



LEVERAGING GROWTH CREATING VALUE

The graph element on the T signifies growth and the open arrow showcases growth for the current year as well as the fact that we are continuously growing without any barriers which is signified by the open arrow. Whilst we are growing, we are in the the process creating value for all concerned, i.e., shareholders, consumers and employees.

The three colours in the E of Value is synonymous with our brand colours and signifies growth harmony with nature and renewed life (green), big ideas, innovative thinking & technology (blue), and passion, indulgence and dynamism (red).

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Board of Directors

A. B. Godrej Chairman

J. N. Godrej

N. B. Godrej Managing Director

S. A. Ahmadullah

J. S. Bilimoria (Passed away on May 3, 2013)

A. B. Choudhury

V. M. Crishna

K. K. Dastur

K. M. Elavia (Appointed w.e.f. May 28, 2013)

N. D. Forbes

K. N. Petigara

F. P. Sarkari (Resigned w.e.f. June 1, 2012)

T. A. Dubash Executive Director & Chief Brand Officer

M. Eipe Executive Director & President (Chemicals)

(Superannuated on April 30, 2013)

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

(Appointed w.e.f. May 1, 2013)

Corporate Information

AUDITORS : Kalyaniwalla & Mistry, Chartered Accountants

BOARD COMMITTEES

Audit Committee : K. K. Dastur (Chairman)

S. A. Ahmadullah K. N. Petigara A. B. Choudhury

Compensation Committee : S. A. Ahmadullah (Chairman)

A. B. Choudhury K. N. Petigara N. B. Godrej

Shareholders Committee : A. B. Godrej (Chairman)

N. B. Godrej T. A. Dubash N. S. Nabar

Management Committee : A. B. Godrej (Chairman)

N. B. Godrej T. A. Dubash N. S. Nabar

CHIEF FINANCIAL OFFICER : Clement Pinto

COMPANY SECRETARY : K. R. Rajput

REGISTRARS & TRANSFER AGENT : Computech Sharecap Ltd.

147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Fort,

Mumbai 400 001.

Phone: 022 - 2263 5000 to 2263 5002

Fax: 022 - 2263 5001

e-Mail: helpdesk@computechsharecap.com

REGISTERED OFFICE : Pirojshanagar, Eastern Express Highway,

Vikhroli (East), Mumbai 400 079.

Phone: 022-2518 8010, 2518 8020, 2518 8030

Fax: 022-2518 8066

website: www.godrejinds.com

FACTORIES

Vikhroli : Pirojshanagar, Eastern Express Highway,

Vikhroli (East), Mumbai 400 079.

Phone: 022-2518 8010, 2518 8020, 2518 8030

Fax: 022-2518 8066, 2518 8064

Valia (DTA & EOU) : Burjorjinagar, Plot No. 3, Village Kanerao,

Taluka - Valia, District Bharuch,

Gujarat 393 135.

Phone: 02643 - 270756 to 270760

Fax: 02643 - 270018

Wadala : L.M. Nadkarni Marg,

Near M.P.T. Hospital,

Wadala (East), Mumbai 400 037. Phone: 022 - 2415 4816, 2414 8770

Fax: 022 - 2414 6204

BRANCHES

Delhi : 4th Floor, Delite Theatre Building,

4/1, Asaf Ali Road, New Delhi 110 002.

Phone: 011 - 2326 1066 Fax: 011 - 2326 1088

Kolkata : Block GN, Sector - V,

Salt Lake City, Kolkata 700 091.

Phone: 033 - 2357 3555 Fax: 033 - 2357 3945

London : Block B, 2nd Floor,

284A, Chase Road, Southgate,

London N14 - 6HF, U.K. Phone: (004420) - 88860145 Fax: (004420) - 88869424

BANKERS : Central Bank of India

State Bank of India

Bank of India HDFC Bank Ltd. Citibank N.A. HSBC Ltd. DBS Bank Ltd. IDBI Bank Ltd.

Kotak Mahindra Bank Ltd.



| Chairman's | Statement

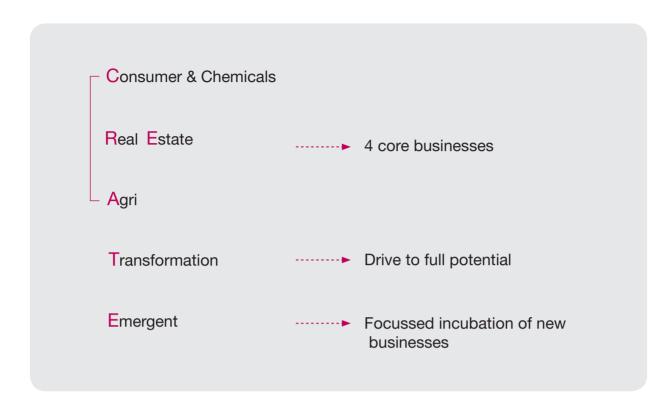


Chairman's Statement

Dear Shareholders,

I am very pleased to share with you the events, developments and the progress that your Company has made during the financial year ended March 2013. The overall performance of your Company has been good despite several challenges on the economic front, both globally and in India. The year gone by is representative of the value Godrej Industries continues to create for all stakeholders as a result of its diversified presence across key segments of economic activity in the country.

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



I would like to summarize the year for each dimension of our CREATE strategy:

C – Consumer and Chemicals Consumer (GCPL)

FY2013 proved to be another year of good performance in both the domestic and international operations of Godrej Consumer Products. We continue to be the market leaders in household insecticides and hair colour in India and have the number two position in soaps. The integration of our overseas acquisitions has gone well and overall our international businesses have had a year of good results.

A major focus area for us this year was to accelerate our innovations and to back our new products with strong marketing investments. We have had a number of successful launches in both the domestic and international business and believe that these launches will further enhance our competitiveness, improve the equity of our brands and drive both penetration and consumption.

In order to continue to deliver healthy performance and create value year after year, we will be focused on six strategic pillars of growth, viz, leading in our core categories, growing our international businesses in line with our 3 by 3 strategy, driving innovation and renovation, creating a future ready sales system, building a best in class supply chain, and fostering an agile, professional and high performance culture. We are confident that GCPL's pace of growth will continue on its strong path as we derive benefits from the strategic foundation we have put in place.

I would like to take the opportunity to thank A. Mahendran, the Managing Director of GCPL for his many contributions to the business over the last eighteen years. A. Mahendran will be retiring at the end of his current term on June 30, 2013. The GCPL Board has decided to appoint Vivek Gambhir, the Chief Strategy Officer for Godrej Industries, as the Managing Director of GCPL effective July 1, 2013. Vivek Gambhir has been a key architect of GCPL's 3 by 3 growth strategy and has played a key role in the Company's overall value creation and transformation story over the last few years. We are confident that he will successfully lead GCPL through its next phase of growth.

Chemicals

Overall volatility in the global macroeconomic environment and raw material price fluctuations resulted in our Chemicals business facing a tough year. The team sharpened its efforts on execution to mitigate the impact of external factors and we believe that this will bode well for us in the coming year. Our new oleochemicals facility at Ambernath is progressing on schedule and is expected to be operational in Q3 FY 2013-14. Our strong distribution network and differentiated manufacturing process make us the preferred supplier to key players across industries we cater to, enabling us to capture value from healthy demand in the domestic and international markets. Diversified end-user industries and concerted efforts at moving towards specialty chemicals give us confidence in an enhanced performance in the future as well.

I would like to take this opportunity to discuss the change in leadership at the Chemicals business. After a long and illustrious career spanning 36 years, Mathew Eipe has retired on April 30, 2013. Nitin Nabar has taken over as Executive Director and President (Chemicals) and we are very confident that he will successfully lead the Business going forward.

R E – Real Estate (GPL)

Despite challenges on the economic front, Godrej Properties had a very good year. During FY 2012-13 Godrej Properties had 13 successful launches across the country including in Mumbai, NCR, Bengaluru, Pune, Ahmedabad and Kolkata. With 8 new projects added to the portfolio, new business development momentum has also been sustained. A small amount of fresh capital is committed to acquire new deals and a favourable risk profile is ensured for all new projects. This combination of adding substantial value without excessive risk or capital deployment is key to sustaining our strong track record in business development. With a pan-India presence and a strong business model, we firmly believe that GPL is well poised on a strong growth trajectory.

A - Agri Business (GAVL)

The year at Godrej Agrovet was tough on several counts including deficient monsoons and rising input costs. However, a resilient business portfolio and a strong suite of innovative agri products enabled us to achieve a growth of 26% in FY 2013 revenues. The outlook for the Company remains robust anchored by strong growth from the oil-palm business and the agri-inputs segment. To provide capacity for future growth in key animal feed markets, three new feed mills were also commissioned. A strategic development during the year was introducing Temasek as an investor and a partner in GAVL. We believe that this will prove to be highly beneficial given their global credentials and knowledge in agribusinesses and should enable GAVL to accelerate its strong momentum going forward.

T - Transformation

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

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

I am pleased to share with you that in the recently published Brand Trust Report, 2013 Godrej has been ranked the 6th most trusted Brand in India, up five places from last year. This is a strong validation of our focus on building superior brand equity and ensuring that our heritage brand is relevant and dynamic.

Building on our human capital has always been a priority and during the year we undertook various activities that assisted in enhancing leadership capabilities through specially designed programs. To help us objectively understand the progress made, in FY 2013, we conducted a survey across both domestic and international businesses in association with Aon Hewitt, a leading HR consultancy firm. I am delighted to share with you that Godrej Industries and its Associate companies (including Consumer Product, Real Estate, Agrovet and Chemicals businesses of the group) employee engagement level is high (76%) and falls within the Aon Hewitt Best Employer Range. This score has been calculated on the basis of responses to 27 drivers of engagement, measured by the survey.

E - Emergent Businesses

As part of our business strategy, through the years, we have selectively incubated businesses and grown them successfully. Natures Basket, our gourmet food retailing business, is one such business where we see good potential. The progress witnessed by this business has been encouraging, with contribution to performance coming from rising same store sales as well as opening of new stores. We are now spread across 6 key metros in India through 27 outlets.

Our seeds venture, Godrej Seeds and Genetics Limited, which is still in a nascent stage, has reported encouraging performance during the year and through concerted efforts we are confident of significantly building this business in the coming years.

As part of our commitment to superior value creation for all stakeholders, we have been following a disciplined approach to profitably grow our core portfolio of businesses and make clear choices to focus on areas where we have a competitive advantage and the best growth opportunities. In line with this portfolio strategy, in September 2012, we divested our stake in the Godrej Hershey joint venture.

I am happy to share that the Company successfully concluded the Equity Issue - Institutional Placement Program (IPP) during the year. In the midst of a capital scarce

market environment we raised ₹ 370 crore where the issue was oversubscribed by 1.67 times, thereby reaffirming the faith of the investor community in your Company. The Public holding in your Company, post this issue is 25%, in line with SEBI's minimum public holding norm.

Before I conclude, I would like to say that as we enter into the next fiscal year, we stay committed to improving operational efficiencies, building and strengthening alliances, deriving value from group synergies and continuing to reward stakeholders with a shared commitment towards profitability and sustainability.

Finally, I would like to express my appreciation to all our employees, for their contributions towards the performance of Godrej Industries. I would also like to extend my gratitude towards our business partners and associates, vendors and also the Central and the State governments for their continued support. And to all of our shareholders, I would like to express my sincere appreciation for your continued faith, trust, encouragement and support.

Yours sincerely, **Adi Godrej** Chairman



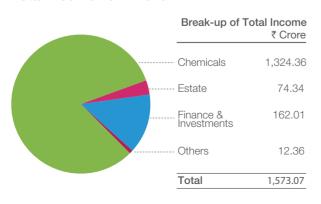


Financial Highlights

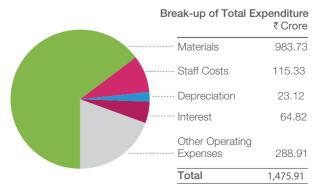
ΑII	figures	in	₹	crore
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	2012-13	2011-12	2010-11	2009-10	2008-09
BALANCE SHEET					
SOURCE OF FUNDS:					
Shareholders' Funds					
Share Capital	33.52	31.76	31.76	31.76	31.98
Reserve & Surplus	1,590.60	1,200.79	1,058.38	990.93	995.15
Secured Loans	70.26	17.49	83.23	204.19	232.82
Unsecured Loans	855.95	489.23	470.99	343.42	368.14
Deferred Tax Liability	34.38	35.76	35.92	31.98	32.78
	2,584.71	1,775.03	1,680.28	1,602.28	1,660.87
APPLICATION OF FUNDS:					
Fixed Assets	810.40	473.29	318.52	298.62	288.71
Investments	1,339.25	1,353.81	1,233.74	1,147.63	1,148.08
Proceeds from issue of Equity Shares/Other surplus deployed	412.20	-	-	-	-
Net Working Capital	22.86	(52.07)	128.02	156.03	220.22
Miscellaneous Expenditure	-	_	-	_	3.86
	2,584.71	1,775.03	1,680.28	1,602.28	1,660.87
INCOME & PROFIT					
Total Income	1,573.07	1,563.13	1,254.54	991.70	971.48
Expenditure other than Interest and Depreciation	1,387.97	1,264.36	1,026.56	823.07	867.20
Profit before Interest, Depreciation and Tax	185.10	298.77	227.98	168.63	104.28
Interest (net)	64.82	70.53	63.12	60.25	61.06
Profit before Depreciation and Tax	120.28	228.24	164.86	108.38	43.22
Depreciation	23.12	27.19	28.85	28.39	26.46
Profit before Tax	97.16	201.05	136.01	79.99	16.76
Provision for Current Tax	1.79	(0.34)	(1.36)	(0.13)	1.23
Net Profit after Tax	95.37	201.39	137.37	80.12	15.53
Provision for Deferred Tax	(1.37)	(0.17)	3.94	(0.80)	(3.41)
Adjustment in respect of prior years - (expense)/income	-	-	-	-	(0.86)
Net Profit after taxes and adjustments	96.74	201.56	133.43	80.92	18.08

Total Income 2012-2013



Total Expenditure 2012-2013





Notice to Shareholders

NOTICE is hereby given that the TWENTY-FIFTH ANNUAL GENERAL MEETING of the members of GODREJ INDUSTRIES LIMITED will be held on Saturday, August 10, 2013 at 3.30 P.M. at Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai – 400 021, to transact the following business:

Ordinary Business:

- 1. To consider and adopt the Audited Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2013, the Balance Sheet as at that date, the Auditors' Report thereon, the Directors' Report along with Management Discussion and Analysis Report and the Report on Corporate Governance.
- 2. To declare dividend for the financial year ended March 31, 2013.
- 3. To appoint a Director in place of Mr. K. K. Dastur, who retires by rotation and being eligible, offers himself for reappointment.
- 4. To appoint a Director in place of Mr. A. B. Godrej, who retires by rotation and being eligible, offers himself for reappointment.
- 5. To appoint a Director in place of Mr. A. B. Choudhury, who retires by rotation and being eligible, offers himself for re-appointment.
- 6. To appoint a Director in place of Mr. V. M. Crishna, who retires by rotation and being eligible, offers himself for reappointment.
- 7. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to authorize the Board of Directors of the Company to fix their remuneration. M/s. Kalyaniwalla & Mistry,

Chartered Accountants (Registration No.104607W), the retiring Auditors, are eligible for re-appointment.

Special Business:

To consider and if thought fit, to pass with or without modification(s), the following resolutions:-

8. Appointment of Mr. K. M. Elavia as a Director, liable to retire by rotation, as an Ordinary Resolution:

RESOLVED THAT Mr. K. M. Elavia, who was appointed by the Board of Directors as an Additional Director with effect from May 28, 2013 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ("the Act") and being eligible for appointment as Director in terms of Section 258 of the Act, and in respect of whom the Company has received notice under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

Appointment of Mr. N. S. Nabar as a Director, liable to retire by rotation, as an Ordinary Resolution:

RESOLVED THAT Mr. N. S. Nabar, who was appointed by the Board of Directors as an Additional Director with effect from May 1, 2013 and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act. 1956 ("the Act") and being eligible for appointment as Director in terms of Section 258 of the Act, and in respect of whom the Company has received notice under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

10. Appointment of and remuneration payable to Mr. N. S. Nabar as a Wholetime Director, as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310. Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for the appointment of and terms of remuneration payable to, including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of appointment of Mr. N. S. Nabar as a Whole-time Director of the Company designated as Executive Director & President (Chemicals) for a period from May 1, 2013 to March 31, 2016, on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors/ Compensation Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors/ Compensation Committee and Mr. N.S. Nabar.

11. Reappointment of and remuneration payable to Mr. N. B. Godrej, Managing Director, as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for the reappointment of and terms of remuneration payable to including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of appointment of Mr. N. B. Godrej as a Managing Director of the Company, for a period of three years from April 1, 2014 to March 31, 2017 on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors/ Compensation Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors/ Compensation Committee and Mr. N. B. Godrej

12. Modification of Godrej Industries Limited Employee Stock Option Plan I, as a Special Resolution:

RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. as amended, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, which the Board has constituted to exercise its powers (including the Compensation Committee), including the powers conferred into this resolution) to carry out the following modifications in the Godrei Industries Limited Employees Stock Option Plan I (the "GIL ESOP I"):

The following Clauses shall be replaced/inserted in the GIL ESOP I:

- 1. Clause 4.3 of GIL ESOP I to be replaced with the new clause 4.3 as under:
 - " 4.3 Compensation Committee shall constitute an independent Trust to:
 - Subscribe to the Shares of the Company issued by way of fresh allotment, including by way of rights issue, by utilizing loan fund from the Participating Companies in accordance with the provisions of Section 77(2) (b) of the Companies Act, 1956;

- ii. Hold the Shares of the Company (including the Shares of the Company acquired from the current promoters or secondary market prior to January 17, 2013) till the time of Exercise of Options by the Eligible Employee in accordance with GIL ESOP I, subject to applicable law and clarifications issued by the Securities and Exchange Board of India;
- iii. To transfer Shares of the Company (including the Shares of the Company acquired from the current promoters or secondary market prior to January 17, 2013) to the Eligible Employees of the Participating Companies consultation with Compensation/Remuneration Committee and in accordance with the terms of GIL ESOP I and subject to applicable laws and clarifications issued by the Securities and Exchange Board of India; and
- iv. To do all the necessary acts to achieve the objectives under GIL FSOP I."

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

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

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

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps and actions as may be required to give effect to this Resolution and give such directions as may in its absolute discretion deem fit or necessary and to settle any question that may arise in this regard.

13. Modification of Godrej Industries Limited Employee Stock Option Plan II, as a Special Resolution:

RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Employee Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, which the Board has constituted to exercise its powers (including the Compensation Committee), including the powers conferred into this resolution) to carry out the following modifications in the Godrei Industries Limited Employees Stock Option Plan (the "GIL ESOP II"):

The following Clauses shall be replaced/inserted in the GIL ESOP II:

- 1. Clause 4.3 of GIL ESOP II to be replaced with the new clause 4.3 as under:
 - "4.3 Compasation/Remuneration Committee shall constitute an independent Trust to:

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

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

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

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

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps and actions as may be required to give effect to this Resolution and give such directions as may in its absolute discretion deem fit or necessary and to settle any question that may arise in this regard.

By Order of the Board of Directors

K. R. Rajput Company Secretary

Mumbai, May 28, 2013

Registered Office:

Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.

NOTES:

- 1. The relative Explanatory Statement in respect of business under Item Nos. 8 to 13 as set out in the Notice is annexed hereto.
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
- 3. The Register of Members and Share Transfer Books of the Company will be closed from August 3, 2013 to August 10, 2013 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if declared at the Annual General Meeting is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial

ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.

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

Dividend for the Financial Year ended	Due Date for Transfer
31.03.2006	24.07.2013
31.03.2007	27.07.2014
31.03.2008	29.07.2015
31.03.2009	29.07.2016
31.03.2010	27.07.2017
31.03.2011	30.07.2018
31.03.2012	11.08.2019

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.

By Order of the Board of Directors

K. R. Rajput Company Secretary

Mumbai, May 28, 2013

Registered Office:

Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 8

The Board of Directors had on May 28, 2013, appointed Mr. K.M. Elavia as an Additional Director with effect from May 28, 2013, to hold office till the date of the next Annual General Meeting of the Company. It is proposed to appoint him as Director, liable to retire by rotation. Brief profile of Mr. K.M. Elavia, in terms of the Listing Agreement, is provided elsewhere in the Notice.

The Board recommends passing of this resolution. None of the Directors of the Company, except Mr. K.M. Elavia, is interested in the resolution.

Item No. 9 and 10

The Board of Directors of the Company had, vide its resolutions passed on February 6, 2013 appointed Mr. N. S. Nabar as an Additional Director and Whole-time Director of the Company, designated as Executive Director & President (Chemicals) with effect from May 1, 2013, for the period from May 1, 2013 to March 31, 2016. Subject to the approval of the Shareholders of the Company, his contract for appointment was approved by the Compensation Committee on April 26, 2013 and the contract for his appointment was entered on April 29, 2013. It is proposed to appoint him as a Director, liable to retire by rotation and to appoint and approve his remuneration as a Whole-time Director, A brief profile of Mr. N. S. Nabar, in terms of the Listing Agreement, is provided elsewhere in the Notice.

The proposed remuneration and terms and conditions of appointment of Mr. N. S. Nabar (hereinafter referred to as the Whole-time Director) are given below:-

- a. The Whole-time Director shall perform his duties subject to the superintendence, control and direction of the Board of Directors of the Company.
- b. In consideration of the performance of his duties, the Whole-time Director shall

be entitled to receive remuneration as stated herein below:-

(i) Fixed Compensation:

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund. The Basic Salary shall be in the range of ₹31 lac per annum to ₹52 lac per annum, payable monthly.

The Annual Basic Salary and increments will be decided by the Compensation Committee/Board of Directors depending on the performance of the Whole-time Director, the profitability of the Company and other relevant factors.

(ii) Performance Linked Variable Remuneration (PLVR):

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Compensation Committee/ Board of Directors of the Company based on Economic Value Added (EVA) in the business and other relevant factors and having regard to the performance of the Whole-time Director for each year.

(iii) Flexible Compensation:

In addition to the Fixed Compensation and PLVR, the Whole-time Director shall be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the Rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to the Whole-time Director in the manner as the Board may decide as per the Rules of the Company.

- Housing (i.e. unfurnished residential accommodation OR House Rent Allowance at 85% of Basic Salary);
- Furnishing at residence;

- Supplementary Allowance;
- Leave Travel Assistance:
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of food vouchers, fuel reimbursement;
- Company cars with drivers for official use, provision of telephone(s) at residence; payment/reimbursement of expenses thereof;
- Housing Loan and contingency loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/ accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company for the aggregate of the allowances listed above for the Whole-time Director shall be ₹12 lac p.a. plus cars (including drivers salary, fuel, maintenance and other incidental expenses) plus housing (i.e. unfurnished residential accommodation cost of which shall be at actuals OR House Rent Allowance at 85% of the basic monthly salary. In addition to the above, the Whole-time Director shall be eligible to encashment of leave, club facilities, group insurance cover, group hospitalization cover, and/ or any other allowances, perquisites and facilities as per the Rules of the Company.

Explanation:

- a) For the Leave Travel Assistance and reimbursement of medical and hospitalization expenses, 'family' means spouse, dependent children and dependent parents.
- b) Perquisites shall be evaluated at

actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

(iv) Overall Remuneration:

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Whole-time Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force, unless approved by the Central Government.

(v) Minimum Remuneration

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

(vi) Loans:

- (a) Granting of loans according to Company's Scheme subject to Central Government's approval, if applicable.
- (b) Continuation of Loans, if already availed.

Notes:

- Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- II. Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Wholetime Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule XIII to the Companies Act, 1956, except with the approval of the Central Government.

- II. The limits specified above are the maximum limits and the Compensation Committee / Board may in its absolute discretion pay to the Whole-time Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- IV. In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.
- V. If at any time the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Whole-time Director of the Company.
- VI. The Whole-time Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time the whole-time Director is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

The following additional information as required under Schedule XIII of the Companies Act, 1956 is given below:

I. General Information:

1. Nature of Industry

The Company is engaged in the business of manufacture and marketing of oleochemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities.

2. Date or expected date of commencement of commercial production: March, 1988.

3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

4. Financial Performance based on given indicators:

(₹ In crore)

(< 111 0101				
Particulars	Current Year	Previous Year		
Total Income	1,573.07	1,563.13		
Total Expenditure other than Finance Costs and Depreciation and Amortisation	1,387.97	1,264.36		
Profit before Finance Costs, Depreciation and Amortisation and Tax	185.10	298.77		
Depreciation and Amortisation Expense	23.12	27.19		
Profit before Finance Costs and Tax	161.98	271.58		
Finance Costs (net)	64.82	70.53		
Profit before Tax	97.16	201.05		
Provision for Current Tax	1.79	(0.34)		
Provision for Deferred Tax	(1.37)	(0.17)		
Net Profit	96.74	201.56		

5. Export Performance and Net Foreign Exchange Collaborations:

(₹ In crore)

Particulars	Current year	Previous year
Foreign Exchange Earnings	734.88	567.89
Foreign Exchange Outgo	267.38	416.44

6. Foreign Investments and Collaborations:

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

II. Information About the Appointee:

1. Background Details:

Mr. N. S. Nabar began his career in Godrej as an Executive Trainee in 1989 at the erstwhile Godrei Soaps Limited. Before becoming the Business Head, he has shown his leadership qualities in the areas of Sales, Marketing, Commodities, Exports, Imports and Purchase. Mr. N. S. Nabar has been instrumental in implementing various initiatives which has helped the Chemicals Business grow. He is B. Sc. (Tech.) from the University of Mumbai, Department of Chemical Technology (UDCT; now ICT) and Management Graduate Welingkar Institute of Management Development and Research, Mumbai. Mr. N. S. Nabar is currently the Chairman, cosmetics panel (General Category) of Chemexcil (an export promotion council for the chemicals industry).

Past remuneration drawn by Mr. N. S. Nabar during the financial year ended 31st March, 2013 :

Not Applicable, since Mr. N. S. Nabar was appointed as Whole time Director during the current financial year.

3. Recognition and Awards:

Mr. N. S. Nabar is currently the Chairman, cosmetics panel (General Category) of Chemexcil (an export promotion council for the chemicals industry).

4. Job profile Suitability:

Before becoming the Business Head, Mr. N. S. Nabar was responsible for Sales, Marketing, Commodities, Exports, Imports and Purchase. He is B. Sc (Tech) from the University of Mumbai, Department of Chemical Technology (UDCT; now ICT) and a Management Graduate from Welingkar Institute of Management Development and Research, Mumbai.

5. Remuneration proposed:

Salary proposed to Mr. N. S. Nabar in the basic scale of ₹31 lac to ₹52 lac per annum and other perquisites, allowances, other benefits, etc. respectively, as fully set out in Items no. 9 and 10 of this notice.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. N. S. Nabar, the remuneration proposed to be paid is commensurate with the remuneration packages paid to his similar counterparts in other companies.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Besides the remuneration proposed to be paid to Mr. N. S. Nabar, he does not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors.

III. Other Information:

1. Reasons of loss or inadequate profits:

Godrej Industries Limited (GIL) has

interest in various businesses directly and through its subsidiaries and associates. GIL including its subsidiaries and associates has presence in oleochemicals, property development, oil palm plantation, animal feeds and agro-products, poultry, personal care and household care, etc.

While GIL's investments in Group Companies are strategic investments, GIL does encash some of the value created from time to time by sale of such investments resulting in profits on sale of investments. This profit is to be necessarily excluded from the calculations for determining the net profits under section 349 of the Companies Act, 1956 in order to ascertain the limit for overall maximum managerial remuneration. If GIL was allowed to consider such profits (e.g. profit on sale of investments), the Company may be well within its limit.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

As explained in the above point, if the profits on sale of investments are added then the Company may be well within the limits of Section 349, of the Companies Act, 1956.

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading 'Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2013.

The Board recommends passing of the resolutions as set out at item no. 9 and item no. 10 of the Notice.

None of the Directors of the Company, except Mr. N. S. Nabar, is interested in these resolutions.

Item No. 11

The tenure of Mr. N. B. Godrej, Managing Director will expire on March 31, 2014. It is proposed to reappoint him for a period of 3 years, from April 1, 2014 to March 31, 2017.

The proposed remuneration and terms and conditions of appointment of Mr. N. B. Godrej, Managing Director are given below:-

- a. The Managing Director shall perform his duties subject to the superintendence, control and direction of the Board of Directors of the Company.
- b. In consideration of the performance of his duties, the Managing Director shall be entitled to receive remuneration as stated herein below:

(i) Fixed Compensation:

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund. The Basic Salary shall be in the range of ₹1,31,10,000/- p.a. to ₹1,74,00,000/-p.a., payable monthly. The Basic Salary approved by the Compensation Committee to the Managing Director for the financial year 2013-14 is ₹1,14,00,000/- p.a.

The Annual Basic Salary and increments will be decided by the Compensation Committee/Board of Directors depending on the performance of the Managing Director, the profitability of the Company and other relevant factors

(ii) Performance Linked Variable Remuneration (PLVR):

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Compensation Committee/Board of Directors of the Company based on Economic Value Added (EVA) in the business and other relevant factors and having regard to the performance of the Managing Director for each year.

(iii) Flexible Compensation:

In addition to the Fixed Compensation and PLVR, the Managing Director shall be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the Rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances").

These perquisites and allowances may be granted to the Managing Director in the manner as the Board may decide as per the Rules of the Company.

- Housing (i.e. furnished residential accommodation OR House Rent Allowance at 85% of Basic Salary);
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of food vouchers, fuel reimbursement;
- Company cars with drivers for official use, provision of telephone(s) at residence; payment/reimbursement of expenses thereof;
- Housing Loan and contingency loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/ accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company for the aggregate of the allowances listed above for the Managing Director shall be ₹99,28,214/- per annum (presently ₹27,47,183/- per annum) plus cars (including drivers salary,

fuel, maintenance and other incidental expenses) plus housing (i.e. furnished residential accommodation cost of which shall be at actuals OR House Rent Allowance at 85% of the basic monthly salary. In addition to the above, the Managing Director shall be eligible to encashment of leave, club facilities, group insurance cover, group hospitalization cover, and/or any other allowances, perquisites and facilities as per the Rules of the Company.

Explanation:

- a) For the Leave Travel Assistance and reimbursement of medical and hospitalization expenses, 'family' means spouse, dependent children and dependent parents.
- b) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

(iv) Overall Remuneration:

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force, unless approved by the Central Government.

(v) Loans:

- (a) Granting of loans according to Company's Scheme subject to Central Government's approval, if applicable.
- (b) Continuation of Loans, if already availed.

Notes:

I. Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be

determined.

- II. Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule XIII to the Companies Act, 1956, except with the approval of the Central Government.
- III. The limits specified above are the maximum limits and the Compensation Committee / Board may in its absolute discretion pay to the Managing Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- IV. In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.
- V. If at any time the Managing Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.
- VI. The Managing Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time the Managing Director is not liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

The following additional information as required under Schedule XIII of the Companies Act, 1956 is given below:

I. General Information:

1. Nature of Industry

The Company is engaged in the business of manufacture and marketing of oleochemicals, their

precursors and derivatives, bulk edible oils, estate management and investment activities.

- 2. Date or expected date of commencement of commercial production: March, 1988.
- 3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- 4. Financial Performance based on given indicators:

(₹ In crore)

Particulars	Current Year	Previous Year
Total Income	1,573.07	1,563.13
Total Expenditure other than Finance Costs and Depreciation and Amortisation	1,387.97	1,264.36
Profit before Finance Costs, Depreciation and Amortisation and Tax	185.10	298.77
Depreciation and Amortisation Expense	23.12	27.19
Profit before Finance Costs and Tax	161.98	271.58
Finance Costs (net)	64.82	70.53
Profit before Tax	97.16	201.05
Provision for Current Tax	1.79	(0.34)
Provision for Deferred Tax	(1.37)	(0.17)
Net Profit	96.74	201.56

5. Export Performance and Net Foreign Exchange Collaborations:

(₹ In crore)

Particulars	Current year	Previous year
Foreign Exchange Earnings	734.88	567.89
Foreign Exchange Outgo	267.38	416.44

6. Foreign Investments and Collaborations:

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

II. Information About the Appointee:

1. Background Details:

Mr. N.B. Godrej is the Managing Director of Godrej Industries Ltd. and Chairman, Godrej Agrovet Ltd. He is also a Director of numerous companies including Godrej & Boyce Mfg. Co. Ltd. and Godrej Consumer Products Ltd.

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

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

2. Past remuneration drawn by Mr. N. B. Godrej during the financial year ended 31st March, 2013:

During the financial year ended March 31, 2013, a sum of ₹ 3,09,81,675/- was paid to Mr. N. B. Godrej as remuneration.

3. Recognition and Awards:

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

4. Job profile Suitability:

Mr. N.B. Godrej has played an important role in developing the chemicals businesses. His active interest in research related to chemicals industry has resulted in several patents in the field of chemicals and surfactants.

Mr. N.B. Godrej is a Bachelor of Chemical Engineering from the Massachusetts Institute of Technology and a Master of Chemical Engineering from Stanford University. He has also done his MBA from the Harvard Business School.

5. Remuneration proposed:

Salary proposed to Mr. N.B. Godrej in the basic scale of ₹1,31,10,000/-p.a. to ₹1,74,00,000/-p.a., payable monthly and other perquisites, allowances, other benefits etc. respectively, as fully set out in Item no. 11 of this notice.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of

expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. N.B. Godrej, the remuneration proposed to be paid is commensurate with the remuneration packages paid to his similar counterparts in other companies.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Besides the remuneration proposed to be paid to Mr. N.B. Godrej he does not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors.

III. Other Information:

1. Reasons of loss or inadequate profits:

Godrej Industries Limited (GIL) has interest in various businesses directly and through its subsidiaries and associates. GIL including its subsidiaries and associates has presence in oleochemicals, property development, oil palm plantation, animal feeds and agroproducts, poultry, personal care and household care, etc.

While GIL's investments in Group Companies are strategic investments, GIL does encash some of the value created from time to time by sale of such investments resulting in profits on sale of investments. This profit is to be necessarily excluded from the calculations for determining the net profits under section 349 of the Companies Act, 1956 in order to ascertain the limit for overall maximum managerial remuneration. If GIL was allowed to

consider such profits (e.g. profit on sale of investments), the Company may be well within its limit.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

As explained in the above point, if the profits on sale of investments are added then the Company may be well within the limits of Section 349, of the Companies Act, 1956.

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading 'Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2013.

The Board recommends passing of the resolution as set out at item no. 11 of the Notice.

Mr. N. B. Godrej may be deemed to be interested in the resolution at item No.11. Mr. A.B. Godrej, being relative of Mr. N.B. Godrej may be deemed to be interested in the resolution. None of the other Directors are interested in the resolution.

Item No. 12 and 13

The members of the Company had pursuant to the resolutions dated December 1, 2005 and July 29, 2009 approved the Godrej Industries Limited Employee Stock Option Plan I (the "GIL ESOP I") and Godrej Industrie's Limited Employee Stock Option Plan II (the "GIL ESOP II"), respectively (collectively referred to as GIL ESOP Schemes). Further, a trust (GIL ESOP Trust) was set up / empowered under the terms of the GIL ESOP Schemes to purchase (through its trustee, IL&FS Trust Company Limited) the equity shares of face value of ₹ 1/- (Rupees One) each of the Company (the "Equity Shares") from secondary market and promoters, for the options granted to the eligible employees under the GIL ESOP Schemes, pursuant to a loan given by the Company to the GIL ESOP Trust for this purpose.

In terms of Securities and Exchange Board of India Circular No. CIR/CFD/DIL/3/2013 issued on January 17, 2013 and clarification Circular No. CIR/CFD/DIL/7/2013 dated May 13, 2013 (the "Circulars"), listed companies have been prohibited from framing employee benefit schemes wherein trusts have been set up to deal in their own securities in the secondary market. Further, under these Circulars, listed companies having such existing schemes are required to amend their schemes to the effect that trust is not empowered to acquire shares from secondary market.

Accordingly, it is proposed to amend Clause 4.3 of the GIL ESOP Schemes, to ensure that the requirements specified by the Securities and Exchange Board of India under the Circulars are complied with and the GIL ESOP Trust (acting through its trustee) does not acquire any shares from secondary market under the GIL ESOP Schemes. It is also proposed to enlarge the scope of the GIL ESOP Trust under the GIL ESOP Schemes to acquire equity shares of the Company under primary market route, i.e. by way of fresh allotment, and accordingly amend the relevant clauses of the GIL ESOP Schemes.

If the Board of Directors in future consider and approve raising funds by issue of Equity Shares to the existing shareholders pursuant to a rights issue under the provisions of the Securities and Exchange Board of India (Issue of Capital and Regulations, Disclosure Requirements) 2009, as amended (the "Rights Issue"), IL&FS Trust Company Limited (as trustee of the GIL ESOP Trust), being one of the members of the Company shall be entitled to subscribe to the Equity Shares to the extent of its entitlement in the Rights Issue. The Equity Shares acquired by IL&FS Trust Company Limited as trustee of the GIL ESOP Trust to the extent of its entitlement can be granted to the employees who have been previously granted options at the price at which IL&FS Trust Company Limited, as trustee of the GIL ESOP Trust, has subscribed to the rights entitlement.

It is also proposed to insert a proviso to the definition of the term "Market Price" in Clause 2.1(r) of the GIL ESOP I to provide that if the Equity Shares are acquired by IL&FS Trust Company Limited, as trustee of the GIL ESOP Trust, for a specific grant by subscribing to the Equity Shares pursuant to a rights issue, the "Market Price" shall mean the issue price of the Equity Shares in that rights issue, notwithstanding that such issue price may be lower than the market price.

It is also proposed to insert a proviso to the definition of the term "Grant Price" in Clause 2.1(p) of the GIL ESOP II to provide that if the Equity Shares are acquired by IL&FS Trust Company Limited, as trustee of the GIL ESOP Trust, for a specific grant by subscribing to the Equity Shares pursuant to a rights issue, the "Grant Price" shall mean the issue price of the Equity Shares

in that rights issue, notwithstanding that such issue price may be lower than the market price.

The Board therefore, at its meeting held on May 28, 2013, upon the recommendation of the Remuneration Committee and subject to the approval of the members, decided to make the aforesaid amendments in the GIL ESOP Schemes.

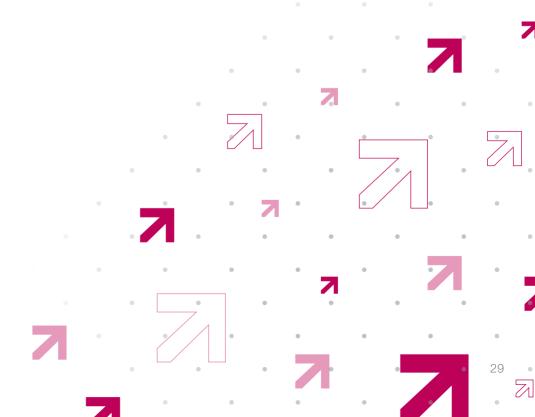
The Board recommends passing of the resolutions as set out at item no. 12 and item no. 13 of the Notice. None of the Directors of the Company except Mr. N. S. Nabar is concerned or interested in the resolution.

By Order of the Board of Directors

K. R. Rajput Company Secretary

Mumbai, May 28, 2013
Registered Office:

Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.



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

Name of the Director	K. K. Dastur	A. B. Godrej	A. B. Choudhury
Age	71	71	70
Nationality	Indian	Indian	Indian
Date of appointment	May 1, 2002	March 7, 1988	August 4, 2009
Shareholding in the Company	3,606	Nil	Nil
Qualification	B. Com., A.C.A.	B.S., M.S. from Massachusetts Institute of Technology, U.S.A.	Masters In Economics and MMS from JBIMS
Expertise in specific functional area	Finance and Accounts	Engineering and Management	Marketing, General Management and Real Estate
Directorships held in other companies	Godrej Infotech Ltd., Cartini India Ltd., Netel (India) Ltd., Oil Field Instrumenta- tion (India) Ltd.	Godrej & Boyce Mfg. Co. Ltd., Godrej Consumer Products Ltd. Godrej Properties Ltd., Godrej Agrovet Ltd., Godrej Hygiene Products Ltd., Godrej Investments Pvt. Ltd., Godrej Consumer Products (UK) Ltd., Keyline Brands Ltd., Rapidol (Pty) Ltd., Godrej Global Mid East FZE, Godrej Global Mid East FZE, Godrej Consumer Products Mauritius Ltd., Kinky Group Pty. Ltd., Godrej Consumer Products Holding (Mauritius) Ltd., Godrej Nigeria Ltd., PT Megasari Makmur, PT Ekamas Sarijaya, PT Sarico Indah, PT Indomas Susemi Jaya, Argencos S.A., PT Intrasari-Raya Laboratoria, Cuenca S.A., Consell S.A., Panamar Producciones Sri Argentina, Godrej Kinky Holdings Ltd., Godrej Consumer Products Dutch Coperatief U.A., Godrej Consumer Products (Netherland) B.V., Godrej Consumer Holdings (Netherland) B.V.	Godrej Properties Ltd., Godrej Agrovet Ltd., Wadala Commodities Ltd., Swadeshi Detergents Ltd., Vora Soaps Ltd., Godrej Waterside Properties Pvt. Ltd.

Name of the Director	K. K. Dastur	A. B. Godrej	A. B. Choudhury
Directorships held in other companies		Godrej Indonesia Netherland Holdings B.V., Godrej Argentina Dutch Coperatief U.A., Godrej Netherland Argentina Holding B.V., Godrej Netherland Argentina B.V., DGH Mauritius Pvt. Ltd., Swadeshi Detergents Ltd., Vora Soaps Ltd., Indian School of Business (Member of the Executive Board).	
Chairmanships/ Memberships of Committees in other companies	Netel (India) Ltd.: Chairman - Audit Committee Oil Field Instrumentation (India) Ltd.: Chairman - Audit Committee	Godrej Consumer Products Ltd.: Member - Shareholders Committee Godrej Properties Ltd.: Chairman - Investors' Grievance Cum Share Transfer Committee	Wadala Commodities Ltd.: Chairman - Shareholder's Committee Member - Audit Committee Godrej Properties Ltd.: Member - Audit Committee Member - Investors Grievance Committee

Name of the Director	V. M. Crishna	K. M. Elavia	N. S. Nabar	N. B. Godrej
Age	66	67	49	61
Nationality	Indian	Indian	Indian	Indian
Date of appointment	January 3, 1995	May 28, 2013	May 1, 2013	March 7, 1988
Shareholding in the Company	Nil	Nil	19,589	12,20,572
Qualification	B.A. (Eco.)	Chartered Accountant	B. Sc. (Tech.) University of Mumbai and Management Graduate, Welingkar Institute of Management Development and Research, Mumbai	B.S. from Massa- chusetts Institute of Technology, U.S.A., M.S. in Chem. Engg., Standford University. MBA, Harward Business School.
Expertise in specific functional area	Economics	Finance, Accounts, Company Law, Banking and Corporate Governance	Sales, Marketing, Commodities, Exports, Imports and Purchase	Engineering and Management
Directorships held in other companies	Godrej & Boyce Mfg. Co. Ltd., Godrej Agrovet Ltd., Precision Wires India Ltd., Naoroji Godrej Centre for Plant Research	Godrej & Boyce Mfg. Co. Ltd., NRB Bearings Ltd., Goa Carbon Ltd., Uni Abex Alloy Products Ltd., Uni Deritend Ltd., Allcargo Logistics Ltd., Insilco Ltd., Peerless Trust Management Company Ltd., Dai-Ichi Karkaria Ltd., Raptor Research and Conservation Fund (Section 25 Company), Grindwell Norton Ltd., Development Credit Bank Ltd., Busbar Systems (India) Ltd., Uni VTL President Private Ltd., SinoGoa International Holdings Ltd. (Foreign Company)	Ensemle Holding & Finance Ltd., Wadala Commodities Ltd.	Godrej & Boyce Mfg. Co. Ltd., Godrej Consumer Products Ltd., Mahindra & Mahindra Ltd., Godrej Properties Ltd., The Indian Hotels Company Ltd., Tata Teleservices (Maharshtra) Ltd., Godrej Agrovet Ltd., Godrej Tyson Foods Ltd., Isprava Technologies Ltd., Godrej International Ltd., Godrej Global Mid East FZE. ACI Godrej Agrovet Pvt. Ltd Bangladesh, Keyline Brands Ltd., Rapidol (Pty) Ltd., Godrej Nigeria Ltd., Poultry Processors' Association of India

Name of the Director	V. M. Crishna	K. M. Elavia	N. S. Nabar	N. B. Godrej
Chairmanships/ Memberships of Committees in other companies	Nil	NRB Bearings Ltd.: Member – Audit Committee Goa Carbon Ltd.: Member – Audit Committee Uni Abex Alloy Products Ltd.: Chairman – Audit Committee Allcargo Logistics Ltd.: Chairman – Audit Committee Insilco Ltd.: Member – Audit Committee Peerless Trust Management Co. Ltd.: Member Audit Committee Dai-ichi Karkaria Ltd.: Member – Audit Committee Godrej & Boyce Mfg. Co. Ltd.: Chairman – Audit Committee Grindwell Norton Ltd.: Chairman - Audit Committee Development Credit Bank Ltd.: Chairman – Audit Committee	Wadala Commodities Ltd.: Member - Shareholder's Committee Member - Audit Committee	Godrej Consumer Products Ltd.: Chairman - Shareholders Committee Mahindra & Mahindra Ltd.: Member - Audit Committee

By Order of the Board of Directors

K. R. Rajput Company Secretary

Mumbai, May 28, 2013 **Registered Office:**Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.



Directors' Report

To the Shareholders,

Your Directors have pleasure in submitting the Annual Report along with the Audited Accounts for the year ended March 31, 2013.

Review of Operations

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

	(₹ Crore) Year Ended March 31	(₹ Crore) Year Ended March 31
Particulars	2013	2012
Sales and Operating Revenue	1,464.63	1,438.04
Other Income	108.44	125.09
Total Income	1,573.07	1,563.13
Total Expenditure other than Finance Costs and Depreciation and Amortisation	1,387.97	1,264.36
Profit before Finance Costs, Depreciation and Amortisation and Tax	185.10	298.77
Depreciation and Amortisation Expenses	23.12	27.19
Profit before Finance Costs and Tax	161.98	271.58
Finance Cost (net)	64.82	70.53
Profit before Tax	97.16	201.05
Provision for Current Tax	1.79	(0.34)
Provision for Deferred Tax	(1.37)	(0.17)
Net Profit	96.74	201.56
Surplus brought forward	483.68	366.95
Profit after Tax available for appropriation	580.42	568.51
Appropriation		
Your Directors recommend appropriation as unc	der:	
Dividend on Equity Shares	58.69	55.64
Tax on distributed profits	9.52	9.03
Dividend for 2011-12, on additional shares issued during the year	2.98	-
Credit for Dividend Distribution Tax on Dividend Received from Subsidiaries	(1.85)	-
Transfer to General Reserve	29.02	20.16
Surplus Carried Forward	482.06	483.68
Total Appropriation	580.42	568.51

Dividend

The Board of Directors of your Company recommends a final dividend of ₹ 1.75 per equity share of ₹ 1 each, aggregating to ₹ 58.69 crore (previous year ₹1.75 per equity share).

Raising of Funds Pursuant to Institutional Placement Programme

During the financial year ended March 31, 2013, your Company issued and allotted 1,72,33,407 equity shares of ₹ 1 each at a premium of ₹ 214 per equity share, aggregating to ₹370.52 crore, to eligible qualified institutional buyers pursuant to an Institutional Placement Programme ("IPP") in terms of Chapter VIII-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. The public shareholding in your Company, has increased to 25% of its issued and paid up equity share capital pursuant to the IPP. The equity shares allotted pursuant to the IPP were admitted for listing and trading on BSE Limited and The National Stock Exchange of India Limited with effect from July 30, 2012. The net issue proceeds have been partially utilised for investment and balance unutilised amount has been temporarily invested in mutual funds schemes and fixed deposit with banks.

Management Discussion and Analysis

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

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

Subsidiary and Associate Companies

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

Godrej Agrovet Limited (GAVL)

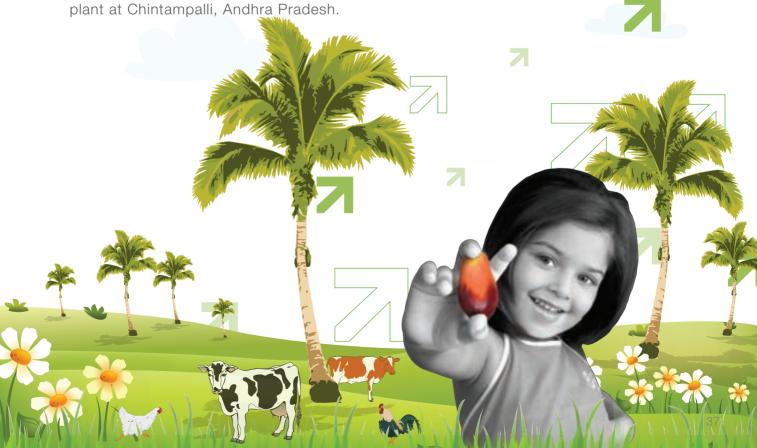
GAVL continued on its growth path during the year under review. GAVL's consolidated revenue and profits increased by 26% and 22% respectively, over last year.

The Animal Feed business recorded a growth of 33% in revenues and 30% in profitability. The strong performance in sales revenue and profitability was on account of increased volumes, innovative products backed by R&D efforts and efficiency in buying. This division of GAVL commissioned new plants at Erode (Tamil Nadu), Khanna (Punjab) and Kharagpur (West Bengal). This division also introduced two new Cattle Feed products, viz., Bovino Calf Grower and Bovino Heifer Feed.

GAVL's Vegetable Oil operations registered a creditable growth in the Fresh Fruit Bunches arrival of 19% over F.Y. 2011-12. Sales during the year under review recorded a growth of 23% over the previous year. This division of GAVL established a new plant at Chintampalli. Andhra Pradesh.

The Agri inputs division of GAVL reported a sales growth of 17% despite adverse environmental conditions in the form of a highly erratic and deficient monsoon. GAVL has been able to penetrate into new markets and crops with the help of innovative products i.e. 'Double', a new generation Plant Growth Regulator and additional variants of 'Zymegold', a micronutrient.

GAVL continues to be the holding company of Golden Feed Products Limited and Godrej Seeds & Genetics Limited (GSGL). GSGL recorded a sales of ₹19 crore during the year under review. During the year under review, GAVL acquired 100% stake in Goldmuhor Agrochem & Feeds Limited. GAVL continues to have joint venture arrangement in ACI Godrej Agrovet Private Limited (Bangladesh) and Godrej Tyson Foods Limited. During the year under review, V-Sciences Investments Pte. Limited, a Temasek Group company, acquired 19.99% stake in GAVL.



Godrej Properties Limited (GPL)

GPL is the real estate development arm of the Godrej Group, with a pan-India presence and an asset light business model. In spite of the current uncertainties and challenges in the real estate environment, GPL successfully demonstrated strong value addition to its development portfolio. During the financial year ended March 31. 2013, GPL signed 8 new projects totalling approximately 13 million sq. ft. of saleable area. GPL successfully created a residential co-investment platform along with investment consortium headed by the APG Asset Management, a Dutch Pension Fund Management Company, with a total corpus of over ₹1,000 crore. This fund will enable GPL to source value accretive deals with large capital requirements. GPL will receive development management fees for all projects undertaken under the fund plus a share of equity profits from the projects. GPL continued to make significant progress in the Mumbai re-development space by signing five new re-development projects in Mumbai.

GPL launched 13 new projects and phases across the country. While volumes for the real estate sector have declined for the second consecutive year, GPL has delivered 58% growth in booking volume and 78% growth in booking value driven by successful new launches in Gurgaon, Bangalore, Kolkata, Pune, Ahmedabad and Mumbai. The highlight of the year was the successful launch of Godrei Summit in Gurgaon where GPL sold 695 apartments aggregating to 1 million sq. ft. of saleable area in 1 day. During the year under review, GPL sold approx. 4.1 million sq. ft. of area with a total booking value of approx. ₹2761 crore, spread across all its locations. Another milestone GPL achieved during the year was the handover of 535 apartments in Phase I of Godrej Prakriti in Kolkata within the time period committed to the customers.



GPL continues to be at the forefront of sustainable development, 74% of GPL's inventory launched in the last financial year was registered/pre-certified as green by the Indian Green Building Council; up from 67% in FY 12 and 26% in FY 11. Key achievements in this area include numerous sustainable design certifications received during the year. These include Gold Precertifications for Godrej Horizon in Pune, Serenity in Mumbai and Gold County in Bangalore, all under the IGBC Green Homes rating system v.1.0. Godrej Central in Mumbai, which is yet to be launched, has been awarded Silver Pre-certification under the IGBC Green Homes rating system v 2.0. Under Green operations, GPL is working on reducing energy, water consumption and waste generated at its administrative offices in accordance with the Group wide Good & Green Initiative.

Natures Basket Limited (NBL)

NBL which operates in the gourmet food retail segment and is a wholly owned subsidiary of your Company has been increasing its foothold across cities. NBL is 'the' retail destination for gourmet and fine food in India. NBL scaled up its business

by adding 8 new stores this fiscal year to take up the count to 27 stores, all located at premium residential areas, across 6 key metros – Mumbai, Delhi, NCR, Pune, Hyderabad and Bengaluru.

NBL's business growth continued to outpace other food and grocery retailers and it was recognized as the finest retailer in multiple forums. NBL's gross turnover for the fiscal year 2013 was ₹136 crore, with a growth of 55% over the previous year. More than 2,500 new products were introduced in the year to take up the contribution from new products to 9%. Sales throughput continues to be one of the highest within the food and grocery industry.

NBL introduced new sections such as healthy alternatives, gifting and premium chocolates. NBL won the Coca Cola Golden Spoon Award for the Most Admired Specialty Retailer of the Year for the third successive year and also bagged the award for the Most Admired National Supermarket Chain of the year at the prestigious Food and Grocery Forum. NBL also won awards across multiple forums like Asia Retail congress, IMAGES Retail Forum, CMO Asia etc.





Godrej Consumer Products Limited (GCPL)

GCPL, an associate of your Company had a good year, inspite of tough market conditions and is well underway towards becoming an emerging markets FMCG company. On a consolidated basis, GCPL reported Income from operations of ₹6,407 crore and Net Profit (after minority interest) of ₹796 crore as against ₹4,866 crore of Income from Operations and Net Profit (after minority interest) of ₹727 crore for the previous year.

While GCPL's salience of international revenues increased to 44%, it also ensured strong growth momentum in its domestic business with a healthy 20% organic growth. GCPL focus has been to accelerate innovation and back new products with strong marketing investments. In the past year, GCPL had several new launches in the domestic and international businesses. These launches, we believe, will further enhance GCPL's competitiveness, improve the equity of its brands and drive increased penetration and consumption.

GCPL has gained both volume and value share and grown well ahead of the market in its domestic business. The performance in household insecticides and soaps in particular has been excellent and well ahead of the category. In hair colors, while the Company faced some challenges, the Company turned the corner with growth in the last guarter far ahead of category growth. GCPL continues to realize synergy benefits from the merger with the erstwhile Godrej Sara Lee Limited and is rapidly expanding and deepening its distribution. GCPL is also investing significantly in a future ready sales system and making its supply chain more agile.

On the international front, growth in GCPL's Indonesian business has been very strong and it remains very optimistic about the long-term prospects of the business. The potential of its Africa business is also tremendous and the integration of Darling acquisition is on track. In its Latin America business, while top line growth has been strong, there were some near term margin pressures given the economic environment. GCPL's UK business has grown ahead of a generally weak market environment.

Other Subsidiaries and Joint Venture

Godrej International Limited (GINL), a wholly owned subsidiary of your Company trades in vegetable oils worldwide. GINL turnover increased by 19% to US\$ 245 million.

Godrej International Trading & Investments Limited (GITI), a wholly owned subsidiary of your Company, was incorporated in Singapore for the purpose of trading in vegetable oils. GITI increased turnover and profits in its second full year of trading. During the year under review, the turnover was US\$ 14 million and after-tax profit was US\$ 0.12 million. GITI is already a recognised and well established player in the vegetable oils market in Asia.

Ensemble Holdings & Finance Limited (EHFL), a wholly owned subsidiary of your Company, is a Non-Banking Finance Company. The Gross Income of EHFL for the financial year ended March 31, 2013 was ₹3.35 crore as against that of ₹1.29 crore last year. The net profit of EHFL during the financial year ended March 31, 2013 was ₹2.71 crore as against that of ₹1.08 crore last year.

Swadeshi Detergents Limited (SDL), an associate of your company became a wholly owned subsidiary of your Company during the year. Your Company has filed a Company Petition with the High Court, Bombay for amalgamation of SDL into your Company.

Godrej Hershey Limited (GHL) and its subsidiary Nutrine Confectionery Company Limited (NCCL) are no longer a joint venture. During the year under review, your Company divested its entire 43.37% stake in GHL to the Hershey Group and thus GHL and NCCL ceased to be a part of the Godrej Group.

Financial Position

The financial position of your company continues to be sound. The loan funds at the end of the year stand at ₹926.21 crore as compared to ₹506.72 crore for previous year. The debt equity ratio is 0.56 as compared to 0.40 last year. Your Company continues to hold the topmost rating of A1+ from ICRA for its commercial paper program of ₹410 crore (enhanced from ₹260 crore). ICRA has reaffirmed an A1+ rating for its short term debt instruments/other banking facilities of ₹850 crore (enhanced from ₹750 crore). This rating of ICRA represents highest-credit quality carrying lowest-credit risk. ICRA also reaffirmed LAA rating for long-term debt, working capital and other banking facilities of ₹640 crore (enhanced from ₹540 crore). This rating represents high-credit quality carrying low-credit risk.

Manufacturing Facilities

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

The Vikhroli factory is ISO-9001:2008 and ISO 14001:2004 certified. It has also got OHSAS18001:2007 certificate of Bureau Veritas and ISO 27001:2005 certificate of British Standard Institution.

The Valia factory is also ISO-9001:2008 and ISO 14001:2004 certified. It has also got OHSAS18001:2007 certificate of Bureau Veritas and ISO 27001:2005 certificate of British Standard Institution. The specialty fatty acid plant commissioned in the fourth quarter of FY 2011-12 has delivered excellent product quality and efficiency in variable cost. In surfactant category, this factory produces high quality SLS granules which is used in oral care applications by our customer. This factory strictly follows Current Good Manufacturing Practices.

The Vegoils Division (Wadala) continues as a contract processor of edible oils and vanaspati. The division recorded a turnover of ₹6.48 crore as against ₹6.26 crore in the previous year.

A new manufacturing facility at Ambernath is being set-up for our chemicals business. Civil foundations for plants, utilities and structural buildings for the plants is progressing well and most of the equipments have also been installed. The facility is expected to be operational from Q3 of financial year 2013-14.

Research and Development (R&D)

In the year under consideration the R&D activities have resulted in the launch of three new products, each of them being high value derivatives of fatty alcohols, having specialty applications in personal care products and textile auxiliaries. Improvement of existing processes and the endeavor to develop new processes and technologies will be an ongoing activity. Your Company will continue to put its efforts to manufacture premium quality fatty acids from economy grade raw materials. Your Company will also continue to focus attention on high value fractionated fatty acids for the polymer, oilfield and lubricant industries. Parallel to all the above oleochemicals projects, R&D continues its efforts in developing customized specialty surfactants, focusing on the oral care and personal care markets.

Human Resource Development and Industrial Relations

Your Company has always emphasized on quality and its employees are encouraged to get involved in the continuous process of improving quality through TQM and Quality Circles. Navnirman Quality Circle from the Vikhroli Factory won the 1st prize at the CII 25th QC competition, Maharashtra State level. The Quality Circle was also recognized as "Par Excellent Quality Circle" by the Quality Circle Forum of India in the National Convention of Quality Circles held in Kanpur.

Industrial relations at all plant locations remained harmonious. Godrej Industries has always stressed on safety of people working in its premises. Regular structured safety meetings were held with employees and safety programmes were conducted for them throughout the year. These efforts were recognized as an award for 'Longest Accident Free Period' and 'Lowest Average Accident Frequency Rate' won by Vikhroli Factory at the Maharashtra Safety Awards Competition conducted by National Safety Council, Maharashtra Chapter.

Business Responsibility Report

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

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

Information Systems

Your company has during the year upgraded the SAP system which will help business processes. Your Company is using technology for various business activities including HR processes. We will continue to leverage technology and setup "Green Initiatives" through use of technology.

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

During the financial year 2012-13, the following ESOP's were granted:

Date of Grant of ESOP	No. of ESOP's Granted	No. of Employees
May 30, 2012	1,01,500	2
July 9, 2012	1,32,000	1

On May 30, 2012 and August 11, 2012, the Compensation Committee approved a total of 2,79,314 stock grants equivalent to 2,79,314 equity shares of the Company to eligible employees in terms of the ESGS 2011 Scheme. The exercise price is ₹ 1 per equity share. As on March 31, 2013 and in terms of the ESGS Scheme, 2011, a total of 3,07,618 grants were vested, exercised and allotted.

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

Fixed Deposits

Your Company continues to accept public deposits for 13, 24 and 36 months' tenor. The management of the company is thankful to all the investors for their continued trust in the company. During the year ended March 31, 2013, deposits aggregating to ₹17 crore have been mobilised and deposits aggregating to ₹40 crore have been repaid on maturity. The Company has no overdue deposits other than unclaimed deposits.

Depository System

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2013, 99.76% of the equity shares of your Company were held in demat form.

Directors

In accordance with Article 127 of the Articles of Association of the Company, Mr. K. K. Dastur, Mr. A. B. Godrej, Mr. A. B. Choudhury and Mr. V. M. Crishna retire by rotation at the ensuing Annual General Meeting and offer themselves for reappointment. Mr. M. Eipe, Executive Director & President (Chemicals) ceased to be Director on April 30, 2013, upon attaining the age of superannuation. Mr. M. Eipe has been a Director of the Company since April 1, 2001. Mr. J. S. Bilimoria an Independent Director of the Company passed away on May 3, 2013. The Directors place on record their appreciation of the valuable contribution made by Mr. M. Eipe and Mr. J. S. Bilimoria, during their tenure. Mr. N. S. Nabar was appointed as an Additional Director and Whole-time Director, designated as Executive Director and President (Chemicals), by the Board w.e.f. May 1, 2013. Mr. K. M. Elavia was appointed as an Additional Director by the Board w.e.f. May 28, 2013, in the category of Independent Director, in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges.

Auditors

You are requested to appoint Auditors for the current year and to authorise the Board to fix their remuneration. The retiring auditors, Kalyaniwalla and Mistry, Chartered Accountants, are eligible for reappointment. A certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Audit Committee

The Audit Committee, which was constituted pursuant to the provisions of Section 292A of the Companies Act, 1956 and the listing agreement, has reviewed the Accounts for the year ended March 31, 2013. The members of the Audit Committee are Mr. K.K. Dastur, Mr. S.A. Ahmadullah, Mr. K.N. Petigara and Mr. A. B. Choudhury, all Independent Directors.

Directors' Responsibility Statement

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

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

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

Corporate Governance

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

Additional Information

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

In the context of a globalizing Indian economy, increased number of subsidiaries and the introduction of accounting standards on consolidated financial statements, the Ministry of Corporate Affairs vide its general circular no. 2/2011 dated February 8, 2011 has granted a general exemption from publishing the accounts of subsidiaries provided certain conditions are fulfilled. In line with the above circular and as per the Accounting Standard 21 (AS 21) issued by the Institute of Chartered Accountants of India, the consolidated financial statements of

the Company forms a part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the financial statements of its subsidiaries. The Audited Annual Accounts and related information of the Company's subsidiaries will be made available upon request. These documents will also be available for inspection during business hours at the Company's registered office in Mumbai, India. The subsidiary companies' documents will also be available for inspection at the respective registered offices of the subsidiary companies during business hours.

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

Acknowledgement

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

For and on behalf of the Board of Directors

A. B. Godrej Chairman

Mumbai, May 28, 2013.

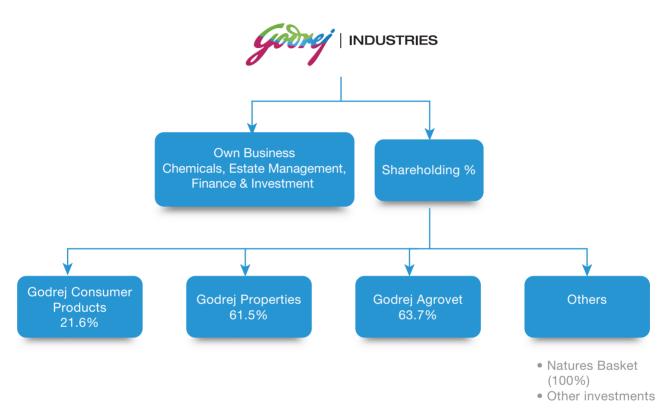


Annexure "A"

Forming Part of the Directors' Report

Management Discussion and Analysis

Business Structure



Industry Structure and Developments

Early shoots of economic progress are being witnessed globally. While the Eurozone is still not out of the woods on its economic issues. the headwinds are fewer as compared to the previous year. Employment data in the United States is also looking more favorable. The global uncertainty of the last few years has also impacted India. Concurrently, low manufacturing growth, slower than required pace of reforms, high current account and fiscal deficits and inflation have also made the last year a tough one for the Indian economy. Weak monsoon further exacerbated the situation by adversely impacting the agricultural sector. At 5%, the projected GDP growth rate in FY 2013 will be the lowest in a decade.

Key actions by the government in the last year such as the opening up of Foreign Direct Investment, postponement of GAAR and the formation of a Cabinet Committee on investment have all inspired confidence. The recent and much awaited rate cut by the RBI should also support economic growth. Restoring growth through reforms, policies geared for economic overhaul, and good governance will be a key imperative and will create a virtuous cycle of boosting production and consumption, enhancing investor confidence and reviving growth.

The agriculture sector, which is the largest employer in India, suffered due to a drought in FY 2013. The FY 2014 Union Budget has increased the outlay to the sector by 22% to enhance agriculture growth and back productivity enhancement programs such as crop diversification and building of allied infrastructure. In the past years, the government has provided the agriculture sector a boost, by funding enablers productivity for facilitating increase. strengthening agri-distribution and storage as well as providing additional access to credit for farmers.

The animal feed industry in India is evolving towards being a more organized sector with multi-national feed millers also entering the market and increased spend on research and development by large players. The industry's growth and potential are supported by the fact that India is among the largest livestock producing countries and that the feed industry has been traditionally that of home mixers. The animal feed industry had a volatile year in FY 2013 due to spike in prices of soymeal and other commodities and subdued end product markets.

More than half of India's edible oil consumption comes from imports. Palm oil plantation is the most productive among all oilseed crops and plantations with a potential oil yield of ${\sim}4$ MT / hectare. The current area under oil palm plantation in India is estimated to be over

200,000 hectares with much more potential. Further development of oil palm plantations will reduce India's dependence on imports for edible oil and also provide stable income for farmers.

Highly volatile commodity prices in the past year had an impact on the oleochemicals business. Oleochemicals are used in a variety of applications including personal care (hair care, skin care, oral care, cosmetics), home care (laundry detergents), and pharmaceuticals. Increase in India's GDP/capita has led to a strong growth in the personal and home care market over the last few years. Additionally, the significant size of the global personal and home care ingredients markets also represents a potential opportunity.

The real estate sector witnessed a tough year in FY 2013. Residential absorption rates fell significantly across many cities, while rentals for commercial projects remained stagnant with high vacancy rates. With prices of steel, and cement being fairly volatile, margins for this sector were also under pressure. Availability of affordable financing is a key driver for consumer demand and high interest rates combined with high inflation in the last fiscal year have been a deterrent. Going forward, overall demand and need for housing in India will continue to be strong particularly due to rapid urbanization and migration.

Financial Performance with Respect to Operational Performance

The highlights of overall performance are as follows:

₹ Crore

Particulars	2012-13	2011-12
Sales	1,464.63	1,438.04
Total Income	1,573.07	1,563.13
Profit Before Taxation	97.16	201.05
Profit After Current Taxation	95.37	201.39
Profit After Current & Deferred Taxation	96.74	201.56
Earnings per Equity Share (₹) - Basic	2.9631	6.3459
Earnings per Equity Share (₹) - Diluted	2.9568	6.3342

Particulars	2012-13	2011-12
Profitability ratios are as follows:		
PBDIT/Total Income	11.77%	19.11%
PBT/Total Income	6.18%	12.86%
PAT/Total Income	6.15%	12.89%
Return on Capital Employed	7.43%	15.72%
Return on Net Worth	6.61%	16.84%
Basic EPS (₹)	2.9631	6.3459
Diluted EPS (₹)	2.9568	6.3342
The Financial risk ratios are as follows:		
Debt/Equity	0.56	0.40
Interest coverage	2.50	3.85
Segment Performance		₹ Crore
1. Segment Revenue		
Chemicals	1,324.36	1,283.60
Estate	74.34	52.88
Finance & Investments	162.01	215.38
Others	12.36	11.27
Total	1,573.07	1,563.13
2. Segment Results (PBIT)		
Chemicals	65.80	119.88
Estate	61.77	39.69
Finance & Investments	151.53	215.38
Others	(8.75)	(4.00)
Total	270.35	370.95
Less: Finance Costs (Net)	(64.82)	(70.53)
Less: Unallocated expenses (Net)	(108.37)	(99.37)
Profit Before Tax	97.16	201.05
3. Segment Capital Employed		
Chemicals	154.72	51.21
Estate	285.73	106.59
Finance & Investments	1,424.86	1,526.58
Others	15.58	20.77
Unallocated	(256.77)	(472.60)
Total	1,624.12	1,232.55

Chemicals Division

The Chemicals division operates in the oleochemical and surfactant segment. The division has a blend of domestic and international operations and continued its leadership position in the Indian market. The division achieved export turnover of ₹515 crore in this fiscal, accounting for about 37% of its turnover and now exports to 80 countries in the world.

The new manufacturing facility at Ambernath is progressing well and is on schedule expected to be operational in Q3 FY 2013-14



The product category-wise review follows:

Fatty Acids

The Fatty Acids portfolio, comprising stearic acid, oleic acid, as well as specialty fatty acids, accounted for about 42% of the turnover of the division. Continuous cost reduction and market development initiatives have helped grow this category by about 13% in value terms. The division plans to enhance the sales of its specialty fatty acids in the domestic as well as export markets.

Fatty Alcohol

Fatty alcohol contributed 37% to turnover of this division.

Our GINOL grades have been approved internationally by leading multinational corporations. With customer centric business strategies, it is expected that the revenues and margins from this segment will be maintained and improved.

Surfactants

Surfactants contributed 16% to the turnover of the division.

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

Sales grew by 4% in value terms as compared to the previous year. Our products have been approved by several multi-national companies and we can now strongly participate in their global sourcing programs.

Glycerin

Glycerin accounted for 5% of the turnover of this division. Revenues increased by 20% in view of higher unit price of Glycerin. Being largely a byproduct, additional sales are mostly opportunistic, depending on market conditions.



Other Initiatives

Your company had a strong focus on cost reduction and operational efficiency improvement initiatives, which included reduction in the net working capital employed and reduction in the variable costs of production. These initiatives have yielded good results.

Short Term Open access, an exchange based power purchase has yielded significant energy cost saving.

The specialty and value added products have contributed to the improvement in the margins and expected to improve further going forward in terms of volume as well as margins. It accounted for 36% of the turnover of the division.

Debottlenecking of some of the critical plants has resulted in capacity increase and improvement in product mix. It will help in catering to different markets and improvement in profitability.

Outlook

The outlook for the coming year 2013-14 is good for the Specialty fatty acids at this point in time. International demand is showing signs of improvement and with advantage of Indian raw material, we have an edge over overseas competition.

Your company is also focusing on specialty fatty acids and their co products, which will improve its leadership position in terms of market share as also profitability. The specialty fatty acid plant commissioned in Q4 of FY 2011-12 has delivered excellent product quality and efficiency in variable cost.

Estate Management

Your Company, having foreseen the potential of maximizing the value from the real estate development activity in Mumbai city and its suburbs, had entered into an agreement with Godrej Properties Ltd., for joint development of the area around the registered office of your company at Vikhroli. The Limited Liability Partnership vehicle created for this joint

development, Godrej Vikhroli Properties LLP, has commenced the development on the 34 acres of prime land. A mixed use project, "The Trees", comprising Grade A commercial office buildings, residential apartments, high street retail and a five Star hotel, is in 3 phases and would be completed in about 5 years' time.

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

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

The total income from this business for the year was ₹74.34 crore compared to ₹52.88 crore, in the previous year.

Finance and Investments

During the year, your company continued to earn return from its investments in the form of Dividend of ₹60.55 crore (previous year ₹95.32 crore) and realised capital appreciation of ₹73.61 crore (previous year ₹90.84 crore).

During the year, your company acquired an additional stake in Godrej Consumer Products Limited by investing ₹110.42 crore. The stake of your company in Godrej Consumer Products Limited now stands at 21.64%. Your company also invested ₹29.10 crore in Natures Basket Limited to support their growth plans. Swadeshi Detergents Limited has become 100% subsidiary of your company during the year.

Your company had sold off its entire stake of 43.37% in Godrej Hershey Limited to Hershey

Group and exited from the Joint Venture.

Your company sold a part stake in Godrej Agrovet Limited to Private Equity investor. Post the sale, the stake of your company in Godrej Agrovet Limited now stands at 63.67%. Your company also sold its complete stake in M*Modal Inc. (formerly MedQuist Holdings Inc.) (a company listed on NASDAQ stock exchange).

Human Resource Development and Industrial Relations

Your Company has always emphasized on quality and its employees are encouraged to get involved in the continuous process of improving quality through TQM and quality circles. Navnirman Quality Circle from the Vikhroli Factory won the 1st prize at the Cll 25th QC competition, Maharashtra State level. The Quality Circle was also recognized as "Par Excellent Quality Circle" by the Quality Circle Forum of India in the National Convention of Quality Circles held in Kanpur.

Industrial relations at all plant locations harmonious. remained Godrej Industries has always stressed on safety of people working in its premises. Regular structured safety meetings were held with employees and safety programmes were conducted for them throughout the year. These efforts were recognized as an award for 'Longest Accident Free Period' and 'Lowest Average Accident Frequency Rate' won by Vikhroli Factory at the Maharashtra Safety Awards Competition conducted by National Safety Council, Maharashtra Chapter.

Human Resources. Industrial Relations

Industrial Relations at all locations were cordial. The total number of persons employed in your Company as on March 31, 2013 were 1,371 of which 15.03% are from affirmative category.

Policy to Prevent Sexual Harassment at the work place

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every

employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Godrej group. To redress complaints of sexual harassment, a Complaint Committee has been formed which is headed by Ms. T. A. Dubash, Executive Director & Chief Brand Officer.

Internal Control Systems and Their Adequacy

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

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

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

Information Security

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

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

Opportunities and Threats

The improvement in the global economic and liquidity situation coupled with more stable commodity prices, the stimulus package by the Indian Government and various Governments globally, provides an opportunity for growth for the Chemicals division. At the same time, new capacities already on stream along with new capacity additions announced earlier go on stream, there could be an over-supply situation in the market which can put pressure on margins. Specialty products are expected to improve margin and strengthen your company's position in the oleochemicals space.

The Estate management business can continue to accrue revenues by optimizing the available space usage in the campus and leveraging the benefits of the location such as assured power supply, better connectivity and infrastructural benefits. The over supply situation for commercial space in the Real Estate market continues to put pressure on the rentals and the margins.

Risks and Concerns

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

The Commodity based businesses are likely to be affected by vagaries of the weather, demand for edible oil, oilseed production, etc. The increase in bio-diesel manufacturing capacity is expected to impact vegetable oil prices. The business is exposed to commodity price

risks relating to raw materials which account for the largest portion of the costs of both the Chemicals and Vegoils businesses. The Chemicals business growth will also depend on the growth of end user industries like polymer, detergent, cosmetic and personal care.

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

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

Cautionary Statement

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



Forming Part of the Directors' Report

BUSINESS RESPONSIBILITY REPORT FOR GODREJ INDUSTRIES LIMITED

Part A: Godrej Industries Limited Overview

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

and The National Stock Exchange of India Limited.

Godrej & Boyce Manufacturing Company Limited and Godrej Family members are the Promoters of the Company. The shareholding of promoter/promoter group constitutes 74.96% of the paid up capital of the Company as at March 31, 2013.

Financial data for GIL Standalone:

FY 2012-13	₹ Crore
Total Income	1,573
Net Profit	97
Total assets	3,200
Market capitalization (as on March 31, 2013)	9,887

The employee strength in Godrej Industries Limited was 1.371 as on March 31, 2013.

Locations of Operations:

- 1. Valia, Gujarat;
- 2. Vikhroli, Maharashtra;
- 3. Ambernath, Maharashtra (in construction stage); and
- 4. Wadala, Maharashtra

Philanthropic Efforts of Godrej Group

The Godrej Group has been at the forefront of philanthropic and social activities for several decades. 25% of the shares of the Godrei 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 for all through its support of the Udayachal pre-primary and primary schools, which focus on all round development of children. The Udayachal high school has recently been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching.



(Udayachal School)

Additionally, the Godrej Group has supported initiatives in healthcare, through its Godrej

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

The Group continues to support the Indian chapter of "Table for Two", which it initiated at the World Economic Forum India Summit in December 2009. The initiative is targeted at addressing hunger and malnutrition in the developing world by combining our organization's tradition of serving society and individual involvement. Apart from the Table for Two initiative, more than 500 Godrejites contributed to the beneficiary of the initiative – ISCKON foundation for their mid day meal programme – during the Joy of Giving week and Christmas.

The Godrej Group also continues to support Heroes AIDS Project (HAP). Founded by Parmeshwar Godrej and Richard Gere over a decade ago, Heroes Project continued to partner with the Bill and Melinda Gates Foundation to contribute strongly to the national and regional effort to address HIV-related stigma and discrimination; educate especially vulnerable populations about HIV; identify and recruit a range of societal leaders to serve as spokespersons for the cause; and partner with the media to create and disseminate strategic "education entertainment" programming that incorporates HIV issues.

Heroes Project was invited by the 2012 International AIDS Conference in Washington, D.C. in the United States to present its groundbreaking research on the impact of using societal leaders as advocates for HIV issues. Heroes Project's award-winning "Mr. Doubt" public service announcements on HIV risk perception and testing were evaluated in Andhra Pradesh, where 49 percent, a significant proportion, of the audience surveyed indicated their intention to get tested for HIV after watching the PSAs on television and in movie theatres. The Mr. Doubt campaign was dubbed

into Kannada for the Karnataka AIDS Control Society, and was completely remade in Marathi for the Maharashtra AIDS Control Society.

Godrei Industries has been supporting Teach for India since its inception in 2009. Teach for India (TFI) is a nationwide movement of outstanding college graduates and voung professionals who will commit two-years to teach full-time in under resourced schools and who will become lifelong leaders working from within various sectors towards the pursuit of equity in education. In 2009 Teach for India began its journey in the classrooms with 78 TFI fellows (or teachers) in 2 cities and across 34 schools covering 3000 children. The movement has in 2012 grown to cover 164 schools in 5 cities with 506 fellows, impacting more than 16.000 children. Godrei Industries has contributed significantly to this growth not only through direct funding but also by allowing employees to participate in the 2 year fellowship program through a sabbatical. Apart from this the company has also provided space within its campus. 60% of the alumni have stayed back in education / development sectors to create further social impact. Teach for India was rated as a great place to work in the NGO sector in the Great Places to Work survey in 2011.

Dasra has several initiatives to help both philanthropists and social entrepreneurs at various levels in their journey towards bringing about social change. One of these initiatives is 'Advisory Research'. Godrej Industries has sponsored 4 research reports – on Education in Mumbai's Public Schools, Girl Education, Employability and Agriculture. The action-oriented knowledge of these reports has been fundamental to the process of catalyzing social change. These reports have the power to direct funding, which drives greater impact on ground where it is most needed and can improve the lives of thousands living in poverty.

Godrei Good & Green

In conjunction with our vision for "Brighter Living" for all stakeholders, we have developed a long-term vision for playing an active part in creating

a more inclusive and greener India. This vision has been named "Godrej Good & Green".



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



(Panel of Speakers at the Godrej Good & Green Water Conclave, March 9, 2013)

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

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

Part B: Business Responsibility Initiatives by Godrej Industries

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

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

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

Organization Structure

At the apex is the Board of Directors headed by a non-executive Chairman. The Board provides guidance and support to the management in terms of broad strategy, direction, governance and compliance.



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

- Audit Committee
- Compensation Committee

- Shareholders' / Investors grievance Committee
- Selection Committee
- Management Committee

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

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

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

Godrej Group's Good & Green vision supports the development of goods which are environmentally sustainable. As part of the vision, the Company aspires to develop products which consume fewer resources (energy, water), emit fewer greenhouse gases and include a hundred percent of recyclable, renewable, and/or natural materials. Godrei Industries is the first Indian entity to become a member of the Roundtable on Sustainable Palm Oil (RSPO), a worldwide alliance of stake holders in the palm oil industry. Its aim is to prevent deforestation and to encourage sustainable oil palm plantations. Godrei Industries participates actively at the RSPO and sources palm products from suppliers who are themselves active members of the Roundtable. Additionally, biodegradable vegetable oils are used as the raw material for the manufacture of fatty acids, glycerin, fatty alcohols and surfactants.

Under the aegis of the Oil Palm Plantation business of our subsidiary, Godrej Agrovet Limited, more than 7.8 lakh Oil Palm Saplings were planted (approximately 5500 hectares) during FY 2012-13, which is helping us move ahead on the road to carbon neutrality and hence to reduction of global warming. Approximately 2.34 lakh tons of carbon can be

fixed through these trees. Also, every hectare of Oil Palm Plantation, on maturity can produce 3.5 to 4 Tons of Crude Palm Oil helping India reduce its dependence on imported edible oil.

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

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

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

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

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

Prevention of sexual harassment: The Company is committed to creating and maintaining an atmosphere in which our team members can work together, without fear of sexual harassment, exploitation or intimidation. Every team member is made aware that the Godrej Group is strongly opposed to sexual harassment

and that such behaviour is prohibited both by law and the Group policy. We will take all necessary action(s) required to prevent, correct and if necessary, discipline behaviour which violates this policy."

Whistle Blower Policy: The purpose of the Whistleblower Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organisation, without necessarily informing their supervisors. They will be protected against any adverse action and/or discrimination as a result of such a reporting, provided it is justified and made in good faith. A Whistleblowing Officer has been designated for the purpose of receiving and recording any complaints under this policy.

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

Good health of our employees and their families is important to us and there are various initiatives and facilities like a health care centre, gym and recreation facilities, health counsellor, regular lectures on health, stress management, work life balance and so on.

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

Recruitment of candidates from the Scheduled Caste/Scheduled Tribe and Physically Challenged categories has been taken up as one of the major performance measures of the central recruitment process owner. GIL has also partnered with NGOs to provide employment opportunities and counselling to people that fall in one of those categories. 18.23 per cent of GIL's domestic manpower belongs to the Scheduled Caste/Scheduled Tribe and Physically Challenged categories. As part of the employee referral policy, referrals of

Scheduled Class/Scheduled Tribe/Physically Challenged candidates are offered higher referral amounts than that offered to the general category candidates. We also have interactions with NGO's like NSAEOH, ADAPT who work for the differently abled people. Furthermore, career advancement and development of individuals from within the affirmative category is also an area of focus.

GIL also provides apprentice opportunities to students who have completed some form of technical education. In the past fiscal year, it offered job specific training to 28 Scheduled Caste/Scheduled Tribe trainees making them employable. Industrial visits and training of ITI students to the Valia factory also helped them understand the chemical industry. Our employees – experts in fields like electrical, mechanical and safety deliver lectures at local ITI institutes.

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

At our Vikhroli factory, we have tied up with a NGO, 'FORCE' (Forum of Recyclers Communities and Environment) for road house keeping at our Vikhroli Factory in Mumbai. This NGO has provided employment to about 18 rag pickers at our Vikhroli Factory for this activity. Most of these rag pickers are from the socially underprivileged class. A shredding machine provided by this NGO has helped in protection of the environment by increasing manure from waste and at the same time provided employment to people from socially underprivileged class. We are buying dusters from National Association for the Blind, an NGO working for blind people.

In 2011, our subsidiary Godrei Agrovet Ltd. adopted a village called Banavadi in Koregaon taluka in Satara. Maharashtra where farmers had been facing acute shortage of rains and fodder. The milk yield in the village had dropped to 1.05 litres per day per cow. After conducting a preliminary survey to understand the ground realities, efforts were taken, through farmers meetings to educate farmers on improving efficiency of their animal husbandry practices to improve the milk yield. Visits to individual farms were made to spread this knowledge. 4 extensive training programs were conducted along with 3 animal health checkup camps. All these efforts paid off and the milk yield per cow on an average has more than tripled in the last few years. After the success of this initiative, GAVL has taken this model to many more villages and helped numerous other farmers with their animal husbandry practices and improved their livelihood.



Employees at Godrej Industries and its associate companies have been taking various initiatives to provide support to the disadvantaged in the society. 50 Godrejites have been running the Standard Chartered Mumbai Marathon for the last 3 years to support Teach for India by spreading awareness about the movement and also raising funds. Teach for India is a nationwide movement of outstanding college graduates and young professionals who will commit two-years to teach full-time in under resourced schools and who will become lifelong leaders working from within various sectors towards the pursuit of equity in education.



During the Joy of Giving week in 2012 (from 2nd - 8th Oct. 2012), almost 400 Godreiites from 13 key locations set out to first learn about the 'Greener India' goals and then to experience the joy of giving by spreading the message of a greener India among children in low income schools. Teach for India and Make a Difference were two of our NGO partners that helped us touch the lives of more than 10,000 children. This unique experience took them to rural and urban classrooms, shelter homes, orphanages and library projects across the country. They went armed with exciting lesson plans on Energy efficiency, waste, water and renewable energy and loads of enthusiasm. Through videos, stories, games and activities they learnt as much as they taught. Thus 400 Godrejites spent 5 hours on an average to make the most of this giving challenge.

Principle 5: Businesses should respect and promote human rights

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

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

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

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

Godrej Industries is a signatory to the Confederation of Indian Industry's (CII) Mission of Sustainable Growth, which proposes to promote and champion conservation of natural resources in Indian industry without compromising on high and accelerated growth. The CII has outlined ten codes under the mission for attaining ecologically sustained growth which include reduction in specific consumption of water and energy, reduction in specific generation of waste and green house gas emissions and increased use of renewable energy and other recyclables. Godrej Industries has put initiatives in place at its factories in order to meet the codes.



Godrej Industries earned the 'Sustainable Plus' label – the world's first Corporate Sustainability Label which recognizes GIL as a sustainable, well-governed and responsible Company. Based on a methodology that is globally recognized and suited to Indian markets, GIL has been recognized as Sustainable Plus in category Gold. This was a result of analyzing more than 100 indicators spread across environment, social and governance parameters.

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

The Chemicals business uses biodegradable vegetable oils as raw material for the manufacture of fatty acids, glycerin, fatty alcohols and surfactants. Godrej Industries is the first Indian entity to become a member of the Roundtable on Sustainable Palm Oil (RSPO), a worldwide alliance of stake holders in the palm oil industry. Its aim is to prevent deforestation and to encourage sustainable oil palm plantations. Godrej Industries participates actively at the RSPO and sources palm products from suppliers who are themselves active members of the Roundtable.

The Valia factory (manufacturing Oleochemicals) has taken various initiatives in the year to conserve energy, reduce waste and to build a greener environment. At Valia factory, the detergent waste water stream was segregated from other effluent streams, moisture in chemical and biological sludge was reduced from 80% to 50% by using filters during effluent treatment. This resulted in improved treatability of the waste and helped reduce sludge sent to landfill by nearly 450 metric tons per annum. A process improvement was carried out at our fatty acid distillation plant by implementing a direct cooling tower, which reduced water consumption by nearly 8500 m3 per annum and also improving productivity. Various other initiatives to reduce power consumption like installing latest technology to collect day light without increasing temperature and distributing light uniformly, installing 40 LED (Light Emitting Diode) lighting system and 5 solar LED lighting systems, using heat generated during the manufacturing process to heat the boiler feed water.

The Vikhroli factory (manufacturing Oleochemicals) too has taken various initiatives in the year to conserve energy and water, reduce

waste and to build a greener environment. At Vikhroli factory, a new triple effect evaporation plant was installed to convert dilute sweet water to crude glycerine. This initiative has given major benefits in the consumption of steam. The Vikhroli factory also installed a higher efficient vacuum system in one of its existing fatty acid fractionation plant which would result in energy conservation. A dedicated team at Vikhroli was formed to monitor and control fuel consumed in the distillation plant thermo pack unit. At Vikhroli, during the year, we collected around 21000 m3 of water through rain water harvesting.

The Chemicals business is in the process of setting up a new manufacturing facility at Ambernath. The plants which would be installed at this location would have technology which would also be efficient from energy / fuel consumption point of view. These plants are expected to give a 15% lower fuel consumption as compared to the existing plants at our Vikhroli factory.

Our subsidiary GAVL has worked on green house gases, water and energy reduction. Usage of biomass and capturing of Methane and Flaring too is contributing towards reduction of Greenhouse Gases emission and helping our carbon neutrality goal. This has resulted in a threefold reduction, with respect to 2011. In FY 2013 there has been a reduction of more than 13000 MTS due to these two processes. Another initiative that Godrei Agrovet Ltd. has made significant progress on is water positivity. Close to 29,500 m2 of catchment area has been generated for the purpose of rainwater harvesting in the five factories of GAVL. There has been increase in water recycling by 12% (wrt to 2011) across businesses.

Sterilized condensate is obtained while processing Oil Palm bunches. Instead of drawing ground water from bore wells this sterilized condensate is used in place of hot water. Usage of treated effluent for on-land irrigation too has contributed to water savings. Both these initiatives have helped to save more than 1,00,000 KL of water.

The Animal Feeds business of Godrej Agrovet Ltd. has also made significant progress in specific energy reduction by almost 8% (over FY12). This has resulted in power savings of more than 15,00,000 kwh. The business has taken much stringent goals for years to come, towards a greener and socially responsible business division.

The Godrej Group in line with its long term vision called "Godrej Good & Green" has started a series of annual Conclaves to share and learn about things that make a difference to us and our planet. Each Conclave will focus on one of the issues which are part of the Godrej Good & Green vision. The first Good & Green Conclave on the theme of Water was held in March 2013. The event had a series of discussions on different aspects of the water crisis in India and the role of individuals, businesses and government in generating and implementing various solutions. More than 15 experts shared their stories and insights on solutions for water conservation with approximately 300 participants.

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

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

As mentioned in Principles 3 and 6 in the report, Godrej Industries is a signatory to the Confederation of Indian Industry's (CII) Mission of Sustainable Growth and the CII-ASSOCHAM Code of Conduct for Affirmative Action respectively. It is also a member of the Roundtable on Sustainable Palm Oil (RSPO).

Principle 8: Businesses should support inclusive growth and equitable development

The Godrej Group recognizes the importance and value of diversity in the workplace. As a result, it continues to endeavour to provide opportunities to socially and economically underprivileged persons, including those

belonging to Scheduled Castes, Scheduled Tribes and other physically challenged individuals. Recruitment drives for prospective employees from each of the above mentioned categories were conducted in the last year.

GIL has partnerships with institutes such as the Industrial Training Institutes (ITI), which focus on skills based education in order to improve overall levels of employability. Through factory visits for ITI students it aims to improve the overall understanding and application of their knowledge. Apprentices are actively recruited from these institutes and later converted to employees.

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

Youth un-employability is recognized to be a bigger crisis than unemployment. 57% of India's youth suffers from some degree of unemployability. 90% of employment opportunities require vocational skills whereas 90% of school / college output is not relevant to these opportunities. On the one hand, there is higher unemployment amongst the educated and on the other, employers are complaining of lack of skilled manpower. The responsibility to address this mismatch is as much of the education system as it is of the industry which needs the skilled manpower. With this idea of shared commitment and benefit of shared value, the Godrei group has committed to skill 1 million rural and urban youth by 2020.

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

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

As part of our goal of enhancing the levels of employability in Indian youth, GAVL entered into an agreement with 'Lend A Hand India' to impart training in Agriculture and Animal Husbandry to more than 20,000 students in over 100 schools in rural Maharashtra over the next five years. Lend A Hand India is a non-profit organization which has been working with government aided secondary schools in remote villages across three states – Maharashtra, Karnataka and Goa – offering a three year multiskill job and life skills programme to rural school students. In Maharashtra, the programme has been recognized as an optional subject in the secondary school curriculum.

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

We are a customer centric company and greatly value the trust, satisfaction and loyalty of our customers across the world. Our primary focus is delighting our customers, both external and internal. Customer centricity is part of GIL'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.

Annexure "C"

Forming Part of the Directors' Report

As per the Securities & Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 following information is disclosed for financial year 2012-13 in respect of Godrej Industries Limited Employee Stock Option Plan I and II and Employee Stock Grant Scheme:

Sr. No.	Heading	Particulars (ESOP)	Particulars (ESGS)
Α	Options granted during the year	ESOP II: 2,33,500	2,79,314
В	The pricing formula	ESOP I: Market Price plus Interest at such a rate not being less than the Bank Rate then prevailing compoundable on an annual basis for the period commencing from the date of Grant of the Option and ending on the date of intimating Exercise of the Option to the Company or March 31, 2012, whichever is earlier. ESOP II: Grant Price* plus Interest at such a rate as may be decided from time to time compoundable on an annual basis for the period commencing from the date of Granting of the Options and ending on the date of	₹ 1 per equity share
	Options vested during the year	intimating Exercise of the Option to the Company or March 31, 2012, whichever is earlier. * Grant Price means higher of market price or average cost of shares purchased by the Trust for that specific grant, including any unallotted shares lying with the Trust if utilized for that specific grant, plus interest on the loan taken to purchase the said shares at such rate as may be decided from time to time and compoundable on annual basis till the date of grant or March 31, 2012, whichever is earlier.	3.07.618
С	Options vested during the year	ESOP II: 27,84,000 ESOP II: 9,00,000	3,07,618

Sr. No.	Heading	Particulars (ESOP)	Particulars (ESGS)
D	Options exercised during the year	ESOP I: 10,87,000 ESOP II: 7,41,500	3,07,618
E	The total number of shares arising as a result of exercise of option	Nil. As shares purchased from secondary market, there is no further issue of shares as a result of exercise of options.	3,07,618
F	Options lapsed/revoked during the year	ESOP I: 1,53,750 ESOP II: 10,000	22,775
G	Variation of terms of options	Annexure-2	None
Н	Money realized by exercise of options	ESOP I: ₹27,17,62,800/- ESOP II: ₹17,19,76,095/-	₹3,07,618/-
I	Total number of options in force	ESOP I: 33,37,200 equity shares of nominal value of ₹1/-each ESOP II: 6,92,250 equity shares of nominal value of ₹1/- each.	5,36,234
J	Employee wise details of options granted to;- i) senior managerial personnel; ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year. iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding and conversions) of the company at the time of grant;	Annexure 1 Annexure 1 Nil	Annexure 1 Annexure 1 Nil
K	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	There is no fresh issue of shares hence, not applicable.	Basic EPS: ₹ 2.9631 Diluted EPS: ₹ 2.9568

Sr. No.	Heading	Particulars (ESOP)	Particulars (ESGS)
L	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted the employee compensation cost would have been higher by ₹0.50 crore, Profit after tax lower by ₹0.50 crore and basic EPS would have been lower by ₹0.01.	The company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted the employee compensation cost would have been lower by ₹1.63 crore, Profit after tax higher by ₹1.63 crore and basic EPS would have been higher by ₹ 0.049.
M	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price of the options granted during the year is ₹349.87 plus interest. Weighted Average fair value of the option granted during the year is ₹86.87.	Weighted average exercise price of the options granted during the year is ₹1. Weighted Average fair value of the option granted during the year is ₹88.26.
N	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value of the options granted has been calculated using Black – Scholes Options pricing formula and the significant assumptions made in this regard are as follows:	The fair value of the options granted has been calculated using Black – Scholes Options pricing formula and the significant assumptions made in this regard are as follows:
	i) risk-free interest rate,	8.175%	7.91% - 8.01%
	ii) expected life,	4 years	1 - 3 years
	iii) expected volatility,	61%	41% - 43%
	iv) expected dividends, and	0.70% ₹1.75 per share	0.68 % - 0.73% ₹1.75 per share
	v) the price of the underlying share in market at the time of option grant	Weighted average market price at the time of grant of option ₹250.17 per option.	Weighted average market price at the time of grant of option ₹256.86 per option.

Annexure 1 (ESOP)

Senior Managerial Personnel

Sr. No	Name	Options granted
1.	Puneet Pokhriyal*	33,250
2.	Vinay Mishra*	68,250
3.	Ravi Venkateswar*	1,32,000
	Total	233,500

Annexure 1 (ESGS)

Senior Managerial Personnel

Sr. No	Name	Options granted
1	Rajeev Jog	4,161
2	Nitin Nabar	6,810
3	Ashok Padhye	4,539
4	A.S. Tuteja	3,027
5	K. K. Lalan	3,027
6	Noshir Elavia	3,027
7	Atul Prakash	3,027
8	Clement Pinto	3,027

Sr. No	Name	Options granted
9	D.E. Mistry	11,349
10	R.H. Khajotia	4,656
11	Sumit Mitra	8,379
12	Omar Momin	10,476
13	V. Swaminathan	6,984
14	Rajiv Bakshi	6,984
15	Vivek Gambhir *	62,847
16	B. S. Yadav *	31,422
17	S. Varadraj	6,984
18	Mark Kahn	6,984
19	Prafulla Bhat	6,984
20	P. N. Narkhede	6,984
21	R. R. Govindan	6,984
22	Vinay Mishra	4,656
23	Puneet Pokhriyal	4,656
24	Mohit Khattar	8,091
25	Tina Trikha	5,586
26	Ravi Venkateswar *	28,004
27	Ransom D'Souza	9,183
28	Shireesh Joshi	10,476
	Total	2,79,314

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

Annexure-2 (ESOP)

Variation of Terms of options

Amendment to the Godrej Industries Limited Employee Stock Option Plan I (GILESOP I) and Godrej Industries Limited Employee Stock Option Plan II (GILESOP II)

The following amendments are applicable to the options granted by the Compensation Committee in respect of ESOP I and ESOP II. These amendments were approved by the shareholders of the Company at their meeting held on August 11, 2012.

ESOP I

Original Clause 8(a): Exercise Price and Pricing Formula:

The price at which the Option Grantee would convert Options Granted into Shares shall be the Market Price plus Interest at such a rate not being less than the Bank Rate then prevailing compoundable

on an annual basis for the period commencing from the date of Granting of the Option and ending on the date of intimating Exercise of the Option to the Company.

Amended Clause 8(a): Exercise Price and Pricing Formula:

The price at which the Option Grantee would convert Options Granted into Shares shall be the Market Price plus Interest at such a rate not being less than the Bank Rate then prevailing compoundable on an annual basis for the period commencing from the date of Granting of the Option and ending on the date of intimating exercise of the option to the Company or March 31, 2012, whichever is earlier.

ESOP II

(a) Original Clause 2.1 (p): Definition of Grant Price:

"Grant Price" means higher of market price or average cost of shares purchased by the Trust for that specific grant, including any unalloted shares lying with the Trust if utilized for that specific grant, plus interest on the loan taken to purchase the said shares at such rate as may be decided from time to time and compoundable on annual basis till the date of grant.

Amended Clause 2.1 (p): Definition of Grant Price:

"Grant Price" means higher of market price or average cost of shares purchased by the Trust for that specific grant, including any unalloted shares lying with the Trust if utilized for that specific grant, plus interest on the loan taken to purchase the said shares at such rate as may be decided from time to time and compoundable on annual basis till the date of grant or March 31, 2012, whichever is earlier.

(b) Original Clause 8(a): Exercise Price and Pricing Formula:

Exercise price shall be grant price plus interest at such rate as may be decided from time to time compoundable on an annual basis, for the period commencing from the date of granting of the options and ending on the date of intimating exercise of the option to the Company.

Amended Clause 8(a): Exercise Price and Pricing Formula:

Exercise price shall be grant price plus interest at such rate as may be decided from time to time compoundable on an annual basis, for the period commencing from the date of granting of the options and ending on the date of intimating exercise of the option to the Company or March 31, 2012, whichever is earlier.

Annexure "D"

Forming part of the Directors' Report

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

A. Conservation of Energy

I. (A) Energy Conservation measures undertaken:

Vikhroli:

- 1. A new triple effect evaporation plant for converting dilute sweet water to crude glycerin was commissioned in February 2012. This initiative has given us benefits in steam consumption. The annualized saving made from this system was around ₹146 lac.
- 2. We are maintaining our power factor to 0.99 to unity. The annualized saving made from this system was around ₹40 lac.
- 3. A higher efficient vacuum system was installed in one of the fatty acid fractionation plant. The annualized saving made from this system was around ₹57 lac at current fuel prices.

Valia:

- 1. Segregated detergent waste water stream from the other effluent streams. This improved treatability and capacity of the Effluent Treatment Plant.
- 2. Implementation of direct cooling tower scheme for fatty acid distillation plant led to improved productivity of plant as well as reduction in water consumption. Thus leading to reduction of water generation of approx. 8500 m3 per annum.
- 3. Moisture in chemical and biological sludge was reduced from 80% to 50% by way of filter during effluent treatment. This resulted in reduction of sludge sent for landfill by 450 metric ton per annum.
- 4. Condensate from one plant was reused to heat the boiler feed water.
- 5. Innovative and latest technology has been installed to collect day light without increasing the temperature and distribute light uniformly. This has resulted in saving of power during the day.
- 6. Installed 40 Light Emitting Diode lighting and 5 solar Light Emitting Diode lights.

(B) Proposed Energy Conservation Measures:

- 1. Measures will be taken to reduce steam distribution losses and condensate recovery to reduce impact of effluent at Valia factory.
- 2. Fat splitting, Sulphonation and Glycerin distillation plants at Ambernath with latest technology will help reduce the specific fuel consumption by a significant amount.

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

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

III. Details of energy consumption

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

Details of Energy Consumption

a) Power and Fuel Consumption

₹ in Crores

	Purchased	Current year	Previous year
1	Units (KWH in lac)	531.04	367.02
	Total amount (₹ in Cr)	33.02	24.29
	Rate per unit (₹)	6.22	6.62
2	Own generated through D.G.Sets		
	Units (KWH in lac)	1.00	0.99
	Cost (₹ in Cr)	0.20	0.19
	Rate per unit (₹)	20.25	19.34
3	Own generated through		
	Co-generation		
	Units (KWH in lac)	16.69	151.67
	Cost (₹ in Cr)	2.77	20.21
	Rate per unit (₹)	16.58	13.32
	Fuel Oil (LSHS, FO and LDO)		
	Total Quantity (KL)	20.46	18.12
	Total amount (₹ in Cr)	0.06	0.08
	Rate per unit (₹ per litre)	27.81	42.29
	Natural gas		
	Total Quantity (SM3 lac)	249.50	291.12
	Total amount (₹ in Cr)	75.34	70.95
	Rate per unit (₹ per SM3)	30.20	24.37
	Pitches		
	Total Quantity (M.T.)	8.09	-
	Total Cost (₹ in Cr)	0.02	-
	Rate per unit (₹ per M.T.)	26,947	-

b) Consumption per unit of production

Particulars	Natural Gas		Electricity		Fuel Oils		Pitches	
	(NM3/MT)		(kwh/MT)		(Litre/MT)		(MT/MT)	
Particulars	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Fatty Acid	101.76	104.77	88.21	77.90	-	-	-	-
Fatty Alcohol	132.50	100.71	471.79	454.46	-	-	-	_
Surfactants	20.95	21.32	154.71	129.77	-	-	-	-
Glycerin	372.12	370.80	389.30	454.93	-	-	-	-
Oils & Vanaspati	-	-	167.27	150.69	-	37.24	0.03	-

B. Technology Absorption, Adaptation and Innovation

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

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

- Oils and Fatty Acids
- Fatty Alcohols
- Surfactants
- Glycerin
- Derivatives of Fatty acids and Fatty alcohols for Personal care and Home care formulations.
- Customer Centric Formulations for Personal Care
- Product Applications

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

- Premium quality fatty acids from economy grade raw materials.
- Understanding the impact of raw material quality and manufacturing process on the quality of the finished goods.
- Manufacture of high value pure fatty acids, specifically for the polymer, oil field and Jubricant industries.
- Value added fatty alcohol and fatty acid derivatives, so as to enter myriad niche markets.

III. Future Plan of Action:

Specialty chemicals from Glycerin, Fatty Acids and Fatty Alcohols so as to enter niche markets in the field of Pharmaceuticals, Personal Care and Industrial Lubricants.

IV. Expenditure on R&D:

₹ In Crore

	Current Year	Previous Year
(a) Capital	0.24	-
(b) Recurring	2.91	4.46
(c) Total	3.15	4.46
(d) Total R & D expenditure as a percentage	0.24	0.34
of total sales turnover		

C. Foreign Exchange earnings and outgo

The Chemicals Division's exports were ₹515 crore in the current year as compared to ₹560 crore in the previous year. The Company continues to export refined glycerin, fatty alcohol and other chemicals to over 80 countries including Brazil, Mexico, South Korea, U.S.A., Japan, Russia, Turkey, Belgium, U.A.E.

₹ In Crore

	Current Year	Previous Year
Foreign exchange used	267.38	416.44
Foreign exchange earned	734.88	567.89



Report on Corporate Governance

Report on Corporate Governance

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

1. The Company's Philosophy

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

THE GOVERNANCE STRUCTURE

2. Board of Directors

a) Board Structure

The Board of Directors of the Company comprises twelve Directors, which includes a Managing Director i.e. Mr. N. B. Godrej and two Whole-time Executive Directors, i.e. Ms. T. A. Dubash and Mr. M. Eipe. The remaining nine

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

b) Board meetings held and Directors' attendance record

The Board meets atleast once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. During the year four Board meetings were held on May 30, 2012, August 11, 2012, November 8, 2012 and February 6, 2013. The details are given in Table 1:

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

Name of Director	Category	Board meetings held during the year	Board meetings attended during the year	Whether attended last AGM	Directorships held in other public companies incorporated in India as at the year- end \$	Number of Chamembership in Committees in companies as year-end @	Board other
						Chairmanship (excluding membership of committees)	Membership
Mr. A. B. Godrej	Chairman, Non-Executive, Promoter	4	4	Yes	7(2)	1	1
Mr. J. N. Godrej	Non-Executive, Promoter	4	3	Yes	8(4)	1	2
Mr. N. B. Godrej	Managing Director, Promoter	4	4	Yes	9(5)	1	1
Mr. S. A. Ahmadullah	Non-Executive, Independent	4	4	Yes	-	-	-
Mr. J. S. Bilimoria	Non-Executive, Independent	4	2	Yes	9(6)	5	3
Mr. V. M. Crishna	Non-Executive, Promoter	4	1	No	3(1)	-	-
Mr. K. K. Dastur	Non-Executive, Independent	4	4	Yes	3(0)	1	-
Dr. N. D. Forbes	Non-Executive, Independent	4	1	Yes	2(1)	-	-
Mr. A. B. Choudhury	Non-Executive, Independent	4	4	Yes	5(2)	-	4
Mr. K. N. Petigara	Non-Executive, Independent	4	4	Yes	4(0)	1	1
Mr. F. P. Sarkari	Non-Executive, Independent	1	1	NA	NA	NA	NA
Ms. T. A. Dubash	Whole-time, Promoter	4	3	Yes	5(1)	-	-
Mr. M. Eipe	Whole-time	4	3	Yes	3(1)	2	-

Note:

- (i) \$ Alternate Directorships and Directorships in private companies, foreign companies and associations are excluded.
- (ii) Figures in () denote listed companies.
- (iii) Board Meetings held during the year represent the number of meetings held during the tenure of that director.
- (iv) @ In accordance with Clause 49, Membership / Chairmanship of only the Audit Committee and Shareholders Committee in all public limited companies (except Godrej Industries Limited) have been considered.

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

c) Information supplied to the Board

Among others, this includes:

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

investments, subsidiaries, assets, which is not in the normal course of business.

- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

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

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

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

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

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

Table 2: Details of Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2013

(Amount in ₹)

Name of Director	Relationship with Directors	Sitting fees	Salary	Perquisites	Provident Fund	Total
A. B. Godrej	Brother of N. B. Godrej Father of T. A. Dubash	1,60,000	NA	NA	NA	1,60,000
J. N. Godrej	Brother-in law of V. M. Crishna	NA	NA	NA	NA	NA
N. B. Godrej	Brother of A. B. Godrej	NA	1,56,59,033	1,40,99,758	12,22,884	3,09,81,675
S. A. Ahmadullah	None	1,40,000	NA	NA	NA	1,40,000
J.S. Bilimoria	None	40,000	NA	NA	NA	40,000
A.B. Chouhury	None	1,20,000	NA	NA	NA	1,20,000
V. M. Crishna	Brother-in-law of J. N. Godrej	NA	NA	NA	NA	NA
K. K. Dastur	None	1,20,000	NA	NA	NA	1,20,000
N.D. Forbes	None	20,000	NA	NA	NA	20,000
K. N. Petigara	None	1,40,000	NA	NA	NA	1,40,000
F. P. Sarkari	None	30,000	NA	NA	NA	30,000
T. A. Dubash	Daughter of A. B. Godrej	NA	1,31,38,977	1,04,09,982	9,34,356	2,44,83,315
M. Eipe	None	NA	1,10,58,893	3,00,13,642	10,46,030	4,21,18,565

Notes:

- 1. Remuneration to Mr. N. B. Godrej, Ms. T. A. Dubash and Mr. M. Eipe, includes performance linked variable remuneration of ₹ 49,78,160, ₹ 49,78,160 and ₹ 19,22,689 respectively for the year ended March 31, 2013 payable in 2013-14.
- 2. The service contract of Mr. N. B. Godrej is for a period of three years beginning from April 1, 2011. The service contract of Ms. T. A. Dubash is for a period of three years beginning from April 1, 2010. The service contract of Mr. M. Eipe is for a period of three years beginning from April 1, 2010. The contracts are terminable with a notice period of thirty days by either side.

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

Name of Non-Executive Director	Shares held as on March 31, 2013	Dividend paid during the year (Rupees)
A. B. Godrej *	1,121,226	Nil
J. N. Godrej *	3,221,472	Nil
S. A. Ahmadullah	6,000	10,500
S. A. Ahmadullah *	11,700	Nil
V. M. Crishna	Nil	Nil
J.S. Bilimoria	Nil	Nil
N.D. Forbes	5,000	8,750
A .B. Choudhury	Nil	Nil
K. N. Petigara	Nil	Nil
K. K. Dastur	3,606	6,311
K. K. Dastur **	9,570	Nil
K. K. Dastur *	27,900	Nil

^{*} Shares held as second holder

f) Stock Options

The Company has not granted any Stock Options to any of its Promoter Directors and Independent Directors. Mr. M. Eipe, Executive Director & President (Chemicals) was allotted 49,437 equity shares under the Employee Stock Grant Scheme.

COMMITTEES OF THE BOARD

3. Audit Committee

The Company's Audit Committee comprises of four Independent, Non-Executive Directors. They are Mr. K. K. Dastur, (Chairman), Mr. S. A. Ahmadullah, Mr. K. N. Petigara and Mr. A. B. Choudhury. Mr. F. P. Sarkari ceased to be a director of the Company with effect from June 1, 2012 and consequently ceased to be Chairman/ Member of the Audit Committee and in his place Mr. K. K. Dastur was appointed as Chairman. Mr. K. K. Dastur is a Chartered Accountant and is knowledgeable in finance, accounts, taxation and company law matters. Mr A. B. Choudhury was

appointed as a member on November 1, 2012. All the members of the committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. Minutes of each of the audit committee meetings are placed before the Board Meeting. Mr. K. R. Rajput, Company Secretary acts as a secretary to the audit committee. The Audit Committee met four times during the year i.e. on May 30, 2012, August 11, 2012, November 8, 2012 and February 6, 2013. Table 4 gives the attendance record.

Table 4: Attendance record of audit committee members

Name of Director	No. of meetings held	
Mr. K.K. Dastur	4	4
Mr. S.A. Ahmadullah	4	4
Mr. K.N. Petigara	4	4
Mr. F.P. Sarkari	1	1
Mr. A.B. Choudhury	2	2

^{**} Shares held as third holder

The Audit Committee of the Company performs the following functions:

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

- Reviewing the adequacy of internal audit function, if any, including the structure of Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- Reviewing the functioning of Whistle Blower mechanism.

4. Compensation Committee

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

The Compensation Committee consists of the following directors: Mr. S. A. Ahmadullah (Chairman and Independent Director); Mr. A. B. Choudhury (Independent Director); Mr. K.N. Petigara (Independent Director) and Mr. N.B. Godrej (Managing Director). During the year ended March 31, 2013, the committee met on May 30, 2012, August 11, 2012 and February 6, 2013. The attendance details are given in Table 5.

Table 5: Attendance record of Compensation Committee members

Name of Director	No. of meetings held	Meetings attended
Mr. S.A. Ahmadullah	3	3
Mr. A.B. Choudhury	3	3
Mr. K.N. Petigara	3	3
Mr. N.B. Godrej	3	3

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

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

5. Shareholders Committee

Among other functions, this committee looks into redressal of shareholder complaints regarding transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, as required in Clause 49 of the Listing Agreement. The Committee consists of the following members: Mr. A.B. Godrej (Chairman), Ms. T. A. Dubash, and Mr. M. Eipe. During the year, 10 meetings of the Committee were held. The attendance details are given in Table 6.

Table 6: Attendance record of Shareholders Committee members

Name of Director	No. of meetings held	Meetings attended
Mr. A.B. Godrej	10	8
Ms. T.A. Dubash	10	9
Mr. M. Eipe	10	8

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

Name and designation of Compliance Officer:

Mr. K. R. Rajput, Company Secretary

Number of complaints regarding shares for the year ended March 31, 2013

Complaints outstanding as on April 1, 2012	Nil
Complaints received during the year ended March 31, 2013	15
Complaints resolved during the year ended March 31, 2013	15
Complaints outstanding as on March 31, 2013	Nil

There are no pending share transfers as on March 31, 2013.

6. General Body Meetings

a) Details of last three AGMs

Year	Venue	Date	Time
2009-10	Y.B. Chavan Centre, Nariman Point, Mumbai 400 021.	July 27, 2010	4.30 P.M.
2010-11	- do -	July 30, 2011	4.30 P.M.
2011-12	- do -	August 11, 2012	3.00 P.M.

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

Date of AGM	Number of Special Resolutions passed	Details of Special Resolutions Passed
July 27, 2010	2	 Re-appointment of and remuneration payable to Mr. N.B. Godrej, Managing Director. Approval to invest in CBay Infotech Ventures Pvt. Ltd. under section 372A of the Companies Act, 1956.
July 30, 2011	2	 To revise the terms of appointment and remuneration of Ms. Nisaba Godrej. Investment in Godrej Consumer Products Ltd. u/s 372A of the Companies Act, 1956.
August 11, 2012	4	 Re-appointment of and remuneration payable to Ms. T.A. Dubash, as a Whole-time Director. Re-appointment of and remuneration payable to Mr. M. Eipe, as a Whole-time Director. Modification of Godrej Industries Limited Employee Stock Option Plan I. Modification of Godrej Industries Limited Employee Stock Option Plan II.

c) Details of Special Resolutions passed at the Extraordinary General Meeting

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

d) Postal Ballot

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

Sr. No.	Date of announcement of results	Nature of resolution	Item	Total no. of votes polled	No. of votes in favour %	No. of votes against	No. of invalid votes %
1	September 26, 2012	Special	To further invest in the securities of Godrej Consumer Products Ltd. upto a sum of ₹150 crore.	268779887	99.88	0.06	0.06
2	September 26, 2012	Special	To invest in Securities of Godrej Properties Ltd. upto a sum of ₹100 crore.	268779887	99.87	0.06	0.07

e) Procedure adopted for Postal Ballot

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

7. Disclosures

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

During the year 2012-13, there were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Financial Statements, forming part of the Annual Report.

b) Whistle Blower Policy

With a view to establish a mechanism for protecting the employees reporting unethical behaviour, fraud, violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy. During the year 2012-13, no personnel has been denied access to the Audit Committee.

c) Policy to Prevent Sexual Harassment at the work place

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

d) Details of compliance with mandatory requirement

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

e) Details of Non-compliance

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

f) Declaration by Chairman & Managing Director

The declaration by the Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the laid down code of conduct for the year ended March 31, 2013, is annexed to the Corporate Governance Report.

8. Shareholders and Means of communication

a) Disclosures regarding appointment or reappointment of Directors

According to the Articles $\circ f$ Association of the Company, at every Annual General Meeting of the Company one-third of the Directors are liable to retire by rotation. Mr. K.K. Dastur, Mr. A.B. Godrej, Mr. A.B. Choudhury and Mr. V.M. Crishna shall retire at this Annual General Meeting of the Company and being eligible offer themselves reappointment. Information about the Directors who are being appointed/ reappointed is given as an annexure to the Notice of the AGM.

b) Communication to shareholders

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the website of the Company. The Company's website address is www.godrejinds.com. The quarterly and annual results of the Company's

performance are published in leading English dailies like Economic Times, Business Line, etc. The quarterly results of the Company are also available on the websites of BSE Limited and National Stock Exchange of India Ltd viz. www. bseindia.com and www.nseindia.com respectively.

The Company files the Financial Results, Corporate Governance report, Share holding pattern, etc. in the NSE Electronic Application Processing System (NEAPS).

c) Investor grievances

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

d) Share transfer

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

e) Details of non-compliance

There has been no instance of the Company not complying with any matter related to capital markets.

9. MANAGEMENT

a) Management discussion and analysis

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

b) Disclosures by management to the Board

All details relating to financial and commercial transactions where

Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

10. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES - 2009

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

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

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

11. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

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

12. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Date : August 10, 2013

Time : 3.30 p.m.

Venue: Y.B. Chavan Centre, Gen.

Jagannathrao Bhonsle Marg, Nariman Point, Mumbai- 400 021.

ii. Financial Calendar:

Financial year: April 1 to March 31 For the Year Ended March 31, 2013, results announced on:

August 11, 2012 : First quarter
November 8, 2012 : Half year
February 6, 2013 : Nine months
May 28, 2013 : Annual

iii. Record Date/Book Closure

A dividend of ₹1.75 per equity share of ₹1 each has been recommended by the Board of Directors of the Company. For payment of dividend, the book closure is from August 3, 2013 to August 10, 2013 (both days inclusive).

iv. Listing information

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

Name of the Stock Exchange	Stock code
The BSE Ltd.	500164
National Stock Exchange of India Ltd.	GODREJIND

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

v. Stock Data

Tables 1 and 2 respectively give the monthly high and low prices and volumes of equity shares of the Company at The BSE Ltd. and The National Stock Exchange of India Ltd. for the year ended March 31, 2013. Chart A compares the Company's share price at the BSE versus the Sensex.

Table 1: Monthly high and low prices and trading volumes of equity shares of the Company at BSE for the year ended March 31, 2013

Month	High (₹)	Low (₹)	Volume (No. of Shares)
April 2012	283.60	256.70	2,169,092
May 2012	269.95	223.85	1,266,657
June 2012	257.00	221.00	1,401,188
July 2012	262.00	226.40	1,448,913
August 2012	257.95	229.00	781,446
September 2012	298.80	237.00	1,463,480
October 2012	314.50	276.60	1,533,252
November 2012	327.80	283.00	1,962,642
December 2012	319.00	296.10	2,139,942
January 2013	331.95	299.45	1,534,472
February 2013	321.00	264.10	1,090,586
March 2013	301.75	265.10	924,051

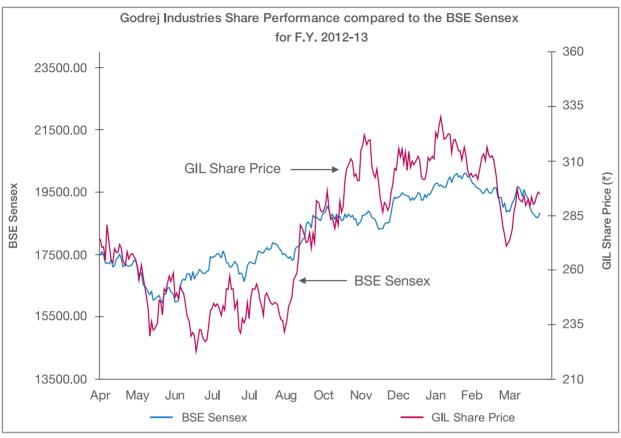
Note: High and low are in Rupees per traded share. Volume is the total monthly volume of trade (in numbers) in equity shares of the Company on the BSE.

Table 2: Monthly high and low prices and trading volumes of equity shares of the Company at NSE for the year ended March 31, 2013

Month	High (₹)	Low (₹)	Volume (No. of Shares)
April 2012	283.35	256.00	10,135,916
May 2012	269.85	223.65	8,678,514
June 2012	258.70	221.10	8,563,187
July 2012	264.50	226.50	9,411,651
August 2012	274.30	228.25	5,974,397
September 2012	298.65	238.10	8,735,044
October 2012	314.55	262.30	9,816,746
November 2012	328.00	283.85	8,498,241
December 2012	329.95	296.00	11,036,118
January 2013	332.00	299.35	9,539,965
February 2013	320.00	264.25	6,579,529
March 2013	301.90	265.25	7,554,507

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





Distribution of shareholding:

Tables 3 and 4 give the distribution pattern of shareholding of the Company by size and ownership respectively as on March 31, 2013.

Table 3: Distribution of shareholding by size as on March 31, 2013

Number of shares	Number of shareholders	Shareholders %	Number of shares held	Shareholding %
1 - 500	46045	89.32%	4751463	1.42%
501 - 1000	2891	5.61%	2252506	0.67%
1001 - 2000	1260	2.44%	1887705	0.56%
2001 - 3000	417	0.81%	1079743	0.32%
3001 - 4000	200	0.39%	724237	0.22%
4001 - 5000	139	0.27%	650712	0.19%
5001 - 10000	275	0.53%	2069791	0.62%
10001 & above	322	0.62%	321749760	96.00%
Total	51549	100.00%	335165917	100.00%

Table 4: Distribution of shareholding by ownership as on March 31, 2013

Category (as being reported to Stock Exchanges	No. of shares (Nos.)	% of share holding
Promoter's holding		
-Indian Promoters	251234174	74.96%
-Foreign Promoters	0	0.00%
Persons deemed to act in concert with promoters	0	0.00%
Institutional Investors		
Mutual Funds & UTI	6087512	1.82%
Banks, Financial Institutions and Insurance Companies	5367214	1.60%
Foreign Institutional Investors	35604385	10.62%
Others		
Private Corporate Bodies	13135910	3.92%
Indian Public	22874970	6.82%
NRIs/OCBs	861752	0.26%
Others	0	0.00%
Total	335165917	100.00%

vi. Shares held in physical and dematerialized form

As on March 31, 2013, 99.76 percent of the Company's shares were held in dematerialized form and the remaining 0.24 percent in physical form. The break up is listed below:

Category	ategory Number of shareholders		Number of shares held	Shareholding %	
Physical	2213	4.29%	820312	0.24%	
Electronic	49336	95.71%	334345605	99.76%	
Total	51549	100.00%	335165917	100.00%	

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

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

viii.Share Transfer

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

ix. Plant locations

Location	Address
Vikhroli	Pirojshanagar, Eastern xpress Highway, Vikhroli (East), Mumbai 400 079.
Valia (DTA & EOU)	Burjorjinagar, Plot No. 3, Village Kanerao, Taluka - Valia, District Bharuch, Gujarat 393 135.
Wadala	L.M. Nadkarni Marg,Near M.P.T. Hospital, Wadala (East), Mumbai 400 037.

x. Investor correspondence should be addressed to:

Computech Sharecap Limited

147, M.G. Road,

Opp. Jehangir Art Gallery,

Mumbai 400 001.

Tel: 022-22635000 / 22635001;

Fax: 022-22635005

Email: helpdesk@computechsharecap.com

Declaration by Managing Director

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

The Board of Directors of GIL has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website viz. www.godrejinds.com. All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2013.

Mumbai, May 28, 2013

N.B. Godrej Managing Director

To the Members of Godrej Industries Limited Mumbai.

Auditors' Report on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Godrej Industries Limited (the Company) for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

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

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

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

For and on behalf of

KALYANIWALLA & MISTRY CHARTERED ACCOUNTANTS

Firm Regn. No.: 104607 W

Daraius Z. Fraser

PARTNER

M. No.: 42454 Place: Mumbai Date: May 28, 2013.



Independent Auditors' Report

To the Members of Godrej Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GODREJ INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 43 (1) (b) to the Financial Statements regarding the Employee Stock Option Plan instituted by the Company for the benefit of eligible employees of participating companies. The Plan is administered by an independent trust created with IL&FS Trust Company Ltd. The ESOP Trust has been advanced loans which along with interest thereon and net of provision of ₹ 3.11 crores, amounts to ₹ 63.08 crores. The loans have been granted for financing the purchase of equity shares of the Company from the market equivalent to the number of options granted. As at March 31, 2013, the market value of the equity shares held by the ESOP Trust is lower than the holding cost (cost or market value whichever is lower) of these equity shares by ₹ 8.22 crores, (net of provision of ₹ 3.11 crores). The repayment of the loans granted to the ESOP Trust is dependent on the exercise of options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. In the opinion of the Management, the fall in the value of the underlying equity shares is on account

Independent Auditors' Report

of market volatility and the loss, if any, can be determined only at the end of the exercise period. Our Opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-Section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

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

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: May 28, 2013.

Annexure to the Independent Auditors' Report

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report that:

Fixed Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except in case of certain continuous process plants where item-wise values are not available and in case of furniture, fittings and equipment where the records maintained show quantitative details with their situation and values based on valuation by an approved valuer.
- b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.

2. Inventory:

- a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

3. Loans and Advances:

- a) The Company had granted unsecured loans to one company listed in the register maintained under section 301 of the Companies Act, 1956, which was settled by issue of equity shares. The maximum amount of loans outstanding during the year was ₹ 15 crores.
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which the unsecured loan had been granted to the party listed in the register maintained under section 301 of the Companies Act, 1956, were not prima facie prejudicial to the interest of the Company.
- c) The party to whom the Company has granted the loan has repaid the principal amount as stipulated and was regular in the payment of interest.
- d) There are no overdue amounts of loans taken from, or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- e) The Company has taken an unsecured loan from a company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 2.00 crores. The balance outstanding as at the year end was ₹ Nil.
- f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loan taken from the party listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- g) The Company was regular in repaying the principal amounts as stipulated and had also been regular in the payment of interest.
- 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- 5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956:
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, where comparable market prices exist. We have been informed that many of the items are of a special nature and their prices cannot be compared with alternative quotations.

Annexure to the Independent Auditors' Report

- 6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under in respect of the deposits accepted from the public. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
- 7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- 8. We have broadly reviewed the books of account and records maintained by the Company in respect of manufacture of fatty acids, fatty alcohol, surfactants and glycerine pursuant to the Rules made by the Central Government for maintenance of cost records, under section 209(l) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for any other products of the Company.
- 9. Statutory Dues
 - a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (₹ crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc., which the Company has contested and is in appeals at various levels.	0.53 0.61 0.06 2.85 1.45 0.41 0.04	2006-07, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13 2009-10, 2010-11, 2011-12 1997-98 2009-10, 2010-11 2005-08, 2008-09, 2006-10, 2010-11 1997-98, 2006-07 1976-85, 1995-96, 2009-10 1993-97	Assistant Commissioner Additional Commissioner Commissioner Commissioner (Appeals) CESTAT Tribunal High Court The Supreme Court
Customs Duty	Customs Duty demands relating to lower charge, differential duty, classifications, etc.		2003-04 1978-93	Deputy Commissioner High Court
VAT Acts of Various States	Sales Tax demands relating to purchase tax on Branch Transfer / Non availability of C Forms, etc. at various levels.	0.07 0.43 19.65	1996-97, 1997-98 2000-01 1997-98, 1998-99, 1999-00, 2003-04 2000-03, 2003-04, 2004-05 2003-04, 2004-05, 2005-06 1994-95, 1995-96	Sales Tax Officer Commissioner (Appeals) Deputy Commissioner Joint Commissioner Tribunal High Court
Income-tax Act, 1961	Income tax demands against which the company has preferred appeals for which Income Tax authorities have adjusted refunds due to the Company for the the earlier years and there is no amount outstanding as of the Balance Sheet date.	8.58 0.54	2007-08, 2010-11 1993-94, 1994-95, 1995-96, 2004-05 1986-87, 1987-88, 1988-89, 1996-97, 1997-98, 1990-91, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03	Assessing Officer CIT ITAT High Court

Annexure to the Independent Auditors' Report

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

- 10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
- 11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks, financial institutions or debenture holders.
- 12. In our opinion and according to the information and explanations given to us and based on the documents and records produced before us, the Company has maintained adequate documents and records, in respect of loans and advances granted on the basis of security by way of pledge of shares and other securities.
- 13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- 14. In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name except for the shares referred to in Note (c) of Note 13 to the Financial Statements.
- 15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- 16. According to the information and explanations given to us and the records examined by us, on an overall basis, the term loan obtained by the Company was applied for the purpose for which the loan was obtained.
- 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has used funds raised on short term basis for long term investment to the extent of ₹ 26.43 crores.
- 18. The Company has not made any preferential allotment of shares to any party or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19. The Company did not issue any debentures during the year.
- 20. The Company has raised an amount of ₹ 370.52 crores through an Institutional Placement Programme during the year. The Company has disclosed the end use of money raised in Note 22 to the Financial Statements.
- 21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For and on behalf of

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

> Daraius Z. Fraser Partner M. No.: 42454

Mumbai: May 28, 2013.

Balance Sheet as at March 31, 2013

	Amo				
	Note No.	Curren	t Year	Previous Year	
Equity and Liabilities					
Shareholders' Funds					
(a) Share Capital	3	33.52		31.76	
(b) Reserves and Surplus	4	1,590.60		1,200.79	
·			1,624.12	1,232.55	
Non Current Liabilities					
(a) Long-Term Borrowings	5	422.36		181.10	
(b) Deferred Tax Liabilites (Net)	6	34.38		35.76	
(c) Long-Term Provisions	7	10.02		6.50	
			466.76	223.36	
Current Liabilities					
(a) Short-Term Borrowings	8	445.26		94.49	
(b) Trade Payables	9	430.57		601.78	
(c) Other Current Liabilities	10	159.10		396.91	
(d) Short-Term Provisions	11	74.47		68.99	
		_	1,109.40	1,162.17	
TOTAL		_	3,200.28	2,618.08	
Assets					
Non-Current Assets					
(a) Fixed Assets	12				
(i) Tangible Assets		320.85		330.66	
(ii) Intangible Assets		0.53		0.84	
(iii) Capital Work-in-Progress		489.02		141.79	
			810.40	473.29	
(b) Non-Current Investments	13		1,278.27	1,349.83	
(c) Long-Term Loans and Advances	14		87.23	113.51	
(d) Other Non-Current Assets	15	_	-		
		_	2,175.90	1,936.63	
Current Assets					
(a) Current Investments	16	60.98		3.98	
(b) Inventories	17	138.25		199.83	
(c) Trade Receivables	18	139.62		133.28	
(d) Cash and Bank Balances	19	446.54		69.14	
(e) Short-Term Loans and Advances	20	146.72		121.36	
(f) Other Current Assets	21	92.27		153.86	
		_	1,024.38	681.45	
TOTAL		_	3,200.28	2,618.08	

See Accompanying Notes to the Financial Statements

As per our Report attached Signatures to Balance Sheet and Notes to the Financial Statements

For and on behalf of

For and on behalf of the Board Kalyaniwalla & Mistry

Chartered Accountants A. B. Godrej N. B. Godrej Managing Director Chairman

Daraius Z. Fraser N.S. Nabar Clement Pinto

Partner **Executive Director** Chief Financial Officer & President (Chemicals)

K.R. Rajput Company Secretary Mumbai, May 28, 2013.

Statement of Profit and Loss for the year ended March 31, 2013

Δ mount	INID	Croro

Particulars	Note No.	Currer	nt Year	Previous Year
Revenue from Operations (Gross)	25	1,560.52		1,510.02
Less: Excise Duty		95.89		71.98
			1,464.63	1,438.04
Other Income	26		34.83	31.72
Total Revenue			1,499.46	1,469.76
Expenses				
(a) Cost of Materials Consumed	27	954.31		887.47
(b) Purchases of Stock-in-Trade		3.78		3.56
(c) Changes in Inventory of Finished Goods, Work-in- Progress and Stock-in-Trade	28	25.64		(9.15)
(d) Employee Benefits Expense	29	115.33		116.33
(e) Finance Costs	30	64.82		70.53
(f) Depreciation and Amortisation Expense		23.12		27.19
(g) Other Expenses	31	274.01		266.15
Total Expenses			1,461.01	1,362.08
Profit Before Exceptional Items and Tax			38.45	107.68
Exceptional Items	32		58.71	93.37
Profit Before Tax			97.16	201.05
Tax Expense				
(a) Current Tax		2.31		17.60
(b) MAT Credit Entitlement		-		(17.60)
(c) Deferred Tax		(1.37)		(0.17)
(d) Adjustment for Tax of Previous Years (net)		(0.52)		(0.34)
Total Tax			0.42	(0.51)
Profit for the Year			96.74	201.56
Earnings Per Share (Face Value ₹ 1 per share)	33			
(a) Basic			2.9631	6.3459
(b) Diluted			2.9568	6.3342

See Accompanying Notes to the Financial Statements

As per our Report attached Signatures to the Statement of Profit and Loss and Notes to the Financial

Statements

For and on behalf of For and on behalf of the Board

Kalyaniwalla & MistryA. B. GodrejN. B. GodrejChartered AccountantsChairmanManaging Director

N.S. Nabar Clement Pinto
Daraius Z. Fraser Executive Director Chief Financial Officer

Partner & President (Chemicals)

K.R. Rajput

Mumbai, May 28, 2013. Company Secretary

Cash Flow Statement for the year ended March 31, 2013

	on rion otatomont for the year ended march on, 2	Ar	mount INR Crore
		Current year	Previous year
A.	Cash Flow from Operating Activities :		
	Profit Before Tax	97.16	201.05
	Adjustments for :		
	Depreciation	23.12	27.19
	Unrealised Foreign Exchange	1.28	(7.24)
	Profit on Sale of Investments	(75.28)	(92.31)
	Loss on Sale of Fixed Assets	0.25	0.48
	Dividend Income	(60.55)	(95.32)
	Interest Income	(18.32)	(18.17)
	Interest Expense	64.82	70.53
	Employee Stock Option Compensation	6.72	6.46
	Provision/ (Write-back) for Diminution in Value of Investments/ Loans and advances	10.48	(2.54)
	Write back for Doubtful Debts and Sundry Balances (net)	(1.60)	(0.31)
	Operating Profit Before Working Capital Changes	48.08	89.82
	Adjustments for :		
	Inventories	61.58	(14.73)
	Trade and Other Receivables	48.15	(49.34)
	Trade Payables	(137.06)	198.01
	Cash Generated from Operations	20.75	223.76
	Direct Taxes Paid	(6.60)	(20.52)
	Direct Taxes Refund	-	0.74
	Net Cash from Operating Activities	14.15	203.98
B.	Cash Flow from Investing Activities :		
	Purchase of Fixed Assets	(470.07)	(79.43)
	Proceeds from Sale of Fixed Assets	0.37	0.67
	Purchase of Investments	(1,333.36)	(1,107.21)
	Surplus Proceeds deployed as Fixed Deposits	(412.39)	-
	Proceeds from Sale of Investments	1,423.05	1,075.45
	Intercorporate Deposits/ Loans (net)	21.70	(5.77)
	Interest Received	19.14	16.50
	Dividend Received	60.55	95.32
	Net Cash used in Investing Activities	(691.01)	(4.47)

Cash Flow Statement for the year ended March 31, 2013

		Ar	mount INR Crore
		Current year	Previous year
C.	Cash Flow from Financing Activities :		
	Proceeds from issue of Equity shares	360.26	-
	Proceeds from Borrowings	611.75	661.03
	Repayments of Borrowings	(213.21)	(707.79)
	Bank Overdrafts (net)	20.95	(0.74)
	Interest Paid	(62.77)	(71.52)
	Dividend Paid	(58.58)	(55.54)
	Tax on Distributed Profits	(7.18)	(9.02)
	Net Cash from/ (used in) Financing Activities	651.22	(183.58)
	Net (Decrease)/ Increase in Cash and Cash Equivalents	(25.64)	15.93
	Cash and Cash Equivalents (Opening Balance)	59.50	43.57
	Cash and Cash Equivalents (Closing Balance)	33.86	59.50
	Notes:		
	Cash and Cash Equivalents		
	Cash on Hand and Balances with Banks	446.54	69.13
	Effect of Exchange Rate Changes	-	0.01
	Closing balances of Fixed deposit (more than 3 months but less than	(412.39)	(9.39)
	12 months) Other Bank Balances	(0.29)	(0.25)
	Cash and Cash Equivalents	33.86	59.50
	2. To finance working capital requirements, the Company's Bankers have		
	sanctioned a total fund-based limit of ₹ 90 crore. Of this, limits utilised as		
	on March 31, 2013 is ₹ 70.26 crore.		
	3. The figures for the previous year have been regrouped/ restated whereve necessary.		

As per our Report attached	Signatures to Cash Flow Statement	
For and on behalf of Kalyaniwalla & Mistry Chartered Accountants	For and on behalf of the Board A. B. Godrej Chairman N. B. Godrej Managing Director	
Daraius Z. Fraser Partner	N.S. Nabar Executive Director & President (Chemicals)	Clement Pinto Chief Financial Officer
Mumbai, May 28, 2013.	,	K.R. Rajput Company Secretary

NOTE 1: General Information

The Company was incorporated under the Companies Act, 1956 on March 7, 1988 under the name of Gujarat-Godrej Innovative Chemicals Limited. The business and undertaking of the erstwhile Godrej Soaps Limited was transferred to the Company under a Scheme of Amalgamation with effect from April 1, 1994 and the Company's name was changed to Godrej Soaps Limited. Subsequently, under a Scheme of Arrangement the Consumer Products division of the Company was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL) and the Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. The Company's name was changed to Godrej Industries Limited on April 2, 2001.

The Company is engaged in the businesses of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities.

NOTE 2: Significant Accounting Policies

2.1 Accounting Convention

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India, the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2.2 Use of Estimates

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

2.3 Fixed Assets

Fixed Assets are stated at cost or as revalued as the case may be, less accumulated depreciation. Cost includes expenses related to acquisition and any directly attributable cost of bringing the assets to it's intended working condition.

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

2.4 Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation. The cost of acquisition of trade marks is amortised equally over a period of ten years. Computer software is amortised over a period of six years on the straight line method.

2.5 Impairment of Assets

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

2.6 Borrowing Costs

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

2.7 Investments

Investments are classified into long-term and current investments. Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other

than of a temporary nature. The fair value of a long-term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

Current investments are stated at lower of cost and fair value.

2.8 Inventories

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

2.9 Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

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.

2.10 Foreign Exchange Transactions

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

2.11 Revenue Recognition

Sales are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates, sales taxes and excise duties.

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

Export incentives receivable under the Duty Entitlement Pass Book Scheme and Duty Drawback Scheme are accounted on accrual basis.

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

Interest income is recognised on a time proportion basis.

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

2.12 Research and Development Expenditure

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 included under additions to fixed assets.

2.13 Depreciation

Leasehold land and Leasehold improvements are amortised equally over the lease period.

Depreciation is provided pro rata to the period of use, under the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956, except for computer hardware which is depreciated over its estimated useful life of 4 years.

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

Depreciation on the revalued component is provided on the straight line method based on the balance useful life of the assets as certified by the valuers. Such depreciation is withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss.

2.14 Employee Benefits

Liability is provided for the retirement benefits of provident fund, gratuity, leave encashment and pension benefit in respect of all eligible employees of the Company.

- (i) Defined Contribution Plan
 - Employee benefits in the form of Provident Fund and Family Pension which are paid to EPFO are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- (ii) Defined Benefit Plan
 - Retirement benefits in the form of Provident Fund which are paid to PF Trust, Gratuity and Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
- (iii) Other Long-Term Benefits
 - Long-term Compensated Absences and Long Service Awards are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
 - Actuarial gain/losses comprising of experience adjustments and the effects of changes in acturial assumptions are immediately recognized in the Statement of Profit and Loss.

2.15 Incentive Plans

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

2.16 Hedging

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

2.17 Taxes on Income

Tax expense comprises both current and deferred tax. Current tax is the amount of tax payable on the assessable income for the year determined in accordance with the provisions of the Income tax Act, 1961.

Deferred tax is recognized on timing differences, being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax

Amount INR Crore

Notes to the Financial Statements

assets on unabsorbed tax losses and tax depreciation are recognized only when there is virtual certainty of their realisation and on other items when there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rate and laws enacted or substantially enacted on the balance sheet date.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is reasonable possibility that the Company will pay normal income tax during the specified period for which MAT Credit is allowed to be carried forward. The Company recognizes MAT Credit as an asset by way of credit to the statement of Profit and Loss and is disclosed as "MAT Credit Entitlement." under Long-Term Loans and Advances.

2.18 Segment Reporting

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

NOTE 3: Share Capital

	Current Ye	ear	Previou	s Year
	Number	Value	Number	Value
Authorised Share Capital				
(a) Equity shares of ₹ 1 each	800,000,000	80.00	800,000,000	80.00
(b) Unclassified Shares of ₹ 10 each	100,000,000	100.00	100,000,000 _	100.00
		180.00	_	180.00
Issued, Subscribed and Paid up Share Capital				
Equity Shares of ₹ 1 each fully paid up	335,165,917	33.52	317,624,892	31.76
B W (5 1) O (5 7)				
Par Value of Equity Share is ₹ 1 each				
Par Value of Unclassified Share is ₹ 10 each				
Reconciliation of number of Shares				
Equity Shares				
Number of Shares outstanding at the beginning of the year	317,624,892	31.76	317,624,892	31.76
	17,541,025	1.76	317,024,092	31.70
Issued during the year			017.004.000	- 01.70
Number of Shares outstanding at the end of the year	335,165,917	33.52	317,624,892	31.76
Rights, Preferences And Restrictions attached to Shares				
Equity Shares: The Company has one class of equity				
shares. Each equity share entitles the holder to one				
vote. The final dividend proposed by the Board of				
Directors is subject to the approval of the shareholders				
in the ensuing Annual General Meeting. In the event				
of liquidation, the equity shareholders are eligible to				
receive the remaining assets of the Company after				
distribution of all preferential amounts in proportion to				
their shareholding.				

NOTE 3 : Share Capital (Contd.)

NOTE 3. Share Capital (Contd.)			Amount INF	2 Croro
	Current Year		Previous Year	101016
	Number	Value	Number	Value
Chava I lalding Information	Nullibei	value	Number	value
Share Holding Information				
(a) Equity Shares held by Godrej and Boyce		40.70	407.000.000	40.70
Manufacturing Company Limited - Holding Company		18.72	187,202,388	18.72
(b) Shareholders holding more than 5% of Equity				
Shares in the Company				
Godrej & Boyce Manufacturing Company Limited -	107 000 000	10.70	107 000 000	10.70
55.85% (Previous Year 58.94%)	187,202,388	18.72	187,202,388	18.72
Equity Shares Reserved for Issue Under Options				
(a) 120,599 Employee Stock Options eligible for				
120,599 equity shares of ₹ 1 each vesting on				
31/05/12	-	_	120,599	0.01
(b) 32,921 Employee Stock Options eligible for 32,921			,	
equity shares of ₹ 1 each vesting on 30/07/12 (*)	32,921	-	207,813	0.02
(c) 5,901 Employee Stock Options eligible for 5,901				
equity shares of ₹ 1 each vesting on 29/06/12	-	-	5,901	-
(d) 189,029 Employee Stock Options eligible for				
189,029 equity shares of ₹ 1 each vesting on				
31/05/13	189,029	0.02	126,500	0.01
(e) 191,354 Employee Stock Options eligible for				
191,354 equity shares of ₹ 1 each vesting on				
31/05/14	191,354	0.02	120,599	0.01
(f) 3,974 Employee Stock Options eligible for 3,974				
equity shares of ₹ 1 each vesting on 31/12/13 (*)	3,974	-	3,974	-
(g) 1,927 Employee Stock Options eligible for 1,927	4 007		4 007	
equity shares of ₹ 1 each vesting on 30/04/14 (*)	1,927	-	1,927	-
(h) 8,226 Employee Stock Options eligible for 8,226				
equity shares of ₹ 1 each vesting on 31/07/13 (*)	8,226	-	-	-
(i) 1,387 Employee Stock Options eligible for 1,387 equity shares of ₹ 1 each vesting on 31/11/14 (*)	1,387			
(i) 80,065 Employee Stock Options eligible for 80,065		_	-	-
equity shares of ₹ 1 each vesting on 31/05/15	80,065	0.01	_	_
(k) 3,841 Employee Stock Options eligible for 3,841	00,000	0.01		
equity shares of ₹ 1 each vesting on 31/03/15 (*)	3,841	_	_	_
equity charge of the each vecting of the 1700/10 ()	3,5			
During the period of five years immediately preceeding				
the date as at which the Balance Sheet is prepared:				
(a) There were no shares allotted as fully paid up				
pursuant to contracts without payment being				
received in cash.				
(b) No shares have been allotted as fully paid up bonus shares.				
(c) In the financial year 2009-10, the Company bought				
back 2,133,710 Equity Shares.				
There are no calls upaid.				
There are no calls apaid. There are no forfeited shares.				
(*) Amount less than ₹ 0.01 crore.				

^(*) Amount less than ₹ 0.01 crore.

NOTE 4: Reserves and Surplus

NOTE 4. neserves and surplus		Amo	ount INR Crore
	Current Year	Previou	s Year
Capital Investment Subsidy Reserve	0.25		0.25
Capital Redemption Reserve	31.46		31.46
Securities Premium Account			
As Per Last Balance Sheet	556.50	556.50	
Add: Transfer from Employee Stock Options	6.07	-	
Outstanding Add: On Shares issued during the year	368.80		
Less : Share Issue Expenses	(10.28)		
Less . Orlare issue Experises	921.09		556.50
Revaluation Reserve	021100		000.00
As Per Last Balance Sheet	10.56	11.49	
Less: Depreciation on Revalued component and			
deduction due to sale / discard of fixed assets	(2.84)	(0.93)	
	7.72		10.56
Employee Stock Options Outstanding			
Options granted as at the beginning of the year	11.33	-	
Add: Compensation for Options Granted During the	7.00	11.00	
Year Less : Options Lapsed	7.09 (0.99)	11.33	
Less: Transfer to Securities Premium on exercise of	(0.99)	_	
stock options during the year	(6.07)	-	
, ,	11.36	11.33	
Less: Deferred Employee Stock Compensation	(4.25)	(4.88)	
	7.11		6.45
General Reserve			
As Per Last Balance Sheet	111.89	91.73	
Additions During the year - Transfer from Surplus	29.02	20.16	
	140.91		111.89
Surplus As Park set Palence Chest	400.00	000.05	
As Per Last Balance Sheet	483.68	366.95	
Additions During the year - As per Statement of Profit and Loss	96.74	201.56	
Dividend for 2011-12, on additional shares issued		201100	
during the year	(2.98)	-	
Credit for Dividend Distribution Tax on Dividend			
Received from Subsidiaries	1.85	-	
Proposed Dividend - Final	(58.69)	(55.64)	
Tax on Distributed Profit	(9.52)	(9.03)	
Transfer to General Reserve	(29.02)	(20.16)	400.60
Total	482.06 1,590.60	-	1,200.79
างเลา	1,590.00		1,200.79

NOTE 5: Long-Term Borrowings

	Current Year	Previous Year
Unsecured		
(a) Term Loans		
(i) From Banks - refer note 1 (a) & (b) below	367.10	114.24
(b) Deposits		
(i) Fixed Deposit- refer note 1 (c) below	55.26	66.86
Total	422.36	181.10

Notes:

- (1) Terms of Repayment for Unsecured Borrowings
 - (a) Unsecured loan from Bank amounting to ₹ 149.96 crore carrying interest at Base Rate + 1.4% p.a. is for a term upto 60 months and is repayable from July 2015 to April 2017.
 - (b) Unsecured loan from Bank amounting to ₹ 108.57 crore carries interest at LIBOR + 2.17% p.a. for a term of 60 months and is repayable from March 2015 to September 2016.
 Unsecured loan from Bank amounting to ₹ 108.57 crore carries interest at LIBOR + 2.5% p.a. for a term of 60 months and is repayable from June 2016 to December 2017.
 - (c) Fixed deposits from public have a maturity period of 13, 24 or 36 months.
- (2) The Company does not have any continuing default as on the Balance Sheet date in repayment of loan or interest.

NOTE 6: Deferred Tax Liabilities (Net)

Amount INR Crore

	Current Year	Previous Year
Liabilities		
(a) Depreciation	48.27	45.59
<u>Assets</u>		
(a) Provision for Retirement Benefits	3.42	1.54
(b) Provision for Doubtful Debts/ Advances	6.25	3.88
(c) VRS Expenses	0.03	0.55
(d) Others	4.19	3.86
Tota	34.38	35.76

NOTE 7: Long-Term Provisions

Amount INR Crore

	Current Year	Previous Year
	10.02	6.50
Total	10.02	6.50

Provision for Employee Benefits

Amount INID Crara

Notes to the Financial Statements

NOTE 8: Short Term Borrowings

Amount INR Cro			
	Current Year	Previous Year	
Secured			
(a) Loans Repayable On Demand			
(i) From Bank - refer note (1) below	30.26	17.49	
(b) Other Loans			
(i) Commercial Papers - refer note (2) below	40.00	-	
<u>Unsecured</u>			
(a) Loans Repayable On Demand			
(i) From Bank	25.00	-	
(b) Loans and Advances from Related Parties	-	2.00	
(c) Other Loans			
(i) Commercial Papers	350.00	75.00	
Total	445.26	94.49	

Notes:

- (1) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.
- (2) Commercial Papers are secured by hypothecation of stocks and book debts.
- (3) The Company does not have any continuing default as on the Balance Sheet date in repayment of loan or Interest.

NOTE 9: Trade Payables

	Amount live Grore	
	Current Year	Previous Year
Trade Payables		
(a) Outstanding dues of Micro and Small Enterprise - refer note (1) below	2.08	1.70
(b) Others	427.12	598.78
Acceptances	1.37	1.30
Total	430.57	601.78

Note:

(1) Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2013, to Micro, Small and Medium Enterprises on account of principal or interest (previous year ₹ Nil).

NOTE 10: Other Current Liabilities

	Amount INR Crore				
	Current Year	Previous	Year		
Current Maturities of Long Term Debts					
(a) Unsecured Loan					
(i) From Bank	12.50	170.00			
(b) Unsecured Deposits					
(i) Fixed Deposits	46.09	61.13			
	58.59		231.13		
Current Maturities of Finance Lease Obligations	-		0.01		
Interest Accrued but not Due on Borrowings	2.72		0.68		
Unpaid Dividends	0.29		0.26		
Unpaid Matured Deposits					
(a) Principal Amount	4.20	2.42			
(b) Interest Accrued Thereon	0.16	0.01	0.40		
Oller De delle	4.36		2.43		
Other Payables	0.50	4.05			
(a) Advances from Customers	3.50	4.85			
(b) Sundry Creditors	4.42	8.90			
(c) Forward Cover Contracts Payable	67.81	113.74			
(d) Unamortised Forward Cover Premium	0.64	16.58			
(e) Other Liabilities	0.81	0.38			
(f) Statutory Liabilities	6.49	3.14			
(g) Deposits	9.47	14.81	162.40		
Total	159.10	_	396.91		
Iotai	159.10	_	390.91		

NOTE 11: Short-Term Provisions

Provision For Employee Benefits
Proposed Dividend (refer note 1)
Provision for Tax on Distributed Profit

	Amount INR Crore				
	Current Year Previous Year				
	6.26	4.32			
	58.69	55.64			
	9.52	9.03			
Total	74.47	68.99			

Note:

(1) The Board of Directors of the Company has proposed a dividend of ₹ 1.75 per equity share - 175% (previous year ₹ 1.75 per equity share - 175%) for the year 2012-13 amounting to a total out-go of ₹ 58.69 crore (previous year ₹ 55.64 crore).

NOTE 12: Fixed Assets

Amount INR Crore

ASSETS		GROS	SS BLOCK		D	EPRECIATION	/ IMPAIRN	1ENT	NET BLOCK		
	As on 01.04.2012	Additions	Deductions/ Adjustments	As on 31.03.2013	Upto 31.03.2012	Deductions/ Adjustments	For the Year	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012	
Tangible Assets											
(a) Land											
(i) Freehold	1.14	-	-	1.14	-	-	-	-	1.14	1.14	
(ii) Leasehold	16.83	-	-	16.83	0.63	-	0.18	0.81	16.02	16.20	
(b) Buildings	145.43	0.93	5.07	141.29	32.16	2.44	4.26	33.98	107.31	113.27	
(c) Plant and Equipment	481.82	14.80	0.59	496.03	316.06	0.40	15.43	331.09	164.94	165.76	
(d) Research Centre	0.40	0.24	-	0.64	0.14	-	0.02	0.16	0.48	0.26	
(e) Furniture and Fixtures	12.87	0.39	-	13.26	7.97	-	0.70	8.67	4.59	4.90	
(f) Office and Other Equipment	11.88	0.26	0.02	12.12	5.72	-	0.56	6.28	5.84	6.16	
(g) Vehicles / Vessels											
(i) Own	31.86	0.73	1.26	31.33	8.91	0.67	2.56	10.80	20.53	22.95	
(ii) Under Finance Lease	0.47	-	0.47	-	0.45	0.46	0.01	0.00	(0.00)	0.02	
Total Tangible Assets	702.70	17.35	7.41	712.64	372.04	3.97	23.72	391.79	320.85	330.66	
Intangible Assets											
(a) Trademarks	4.63	-	-	4.63	4.63	-	-	4.63	-	-	
(b) Software	10.76	-	-	10.76	9.92	-	0.31	10.23	0.53	0.84	
Total Intangible Assets	15.39	-	-	15.39	14.55	-	0.31	14.86	0.53	0.84	
TOTAL - Current Year	718.09	17.35	7.41	728.03	386.59	3.97	24.03	406.65	321.38		
- Previous Year	677.51	46.75	6.17	718.09	363.34	4.88	28.13	386.59		331.50	
Capital Work-in-Progress									489.02	141.79	
									810.40	473.29	

Notes:

- 1. Buildings, Plant and Equipment and Research Centre at Vikhroli Factory were revalued on June 30, 1992, on the basis of a valuation report submitted by professional valuers.
- 2. Depreciation for the year includes ₹ 0.91 crore (previous year ₹ 0.94 crore) being depreciation on revalued component of the fixed assets.
- 3. Gross block deductions includes ₹ 3.04 crore (previous year ₹ 0.01 crore) and Deduction / Adjustments includes ₹ 1.11 crore (previous year ₹ 0.00 crore) being the revalued component of assets sold / discarded during the year.
- 4. Accumulated depreciation includes impairment loss of ₹ 5.10 crore (previous year ₹ 5.10 crore) on certain Plant and Equipment.
- 5. Capital work-in-progress is net of impairment loss of ₹ 2.04 crore (previous year ₹ 2.04 crore) provided on an infructuous asset under construction.
- 6. Capital work-in-progress includes ₹ 6.33 crore (previous year ₹ 0.03 crore) of Exchange Difference arising on Long-Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.
- 7. Capital work-in-progress includes an amount of ₹ 26.61 crore (previous year ₹ 1.05 crore) on account of borrowing costs capitalised.

NOTE 13: Non-Current Investments

		Number					mount INR Crore
Investee C	ompany / Entity	Face value (₹)	Current Year	Previous Year	Notes	Current Year	Previous Year
Trade Inves	tments (Valued at cost unless stated otherwise)						
1. Inve	estment in Equity Instruments (Fully paid unless						
sta	ted otherwise)						
(a)	Investment in Subsidiary Companies						
	(i) Quoted						
	Godrej Properties Ltd.	10	47,965,209	47,965,209	(a)	229.93	229.93
	(ii) Unquoted						
	Ensemble Holdings & Finance Ltd.	10	3,774,160	3,774,160		13.19	13.19
	Godrej Agrovet Ltd.	10	8,419,926	9,112,956		150.77	163.18
	Godrej International Ltd.	£1	2,105,000	2,105,000		14.76	14.76
	Godrej International Trading & Investments Pte. Ltd.	\$1	1,000,000	1,000,000		4.43	4.43
	Natures Basket Limited	10	72,550,000	43,450,000		70.51	41.41
	Swadeshi Detergents Ltd. (From March 22, 2013)	10	509,670	-	(f)	1.91	-
(b)	Investment in Associate Companies						
	(i) Quoted						
	Godrej Consumer Products Ltd.	1	73,659,620	71,989,620	(b)	693.05	582.63
	(ii) Unquoted						
	Swadeshi Detergents Ltd. (Till March 21, 2013)	10	-	209,370	(f)	-	1.91
(c)	Investment in Joint Venture						
	Unquoted						
	Godrej Hershey Ltd.	10	-	32,587,046		-	177.40
(d)	Others						
	(i) Quoted						
	M*Modal Inc. (Formerly MedQuist Holdings Inc.)	\$0.10	-	1,471,601		-	30.83
	(ii) Unquoted						
	Bharuch Eco-Aqua Infrastructure Ltd.	10	440,000	440,000		0.44	0.44
	Less: Provision for Diminution in Value					(0.44)	(0.44)
						-	-
	Avesthagen Ltd.	7	469,399	469,399		12.43	12.43
	CBay Infotech Ventures Pvt. Ltd.	10	112,579	112,579		2.33	2.33
	Gharda Chemicals Ltd.	100	114	114	(c)	0.12	0.12
	Less: Provision for Diminution in Value					(0.12)	
							0.12
	HyCa Technologies Pvt. Ltd.	10	12,436	12,222	/ IN	1.24	1.25
	Tahir Properties Ltd (Partly paid) *	100	25	25	(d)	-	- 0.00
	Boston Analytics Inc.	\$1	1,354,129	1,055,629		6.91	6.88
	Less: Provision for Diminution in Value					(6.91)	(6.88)
	The Saraswat Co-op. Bank Ltd. *	10	1,000	1 000		-	-
2 Inve	estment in Preference Shares (Fully paid unless	10	1,000	1,000		•	-
	ted otherwise)						
-	Unquoted						
	Wadala Commodities Ltd. (0.01% Redeemable	10	5,000,000	5,000,000	(d)	4.50	4.50
	Non-Cumulative Preference Shares)		.,,	.,,.	(-)		
	Less: Provision for Diminution in Value					(4.50)	(4.50)
						-	
	Tahir Properties Ltd. (Class - A) (partly paid) *	100	25	25	(d)	-	-
	Verseon Corporation - Class A Preferred Shares	\$1.90	2,631,578	2,631,578		11.42	11.42
	Less: Provision for Diminution in Value					(7.80)	(7.80)
						3.62	3.62

NOTE 13: Non Current Investments (Contd.)

		Num	nber		A	mount INR Crore
Investee Company / Entity	Face value (₹)	Current Year	Previous Year	Notes	Current Year	Previous Year
3. Investment in Partnership Firm						
View Group LP*		-	-	(e)	0.00	0.00
Less: Provision for Diminution in Value					0.00	0.00
					0.00	0.00
4. Other Non-Current Investments						
(a) Limited Liability Partnership						
Godrej Vikhroli Properties LLP					0.80	0.80
Profit Accrued on share in Godrej Vikhroli					79.30	26.24
Properties LLP						
(b) Investment in Debentures						
Unquoted						
Godrej Hershey Limited	100	-	4,337,000		-	43.37
					1,278.27	1,349.83
Aggregate Amount of Quoted Investments					922.98	843.39
Aggregate Amount of Unquoted Investments					355.29	506.44
Aggregate Provision for Diminution in Value					19.77	19.62
Market Value of Quoted Investments					8,278.72	6,498.61
* Amount less than ₹ 0.01 crore.						

Notes:

- (a) 1,39,70,002 equity shares (previous year 1,39,70,002 equity shares) of Godrej Properties Limited were locked in till December 22, 2012.
- (b) 52,34,852 equity shares (previous year 52,34,852 equity shares) of Godrej Consumer Products Limited received under a Scheme of Arrangement were locked in till November 24, 2012.
- (c) The said shares have been refused for registration by the investee company.
- (d) Uncalled Liability on partly paid shares
 - Tahir Properties Ltd. Equity ₹ 80 per share.
 - Tahir Properties Ltd. Preference ₹ 30 per share.
 - Wadala Commodities Limited Preference ₹ 1 per share.
- (e) Information on partnership firm View Group

Sr. No	Name of the partner	Country	% Holding Current Year	% Holding Previous Year
1	Mr. Robert Buirkle	USA	13.08%	13.08%
2	Mr. John H. Gutfreund	USA	13.08%	13.08%
3	Bonsal Trust	USA	6.54%	6.54%
4	Free Market Capital L.P.	USA	4.83%	4.83%
5	Kilbane Development SA	Monaco	6.54%	6.54%
6	Mazda Partners LP	USA	8.96%	8.96%
7	Ms. Mrinalini Jaikumar	USA	1.96%	1.96%
8	Mr. John Pries	USA	2.62%	2.62%
9	Mr. Marti Subrahmanyam	USA	1.96%	1.96%
10	R. Gregg Stone Trust	USA	1.28%	1.28%
11	Mr. Robert G. Stone, Jr.	USA	1.28%	1.28%
12	Mr. Michael R. Greenberg	USA	3.27%	3.27%
13	Mr. Paul D. Sonz	USA	1.25%	1.25%
14	VIEW Group Grantor Retained Annuity Trust	USA	2.03%	2.03%
15	BKE Partners L.P.	USA	4.83%	4.83%
16	VIEW LP Holding, Inc.	USA	4.83%	4.83%
17	Schwartz and Nystrom, as escrow agent	USA	9.66%	9.66%
18	Godrej Industries Limited	India	12.00%	12.00%
	Total		100.00%	100.00%

f) During the year Swadeshi Detergents Limited, which was an Associate Company upto March 21, 2013, has become a 100% subsidiary of the Company. The Board of Directors has approved a Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, in respect of which a petition under sections 391 to 394 of the Companies Act, 1956, has been filed with the Bombay High Court.

NOTE 14: Long-Term Loans and Advances

	Amount INR Crore				
	Current Year	Previou	s Year		
Secured Loans and Advances - refer note 1 below					
Considered Good	-	10.33			
Considered Doubtful	10.33	-			
Less: Provision for Doubtful Advances	(10.33)	-			
	-		10.33		
Unsecured and Considered Good (Unless otherwise					
stated)					
(a) Capital Advances					
Considered Good	19.42	22.55			
Considered Doubtful	0.03	-			
Less: Provision for Doubtful Advances	(0.03)				
	19.42		22.55		
(b) Inter Corporate Deposit	-		3.85		
(c) Other Loans and Advances					
(i) Loan to ESOP Trust	-		13.46		
(ii) Loans to Employees	0.76		0.70		
(iii) Advance Tax and Tax Deducted at Source	10.84		5.82		
(Net of Provision for Taxation ₹ 48.23 crore,					
previous year ₹ 47.70 crore)					
(iv) MAT Credit Entitlement	56.21		56.80		
Total	87.23		113.51		

Note:

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

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

Amount INID Crara

Notes to the Financial Statements

NOTE 15: Other Non-Current Assets

	Amount ink Grore				
	Current Year	Previous Year			
Secured					
(a) Interest Accrued on loans					
Considered Doubtful - refer note 1 below	3.15	3.15			
Less: Provision for Doubtful Interest Accrued	(3.15)	(3.15)			
Unsecured					
(a) Interest Accrued on loans					
	1.00	1.00			
Considered Doubtful	1.63	1.63			
Less: Provision for Doubtful Interest Accrued	(1.63)	(1.63)			
Total					

Note:

(1) Interest on loan referred to in sub-note (1) of Note 14 above, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.

NOTE 16: Current Investments

	Number				Ar	Amount INR crore		
Investee Company / Entity	Face value (₹)	Current Year	Previous Year	Notes	Current Year	Previous Year		
1 Investment in Mutual Funds								
Unquoted Birla Sunlife Short-term fund - Growth		6,932,796	_		29.00			
HDFC HIF STP - Growth		12,540,215			28.00			
2 Other Current Investments		, ,						
(a) Optionally Convertible Loan Notes/								
Promissory Notes/Debentures: Unquoted:								
Boston Analytics Inc. (15%)	\$750,000	-	-	(a)	3.00	3.00		
Less: Provision for Diminution in Value					(3.00)	(3.00)		
Boston Analytics Inc. (20%)	\$1,550,000	_	_	(a)	6.73	6.73		
Less: Provision for Diminution in Value	ψ1,000,000			(α)	(6.73)	(6.73)		
					-	-		
Boston Analytics Inc. (12%) Less: Provision for Diminution in Value	\$950,000	-	-	(b)	4.69	4.69		
Less: Provision for Diminution in value					<u>(4.69)</u> -	(4.69)		
Verseon Corporation (13%)	\$1,000,000	-	-	(c)	3.98	3.98		
Total					60.98	3.98		
Aggregate Amount of Quoted Investments Aggregate Amount of Unquoted Investments					- 60.98	3.98		
Aggregate Provision for Diminution in Value					14.42			
Market Value of Quoted Investments					-	-		
Notes:								

⁽a) The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company has not exercised were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.

⁽b) 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.

⁽c) Optionally Convertible Notes issued by Verseon Corporation - were convertible after December 1, 2008 until the due date but not later than September 15, 2012. The said promissory notes have not been redeemed as of the Balance Sheet date.

NOTE 17: Inventories

Amount INR Crore

	Current Year	Previous Year
Raw Material	50.77	86.46
Packing Material	1.67	1.19
Work-in-Progress	55.18	56.83
Finished Goods (Includes In Transit - ₹ 0.00 crore*, previous year ₹ 1.34 crore)	24.00	47.99
Stock-in-Trade	0.04	0.04
Stores and Spares	6.59	7.32
Total	138.25	199.83

^{*} Amount less than ₹ 0.01 crore.

Note:

(1) Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat.

NOTE 18: Trade Receivables

Amount INR Crore

	Current Year	Previous Year
Secured and Considered Good		
(a) Outstanding for a period exceeding six months from the date they are due for	-	-
payment		
(b) Others	19.20	15.88
<u>Unsecured</u>		
Considered Good		
(a) Outstanding for a period exceeding six months from the date they are due for	-	-
payment		
(b) Others	120.42	117.40
Considered Doubtful		
(a) Outstanding for a period exceeding six months from the date they are due for	0.99	0.99
payment		
(b) Allowance for Doubtful Debts	(0.99)	(0.99)
Total	139.62	133.28

(1) Trade Receivables include the following amounts due from Companies under the Same Management:

Amount INR Crore

	Current Year	Previous Year
Godrej Agrovet Limited	0.89	0.08
Natures Basket Limited	0.06	-
Godrej Hershey Limited	-	0.28
Godrej Properties Limited	0.72	0.75
Godrej Consumer Products Limited	3.27	-
Godrej Tyson Foods Limited	-	0.17
Laboratorio Cuenca S.A.	1.12	0.80

Amount INR Crore

Amount INR Crore

Notes to the Financial Statements

NOTE 19: Cash and Bank Balances

	AIII	Out it it it it Clote
	Current Year	Previous Year
Cash and Cash Equivalents		
Balances with Banks		
(a) Current Accounts	15.76	15.37
(b) Deposits having maturity less than 3 months	18.00	44.00
Cash on Hand	0.10	0.13
	33.86	59.50
Other Bank Balances		
(a) Deposit with more than 3 months but less than 12 months maturity - refer note	412.39	9.39
1 below		
(b) Other Bank Balances - refer note 2 below	0.29	0.25
Total	446.54	69.14

Notes:

- (1) Fixed Deposit of ₹ 0.19 crore (previous year ₹ 0.19 crore) is held by bank as security against guarantees issued.
- (2) Other Bank Balance of ₹ 0.29 crore (previous year ₹ 0.25 crore) is earmarked balance for unpaid dividend.

NOTE 20: Short-Term Loans and Advances

					Amo	ount INR Crore
			Currer	nt Year	Previou	ıs Year
Uns	ecur	<u>red</u>				
(a)	Loa	ins And Advances				
	(i)	Loans to Employees		0.11		0.35
	(ii)	Other Loans		21.22		21.97
	(iii)	Loan to ESOP Trust				
		Considered Good	63.08		70.63	
		Considered Doubtful	3.11		5.06	
		Less: Provision for Doubtful Loans	(3.11)		(5.06)	
				63.08		70.63
	(iv)	Advances to Suppliers				
		Considered Good	10.10		6.65	
		Considered Doubtful	0.69		0.61	
		Less: Provision for Doubtful Advances	(0.69)		(0.61)	
				10.10		6.65
	(v)	Other Advances				
		Considered Good	10.25		4.49	
		Considered Doubtful	0.02		0.02	
		Less: Provision for Doubtful Advances	(0.02)		(0.02)	
				10.25		4.49
(b)	Inte	r Corporate Deposits		8.14		4.28
(c)	Dep	posits				
	(i)	Statutory Authorities		29.53		7.56
	(ii)	Others		4.29	_	5.43
		Total		146.72		121.36

NOTE 20: Short-Term Loans and Advances (Contd.)

Note:

1. Details of Loans and Advances as per Clause 32 of Listing Agreement

			Am	nount INR Crore
		Maximum Balance during the year	Current Year	Previous Year
(a)	Loans and Advances to Subsidiary Companies	Ž		
` ,	(i) Natures Basket Ltd.	15.00	-	-
	Previous Year	7.40		
(b)	Loans and Advances to Associate Companies			
• •	(i) Swadeshi Detergents Ltd.	-	-	-
	Previous Year	0.19		
(c)	• •			
	schedule or repayment is beyond seven years			
	(i) D. Kavasmanek and Others (Considered in Long-Term	40.00	40.00	40.00
	Loans and Advances)	10.33	10.33	10.33
	Previous Year	10.33	-	-
(d)	Investments by the loanee in the shares of parent			
	company and subsidiary company	400.00	00.40	00.45
	(i) GIL ESOP Trust	102.38	66.19	89.15
	Previous Year	89.99		

NOTE 21: Other Current Assets

Amount INR Crore

	Current Year	Previous Year
Interest Accrued on Loans and Deposits	9.61	3.06
Other Receivables	12.32	14.95
Unamortised Expenses		
(a) Current portion of Foreign Currency Monetary Item Translation Difference Account	70.34	128.42
(b) Unamortised Premium on Forward Cover Contracts	-	3.13
Bank Deposit with more than 12 months maturity	-	4.30
Total	92.27	153.86

NOTE 22: Utilisation of IPP Proceeds

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

Am	nount INR Crore
	Current Year
Amount Received from IPP	370.52
Utilisation of Funds upto the reporting date	
(a) Issue expenses	10.28
(b) Investment in Associate Company	110.42
Balance unutilised amount temporarily invested in	
(a) Mutual Funds	57.00
(b) Fixed Deposit	192.82
Total	370.52

NOTE 23 : Contingent Liabilities

Amount	INR	Crore

			Current Year	Previous Year
a)	Cla	ims against the Company not acknowledged as debts:		
	(i)	Excise duty demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels	9.86	8.89
	(ii)	Customs Duty demands relating to lower charge, differential duty, classification, etc.	1.58	1.58
	(iii)	Sales Tax demands relating to purchase tax on Branch Transfer/ Non-availability of C Forms, etc. at various levels.	22.51	20.40
	(i∨)	Octroi demand relating to classification issue on import of Palm Stearine and interest thereon	0.29	0.29
	(v)	Stamp duties claimed on certain properties which are under appeal by the Company	1.82	1.82
	(∨i)	Income tax demands against which the company has preferred appeals	26.16	20.67
	(vii)	Industrial relations matters under appeal	2.12	2.08
	(∨iii)	Others	1.31	1.31
b)	Gua	arantees:		
	(i)	Guarantees issued by banks, including guarantees issued in respect of matters reported in (a) above	31.21	28.29
c)	Oth	er Money for which the Company is Contingently Liable		
	(i)	Letter of credit issued by bank on behalf of the Company	5.84	4.52

NOTE 24 : Commitments

Amount INR Crore

		Current Year	Previous Year
1	Estimated amount of contracts remaining to be executed on capital account and	43.59	125.72
	not provided for:		
	(Net of Advances amounting to ₹ 7.54 crore, previous year ₹ 22.55 crore)		
2	Uncalled liability on partly paid shares/debentures	0.50	0.50
3	Other Commitments:		
	(a) Long-Term Contracts for Purchase of Raw Material	55.15	71.08
	(b) Finance Lease Commitments	-	0.01
	(c) Operating Lease Commitments	12.22	7.51

NOTE 25: Revenue from Operations

Amount INR Cror		
	Current Year	Previous Year
Sale of Products	1,417.88	1,350.95
Licence Fees and Service Charges	19.23	26.30
Other Operating Revenues		
(a) Export Incentives	6.87	4.76
(b) Processing Charges	1.57	4.75
(c) Sale of Scrap	1.36	1.70
(d) Dividend Income: (refer note 1 below)		
(i) Subsidiary Companies	26.02	63.57
(ii) Other Long-Term Investments	34.53	31.75
(e) Share of Profit for the year from LLP	53.06	26.24
Total Gross Revenue from Operations	1,560.52	1,510.02
Excise Duty	(95.89)	(71.98)
Total	1,464.63	1,438.04

Note:

NOTE 26: Other Income

	Amount INR Crore		
	Current Year	Previous Year	
Interest Income (Gross)	22.02	19.26	
Less: Capitalised to Fixed Assets	(3.70)	(1.09)	
Interest Income (net)	18.32	18.17	
Profit on Sale of Current Investments	1.66	1.47	
Miscellaneous Income			
(i) Business Support Service	5.76	2.89	
(ii) Other Miscellaneous Income	9.09	9.19	
Total	34.83	31.72	

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

NOTE 27: Cost of Materials Consumed

Amount II	NR Crore
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	Current Year	Previous Year
Raw Materials Consumed		
(a) Inventory at the Commencement of the Year	86.46	74.97
(b) Add: Purchases (net)	889.31	871.96
	975.77	946.93
(c) Less: Inventory at the Close of the Year	(50.77)	(86.46)
	925.00	860.47
Packing Materials Consumed		
(a) Inventory at the Commencement of the Year	1.19	1.19
(b) Add: Purchases (net)	29.79	27.00
	30.98	28.19
(c) Less: Inventory at the Close of the Year	(1.67)	(1.19)
	29.31	27.00
Total	954.31	887.47

NOTE 28: Changes in Inventory of Finished Goods, Work-In-Progress and Stock-In-Trade

Amount INR Crore

	Current Year	Previous Year
Inventory at the Commencement of the Year		
(a) Finished Goods	47.99	48.54
(b) Work-in-Progress	56.83	47.12
(c) Stock-in-Trade	0.04	0.05
	104.86	95.71
Less: Inventory at the Close of the Year		
(a) Finished Goods	(24.00)	(47.99)
(b) Work-in-Progress	(55.18)	(56.83)
(c) Stock-in-Trade	(0.04)	(0.04)
	(79.22)	(104.86)
Total	25.64	(9.15)

NOTE 29 : Employee Benefits Expenses

Amount INR Crore

	Current Year	Previous Year
Salaries and Wages	91.14	100.52
Contribution to Provident and Other Funds	10.23	6.92
Expense on Employee Stock Option Scheme	6.46	2.58
Staff Welfare Expense	7.50	6.31
Total	115.33	116.33

NOTE 30: Finance Costs

	Am	ount INR Crore
	Current Year	Previous Year
Interest Expense (Gross)	61.35	49.64
Less: Capitalised to Fixed Assets	(30.31)	(2.14)
Interest Expense (net)	31.04	47.50
Other Borrowing Costs	33.78	23.03
Total	64.82	70.53

NOTE 31: Other Expenses

Amount	INR	Crore

	Current Year	Previous Year
Consumption of Stores and Spares	9.50	10.17
Power and Fuel	108.82	97.48
Processing Charges	5.68	5.69
Rent	4.98	5.07
Rates and Taxes	7.09	5.48
Repairs and Maintenence		
(a) Machinery	10.54	10.14
(b) Buildings	8.96	9.53
(c) Other assets	0.58	0.63
Insurance	1.74	1.17
Freight	34.11	31.94
Commission	7.10	4.16
Discount	4.55	4.37
Advertisement and Publicity	11.12	13.95
Selling and Distribution Expenses	8.43	6.55
(Writeback) / Provision for Doubtful Debts and Advances	(1.60)	(0.31)
(Writeback) / Provision for Excise Duty on Inventory	(2.04)	0.60
Loss on Foreign Exchange Translation	4.87	15.89
Loss on Sale of Fixed Assets	0.25	0.48
Research Expenses	2.89	4.41
Miscellaneous Expenses	46.44	38.75
Total	274.01	266.15

Note:

Research Expenses include Employee Benefits Expenses of ₹ 2.73 crore (previous year ₹ 4.19 crore)

Note 32: Exceptional Items

	Amour	nt IN	NR.	Crore
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		Current Year	Previous Year
(i) Profit on Sale of Lo	ng-Term Investments	73.61	90.84
(ii) Write back/ (Provis	ion) for Diminution in Value of Investments/ Loans and		
Advances		(10.48)	2.53
(iii) Voluntary Retireme	nt Compensation	(4.42)	
Total		58.71	93.37

Amount INR Crore

Notes to the Financial Statements

NOTE 33: Earnings Per Share

		Current Year	Previous Year
1.	Calculation of weighted average number of equity shares - Basic		
	(a) Number of equity shares at the beginning of the year	317,624,892	317,624,892
	(b) Number of equity shares issued during the year	17,541,025	-
	(c) Number of equity shares outstanding at the end of the year	335,165,917	317,624,892
	Weighted average number of equity shares outstanding during the year	326,485,070	317,624,892
2.	Calculation of weighted average number of equity shares - Diluted		
	(a) Number of potential equity shares at the beginning of the year	318,212,205	317,624,892
	(b) Number of potential equity shares outstanding at the end of the year	335,678,641	318,212,205
	Weighted average number of potential equity shares outstanding during the year	327,173,414	318,208,973
3.	Net Profit After Tax (Amt INR Crore)	96.74	201.56
4.	Basic Earnings per share of ₹ 1 each	2.9631	6.3459
5.	Diluted Earnings per share of ₹ 1 each	2.9568	6.3342

NOTE 34: Auditors' Remuneration

	Current Year	Previous Year
Audit Fees	0.46	0.31
Tax Audit Fees	0.06	0.05
Taxation Matters	0.09	0.14
Consultation and Management Services	0.05	0.05
Certification and Other Services	0.07	0.18
Reimbursement of Expenses	0.01	0.01
Institutional Placement Programme certification	0.25	_
Total	0.99	0.74

NOTE 35: Consumption of Raw Materials and Purchase of Goods

	An	nount INR Crore
	Current Year	Previous Year
Raw Material consumed		
(i) Oils and Fats	728.71	690.72
(ii) Chemicals & Catalyst	144.68	134.83
(iii) Packing Materials	29.31	27.00
(iv) Others	51.61	34.92
Total	954.31	887.47
Purchase of Goods		
Refined oil, Soaps, Toiletries, etc.	3.78	3.56

NOTE 36: Sales and Inventory of Finished Goods

	Amount INR Crore					
			Sales Inventory of Finished			nished Goods
			Current Year	Previous Year	Current Year	Previous Year
(i)	Fatty Acids		549.58	484.90	6.32	8.84
(ii)	Glycerin		61.44	51.28	0.90	0.14
(iii)	Fatty Alcohol		496.03	536.11	14.03	29.47
(iv)	Surfactants		206.85	199.61	2.75	9.54
(v)	Others		8.09	7.07	0.04	0.04
		Total	1,321.99	1,278.97	24.04	48.03

NOTE 37: Inventory of Work-in-Progress

		7 1110 6111 11 11 1 01010		
		Current Year	Previous Year	
(i)	Fatty Acids	30.24	22.80	
(ii)	Glycerin	0.63	0.70	
(iii)	Fatty Alcohol	16.89	24.99	
(i∨)	Surfactants	7.42	8.34	
	Total	55.18	56.83	

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

	,	1001111111101010
	Current Year	Previous Year
Raw Materials	236.74	398.60
Components and Spare Parts	1.72	3.19
Capital Goods	7.59	0.40
Total	246.05	402.19

NOTE 39 : Expenditure in Foreign Currency

	Current Year	Previous Year		
Borrowing Cost (Capitalised to fixed assets)	6.49	2.14		
Travelling	1.09	1.00		
Other Expenditure	12.65	9.72		
Expenses for Foreign Branch:				
(a) Salaries and Allowance	1.87	1.66		
(b) Rent	0.00	0.01		
(c) Others	0.04	0.03		
Total	21.33	14.25		

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

		Current Year		Previous Year	
		Amt. INR %		Amt. INR	%
		Crore		Crore	
Raw Materials					
Imported (including duty content)		311.69	33	422.53	48
Indigenous		642.62	67	464.94	52
Tota	I	954.31	100	887.47	100
Spare Parts and Components					
Imported (including duty content)		2.30	24	2.93	29
Indigenous		7.20	76	7.25	71
Tota	I	9.50	100	10.18	100

NOTE 41: Dividends Remitted in Foreign Currency

(subject to deduction of tax, as applicable)

	Current Year	Previous Year
S	0.00	-
1	-	0.01
Total	0.00	0.01

Amount INR Crore

Amount INR Crore

Amount INR Crore

Amount INR Crore

Final Dividend for Financial Year 2011-12 to 4 shareholders on 1980 equity shares Previous year Final Dividend for Financial Year 2010-11 to 67 shareholders on 36,066 equity shares

NOTE 42: Earnings in Foreign Exchange

Export of Goods on FOB Basis Dividend Sale of Investments

	Amount INR Crore		
	Current Year	Previous Year	
	497.30	544.51	
	11.63	4.72	
	225.95	18.66	
Total	734.88	567.89	

NOTE 43: Employee Stock Benefit Plans

1. Employee Stock Option Plans

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

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

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

0 11/

ESOPI

No. of OptionsWt. average exercise price ₹ (*)No. of OptionsWt. average exercise exercise price ₹ (*)Options Outstanding at the Beginning of the Year4,577,950356.345,072,700325.62Options Exercised During the Year1,087,000250.01Options Forfeited / Expired During the Year153,750281.62494,750251.24Options Outstanding at the Year End3 337,200388.214,577,950356.34		Current Year		Previou	s Year
price ₹ (*) price ₹ (*) price ₹ (*) Options Outstanding at the Beginning of the Year 4,577,950 356.34 5,072,700 325.62 Options Exercised During the Year 1,087,000 250.01 - - Options Forfeited / Expired During the Year 153,750 281.62 494,750 251.24		No. of	Wt. average	No. of	Wt. average
Options Outstanding at the Beginning of the Year 4,577,950 356.34 5,072,700 325.62 Options Exercised During the Year 1,087,000 250.01 - - Options Forfeited / Expired During the Year 153,750 281.62 494,750 251.24		Options		Options	exercise
Options Exercised During the Year 1,087,000 250.01 Options Forfeited / Expired During the Year 153,750 281.62 494,750 251.24			price ₹ (*)		price ₹(*)
Options Forfeited / Expired During the Year 153,750 281.62 494,750 251.24	Options Outstanding at the Beginning of the Year	4,577,950	356.34	5,072,700	325.62
	Options Exercised During the Year	1,087,000	250.01	-	-
Ontions Outstanding at the Year End 3 337 200 388 21 4 577 950 356 34	Options Forfeited / Expired During the Year	153,750	281.62	494,750	251.24
-,577,500 500.04	Options Outstanding at the Year End	3,337,200	388.21	4,577,950	356.34

ESOP II

Current Year		Previous year	
No. of	Wt. average	No. of	Wt. average
Options	exercise	Options	exercise
	price ₹ (*)		price ₹ (*)
1,210,250	280.61	950,000	225.20
-	-	297,250	355.60
101,500	369.06	-	-
132,000	335.12	-	-
741,500	231.93	12,000	230.34
10,000	334.87	25,000	179.86
692,250	355.33	1,210,250	280.61
	No. of Options 1,210,250 - 101,500 132,000 741,500 10,000	No. of Options exercise price ₹ (*) 1,210,250 280.61	No. of Options Wt. average exercise price ₹ (*) No. of Options 1,210,250 280.61 950,000 - - 297,250 101,500 369.06 - 132,000 335.12 - 741,500 231.93 12,000 10,000 334.87 25,000

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NOTE 43: Employee Stock Benefit Plans (Contd.)

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

The overall weighted average balance life of options outstanding as on March 31, 2013 is 4.20 years.

The weighted average balance life of options outstanding as on March 31, 2013 for ESOP I is 3.91 years and for ESOP II is 5.01 years.

b) Prior to the SEBI notification mentioned in Para 1(a) above, the independent ESOP Trust had purchased equity shares of the Company from the market equivalent to the number of stock options granted from time to time to the eligible employees. These purchases are financed by loans from the respective participating companies. The Company has given a loan which along with interest thereon amounts to ₹ 63.08 crore (previous year ₹ 93.09 crore) (Net of provision ₹ 3.11 crore, previous year ₹ 5.06 crore) for financing the purchase of equity shares from the market equivalent to the number of option granted to the employees of the Company. As on March 31, 2013, the market value of the equity shares held by the ESOP Trust is lower than the holding cost (cost or market value) of these equity shares by ₹ 8.22 crore (previous year ₹ 11.79 crore) (Net of provision ₹ 3.11 crore, previous year ₹ 5.06 crore).

The repayment of the loans granted to the ESOP Trust and the interest payable by the Trust on the said loans is dependent on the exercise of the options by the employees during the exercise period and/ or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. The fall in value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period. In view of the aforesaid, provision for diminution of ₹ 8.22 crore (previous year ₹ 11.79 crore) is not considered necessary in the financial statements.

2. Employee Stock Grant Scheme

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

Numbers

Notes to the Financial Statements

NOTE 43: Employee Stock Benefit Plans (Contd.)

- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan is as under:

	Current Year	Previous Year
Options Outstanding at the Beginning of the Year	587,313	-
Options Granted	279,314	587,313
Options Vested	307,618	-
Options Exercised	307,618	-
Options Lapsed/Forfeited	46,285	
Total Options Outstanding at the end of the year	512,724	587,313

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

The employee stock grant scheme have been accounted based on the intrinsic value method and compensation expense Rs 6.46 crore has been recognized in Statement of Profit and Loss.

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

Particulars	Current Year	Previous Year
	Amt INR Crore	Amt INR Crore
Net Profit (as reported)	96.74	201.56
Less: Employee Stock Option Plans compensation expense determined under fair value based method (Proforma)	0.50	4.14
Less: Difference in Employee Stock Grant Scheme compensation expense determined under fair value method and intrinsic value method (Proforma)	(1.63)	(0.09)
Net Profit (Proforma)	97.87	197.51
	Amat ∓	A mad ∓
	Amt ₹	Amt ₹
Basic Earnings per share (as reported)	2.9631	6.3459
Basic Earnings per share (Proforma)	2.9977	6.2183
Diluted Earnings per share (as reported)	2.9568	6.3342
Diluted Earnings per share (Proforma)	2.9914	6.2069

NOTE 44: Employee Benefits

a) DEFINED CONTRIBUTION PLAN

Provident Fund:

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

b) DEFINED BENEFIT PLAN

Gratuity:

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

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

Provident Fund:

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

Pension:

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

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

The expected return on plan assets of 8.00% has been considered based on the current investment pattern in Government securities.

d) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 0.74 crore (previous year ₹ 0.68 crore) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 5.11 crore (previous year ₹ 2.51 crore) has been included in Note 29 under Contribution to Provident and Other Funds.

Employer's Contribution to Provident Fund amounting to ₹ 3.79 crore (previous year ₹ 3.54 crore) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

Pension cost amounting to ₹ 0.10 crore (previous year ₹ 0.23 crore) has been included in Note 29 under Contribution to Provident and Other Funds.

NOTE 44: Employee Benefits (Contd.)

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

	Amt INR Crore				
		Gratuity Pensior			sion
		Current Year	Previous Year	Current Year	Previous Year
i)	Change in Present Value of Obligation				
	Present value of the obligation at the beginning of the year	31.32	28.87	0.56	0.40
	Current Service Cost	1.40	1.26	-	-
	Interest Cost	2.66	2.38	-	-
	Actuarial (Gain)/Loss on Obligation	3.79	1.05	0.07	0.29
	Benefits Paid	(3.43)	(2.24)	(0.10)	(0.13)
	Present value of the obligation at the end of the year	35.74	31.32	0.53	0.56
ii)	Change in Plan Assets				
	Fair value of Plan Assets at the beginning of the year	29.51	29.57	-	-
	Expected return on Plan Assets	2.51	2.44	-	-
	Actuarial (Gain)/Loss on Plan Assets	(0.23)	0.26	-	-
	Contributions by the Employer	1.82	-	-	-
	Benefits Paid	(3.43)	(2.24)	-	-
	Fair value of Plan Assets at the end of the year	30.64	29.51	-	-
iii)	Amounts Recognised in the Balance Sheet:				
	Present value of Obligation at the end of the year	35.74	31.32	-	-
	Fair value of Plan Assets at the end of the year	30.64	29.51	-	-
	Net Obligation at the end of the year	5.10	1.81	-	-
iv)	Amounts Recognised in the statement of Profit				
	and Loss:				
	Current Service Cost	1.40	1.26	-	-
	Interest cost on Obligation	2.66	2.38	-	-
	Expected return on Plan Assets	(2.51)	(2.44)	-	-
	Net Actuarial (Gain)/Loss recognised in the year	3.56		-	-
	Net Cost Included in Personnel Expenses	5.11	2.51	-	-
v)	Actual Return on Plan Assets	2.74	2.18	-	-
vi)	Estimated Contribution to be made in Next				
	Financial Year	3.59	1.44	-	-
VII)	Actuarial Assumptions	00/ 54	0.50/ 0.4	00/ 54	0.50/.54
	i) Discount Rate	8% P.A.	8.5% P.A.	8% P.A.	8.5% P.A.
	ii) Expected Rate of Return on Plan Assets	8% P.A.	8.5% P.A.	8% P.A.	8.5% P.A.
	iii) Salary Escalation Rate	5% P.A.	5% P.A.	5% P.A.	5% P.A.
	iv) Employee Turnover	1% P.A.	1% P.A.	1% P.A.	1% P.A.
	v) Mortality	L.I.C	L.I.C	L.I.C	L.I.C
		2006-08	1994-96	2006-08	1994-96
		ULTIMATE	ULTIMATE	ULTIMATE	ULTIMATE

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

Experience Adjustments		Amount INR Crore
Experience Adjustments (Gain) / Loss	On Plan Liabilities	On Plan Assets
April 10 to March 11	0.88	0.14
April 11 to March 12	1.43	0.26
April 12 to March 13	2.84	0.24
Note: Information has been furnished to the extent available with the C	Company	

Note 45: Segment Information

Information about primary business segments.

						Amount INR Crore				
	Chen	nicals	Est	Estate Finance & Investments		Oth	Others		tal	
	Current	Previous	Current	Previous		Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Revenue	icai	Teal	Icai	Teal	Icai	Teal	icai	Teal	Icai	Teal
External Sales	1 324 36	1,283.60	74.34	52.88	162.01	215.38	12.36	11 27	1,573.07	1 563 13
Inter Segment Sale	1,024.00	1,200.00	74.04	02.00	102.01	210.00	12.00	11.21	1,570.07	1,000.10
Total Income	1 324 36	1,283.60	74.34	52.88	162.01	215.38	12.36	11 27	1,573.07	1 563 13
Results	1,024.00	1,200.00	74.04	02.00	102.01	210.00	12.00	11.21	1,070.07	1,000.10
Segment Result Before Interest and	65.80	119.88	61.77	39.69	151.53	215.38	(8.75)	(4.00)	270.35	370.95
Tax	00.00		•	00.00		2.0.00	(00)	(1.00)		0.0.00
Unallocated Expenses									(108.37)	(99.37)
Finance Costs									(64.82)	(70.53)
Profit Before Tax									97.16	201.05
Taxes									(0.42)	0.51
Net Profit									96.74	201.56
Segment Assets	911.09	808.93	427.82	267.59	1,434.01	1,533.02	20.77	23.27	2,793.69	2,632.81
Unallocated Assets									406.59	18.61
Total Assets									3,200.28	2,651.42
Segment Liabilities	756.37	757.72	142.09	161.00	9.15	6.44	5.19	2.50	912.80	927.66
Unallocated Liabilities									663.36	491.21
Total Liabilities									1,576.16	1,418.87
Total Cost incurred during the year to	204.47	77.56	159.66	106.36	0.25	0.12	0.00	0.12	364.38	184.16
acquire segment assets										
Segment Depreciation	15.22	19.85	3.03	1.95	1.51	1.52	2.10	2.32	21.86	25.64
Unallocated depreciation									1.26	1.55
Total Depreciation									23.12	27.19

	Amount	INR Crore
	Current	Previous
	Year	Year
Information about Secondary Business Segments		
Revenue by Geographical Markets		
India	1,057.45	1,003.25
Outside India	515.62	559.88
Total	1,573.07	1,563.13
Carrying Amount of Segment Assets		
India	3,200.28	2,651.42
Outside India	-	-
Total	3,200.28	2,651.42

Notes:

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

NOTE 46: Related Party Information

a) Names of related parties and description of relationship

Parties where control exists

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

Subsidiary companies

Godrej Agrovet Ltd.

Golden Feeds Products Ltd.

Godrej Seeds & Genetics Ltd.

Goldmuhor Agrochem & Feeds Ltd.

Godrej Properties Ltd.

Godrej Waterside Properties P. Ltd.

Godrej Estate Developers P. Ltd.

Godrej Developers P. Ltd. Godrej Real Estate P. Ltd.

Godrei Sea View Properties P. Ltd.

Godrej Nandhi Hills Project P. Ltd.

Godrej Buildcon P. Ltd.

Godrej Buildwell P. Ltd.

Godrej Realty P. Ltd.

Godrej Premium Builders P. Ltd.

Godrej Garden City Properties P. Ltd.

Happy Highrises Ltd.

Godrej Project Development P. Ltd.

Godrej Landmark Developers P. Ltd.

Godrej Redevelopers P. Ltd.

Wonder Space Properties P. Ltd.

Godrej Property Developers LLP

Godrej Buildcorp LLP

Mosiac Landmark LLP

Dream World Landmarks LLP

Natures Basket Ltd.

Swadeshi Detergents Ltd. (from March 22, 2013)

Ensemble Holdings & Finance Ltd.

Godrei International Ltd.

Godrej International Trading & Investments Pte. Ltd.

Fellow Subsidiaries:

Wadala Commodities Ltd.

Godrej (Malaysia) Sdn Bhd

G & B Enterprises (Mauritius) P. Ltd.

Godrej (Singapore) Pte. Ltd.

Godrej Infotech Ltd.

Veromatic International BV

Veromatic Services BV

Water Wonder Benelux BV

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

Associate / Joint Venture Companies

Godrei Consumer Products Ltd.

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

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

Godrej Vikhroli Properties LLP

Swadeshi Detergents Ltd. (till March 21, 2013)

Key Management Personnel

Mr. A.B. Godrei Chairman

Mr. N.B. Godrej Managing Director
Ms. T.A. Dubash Executive Director

& President (Marketing)

Mr. M. Eipe Executive Director

& President (Chemicals)

Relatives Key Management Personnel

,	
Ms. P.A. Godrej	Wife of Mr. A.B. Godrej
Ms. N.A. Godrej	Daughter of Mr. A.B. Godrej
Mr. P.A. Godrej	Son of Mr. A.B. Godrej
Ms. R.N. Godrej	Wife of Mr. N.B. Godrej
Mr. B.N. Godrej	Son of Mr. N.B. Godrej
Mr. S.N. Godrej	Son of Mr. N.B. Godrej
Mr. H.N. Godrej	Son of Mr. N.B. Godrej

Enterprises over which key management personnel exercise significant influence

Godrej South Africa Pty Ltd. (formerly known as Rapidol (Pty) Ltd.)

Laboratorio Cuenca S.A. Godrej Global Mideast FZE

Godrej Investments P. Ltd.

Vora Soaps Ltd.

Godrej Tyson Foods Ltd.

NOTE 46: Related Party Information (Contd.)

b) Transactions with Related Parties

							Amount II	NR Crore
Nature of Transaction	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Associate/ Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Mangement Personnel exercise significant influence	Total
Sale of Goods	-	0.02	-	23.09	-	-	4.50	27.61
Previous Year	-	0.06	-	16.62	-	-	3.66	20.34
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Previous Year *	-	-	0.00	-	-	-	-	0.00
Purchase of goods	0.02	-	2.95	15.94	-	-	-	18.91
Previous Year	-	-	0.28	11.59	-	-	-	11.87
Purchase of Fixed Assets	0.32	0.27	-	158.20	-	-	-	158.79
Previous Year	-	-	-	108.42	-	-	-	108.42
Processing charges received	-	-	-	0.99	-	-	-	0.99
Previous Year	-	-	-	2.05	-	-	-	2.05
Commission / Royalty received	-	2.95	-	1.10	-	-	-	4.05
Previous Year	-	2.79	-	2.14	-	-	-	4.93
Licence fees / Service charges / Storage Income	-	2.80	-	4.26	-	-	0.18	7.24
Previous Year	-	2.61	-	4.69	-	-	-	7.30
Other Income *	0.00	0.22	0.00	0.49	-	-	-	0.71
Previous Year *	0.00	0.12	0.01	0.57	-	-	-	0.70
Recovery of establishment & Other Expenses	-	9.74	0.02	7.59	-	-	0.43	17.78
Previous Year	-	4.15	0.01	4.87	-	-	0.15	9.18
Rent, Establishment & other expenses paid	2.58	1.28	0.27	2.68	-	0.73	0.13	7.67
Previous Year	3.54	0.63	0.08	1.75	-	0.72	0.01	6.73
Interest received *	-	0.50	-	0.00	-	-	-	0.50
Previous Year	-	0.16	-	3.20	-	-	-	3.36
Interest paid	-	0.09	-	-	0.16	0.57	-	0.82
Previous Year	-	0.19	-	-	0.10	0.33	-	0.62
Dividend income	-	26.02	-	34.53	-	-	-	60.55
Previous Year	-	63.57	-	31.75	-	-	-	95.32
Dividend paid	32.76	-	-	-	0.99	3.52	-	37.27
Previous Year	32.76	-	-	-	0.96	3.52	-	37.24
Remuneration	-	-	-	-	9.76	1.99	-	11.75
Previous Year	-	-	-	-	9.14	1.76	-	10.90
Purchase of Investments	-	29.10	-	-	-	-	0.03	29.13
Previous Year	-	26.13	-	-	-	-	-	26.13
Sale of Investments	-	-	-	-	-	-	-	-
Previous Year	-	88.19	-	-	-	-	-	88.19
Other Deposits accepted	-	0.16	-	0.07	0.40	2.00	0.11	2.74
Previous Year	-	-	-	=	-	-	-	-

NOTE 46: Related Party Information (Contd.)

b) Transactions with Related Parties

Nature of Transaction	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Associate/ Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Mangement	Total
				Companies		T GISOTHICI	Personnel exercise significant influence	
Other Deposits refunded	-	0.19	-	0.90	-	-	-	1.09
Previous Year	-	0.11	-	0.04	-	-	-	0.15
Intercorporate Deposits - Accepted	-	3.00	-	-	-	-	-	3.00
Previous Year	-	5.00	-	-	-	-	-	5.00
Intercorporate Deposits Repaid during the year	-	5.00	-	-	-	-	-	5.00
Previous Year	-	5.50	-	-	-	-	-	5.50
Intercorporate Deposits - Advanced	-	15.00	-	-	-	-	-	15.00
Previous Year	-	5.00	-	-	-	-	-	5.00
Intercorporate Deposits Repayment received during the year	-	15.00	-	-	-	-	-	15.00
Previous Year	-	7.40	-	0.19	-	-	-	7.59
Share of profit in LLP	-	-	-	53.06	-	-	-	53.06
Previous Year	-	-	-	26.24	-	-	-	26.24
Directors Fees	-	-	-	-	0.02	-	-	0.02
Previous Year	-	-	-	-	0.02	-	-	0.02
Balance Outstanding as on March 31, 2013								
Receivables	0.02	0.16	-	1.62	-	-	1.12	2.92
Previous Year *	0.00	1.16	0.00	44.21	-	-	1.01	46.38
Payables	-	0.12	0.01	1.33	-	-	0.10	1.56
Previous Year *	2.32	0.16	0.36	110.69	0.00	-	0.01	113.54

^{*} Amount less than ₹ 0.01 crores.

NOTE 46: Related Party Information (Contd.)

c) The significant Related Party transactions are as under:

,	Amount	INR Crore		Amount	INR Crore
Nature of Transaction	Current	Previous	Nature of Transaction	Current	Previous
	Year	Year		Year	Year
Sale of goods			Interest paid		
- Godrej Consumer Products Ltd.	23.09	16.62	- Ms. Parmeshwar Godrej	0.46	0.33
- Laboratorio Cuenca S.A.	3.77	3.02	- Mr. M. Eipe	0.16	0.10
- Godrej South Africa Pty Ltd.	0.71	0.62	- Mr. Sohrab N Godrej	0.07	-
- Godrej Tyson Foods Ltd.	0.02	-	- Mr. Burjis N Godrej	0.04	-
- Godrej Agrovet Ltd.	0.02	-	- Ensemble Holdings & Finance Ltd	0.09	0.19
- Godrej Properties Ltd.	-	0.05			
			Processing Charges received		
Purchase of goods			- Godrej Hershey Ltd.	0.99	2.05
- Godrej Consumer Products Ltd.	14.44	8.72			
- Godrej Hershey Ltd.	1.50	2.87	Inter Corporate Deposits - Accepted		
- Wadala Commodities Ltd	2.95	0.28	- Ensemble Holdings & Finance Ltd.	3.00	5.00
- Godrej & Boyce Mfg. Co. Ltd.	0.02	-			
			Inter Corporate Deposits - Repaid		
Purchase of fixed assets			- Ensemble Holdings & Finance Ltd	5.00	5.50
- Godrej Vikhroli Properties LLP	158.20	108.42			
- Godrej & Boyce Mfg. Co. Ltd.	0.32	-	Inter Corporate Deposits - Advanced		
- Godrej Properties Ltd.	0.27	-	- Natures Basket Ltd.	15.00	5.00
Commission/Royalty received			Inter Corporate Deposits - Repayment		
			Received		
- Godrej Properties Ltd.	2.85	2.73	- Natures Basket Ltd.	15.00	7.40
- Godrej Hershey Ltd.	1.09	2.14	- Swadeshi Detergents Ltd.	-	0.19
- Natures Basket Ltd.	0.10	0.05			
			Other Deposits Accepted		
Licence fees/ Service charges/			- Mr. Sohrab N. Godrej	1.25	-
Storage income			- Mr. Burjis N. Godrej	0.75	-
- Godrej Consumer Products Ltd.	3.93	3.59	- Mr. M. Eipe	0.40	-
- Godrej Agrovet Ltd.	1.18	1.09	- Godrej Properties Ltd.	0.13	-
- Godrej Properties Ltd.	1.29	1.18	- Godrej Tyson Foods Ltd.	0.11	-
- Godrej Hershey Ltd.	0.33	0.61	- Godrej Consumer Products Ltd.	0.07	-
- Natures Basket Ltd.	0.32	0.30	- Godrej Agrovet Ltd.	0.03	-
- Godrej Tyson Foods Ltd.	0.19	-			
- Godrej Oil Palm Ltd.	-	0.04	Other Deposits Refunded		
- Godrej Vikhroli Properties LLP	-	0.49	- Godrej Hershey Ltd.	0.67	-
			- Godrej Consumer Products Ltd.	0.23	0.04
			- Godrej Properties Ltd.	0.16	0.08
			- Godrej Agrovet Ltd.	0.03	0.03

NOTE 46: Related Party Information (Contd.)

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

, ,	Amount	INR Crore	, ,	Amount	INR Crore
Nature of Transaction	Current	Previous	Nature of Transaction	Current	Previous
	Year	Year		Year	Year
Other Income			<u>Dividend income</u>		
- Godrej Consumer Products Ltd.	0.39	0.39	- Godrej Consumer Products Ltd.	34.53	31.75
- Godrej Hershey Ltd.	0.09	0.18	- Godrej Properties Ltd.	14.39	22.20
- Godrej Agrovet Ltd.	0.12	0.08	- Godrej Agrovet Ltd.	-	36.18
- Godrej Properties Ltd.	0.09	0.03	- Godrej International Ltd.	11.63	4.72
- Wadala Commodities Ltd	0.01	-	- Ensemble Holdings & Finance Ltd.	-	0.47
- Natures Basket Ltd. *	-	0.01			
			<u>Dividend paid</u>		
Recovery of Establishment & other			- Godrej & Boyce Mfg. Co. Ltd.	32.76	32.76
<u>expenses</u>			- Mr. Sohrab N Godrej	0.97	0.97
- Godrej Consumer Products Ltd.	7.58	4.25	- Mr. Burjis N Godrej	0.95	0.95
- Godrej Agrovet Ltd.	4.26	2.61	- Ms. T. A. Dubash	0.75	0.75
- Swadeshi Detergents Ltd.	2.90	-	- Ms. N.A. Godrej	0.75	0.75
- Godrej Properties Ltd.	1.61	1.49	- Mr. Pirojsha A Godrej	0.75	0.75
- Godrej Hershey Ltd.	0.01	0.61	- Mr. N. B. Godrej	0.21	0.21
- Godrej Tyson Foods Ltd.	0.04	0.15	- Ms. R.N. Godrej	0.10	0.10
- Ensemble Holdings & Finance Ltd.	0.69	-	- Mr. M. Eipe	0.02	0.02
- Vora Soaps Ltd.	0.39	-			
- Natures Basket Ltd.	0.27	0.05	Remuneration to Key Management		
- Wadala Commodities Ltd	0.02	-	<u>Personnel</u>		
			- Mr. M. Eipe	4.21	3.76
			- Mr. N. B. Godrej	3.10	3.03
			- Ms. T. A. Dubash	2.45	2.36
Rent, Establishment & other exps paid					
- Godrej & Boyce Mfg. Co. Ltd.	2.58	3.54	Remuneration to Relatives of Key		
- Godrej Vikhroli Properties LLP	1.09	-	Management Personnel		
- Godrej Consumer Products Ltd.	1.00	1.67	- Ms. N.A. Godrej	1.99	1.76
- Ms. R. N. Godrej	0.73	0.72			
- Godrej Properties Ltd.	0.94	0.01	Sale of Investments		
- Godrej Agrovet Ltd.	0.03	0.14	- Godrej Properties Ltd.	-	87.65
- Natures Basket Ltd.	0.30	0.47	- Godrej Gokarna Oil Palm Ltd.	-	0.53
- Wadala Commodities Ltd.	0.26	0.05			
- Godrej Hershey Ltd.	0.59	0.07	Purchase of Investments		
- Godrej Tyson Foods Ltd.	0.13	-	- Godrej Vikhroli Properties LLP	-	0.80
- Godrej Infotech Ltd.	0.01	0.03	- Natures Basket Ltd.	29.10	20.90
			- Godrej Investment P. Ltd.	0.03	-
Interest received			- Godrej International Trading &	-	4.43
- Natures Basket Ltd.	0.50	0.16	Investments Pte Ltd.		
- Godrej Hershey Ltd.	-	2.61			
- Swadeshi Detergents Ltd.	-	0.59	Share of profit in LLP		
			- Godrej Vikhroli Properties LLP	53.06	26.24
* Amount loss than ₹ 0.01 erares					

^{*} Amount less than ₹ 0.01 crores

NOTE 47: Leases

(1) Leases Granted by the Company

a) Operating Lease:

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

Amount INR (

	Current Year	Previous Year
Gross Carrying Amount of Premises	60.08	62.92
Accumulated Depreciation	10.24	9.76
Depreciation for the period	2.26	1.19

The aggregate future minimum lease payments are as under:

Amount INR Cro	re
----------------	----

	Current fear	Previous year
Lease Income Recognised in the Statement of Profit and Loss	19.23	26.30
Future Lease Income		
- Within one year	8.52	15.82
- Later than one year and not later than five years	15.92	17.42

(2) Lease Taken by the Company

a) Operating Lease:

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

Amount	INIR	Crore

	Current Year	Previous Year
Lease Payment recognised in the Statement of Profit and Loss	4.98	5.07
Future Lease Commitments		
- Within one year	3.64	3.00
- Later than one year and not later than five years	8.58	4.51

b) Finance Leases:

The Company has acquired vehicles under Finance Lease. Liability for minimum lease payment is secured by hypothecation of the vehicles acquired under the lease. The minimum lease payments outstanding as on March 31, 2013, in respect of vehicles acquired under lease are as under:

Amount	INR	Crore

Particulars	Total minimum lease payments outstanding as on March 31, 2013	Un-matured Interest	Present value of minimum lease payments
Within one year	-	-	-
Previous Year	0.01	0.00	0.01
Later than one year and not later than five years	-	-	-
Previous Year	-	-	-
Total	-	-	-
Previous Year Total	0.01	0.00	0.01

NOTE 48: Interest in Joint Ventures

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

Name	Countries of	Principal activities	Percentage of	Percentage of
	Incorporation		Ownership interest as	Ownership interest as
			at March 31, 2013	at March 31, 2012
Godrej Hershey Ltd.	India	Beverages & Foods	0.00%	43.37%

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

		Am	ount INR Crore
		Current year	Previous year
I.	ASSETS		
	1. Non-Current Assets		
	Fixed Assets	-	44.98
	Goodwill on consolidation	-	94.43
	Long-term loans and advances	-	19.03
	Other non-current assets	-	0.43
	2. Current Assets		
	a) Inventories	-	25.25
	b) Sundry Debtors	-	3.93
	c) Cash and Bank Balances	-	4.58
	d) Loans and Advances	-	11.56
II.	LIABILITIES		
	Non-Current Liabilities		
	a) Long-term borrowings	-	45.27
	b) Long-term provisions	-	5.85
	2. Current Liabilities		
	a) Short-term borrowings	-	86.26
	b) Trade Payables	-	16.76
	c) Other Current Liabilities	-	19.05
	d) Short-term provisions	-	0.70
III.	INCOME		
	1. Turnover (net of excise)	78.37	159.27
	2. Other Operating Revenue	2.52	8.22
	3. Other Income	0.81	2.40
IV.	EXPENSES		
	Material consumed and purchase of goods	55.66	120.16
	2. Expenses	40.79	69.68
	3. Inventory change	0.13	(4.03)
	4. Depreciation	2.44	4.11
	5. Interest	8.86	12.14
	6. Provision for Taxation	0.40	-
V.	OTHER MATTERS		
	1. Contingent Liabilities	-	2.73
	2. Commitments	-	0.58

NOTE 49: Hedging Contracts

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

i) Derivative Instruments Outstanding:

a) Commodity Futures Contracts

Futures Contracts Outstanding
Number of units under above contracts in MT.

Current Year	Previous Year		
Purchase Sale	Purchase	Sale	
3 -	-	-	
2 750 -	_	_	

b) Forward Exchange Contracts

Particulars

Particulars

Total Number of Contracts Outstanding Foreign Currency Value - US Dollar (Crore) - Euro (Crore)

Current Year	Previous Year
Purchase Sale	Purchase Sale
- 27	47 6
- 0.94	2.20 -
- 0.23	- 0.24

ii) Un-hedged Foreign Currency Exposures

Particulars

Uncovered Foreign Exchange Exposure as at the year end
- US Dollar (Crore)

Current Year		Previous Year	0.1
Purchase Sa	ale	Purchase	Sale
1.41 0.8	80	2.58	1.71

NOTE: 50

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

Independent Auditors' Report

To the Board of Directors of

Godrej Industries Limited

We have audited the accompanying Consolidated Financial Statements of **GODREJ INDUSTRIES LIMITED** ("the Company") and its subsidiaries, joint ventures and associates (collectively referred to as the "Godrej Industries Group") which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion

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

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to:

1. Note 39 (1)(b) to the Consolidated Financial Statements regardingthe Employee Stock Option Plans instituted by the Group for the benefit of eligible employees of participating companies. The Plans are administered by independent trusts. The ESOP Trusts have been advanced loans which along with interest thereon and net of provision of ₹ 20.34 crores, amounts to ₹ 167.94 crores. The loans have been granted for financing the purchase

Independent Auditors' Report

of equity shares of Godrej Group Companies equivalent to the number of options granted. As at March 31, 2013, the market value of the equity shares held by the ESOP Trusts is lower than the holding cost (cost or market value whichever is lower) of these equity shares by ₹ 14.61 crores, (net of provision of ₹ 20.34 crores). The repayment of the loans granted to the ESOP Trusts is dependent on the exercise of options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. In the opinion of the Management, the fall in the value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period.

- 2. Note 4 (2) to the Consolidated Financial Statements, regarding the order passed by the Honourable High Court of Judicature at Bombay approving a Scheme for the reduction of Capital (Securities Premium Account). As per the Scheme, an amount of ₹ 110.04 crores has been transferred from the Securities Premium Account and used to create the Reserve for Employee Compensation Expenses of which ₹ 72.04 crores for Employee Compensation Expenses incurred during the year has been adjusted. Had the scheme not prescribed this treatment the Profit for the year would have been lower by ₹ 72.04 crores, the Reserve for Employee Compensation Expenses would have been lower by ₹ 38 crores and the Securities Premium Account would have been higher by ₹ 110.04 crores.
- 3. Note 4 (3) to the Consolidated Financial Statements, regarding the order passed by the Honourable High Court of Judicature at Bombay approving a Scheme of Arrangement whereby the assets and liabilities of certain subsidiary companies have been taken over and recorded at their book values as on April 1, 2011.
 - a) Amortisation amounting to ₹ 4.25 crores on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve Account of the Company in the current year and ₹ 4.25 crores in the previous years. Had this amount been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 4.25 crores, the balance at the beginning of the year in the Surplus would have been lower by ₹ 4.25 crores, and the balance in the General Reserve would have been higher by ₹ 8.50 crores.
 - b) In accordance with the Scheme of Arrangement, an amount of ₹ 60.55 crores on account of Goodwill on merger has been charged to the Securities Premium Account instead of amortising the same in the Profit and Loss Account over a period of ten years. Had the Scheme not prescribed this treatment, the profit for the year would have been lower by ₹ 6.06 crores, the balance at the beginning of the year in Surplus would have been lower by ₹ 6.06 crores, the Goodwill would have been higher by ₹ 48.43 crores (net written down value) and the Securities Premium Account would have been higher by ₹ 60.55 crores.
- 4. Note 4 (4) to the Consolidated Financial Statements, regarding the Scheme of Amalgamation of a wholly owned subsidiary of the Company with the Company, approved by The Honourable High Court of Judicature at Bombay. In accordance with the Scheme of Amalgamation, an amount of ₹ 122.87 crores on account of Goodwill on merger has been charged to General Reserve and opening balance of surplus in the Statement of Profit and Loss instead of amortising the same in the Statement of Profit and Loss over a period of five years. The cost and expenses arising out of or incurred in carrying out and implementing the Scheme amounting to ₹ 0.53 crores has also been directly charged against the opening balance of Surplus in the Statement of Profit and Loss. Had these amounts been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 25.10 crores, Goodwill would have been higher by ₹ 98.30 crores (net written down value), General Reserve Account would have been higher by ₹ 46.20 crores and the surplus in the Statement of Profit and Loss would have been higher by ₹ 52.10 crores.
- 5. Note 4 (5) to the Consolidated Financial Statements regarding the order passed by the Honourable High Court of Judicature at Bombay approving a Scheme of Arrangement whereby the assets and liabilities of the subsidiary company have been taken over and recorded at their book values as on April 1, 2010. In accordance with the Scheme of Arrangement, an amount of ₹ 16.69 crores on account of book values of Intangible Assets and an amount of ₹ 25.06 crores on account of Goodwill on merger, aggregating to ₹ 41.75 cores has been charged to the Securities Premium Account instead of amortising the same in the Statement of Profit and Loss in case of Intangibles over a period of balance useful life of seven years and in case of Goodwill over a period of ten years. Had this amount been charged to the Statement of Profit and Loss, the profit for the year would have been lower

Independent Auditors' Report

by ₹ 5.03 crores, the balance at the beginning of the year in Surplus would have been lower by ₹ 10.05 crores, the Intangibles would have been higher by ₹ 9.13 crores (net written down value), the Goodwill would have been higher by ₹ 17.54 crores (net written down value) and the Securities Premium Account would have been higher by ₹ 41.75 crores.

Our opinion is not qualified in respect of these matters.

Other Matters

- 1. We did not audit the financial statements of certain subsidiaries and a joint venture whose financial statements reflect the Group's share of total assets of ₹ 115.98 crores as at March 31, 2013, the Group's share of total revenue of ₹ 1,477.05 crores and net cash inflows amounting to ₹ 1.83 crores for the year then ended. We also did not audit the financial statements of an associate wherein the Group's share of the associate's profit amounts to ₹ 4.29 crores for the year then ended as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, joint venture and associate is based solely on the reports of the other auditors.
- 2. We did not audit the financial statements of a Joint Venture, which was exited during the year, which includes the Group's share of total revenue of ₹ 80.87 crores and net cash outflows amounting to ₹ 1.24 crores for the year ended on that date have not been audited and have been included in the Consolidated Financial Statements based solely on the separate unaudited management certified accounts.
- 3. We did not audit the financial statements of certain associates, whose financial statements reflect the Group's share of associate's profit upto March 31, 2013, of ₹ 2.26 crores and the Group's share of associate's profit of ₹ 0.48 crores for the year ended on that date which have not been audited and have been included in the Consolidated Financial Statements based solely on the separate unaudited management certified accounts.

Our opinion is not qualified in respect of these matters.

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

> Daraius Z. Fraser Partner

M. No.: 42454

Mumbai: May 28, 2013.

Consolidated Balance Sheet as at March 31, 2013

		Am	nount INR Crore
	Note No.	Current Year	Previous Year
Equity And Liabilities			
Shareholders' Funds			
(a) Share Capital	3	33.52	31.76
(b) Reserves And Surplus	4	<u>3,071.76</u>	2,335.25
		3,105.28	2,367.01
Minority Interest		757.43	622.41
Non Current Liabilities		7577.5	022111
(a) Long Term Borrowings	5	939.19	1,187.68
(b) Deferred Tax Liabilities (Ne		70.19	56.66
(c) Other Long Term Liabilities	7	0.02	6.27
(d) Long Term Provisions	8	15.28_	13.31
		1,024.68	1,263.92
Current Liabilities			
(a) Short Term Borrowings	9	1,810.91	1,290.91
(b) Trade Payables	10	1,807.59	1,921.35
(c) Other Current Liabilities	11	894.33	819.91
(d) Short Term Provisions	12	97.24	76.72
TOTAL		<u>4,610.07</u> 9,497.46	4,108.89 8,362.23
Assets		9,497.40	0,302.23
Non Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets	10	715.52	611.23
(ii) Intangible Assets		37.47	39.66
(iii) Capital Work-in-Progr	ress	626.07	213.67
(iv) Intangible Assets Unc	der Development	1.93	-
•	·	1,380.99	864.56
(b) Goodwill on Consolidation		417.01	542.45
(c) Non Current Investments	14	1,187.44	969.88
(d) Deferred Tax Assets (Net)	15	4.26	3.53
(e) Long Term Loans and Adv		232.69	185.91
(f) Other Non Current Assets	17	13.19	3.71
Current Acceta		3,235.58	2,570.04
Current Assets (a) Current Investments	18	174.19	182.86
(b) Inventories	19	3,716.78	3,191.27
(c) Trade Receivables	20	479.02	433.29
(d) Cash and Bank Balances	21	577.54	473.34
(e) Short Term Loans and Adv		976.84	1,021.61
(f) Other Current Assets	23	337.51	489.82
(/		6,261.88	5,792.19
TOTAL		9,497.46	8,362.23

See Accompanying Notes to the Financial Statements

As per our Report attached Signatures to Balance Sheet and Notes to the Financial Statements

For and on behalf of

Kalyaniwalla & Mistry For and on behalf of the Board

Chartered Accountants A. B. Godrej N. B. Godrej Managing Director Chairman

Daraius Z. Fraser N.S. Nabar **Clement Pinto**

Partner Executive Director & President (Chemicals) Chief Financial Officer

K.R. Rajput Mumbai, May 28, 2013 Company Secretary

Statement of Consolidated Profit and Loss for the year ended March 31, 2013

			Am	ount INR Crore
Particulars	Note No.	Curren	t Year	Previous Year
Revenue from Operations (Gross)	26	7,063.35		5,688.22
Less: Excise Duty		99.03		76.13
			6,964.32	5,612.09
Other Income	27	_	52.82	97.94
Total Revenue		_	7,017.14	5,710.03
Expenses				
(a) Cost of Materials Consumed	28	3,342.38		2,835.66
(b) Purchases of Stock-in-Trade		1,594.40		1,136.03
(c) Cost of Sales - Property Development	29	640.76		481.67
(d) Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade	30	(8.76)		(36.53)
(e) Employee Benefits Expense	31	269.75		258.95
(f) Finance Costs	32	110.34		110.83
(g) Depreciation and Amortisation Expense		59.45		56.35
(h) Other Expenses	33	748.41		670.74
Total Expenses			6,756.73	5,513.70
Profit Before Exceptional Items and Tax		-	260.41	196.33
Exceptional Items	34		165.41	93.83
Profit Before Tax		-	425.82	290.16
Tax Expense				
(a) Current Tax		123.08		112.42
(b) MAT Credit Entitlement		-		(19.00)
(c) Deferred Tax		12.75		1.91
(d) Adjustment for Tax of Previous Years (net)		(1.62)		(0.43)
Total Tax		_	134.21	94.90
Profit After Taxation			291.61	195.26
Share of Profit In Associates		_	175.81	156.60
Profit Before Minority Interest			467.42	351.86
Minority Interest		_	(76.24)	(60.25)
Profit For The Year		_	391.18	291.61
Earnings Per Share (Face Value ₹ 1 per share)	35			
(a) Basic			11.98	9.18
(b) Diluted			11.96	9.16

See Accompanying Notes to the Financial Statements

As per our Report attached Signatures to Statement of Profit and Loss and Notes to the Financial

Statements

For and on behalf of Kalyaniwalla & Mistry

For and on behalf of the Board

Chartered Accountants A. B. Godrej N. B. Godrej Chairman

Managing Director

Daraius Z. Fraser N.S. Nabar **Clement Pinto** Executive Director & President (Chemicals) Chief Financial Officer Partner

K.R. Rajput

Mumbai, May 28, 2013 Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2013

(/	٩m	าดเ	ınt	IN	IR.	Crore	,ذ

	(and an analysis		
		Current year	Previous year
A.	Cash Flow from Operating Activities :		
	Profit Before Tax	425.82	290.16
	Adjustments for:		
	Depreciation	59.45	56.35
	Unrealised Foreign Exchange	(1.52)	(5.56)
	Profit on Sale of Investments	(182.29)	(131.14)
	Loss on Sale of Fixed Assets	1.46	1.30
	Dividend Income	(1.61)	(1.08)
	Interest Income	(27.87)	(42.22)
	Interest Expense	110.34	110.83
	Employee Stock Option Compensation	8.78	7.51
	(Write back)/Provision for Diminution in Value of Investments/Loans and	10.48	(2.54)
	Advances		
	Provision for Doubtful Debts/Advances & Sundry Balances (net)	2.00	13.50
	Others	1.34	(1.27)
	Operating Profit Before Working Capital Changes	406.38	295.84
	Adjustments for:		
	Inventories	(536.88)	(2,529.20)
	Trade and Other Receivables	371.90	(810.08)
	Trade Payables	249.85	1,939.95
	Cash From/(Used in) Operations	491.25	(1,103.49)
	Direct Taxes Paid	(147.18)	(137.80)
	Direct Taxes Refund	0.04	0.74
_	Net Cash From/(Used in) Operating Activities	344.11	(1,240.55)
B.	Cash Flow from Investing Activities :	(000.44)	(00.40)
	Purchase of Fixed Assets	(692.41)	(83.12)
	Proceeds from Sale of Fixed Assets	1.47	5.01
	Purchase of Investments	(1,266.60)	(1,337.89)
	Surplus Proceeds deployed as Fixed Deposits	(412.39)	-
	Proceeds from Sale of Investments	1,545.58	1,111.28
	Intercorporate Deposits/Loans (net) Interest Received	15.05 34.23	42.05 39.72
	Dividend Received	1.61	
			1.08
	Net Cash Used in Investing Activities	(773.46)	(221.87)

(Amount INR Crore)

Consolidated Cash Flow Statement for the year ended March 31, 2013 (Contd.)

Current year	Previous year
463.25	459.34
1,027.63	2,083.82
(953.83)	(893.48)
20.95	(3.68)
(111.07)	(107.31)
(32.65)	(44.49)

	Ourient year	i revious year
Cash Flow from Financing Activities:		
Proceeds from Issue of Share Capital	463.25	459.34
Proceeds from Borrowings	1,027.63	2,083.82
Repayments of Borrowings	(953.83)	(893.48)
Bank Overdrafts (net)	20.95	(3.68)
Interest Paid	(111.07)	(107.31)
Dividend Paid	(32.65)	(44.49)
Tax on Distributed Profits	(10.98)	(22.06)
Net Cash from Financing Activities	403.30	1,472.14
Net (Decrease)/Increase in Cash and Cash Equivalents	(26.05)	9.72
Opening Balance of Cash and Cash Equivalents	180.27	157.10
Add: Cash and Cash Equivalents taken over pursuant to Business Acquisition	10.28	13.45
Less: Cash and Cash Equivalents on Demerger/Transfer/Dilution	(3.34)	
Closing Balance of Cash and Cash Equivalents	161.16	180.27
(including share in jointly controlled entities - ₹ 2.15 Crore, previous year ₹ 9.11 Cro	re)	
Notes:		
Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	577.54	473.33
Effect of Exchange Rate Changes	-	0.01
Closing balances of Fixed deposit (more than 3 months but less than 12 month	s) (413.03)	(264.01)
Other bank balances	(3.35)	(29.06)
Cash and Cash Equivalents	161.16	180.27
2. The above Cash Flow Statement includes share of Cash Flows from	1	
jointly controlled entities as under:		
a. Net Cash from Operating Activities	3.68	
b. Net Cash used in Investing Activities	(22.47)	
c. Net Cash from Financing Activities	17.61	
3. The figures of previous year have been regrouped/restated wherever		
necessary to conform to current year's presentation.		

As per our Report attached

Signatures to Cash Flow Statement

Executive Director & President (Chemicals)

For and on behalf of Kalyaniwalla & Mistry

For and on behalf of the Board

N.S. Nabar

Chartered Accountants

N. B. Godrej A. B. Godrej Managing Director Chairman

Daraius Z. Fraser

Clement Pinto

Partner

Chief Financial Officer

Mumbai, May 28, 2013

K.R. Rajput Company Secretary

NOTE 1: Principles of Consolidation:

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

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

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.

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

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

1.2 The financial statements of the subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2013.

The accounts of Creamline Dairy Products Ltd., Polchem Hygiene Laboratories Pvt. Ltd. and Al Rahaba International Trading Ltd. (Associates of Godrej Agrovet Ltd.) and Godrej Hershey Limited (Joint Venture of the Company) have not been audited for the year ended March 31, 2013 as of the Balance Sheet date and have been consolidated on the basis of the accounts as certified by their respective management.

NOTE 2: Significant Accounting Policies

2.1 Accounting Convention

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India and the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2.2 Use of Estimates

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

2.3 Fixed Assets

Fixed Assets are stated at cost or as revalued as the case may be, less accumulated depreciation. Cost includes expenses related to acquisition and any directly attributable cost of bringing the assets to it's intended working condition.

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

2.4 Intangible Assets

The group has evaluated the useful lives of the Intangible Assets - Goodwill, Trademarks, Non compete fees, Acquisition value of contracts, etc. based on the nature of business, growth rates and estimated discounted cash flows. The intangible assets are amortised over the estimated useful lives as follows.

Particulars Estimated useful lives

Trade Marks 8 - 15 years
Technical Know How 6 - 10 years
Computer Software 4 - 6 years

2.5 Impairment of Assets

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

2.6 Borrowing Costs

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

2.7 Investments

Investments are classified into long-term and current investments. Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than of a temporary nature. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

Current investments are carried at lower of cost and fair value.

2.8 Inventories

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

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

2.9 Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

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 Group.

2.10 Foreign Exchange Transactions

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

2.11 Revenue Recognition

Sales are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates, sales taxes and excise duty.

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

Export incentives receivable under the Duty Entitlement Pass Book Scheme and the Duty Drawback Scheme are accounted on accrual basis.

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

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

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates

of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately.

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

Interest income is recognised on a time proportion basis.

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

2.12 Research and Development Expenditure

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

2.13 Depreciation

Leasehold land and Leasehold improvements are amortised equally over the lease period.

Depreciation is provided pro rata to the period of use, under the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956, except in some subsidiary companies, where depreciation has been provided on the written down value method. The impact of the differing method of depreciation has not been ascertained but is not likely to be material. Computer hardware is depreciated over its estimated useful life of 4 years.

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

Depreciation on the revalued component is provided on the straight line method based on the balance useful life of the assets as certified by the valuers. Such depreciation is withdrawn from Revaluation Reserve and credited to Statement of Profit and Loss.

2.14 Employee Benefits

Liability is provided for the retirement benefits of provident fund, gratuity, leave encashment and pension benefit in respect of all eligible employees of the Group.

(i) Defined Contribution Plan

Employee benefits in the form of Provident Fund and Family Pension which are paid to EPFO are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

Retirement benefits in the form of Provident Fund which are paid to PF trust, Gratuity and Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-Term Benefits

Long-term compensated absences and Long Service Awards are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses comprising of experience adjustments and the effects of changes in acturial assumptions are immediately recognised in the Statement of Profit and Loss.

2.15 Incentive Plans

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

2.16 Hedging

The Group uses forward exchange contracts to hedge it's foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts is recognised in the statement of profit and loss. Futures contracts not settled as on the Balance Sheet date are marked to market and losses, if any, are recognized in the statement of profit and loss, whereas, the unrealised profit is ignored. Gains or losses on the commoditity futures contracts is recorded in the statement of profit and loss under cost of materials consumed.

2.17 Taxes on Income

Tax expense comprises both current and deferred tax. Current tax is the amount of tax payable on the assessable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only when there is virtual certainty of their realisation and on other items when there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rate and laws enacted or substantially enacted on the balance sheet date.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit available as an asset is recognised only to the extent there is reasonable possibility that the normal income tax will be paid during the specified period for which MAT Credit is allowed to be carried forward. MAT Credit is recognised as an asset by way of credit to the statement of profit and loss and is disclosed as "MAT Credit Entitlement." under Long-Term Loans and Advances.

2.18 Segment Reporting

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

NOTE 3 : Share Capital

	Amount INR Crore				
		Current Year			s Year
		Number	Value	Number	Value
Authoris	sed Share Capital				
. , .	uity shares of ₹ 1 each	800,000,000	80.08	800,000,000	80.00
(b) Und	classified Shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
			180.00		180.00
	Subscribed and Paid up Share Capital				
. , .	uity Shares of ₹ 1 each fully paid up	335,165,917	33.52	317,624,892	31.76
(b) Und	classified Shares of ₹ 10 each			-	
5	Total		33.52		31.76
	e of Equity Share is ₹ 1 each				
	e of Unclassified Share is ₹ 10 each				
	iliation of number of Shares				
Equity S		017 004 000	04.70	017 004 000	01.70
	of Shares outstanding at the beginning of the year	317,624,892	31.76 1.76	317,624,892	31.76
	during the year	17,541,025		017 004 000	01.70
	of Shares outstanding at the end of the year	335,165,917	33.52	317,624,892	31.76
Rights, F	Preferences And Restrictions attached to Shares				
shares. vote. Tr Directors in the e of liquid receive distribut their sha	Shares: The Company has one class of equity Each equity share entitles the holder to one ne final dividend proposed by the Board of is is subject to the approval of the shareholders insuing Annual General Meeting. In the event lation, the equity shareholders are eligible to the remaining assets of the Company after ion of all preferential amounts in proportion to areholding.				
Share H	lolding Information				
	uity Shares held by Godrej & Boyce Manufacturing mpany Limited - Holding Company	187,202,388	18.72	187,202,388	18.72
	areholders holding more than 5% of Equity ares in the Company				
	drej & Boyce Manufacturing Company Limited - 85% (Previous Year 58.94%)	187,202,388	18.72	187,202,388	18.72

NOTE 3 : Share Capital (Contd.)

	• • •			Amo	unt INR Crore
		Current Year		Previous	s Year
		Number	Value	Number	Value
Eq	uity Shares Reserved for Issue Under Options				
(a)	120,599 Employee Stock Options eligible for 120,599 equity shares of ₹ 1 each vesting on 31/05/12	-	-	120,599	0.01
(b)	32,921 Employee Stock Options eligible for 32,921 equity shares of ₹ 1 each vesting on 30/07/12 (*)	32,921	-	207,813	0.02
(c)	5,901 Employee Stock Options eligible for 5,901 equity shares of ₹ 1 each vesting on 29/06/12	-	-	5,901	-
(d)	189,029 Employee Stock Options eligible for 189,029 equity shares of ₹ 1 each vesting on 31/05/13	189,029	0.02	126,500	0.01
(e)	191,354 Employee Stock Options eligible for 191,354 equity shares of ₹ 1 each vesting on 31/05/14	191,354	0.02	120,599	0.01
(f)	3,974 Employee Stock Options eligible for 3,974 equity shares of ₹ 1 each vesting on 31/12/13 (*)	3,974	-	3,974	-
(g)	1,927 Employee Stock Options eligible for 1,927 equity shares of ₹ 1 each vesting on 30/04/14 (*)	1,927	-	1,927	-
(h)	8,226 Employee Stock Options eligible for 8,226 equity shares of ₹ 1 each vesting on 31/07/13 (*)	8,226	-	-	-
(i)	1,387 Employee Stock Options eligible for 1,387 equity shares of ₹ 1 each vesting on 31/11/14 (*)	1,387	-	-	-
(j)	80,065 Employee Stock Options eligible for 80,065 equity shares of ₹ 1 each vesting on 31/05/15	80,065	0.01	-	-
(k)	3,841 Employee Stock Options eligible for 3,841 equity shares of ₹ 1 each vesting on 31/03/15 (*)	3,841	-	-	-
	ing the period of five years immediately preceeding date as at which the Balance Sheet is prepared:				
(a)	There were no shares allotted as fully paid up pursuant to contracts without payment being received in cash.				
(b)	No shares have been allotted as fully paid up bonus shares.				
(C)	In the financial year 2009-10, the Company bought back 2,133,710 Equity Shares.				
The	ere are no calls unpaid.				
	ere are no forfeited shares.				
/*\ /	Amount loss than ₹ 0.01 arers				

^(*) Amount less than ₹ 0.01 crore.

NOTE 4: Reserves and Surplus

Amount INR Crore			
	Current Year	Previous	Year
Capital Investment Subsidy Reserve			
As Per Last Balance Sheet	0.95	0.71	
Additions During the year	<u>-</u> _	0.24	
	0.9	5	0.95
Capital Redemption Reserve			
As Per Last Balance Sheet	31.46	31.46	
Additions During the year	0.25		01.40
Canital Basanya	31.7 0.0		31.46
Capital Reserve Securities Premium Account	0.0	4	0.04
As Per Last Balance Sheet	1,200.67	1,021.48	
Additions for shares issued during the year	615.05	271.14	
	013.03	271.14	
Utilisation during the year	(16.64)	(11 40)	
Share issue expenses Amount recoverable from GAVL ESOP Trust (refer note)	(16.64)	(11.40)	
1 below)	(126.41)		
Transfer to Reserve for Emplyee Compensation	(120.41)		
Expenses (refer note 2 below)	(110.04)	_	
Adjustment on Acquisition/Deletion	-	(80.55)	
, isjacanoni chi isquiolichi a zolotichi	 1,562.6		1,200.67
Revaluation Reserve	,		,
As Per Last Balance Sheet	10.56	11.49	
Depreciation on Revalued component and deduction			
due to sale/discard of fixed assets	(2.84)	(0.93)	
	7.7	2	10.56
Special Reserve u/s 45IC of RBI Act,1934	0.07	0.75	
As Per Last Balance Sheet	2.97	2.75	
Transfer from Surplus	0.54_ 3.5	0.22	2.97
Employee Stock Options Outstanding	0.0	•	2.91
Options granted as at the beginning of the year	12.01	_	
Add: Compensation for Options Granted During the Year	54.48	12.01	
Less : Options Lapsed	(0.99)	-	
Less: Transfer to Securities Premium on exercise of			
stock options during the year	(6.68)		
	58.82	12.01	
Less: Deferred Employee Stock Compensation	(4.25)	(4.88)	7.40
December for Francisco Commencetion Francisco	54.5	7	7.13
Reserve for Employee Compensation Expenses Transfer from Security Premium Account (refer note 2)			
below)	110.04		
Adjustment for empolyee compensation expense (refer	110.0-7		
note 2 below)	(72.04)	_	
Share of Minority	(13.81)	-	
·	24.1	9	-

NOTE 4: Reserves and Surplus (Contd.)

Amount INR Cror				unt INR Crore
	Current	Year	Previous	s Year
General Reserve				
As Per Last Balance Sheet	161.41		145.97	
Transfer from Surplus	51.61		36.55	
Utilisation during the year (refer note 3 & 4 below)	(50.45)		(5.95)	
Adjustment on Acquisition/Deletion and share of Minority	10.29	172.86	(15.16)	161 41
Foreign Exchange Fluctuation Reserve		172.00		161.41
As Per Last Balance Sheet	6.01		0.42	
Additions during the Year	2.07		5.59	
Additions during the roal	2.07	8.08	0.00	6.01
Surplus				0.0.
As Per Last Balance Sheet	914.05		684.48	
Additions During the year - As per Statement of Profit	391.18		291.61	
and Loss				
Dividend for 2011-12, on additional shares issued				
during the year	(2.98)		-	
Credit for Dividend Distribution Tax on Dividend				
Received from Subsidiaries	1.85		- (55.0.1)	
Proposed Dividend - Final	(58.69)		(55.64)	
Tax on Distributed Profit	(19.38)		(18.28)	
Transfer to Special Reserve Transfer to General Reserve	(0.54) (51.61)		(0.22)	
Adjustment on Acquisition/Deletion (refer note 4 below)	(77.20)		(36.55)	
Adjustment on Acquisition/Addition/Share of Minority	108.82		48.65	
ragionation of thoquotion, haditor, origin of Millotty	100.02	1,205.50	40.00	914.05
Total	_	3,071.76	-	2,335.25

- (1) During the year, Subsidiary Company has institued Employee Stock Option Plan for which employee share based payment has been accounted based on the fair value method at a Fair Value of ₹ 2164 per share amounting to ₹ 126.41 crore for Securities Premium receivable from the Company's ESOP Trust, which is accordingly adjusted against Securities Premium Account.
- (2) The Honourable High Court of the Judicature at Bombay has approved a Scheme for the reduction of Capital (Securities Premium Account) for a Subsidiary Company. As per the scheme an amount of ₹ 110.04 Crore has been transferred from the Securities Premium Account and used to create the Reserve for Employee Compensation Expenses of which ₹ 72.04 crore for Employee Compensation Expenses incurred during the year has been adjusted.
- (3) The Honourable High Court of the Judicature at Bombay has approved a Scheme for the amalgamation of Godrej Gokarna Oil Palm Ltd (GGOPL), Godrej Oil Palm Ltd (GOPL) and Cauvery Palm Oil Ltd (CPOL) with Godrej Agrovet Limited, with effect from April 1, 2011. As per the scheme amortisation amounting to ₹ 4.25 Crore on Intangible Assets taken over is charged against the balance in the General Reserve Account of the Subsidiary Company.
- (4) The Honourable High Court of the Judicature at Bombay has approved a Scheme for the amalgamation of Godrej Waterside Properties Private Limited with Godrej Properties Limited, with effect from April 1, 2012. In accordance with the Scheme of Amalgamation, an amount of ₹ 122.87 crore on account of Goodwill on merger and Cost and expenses arise out of or incurred in carrying out and implementing the scheme amounting to ₹ 0.53 crore has been charged to General Reserve by ₹ 46.20 crore and opening balance of surplus in the Statement of Profit & Loss by ₹ 77.20 Crore.
- (5) The Honourable High Court of the Judicature at Bombay has approved a Scheme of arrangement where the asset & liabilities of Subsidiary Company have been taken over and recorded at their book values as on April 1, 2010. In accordance with the scheme of arrangement, an amount of ₹ 16.69 crore on account of book value of Intangible assets, and an amount of ₹ 25.06 crore on account of Goodwill on merger, aggregating to ₹ 41.75 crore has been charged to the Security Premium Account instead of amortising the same in the statement of Profit and Loss in case of Intangibles over a period of balance useful life of seven years and in case of goodwill over a period of ten years.

Amount INR Crore

Notes to the Consolidated Financial Statements

NOTE 5: Long-Term Borrowings

		ATTIOUTIL IND CTOTE
	Current Year	Previous Year
Secured		
	00.57	40.00
(a) Debentures (refer note 1 below)	29.57	42.63
(b) Term Loans		
(i) From Bank (refer note 2 below)	26.61	83.33
(ii) From Others	_	702.00
	26.61	785.33
Unsecured		
(a) Term Loans		
(i) From Banks (refer note 3 below)	467.10	114.24
· · · · · · · · · · · · · · · · · · ·	407.10	117.27
(ii) From Others		
	467.10	114.24
(b) Deferred Payment Liabilities (refer note 4 below)	4.64	4.67
(c) Deposits		
()	401.05	007.07
(i) Fixed Deposit (refer note 5 below)	401.35	227.07
Share in Jointly Controlled Entities	9.92	13.74
Total	939.19	1,187.68

- (1) 2,871,876, 1% secured optionally convertible debentures of ₹ 10 each are redeemable on 10th April, 2015 and are secured to the extent of specific immovable assets of a Subsidiary Company.
 - 267,000, 12% Compulsorily Convertible Debentures of face value of ₹ 1,000 each were allotted on December 29, 2011. These debentures are compulsorily convertible at the end of 10 years from the date of allotment. These debentures are convertible into 50,000 Equity Shares of ₹ 10 each in accordance with the terms of the issue. The interest shall be accrued on a quarterly basis.
- (2) Term loans from HDFC Bank of ₹ 22.76 crore are secured by hypothecation of stocks, book debts, machinery and moveable fixed assets both present and future of one of the subsidiaries. These loans are repayable over 55 to 60 months.
 - Term loan from AXIS Bank of ₹ 3.85 crore is secured by hypothecation of machinery and moveable fixed assets both present and future at the Bandra store. This loan is repayable over 60 months.
- (3) Term Loans from Banks of ₹ 100.00 crore is at an Interest Rate of 9.99% to 10.50% p.a. These loans are repayable after 13 months to 18 months.
 - Unsecured loan from Bank amounting to ₹ 149.96 crore carrying interest at Base Rate + 1.4% p.a. is for a term upto 60 months and is repayable from July 2015 to April 2017.
 - Unsecured loan from Bank amounting to ₹ 108.57 crore carries interest at LIBOR + 2.17% p.a. for a term of 60 months and is repayable from March 2015 to September 2016.
 - Unsecured loan from Bank amounting to ₹ 108.57 crore carries interest at LIBOR + 2.5% p.a. for a term of 60 months and is repayable from June 2016 to December 2017.
- (4) Deferred Sales Tax Loan is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis, 14 years from the year of collection, commencing from March 2014 up to March 2022. The total loan availed and outstanding is ₹ 4.64 crore.
- (5) Fixed deposits from public have a maturity period of 13, 24 or 36 months.
- (6) The Group does not have any continuing default as on the Balance Sheet date in repayment of loan or interest.

NOTE 6 : Deferred Tax Liabilities (Net)

		Am	ount INR Crore
		Current Year	Previous Year
1.	Liabilities (a) Depreciation	87.61	70.41
2.	Assets		
	(a) Provision for Retirement Benefits	3.42	1.54
	(b) Provision for Doubtful Debts/Advances	8.47	6.68
	(c) VRS Expenses	0.03	0.55
	(d) Others	5.68	5.26
3.	Share in Jointly Controlled Entities	0.18	0.28
	Total	70.19	56.66
NO	TE 7 : Other Long-Term Liabilities		ount INR Crore
		Current Year	Previous Year

Deposits	0.01	1.57
Interest Accrued But Not Due	0.01	4.70
Tota	0.02	6.27

NOTE 8 : Long-Term Provisions Amount INR Crore Current Year Previous Year Provision For Employee Benefits Share in Jointly Controlled Entities Total Total Amount INR Crore Previous Year 10.70 2.61

NOTE 9: Short-Term Borrowings

Amount	INR	Crore

	Current Year	Previous Year
Secured		
(a) Debentures (refer note 1 below)	42.26	-
(b) Term loan from Bank (refer note 2 below)	69.75	-
(c) Loans Repayable On Demand		
(i) From Bank - (refer note 3 below)	255.17	372.22
(ii) From Others - (refer note 4 below)	750.00	-
(d) Commercial Papers - (refer note 5 below)	40.00	-
Unsecured		
(a) Loans Repayable On Demand		
(i) From Bank - (refer note 6 below)	70.71	744.15
(ii) From Others - (refer note 7 below)	100.00	-
(b) Deposits		
(i) Other Deposits	-	6.50
(c) Other Loans and Advances		
(i) Commercial Papers	450.00	75.00
Share in Jointly Controlled Entities	33.02	93.04
Total	1,810.91	1,290.91

- (1) 4,226,000, 10% Cumulative Optionally Convertible Debentures of face value of ₹ 100 each are secured by way of mortgage over the development rights of Project Godrej Central. The debentures are redeemable out of Remainder Amounts as defined in Share Purchase, Subscription and Shareholders Agreement dated 31st March, 2012 after the completion of the project. The interest shall be accrued on an annual basis.
- (2) The Term Loan taken from State Bank of India is secured against Company's share of undivided interest in the project Godrej Genesis at Kolkata. Repayable in two installments ₹ 35.00 crore on June 2013 and ₹ 34.75 crore on September 2013. Interest rate is Base Rate + 3.60% p.a. payable monthly. Effective Rate of Interest as on 31.03.2013 is 13.30% p.a.
- (3) (a) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.
 - (b) Secured Loans availed from State Bank of India of ₹ 224.91 crore is secured by Equitable Mortgage of immovable property of the Company's Project at Juhu, Mumbai and by exclusive first charge by way of hypothecation of the current assets of a Subsidiary Company. Current Assets of Godrej Real Estate Private Limited (wholly owned subsidiary of Godrej Properties Limited) has been hypothecated as collateral security and carries interest at Base Rate + 0.5% p.a. effective rate 10.20% p.a..
- (4) Secured term loan from HDFC Ltd.: Total Sanction amount ₹ 750 crore bearing interest @ HDFC BPLR 485 bps p.a. and secured by way of exclusive/mortgage and charge of movable and immovable property of the project at Bandra Kurla Complex at Mumbai. Repayment from 6th month from the date of disbursement.
- (5) Commercial Papers are secured by hypothecation of stocks and book debts.
- (6) (a) Unsecured Over draft of ₹ 0.71 crore availed from IDBI Bank Ltd. carries interest at Base Rate + 350 basis point p.a.
 - (b) Term loan from Banks of ₹ 35 crore is at an interest rate of 10.25% to 10.45% p.a. These loans are repayable on different dates upto three months.
- (7) Loan from Axis Bank of ₹ 100 crore carrying interest at Base Rate + 90 basis point p.a. Repayable on 5th October 2013.
- (8) The Group does not have any continuing default as on the Balance Sheet date in repayment of loan or Interest.

NOTE 10: Trade Payables

	Current Year	Previous Year
Trade Payables		
(a) Outstanding dues of Micro and Small Enterprise (refer note 1)	2.34	1.70
(b) Others	1,464.48	1,608.53
Acceptances	330.02	283.03
Share in Jointly Controlled Entities	10.75	28.09
Total	1,807.59	1,921.35

Note:

(1) Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no amount overdue as on March 31, 2013 to Micro, Small and Medium Enterprises on account of principal or interest (previous year ₹ Nil).

NOTE 11: Other Current Liabilities

	Amount INR Crore					
	Curren	ıs Year				
Current Maturities of Long Term Debts						
(a) Secured Loan						
(i) From Bank	-		80.00			
(ii) 5,635,000, 1% Secured Redeemable option-	-		5.64			
ally Convertible Debentures						
(iii) From Others	1.85					
	1.85		85.64			
(b) Unsecured Loan						
(i) From Bank	16.00		170.00			
(c) Unsecured Deposit						
(i) Fixed Deposit	60.79		129.43			
Current Maturities of Finance Lease Obligations			1.01			
		78.64		386.08		
Interest Accrued but not Due on Borrowings		7.52		4.71		
Unpaid Dividends		0.32		0.28		
Unpaid Matured Deposit						
(a) Principal Amount	4.75		2.47			
(b) Interest Accrued Thereon	0.16		0.01			
		4.91		2.48		
Other Payables						
(a) Advances from Customers	524.69		87.81			
(b) Forward Cover Contracts Payable	67.81		113.74			
(c) Unamortised Forward Cover Premium	0.64		16.58			
(d) Due to Management Projects	5.85		6.78			
(e) Statutory Liabilities	32.02		-			
(f) Debenture Application Money	-		11.76			
(g) Deposits	34.10		28.77			
(h) Other Liabilities	130.41		136.99			
		795.52		402.43		
Share in Jointly Controlled Entities		7.42	-	23.93		
Total		894.33		819.91		

NOTE 12: Short Term Provisions

Provision For Employee Benefits
Proposed Dividend (refer note 1 below)
Provision for Tax on Distributed Profit
Provision for Tax
Share in Jointly Controlled Entities

	Amount INR Crore					
	Current Year	Previous Year				
	7.52	4.89				
	58.69	55.64				
	19.38	12.83				
	11.26	2.18				
	0.39	1.18				
Total	97.24	76.72				

Note:

(1) The Board of Directors of the Company has proposed a dividend of ₹ 1.75 per equity share - 175 % (previous year ₹ 1.75 per equity share - 175 %) for the year 2012-13 amounting to a total out-go of ₹ 58.69 crore (previous year ₹ 55.64 crore).

NOTE 13: Fixed Assets

Amount INR Crore

ASS	SETS		GROSS	BLOCK		DEPRECIATION/IMPAIRMENT				NET BLOCK	
		As on	Additions	Deductions/	As on	Upto		For the	Upto	As on	As on
		01.04.2012		Adjustments	31.3.2013	31 .03.2012	Adjustments	Year	31.03.2013	31.03.2013	31.03.2012
Tang	gible Assets										
(a)	Land										
	(i) Freehold	26.26	3.72	0.04	29.94	-	-	-	-	29.94	26.26
	(ii) Leasehold	27.54	0.04	0.00	27.58	0.85	-	0.31	1.16	26.42	26.69
(b)	Buildings	200.30	51.41	6.63	245.08	51.88	2.17	9.95	59.66	185.42	148.42
(c)	Plant and Equipment	618.04	114.85	2.76	730.13	368.06	(0.33)	30.17	398.56	331.57	249.98
(d)	Research Centre	0.58	0.25	0.01	0.82	0.27	-	0.03	0.30	0.52	0.31
(e)	Furniture and Fixtures	23.11	4.49	0.19	27.41	11.73	0.10	1.74	13.37	14.04	11.38
(f)	Office and Other Equipment	27.70	8.04	0.76	34.98	9.42	0.27	1.74	10.89	24.09	18.28
(g)	Vehicles/Vessels		-	-							
	(i) Own	41.31	3.37	2.24	42.44	12.20	1.12	3.79	14.87	27.57	29.11
	(ii) Under Finance Lease	0.47	-	0.47	-	0.46	0.47	0.01	-	-	0.01
(h)	Tree Development Cost	4.15	-	-	4.15	2.66	-	0.40	3.06	1.09	1.49
(i)	Share in Jointly Controlled	150.00	21.11	68.02	103.09	50.70	31.66	9.19	28.23	74.86	99.30
	Entities										
Tota	l Tangible Assets	1,119.46	207.28	81.12	1,245.62	508.23	35.46	57.33	530.10	715.52	611.23
Inta	ngible Assets										
(a)	Trademarks	47.14	-	-	47.14	17.40	(4.25)	0.07	21.72	25.42	29.74
(b)	Technical Knowhow Fees	2.00		-	2.00	2.00	-	-	2.00	-	-
(c)	Software	23.31	5.80	-	29.11	14.95	-	2.81	17.76	11.35	8.36
(d)	Share in Jointly Controlled	10.19	-	9.16	1.03	8.63	8.45	0.15	0.33	0.70	1.56
	Entities										
Tota	l Intangible Assets	82.64	5.80	9.16	79.28	42.98	4.20	3.03	41.81	37.47	39.66
TOTAL - Current Year 1,202.10 213.08 90.28 1,324.90 551.21 39.66 60.36				571.91	752.99						
- Previous Year 1,054.68 121.74 (25.68) 1,202.10 494.24 0.33 57.30 551.21									650.89		
	Capital Work-In-Progress							626.07	213.67		
Intar	ngible Assets Under Developr	ment								1.93	-
									1,380.99	864.56	

- 1. Buildings, Plant and Equipment and Research Centre at Vikhroli Factory were revalued on 30th June, 1992, on the basis of a valuation report submitted by professional valuers.
- 2. Depreciation for the year includes ₹ 0.91 crore (previous year ₹ 0.94 crore) being depreciation on revalued component of the fixed assets.
- 3. Gross block deductions includes ₹ 3.04 crore (previous year ₹ 0.01 crore) and Deduction/Adjustments includes ₹ 1.11 crore (previous year ₹ 0.00 crore) being the revalued component of assets sold/discarded during the year.
- 4. Accumulated depreciation includes impairment loss of ₹ 5.10 crore (previous year ₹ 5.10 crore) on certain Plant and Equipment .
- 5. Capital work-in-progress is net of impairment loss of ₹ 2.04 crore (previous year ₹ 2.04 crore) provided on an infructuous asset under construction.
- 6. Capital work-in-progress includes ₹ 6.33 crore (previous year ₹ 0.03 crore) of Exchange Difference arising on Long-Term Foreign Currency Monetary Items relating to acquisition of depreciable assets.
- 7. Capital work-in-progress includes an amount of ₹ 26.61 crore (previous year ₹ 1.05 crore) on account of borrowing costs capitalised.

Note 14: Non Current Investments

Invest	tee	Со	ompany/Entity	Face value	Nun	nber			Amount IN	NR Crore
				(₹)	Current Year	Previous Year	Notes	Current Year	Previous	s Year
			stments (Valued at cost unless erwise)							
			nent in Equity Instruments (Fully nless stated otherwise)					-		
(a	a)	Inv	estment in Associate Companies							
		(i)	Quoted							
			Godrej Consumer Products Ltd.	1	73,659,620	71,989,620	(a)	1,085.95		845.21
		(ii)	Unquoted							
			Swadeshi Detergents Ltd. (Till March 21, 2013)	10	-	209,370	(e)	-		-
			Personalitree Academy Ltd.	10	389,269	389,269		1.10	1.10	
			Less: Provision for Diminution in Value					(1.10)	(1.10)	
			Our and the Diam Due do not a lot of	10	0.074.000	0.071.000		-		- 01.00
			Creamline Diary Products Ltd. Polchem Hygiene Laboratories Pvt. Ltd.	10 10	2,671,993 455,000	2,671,993 455,000		24.34 4.36		21.30
			Al Rahaba International Trading	AED 1500	433,000	455,000		4.50		5.09
			Limited Liability Company	ALD 1000	24	40				_
(b	o)	Oth	ners							
		(i)	Quoted							
			M*Modal Inc. (Formerly MedQuist Holdings Inc.)	\$0.10	-	1,792,132		-		35.92
			Mafatlal Industries Limited	10	-	83,519		-		0.64
			Zicom Electronics System Ltd.	10	384,086	-		2.99		-
			Others					0.01		0.01
		(ii)	Unquoted							
			Bharuch Eco-Aqua Infrastructure Ltd.	10	440,000	440,000		0.44	0.44	
			Less: Provision for Diminution in Value					(0.44)	(0.44)	
			Avesthagen Ltd.	7	469,399	469,399		10.81		10.81
			CBay Infotech Ventures Pvt. Ltd.	10	112,579	112,579		2.33		2.33
			Gharda Chemicals Ltd.	100	112,573	114	(b)	0.12	0.12	2.00
			Less: Provision for Diminution in Value	100			(6)	(0.12)	-	
								- (5112)		0.12
			HyCa Technologies Pvt. Ltd.	10	12,436	12,222		1.24		1.25
			Tahir Properties Ltd. (Partly paid) *	100	25	25	(c)			-
			Boston Analytics Inc.	\$1	1,354,129	1,055,629		6.91	6.88	
			Less: Provision for Diminution in Value					(6.91)	(6.88)	
								-		-
			The Saraswat Co-op Bank Ltd. *	10	6,000	3,500		0.00		0.00
			Isprava Technologies Ltd.	10	125,000	125,000		- 0.50		0.50
			(Previously known as KarRox Techonologies Ltd.)							
			Sealac Agroventures Pvt. Ltd.	10	250,000	250,000		- 0.25		0.25
			Aadhaar Retailing Limited	10	6,800,000	6,080,000		- 32.67		29.07
			New Market Limited	£1	100	100		11.15		10.45
			AARK Pte Ltd.	\$1	500,000	-		2.71		-

Note 14: Non Current Investments (Contd.)

Inv	estee Company/Entity	Face value	Num	nber			Amount INR Crore	
		(₹)	Current Year	Previous Year	Notes	Current Year	Previous Year	
2.	Investment in Preference Shares (Fully paid unless stated otherwise)							
	(a) Others							
	(i) Unquoted							
	Wadala Commodities Ltd. (0.01% Redeemable Non-Cumulative Preference Shares)	10	5,000,000	5,000,000	(C)	4.50	4.50	
	Less: Provision for Diminution in Value					(4.50)	(4.50)	
						-	-	
	Tahir Properties Ltd. (Class - A) (partly paid) *	100	25	25	(C)	0.00	0.00	
	Verseon Corporation - Class A Preferred Shares	\$1.90	2,631,578	2,631,578		11.42	11.42	
	Less: Provision for Diminution in Value					(7.80)	(7.80)	
						3.62	3.62	
3.	Investment in Partnership Firm							
	View Group LP *	-	-	-	(d)	0.00	0.00	
	Less: Provision for Diminution in Value					0.00	0.00	
4.	Other Non Current Investments					0.00	0.00	
	(a) Limited Liability Partnership							
	Crop Science Advisors LLP	-	-	-		- 0.01	0.01	
	(b) Investment in Units of Venture Capital Fund							
	Omnivore India Capital Trust	1,00,000	450	450		- 4.50	4.50	
						1,187.44	969.88	
	Aggregate Amount of Quoted Investments					1,088.95	881.78	
	Agrregate Amount of Unquoted Investments					98.49	88.10	
	Aggregate Provision for Diminution in Value					20.87	20.72	
	Market Value of Quoted Investments					5,742.90	3,550.07	

^{*} Amount less than ₹ 0.01 crore.

- (a) 52,34,852 equity shares (previous year 52,34,852 equity shares) of Godrej Consumer Products Limited received under a Scheme of Arrangement were locked in till November 24, 2012.
- (b) The said shares have been refused for registration by the investee company.
- (c) Uncalled Liability on partly paid shares
 - Tahir Properties Ltd. Equity ₹ 80 per share.
 - Tahir Properties Ltd. Preference ₹ 30 per share.
 - Wadala Commodities Limited Preference ₹ 1 per share.

Note 14: Non Current Investments (Contd.)

(d) Information on partnership firm - View Group

		Country	% Holding	% Holding
Sr.	Name of the partner		Current	Previous
No.			Year	Year
1.	Mr. Robert Buirkle	USA	13.08%	13.08%
2.	Mr. John H. Gutfreund	USA	13.08%	13.08%
3.	Bonsal Trust	USA	6.54%	6.54%
4.	Free Market Capital L.P.	USA	4.83%	4.83%
5.	Kilbane Development SA	Monaco	6.54%	6.54%
6.	Mazda Partners LP	USA	8.96%	8.96%
7.	Ms. Mrinalini Jaikumar	USA	1.96%	1.96%
8.	Mr. John Pries	USA	2.62%	2.62%
9.	Mr. Marti Subrahmanyam	USA	1.96%	1.96%
10.	R. Gregg Stone Trust	USA	1.28%	1.28%
11.	Mr. Robert G. Stone, Jr.	USA	1.28%	1.28%
12.	Mr. Michael R. Greenberg	USA	3.27%	3.27%
13.	Mr. Paul D. Sonz	USA	1.25%	1.25%
14.	VIEW Group Grantor Retained Annuity Trust	USA	2.03%	2.03%
15.	BKE Partners L.P.	USA	4.83%	4.83%
16.	VIEW LP Holding, Inc.	USA	4.83%	4.83%
17.	Schwartz and Nystrom, as escrow agent	USA	9.66%	9.66%
18.	Godrej Industries Limited	India	12.00%	12.00%
		Total	100.00%	100.00%

NOTE 15: Deferred Tax Assets (Net)

		Current Year	Previous Year
Lial	pilities		
(a)	Depreciation	(0.42)	(0.66)
Ass	ets		
(a)	Provision for Retirement Benefits	-	0.03
(b)	Others	3.84	2.84
Sha	re in Jointly Controlled Entities		
	Total	4.26	3.53

Amount INR Crore

NOTE 16: Long Term Loans And Advances

Amount INR					
	Current Year	Previous Year			
Secured					
(a) Loans and Advances					
Considered Good	-	10.33			
Considerd Doubtful (refer note 1 below)	10.33	-			
Less: Provision for Doubtful Loans	(10.33)	<u>-</u> _			
	-	10.33			
(b) Deposits	66.04	-			
Unsecured and Considered Good					
(Unless otherwise stated)					
(a) Capital Advances	39.62	34.89			
(b) Deposits	12.82	17.23			
(c) Inter Corporate Deposits	-	3.85			
(d) Loans And Advances to Related Parties	-	2.10			
(e) Other Loans and Advances					
(i) Loan to ESOP Trust	10.97	34.71			
(ii) Loans to Employees	1.04	1.28			
(iii) Advance Tax and Tax Deducted at Source	32.50	-			
(iv) MAT Credit Entitlement	56.21	56.80			
(v) Government Authorities	0.69	-			
(vi) Other Loans	9.84	0.21			
Share in Jointly Controlled Entities	2.96	24.51			
Tota	232.69	185.91			

Note:

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

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

NOTE 17: Other Non Current Assets

		Amount INR Crore
	Current Year	Previous Year
Secured		
(a) Interest Accrued on Loans		
Considered Doubtful (refer note 1 below)	3.15	3.15
Less: Provision for Doubtful Loans	(3.15)	(3.15)
	-	-
Unsecured		
(a) Interest Accrued on Loans		
Considered Doubtful	1.63	1.63
Less: Provision for Doubtful Loans	(1.63)	(1.63)
	-	-
Unamortised Preliminary Expenses	-	0.02
Claims/Expenses Recoverable	2.44	1.91
Others - Deposit with Banks (refer note 2 below)	10.75	1.35
Share in Jointly Controlled Entities		0.43
	13.19	3.71

- (1) Interest on loan referred to in sub note (1) of Note 16 above, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.
- (2) Fixed Deposits pledged of ₹ 10.56 crores held as Margin money.

Note 18: Current Investments

			Amount INR crore
Investee Company/Entity	Notes	Current Year	Previous Year
Investment in Mutual Funds			
Unquoted			
Birla Sunlife Short term fund - Growth		29.00	-
HDFC HIF STP - Growth		28.00	-
SBI Mutual Fund Cash Option		7.69	0.76
Kotak Floater - LT - Daily Dividend Reinvest		2.92	2.72
ICICI Prudential Floating Rate Plan D - Daily Dividend Reinves	t	0.32	0.30
SBI Premier Liquid Fund Super IP DDR		-	25.02
Birla Sun Life Cash Plus - Instl. Prem - Daily Dividend		-	25.01
J P Morgan India Liquid Fund - Super IP - Daily Dividend ICICI Prudential Liquid - Super IP - Daily Dividend		-	25.01 25.01
Religare Liquid Fund - Super IP - Daily Dividend		-	25.01
HDFC Cash Management Fund -Savi Ng Plan-Dly Div			25.02
JM High Liquidity Super IP - Dly Div - Reinvest		_	25.02
JM High Liquidity Fund - Growth		49.35	20.02
Taurus - Liqiud Fund Super Insti. Growth		51.55	_
Kotak Floater Short Term Growth		1.38	_
2. Other Current Investment Optionally Convertible Loan Notes/Promissory Notes/Debentures: Unquoted:			
Boston Analytics Inc. (15%)	(a)	3.00	3.00
Less: Provision for Diminution in Value		(3.00)	(3.00)
Boston Analytics Inc. (20%)	(0)	6.73	6.73
Less: Provision for Diminution in Value	(a)	(6.73)	(6.73)
Less. I Tovision for Dimination in Value		(0.73)	(0.70)
Boston Analytics Inc. (12%)	(b)	4.69	4.69
Less: Provision for Diminution in Value	()	(4.69)	(4.69)
		-	-
Verseon Corporation (13%)	(c)	3.98	3.98_
		<u>174.19</u>	182.86
Aggregate Amount of Quoted Investments		-	-
Aggregate Amount of Unquoted Investments		174.19	182.86
Aggregate Provision for Diminution in Value Market Value of Quoted Investments		14.42	14.42
Notes:		-	-

- (a) The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company has not exercised were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (b) 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (c) Optionally Convertible Notes issued by Verseon Corporation were convertible after December 1, 2008 until the due date but not later than September 15, 2012. The said promissory notes have not been redeemed as of the Balance Sheet date.

NOTE 19: Inventories

Amount INR Crore

	Current Year	Previous Year
Raw Material	252.88	218.83
Packing Material	1.67	1.19
Work-in-Progress	62.82	56.83
Construction Work-in-Progress	3,235.19	2,738.40
Stock Under Cultivation	13.57	8.31
Finished Goods (Includes In Transit - ₹ Nil Crore, previous year ₹ 1.34 Crore)	61.97	75.32
Poultry Stock	1.37	0.24
Stock-in-Trade	38.28	27.04
Stores And Spares	14.66	14.07
Share in Jointly Controlled Entities	34.37	51.04
Total	3,716.78	3,191.27

Note:

NOTE 20: Trade Receivables

Amount INR Crore

	Current Year	Previous Year
Secured and Considered Good		
(a) Outstanding for a period exceeding six months from the date they are due for payment	3.16	16.38
(b) Others	59.85	48.09
Unsecured		
Considered Good		
(a) Outstanding for a period exceeding six months from the date they are due for	50.59	19.84
payment		
(b) Others	355.47	338.81
Considered Doubtful		
(a) Outstanding for a period exceeding six months from the date they are due for payment	1.41	0.99
(b) Allowance for Doubtful Debts	(1.41)	(0.99)
Share in Jointly Controlled Entities	9.95	10.17
Tota	479.02	433.29

⁽¹⁾ Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat.

NOTE 21: Cash and Bank Balances

Amount INR Cror		ount INR Crore
	Current Year	Previous Year
Cash and Cash Equivalents		
Balances with Banks		
(a) Current Accounts	82.94	119.67
(b) Deposit having Maturity less than 3 months (refer notes 1 & 2 below)	32.92	44.00
Cheques, drafts on hand	41.04	6.30
Cash on Hand	2.11	1.19
	159.01	171.16
Other Bank Balances		
(a) Deposit Accounts Maturity 3 to 12 months (refer note 1 below)	413.03	264.01
Other Bank Balances (refer note 3 below)	3.35	29.06
Share in Jointly Controlled Entities	2.15	9.11
Total	577.54	473.34

- (1) Fixed Deposit of ₹1.10 crore (previous year ₹ 0.91 crore) held as margin money.
- (2) Balances with banks on deposit accounts include ₹ 3.11 crore (previous year ₹ 2.61 crore) received from flat buyers and held in trust on their behalf in a corpus fund.
- (3) Other bank balance of ₹ 0.31 crore (previous year ₹ 0.27 crore) is earmarked balance for unpaid dividend.

NOTE 22: Short Term Loans And Advances

Amount INR Crore						
Current Year Previous Year						
Secured						
(a) Short Term	Loans and Advances (refer note 1 below)	68.53		37.58		
(b) Secured De	posits - Projects (refer note 2 below)	484.50		-		
Unsecured	,					
(a) Loans And	Advances to Related Parties	7.73		6.29		
(b) Loans And	Advance					
` '	to Employees	0.40		0.35		
(ii) Other L		101.31		70.23		
\ /	ESOP Trust	101.01		70.20		
` '	ered Good	159.04	152.95			
	ered Doubtful	23.94	34.30			
	Provision for Doubtful Loans	(23.94)	(34.30)			
L000. 1	TOVISION TO BOUDTIAN LOANS	159.04		152.95		
(iv) Due on	Management Projects (refer note 3 below)	50.46		48.21		
	oment Manager Fees Accrued but not due	4.45		4.45		
` '	ote 4 below)	7.70		7.70		
,	ces to Suppliers					
` '	ered Good	20.12	45.43			
	ered Good ered Doubtful	0.69	0.63			
	Provision for Doubtful Advances	(0.69)	(0.63)			
LC33. I	Tovision for Doubtiul Advances	20.12		45.43		
(vii) Other A	Idvancos	20.12		40.40		
` '	ered Good	14.80	22.17			
	ered Good ered Doubtful	0.02	0.02			
	Provision for Doubtful Advances	(0.02)	(0.02)			
LG33. I	Tovision for Doubtidi Advances	14.80		22.17		
(c) Inter Corpor	rate Deposits	20.14		11.23		
(d) Deposits	ate Deposits	20.1-		11.20		
	ory Authorities	33.45		9.06		
(ii) Others		9.69		601.11		
(ii) Oti lers		9.08		001.11		
Share in Jointly (Controlled Entities	2.22		12.55		
Chare in Confuly	Total		_	1,021.61		
	Total	970.0-	_	1,021.01		

- (1) Secured Loan & Advances are secured against Bank Guarantee received from Vendors.
- (2) Secured Deposits Projects are Secured against Terms of Development Agreement.
- (3) Due on Management Projects include a sum of ₹ 2.16 crore (previous year ₹ 2.16 crore) on account of a project, where the matter is sub-judice with arbitrators.
- (4) The group has entered into Development Agreement with landlords. Development Management Fee amounting to ₹ 4.45 crore (previous year ₹ 4.45 crore) accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Management Fee accrued but not due.

NOTE 23: Other Current Assets

Amount	INR	Crore
--------	-----	-------

	Current Year	Previous Year
Unbilled Revenue	236.14	323.35
Other Receivables	14.94	27.56
Interest Accrued on Inter-Corporate Deposits	16.06	3.06
Unamortised Expenses		
(a) Current portion of Foreign Currency Monetary Item Translation Difference Account	70.34	128.42
(b) Unamortised Premium on Forward Cover Contracts	-	3.13
Bank Deposit with more than 12 months maturity	-	4.30
Share in Jointly controlled Entity	0.03	
Total	337.51	489.82

NOTE 24 : Contingent Liabilities

Amount INR Crore

7 thouse that Grote			
		Current Year	Previous Year
a)	Claims against the Company not acknowledged as debts:		
	(i) Excise duty demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels.	89.68	28.38
	(ii) Customs Duty demands relating to lower charge, differential duty, classification, etc.	1.72	1.58
	(iii) Sales Tax demands relating to purchase tax on Branch Transfer/Non availability of C Forms, etc at various levels.	23.75	21.61
	(iv) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.29	0.29
	(v) Stamp duties claimed on certain properties which are under appeal by the Company	3.31	3.31
	(vi) Income tax demands against which the company has preferred appeals	27.72	23.11
	(vii) Industrial relations matters under appeal	2.32	2.28
	(viii) Others	10.06	4.77
b)	Guarantees:		
	(i) Guarantees issued by banks, including guarantees issued in respect of matters reported in (a) above	31.21	31.71
	(ii) Guarantees given by the Company in respect of credit/guarantee limits sanctioned by banks to subsidiary and other companies.	33.33	62.34
c)	Other Money for which the Company is Contingently Liable:		
	(i) Letter of credit issued by bank on behalf of the company	17.18	9.45
	(ii) Case/Claim filed by Processors for claiming various expense	10.00	5.14
d)	Share in Jointly Controlled Entities	-	2.73
e)	Share in Associates	612.31	480.54

NOTE 25: Commitments

Amount	INR Crore

		Current Year	Previous Year
1.	Estimated amount of contracts remaining to be executed on capital account	96.76	193.93
	(net of advances) and not provided for:		
2.	Uncalled liability on partly paid shares/debentures	0.50	0.50
3.	Other Commitments:		
	(a) Long Term Contracts for Purchase of Raw Material	55.15	71.08
	(b) Finance Lease Commitments	-	0.01
	(c) Operating Lease Commitments	12.22	7.51
	(d) Major Contracts Commitment Outstanding for Civil, Elevator, External	1,240.07	1,113.83
	Development, MEP work etc.		
4.	Share in Jointly Controlled Entities	1.27	13.14
5.	Share in Associates	8.88	32.48

NOTE 26: Revenue From Operations

Amount INR Crore

Particulars	Current Year	Previous Year
Sales	6,619.79	5,210.78
Licence Fees and Service Charges	8.79	22.18
Other Operating Revenues		
(a) Export Incentives	6.87	4.76
(b) Processing Charges	1.14	3.86
(c) Sale of Scrap	22.98	8.39
(d) Income From Development Projects	90.91	20.17
(e) Others	9.31	5.04
Share in Jointly Controlled Entities	303.56	413.04
Total Gross Revenue From Operations	7,063.35	5,688.22
Excise Duty	(99.03)	(76.13)
Total	6,964.32	5,612.09

NOTE 27: Other Income

Amount INR Crore

	Current Year	Previous Year
Interest Income	27.87	40.76
Profit on Sale of Long Term Investments	-	38.28
Profit on Sale of Current Investments	1.98	1.56
Dividend	1.61	1.08
Miscellaneous Income		
(i) Business Support Service	5.76	1.44
(ii) Other Miscellaneous Income	15.13	12.83
Share in Jointly Controlled Entities	0.47	1.99
Total	52.82	97.94

NOTE 28: Cost of Materials Consumed

Amount INR Crore		
	Current Year	Previous Year
Raw Materials Consumed		
(a) Inventory at the Commencement of the Year	218.83	180.62
(b) Add: Purchases (net)	3,136.21	2,567.62
	3,355.04	2,748.24
(c) Less: Inventory at the Close of the Year	(252.88)	(218.83)
	3,102.16	2,529.41
Share in Jointly Controlled Entities	210.91	279.25
Packing Materials Consumed		
(a) Inventory at the Commencement of the Year	1.19	1.19
(b) Add: Purchases (net)	29.79	27.00
	30.98	28.19
(c) Less: Inventory at the Close of the Year	(1.67)	(1.19)
	29.31	27.00
Total	3,342.38	2,835.66

NOTE 29: Cost of Sales - Property Development

		Am	ount INR Crore
		Current Year	Previous Year
(a)	Inventory at the Commencement of the Year	2,738.40	1,015.45
(b)	Add: Purchases (net)	1,137.55	2,204.62
		3,875.95	3,220.07
(c)	Less: Inventory at the Close of the Year	(3,235.19)	(2,738.40)
	Total	640.76	481.67

NOTE 30 : Changes In Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade

Amount INR Cror			
	Current Year	Previous Year	
Inventory at the Commencement of the Year			
(a) Finished Goods	75.32	85.95	
(b) Work-in-Progress	56.83	47.12	
(c) Stock Under Cultivation	8.31	11.53	
(d) Poultry Stock	0.24	-	
(e) Stock-in-Trade	27.04		
	167.74	144.60	
Less: Stock Adjustment for subsidiaries merged	5.41	(8.10)	
Less: Inventory at the Close of the Year			
(a) Finished Goods	(61.97)	(75.32)	
(b) Work-In-Progress	(62.82)	(56.83)	
(c) Stock Under Cultivation	(13.57)	(8.31)	
(d) Poultry Stock	(1.37)	(0.24)	
(e) Stock-in-Trade	(38.28)	(27.04)	
	(178.01)	(167.74)	
Share in Jointly Controlled Entities	(3.90)	(5.29)	
Total	(8.76)	(36.53)	

NOTE 31 : Employee Benefits Expenses

	Amount INR Crore	
	Current Year	Previous Year
Salaries and Wages	203.56	196.40
Contribution to Provident and Other Funds	19.85	14.22
Expense on Employee Stock Option Scheme	10.18	4.60
Staff Welfare Expense	16.31	12.58
Share in Jointly Controlled Entities	19.85	31.15
Total	269.75	258.95

NOTE 32: Finance Costs	Amount INR Crore	
	Current Year	Previous Year
Interest Expense	268.02	224.65
Less: Interest Capitalised to Project	(222.87)	(159.60)
Net Interest	45.15	65.05
Other Borrowing Costs	52.58	32.18
Share in Jointly Controlled Entities	12.61	13.60

NOTE 33: Other Expenses

	Am	ount INR Crore
	Current Year	Previous Year
Consumption of Stores and Spares	26.48	24.67
Power and Fuel	141.74	122.43
Processing Charges	73.29	60.41
Rent	26.41	17.76
Rates and Taxes	11.09	8.96
Repairs and Maintenance		
(a) Machinery	13.52	13.27
(b) Buildings	9.20	9.70
(c) Other assets	4.42	2.09
Insurance	3.35	2.01
Freight	68.08	55.58
Commission	7.11	5.31
Discount	98.27	69.48
Advertisement and Publicity	60.47	16.07
Selling and Distribution Expenses	10.16	39.66
Bad Debts Written Off	6.00	8.34
(Write back)/Provision for Doubtful Debts and Advances	(4.00)	4.65
(Write back)/Provision for Excise Duty	(2.04)	0.60
Loss on Foreign Exchange Translation	3.75	15.96
Loss on Sale of Fixed Assets	1.46	1.30
Research Expenses (refer note below)	2.89	4.41
Miscellaneous Expenses	106.64	97.56
Share In Jointly Controlled Entities	80.12	90.52
Total	748.41	670.74

Note:

Research Expenses include Employee Benefits Expenses of ₹ 2.73 Crore (previous year ₹ 4.19 Crore)

110.83

110.34

Total

NOTE 34: Exceptional items

			,	
			Current Year	Previous Year
(i)	Profit on Sale of Long-Term Investments		180.31	91.30
(ii)	Write back/(Provision) for Diminution in Value of Investments/Loans and Advances		(10.48)	2.53
(iii)	Voluntary Retirement Compensation		(4.42)	
	T	otal	165.41	93.83

Amount INR Crore

NOTE 35: Earnings Per Share

		Current Year	Previous Year
1.	Calculation of weighted average number of equity shares - Basic		
	(a) Number of equity shares at the beginning of the year	317,624,892	317,624,892
	(b) Number of equity shares issued during the year	17,541,025	-
	(c) Number of equity shares outstanding at the end of the year	335,165,917	317,624,892
	Weighted average number of equity shares outstanding during the year	326,485,070	317,624,892
2.	Calculation of weighted average number of equity shares - Diluted		
	(a) Number of potential equity shares at the beginning of the year	318,212,205	317,624,892
	(b) Number of potential equity shares outstanding at the end of the year	335,678,641	318,212,205
	Weighted average number of potential equity shares outstanding during	327,173,414	318,208,973
	the year		
3.	Net Profit After Tax (Amt. ₹ Crore)	391.18	291.61
4.	Basic Earnings per share of ₹ 1 each	11.98	9.18
5.	Diluted Earnings per share of ₹ 1 each	11.96	9.16

NOTE 36: Information on Subsidiaries, Joint Ventures and Associates:

(a) The subsidiary Companies Considered in the Consolidated Financial Statements are:

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
1.	Godrej Agrovet Ltd.	India	63.67%	75.32%
2.	Golden Feed Products Ltd.	India	63.67%	75.32%
	(100% subsidiary of Godrej Agrovet Ltd.)			
3.	Godrej Seeds and Genetics Ltd.	India	63.67%	75.32%
	(100% subsidiary of Godrej Agrovet Ltd. with effect from 06-06-11)			
4.	Goldmohur Agrochem & Feeds Ltd.	India	63.67%	-
	(100% subsidiary of Godrej Agrovet Ltd.) (with effect from 02-01-13)			
5.	Natures Basket Ltd.	India	100.00%	100.00%
6.	Godrej Properties Ltd.	India	62.35%	62.35%
7.	Godrej Realty Pvt. Ltd.	India	31.80%	31.80%
	(51% subsidiary of Godrej Properties Ltd.)			
8.	Godrej Waterside Properties Pvt. Ltd.	India	0.00%	31.80%
	(51% subsidiary of Godrej Properties Ltd.)			
9.	Godrej Developers Pvt. Ltd.	India	31.80%	31.80%
	(51% subsidiary of Godrej Properties Ltd.)			
10.	Godrej Real Estate Pvt. Ltd.	India	62.35%	62.35%
	(100% subsidiary of Godrej Properties Ltd.)			
11.	,	India	31.24%	31.24%
	(50.10% subsidiary of Godrej Properties Ltd.)			
	(77.73% subsidiary of Godrej Properties Ltd. Up to 03-05-10)			
12.	Happy Highrises Ltd.	India	31.80%	31.80%
	(51% subsidiary of Godrej Properties Ltd.)			
13.	Godrej Estate Developers Pvt. Ltd.	India	31.80%	31.80%
	(51% subsidiary of Godrej Properties Ltd.)		/	
14.	Godrej Buildwell Pvt. Ltd.	India	30.55%	30.55%
4.5	(Subsidiary due to control over compostion of Board of Directors)		00.050/	00.050/
15.		India	62.35%	62.35%
10	(100% subsidiary of Godrej Properties Ltd.)	lie elle	CO 050/	00.050/
16.	Godrej Project Development Pvt. Ltd.	India	62.35%	62.35%
17	(100% subsidiary of Godrej Properties Ltd.) Godrej Premium Builders Pvt. Ltd.	India	24 000/	01.000/
17.	•	India	31.80%	31.80%
10	(51% subsidiary of Godrej Properties Ltd.)	India	62.35%	62.35%
18.	Godrej Garden City Properties Pvt. Ltd. (100% subsidiary of Godrej Properties Ltd.)	IIIula	02.35%	02.33%
10		India	62.35%	62 25%
19.	(100% subsidiary of Godrej Properties Ltd.)	India	02.35 70	62.35%
20.		India	31.80%	31.80%
۷٠.	(51% subsidiary of Godrej Properties Ltd.	IIIula	01.00 /0	31.00 /0
	with effect from 14-03-12)			

NOTE 36: Information on Subsidiaries, Joint Ventures and Associates: (Contd.)

Sr. No.	Name of the Company	Country of Incorporation	Percentage	of Holding
			Current Year	Previous Year
21.	Godrej Redevelopers (Mumbai) Private Ltd. (100% subsidiary of Godrej Properties Ltd.)	India	62.35%	-
22.	Dream World Landmarks LLP	India	24.94%	-
	(40% LLP of Godrej Properties Ltd.) (Control through Majority Voting Rights)			
23.	Ensemble Holdings & Finance Ltd.	India	100.00%	100.00%
24.	Godrej International Ltd.	Isle of Man	100.00%	100.00%
25.	Godrej International Trading & Investment Pte. Ltd.	Singapore	100.00%	100.00%
26.	Mosiac Landmarks LLP	India	31.80%	31.80%
	(51% LLP of Godrej Properties Ltd.)			
27.	Godrej Vikhroli Properties LLP	India	77.41%	77.41%
	(60 % LLP of Godrej Properties Ltd and 40% LLP of the Company)			
28.	Swadeshi Detergents Ltd.	India	100%	-
	(with effect from 22-03-13)			

(b) Interests in Joint Ventures:

Sr. No.	Name of the Company	Country of Incorporation	Percentage	of Holding
		·	Current Year	Previous Year
1.	ACI Godrej Agrovet Pvt. Ltd.	Bangladesh	31.84%	37.66%
	(joint venture partner of Godrej Agrovet Ltd.)			
2.	Godrej Tyson Foods Ltd.	India	31.20%	36.91%
	(joint venture partner of Godrej Agrovet Ltd.)			
3.	Godrej Hershey Ltd.	India	-	43.37%
	(upto 27-09-12)			
4.	Nutrine Confectionery Ltd.	India	-	43.37%
	(100% subsidiary of Godrej Hershey Limited, upto 27-09-12)			
5.	Godrej Buildcorp LLP	India	21.82%	21.82%
	(35% LLP of Godrej Properties Ltd.)			
6.	Godrej Property Developers LLP	India	19.95%	19.95%
	(32% LLP of Godrej Properties Ltd.)			

Note 36: Information on Subsidiaries, Joint Ventures and Associates: (Contd.)

(c) Investment in Associates:

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
1.	Swadeshi Detergents Ltd.	India	41.08%	41.08%
	(associate upto 21-03-13)			
2.	Godrej Consumer Products Ltd.	India	21.64%	21.15%
3.	Personalitree Academy Ltd.	India	26.00%	26.00%
	(associate of Ensemble Holdings & Finance Ltd.)			
4.	Creamline Dairy Products Ltd.	India	16.55%	19.58%
	(associate of Godrej Agrovet Ltd.)			
5.	Al Rahaba International Trading LLC	U.A.E.	28.65%	33.89%
	(associate of Godrej Agrovet Ltd.)			
6.	Polchem Hygiene Laboratories Pvt. Ltd.	India	16.55%	19.58%
	(associate of Godrej Agrovet Ltd.)			

NOTE 37: Difference In Accounting Policies

The accounting policies of certain subsidiaries, joint ventures and associates especially regarding the method of depreciation, amortization of technical know how and accounting for retirement benefits are not in consonance with the group accounting policies. No effect has been given in the consolidated financial statements on account of such differing accounting policies, where the impact is not expected to be material.

NOTE 38 : Break up of Investment in Associates is as under :

Amount INR Crore

0	Name of the Original	01	0 111	Ol !	Dunidalan fan	0
Sr.	Name of the Company	Cost of	Goodwill	Share in		Carrying
No.		Acquisition	Included	Profits/(Loss)	Diminution	Cost of
			In Cost of	of Associates	in the	Investments
			Acquisition	Post	Value of	
				Acquisition	Investments	
1.	Swadeshi Detergents Ltd.	-	-	-	-	-
	(associate upto 21-03-13)	1.91	0.91	(0.19)	1.72	-
2.	Godrej Consumer Products Limited	693.05	528.18	392.90	-	1,085.95
		582.62	432.74	262.59	-	845.21
3.	Personalitree Academy Ltd.	1.10	0.43	(0.42)	0.68	-
		1.10	0.43	(0.42)	0.68	-
4.	Creamline Dairy Products Ltd.	10.38	3.98	13.96	-	24.34
		10.38	3.98	10.92	-	21.30
5.	Al Rahaba International Trading LLC	0.08	(2.46)	1.12	1.20	-
		0.08	(2.46)	(0.51)	(0.43)	-
6.	Polchem Hygiene Lab Pvt. Ltd.	1.63	0.89	2.73	-	4.36
		1.63	0.89	2.26	-	3.89
	Total current year	706.24	531.02	410.29	1.88	1,114.65
	Total previous year	597.72	436.49	274.65	1.97	870.40

NOTE 39: Employee Stock Benefit Plans

1. Employee Stock Option Plans

a) (i) Employee Stock Option Plans of Godrej Industries Limited

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

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

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

ESOP I

	Curre	nt Year	Previous Year	
	No. of	Wt. average	No. of	Wt. average
	Options	exercise	Options	exercise
		price ₹(*)		price ₹(*)
Options Outstanding at the Beginning of the	4,577,950	356.34	5,072,700	325.62
Year				
Options Exercised During the Year	1,087,000	250.01	-	-
Options Forfeited/Expired During the Year	153,750	281.62	494,750	251.24
Options Outstanding at the Year End	3,337,200	388.21	4,577,950	356.34
ESOP II				

	Current Year		Previous Year	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	1,210,250	280.61	950,000	225.20
Options Granted During the Year				
30th July, 2011	-	-	297,250	355.60
30th May, 2012	101,500	369.06	-	-
9th July, 2012	132,000	335.12	-	-
Options Exercised During the Year	741,500	231.93	12,000	230.34
Options Forfeited/Expired During the Year	10,000	334.87	25,000	179.86
Options Outstanding at the Year End	692,250	355.33	1,210,250	280.61

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

The weighted average balance life of options outstanding as on March 31, 2013 is 4.12 years.

The weighted average balance life of options outstanding as on March 31, 2013 for ESOP I is 4.07 years and for ESOP II is 4.35 years.

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

(ii) Employee Stock Option Plans of Godrej Properties Limited

In F.Y. 2007-08, Godrej Properties Limited (GPL) instituted an Employee Stock Option Plan (GPL ESOP) approved by GPL's Board of Directors, Shareholders and the Remuneration Committee which provides for the allotment of 442,700 options convertible into 442,700 Equity Shares of GPL of ₹ 10 each to eligible employee of Godrej Properties Limited and its subsidiary companies (the participating companies).

Options outstanding at the beginning of the year Options granted during the year:
Options exercised during the year:
Options forfeited/expired during the year:
Options outstanding at the year end

Current Year		Previous Year	
No. of Wt. average	ge	No. of	Wt. average
Options exerci	se	Options	exercise
price (*)		price (*)
317,700	-	372,700	-
-	-	-	-
-	-	-	-
37,000	-	55,000	-
280,700	-	317,700	-

b) Prior to the SEBI notification mentioned in Para 1(a) above, the independent ESOP Trusts had purchased equity shares of the Companies from the market equivalent to the number of stock options granted from time to time to the eligible employees. These purchases are financed by loans from the respective participating companies. The Companies have given a loan which along with interest thereon amounts to ₹ 167.94 crore (previous year ₹ 256.26 crore) (Net of provision ₹ 20.34 crore, previous year ₹ 34.29 crore) for financing the purchase of equity shares from the market equivalent to the number of option granted to the employees of the Companies. As on March 31, 2013, the market value of the equity shares held by the ESOP Trusts is lower than the holding cost (cost or market value) of these equity shares by ₹ 14.61 crore (previous year ₹ 19.05 crore) (Net of provision ₹ 20.34 crore, previous year ₹ 34.29 crore).

The repayment of the loans granted to the ESOP Trusts is dependent on the exercise of the options by the employees during the exercise period and/or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. The fall in value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period. In view of the aforesaid, provision for diminution of ₹ 14.61 crore (previous year ₹ 19.05 crore) is not considered necessary in the financial statements.

2. Employee Stock Option Plans of Godrej Agrovet Limited

In December 2012, Godrej Agrovet (GAVL) instituted an Employee Stock Option Plan (GAVL ESOP) as approved by GAVL's Board of Directors and the Shareholders, for the allotment of 5,86,764 options convertible into 5,86,764 equity shares of GAVL of ₹ 10 each to eligible employees.

Options Outstanding at the Beginning of the Year Options granted during the Year Options Forfeited/Expired During the Year Options Outstanding at the Year End

Previous Year	
ise	
ice	
-	
-	
-	
-	

The overall weighted average balance life of options outstanding as on March 31, 2013 is 4.79 years.

The employee share based payment plans has been accounted based on the fair value method at a Fair Value of ₹ 2164 per share amounting to ₹ 126.41 crore for Securities Premium receivable from the Company's ESOP Trust, which is accordingly adjusted against Securities Premium Account. Employee Compensation expenses accounted during the year are ₹ 72.04 crore. (Previous year Nil)

3. Employee Stock Grant Scheme

(i) Employee Stock Grant Scheme of Godrej Industries Limited

- a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees,who are in whole-time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her/his right to acquire the shares vested in her/him all at one time within 1 month from the date on which the shares vested in her/him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan is as under:

Options Outstanding at the Beginning of the Year
Options Granted
Options Vested
Options Exercised
Options Lapsed/Forfeited and re-granted
Total Number of Options Outstanding at the end of the year

Current Year	Previous Year
Nos.	Nos.
587,313	-
279,314	587,313
307,618	-
307,618	-
46,285	-
512,724	587,313

(ii) Employee Stock Grant Scheme of Godrej Properties Limited

a) During the period April 1, 2011 to March 31, 2013, the Company instituted an Employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 93,232 options convertible into 93,232 Equity Shares of ₹ 10 each to eligible employees of Godrej Properties Limited, its Holding and its Subsidiary Companies (the Participating Companies) 41,203 options with effect from 7th May, 2011, 1,878 options w.e.f. 1st October 2011, 36,208 options w.e.f. 1st June 2012, 11,020 options w.e.f. 1st June 2012, 2,218 options w.e.f. 1st August 2012, 345 options w.e.f. 1st November 2012 and 360 options w.e.f. 1st February 2013. Out of the total 93,232 stock grants 17,617 stock grants have lapsed on account of employees leaving the service of the company before the vesting date, 9,284 stock grants have vested and hence 66,331 stock grants are outstanding as at March 31, 2013.

No. of Options					
As on March	As on March	Exercise			
31, 2013	31,2012	Price (₹)			
29,643	-	10.00			
50,151	43,081				
9,284	NIL				
4,179	13,438				
66,331	29,643	10.00			
+	As on March 31, 2013 29,643 50,151 9,284 4,179	As on March 31, 2013 31,2012 29,643 50,151 43,081 9,284 NIL 4,179 13,438			

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

The employee stock grant scheme have been accounted based on the intrinsic value method and compensation expense ₹ 10.18 crore has been recognized in Statement of Profit and Loss.

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

	Am	ount INR Crore
Particulars	Current Year	Previous Year
Net Profit (as reported)	391.18	291.61
Less: Employee Stock Option Plans compensation expense determined under fair value based method (Proforma)	1.67	6.45
Less: Difference in Employee Stock Grant Scheme compensation expense determined under fair value method and intrinsic value method (Proforma)	(1.65)	(0.10)
Net Profit (Proforma)	391.16	285.26
	Amount ₹	Amount ₹
Basic Earnings per share (as reported)	11.98	9.18
Basic Earnings per share (Proforma)	11.98	8.98
Diluted Earnings per share (as reported)	11.96	9.16
Diluted Earnings per share (Proforma)	11.96	8.96

NOTE 40: Segment Information

Information about primary	Chem	nicals	Anima	l Feed	Veg	0ils	Estate &		Beverage	s & Foods	Finar		Oth	ers	To	t INR Crore tal
business segments							Develo				Invest					
	Current		Current	Previous	Current		Current	Previous	Current		Current		Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
(A) Revenue																
External Sales	1324.36	1283.53	2322.87	1747.93	1654.64	1231.97	973.25	682.98	81.70	168.59	201.13	114.35	639.50	574.51	7197.45	5803.86
Intersegment Sales	-	0.07	-	-	0.43	0.89	148.67	217.80	-	1.24	72.57	101.03	1.05	2.39	222.72	323.42
Total Sales	1324.36	1283.60	2322.87	1747.93	1655.07	1232.86	1121.92	900.78	81.70	169.83	273.70	215.38	640.55	576.90	7420.17	6127.28
Less: Intersegment Sales		(0.07)	-	-	(0.43)	(0.89)	(148.67)	(217.80)	-	(1.24)	(72.57)	(101.03)	(1.05)	(2.39)	(222.72)	(323.42)
Total Revenue	1324.36	1283.53	2322.87	1747.93	1654.64	1231.97	973.25	682.98	81.70	168.59	201.13	114.35	639.50	574.51	7197.45	5803.86
(B) Results																
Segment result before interest,	65.80	119.81	123.79	95.49	49.60	53.67	261.62	156.73	(17.45)	(18.89)	190.67	114.35	29.93	53.77	703.96	574.93
exceptional items and tax										` ′						
Unallocated expenses															(167.80)	(173.94)
Finance Costs															(110.34)	(110.83)
Profit before tax															425.82	290.16
Taxes															(134.21)	(94.90)
Profit after taxes															291.61	195.26
Share of profit in associates															175.81	156.60
Profit before Minority Interest															467.42	351.86
Share of Minority Interest															(76.24)	(60.25)
Net Profit after Minority Interest															391.18	291.61
Segment Assets	911.09	808.93	530.26	348.54	248.04	110.67	4940.57	4737.15	0.00	104.29	1818.79	1714.27	304.17	232.94	8752.92	8056.79
Unallocated Assets															744.54	305.44
Total Assets															9497.46	8366.23
Segment Liabilities	756.37	757.72	497.76	424.27	43.69	41.89	1594.70	1308.92	0.00	38.93	6.72	6.44	151.28	118.68	3050.52	3298.37
Unallocated Liabilities															3341.66	5955.22
Total Liabilities															6392.18	6030.87
Cost incurred during	204.47	77.56	81.28	60.28	39.81	40.82	226.35	58.78	0.00	8.91	0.25	0.12	41.98	47.84	594.14	294.31
the year to acquire segment assets	,		,,,				10.00		0.00							
Cost incurred on unallocated assets															33.27	11.03
Total Cost incurred during the year to															627.41	305.34
acquire segment assets																
Segment Depreciation	15.22	19.85	7.99	5.74	6.84	4.81	7.40	5.74	0.00	4.11	3.95	1.52	14.86	11.50	56.26	53.27
Unallocated Depreciation			1.50	2.7 1	2.51			2.7 1	2.00		2.30		150	50	3.19	3.08
Total Depreciation															59.45	56.35
.,															22.10	00.00
Information about Secondary Business Segments Amount INR										t INR Crore						
											Previous					

Amount INR Crore

Information about Secondary Business Segments	Amount	INR Crore
Revenue by Geographical markets	Current	Previous
	Year	Year
India	5127.38	4065.18
Outside India	2070.07	1738.68
Total	7197.45	5803.86
Carrying Amount of Segment assets	Amount	t INR Crore
	Current	Previous
	Year	Year
India	9453.23	8259.94
Outside India	44.23	102.29
Total	9497.46	8362.23

Notes:

- 1. The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the different risks and returns, the organisational structure and the internal reporting system.
- 2. Chemicals segment includes the business of production and sale of Oleochemicals and surfactants such as Fatty Acids, Fatty Alcohols, refined glycerine, Alpha Olefin Sulphonates, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate.
- 3. Animal Feed segment includes the business of production and sale of compound feeds for cattle, poultry, shrimp and fish.
- 4. Veg oils segment includes the business of processing and bulk trading of refined vegetable oils & vanaspati, international vegetable oil trading and Oil Palm Plantation.
- 5. Estate & property development segment includes the business of development and sale of real estate and leasing and leave and licensing of properties.
- 6. Beverages and Foods segment includes the business of processing, production and sale of fruit pulp, tomato puree, fruit juices, nectors and drinks, other beverages and confectionary products and sale of refined vegetable oils, vanaspati and tea.
- $7. \quad \text{Finance \& Investments includes investments in associates companies and other investments}.$
- 8. Others includes Integrated Poultry, Agri Inputs and tissue culture, Seeds business, energy generation through windmills and gourmet foods and fine beverages.
- 9. Unallocable expense includes expenses incurred on common services at the corporate level and relate to Company as a whole.
- 10. The geographical segments consits of Sales in India represent sales to customers located in India and Sales outside India represent sales to customers located outside India.

NOTE 41: Related Party Information

a) Names of Related Parties and Description of Relationship

Parties where control exists

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

Subsidiary Company

Godrej Agrovet Ltd.

Golden Feeds Products Ltd.

Godrej Seeds & Genetics Ltd.

Goldmohour Agrochem & Feeds Ltd.

(from 2nd January 2013)

Godrej Properties Ltd.

Godrej Vikhroli Properties LLP

Godrej Waterside Properties P. Ltd.

Godrej Estate Developers P. Ltd.

Godrej Developers P. Ltd.

Godrej Real Estate P. Ltd.

Godrej Sea View Properties P. Ltd.

Godrej Nandhi Hills Project P. Ltd.

Godrei Buildcon P. Ltd.

Godrej Buildwell P. Ltd.

Godrej Realty P. Ltd.

Godrej Premium Builders P. Ltd.

Godrej Garden City Properties P. Ltd.

Happy Highrises Ltd.

Godrej Project Development P. Ltd.

Godrej Landmark Developers P. Ltd.

Godrej Redevelopers P. Ltd.

Wonder Space Properties P. Ltd.

Godrej Property Developers LLP

Godrej Buildcorp LLP

Mosiac Landmark LLP

Dream World Landmarks LLP

Natures Basket Ltd.

Busbar Systems (India) Ltd.

(from 1st February 2013)

Mercury Mfg. Co. Ltd.

Godrej (Vietnam) Co. Ltd.

(incorporated in Vietnam)

Swadeshi Detergents Ltd.

(from 22nd March 2013)

Ensemble Holdings & Finance Ltd.

Godrej International Ltd.

Godrej International Trading & Investments Pte Ltd.

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

Associate/Joint Venture Companies

Godrej Consumer Products Ltd.

Great Lake Institute of Management

Godrej Hershey Ltd. (upto 27th September 2012)

Swadeshi Detergents Ltd. (upto 21st March 2013)

ACI Godrej Agrovet P. Ltd.

HDFC Venture Trustee Co. Ltd.

HDFC PMS

Milestone Real Estate Fund

Red Fort India Real Estate Babur

India Reality Excellence Fund

Madhavi SA Investments LLC

Madhavi Ventures Ltd

Ramesh P. Bhatia

Repton Landmarks LLP

ASK Property Investment Advisor & Group

Kavita Bhatia

Enterprises over which key management personnel exercise significant influence

Godrej South Africa Pty Ltd. (formerly known as Rapidol

(Pty) Ltd.)

Laboratorio Cuenca S.A.

Godrei Global Mideast FZE

Godrej Investments P. Ltd.

Bahar Agrochem & Feeds P. Ltd. (upto 1st Sept. 2012)

Vora Soaps Ltd.

Godrei Tvson Foods Ltd.

Great Lakes Institute of Management

NOTE 41: Related Party Information

Names of Related Parties and Description of Relationship (Contd.)

		iaries:

Wadala Commodities Ltd. Godrej (Malaysia) Sdn Bhd G & B Enterprises (Mauritius) Pvt. Ltd.

Godrej (Singapore) Pte Ltd.

Godrei Infotech Ltd. Veromatic International BV Veromatic Services BV

Water Wonder Benelux BV

Mr B S Yaday

Mr. P.A. Godrej

Mr. K.T. Jithendran

Mr. V. Srinivasan

Mr. A. Mahendran

Mr. M. Khattar

Mr. M. Lindsay (upto Sept 2012)

Mr. K.V.S. Rao (upto Sept 2012)

Key Management Personnel

Mr. A.B. Godrej Chairman Mr. N.B. Godrei

Managing Director Ms. T.A. Dubash Executive Director & President

(Marketina)

Mr. M. Eipe Executive Director &

President (Chemicals)

Managing Director

(Godrej Agrovet Ltd.)

Managing Director & CEO

(Godrei Properties Ltd.) **Executive Director**

(Godrei Properties Ltd.)

Executive Director

(Godrei Properties Ltd.) Managing Director

(Godrei Consumer Products Ltd.)

Managing Director

(Natures Basket Ltd.) Managing Director (Godrej Hershey Ltd.)

Manager

(Godrej Hershey Ltd.)

Relatives Key Management Personnel

Ms. P.A. Godrei Wife of Mr. A.B. Godrej Ms. N.A. Godrei Daughter of Mr. A.B. Godrej Ms. R.N. Godrej Wife of Mr. N.B. Godrej Son of Mr. N.B. Godrei Mr. B.N. Godrej Son of Mr. N.B. Godrej Mr. S.N. Godrej Mr. H.N. Godrej Son of Mr. N.B. Godrej Ms. M. Mahendran Wife of Mr. A. Mahendran Ms. P. Jithendran Wife of Mr. K.T. Jithendran

NOTE 41 : Related Party Information b) Transactions with Related Parties

Amount INR Crore

						AITIOUITE	INR Crore
Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate/ Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Mangement Personnel exercise significant influence	Total
Sale of Goods	0.40	-	21.25	-	-	106.03	127.68
Previous Year	0.28	-	13.12	0.07	-	3.66	17.13
Advance received	101.66	-	40.06	-	-	-	141.72
Previous Year	-	-	-	-	-	-	-
Advance given	0.75	-	-	-	-	-	0.75
Previous Year	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-
Previous Year *	-	-	0.00	-	-	-	0.00
Purchase of goods	2.42	2.95	12.16	-	-	31.88	49.41
Previous Year	0.46	0.28	8.50	-	-	31.51	40.75
Purchase of Fixed Assets	1.61	-	-	-	-	-	1.61
Previous Year	3.12	-	-	-	-	-	3.12
Processing charges received	-	-	0.56	-	-	-	0.56
Previous Year	-	-	1.16	-	-	-	1.16
Commission/Royalty received	-	-	0.62	-	-	-	0.62
Previous Year	-	-	1.21	-	-	-	1.21
Licence fees/Service charges/Storage Income	-	-	3.27	-	-	0.09	3.36
Previous Year	-	-	3.18	-	_	-	3.18
Other Income *	0.00	0.00	0.70	-	_	14.28	14.98
Previous Year *	0.00	0.01	0.41	_	_	12.13	12.55
Recovery of establishment & Other Expenses	44.44	0.02	6.99	-	_	1.32	52.77
Previous Year	4.16	0.01	4.38	_	_	0.15	8.70
Rent, Establishment & other exps paid	52.16	0.32	3.03	0.02	2.96	0.08	58.57
Previous Year	737.46	0.09	1.82	0.02	2.97	0.01	742.37
Interest received	-		6.91	0.08	-	-	6.99
Previous Year	_	_	2.30	0.14	_	-	2.44
Interest paid	_	_		0.16	0.57	_	0.73
Previous Year	_	_	_	0.02	0.07	_	0.02
Dividend income	_	_	27.06	0.02	_	_	27.06
Previous Year	_	_	25.03	_	_	-	25.03
Dividend paid	79.49	_	20.00	3.01	5.17	0.37	88.04
Previous Year	78.02	_	_	4.48	5.59	0.55	88.64
Remuneration	70.02	_	_	32.06	1.99	0.00	34.05
Previous Year			_	32.25	1.76	-	34.03
Purchase of Investments	_	_	_	02.20	1.70	0.03	0.03
Previous Year	_	-	_	_	-	0.03	0.03
Sale of units	79.78	_	24.61				104.39
Previous Year	19.10	_	24.01	_	_	-	104.09
Sale of flats	_	-	_	1.12	0.10	-	1.22
	_	-	-	1.12	0.10	-	1.22
Previous Year Other Deposits assented	_	-	0.05	0.40	0.00	0.00	0.51
Other Deposits accepted	-	-	0.05	0.40	2.00	0.06	2.51
Previous Year Other Deposits refunded	-	-	0.67	-	-	-	0.67
Other Deposits refunded	-	-	0.56	-	-	-	0.56
Previous Year	-	-	0.03	-	-	-	0.03

Nature of Transaction	Holding	Fellow	Associate/	Key	Relative	Enterprises	Total
Trade of Transaction	Company	Subsidiaries	Joint	Management	of Key	over which Key	TOTAL
	, ,		Venture	Personnel	Management	Mangement	
			Companies		Personnel	Personnel	
						exercise	
						significant	
			5.00			influence	
Intercorporate Deposits -Advanced	-	-	5.66	-	-	-	5.66
Previous Year	-	-	11.33	-	-	-	11.33
Intercorporate Deposits Repayment received during the year	-	-	-	-	-	-	-
Previous Year	-	-	0.11	-	-	-	0.11
Issue of equity shares	-	-	0.74	-	-	-	0.74
Previous Year	-	-	0.10	-	-	-	0.10
Sale of equity shares	-	-	-	-	-	-	-
Previous Year	-	-	38.32	-	-	-	38.32
Purchase of equity shares	-	-	5.00	-	-	-	5.00
Previous Year	-	-	-	-	-	-	-
Investment in Debenture	-	-	42.26	-	-	-	42.26
Previous Year	-	-	-	-	-	-	-
Redemption of Debenture	-	-	17.95	-	-	-	17.95
Previous Year	-	-	-	-	-	-	-
Debenture application money received	-	-	-	-	-	-	-
Previous Year	-	-	9.41	-	-	-	9.41
Loan repaid	-	-	-	0.72	-	-	0.72
Previous Year	-	-	-	0.34	-	-	0.34
Deposit accepted	-	-	-	-	-	-	-
Previous Year	-	-	-	0.10	-	-	0.10
Deposit refunded	-	-	-	-	-	-	-
Previous Year	-	-	-	0.15	-	-	0.15
Directors Fees	-	-	-	0.23	0.11	-	0.34
Previous Year	-	-	-	0.23	0.19	-	0.42
Balance Outstanding as on March 31, 2013							
Receivables	0.14	-	6.93	0.64	-	5.07	12.78
Previous Year *	0.02	0.00	0.81	-	-	8.36	9.19
Payables	599.73	0.01	1.33	-	-	0.10	601.17
Previous Year	719.53	0.36	11.05	-	-	0.01	730.95
Guarantees Outstanding	-	-	2.99	-	-	-	2.99
Previous Year	-	-	-	-	-	-	-
Debentures Outstanding	-	-	71.83	-	-	-	71.83
Previous Year	-	-	21.56	-	-	-	21.56
Public Deposit Outstanding	-	-	-	-	-	-	-
Previous Year	-	-	-	0.23	-	-	0.23

^{*} Amount less than ₹ 0.01 crores

NOTE 41: Related Party Information

c) The significant Related Party transactions are as under:

	Amount	INR Crore		Amount	INR Crore
Nature of Transaction	Current		Nature of Transaction	Current	Previous
Sale of goods	Year	Year	Inter Corporate Deposits-Advanced	Year	Year
- Godrej Consumer Products Ltd.	18.15	13.10	- Godrej Hershey Ltd.	5.66	11.33
- Laboratorio Cuenca S.A.	3.77	3.02	acardy releasely Etai	0.00	11100
- Godrej South Africa Pty Ltd.	0.71		Other Deposits Accepted		
- Godrej Tyson Foods Ltd.	101.55	0.02		1.25	-
Godrej & Boyce Mfg. Co. Ltd.ACI Godrej Agrovet P. Ltd.	0.40 3.10	0.28	- Mr. Burjis N. Godrej - Mr. M. Eipe	0.75 0.40	-
- Ms. T. A. Dubash	-	0.07	- Godrej Tyson Foods Ltd.	0.06	_
- Godrej Hershey Ltd.	-	0.02	- Godrej Consumer Products Ltd.	0.05	-
A character as it is all			- Godrej Hershey Ltd.	-	0.67
Advance received - Godrej & Boyce Mfg. Co. Ltd.	101.66	_	Other Deposits Refunded		
- Godrej Consumer Products Ltd.	40.06	_	- Godrej Hershey Ltd.	0.38	_
			- Godrej Consumer Products Ltd.	0.18	0.03
Advance given	0.75		D		
- Godrej & Boyce Mfg. Co. Ltd.	0.75	-	<u>Dividend income</u> - Godrej Consumer Products Ltd.	27.06	25.03
Sale of Fixed Assets			- dodrej donsamer i rodacts Eta.	21.00	20.00
- Godrej Consumer Products Ltd.*	-	0.00	Dividend paid		
D. alama (Carada			- Godrej & Boyce Mfg. Co. Ltd.	79.49	78.02
Purchase of goods - Godrej Consumer Products Ltd.	11.31	6.88	Mr. Sohrab N. GodrejMr. Burjis N. Godrej	1.35 1.33	1.33 1.32
- Godrej Hershey Ltd.	0.85	1.62	- Ms. T. A. Dubash	1.25	1.24
- Wadala Commodities Ltd	2.95	0.28	- Ms. N.A. Godrej	1.25	1.24
- Godrej & Boyce Mfg. Co. Ltd.	2.42	0.46		1.40	1.47
Godrej Tyson Foods Ltd.Bahar Agrochem & Feeds P. Ltd.	0.53 31.35	- 31.51	- Mr. N. B. Godrej - Ms. R.N. Godrej	1.03 0.10	2.90 0.11
- Dariai Agrochem & reeds r. Etd.	31.33	01.01	- Mr. A. Mahendran	0.10	0.11
Purchase of fixed assets			- Mr. Hormazd N. Godrej	0.38	0.36
- Godrej & Boyce Mfg. Co. Ltd.	1.61	3.12		0.00	
Commission/Royalty received			Bahar Agrochem & Feeds P. Ltd.Vora Soaps Ltd.	0.36 0.01	0.54 0.01
- Godrej Hershey Ltd.	0.62	1.21	- Mr. M.S. Korde *	-	0.00
			- Mr. M. Eipe	0.02	0.02
Licence fees/Service charges/			Remuneration to Key Management		
Storage income			Personnel		
- Godrej Consumer Products Ltd.	3.08	2.83	- Mr. M. Eipe	4.21	3.76
Godrej Hershey Ltd.Godrej Tyson Foods Ltd.	0.19 0.09	0.34	- Mr. N. B. Godrej - Ms. T. A. Dubash	3.10 2.45	3.03 2.36
dodicj Tysoff Foods Eta.	0.00		- Mr. Pirojsha A Godrej	2.41	1.73
Other Income			- Mr. K.T. Jithendran	2.98	2.16
- Godrej Consumer Products Ltd.	0.30	0.31	- Mr. V. Srinivasan	1.39	-
Godrej Hershey Ltd.ACI Godrej Agrovet P . Ltd.	0.05 0.34	0.10	- Mr. B.S. Yadav - Mr. A. B. Godrej	3.38 6.19	2.60 3.89
- Bahar Agrochem & Feeds P. Ltd.	14.28	12.13	- Mr. A. Mahendran	5.18	3.28
- Wadala Commodities Ltd.	0.01	0.01	- Mr. M. Khattar	0.77	0.74
- Godrej & Boyce Mfg. Co. Ltd. *	-	0.00	- Mr. M. Lindsay	-	4.99
- Godrej Infotech Ltd. *	-	0.00	- Mr. M.S. Korde - Mr. K.V.S. Rao	-	3.65 0.06
			IVII. TA V.O. TIGO		0.00

NOTE 41: Related Party Information

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

The significant related Farty transactions are as under (conta.)									
		INR Crore			INR Crore				
Nature of Transaction	Current	Previous	Nature of Transaction	Current	Previous				
	Year	Year		Year	Year				
Recovery of Establishment &		1001	Remuneration to Relatives of Key		1001				
other expenses			Management Personnel	4.00	. 70				
- Godrej & Boyce Mfg. Co. Ltd.	44.44	4.16	- Ms. N.A. Godrej	1.99	1.76				
- Godrej Consumer Products Ltd.	6.47	4.03							
- Repton Landmarks LLP	0.43	-	Purchase of Investments						
- Ramesh P. Bhatia	0.07	-	- Godrej Investment P. Ltd.	0.03	_				
- Godrej Hershey Ltd.	0.02	0.35							
- Godrej Tyson Foods Ltd.	0.93		Sale of Units						
		0.15		70.70					
- Vora Soaps Ltd.	0.39	-	- Godrej & Boyce Mfg. Co. Ltd.	79.78	-				
- Wadala Commodities Ltd	0.02	0.01	- Godrej Consumer Products Ltd.	24.61	-				
Rent, Establishment & other exps. paid			Sale of flats						
- Godrej & Boyce Mfg. Co. Ltd.	52.16	737.46	- Mr. Pirojsha A Godrej	0.32	-				
- Godrej Consumer Products Ltd.	1.60	1.78	- Mr. N. B. Godrej	0.14	-				
- Ms. R.N. Godrej	0.73	0.72		0.66	_				
- Mr. A. B. Godrej	0.01	0.72	- Ms. Pooja Jithendran	0.10					
	1.93	1 04	- Ms. 1 Ooja Siti leridrari	0.10	_				
- Ms. Parmeshwar Godrej		1.94	Lancate Control of the Control of th						
- Mr. A. Mahendran	0.01		Issue of equity shares						
- Ms. M. Mahendran	0.30	0.31	- HDFC Venture Trustee Co. Ltd.	0.74	-				
 Wadala Commodities Ltd 	0.26	0.05	- Ramesh P. Bhatia	-	0.05				
- Godrej Hershey Ltd.	0.34	0.04	- Repton Landmarks LLP	_	0.05				
- Godrej Tyson Foods Ltd.	0.08	0.01							
- Godrej Infotech Ltd.	0.06		Sale of equity shares						
		0.03	Madhavi CA Investmenta I I C		10.00				
- Great Lake Institute of Management	0.01	-	- Madhavi SA Investments LLC	-	18.30				
			- ASK Property Invesment Advisor	-	20.02				
Interest received			& Group						
 ASK Property Invesment 	3.47	-	·						
Advisor & Group			Purchase of equity shares						
- Madhavi SA Investments LLC	3.20	_	- HDFC Venture Trustee Co. Ltd.	5.00	_				
- HDFC Venture Trustee Co. Ltd.	0.17	0.22	TIDI O VOITAIC TRASICO CO. Eta.	0.00					
			Dala anti-ma Arabination management						
- Mr. A. Mahendran	0.08		Debenture Application money received						
- Godrej Hershey Ltd.	0.07	1.74	- ASK Property Invesment Advisor	-	9.41				
			& Group						
Interest paid									
- Ms. Parmeshwar Godrej	0.46	-	Investment in Debenture						
- Mr. M. Eipe	0.16	-	- ASK Property Invesment Advisor &	42.26	-				
- Mr. Sohrab N. Godrej	0.07	_	Group						
- Mr. Burjis N. Godrej	0.04	_	Споср						
- Mr. M.S. Korde	0.04	0.00	Redemption of Debenture						
- IVII. IVI.S. NOI'UE	_	0.02	Redemption of Debenture	47.05					
D : 01 : 1			- HDFC Venture Trustee Co. Ltd.	17.95	-				
Processing Charges received									
- Godrej Hershey Ltd.	0.56	1.16	Loan repaid						
_			- Mr. A. Mahendran	0.72	0.34				
Deposit accepted									
- Mr. M.S. Korde	-	0.10	Directors fees						
			- Mr. A. B. Godrej	0.03	0.02				
Deposit refunded			- Mr. N. B. Godrej	0.10	0.21				
- Mr. M.S. Korde		0.15		0.10	0.10				
- IVII. IVI.O. NOINE	-	0.15							
* A			- Ms. N.A. Godrej	0.11	0.10				

^{*} Amount less than ₹ 0.01 crores

NOTE 42: Leases

(1) Leases Granted by the Group

a) Operating Lease:

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

	Current Year	Previous Year
Gross Carrying Amount of Premises	60.08	62.92
Accumulated Depreciation	10.24	9.76
Depreciation for the period	2.26	1.19

The aggregate future minimum lease payments are as under:

Amount INR Crore

Amount INR Crore

	Current Year	Previous Year
Lease Income Recognised in the Statement of Profit and Loss	8.79	22.18
Future Lease Income		
- Within one year	8.52	12.59
- Later than one year and not later than five years	15.93	14.20

(2) Lease Taken by the Group

a) Operating Lease:

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

Amount INR Crore

Current Year Previous Year

Lease Payment recognised in the Statement of Profit and Loss	21.49	17.76
Future Lease Commitments		
- Within one year	29.59	21.60
- Later than one year and not later than five years	76.88	46.27
- Later than five years	24.40	7.95

NOTE 42: Leases (Contd.)

b) Finance Leases:

The Group has acquired vehicles under Finance Lease. Liability for minimum lease payment is secured by hypothecation of the vehicles acquired under the lease. The minimum lease payments outstanding as on March 31, 2013, in respect of vehicles acquired under lease are as under:

			Amount INR Crore
	Total minimum lease	Un-matured	Present value of
	payments outstanding	Interest	minimum lease
	as on March 31, 2013		payments
Within one year	-	-	-
Previous Year	0.01	0.00	0.01
Later than one year and not later than five years	-	-	-
Previous Year	-	-	<u>-</u>
Total	-	_	<u>-</u>
Previous Year Total	0.01	0.00	0.01

Note 43: Hedging Contracts

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

i) Derivative Instruments Outstanding:

a) Commodity Futures Contracts

	Purchase	Sale	Purchase	Sale
Futures Contracts Outstanding	3	580	-	-
Number of units under above contracts in MT.	2,750	5,800	-	-

b) Forward Exchange Contracts

Total Number of Contracts Outstanding Foreign Currency Value

- US Dollar (crores)
- Euro (crores)

ii) Un-hedged Foreign Currency Exposures

Uncovered Foreign Exchange Exposure as at the year end

- US Dollar (crores)
- Euro (crores) *
- AUS Dollar (crores) *
- * Amount less than ₹ 0.01 crores

3	580	-	-
2,750	5,800	-	-
Current '	Year	Previous Year	

Previous Year

Current Year

Current le	aı	1 16/1003 1	Gai
Purchase	Sale	Purchase	Sale
-	27	47	6
-	0.94	2.20	-
-	0.23	-	0.24

Current Y	'ear	Previous `	Y ear
Purchase	Sale	Purchase	Sale
1.42	0.80	2.84	1.73
0.00	-	-	-
0.00	-	-	-

NOTE 44

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

Statement regarding Subsidiary Companies pursuant to Section 212(8) of the Companies Act, 1956

S Si

Profit after ta 0.64 192 18.78 (0.00) 000 ₹ 155.87 0.88 (0.34) ≨ Apr 11 to Mar 12 pr 11 to Mar 12 or 11 to Mar 12 Apr 11 to Mar 12 Apr 11 to Mar 12 Apr 11 to Mar 12 pr 12 to Mar 13 Apr 12 to Mar 13 to Apr 12 to Mar 13 Apr 12 to Apr 12 to Mar 13 Apr 12 to Mar 13

Statement regarding Subsidiary Companies pursuant to Section 212(8) of the Companies Act, 1956

			_										_												
Dream World Landmarks LLP		(See note	20 below)																						
Godrej Dream Viktroli World Property Landmarks LLP		(See note	19 below)																Ī						
Godrej Mosaic Redev- Landmarks elopers LLP (Mumbai) Pvt. Ltd		(See note	18 below)																Ī						
Godrej Redev- elopers (Mumbai) Pvt. Ltd		(See note	17 below)																T						
Godrej Landmark Redev- elopers Pvf.Ltd		(See note	16 below)																T						
Godrej Nandi Hils Projects Pvt Ltd		(See note	15 below)																T						
Godrej Buldwell Pvt. Ltd.		(See note (See note (See note	14 below)																Ī						
Godrej Permium Builders Pvt. Ltd		(See note	13 below)																						
Godrej Garden P Otty Properties Pvt. Ltd.		(See note	12 below) 13 below) 14 below) 15 below)																T						
Godrej Projects Develop- ment Pvt. Ltd		(See note	10 below) 11 below)																Ī						
Godrej Buildcon Pvt. Ltd		(See note	10 below)																						
Happy Highrises E Limited		See note (See note (See note	9 below)																						
Godrej Godrej Reatty Seaview H Pvt. Properties Ltd. Limited		(See note	8 below)																						
Godrej Realty Pvt. Ltd.		(See note	6 below) 7 below)																						
Godrej Real Estate Pvt. Ltd.		(See note																							
Godrej Developers Pvt. Ltd.		(See note	5 below)																						
Godrej Estate Developers Pvt. Ltd.		(See note	4 below)																						
radesi Goden Govel Gothmohur Godel Godel Deler Feed Seedig Agorihan garih Productis Geretics & Receis Developers Pri. Ltd. Limited Limited Limited Limited Pri. Ltd.		(See note	3 below)																						
Godrej Seed & Genetics Limited		(See note	N																						
Golden Feed Products Limited		(See note	-																						
(O)			509,670	9	100.00% 100.00%	Orore ₹ Orore				4.29			ľ						ΑN				N.A.		
		1,000,000 72,550,000	72,550,000	10	100.00%	₹ Orore				(27.75)			ľ						(3401)						
Godrej Intern- ational Trading & Investment PTE Ltd		1,000,000	1,000,000	USD 1	100.00%	₹ Orare				0.58									0.85						
Godrej Intem- ational Limited		2,105,000	2,105,000	EJ	100.00%	₹ Crore				12.73			11.63						285.06				118.20		
Ensemble Holdings & Finance Limited		3,774,160 2,105,000	3,774,160	10	100.00%	₹ Orore				2.71									(0.74)	2			7.97		
Godrej Properties Limited			78,046,103	9	61.46%	₹ Orare				86.31									287.38	2			132.05		
Godrej Agrovet Limited		8,419,926 47,965,209	13,223,634 7	10	63.67%	₹ Crore				58.83									135.34	2			70.94		
Name of the Subsidary Company	The company's interest in the subsidiaries as on March 31, 2013	a. Number of Equity 8 Shares	Shares	b. Face Value	c. Extent of Holding	Net aggregate profit/ (Loss) of the subsidiary company so far it	concerns the members of the Company	A. For the financial	year ended on March 31, 2013	i. Not dealt with	in the books of Account of	the Company	ii. Dealtwithin	the books of Account of the	Company	B. For the subsidary	financial years	since it became a	Subsidiary i Not dealt with	in the books	of Account of	the Company	ii. Dealt with in	the books of Account of the	Company
											_	_											_		_

The Financial Year of the subsidiary companies have ended on March 31, 2013

30,50,000 Equity Shares of ₹10 each in Golden Feed Products Ltd. (representing 100% of the share capital) are held by Godrej Agrovet Ltd.

50,000 Equity Shares of ₹10 each in Godrej Seeds & Genetics. (representing 100% of the share capital) are held by Godrej Agrovet Ltd.

50,000 Guity Shares of ₹ 10 each in Goldmohur Agrochem & Feeds Ltd. (representing 100% of the equity share capital) and 249900 Preference shares (representing 100% of the preference share).

2,55,00 Equity Shares of Re. 1 each in Godrei Estate Developers Pvt. Ltd. (representing 51% of the share capital) are held by Godrei Properties Ltd.

34,031 Equity Shares of ₹ 10 each in Godrej Developers Pvt. Ltd. (representing 51% of the share capital) are held by Godrej Properties Ltd.

50,000 Equity Shares of ₹10 each in Godrej Real Estate Pvt. Ltd. (representing 100% of the share capital) are held by Godrej Properties Ltd. 8,84,850 Equity Shares of ₹ 10 each in Godrej Realty Pxt. Ltd. (representing 51% of the share capital) are held by Godrej Properties Ltd.

2,50,500 Equity Shares of ₹ 1 each in Godrej Sea View Properties Put. Ltd. (representing 50.10% of the share capital) are held by Godrej Properties Ltd. 103592 Equity Shares of ₹10 each in Happy Highrises Ltd. (representing 51% of the share capital) are held by Godrej Properties Ltd.

50,000 Equity Shares of ₹ 10 each in Gadriel Buildoon P.M. Ltd. (representing 100% of the share capital) are held by Gadriel Properties Ltd.
50,000 Equity Shares of ₹ 10 each in Gadriel Properties P.M. Ltd. (representing 100% of the share capital) are held by Gadriel Properties Ltd.
50,000 Equity Shares of ₹ 10 each in Gadriel Properties P.M. Ltd. (representing 100% of the share capital) are held by Gadriel Properties Ltd.
55,000 Equity Shares of ₹ 10 each in Gadriel Properties P.M. Ltd. (representing 51% of the share capital) are held by Gadriel Properties Ltd.
55,000 Equity Shares of ₹ 10 each in Gadriel Buildwell P.M. Ltd. are held by Gadriel Properties Ltd. The majority composition of the Board of Directors of \$700 Class A Equity Shares of ₹ 10 each (representing 50.1% of the Class A equity share capital) and 1000 Class D Equity Shares of ₹ 10 each (representing 50.1% of the Class A equity share capital) and 1000 Class D Equity Shares of ₹ 10 each (representing 50.1% of the Class A equity share capital) and 1000 Class D Equity Shares of ₹ 10 each (representing 10.0% of the Class D Equity Shares of ₹ 10 each (representing 50.1% of the Class A equity share capital) and 1000 Class D Equity Shares of ₹ 10 each (representing 10.0% of the Class D Equity Shares of ₹ 10 each (representing 10.0% of the Class D Equity Shares of ₹ 10 each (representing 10.0% of the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (representing 10.0% occurs to the Class D Equity Shares of ₹ 10 each (represen

1,00,000 Equity Shares of ₹ 10 each in Godrej Nandi Hills Project Pvt. Ltd. (representing 100% of the share capital) are held by Godrej Properties Ltd.

25,500 Equity Shaes of ₹ 10 each in Godrej Landmark Redevelopers Prt. Ltd. (representing 51% of the share capital) are held by Godrej Projects Development Prt. Ltd. (spresenting 100% of the share capital) are held by Godrej Projects Development Prt. Ltd. (spresenting 100% of the share capital) are held by Godrej Projects Development Prt. Ltd.

51% share in profits of Mosaic Landmarks LLP is held by Godrej Properties Ltd.

Pofit sharing in Godiej Wikhrafi Propenty LLP between Godiej Industries Ltd. and Godrej Properties Ltd. is in the ratio of 40/50. 40% share in profits (controlled through majority voting rights) of Dream World Landmarks is held by Godiej Properties Ltd.

A.B. Godrej

Mumbai, May 28, 2013.

Managing Director N.B. Godrej

Executive Director & President (Chemicals) Nitin Nabar

Chief Financial Officer Clement Pinto

K. R. Rajput Company Secretary



Regd. Office: Pirojshanagar, Eastern Express High	nway, Vikhroli (East), Mumbai 400 079
ATTENDANCE S	ELIP
	Folio No
I hereby record my presence at the TWENTY-FIFTH ANNUAL on Saturday, August 10, 2013 at 3.30 p.m. at Y.B. Chavan Cent Mumbai 400 021.	
Name of the attending Member/Proxy	Member's/Proxy's Signature (To be signed at the time of handing over this slip)
Notes:	
 Shareholder/Proxyholder wishing to attend the Meeting must bring entrance duly signed. 	
2. Shareholder/Proxyholder should bring his/her copy of the Notice f	
Godrej Industries	Limited
Regd. Office: Pirojshanagar, Eastern Express High	nway, Vikhroli (East), Mumbai 400 079
PROXY FORM	Л
	Folio No
	Client ID No

Note: Proxy Forms must reach the Company's Registered Office not less than 48 hours before the Meeting.



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Godrej Industries Ltd.

www.godrejinds.com



FORM A

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

	Name of the company	Godrej Industries Limited
2.	Annual financial statements for	March 31, 2013
	the year ended	
3.	Type of Audit observation	Emphasis Matter
4.	Frequency of observation	Quarterly
5.	To be signed by-	For Godrej Industries Limited
		Managing Director
		Managing Director
		For Godrej Industries Limited
		Clement Lat.
		CFO
		For and or, behalf of KALYANIWALLA AND MISTRY Chartered Accountants Partner M.No. 42454
		Auditor of the company
		For Godrej Industries Limited
		Audit Committee Chairman

Date: 03/07/2013

Certified to be True

For Godrej Industries Ltd.

K. R. Rajput Company Secretary