Mid East FZE (UAE)

(100% subsidiary of Godrej Consumer Products Limited up to September 25, 2014 & 100% subsidiary of Godrej Consumer Products Holding Mauritius Limited (Mauritius) w.e.f September 26, 2014)

### Indovest Capital Limited, Labuan (Malaysia)

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

### Godrej Indonesia IP Holdings Limited (Mauritius)

(100% subsidiary of Godrej Consumer Products Holding (Mauritius) Limited w.e.f March 17, 2015)

### Godrej Megasari Holdings Ltd. (Mauritius)

(100% subsidiary of Godrej Consumer Products Holding (Mauritius) Limited w.e.f March 18, 2015)

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

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

### 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.)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

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.)*

Godrej Mauritius Africa Holdings Limited (Mauritius)

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

Darling Trading Company Mauritius Limited (Mauritius)

*(90% held by Godrej Mauritius Africa Holdings Limited w.e.f. January 22, 2015)*

Godrej Africa Holdings Limited

*(90% held by Godrej Mauritius Africa Holdings Limited and 10% held by Godrej Consumer Products (Mauritius) Limited w.e.f. March 31, 2015)*

Frika Weave (Pty) Limited (South Africa)

*(100% subsidiary of DGH Mauritius Private Limited w.e.f March 1, 2015 to March 30, 2015)*

*(100% subsidiary of Godrej Africa Holdings Limited w.e.f March 31, 2015)*

Kinky Group (Proprietary) Limited

*(100% subsidiary of Godrej Consumer Investment Holding Limited up to March 30, 2015)*

*(100% subsidiary of Godrej Africa Holdings Limited w.e.f. March 31, 2015)*

Weave Ghana

*(100% subsidiary of DGH Phase 3 w.e.f October 1, 2014 to March 30, 2015)*

*(100% subsidiary of Godrej Africa Holdings Limited w.e.f March 31, 2015)*

Lorna Nigeria Limited (Nigeria)

*(99.99% held by Weave Business Holding Mauritius Private Limited and 0.01% held by DGH Mauritius Private Limited upto March 30, 2015)*

*(99.99% held by Godrej Africa Holding Limited & 0.01% held by Godrej Mauritius Africa Holding Limited w.e.f March 31, 2015)*

Godrej West Africa Holdings Limited (Mauritius)

*(55.63% held by DGH Mauritius Private Limited upto February 28, 2015)*

*(90% held by DGH Mauritius Private Limited w.e.f March 1, 2015 upto March 30, 2015)*

*(90% held by Godrej Africa Holdings Limited w.e.f March 31, 2015)*

Subinite Pty Limited (South Africa)

*(100% subsidiary of Godrej West Africa Holdings Limited)*

Weave IP Holding Mauritius Private Limited (Mauritius)

*(100% subsidiary of Godrej West Africa Holdings Limited)*

Weave Mozambique Limitada (Mozambique)

*(99.99% held by Godrej West Africa Holdings Limited and 0.01% held by Godrej Africa Holding Limited)*

Weave Trading Mauritius Private Limited (Mauritius)

*(51% subsidiary of Godrej Weave Holdings Limited upto March 30, 2015)*

*(51% subsidiary of Godrej Africa Holdings Limited w.e.f March 31, 2015)*

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

*(99.80% subsidiary of Weave Trading Mauritius Private Limited)*

Godrej East Africa Holdings Limited (Mauritius)

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

DGH Phase Two Mauritius Private Limited (Mauritius)

*(51% subsidiary of Godrej East Africa Holdings Limited)*

Style Industries Limited (Kenya)

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

Godrej Tanzania Holdings Limited (Mauritius)

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

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)*

Bhabani Blunt Hairdressing Private Limited

*(30% associate of Godrej Consumer Products Limited)*

# Notes to the Consolidated Financial Statements for the year ended March 31, 2015

## NOTE 3 : SHARE CAPITAL

₹ Crore

	Current Year	Previous Year
<b>Authorised</b>		
410,000,000 Equity Shares (previous year 410,000,000) of ₹ 1 each	41.00	41.00
10,000,000 Preference Shares (previous year 10,000,000) of ₹ 1 each	1.00	1.00
<b>Issued</b>		
340,478,025 Equity Shares (previous year 340,409,434) of ₹ 1 each	34.05	34.04
<b>Subscribed and Fully Paid up</b>		
340,446,901 Equity Shares (previous year 340,378,310) of ₹ 1 each fully paid up	34.04	34.04
<b>TOTAL</b>	<b>34.04</b>	<b>34.04</b>

### NOTES:

- During the year, the Company has issued 68,591 equity shares (previous year 51,385) 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.
- The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

	Current Year		Previous Year	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	340,378,310	34.04	340,326,925	34.03
Add : Shares Issued during the year*	68,591	0.00	51,385	0.01
<b>Shares outstanding at the end of the year</b>	<b>340,446,901</b>	<b>34.04</b>	<b>340,378,310</b>	<b>34.04</b>

\* amount less than ₹ 0.01 crore

### d) 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, 2015 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.50 (previous year: ₹ 5.25).

- Shares held by Holding Company and Subsidiary of Holding Company and details of shareholders holding more than 5%.

Name of the Shareholder	Current Year		Previous Year	
	No. of Shares	% held	No. of Shares	% held
<b>Holding Company</b>				
Godrej & Boyce Manufacturing Co. Ltd.	119,163,815	35.00%	122,411,815	35.97%
<b>Subsidiary of Holding Company</b>				
Godrej Industries Limited	80,277,620	23.58%	77,029,620	22.63%

### f) Shares Reserved for issue under options

The Company has 174,121 (previous year 134,364) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2015. (As detailed in Note 41).

- Information regarding 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
Allotted as fully paid up by way of bonus shares	-	-
Shares Bought Back	-	-

- There are no calls unpaid on equity shares, other than shares in abeyance as mentioned in Note (b) above.

- No equity shares have been forfeited.

# Notes to the Consolidated Financial Statements for the year ended March 31, 2015

## NOTE 4 : RESERVE AND SURPLUS

₹ Crore

Current Year Previous Year

<b>1. CAPITAL INVESTMENT SUBSIDY RESERVE</b>		
Balance as per last financial statements	0.15	0.15
<b>2. CAPITAL REDEMPTION RESERVE</b>		
Balance as per last financial statements	1.46	1.46
<b>3. SECURITIES PREMIUM ACCOUNT</b>		
Balance as per last financial statements	1461.56	1483.65
(+) Premium Received on Allotment of Shares	4.05	2.38
(-) Expenses on Issue of Debentures	(0.37)	(0.02)
(-) Premium on Redemption of Debentures	(25.36)	(24.45)
Closing Balance	1439.88	1461.56
<b>4. DEBENTURE REDEMPTION RESERVE</b>		
Balance as per last financial statements	44.78	21.25
(+) Transfer from / (to) Surplus (Net)	(20.39)	23.53
Closing Balance	24.39	44.78
<b>5. EMPLOYEE SHARE OPTIONS OUTSTANDING</b>		
Gross Employee Compensation for Options granted	13.35	8.92
(-) Deferred Employee Compensation Expense	(4.64)	(3.68)
Closing Balance	8.71	5.24
<b>6. FOREIGN CURRENCY TRANSLATION RESERVE</b>	(76.74)	(25.98)
<b>7. GENERAL RESERVE</b>		
Balance as per last financial statements	206.80	206.97
(+) Transfer from Surplus	-	96.03
(-) 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	-	(3.92)
(-) Adjustment Pursuant to Scheme of Amalgamation of GINBV with GCHNBV	-	(39.53)
Closing Balance	154.05	206.80
<b>8. SURPLUS</b>		
Balance as per last financial statements	2047.35	1616.25
Net Profit for the Year	907.12	759.73
<b>Appropriations:</b>		
Dividends - Interim	(187.24)	(178.70)
Tax on Distributed Profit	(36.73)	(30.37)
Transfer to General Reserve	-	(96.03)
Transfer from / (to) Debenture Redemption Reserve	20.39	(23.53)
Adjustment pursuant to implementation of Schedule II of Companies Act, 2013 (Refer Note 13(f))	(1.23)	-
Adjustment pursuant to Scheme of Amalgamation of GKHL with GCIHL (Refer Note 42(b))	(24.91)	-
Closing Balance	2724.75	2047.35
<b>TOTAL</b>	<b>4276.65</b>	<b>3741.36</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 5 : LONG-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
<b>Unsecured</b>		
<b>Term loans</b>		
From Banks	2022.79	1589.71
From Other Parties	0.24	1.12
<b>TOTAL</b>	<b>2023.03</b>	<b>1590.83</b>

#### NOTES:

- 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
<b>1. Deferred Tax Liability</b>		
a) Depreciation	22.92	23.02
<b>2. Deferred Tax Assets</b>		
a) Tax Disallowances	(16.46)	(16.78)
b) Provision for Doubtful Debts and Advances	(3.22)	(1.41)
c) Others	(0.11)	(0.18)
	(19.79)	(18.37)
<b>TOTAL</b>	<b>3.13</b>	<b>4.65</b>

### NOTE 7 : OTHER LONG-TERM LIABILITIES

	₹ Crore	
	Current Year	Previous Year
Security Deposits Received	4.02	3.79
Others	0.10	1.25
<b>TOTAL</b>	<b>4.12</b>	<b>5.04</b>

### NOTE 8 : LONG-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
<b>Provision for Employee Benefits</b>		
Compensated Absences	3.99	4.24
Gratuity	22.35	19.54
<b>TOTAL</b>	<b>26.34</b>	<b>23.78</b>

### NOTE 9 : SHORT-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
<b>A. Secured</b>		
<b>Loans Repayable on Demand</b>		
Cash Credit from Banks (Refer Note (a) below)	19.34	0.88
<b>B. Unsecured</b>		
Short Term Loan from Bank	127.32	110.60
<b>TOTAL</b>	<b>146.66</b>	<b>111.48</b>

#### NOTES:

- Cash Credit from Banks is 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 10 : TRADE PAYABLES

₹ Crore

	Current Year	Previous Year
Due to Micro, Small and Medium Enterprises	-	-
Others	1086.94	1234.42
<b>TOTAL</b>	<b>1086.94</b>	<b>1234.42</b>

#### 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 (a) &amp; (b) below</i> )	547.46	671.11
2. Interest Accrued but not Due on Borrowings	8.58	16.32
3. Security Deposit Received	0.39	0.38
4. Unpaid Dividends ( <i>Refer Note (c) below</i> )	6.75	6.20
5. Taxes, Duties and Other Levies Payable	86.97	123.02
6. Interim Dividend Payable	85.11	76.59
7. Other Payables	546.05	404.53
<b>TOTAL</b>	<b>1281.31</b>	<b>1298.15</b>

#### 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 9.35% p.a. at maturity. These debentures are redeemable on December 18, 2015.
- Current Maturities of Long term Debt in previous 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 have been redeemed on October 25, 2014.
- There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 205C of the Companies Act, 1956 as at the year end.

### NOTE 12 : SHORT-TERM PROVISIONS

₹ Crore

	Current Year	Previous Year
<b>1. Provision for Employee Benefits</b>		
Gratuity (Net)	21.54	14.32
Compensated Absences	2.79	2.90
<b>2. Others</b>		
Provision for Taxes [ <i>Net of Advance Tax - ₹ 47.85 crore (previous year ₹ 48.21 crore)</i> ]	56.02	25.65
Provision for Tax on Distributed Profits	17.33	13.02
<b>TOTAL</b>	<b>97.68</b>	<b>55.89</b>

# Notes to the Consolidated Financial Statements for the year ended March 31, 2015

## NOTE 13 : FIXED ASSETS

₹ Crore

ASSETS	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	Opening	Additions	Disposals	Acquisitions through Business Combinations	Other Adjustments	Closing	Opening	Depreciation for the Year	On Disposals	On Acquisitions through Business Combinations	Other Adjustments / Impairments	Closing	Current Year	Previous year
<b>A. TANGIBLE ASSETS</b>														
Freehold Land	40.74	0.11	(1.06)	-	(3.51)	<b>36.28</b>	-	-	-	-	-	-	<b>36.28</b>	40.74
Leasehold Land	19.91	-	-	-	(1.87)	<b>18.03</b>	0.81	0.25	-	-	-	<b>1.06</b>	<b>16.97</b>	19.10
Leasehold Improvements	6.33	9.41	(1.63)	-	1.30	<b>15.41</b>	2.85	1.91	(1.16)	-	(0.04)	<b>3.55</b>	<b>11.86</b>	3.48
Buildings	210.56	38.17	(1.99)	-	(13.11)	<b>233.62</b>	48.65	8.71	(0.53)	-	(2.43)	<b>54.39</b>	<b>179.23</b>	161.91
Plant and Equipments	506.58	66.84	(11.42)	0.02	(15.17)	<b>546.84</b>	264.23	40.47	(7.69)	-	(8.59)	<b>288.42</b>	<b>258.42</b>	242.35
Furniture, Fixtures and Fittings	27.22	3.22	(0.07)	0.17	(1.43)	<b>29.11</b>	15.27	2.78	0.03	-	(0.88)	<b>17.20</b>	<b>11.91</b>	11.95
Office Equipment	18.87	1.62	(0.74)	0.01	(0.74)	<b>19.02</b>	9.81	2.02	(0.22)	-	(0.42)	<b>11.19</b>	<b>7.83</b>	9.06
Vehicles	47.17	7.97	(3.44)	0.13	(2.54)	<b>49.29</b>	21.86	6.80	(1.51)	-	(1.41)	<b>25.74</b>	<b>23.55</b>	25.31
Computers	26.81	9.45	(1.16)	0.05	(1.45)	<b>33.69</b>	18.29	5.24	(1.00)	-	(0.89)	<b>21.63</b>	<b>12.06</b>	8.52
<b>Assets under Finance Lease:</b>														
Leased Vehicles	-	0.97	-	-	(0.97)	-	-	0.07	-	-	(0.07)	-	-	-
(A)	<b>904.19</b>	<b>137.76</b>	<b>(21.51)</b>	<b>0.38</b>	<b>(39.49)</b>	<b>981.29</b>	<b>381.77</b>	<b>68.25</b>	<b>(12.08)</b>	-	<b>(14.73)</b>	<b>423.18</b>	<b>558.11</b>	<b>522.42</b>
<b>B. INTANGIBLE ASSETS</b>														
Goodwill	13.54	-	(0.92)	-	(0.02)	<b>12.60</b>	8.58	2.47	(0.92)	-	0.08	<b>10.21</b>	<b>2.39</b>	4.96
Trademarks and Brands	1274.84	0.50	-	-	(50.06)	<b>1225.28</b>	268.90	11.29	-	-	37.62	<b>317.80</b>	<b>907.48</b>	1005.94
Computer Software	55.84	13.12	-	-	(1.73)	<b>67.23</b>	22.36	8.51	0.01	-	(0.72)	<b>30.16</b>	<b>37.07</b>	33.48
Technical Knowhow	2.64	-	-	-	-	<b>2.64</b>	0.53	0.26	-	-	-	<b>0.79</b>	<b>1.85</b>	2.11
(B)	<b>1346.86</b>	<b>13.62</b>	<b>(0.92)</b>	-	<b>(51.81)</b>	<b>1307.75</b>	<b>300.37</b>	<b>22.53</b>	<b>(0.91)</b>	-	<b>36.98</b>	<b>358.96</b>	<b>948.79</b>	<b>1046.49</b>
(A+B)	<b>2251.05</b>	<b>151.38</b>	<b>(22.43)</b>	<b>0.38</b>	<b>(91.30)</b>	<b>2289.04</b>	<b>682.14</b>	<b>90.78</b>	<b>(12.99)</b>	-	<b>22.25</b>	<b>782.14</b>	<b>1506.90</b>	
Previous Year	2157.53	123.11	(19.42)	-	(10.17)	<b>2251.05</b>	569.92	81.85	(14.48)	-	44.85	<b>682.14</b>		<b>1568.91</b>
<b>C. CAPITAL WORK-IN-PROGRESS</b>													<b>224.61</b>	167.07
<b>TOTAL</b>													<b>1731.51</b>	<b>1735.98</b>

### 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 Goodnight and HIT brands have been in existence since the last two decades and been growing at a fast pace. Soft and Gentle has been in existence for 40 years, and has spent much of that recent time ranked as 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 Goodnight and HIT brands is charged directly to the General Reserve.
- During the year, the Company has capitalised borrowing costs amounting to ₹ 1.56 crore (*previous year ₹ 6.44 crore*).
- Acquisition through Business Combinations comprise of assets taken over on acquisition of 100% stake in Frika Hair (Pty) Limited.
- Other adjustments include re-classification of assets.
- Pursuant to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, the Company has realigned the useful lives of its fixed assets in accordance with Schedule II and the carrying amount of such assets as on April 1, 2014 has been depreciated over the remaining useful lives. Further, in accordance with the transitional provision, an amount of ₹ 1.23 crore (*net of deferred tax*) has been recognised in the opening balance of retained earnings for adjustments of the carrying amount of fixed assets whose remaining useful life was *Nil*. There is no material impact on the depreciation charge on account of this change.



# Notes to the Consolidated Financial Statements for the year ended March 31, 2015

## NOTE 14 : NON-CURRENT INVESTMENTS

					₹ Crore
	Face Value ₹	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
Trade Investments (At Cost)					
1. Investments in Equity Instruments of Associate Companies					
Unquoted, fully paid up:					
Bhabhani Blunt Hairdressing Pvt. Ltd.	10	5,546	5,546	22.31	22.27
2. Investments in Compulsorily Convertible Debentures of Associate Companies					
Unquoted, fully paid up:					
Bhabhani Blunt Hairdressing Pvt. Ltd.	10	3,060	3,060	12.00	12.00
TOTAL				34.31	34.27
Aggregate Amount of Quoted Investments					
				-	-
Aggregate Amount of Unquoted Investments					
				34.31	34.27

## NOTE 15 : DEFERRED TAX ASSETS (NET)

	₹ Crore	
	Current Year	Previous Year
<b>1. Deferred Tax Assets</b>		
a) Tax Disallowances	30.09	20.73
b) Others	7.30	6.99
	<b>37.39</b>	<b>27.72</b>
<b>2. Deferred Tax Liability</b>		
a) Depreciation	(2.68)	(1.97)
b) Others	(0.37)	(0.78)
	<b>(3.05)</b>	<b>(2.75)</b>
<b>TOTAL</b>	<b>34.34</b>	<b>24.97</b>



# Notes to the Consolidated Financial Statements for the year ended March 31, 2015

## NOTE 16 : LONG TERM LOANS AND ADVANCES

	Current Year	Previous Year
₹ Crore		
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
1. Capital Advances (Refer Note below)	27.25	5.09
2. Security Deposits	17.90	13.82
3. Other Loans and Advances		
a) Balances with Govt. Authorities		
Considered Good	112.13	89.96
Considered Doubtful	14.59	13.23
Less: Provision for Doubtful Receivables	(14.59)	(13.23)
	112.13	89.96
b) Advance Tax [Net of Provisions - ₹ 915.85 crore (previous year ₹ 749.43 crore)]	44.16	42.55
c) Miscellaneous Loans and Advances	6.68	5.95
<b>TOTAL</b>	<b>208.11</b>	<b>157.37</b>

### NOTE:

Capital Advances include ₹ 5.18 crore (previous year : ₹ 2.89 crore) due from Related Parties.

## NOTE 17 : OTHER NON-CURRENT ASSETS

	Current Year	Previous Year
₹ Crore		
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
Fixed Deposits with original maturity of more than 12 months - under lien against Bank Guarantees	0.06	1.44
<b>TOTAL</b>	<b>0.06</b>	<b>1.44</b>

## NOTE 18 : CURRENT INVESTMENTS

	Face Value	Numbers		Amounts	
	₹	Current Year	Previous Year	Current Year	Previous Year
₹ Crore					
<b>Investments in Mutual Funds</b>					
(Valued at lower of cost and fair value)					
Unquoted, fully paid-up:					
ICICI Prudential Liquid - Direct - Growth	100	144,926	2,214,487	3.00	42.00
ICICI Prudential Flexible Income - Direct - Growth	100	195,437	-	5.14	-
Kotak Liquid Scheme - Plan A Direct - Growth	1000	186,965	19,337	53.00	5.00
Birla Sun Life Cash Plus - Instl. Prem. - Growth	100	-	2,141,141	-	44.00
Birla Sun Life Savings Fund - Direct - Growth	100	1,304,239	-	35.17	-
Reliance Money Manager Fund - Direct -Growth	1000	259,848	-	50.07	-
SBI Magnum Insta Cash Fund - Direct Plan - Growth	1000	16,182	-	5.00	-
HDFC Liquid Fund - Direct Plan - Growth	10	-	4,353,953	-	11.00
<b>TOTAL</b>				<b>151.38</b>	<b>102.00</b>
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				151.38	102.00

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 19 : INVENTORIES

	₹ Crore	
	Current Year	Previous Year
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials & Packing Materials	538.60	513.31
Goods-in-Transit	2.50	3.95
	541.10	517.26
Work-in-Progress	63.12	51.27
Finished Goods	376.52	397.17
Stock-in-Trade	81.76	108.00
Stores and Spares	9.21	8.43
<b>TOTAL</b>	<b>1071.71</b>	<b>1082.13</b>

### NOTE 20 : TRADE RECEIVABLES

	₹ Crore	
	Current Year	Previous Year
<i>Unsecured, Considered Good, Unless Otherwise Stated</i>		
<b>Trade Receivables Outstanding for a Period Exceeding Six Months from the due date</b>		
Considered Good	35.76	43.92
Considered Doubtful	13.36	7.47
	49.12	51.39
Less: Provision for Doubtful Debts	(13.36)	(7.47)
	35.76	43.92
<b>Other Trade Receivables</b>		
Secured : Considered Good	85.61	44.12
Unsecured : Considered Good	683.21	644.01
Considered Doubtful	5.66	6.06
	774.48	694.19
Less: Provision for Doubtful Debts	(5.66)	(6.06)
	768.82	688.13
<b>TOTAL</b>	<b>804.58</b>	<b>732.05</b>

### NOTE 21 : CASH AND BANK BALANCES

	₹ Crore	
	Current Year	Previous Year
<b>1. Cash and Cash Equivalents</b>		
a) Balances with Banks		
In Current Accounts	250.95	409.55
Deposits with less than 3 months maturity	138.15	213.99
	389.10	623.54
b) Cheques, Drafts on Hand	5.27	-
c) Cash on Hand	9.56	1.52
	403.93	625.06
<b>2. Other Bank Balances</b>		
a) Deposits with maturities more than 3 months but less than 12 months	481.50	69.53
b) Deposits under lien against Bank Guarantees	2.04	4.00
c) In Unpaid Dividend Accounts	6.75	6.20
	490.29	79.73
<b>TOTAL</b>	<b>894.22</b>	<b>704.79</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 22 : SHORT TERM LOANS AND ADVANCES

	Current Year	Previous Year
₹ Crore		
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
1. Security Deposits	1.72	1.24
2. Excise and VAT Receivables	85.53	100.90
3. Miscellaneous Loans and Advances		
Considered Good (Refer Note below)	72.84	94.07
Considered Doubtful	0.36	0.56
Less: Provision for Doubtful Loans and Advances	(0.36)	(0.56)
	72.84	94.07
<b>TOTAL</b>	<b>160.09</b>	<b>196.21</b>

#### NOTE:

Short Term Loans and Advances include ₹ 0.57 crore (previous year ₹ Nil) due from Related Parties.

### 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	7.16	0.93
Deferred Premium on Forward Contracts	0.42	0.15
<b>TOTAL</b>	<b>7.58</b>	<b>1.08</b>

### NOTE 24 : REVENUE FROM OPERATIONS

	Current Year	Previous Year
₹ Crore		
1. Sale of Products	8515.34	7803.10
2. Other Operating Revenues		
Miscellaneous Income	34.16	19.84
	8549.50	7822.94
3. Less : Excise Duty	(273.14)	(220.53)
<b>TOTAL</b>	<b>8276.36</b>	<b>7602.41</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 25 : OTHER INCOME

₹ Crore

	Current Year	Previous Year
1. Interest Income		
On Advances and Deposits	27.46	28.07
On Loan to ESOP Trust	0.90	0.45
2. Net Gain on Sale of Current Investments	9.88	12.37
3. Other Non-Operating Income		
Profit on Sale of Fixed Assets	9.62	3.98
Claim Received	0.31	0.50
Miscellaneous Non-operating Income ( <i>Refer note below</i> )	43.34	17.34
<b>TOTAL</b>	<b>91.51</b>	<b>62.71</b>

#### NOTE :

Miscellaneous non-operating income includes an amount of ₹ 25.25 crore (*previous year ₹ 2.37 crore*), recovered from the GCPL ESOP Trust towards loan repayment, which was earlier written off against Reserves under a Scheme of Amalgamation approved by the Hon'ble High Court of Bombay.

### NOTE 26 : COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

₹ Crore

	Current Year	Previous Year
Opening Inventory	517.26	431.96
Add : Purchases (Net)	3394.59	3052.92
	3911.85	3484.88
Less: Closing Inventory	(541.10)	(517.26)
<b>Cost of Raw Materials including Packing Material Consumed</b>	<b>3370.75</b>	<b>2967.62</b>

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

₹ Crore

	Current Year	Previous Year
Opening 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
Less: Closing Inventory		
Finished Goods	376.52	397.17
Stock-in-Trade	81.76	108.00
Work-in-Progress	63.12	51.27
	521.40	556.44
<b>(Increase) / Decrease in Inventories</b>	<b>35.04</b>	<b>50.38</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 28 : EMPLOYEE BENEFITS EXPENSES

	₹ Crore	
	Current Year	Previous Year
1. Salaries and Wages	724.39	699.73
2. Contribution to Provident and Other Funds	18.96	12.76
3. Expense on Employee Stock Grant Scheme (ESGS)	7.32	3.82
4. Staff Welfare Expenses	26.28	26.12
<b>TOTAL</b>	<b>776.95</b>	<b>742.43</b>

### NOTE 29 : FINANCE COSTS

	₹ Crore	
	Current Year	Previous Year
1. Interest Expense	60.24	63.79
2. Discounting Charges	39.91	43.58
<b>TOTAL</b>	<b>100.15</b>	<b>107.37</b>

### NOTE 30 : OTHER EXPENSES

	₹ Crore	
	Current Year	Previous Year
Consumption of Stores and Spare Parts	26.14	24.80
Power and Fuel	109.92	103.20
Rent	42.50	45.34
Repairs and Maintenance:		
Plant and Equipment	9.57	8.97
Buildings	4.03	4.01
Others	33.27	30.44
	46.87	43.42
Insurance	18.14	14.80
Rates and Taxes	33.16	30.52
Miscellaneous Expenses (Net)	115.72	104.79
Processing and Other Manufacturing Charges	131.34	111.36
Excise Duty	19.62	16.27
Travelling and Conveyance	48.72	61.49
Legal and Professional Charges	61.54	47.47
Donations	1.08	1.16
Advertising, Publicity and Sales Promotion	1206.58	1108.52
Selling and Distribution Expenses	137.29	132.41
Freight	253.91	244.42
Bank Charges	12.31	12.54
Royalty Expense	1.71	0.40
Commission	12.09	10.17
Discount	3.21	2.94
Net Loss on Sale of Fixed Assets	1.33	0.11
Net Loss on Foreign Currency Transactions and Translations	3.25	26.78
Bad Debts Written Off	3.83	2.90
Provision for Doubtful Debts / Advances	2.32	2.74
<b>TOTAL</b>	<b>2292.58</b>	<b>2148.55</b>

#### 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 Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 31 : EXCEPTIONAL ITEMS

	₹ Crore	
	Current Year	Previous Year
Divestment of Foods Business	-	5.87
Interest Income	8.60	-
Restructuring Cost	(25.77)	(6.44)
<b>TOTAL</b>	<b>(17.17)</b>	<b>(0.57)</b>

#### NOTE :

The above exceptional items pertains to interest earned from GCPL ESOP Trust for the period from July 1, 2012 to March 31, 2014, which was earlier waived on account of uncertainty of receipt and restructuring costs incurred by certain subsidiaries.

### NOTE 32 : EARNINGS PER SHARE

	Current Year	Previous Year
<b>Net Profit After Tax</b> (₹ Crore)	<b>907.12</b>	759.73
Number of Shares outstanding at the beginning of the year	<b>340,378,310</b>	340,326,925
Add : Shares Issued during the year	<b>68,591</b>	51,385
Number of Shares outstanding at the end of the year	<b>340,446,901</b>	340,378,310
<b>Weighted Average Number of Equity Shares</b>		
For calculating Basic EPS	<b>340,427,124</b>	340,363,605
For calculating Diluted EPS	<b>340,540,598</b>	340,445,040
<b>Earnings Per Share Before and After Extraordinary Items</b> (Face Value ₹ 1)		
Basic (₹)	<b>26.65</b>	22.32
Diluted (₹)	<b>26.64</b>	22.32

### NOTE 33 : CONTINGENT LIABILITIES

	₹ Crore	
	Current Year	Previous Year
<b>a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS</b>		
i) Excise duty demands aggregating ₹ 69.70 crore ( <i>previous year ₹ 33.09 crore</i> ) against which the Company has preferred appeals (net of tax).	<b>46.01</b>	21.84
ii) Sales tax demands aggregating ₹ 62.46 crore ( <i>previous year ₹ 62.92 crore</i> ) against which the Company has preferred appeals (net of tax).	<b>41.23</b>	41.53
iii) Income-tax matters		
Demand notices issued by Income-tax Authorities.	<b>16.01</b>	12.37
iv) Other matters : ₹ 3.00 crore ( <i>previous year ₹ 3.00 crore</i> ) (net of tax).	<b>1.98</b>	1.98
<b>b) GUARANTEES</b>		
<b>Guarantees against Borrowings (in excess of Loans outstanding)</b>		
i) Guarantee amounting to USD Nil ( <i>previous year USD 78.8 million</i> ) given by the Company against loan provided by banks to Godrej Consumer Products Holding (Mauritius) Ltd.	-	218.75
ii) Guarantee amounting to USD Nil ( <i>previous year USD 99.0 million</i> ) given by the Company to DBS Bank, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	-	65.91
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.	<b>55.48</b>	59.86

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 33 : CONTINGENT LIABILITIES (Contd.)

₹ Crore

Current Year Previous Year

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.	50.00	47.93
v)	Guarantee amounting to GBP 4.95 million ( <i>previous year GBP 9.9 million</i> ) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	4.16	8.98
<b>Others</b>			
i)	Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.10 crore ( <i>previous year ₹ 5.44 crore</i> )]	7.61	7.92
ii)	Guarantee of AED Nil ( <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
iii)	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	2.96
iv)	Guarantee amounting to USD Nil ( <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
v)	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.	31.25	29.96
vi)	Guarantee amounting to USD Nil ( <i>previous year 5.0 million</i> ) given by the Company to HSBC Hongkong towards interest rate swap/derivative facilities provided to Godrej East Africa Holdings Limited.	-	29.96
vii)	Guarantee given by the Company to Yes Bank for credit facilities extended to M/s Broadcast Audience Research Council	0.80	-
<b>c) Claims against the Company not acknowledged as debt</b>			
i)	Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	32.22	32.22
ii)	Others	0.28	0.28
<b>d) The Group has received all its pending litigations and proceedings and has adequately made provisions wherever required and disclosed as contingent liability wherever applicable in financial statements. The Group does not expect the outcome of the proceedings to have a materially adverse effect on its financial results.</b>			

### NOTE 34 : COMMITMENTS

₹ Crore

Current Year Previous Year

Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances amounting to ₹ 20.30 crore ( <i>previous year ₹ 3.46 crore</i> )	45.61	54.22
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### 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 Total lease payments accounted for the year ended March 31, 2015 is ₹ 3.10 crore (*previous year ₹ 1.83 crore*).

# Notes to the Consolidated Financial Statements for the year ended March 31, 2015

## NOTE 35 : LEASES (Contd.)

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

	Current Year	Previous Year
₹ Crore		
<b>Operating Lease</b>		
Not later than one year	17.15	4.52
Later than one year and not later than five years	56.33	4.00
Later than five years	2.01	0.21
<b>TOTAL</b>	<b>75.49</b>	<b>8.73</b>

The Group has entered into agreement to give one of its office building on operating lease effective May 2015.

With respect to non-cancellable period of the operating lease, the future minimum lease rental receivable is as follows:

	Current Year	Previous Year
₹ Crore		
Not later than one year	7.99	-
Later than one year and not later than five years	36.50	-
Later than five years	1.14	-
<b>TOTAL</b>	<b>45.63</b>	<b>-</b>

	Current Year	Previous Year
₹ Crore		
<b>Finance Lease</b>		
Not later than one year	0.78	1.37
Later than one year and not later than five years	0.25	0.74
Later than five years	-	-
<b>TOTAL</b>	<b>1.03</b>	<b>2.11</b>

## 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, 2015:

	Current Year		Previous Year	
	Avg. Rate	In Million	Avg. Rate	In Million
Forward Contracts to Purchase (USD)	63.44	US \$ 6.51	63.50	US \$ 16.99
[5 contracts (previous year 14 contracts)]				
Forward Contracts to Sell (EUR)	76.99	€ 2.00	-	-
[3 contracts (previous year Nil)]				

b) The uncovered foreign exchange exposure as at March 31, 2015:

	Currency	Current Year	Previous Year
in million			
Payables	USD	50.32	54.70
Payables*	SGD	0.00	0.07
Payables	EUR	0.29	0.61
Payables*	GBP	0.00	0.05
Payables	ZAR	1.42	-
Payables	INR	9.65	14.52
Payables	JPY	0.95	0.84
Receivables	USD	19.09	14.89
Receivables	EUR	0.51	2.13
Receivables	ZAR	0.76	0.76
Receivables	GBP	0.04	0.02
Cash and cash equivalents	USD	15.72	23.93
Cash and cash equivalents	EUR	0.94	0.31
Cash and cash equivalents	ZAR	0.43	0.01
Cash and cash equivalents*	HKD	0.00	-
Cash and cash equivalents	VND	1.07	1.07

\* less than 0.01 million



## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 37 : INCENTIVE PLAN

The amount carried forward in notional bank after distribution of PLVR for the financial year 2014-15 is ₹ 0.42 crore as on March 31, 2015 (*previous year ₹ 0.79 crore*). The said amount is not provided for in the books of account and is payable in future, if performance so warrants.

### NOTE 38 : RELATED PARTY DISCLOSURES

#### A) Related Parties and their Relationship

##### a) Holding Company:

Godrej & Boyce Mfg. Co. Limited

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

- i) Godrej Industries Limited
- ii) Godrej Agrovet Limited
- iii) Godrej Tyson Foods Limited
- iv) Godrej Properties Limited
- v) Natures Basket Limited
- vi) Godrej Vikhroli Properties LLP
- vii) Godrej Infotech Limited
- viii) Godrej Projects Development Private Limited
- ix) Godrej Anandan

##### c) Associate Company:

- i) Bhabhani Blunt Hairdressing Private Limited

##### d) Key Management Personnel and Relatives:

- i) Mr. Adi Godrej Chairman
- ii) Ms. Nisaba Godrej Executive Director / Daughter of Mr. Adi Godrej
- iii) Mr. Vivek Gambhir Managing Director (*from July 1, 2013*)
- iv) Mr. A. Mahendran Managing Director (*upto June 30, 2013*)
- v) Mr. P. Ganesh Chief Financial Officer and Company Secretary (*upto March 31, 2015*)
- vi) Ms. Parmeshwar Godrej Wife of Mr. Adi Godrej
- vii) Mr. Pirojsha Godrej Son of Mr. Adi Godrej
- viii) Mr. Nadir Godrej Brother of Mr. Adi Godrej
- ix) Ms. Tanya Dubhash Daughter of Mr. Adi Godrej
- x) Ms. Mythilli Mahendran Wife of Mr. A. Mahendran (*Related party upto June 30, 2013*)

# Notes to the Consolidated Financial Statements for the year ended March 31, 2015

## NOTE 38 : RELATED PARTY DISCLOSURES (Contd.)

### B) The Related Party Transactions are as under :

	Holding Company		Fellow Subsidiaries		Associate Company		Key Management Personnel and Relatives		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods	0.64	0.61	18.29	28.67	0.43	-	-	-	19.36	29.28
Purchase of Materials and Spares	2.65	2.84	31.59	32.82	-	-	-	-	34.24	35.66
Payments made towards Assets under Construction	6.38	0.32	12.91	12.84	-	-	-	-	19.29	13.16
Advance Paid	0.60	2.02	-	2.53	-	-	-	-	0.60	4.55
Establishment and Other Expenses Paid / (Received) (Net)	0.27	0.38	9.59	8.91	0.12	-	-	-	9.98	9.29
Investments Made	-	-	-	-	-	34.31	-	-	-	34.31
Guarantees / Surety Bonds Obtained	-	-	19.86	21.49	-	-	-	-	19.86	21.49
Repayment of Loan Given	-	-	-	-	-	-	-	0.79	-	0.79
Interest Received on Loans	-	-	-	-	-	-	-	0.02	-	0.02
Dividend Paid	63.87	61.78	40.83	37.27	-	-	2.49	2.10	107.19	101.15
Managerial Remuneration	-	-	-	-	-	-	33.12	24.11	33.12	24.11
Commission on Profits and Sitting Fees	-	-	-	-	-	-	0.41	0.31	0.41	0.31
Lease Rentals Paid / (Received) (Net)	-	-	2.90	2.24	-	-	2.46	2.56	5.36	4.80
Royalty and Technical Fees Paid	-	-	-	-	0.07	-	-	-	0.07	-
<b>Outstanding Balances as at March 31, 2015</b>										
Receivables	0.06	0.04	2.96	0.69	0.04	-	-	-	3.06	0.73
Payables	-	-	0.14	0.25	-	-	15.51	6.28	15.65	6.53
Guarantees Outstanding	-	-	(41.35)	(21.49)	-	-	-	-	(41.35)	(21.49)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 38 : RELATED PARTY DISCLOSURES (Contd.)

#### C) The Significant Related Party Transactions are as under :

	₹ Crore	
Nature of Transaction	Current Year	Previous Year
<b>Sale of Goods</b>		
Godrej Industries Limited	17.62	28.27
<b>Purchase of Materials and Spares</b>		
Godrej Industries Limited	29.46	31.77
<b>Payments made towards Assets under Construction</b>		
Godrej & Boyce Mfg. Co. Limited	6.38	0.32
Godrej Vikhroli Properties LLP	12.91	12.84
<b>Advance Paid</b>		
Godrej & Boyce Mfg. Co. Limited	0.60	2.02
Godrej Properties Limited	-	2.53
<b>Royalty and Technical Fees Paid</b>		
Bhabhani Blunt Hairdressing Pvt. Limited	0.07	-
<b>Establishment and Other Expenses Paid / (Received)</b>		
Godrej & Boyce Mfg. Co. Limited	0.27	0.38
<b>Establishment and Other Expenses Paid / (Received)</b>		
Godrej Industries Limited	9.31	8.46
Godrej Agrovet Limited	0.88	0.72
Godrej Properties Limited	(0.34)	(0.02)
Godrej Projects Development Private Limited	(0.33)	-
<b>Investments Made</b>		
Bhabhani Blunt Hairdressing Pvt. Limited	-	34.31
<b>Guarantees / Surety Bonds Obtained</b>		
Godrej Industries Limited	19.86	-
Godrej Agrovet Limited	-	21.49
<b>Repayment of Loan Given</b>		
Mr. A. Mahendran	-	0.79
<b>Interest Received on Loans</b>		
Mr. A. Mahendran	-	0.02
<b>Dividend Paid</b>		
Godrej & Boyce Mfg. Co. Limited	63.87	61.78
Godrej Industries Limited	40.83	37.27
<b>Managerial Remuneration</b>		
Mr. Adi Godrej	13.18	9.46
Mr. A. Mahendran	-	3.94
Ms. Nisaba Godrej	4.49	2.41
Mr. Vivek Gambhir	12.88	6.70
Mr. P. Ganesh	2.57	1.60
<b>Commission on Profits and Sitting Fees</b>		
Mr. Nadir Godrej	0.21	0.14
Ms. Tanya Dubhash	0.20	0.14
Ms. Nisaba Godrej	-	0.03
<b>Lease Rentals Paid / (Received)</b>		
Godrej Industries Limited	3.03	2.27
Natures Basket Limited	(0.13)	(0.03)
Ms. Parmeshwar Godrej	2.46	2.46
Ms. Mythili Mahendran	-	0.10
<b>Payables</b>		
Mr. Adi Godrej	6.08	3.04
Ms. Nisaba Godrej	1.74	0.61
Mr. Vivek Gambhir	6.68	2.34
<b>Guarantees Outstanding</b>		
Godrej Agrovet Limited	(21.49)	(21.49)
Godrej Industries Limited	(19.86)	-

# Notes to the Consolidated Financial Statements for the year ended March 31, 2015

## 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	4470.93	4085.41	4044.41	3717.69	8515.34	7803.10
Carrying amount of segment assets	2733.74	2391.57	6408.20	5933.17	9141.94	8324.74
Total cost incurred during the year to acquire assets	82.99	78.23	125.93	71.10	208.92	149.33

## NOTE 40 : EMPLOYEE BENEFITS

### a) DEFINED CONTRIBUTION PLAN

#### Provident Fund:

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd.) 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 Unit Linked Gratuity Plan with 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) Amounts Recognised as Expense:

#### i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 5.70 crore (*previous year ₹ 6.00 crore*) has been included in Note 28 under Contribution to Provident and Other Funds.

#### ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 7.88 crore (*previous year ₹ 2.67 crore*) has been included in Note 28 under Contribution to Provident and Other Funds.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

### NOTE 40 : EMPLOYEE BENEFITS (Contd.)

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

		Current Year	Previous Year	₹ Crore
i) Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year		21.98		20.50
Current Service Cost		1.52		1.33
Interest Cost		2.05		1.68
Actuarial (Gain) / Loss on Obligation		5.49		0.16
Benefits Paid		(2.29)		(1.69)
Present value of the obligation at the end of the year		28.75		21.98
ii) Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year		7.66		8.85
Expected return on Plan Assets		0.71		0.73
Actuarial Gain / (Loss) on Plan Assets		0.46		(0.23)
Contributions by the Employer		0.67		-
Benefits Paid		(2.29)		(1.69)
Fair value of Plan Assets at the end of the year		7.21		7.66
iii) Amounts Recognised in the Balance Sheet				
Present value of Obligation at the end of the year		28.75		21.98
Fair value of Plan Assets at the end of the year		7.21		7.66
Net Obligation at the end of the year		21.54		14.32
iv) Amounts Recognised in the Statement of Profit and Loss				
Current Service Cost		1.52		1.33
Interest Cost on Obligation		2.05		1.68
Expected return on Plan Assets		(0.71)		(0.73)
Net Actuarial (Gain) / Loss recognised in the year		5.02		0.39
Net Cost Included in Personnel Expenses		7.88		2.67
v) Actual Return on Plan Assets		1.17		0.50
vi) Estimated contribution to be made in next financial year		5.42		4.86
vii) Major categories of Plan Assets as a % of total Plan Assets				
Insurer Managed Funds		100%		100%
viii) Actuarial Assumptions				
i)	Discount Rate	7.96% P.A.		9.31% P.A.
ii)	Expected Rate of Return on Plan Assets	7.96% P.A.		9.31% P.A.
iii)	Salary Escalation Rate	5.50% P.A.		5.50% 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 Consolidated Financial Statements for the year ended March 31, 2015

### ix) Amounts recognised in current year and previous four years:

	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of the defined benefit obligation	28.75	21.98	20.50	16.20	16.27
Fair value of the plan assets	7.21	7.66	8.85	10.47	12.67
Surplus / (deficit) in the plan	(21.54)	(14.32)	(11.65)	(5.73)	(3.60)
<b>Experience Adjustments (Gain) / Loss:</b>					
On Plan Liabilities	2.33	2.32	2.80	1.63	0.27
On Plan Assets	(0.46)	0.23	(0.07)	(0.25)	0.37

### NOTE 41 : 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.
- 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

to the employees under the GOPL 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, 2015	As at March 31, 2014
Options Granted	4,667,000	4,667,000
Options Vested	3,870,000	3,870,000
Options Exercised	3,820,000	3,810,000
Options Lapsed/Forfeited and re-granted	762,000	762,000
Options Lapsed/Forfeited, pending sale	-	-
Options Lapsed/Forfeited and sold	85,000	85,000
<b>Total Number of Options Outstanding</b>	<b>-</b>	<b>10,000</b>

### 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 ₹ 27.21 crore as at beginning of the year. The ESOP Trust has made a net repayment of the loan amounting to ₹ 25.26 crore during the year. The total amount of loans outstanding together with interest thereon as at March 31, 2015 amounts to ₹ 1.95 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, 2015	As at March 31, 2014
Options Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	-	-
Options Lapsed/Forfeited, pending sale	-	40,000
Options Lapsed/Forfeited and sold	2,094,000	1,049,000
<b>Total Number of Options Outstanding</b>	<b>35,000</b>	<b>1,040,000</b>

### 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.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

- 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, 2015	As at March 31, 2014
Options Granted	393,989	268,611
Options Vested	149,529	80,849
Options Exercised	149,440	80,849
Options Lapsed / Forfeited	70,428	53,398
<b>Total Number of Options Outstanding</b>	<b>174,121</b>	<b>134,364</b>

- 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, 2015 would have been lower by ₹ 11.65 crore (previous year lower by ₹ 0.23 crore).

### NOTE 42 : ACQUISITIONS AND SCHEMES OF AMALGAMATION

- a) During the year, the Company has, through one of its wholly owned subsidiaries, acquired 100% stake in the hair extension business of Darling Group in Ghana on October 1, 2014 and Frika Hair (Pty) Limited in South Africa on March 1, 2015.
- b) Pursuant to Scheme of Amalgamation sanctioned by the Supreme Court of Mauritius, whereby Godrej Kinky Holdings Ltd. (GKHL) has been merged with Godrej Consumer Investment Holding Ltd. (GCIHL) with effect from April 1, 2014. In accordance with the Scheme, for the purposes of preparation of the consolidated financial statements of GCIHL, the asset and liabilities of the subsidiaries of GKHL, as identified by the Board of Directors of GCIHL have been accounted at their fair values. Accordingly, the resultant impact amounting to ₹ 24.91 crore has been written off and debited against Surplus under Reserves.
- c) Pursuant to a Scheme of Amalgamation sanctioned by the Supreme Court of Mauritius ("the Scheme"), Godrej Consumer Investment Holding Ltd., Godrej Weave Holdings Ltd., DGH Mauritius Pvt. Ltd., Weave Business Holdings Mauritius Pvt. Ltd. and DGH Phase Three Mauritius (Collectively "Transferor Companies") have been merged with Godrej Africa Holdings Ltd. (GAHL), the Transferee Company. The appointed date



## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

of merger was March 31, 2015. In accordance with the Scheme, all the tangible assets and liabilities of the transferor companies have been recorded at their fair values in the books of GAHL as determined by the Board of Directors of GAHL. Consequently, GAHL has fair valued the investments in certain subsidiaries. The net impact of fair valuation of these investments in the books of the GAHL is Nil. The costs and expenses incurred in carrying out and implementing the Scheme are also to be directly debited to Reserves of GAHL in the respective year in which the costs and expenses are incurred.

### NOTE 43 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Expenditure related to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of ₹ 12.41 crore :

	₹ Crore
	Current Year
Expenditure incurred on capital assets under CSR projects	9.32
Revenue Expenditure on CSR activities	6.76
<b>TOTAL</b>	<b>16.08</b>

### NOTE 44 : DISCLOSURE U/S 186 (4) OF THE COMPANIES ACT, 2013

Details of Investments made are disclosed under Note 14 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 33.

### NOTE 45 : ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit / Loss	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profits	Amount (₹ in crore)
<b>Parent</b>				
Godrej Consumer Products Limited	78.48%	3383.05	72.15%	654.45
<b>Subsidiaries</b>				
<b>Foreign</b>				
Argencos SA	0.56%	24.07	0.45%	4.07
Issue Brazil	(0.02%)	(1.05)	(0.60%)	(5.43)
Cosmetica Nacional	3.13%	134.84	1.89%	17.17
Consell SA	0.02%	0.84	(0.02%)	(0.16)
DGH Tanzania Limited	(0.00%)	(0.04)	(0.01%)	(0.11)
DGH Phase2	3.11%	134.21	1.58%	14.29
Darling Trading Company Ltd. Mauritius	0.14%	6.24	(0.00%)	(0.02)
Frika Weave (Pty) Ltd.	0.13%	5.78	0.01%	0.05
Godrej Argentina Dutch Coöperatief U.A.	8.41%	362.40	(0.04%)	(0.36)
Godrej Africa Holdings Limited	44.27%	1908.46	5.75%	52.19
Godrej Consumer Holdings (Netherlands) BV	7.18%	309.35	(0.02%)	(0.15)
Godrej Consumer Investments (Chile) Spa	5.45%	234.96	(0.01%)	(0.05)
Godrej Consumer Products (Netherlands) BV	0.19%	8.34	(0.02%)	(0.15)
Godrej Consumer Products Dutch Coöperatief U.A.	7.08%	305.12	(0.03%)	(0.27)
Godrej Consumer Products Holding (Mauritius) Ltd.	30.36%	1308.78	6.55%	59.44
Godrej Consumer Products (UK) Ltd.	2.49%	107.42	2.36%	21.43
Godrej Consumer Products Bangladesh Ltd.	-	-	-	-
Godrej Consumer Products Mauritius Ltd.	14.18%	611.24	(0.04%)	(0.41)
Godrej East Africa Holdings Ltd.	0.52%	22.35	(1.37%)	(12.46)
Godrej Global Mid East FZE	0.30%	12.98	0.70%	6.35
Godrej Holdings (Chile) Limitada	5.56%	239.54	0.51%	4.61

## Notes to the Consolidated Financial Statements for the year ended March 31, 2015

Name of the Enterprise	Net Assets (i.e. total assets minus total liabilities)		Share in Profit / Loss	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profits	Amount (₹ in crore)
Godrej Household Products (Bangladesh) Pvt. Ltd.	(0.05%)	(2.34)	(0.69%)	(6.30)
Godrej Indonesia IP Holdings Ltd.	-	-	-	-
Godrej Mauritius Africa Holdings Ltd.	6.59%	284.15	(1.46%)	(13.29)
Godrej Megasari Holdings Ltd.	-	-	-	-
Godrej Netherlands Argentina B.V.	7.37%	317.77	(0.02%)	(0.21)
Godrej Netherlands Argentina Holdings B.V.	0.64%	27.47	(0.02%)	(0.15)
Godrej Netherlands B.V.	1.84%	79.32	(0.71%)	(6.46)
Godrej Nigeria Ltd.	0.65%	28.08	(0.28%)	(2.56)
Godrej UK	5.06%	218.20	0.00%	0.01
Godrej South Africa (Pty) Ltd.	2.25%	96.80	1.96%	17.77
Godrej Tanzania Holdings Ltd.	0.02%	1.00	(0.01%)	(0.09)
Godrej West Africa Holdings Ltd.	2.37%	102.32	3.40%	30.85
Hair Trading (offshore) S. A. L	0.59%	25.59	8.54%	77.49
Indovest Capital	0.26%	11.06	4.76%	43.16
Kinky Group (Pty) Ltd.	0.41%	17.56	(3.31%)	(30.06)
Godrej Household Products (Lanka) Pvt. Ltd.	0.34%	14.80	(0.13%)	(1.16)
Laboratoria Cuenca	1.69%	72.77	1.19%	10.82
Lorna Nigeria Ltd.	2.41%	103.87	1.66%	15.05
Panamar Producciones S.A.	0.13%	5.76	(0.00%)	(0.03)
Plasticos Nacional	0.12%	5.09	0.01%	0.06
PT Ekamas Sarijaya	0.16%	7.03	0.21%	1.87
PT Intrasari Raya	0.72%	30.90	1.17%	10.59
PT Indomas Susemi Jaya	0.80%	34.60	0.67%	6.12
PT Megasari Makmur	8.73%	376.41	13.35%	121.13
PT Sarico Indah	0.21%	9.04	0.03%	0.29
Sigma Hair Industries, Ltd.	-	-	-	-
Subinite (Pty) Ltd.	1.44%	62.27	0.41%	3.75
Style Industries Limited	3.93%	169.53	(0.20%)	(1.81)
Deciral Uruguay	0.21%	8.97	(0.07%)	(0.60)
Weave Ghana Ltd.	0.22%	9.62	0.04%	0.39
Weave IP Holdings Mauritius Pvt. Ltd.	0.14%	6.21	2.16%	19.63
Weave Mozambique Limitada	2.03%	87.56	2.16%	19.62
Weave Trading Mauritius Pvt. Ltd.	1.10%	47.61	11.70%	106.13
Inter-company Eliminations	(160.19%)	(6905.19)	(28.67%)	(260.07)
Minority Interest in all subsidiaries	(3.76%)	(162.04)	(7.65%)	(69.35)
Associates (Investment as per the equity method)				
Indian :				
Bhabani Blunt Hairdressing Pvt. Ltd.	-	-	0.00%	0.04
Joint Ventures (as per proportionate consolidation / investment as per the equity method)				
Godrej Easy IP Holdings (FZC)	-	-	-	-
<b>Grand Total</b>	<b>100.00%</b>	<b>4310.69</b>	<b>100.00%</b>	<b>907.12</b>

### NOTE 46 : GENERAL

- Other information required by Schedule III to the Companies Act, 2013, has been given only to the extent applicable.
- Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

## Form AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl No	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	₹ (Crore) % of share-holding
			Currency rate											
1.	Agencos SA	01-Apr-2014 To 31-Mar-2015	ARS	7:100	1.31	22.76	35.05	10.98	-	62.25	2.73	4.07	-	100%
2.	Corseil SA	01-Apr-2014 To 31-Mar-2015	ARS	7:100	2.06	(1.22)	0.57	(0.27)	-	0.00	(0.02)	(0.16)	-	100%
3.	Cosmetica Nacional	01-Apr-2014 To 31-Mar-2015	QPeso	0:100	113.59	21.26	186.36	51.52	3.30	214.36	4.52	17.17	-	60%
4.	Darling Trading Company Ltd. Mauritius	01-Apr-2014 To 31-Mar-2015	USD	62.604	6.26	(0.02)	6.24	(0.00)	-	(0.02)	-	(0.02)	-	90%
5.	Decral Uruguay	01-Apr-2014 To 31-Mar-2015	ARS	7:100	4.03	4.94	26.00	17.03	-	27.18	(0.83)	(0.60)	-	100%
6.	DGH Phase2	01-Apr-2014 To 31-Mar-2015	USD	62.604	88.33	45.88	181.56	47.35	164.79	17.16	14.76	14.29	-	51%
7.	DGH Tanzania Limited	01-Apr-2014 To 31-Mar-2015	USD	62.604	0.21	(0.24)	0.00	0.04	0.00	-	(0.11)	-	-	100%
8.	Frika Weave (Pty) Ltd.	01-Mar-2015 To 31-Mar-2015	ZAR	5:178	5.73	0.05	28.92	23.14	-	3.27	0.07	0.05	-	100%
9.	Godrej Africa Holdings Limited	01-Apr-2014 To 31-Mar-2015	USD	62.604	1815.56	92.90	1908.93	0.46	1903.53	56.14	52.19	-	-	100%
10.	Godrej Argentina Dutch Cooperatief U.A.	01-Apr-2014 To 31-Mar-2015	USD	62.604	363.60	(1.20)	362.43	0.04	362.28	-	(0.36)	-	-	100%
11.	Godrej Consumer Products Mauritius Ltd.	01-Apr-2014 To 31-Mar-2015	USD	62.604	283.19	328.05	611.30	0.06	610.89	-	(0.41)	-	-	100%
12.	Godrej Consumer Holdings (Netherlands) BV	01-Apr-2014 To 31-Mar-2015	USD	62.604	0.16	309.19	309.38	0.03	302.28	-	(0.15)	-	-	100%
13.	Godrej Consumer Investments (Chile) Spa	01-Apr-2014 To 31-Mar-2015	USD	62.604	249.38	(14.43)	235.00	0.05	234.74	-	(0.05)	-	-	100%
14.	Godrej Consumer Products (Netherlands) BV	01-Apr-2014 To 31-Mar-2015	USD	62.604	0.14	8.20	8.37	0.03	8.24	-	(0.15)	-	-	100%
15.	Godrej Consumer Products (UK) Ltd.	01-Apr-2014 To 31-Mar-2015	GBP	92.874	0.27	107.15	247.51	140.08	-	472.17	28.52	21.43	-	100%
16.	Godrej Consumer Products Bangladesh Ltd.	01-Apr-2014 To 31-Mar-2015	Taka	0.804	-	-	-	-	-	-	-	-	-	100%
17.	Godrej Consumer Products Dutch Cooperatief U.A.	01-Apr-2014 To 31-Mar-2015	USD	62.604	298.65	6.47	305.16	0.03	305.03	-	(0.27)	-	-	100%
18.	Godrej Consumer Products Holding (Mauritius) Ltd.	01-Apr-2014 To 31-Mar-2015	USD	62.604	1163.19	145.59	1460.28	151.51	1459.69	66.18	61.28	59.44	-	100%
19.	Godrej East Africa Holdings Ltd.	01-Apr-2014 To 31-Mar-2015	USD	62.604	52.59	(30.24)	500.20	477.85	496.60	-	(12.46)	-	-	100%
20.	Godrej Global Mid East FZE	01-Apr-2014 To 31-Mar-2015	AED	17.045	7.82	5.16	29.09	16.11	-	59.06	6.35	6.35	-	100%
21.	Godrej Holdings (Chile) Limitada	01-Apr-2014 To 31-Mar-2015	USD	62.604	234.97	4.57	239.61	0.07	234.93	4.99	4.61	4.61	-	100%
22.	Godrej Household Products (Bangladesh) Pvt. Ltd.	01-Apr-2014 To 31-Mar-2015	Taka	0.804	27.63	(29.97)	24.72	27.05	-	84.41	(5.90)	(6.30)	-	100%
23.	Godrej Household Products Lanka (Pvt.) Ltd.	01-Apr-2014 To 31-Mar-2015	LKR	0.471	10.91	3.89	31.85	17.05	-	36.01	(1.25)	(1.16)	-	100%
24.	Godrej Indonesia IP Holdings Ltd.	01-Apr-2014 To 31-Mar-2015	USD	62.604	-	-	-	-	-	-	-	-	-	100%
25.	Godrej Mauritius Africa Holdings Ltd.	01-Apr-2014 To 31-Mar-2015	USD	62.604	338.69	(54.54)	1862.11	1577.96	1690.97	13.35	(13.29)	-	-	100%
26.	Godrej Megasari Holdings Ltd.	01-Apr-2014 To 31-Mar-2015	USD	62.604	-	-	-	-	-	-	-	-	-	100%
27.	Godrej Netherlands Argentina B.V.	01-Apr-2014 To 31-Mar-2015	USD	62.604	0.14	317.63	317.81	0.04	316.71	-	(0.21)	-	-	100%
28.	Godrej Netherlands Argentina Holdings B.V.	01-Apr-2014 To 31-Mar-2015	USD	62.604	0.14	27.33	27.50	0.03	27.47	-	(0.15)	-	-	100%
29.	Godrej Netherlands BV	01-Apr-2014 To 31-Mar-2015	GBP	92.874	0.13	79.19	346.29	286.97	311.42	1.43	(6.44)	(6.46)	-	100%
30.	Godrej Nigeria Ltd.	01-Apr-2014 To 31-Mar-2015	Naira	0.315	0.47	27.61	37.09	9.01	-	56.98	(0.43)	(2.56)	-	100%
31.	Godrej South Africa (Pty) Ltd.	01-Apr-2014 To 31-Mar-2015	ZAR	5:178	9.35	87.45	109.96	13.16	-	119.84	24.69	17.77	-	100%
32.	Godrej Tanzania Holdings Ltd.	01-Apr-2014 To 31-Mar-2015	USD	62.604	1.25	(0.25)	1.04	0.04	1.02	-	(0.09)	-	-	100%
33.	Godrej UK Ltd.	01-Apr-2014 To 31-Mar-2015	GBP	92.874	105.26	112.94	218.20	0.00	217.16	0.01	0.01	0.01	-	100%
34.	Godrej West Africa Holdings Ltd.	01-Apr-2014 To 31-Mar-2015	USD	62.604	101.92	0.39	102.73	0.42	101.94	31.34	31.22	30.85	-	90%
35.	Hair Trading (Offshore) S. A. L	01-Apr-2014 To 31-Mar-2015	USD	62.604	0.13	25.46	128.29	102.70	-	463.53	77.49	0.00	-	51%
36.	Indovest Capital	01-Apr-2014 To 31-Mar-2015	USD	62.604	0.00	11.06	11.29	0.24	-	44.42	43.18	0.03	-	100%
37.	Issue Brazil	01-Apr-2014 To 31-Mar-2015	ARS	7:100	21.57	(22.62)	2.85	3.91	-	3.22	(5.43)	-	-	100%
38.	Kinky Group (Pty) Ltd.	01-Apr-2014 To 31-Mar-2015	ZAR	5:178	0.00	17.56	25.78	8.22	-	28.15	(29.86)	0.20	-	100%
39.	Laboratoria Cuenca	01-Apr-2014 To 31-Mar-2015	ARS	7:100	7.81	64.95	193.17	120.40	0.05	370.81	17.57	6.74	-	100%
40.	Lorna Nigeria Ltd.	01-Apr-2014 To 31-Mar-2015	Naira	0.315	19.16	84.71	159.15	55.28	-	206.36	15.05	-	-	100%
41.	Panamar Producciones S.A.	01-Apr-2014 To 31-Mar-2015	ARS	7:100	0.39	5.37	5.76	(0.00)	4.00	-	(0.03)	-	-	100%
42.	Plásticos Nacional	01-Apr-2014 To 31-Mar-2015	QPeso	0:100	3.00	2.10	6.20	1.11	-	6.33	0.08	0.06	-	60%

Sl No	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	₹ (Crore) % of share-holding
			Reporting Currency Exchange rate											
43.	PT Ekamas Sarijaya	01-Apr-2014 To 31-Mar-2015	DR 0.005	1.20	5.83	7.38	0.35	-	2.49	1.96	0.09	1.87	-	100%
44.	PT Indomas Susemi Jaya	01-Apr-2014 To 31-Mar-2015	DR 0.005	1.37	33.23	40.97	6.37	-	32.86	7.75	1.64	6.12	-	100%
45.	PT Intrastari Raya	01-Apr-2014 To 31-Mar-2015	DR 0.005	0.48	30.43	286.11	255.21	-	1385.85	14.35	3.76	10.59	-	100%
46.	PT Megasari Makmur	01-Apr-2014 To 31-Mar-2015	DR 0.005	70.18	306.23	697.38	320.97	-	1225.56	159.42	38.29	121.13	-	100%
47.	PT Sarico Indah	01-Apr-2014 To 31-Mar-2015	DR 0.005	3.21	5.82	11.58	2.54	-	19.79	0.36	0.06	0.29	-	100%
48.	Sigma Hair Industries Limited	01-Apr-2014 To 31-Mar-2015	TZS 0.031	-	-	-	-	-	-	-	-	-	-	100%
49.	Style Industries Limited	01-Apr-2014 To 31-Mar-2015	KES 0.678	0.52	169.01	245.71	76.18	-	357.93	(0.32)	1.49	(1.81)	-	51%
50.	Subinlite (Pty) Ltd.	01-Apr-2014 To 31-Mar-2015	ZAR 5.178	0.00	62.27	131.09	68.82	-	247.05	5.21	1.46	3.75	-	90%
51.	Weave Ghana Ltd.	01-Oct-2014 To 31-Mar-2015	CEI 16.590	2.61	7.02	12.54	2.92	-	0.47	0.39	-	0.39	-	100%
52.	Weave IP Holdings Mauritius Pvt. Ltd.	01-Apr-2014 To 31-Mar-2015	USD 62.604	0.01	6.20	6.53	0.32	-	20.41	20.24	0.61	19.63	-	90%
53.	Weave Mozambique Limitada	01-Apr-2014 To 31-Mar-2015	MZN 1.746	21.56	66.00	123.52	35.95	-	196.36	23.11	3.49	19.62	-	90%
54.	Weave Trading Mauritius Pvt. Ltd.	01-Apr-2014 To 31-Mar-2015	USD 62.604	0.01	47.61	47.77	0.16	0.12	106.59	106.13	-	106.13	-	51%

**Names of subsidiaries which are yet to commence operations:**

Godrej Consumer Products Bangladesh Limited  
Godrej Indonesia IP Holdings Limited  
Godrej Megasari Holdings Limited  
Sigma Hair Industries Limited

**Names of subsidiaries which have been liquidated or sold during the year:**

Inecto Manufacturing Limited  
Issue Uruguay

**Part “B”: Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sl No	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for FY 15	
			No.	Amount of Investment in Associates/Joint Venture				Considered in Consolidation	Not Considered In Consolidation
1.	Bhabhani Blunt Hairdressing Private Limited	Year ended March 31, 2014	5546 Equity Instruments & 3060 Debentures	₹ 22.32 or & ₹ 12 or 30%	Godrej Consumer Products Ltd. is holding more than 20% of share capital	Godrej Consumer Products Ltd. stake is less than 51%	4.67	0.04	0.09
2.	Godrej Easy IP Holdings (FZC)	-	-	-	-	-	-	-	-

**Names of associates or joint ventures which are yet to commence operations :**

Godrej Easy IP Holdings (FZC)

**Names of associates or joint ventures which have been liquidated or sold during the year - NIL**

For and on behalf of the Board

**Adi Godrej**  
Chairman

**Vivek Gambhir**  
Managing Director

**V Srinivasan**  
Chief Financial Officer &  
Company Secretary

Date: April 28, 2015

# 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 (*till March 31, 2015*)  
V. Srinivasan (*w.e.f. April 1, 2015*)

**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

<b>ASIA</b> Indonesia Bangladesh Sri Lanka	<b>MIDDLE EAST</b> UAE	<b>AFRICA</b> South Africa Mozambique Nigeria Kenya Ghana	<b>EUROPE</b> United Kingdom	<b>LATIN AMERICA</b> Argentina Uruguay 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 ("AGM")

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Wednesday, July 29, 2015 at 3.30 p.m. at Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Near Mantralaya, Mumbai – 400021 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, 2015 which includes the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2015, 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 Mr. Nadir Godrej (DIN: 00066195), who retires by rotation and being eligible, offers himself for re-appointment;
4. To ratify the appointment of Auditors and fix their remuneration 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, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, appointment of M/s. Ms. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration No.104607W) as Statutory Auditors of the Company to hold office from the conclusion of the 14th Annual General Meeting of the Company till the conclusion of the 17th Annual General Meeting to be held in 2017, on a remuneration as may be agreed upon by the Board of Directors and the Auditors, be and is hereby ratified."

### SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following resolutions

5. **Ordinary Resolution for ratification of remuneration payable to M/s. P. M. Nanabhoy & Co., appointed as Cost Auditors of the Company for FY 2015-16**  
**"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 to audit the cost records of the Company for the FY 2015-16, 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 such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Special Resolution for private placement of Non-Convertible Debentures upto an amount of ₹ 300 crore**  
**"RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force; and the relevant provisions of the Memorandum and Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors to make issue(s)/offer(s)/invitation(s) to subscribe to Non-Convertible Debentures ("NCDs") to eligible person(s) for an amount not exceeding ₹ 300,00,00,000 (Rupees Three Hundred Crore Only) whether secured or unsecured, on private placement in one or more tranches on such terms and conditions as the Board of Directors may deem appropriate, during the period of one year commencing from the date of passing of this resolution by the shareholders."
7. **Special Resolution for acquiring and holding equity shares of the Company by Foreign Institutional Investors (FIIs) including their sub-accounts upto an aggregate limit of 40% of the paid-up equity share capital of the Company**

**RESOLVED THAT** pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 and other prevailing laws, rules and regulations as may be applicable from time to time and subject to such consents, sanctions and permissions as may be required from the appropriate authorities, consent of the Company be and is hereby accorded for acquiring and holding equity shares of the Company by Foreign Institutional Investors (FIIs) including their sub-accounts



upto an aggregate limit of 40% of the paid-up equity share capital of the Company;

**RESOLVED FURTHER THAT** any one of the following persons viz. Mr. Adi Godrej, Chairman, Mr. Nadir Godrej, Director, Ms. Tanya Dubash, Director, Ms. Nisaba Godrej, Executive Director, Innovation, Mr. Vivek Gambhir, Managing Director or Mr. V Srinivasan, Chief Financial Officer & Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, deeds and writings as may be required for the aforesaid purpose and which it may deem fit in the interest of the Company.”

**By Order of the Board of Directors**

**V. Srinivasan**

**Chief Financial Officer & Company Secretary**

Mumbai, June 26, 2015

**Notes:-**

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed herewith.
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. **Proxy-holders are requested to carry an Identity Proof at the time of attending the meeting.**
4. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
5. 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.
6. The route map for the venue of the meeting has been given in the attendance slip.
7. 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 in the table. 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](mailto:gcpl@computechsharecap.com)) or the Company for payment thereof.

Dividend Period	Due date for transfer
1 <sup>st</sup> Interim 2008-09 paid in August 2008	30-08-2015
2 <sup>nd</sup> Interim 2008-09 paid in November 2008	29-11-2015
3 <sup>rd</sup> Interim 2008-09 paid in February 2009	01-03-2016
4 <sup>th</sup> Interim 2008-09 paid in May 2009	05-06-2016
1 <sup>st</sup> Interim 2009-10 paid in August 2009	30-08-2016

*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.*

8. Details as stipulated under Clause 49 of the Listing Agreement in respect of the directors being appointed/ re-appointed are annexed herewith to the Notice.

In terms of Section 152 of the Companies Act, 2013, Mr. Nadir Godrej (DIN 00066195) Director, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommend his re-appointment. The details in accordance with the provisions of Clause 49 of the Listing Agreement and Secretarial Standards in respect of appointment/ re-appointment of directors is annexed to the Notice.

9. **E-voting**

In accordance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and the Secretarial Standards issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members the facility to exercise their right to vote at the Fifteenth Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (“CDSL”).

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on **Sunday, 26th July, 2015 at 9.00 a.m.** and ends on **Tuesday, 28th July, 2015 at 5.00 p.m.** During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **July 22, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.

- (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](http://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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to enter the first five letters NPGCP and the 5 digits of the sequence number printed on the label.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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.
  - (xviii) Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk\\_evoting@cdslindia.com](mailto:helpdesk_evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xix) 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
10. 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 as on the cut-off/ record date i.e. July 22, 2015. 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.

11. 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 AGM) in a fair and transparent manner.
12. 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 shall forthwith make the Scrutinizer's Report of the votes cast in favour of or against, if any, and submit the same to the Chairman of the Company.
13. 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.
14. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.godrejcp.com](http://www.godrejcp.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**

**V. Srinivasan**

**Chief Financial Officer & Company Secretary**

Mumbai, June 26, 2015

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

### **ITEM 5**

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 for the applicable products of the Company. On recommendation of the Audit Committee at its meeting held on April 28, 2015, the Board considered and approved the appointment of M/s. P. M. Nanabhoy & Co., Cost Accountants as the cost auditor for the FY 2015-16 at a remuneration of ₹ 5.75 lac per annum plus applicable service tax and reimbursement of out of pocket expenses.

The Board of Directors recommend the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

### **ITEM 6**

The Company had made a private placement of Non-Convertible Debentures (NCDs) aggregating to ₹ 250 crore in October 2014 for a tenor of 15 months. The same is repayable in December 2015 at a redemption premium of 9.40% p.a. The Company is looking at various options for funding the above repayment and one of the option is private placement of fresh NCDs.

Pursuant to Section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company cannot make private placement of its securities unless the proposed offer of securities has been previously approved by the shareholders of the Company by a Special Resolution.

In case of offer or invitation to offer NCDs, the Company is required to pass a Special Resolution once in a year for all offers or invitations for such debentures to be made during the year.

The Company therefore, seeks an enabling authorisation to borrow funds by offer of NCDs on private placement basis for an amount not exceeding ₹ 300 Crore, at a coupon rate that will be determined based upon the prevailing money market conditions at the time of the borrowing.

It may be noted that the current net debt equity ratio of the Company is Nil. Post the repayment of the existing NCDs, in case the Company makes a private placement of fresh NCDs upto ₹ 300 crore, the debt equity ratio will remain unchanged.

The Board of Directors recommend the Special Resolution as set out in Item No. 6 of the Notice for the approval of the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

### **ITEM 7**

The Exchange Control Department, Reserve Bank of India vide its notification no. FEMA 20/2000-RB dated May 3, 2000 has permitted registered Foreign Institutional Investors (FIIs) to purchase shares or convertible debentures of an Indian company under the Portfolio Investment Scheme, subject to the terms and conditions specified in Schedule 2 to the above notification. The terms and conditions *inter alia* stipulate that the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10% (ten per cent) of the total paid-up equity capital or 10% (ten per cent) of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 per cent of paid-up equity capital or paid up value of each

series of convertible debentures provided that the limit of 24 per cent referred above may be increased upto the sectoral cap applicable to the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body.

The Company at its AGM held on July 22, 2004, had taken consent for increasing the limit for investment by FII in the equity share capital of the Company to 35%.

The shareholding of FIIs in your Company as on March 31, 2015 was 29%, with no single FII holding above 10%. It is proposed to increase the limit from 35% to 40% of the Company's paid-up equity share capital as it will help diversify shareholder base and also provide further depth and liquidity to our equity shares.

The Board of Directors recommend the Special Resolution as set out in Item No. 7 of the Notice for the approval of the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

**By Order of the Board of Directors**

**V. Srinivasan**

**Chief Financial Officer & Company Secretary**

Mumbai, June 26, 2015

**Information pursuant to Clause 49 of the Listing Agreement and Secretarial Standards in respect of Appointment/ Re-appointment of Directors**

Name of Director	Nadir Godrej
Date of Birth	26-08-1951
Qualifications	B.S. Chem. Engg. (M.I.T, U.S.A), M.S. Chem. Engg. (Stanford, U.S.A)
Specialised Expertise	Industrialist having rich business experience
First Appointment on the Board	29-11-2000
Terms & Conditions of Appointment/ Re-appointment	Appointment for a period of three years subject to retirement by rotation
Remuneration Details	<p><b>Last drawn remuneration</b> Commission of ₹ 15 lacs p.a. and Sitting Fees of ₹ 1,00,000 for each Board Meeting and ₹ 20,000 for each Committee Meeting</p> <p><b>Remuneration details to be paid</b> Commission on profits and sitting fees as fixed by the shareholders of the Company, from time-to-time. Currently, the Commission payable as per the shareholders approval is 1% of the Net Profits of the Company subject to maximum of ₹ 15 lacs p.a. and sitting fees is ₹ 1,00,000 for each Board Meeting and ₹ 20,000 for each Committee Meeting.</p>
No. of shares held in GCPL as at March 31, 2015	1,551,178 (includeing 633,724 shares held on behalf of son)
Relationship with other Directors/ Manager/ KMP	Brother of Mr. Adi Godrej, Chairman
No. of meetings attended during the year	6 Board Meetings attended (out of 6 held) 8 Stakeholders' Relationship Committee Meetings attended (out of 11 held) Also attended Annual General Meeting held on July 28, 2014
Directorships / Partnerships	<p><b>Listed Public Companies</b> Godrej Consumer Products Ltd. Godrej Industries Ltd. Godrej Properties Ltd. Mahindra And Mahindra Ltd. Tata Teleservices (Maharashtra) Ltd. The Indian Hotels Company Ltd</p> <p><b>Public Companies</b> Godrej &amp; Boyce Mfg. Co. Ltd. Godrej Agrovet Ltd. Isprava Technologies Limited Godrej Tyson Foods Ltd.</p>

Directorships / Partnerships	<p><b>Private Companies</b> Godrej Investments Private Limited</p> <p><b>Foreign Companies-</b> Godrej International Limited ACI Godrej Agrovat Pvt. Ltd., Bangladesh Godrej South Africa Pty. Ltd. Kinky Group Pty Ltd. Godrej Nigeria Ltd.</p> <p><b>Others</b> ABG Venture LLP NBG Enterprise LLP</p>	
Committee Positions	<p><b>Chairman</b> <u>Stakeholders' Relationship Committee</u> Godrej Consumer Products Ltd.</p> <p><u>CSR Committee</u> Godrej Agrovat Ltd. Godrej Consumer Products Ltd.</p>	<p><b>Member</b> <u>Stakeholders' Relationship Committee</u> Godrej Industries Ltd.</p> <p><u>Audit Committee</u> Mahindra &amp; Mahindra Ltd.</p> <p><u>Nomination &amp; Remuneration Committee</u> The Indian Hotels Company Ltd.</p> <p><u>CSR Committee</u> The Indian Hotels Company Ltd.</p> <p><u>Governance, Nomination &amp; Remuneration Committee</u> Mahindra &amp; Mahindra Ltd.</p>

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

### Godrej Consumer Products Limited

Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai – 400079  
CIN: L24246MH2000PLC129806

### 15<sup>th</sup> Annual General Meeting (AGM) – July 29, 2015

Name of the Member(s):	Email:
Registered Address:	Folio No/Client ID:
	DP ID:
	No. of shares held:

I/We being the holders of \_\_\_\_\_ shares of the above named Company hereby appoint

Name	
Email	
Address	
Or failing him	
Name	
Email	
Address	
Or failing him	
Name	
Email	
Address	

as my/our proxy, whose signature is appended overleaf, to attend and vote (on a poll) for me/ us on my/ our behalf at the 15<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, July 29, 2015 at Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Near Mantralaya, Mumbai – 400021.

Resolution No.		Vote		
	Resolution	For	Against	Abstain
<b>Ordinary Business</b>				
1.	To consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2015, 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 Mr. Nadir Godrej, who retires by rotation and being eligible, offers himself for re-appointment			
4.	To ratify the appointment of Auditors to hold office from the conclusion of this AGM till the conclusion of the next AGM and to authorise the Board of Directors of the Company to fix their remuneration.			
<b>Special Business</b>				
5.	Ratification of remuneration payable to M/s. P. M. Nanabhoy & Co., appointed as Cost Auditors of the Company for FY 2015-16			
6.	Private placement of Non-Convertible Debentures upto an amount of ₹ 300 crore			
7.	Approval for acquiring and holding of equity shares by Foreign Institutional Investors upto a limit of 40% of the paid-up equity share capital of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Affix revenue  
stamp of not  
less than  
₹ 1/-

\_\_\_\_\_  
Signature of the Member

\_\_\_\_\_  
Signature of First Proxy Holder

\_\_\_\_\_  
Signature of Second Proxy Holder

\_\_\_\_\_  
Signature of Third Proxy Holder

**Notes:-**

1. This form, in order to be effective, should be duly stamped, signed, completed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. Members are requested to note that *a person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other member.*

## ATTENDANCE SLIP

### Godrej Consumer Products Limited

Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai – 400-079  
CIN: L24246MH2000PLC129806

### 15<sup>th</sup> Annual General Meeting (AGM) – July 29, 2015

Registered Folio No./DP ID No./Client ID No.: \_\_\_\_\_

No. of Shares Held: \_\_\_\_\_

I certify that I am a member/ proxy for the member of the Company.

I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company on Wednesday July 29, 2015 at 3.30 p.m. at Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Near Mantralaya Mumbai - 400 021.

\_\_\_\_\_  
Name of Member/Proxy  
(in Block Letters)

\_\_\_\_\_  
Signature of Member/Proxy

#### Note :

1. Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report at the AGM.
2. The map to reach the AGM venue is given overleaf.



## Venue of the AGM

Y B Chavan Centre,  
General Jagannath Bhosle Marg, Nariman Point,  
Near Mantralaya, Mumbai, Maharashtra 400021



On his 100<sup>th</sup> birth anniversary,  
here's remembering with love, the man who shaped our future

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## Dr. Burjor Pirojsha Godrej

(June 23, 1915 – August 9, 1994)

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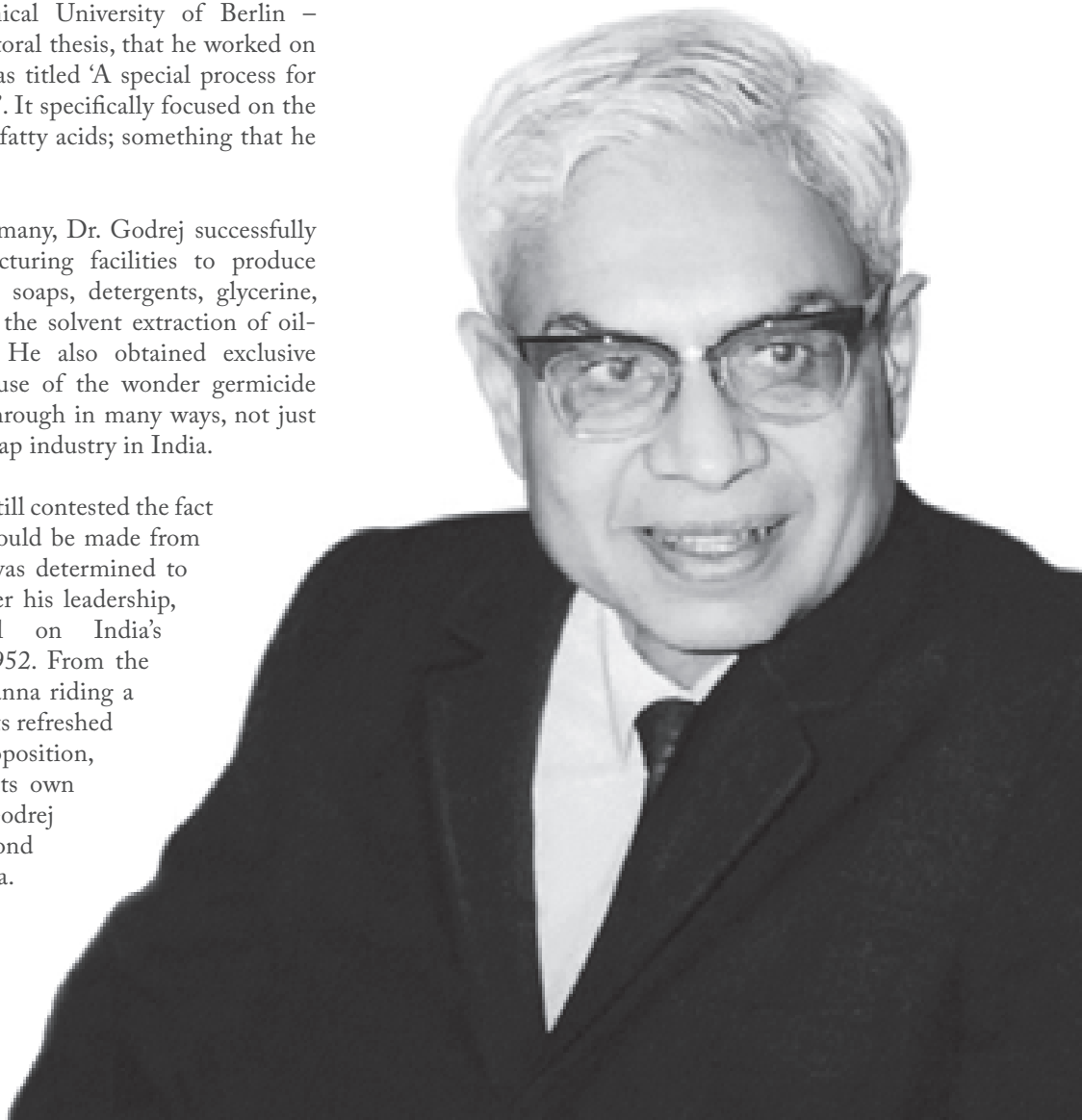
By the time Dr. Burjor Godrej went to study in Germany, the Godrej Group had already earned a reputation for its pioneering work in soap manufacturing. In 1918, we launched Chavi, the first soap in the world to be made without animal fat. Soon after, came Godrej No. 2 in 1919 and then Godrej No. 1 in 1922. Both became widely popular.

Dr. Godrej went on to earn his Diploma-Ingenieur in general machine building, and his Doctor of Engineering degree from the Technical University of Berlin – Charlottenburg. His doctoral thesis, that he worked on during his time there, was titled 'A special process for the manufacture of soaps'. It specifically focused on the production of soap from fatty acids; something that he was deeply interested in.

On his return from Germany, Dr. Godrej successfully set up modern manufacturing facilities to produce all kinds of fatty acids, soaps, detergents, glycerine, cosmetics, as well as for the solvent extraction of oil-cakes and oil refining. He also obtained exclusive rights in India for the use of the wonder germicide G-11. This was a breakthrough in many ways, not just for Godrej, but for the soap industry in India.

Back then, many people still contested the fact that a high-grade soap could be made from fatty acids. Dr. Godrej was determined to prove them wrong. Under his leadership, we launched Cinthol on India's Independence Day in 1952. From the unforgettable Vinod Khanna riding a horse into the sunset to its refreshed 'Alive is Awesome' proposition, Cinthol is a legend in its own right. Together with Godrej No. 1, it makes us the second largest soap player in India.

Over 60 years down the line, India's first germicidal soap, the green 'Cinthol Original' with its signature red wrapper, is still a runaway success. Generations of loyal consumers swear by it. What is truly incredible, is that its formulation, created by Dr. Godrej back then, with its powerful germicidal and deodorising properties and distinctive fougère (fern) perfume, still remains unchanged even today.





**BBLUNT**  
Salons+Products+Expertise

# BACK TO LIFE DRY SHAMPOO



**NO WATER  
NO GREASE  
NO FUSS  
EFFORTLESSLY  
GORGEOUS HAIR**

A quick burst instantly  
refreshes your hair  
between washes.  
Banishes oily roots.  
No water required.

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Also available at **BBLUNT** salons and select NewU, Westside and Central stores.