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VISION

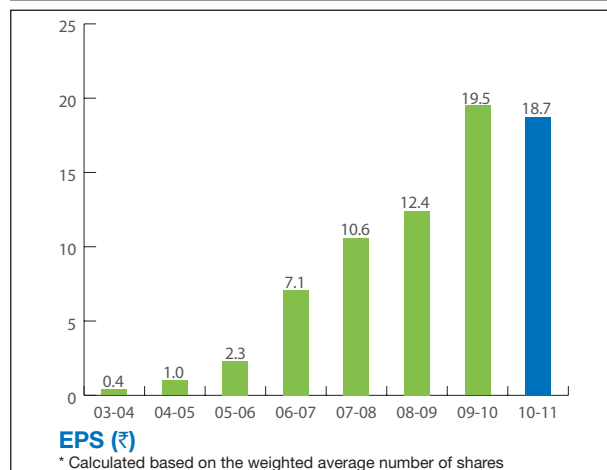
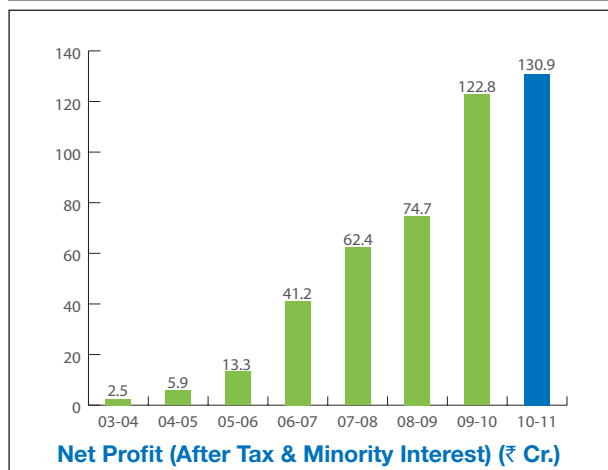
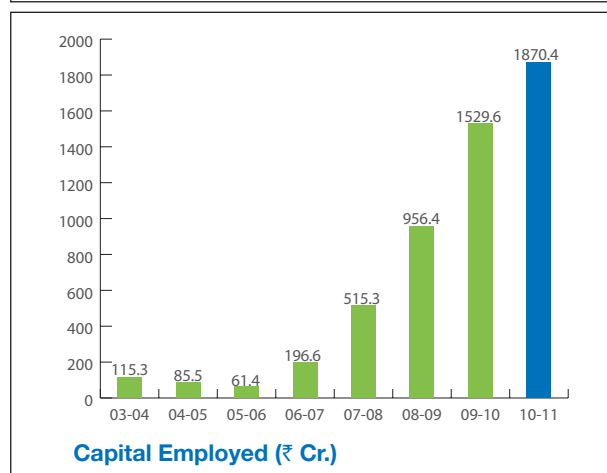
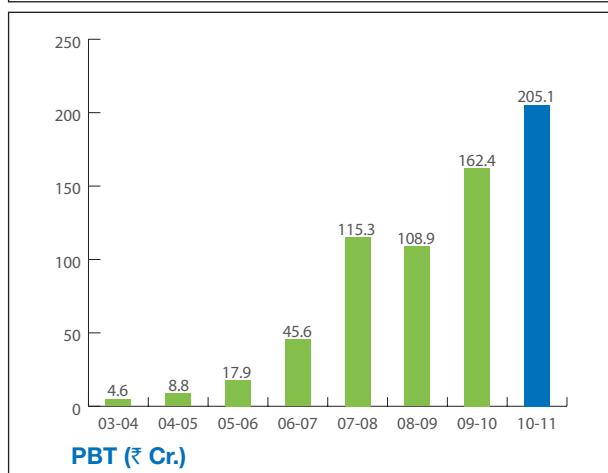
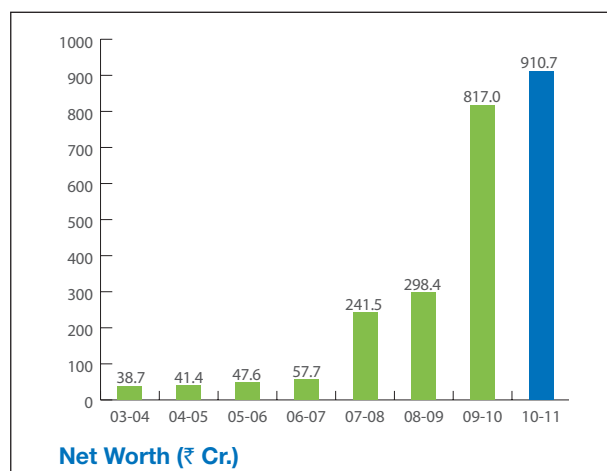
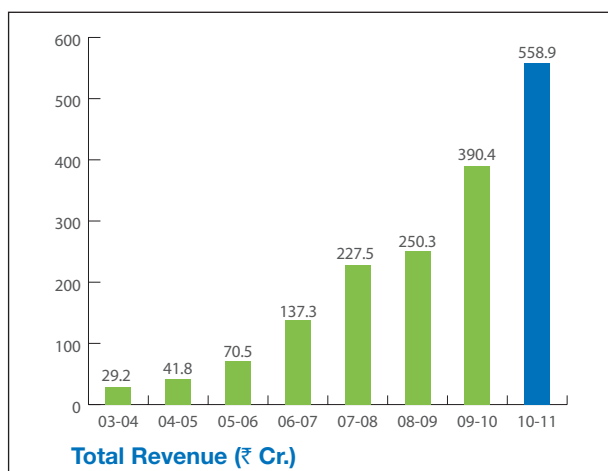
THE TREES, VIKHROLI, MUMBAI



We aspire to be among the nation's top 3 real estate companies, while continuing to be the most trusted name in the industry. We shall deliver superior value to all stakeholders through extraordinary and imaginative spaces created out of deep customer focus and insight.



PERFORMANCE HIGHLIGHTS



THE YEAR THAT WAS

Robust Growth

- FY 11 consolidated total income increased by 43% to ₹ 5,589 million from ₹ 3,904 million in FY 10.
- Consolidated EBITDA for FY 11 increased by 28% to ₹ 2,125 million from ₹ 1,655 million in FY 10.
- Net profit increased by 7% to ₹ 1,309 million in FY 11 from ₹ 1,228 million in FY 10.
- Bookings grew by 132% to 3.2 million square feet* in FY 11 from 1.38 million square feet* in FY 10.

Strong sales momentum

- Godrej Garden City, our township project in Ahmedabad, continued to receive a strong response with bookings of 1.6 million square feet* during the year.
- GPL's first project in the National Capital Region (NCR), Godrej Frontier, witnessed bookings of 0.68 million square feet* during the year.
- Godrej Prakriti, our residential project in Kolkata, saw bookings of 0.63 million square feet in FY 11.

New Launches

- In January 2011, GPL launched its 35 acre 2.8 million square feet mixed-use development, The Trees, at Vikhroli, Mumbai. GPL has already begun construction of Godrej One, the first commercial building at The Trees.
- Your Company launched projects in three new cities NCR, Chennai, and Mangalore during FY 11.

Added Opportunities

- Your Company entered NCR for the first time, with a joint development agreement with Frontier Projects for a 1 million square feet residential development in Gurgaon.
- Your Company entered into a joint development agreement with Bombay Footwear in Q2 FY 11 to develop 0.15 million square feet of residential space in Chembur, Mumbai.
- Your Company formed a separate subsidiary to focus on redevelopment opportunities in Mumbai.

Sustainability

- Godrej Eternia, Chandigarh received a Leadership in Energy and Environmental Design (LEED)-Platinum precertification.
- Godrej Waterside, Kolkata received a LEED-Gold certification.
- Godrej Palm Grove, Chennai received a LEED-Gold precertification.

Recognitions

- Your Company was the highest ranked real estate developer and featured in the list of Top 100 companies in the "India's Best Companies to Work For" study by the Economic Times.
- Your Company was included in Construction World's 'India's Top 10 Builders' list for the fifth consecutive year in 2010.
- Your Company was awarded 'Best Business Practices of the Year' by Accommodation Times in March 2011.

**GPL area share*



COMPANY INFORMATION

DIRECTORS :	1. Mr. Adi B. Godrej	- Chairman
	2. Mr. Jamshyd N. Godrej	
	3. Mr. Nadir B. Godrej	
	4. Ms. Parmeshwar A. Godrej	
	5. Mr. Milind S. Korde	- Managing Director
	6. Mr. Pirojsha Godrej	- Executive Director
	7. Mr. K. T. Jithendran	- Executive Director
	8. Mr. Amit B. Choudhury	
	9. Mr. Keki B. Dadiseth	
	10. Mrs. Lalita D. Gupte	
	11. Mr. Pranay Vakil	
	12. Dr. Pritam Singh	
	13. Mr. S. Narayan	
	14. Mr. Amitava Mukherjee	

REGISTERED : Godrej Bhavan,
OFFICE 4th Floor, 4A Home Street,
Fort, Mumbai - 400 001.

AUDITORS : M/s. KALYANIWALLA & MISTRY
Chartered Accountants
Kalpataru Heritage
127, Mahatma Gandhi Road
Mumbai - 400 001.

BANKERS :	STATE BANK OF INDIA	IDBI BANK	CENTRAL BANK OF INDIA
	Corporate Accounts Group	Mittal Court	Corporate Finance Branch
	3 rd Floor, Neville House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400 001.	A Wing, 2 nd Floor, Nariman Point, Mumbai - 400 021.	1 st Floor, MMO Building, Fort, Mumbai - 400 023.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to write to you after Godrej Properties' first full year as a publicly listed entity. Your Company has delivered strong performance in what has been a mixed year for Indian real estate. While the sector continued its recovery from the recession of FY09, there were numerous setbacks including the real estate linked corruption scandals that erupted across the country and the rising interest rate regime towards the end of FY11.

Godrej Properties in FY11 has built on the success of the past few years. Your Company has maintained its

strategy of focusing on joint venture developments and has continued to gain a competitive edge from the strong brand it enjoys. Particularly in a year that saw many developers run into very serious corporate governance concerns, our joint venture partners, customers, investors, and lenders have reiterated their trust and belief in Godrej Properties. During the year, we have made an entry into the crucial NCR real estate market through a residential joint venture project for 1 million square feet in Gurgaon. This has shown once again your company's ability to attract new joint venture partners across the country. The year also saw extremely strong progress in attracting new customers



with Godrej Properties selling 3.2 million square feet* compared to 1.4 million square feet* sold in the previous year. Our investors have also reposed their confidence in the company and the year saw your company's stock price increase by 29% as compared to an 11% increase in the SENSEX and a significant 29% decline in the BSE Realty Index. Finally, lenders have put their trust in the governance, risk mitigation, and strategy of your company allowing us to have the lowest borrowing costs in the industry.

Operationally, your company has successfully launched projects in three new cities NCR, Chennai, and Mangalore and has substantially increased the area under construction. We have also launched our first project in Vikhroli, a 2.8 million square feet mixed use development named The Trees that will house the headquarters for many Godrej Group companies and will also have residential, retail, office, and hospitality spaces. We are very excited that this development was launched on time and we look forward to also completing it on schedule. There have, however, been delays in launching some other projects and it remains a key priority of your company to launch and complete projects as soon as possible.

I am pleased to note that the strong performance of your company was recognized through several awards the company received this year including being ranked the number one real estate developer in the annual study of the 'Best Companies to Work For' by The Economic Times.

Our commitment to creating sustainable developments that benefit the residents living and working in them as well as society as a whole has seen several notable advancements during the year. Firstly, we have committed to ensuring that every single new Godrej Properties development will

be planned in a manner that enables it to receive a LEED green building certification. LEED is the preeminent global green building rating system. Our commercial building in Chandigarh has received a LEED-Platinum precertification, which is the highest rating for sustainable design, and our residential project in Chennai was the first GPL residential project to receive a LEED-Gold precertification. Strong progress has been made in our project at Ahmedabad, which was selected by the Clinton Foundation as one of sixteen projects from around the world to partner them in the goal of creating a climate positive development. We look forward to continuing to be at the forefront of sustainable development in the coming years.

India has demonstrated in FY11 that it has fully recovered from the downturn of FY09 and given the economic growth trends, demographics, and improving fundamentals of the Indian economy, we firmly believe that the decade ahead will be one of tremendous opportunity. We expect your company to grow from strength to strength and to show increased momentum in terms of launches, deliveries, and new business development in the year ahead.

I would like to thank all the many employees who have contributed to Godrej Properties' successful performance in FY11. I would also like to thank our business partners, vendors, and other business associates. Finally, I would like to thank all our shareholders for their encouragement and support.

Best wishes,

Adi B. Godrej
Chairman, The Godrej Group

**GPL area share*

MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

The financial year 2011 has been an exciting year for Godrej Properties. Your Company built on the strong growth of previous years and on many parameters has delivered encouraging results in FY11.

We have entered the important NCR market with a joint venture residential project in Gurgaon that has already been a significant success. We launched several other new projects during the year including new phases in previously launched projects, and have successfully been able to create a broad base of projects that contributed to the company's performance. Our

project in Ahmedabad continued to see huge demand and we were able to sell 1.6 million square feet* in Godrej Garden City in FY11. This consolidates the strong initial launch of Godrej Garden City in Q4 FY10 and the project has now seen sales of 3 million square feet in the five quarters since its launch. Godrej Prakriti saw sales of 0.63 million square feet in FY11 taking the total amount of space sold in that project to 0.81 million square feet, making it one of the most successful residential projects in the Kolkata region. Sales of 0.68 million square feet* in our newly launched Gurgaon project further demonstrated your company's ability to attract customers across India.



The biggest boost to your company's performance in a year where many real estate companies struggled was the strength of the Godrej brand. With numerous governance scandals in the sector, customers perceived a strong advantage in working with a company they can trust to deliver on its commitments. We believe the advantage of a strong brand that is associated with reliability and trust will continue to be a significant source of competitive advantage to your company in the years ahead.

Your Company's performance was recognized through several awards received during the year. Accommodation Times awarded Godrej Properties the 'Best Business Practices' Award 2011 and Construction World included Godrej Properties in their 'India's Top Ten Builders' list for the fifth consecutive year in 2010. Planet Godrej, our premium residential project in Mumbai, received a '7 Star' rating from CRISIL and was awarded the 'Best Luxury Residential Project' in the Smart Living Award 2010.

During the year, we have created a 100% subsidiary of Godrej Properties that will be focused on capturing opportunities in the Mumbai redevelopment space. We believe the Godrej brand is a huge advantage in attracting tenants in the redevelopment space and we also believe that these projects fit in well with our strategy of focusing on asset light developments. The size of opportunity given the number and condition of residential dwellings in Mumbai is truly enormous. We hope to have some new redevelopment deals to announce in the coming quarters.

While our overall operational performance has been very strong, there have been areas where improvement is needed. Regulatory approvals have delayed the launch of our project in Chennai. We believe Chennai is a high growth residential market and we expect this project to deliver healthy volumes once the

project is launched. Sales in our Kolkata commercial projects were also below expectations and effectively monetizing these projects this year will be an important priority. These setbacks reinforce the advantage of being a diversified national player that is not overly dependent on the performance of any one market.

At Godrej Properties, we are very optimistic about the year ahead. Your Company intends to launch new projects in Mumbai, Bangalore, Chennai, Hyderabad, and Pune during FY12 and these in combination with the launch of new phases in Ahmedabad, Gurgaon, and Kolkata should allow the company to maintain the strong growth in bookings witnessed in FY11. Furthermore, with our commercial projects in Kolkata nearing completion, FY12 and FY13 should see significant cash flows as we exit these projects. On the business development front we expect to announce several new joint venture projects, and in Mumbai, we hope our efforts in the redevelopment space will begin to show results.

I would like to take this opportunity to thank and congratulate the entire management team at Godrej Properties. Their energy and hard work throughout the year has allowed GPL to significantly improve its operational performance during the year. I would also like to sincerely thank our joint venture partners, customers, and business associates for their support without which our performance would not have been possible. Finally, a big thank you to all our investors for the confidence they have shown in Godrej Properties.

Yours sincerely,

Milind S. Korde
Managing Director, Godrej Properties

**GPL area share*

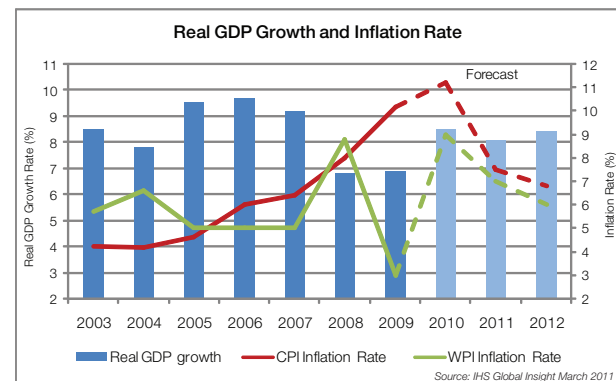
GODREJ GARDEN CITY, AHMEDABAD



MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW:

The Indian economy witnessed significant improvement in FY 11. The initial stages of growth witnessed in FY 10 were consolidated upon and the Indian economy was once again one of the fastest growing economies in the world. The Indian economic outlook continues to be robust with the GDP growth rate improving to 8.6% in FY 11 as compared to 8% in FY 10. The Indian Central Government and many economic forecasters expect the coming years to see continued acceleration in India's growth momentum. Industrial output growth stood at 8.6%, manufacturing growth stood at 9.1% and agricultural growth stood at 5.4% for FY 11.



However, amidst these positive economic developments, concerns remain over rising inflation. While inflation numbers scaled down to single digits after staying in double digits from April to July 2010, the numbers continued to remain elevated due to high levels of food inflation despite a good monsoon this year. The Reserve bank has hiked policy rates eight times since March 2010 to lessen inflationary pressure. The short-term lending (Repo) rate has been increased to 6.75% and the borrowing (Reverse Repo) to 5.75%. Home loan rates increased and were in the range of 11-13% by the end of 2010.

The global economic outlook is cautiously optimistic as the global recession that began in 2008 has seemingly ended. While areas of uncertainty remain, global economic

growth is expected to reach 4.2% in 2011. Rising crude oil prices on account of the political upheaval across the Middle East is one significant cause for concern particularly for India, which imports a significant amount of oil. Although the Indian economy is better protected from global fluctuations than many more export-led economies, it nevertheless has vital links with the major industrialized nations of the world.

REAL ESTATE SECTOR OVERVIEW:

The real estate sector witnessed a mixed year in FY 11. On one hand, the general improvement in economic growth led to strong demand for well-priced residential and commercial real estate across most parts of the country. Both volumes and prices improved substantially across most major markets. On the other hand, rapidly rising prices did dampen demand in

GODREJ WATERSIDE, KOLKATA



some markets. Significantly, the wave of corruption scandals that unfolded and the prominence of the real estate industry in several of these scandals led to a generally negative sentiment surrounding the industry. Rising inflation and the tightening of lending norms increased borrowing costs to the industry and further dampened sentiment.

For FY 12, demand for housing in India continues to be healthy as the fundamentals seem to be positive and

improving. Residential property rates are likely to continue their upward trajectory, albeit at a slower pace than 2010. Certain locations like Mumbai and pockets of NCR, will face resistance to any further price increases, and might even face some downward pressure. Additionally, rising interest rates and spiraling construction costs will continue to act as dampeners. The recovery in the commercial sector will be led by volume, while rentals are likely to remain stable. Commercial recovery will be a key catalyst for the sector and will trigger renewed housing demand with Bengaluru and Gurgoan expected to show robust growth.

Outlook: Residential Real Estate

The residential segment continued its strong growth trajectory in FY 11. Residential property rates reached the earlier peaks of 2008 across several markets. During the year the National Capital Region (NCR) recorded the highest absorption growth (91% YoY), largely driven by a strong pick-up in Noida. Chennai and Bengaluru registered strong demand despite moderate increases in prices. Hyderabad and Pune continue to remain relatively soft, with absorption declining.

Although property prices formed new highs in major cities, up by 30% and 24% YoY for Mumbai Metropolitan Region (MMR) and Gurgaon respectively, sales velocities dropped by end of year with the hardening of interest rates and rising inflationary pressure. The Mumbai market in particular demonstrated the risk in prices rising too rapidly as volumes significantly reduced due to rapid price escalation. Mumbai also suffered from apprehensions arising from the Floor Space Index (FSI) policy changes and higher mortgage rates for housing loans above ₹ 7.5 mn in the second half of 2010. As the year came to an end, an increase in inventory reflected lower off-take for newly launched properties. However, encouraging growth in volumes was witnessed in the affordable housing segment.

Outlook: Commercial Real Estate

Commercial leasing activity across India saw a notable surge with an estimated absorption of ~40 msf in CY 10 (includes pre-leasing) across top seven cities (Mumbai, NCR, Bengaluru, Kolkata, Hyderabad, Pune, Chennai) against ~28 msf in CY 09. The commercial segment recovered gradually in 2010 despite the fact that corporate earnings and GDP grew strongly. There was an increase in absorption and slight improvement in rentals in the later part of 2010 despite the higher inventory in the commercial space. This was on account of healthy growth in the IT/ITES and the banking/financial services sector.





Bengaluru emerged the strongest region with CY 10 absorption of ~12 msf. Mumbai and NCR also witnessed stable leasing activity of 4.5 msf and 5 msf respectively. With supply exceeding absorption, overall vacancy levels in Mumbai rose to ~20% in CY 10 from 13% in CY 09. However, one positive piece of data for the commercial segment is that grade 'A' non-IT space vacancy levels were recorded at 9-10%. Chennai had balanced absorption rates and the controlled supply led to lower vacancy levels of ~20% in CY 10 compared with ~24% in CY 09. There was marked improvement in Hyderabad while the Kolkata market remained muted.

Opportunities

1. Mid income housing projects.

Mid-income housing projects have benefited from an improved economic environment and growing incomes of potential buyers. The following announcements made in

the Union Budget are likely to create further demand in the mid-income housing sector: a) The existing scheme of interest subvention of 1% on housing loans has been extended to housing loans upto ₹ 15 lakh for cost of the house below ₹ 25 lakh from the present limit of housing loans upto ₹ 10 lakh for cost of house below ₹ 20 lakh; b) The ticket size for priority sector lending has been increased from ₹ 20 lakh to ₹ 25 lakh. As your company focuses on the mid-income residential space, this is a positive policy development and we expect to see continued strong performance in the mid-income residential space.

2. Redevelopment in Mumbai.

One of the largest development pipelines available to real estate developers in Mumbai is through the redevelopment of existing structures. With the city already being very densely developed, the opportunities for development on vacant sites is lower than in most other cities, making the possibility of replacing existing old tenanted buildings and slums with

new developments very exciting. The policy framework for redevelopment in Mumbai is already in place and we believe this opportunity will continue to rapidly expand in the coming year. Your Company has established a dedicated internal team to capture the significant opportunity available through redevelopment in Mumbai.

3. Increased outright purchase of commercial properties.

Most commercial markets across India saw a greater decline in capital values than rental values during FY 09. With this the value of purchasing against renting has improved and has led to a rise in the share of outright purchases in India's commercial real estate sector. The share of outright purchases in total transactions has increased from 4.5% in H108 to 13-15% in 2010. This trend is likely to continue in FY 12 as well. As your company has a significant amount of commercial real estate available to sell, it will benefit from this trend.

4. New sources of capital.

One of the most anticipated policy developments for the Indian real estate sector has been the entry of Real Estate Mutual Funds (REMFs) and Real Estate Investment Trusts (REITs). These measures will open up the sector to cheaper capital, increase the capital raising options available to developers and also improve transparency. Additionally, developers will welcome alternate channels, as policymakers are becoming increasingly risk averse and have tightened bank financing norms to the sector.

Threats

1. Lower availability of bank finance.

The real estate sector has relied heavily on bank funding and unavailability of easy debt financing will put considerable pressure on the real estate sector. Outstanding banking loans to the real estate sector increased by 33% in the

GODREJ FRONTIER, GURGAON



past 21 months to over ₹ 1 tn (US\$23 bn). The deposit growth of 14.7% continued to be well under the 23.7% loan growth rate. Liquidity in the banking system remained tight as deposit growth has consistently lagged loan growth this year. Additionally, post the loan bribery scam, banks' concerns on account of the alleged malpractices furthered moratoriums for developer loans. It is also likely to result in tighter lending norms, longer approval processes and increased documentation. Given that banks' exposure to developer loans is at 20-50% of the book value (3-7% of the loans), banks are also likely to be stringent in lending further to real estate companies.

2. Rising construction costs.

Increased cost of labor coupled with higher commodity prices have pushed up the cost of construction by approximately 20% for most real estate projects. The National Rural Employment Guarantee Act (NREGA) and the upward revision in minimum wages in some states have (a) increased the cost of labor as a proportion of total construction cost and (b) reduced the availability of labor in cities.

3. Inflated prices in major metros.

The increase in prices over the past 11.5 years has capped the likelihood of further price rises in the near term in major metros like Mumbai and NCR. Following this, investor-led demand for real estate projects is expected to slow down which could result in lower volumes in absorption.

4. Regulatory policies.

The policy making bodies at both the central and state level have not been proactive in introducing policy reforms that would be helpful for the sector. The real estate sector continues to lack industry status, which would make bank financing easier and cheaper for real estate companies. There is still a limited secondary market available for

investments into real estate assets that have stabilized returns. While a draft policy for Real Estate Investment Trusts (REITs) was issued a couple of years ago, no further developments have been made in this regard. Similarly, policy measures relating to Real Estate Mutual Funds

PLANET GODREJ, MAHALAXMI



(REMFs), creating a real estate regulatory authority and the model real estate regulation act have also been repeatedly delayed. A continued lack of policy focus on the sector will lead to continued unscrupulous practices and will lower the growth rates the sector can deliver.

GODREJ PROPERTIES LIMITED:

Godrej Properties Limited (GPL) is the real estate development arm of the Godrej Group, which was started in 1897 and is today one of India's most successful conglomerates. GPL brings the Godrej.



KEY PROJECT UPDATES:

Name	Location	Project type	Est. Saleable Area (mn sq ft)*	Current Status
Godrej Garden City	Ahmedabad	Township	40.43	Construction in progress
Godrej Skystar	Bengaluru	Apartment Complex	0.79	Pre development planning
Godrej Gold County	Bengaluru	Villas and Apartments	0.40	Pre development planning
Godrej Crest	Bengaluru	Apartment & Row Houses	0.07	Construction in progress
Godrej Platinum	Bengaluru	Mixed Use	0.77	Pre development planning
Godrej Eternia	Chandigarh	Commercial, Retail	0.50	Construction in progress
Godrej Palm Grove	Chennai	Apartment Complex	2.51	Pre development planning
Godrej Frontier	Gurgaon	Residential	0.82	Construction in progress
Godrej Genesis	Hyderabad	IT park	9.60	Pre development planning
Kochi Project - I	Kochi	Apartment Complex	2.24	Pre development planning
Godrej Prakriti	Kolkata	Mixed Use	3.29	Construction in progress
Godrej Genesis	Kolkata	IT park	1.34	Construction in progress
Godrej Waterside	Kolkata	IT park	1.81	Phase 2 nearing completion
Godrej Avalon	Mangalore	Mixed Use	0.87	Pre development planning
The Trees	Mumbai	Mixed Use	2.83	Construction in progress
Godrej Riverside	Mumbai	Residential	0.22	Construction in progress
Godrej Solitaire	Mumbai	Residential	0.15	Pre development planning
Bhugaon Township	Pune	Mixed Use	11.8	Pre development planning
Godrej Genesis	Pune	IT park	0.48	Pre development planning

Group's philosophy of innovation and excellence to the real estate industry while aspiring to continue to be the most trusted name in the industry. Your Company has completed several landmark projects and is currently developing 83.6 million square feet through projects in eleven cities across India. Throughout its operations, GPL aims to deliver superior value to all stakeholders through extraordinary and imaginative spaces created out of deep customer focus and insight.

Your Company has received several recognitions of its processes and performance which include receiving the 'India's Top 10 Builders' award in Construction World, Architect & Builder Award, 2010 and 'Best Business Practices of the Year' award from Accommodation Times in March 2011. Planet Godrej, our residential project in Mumbai, received 'Mumbai 7 Star', the highest rating assigned to a real estate project, from CRISIL and the 'Best Luxury Residential Project' in the Smart Living Award 2010.

Company Strategy:

The following are the key elements of our business strategy:

Enhance and leverage the Godrej brand

The Godrej brand is a tremendous advantage for your company. With 470 million customers across India who use a Godrej product every day and with a reputation for trust, quality, innovation, and value that has been built over 114 years, the Godrej brand gives us a competitive advantage in all areas of our business. It is a great benefit for us in many aspects of business, including land sourcing, expanding to new cities, formulating business associations and building relationships with our customers, investors, service providers, process partners, and lenders.

In addition, our association with the Godrej Group helps us leverage group resources, including corporate governance, strategy, and HR best practices. Having access to land

GODREJ CASTLEMAINE, PUNE



parcels owned by Godrej Group companies gives GPL the opportunity to expand rapidly. Currently GPL is developing a 35-acre site at Vikhroli, Mumbai and has MOU's for development in place for land parcels in Bengaluru, Hyderabad and Mohali amounting to a total of 185 acres.

Joint Development Business Model

Godrej Properties' core strength lies in its ability to execute the joint venture business model, under which the company enters into development agreements with land owners to acquire development rights for their land in exchange for a pre-determined portion of revenues, profits or developable area generated from the project.

Currently 85% of our 83.6 million sqft portfolio has been secured through the JD model. The model is highly capital efficient and allows your company to rapidly grow the business without tying up large amounts of capital in land purchases. For any given amount of capital, the joint venture

model allows GPL to do many more projects than it could if it had to buy the land. This leads to greater profitability at the company level and significantly reduces the exposure to risk in any one project. The merits of the model were proved during the downturn in FY 09 where Godrej Properties was one of the only real estate companies to report stable profits.

Focus on execution

We recognize the importance of delivering quality projects on a timely basis. We outsource our major functions such as construction and project management to leverage best in class practices to enhance our execution capabilities while focusing on our key strengths of management and leveraging the Godrej brand. We use Information Technology (IT) to support our execution capabilities and our projects are currently operational on SAP. We have implemented several initiatives and processes to enhance our execution capabilities.

GODREJ PRAKRITI, KOLKATA



Outsourcing strategy

Most of our design, construction and project management work is outsourced with only lean in-house supervisory teams, allowing your company to scale up or down relatively easily. By strategically outsourcing design, construction and project management to our partners, GPL gets access to best-in-class talent. GPL has an MOU in place with L&T for construction, a dedicated team of architects at P.G. Patki architects at its disposal and is working with world-class architects like Pelli Clarke Pelli architects for the master plan and design of the Vikhroli project and Skidmore, Owings & Merrill for the master plan of our Ahmedabad project.

Corporate governance

The Godrej Group is renowned for its strong emphasis on corporate governance and a proven track record of value creation for shareholders. Godrej Properties' Board of directors is strongly committed to best practices of corporate governance to ensure that investors' interests are represented

- The GPL board is a diverse team of 14 Directors including 7 independent Directors
- The Board has a supervisory role that is separate from that of the executive management team

- GPL was awarded 'Corporate Governance of the Year' by Accommodation Times in 2008

The Board continuously reviews its policies and benchmarks them against evolving governance legislation and the views of acknowledged leaders in the area and endeavors to ensure that shareholder value is enhanced on a sustainable basis by way of staying involved with key initiatives such as strategic planning, appointing and monitoring senior management, public disclosure including financial reporting and corporate governance. Particularly given recent developments in corporate India and in the Indian real estate sector, we believe your company's high standards of corporate governance is a key strength and one that helps it attract joint venture partners, customers, and investors.

OPPORTUNITIES:

1) New business development: While your company already has a very significant portfolio of ongoing developments, we remain focused on adding new developments to our current portfolio. Our key areas of focus for new business development are Mumbai, where we would like to strengthen our presence through joint venture and redevelopment projects; NCR, where we would like to build

GODREJ ETERNIA, CHANDIGARH





on our successful entry through additional joint venture residential projects; and Bengaluru where we would like to strengthen our already strong presence. We are confident that the strength of the Godrej brand name and the strong capabilities your company has developed in executing joint venture agreements will enable it to continue to create value through new business development.

2) Mumbai Redevelopment: Your Company recognizes the tremendous opportunity that redevelopment in Mumbai provides. To capitalize on this opportunity your Company has created a subsidiary solely focused on redevelopment opportunities in Mumbai. Your Company believes that the trust factor provided by the Godrej Brand is a key advantage in the redevelopment space.

THREATS, RISKS AND CONCERNS:

1. Industry cyclicality: GPL firmly believes that the Indian economy in general and the real estate sector in particular is set to thrive over the next few decades. However, the cyclical nature of real estate development poses a threat to the industry and any developer that does not put in place adequate risk mitigation measures could be very adversely affected by a cyclical downturn. Macroeconomic factors beyond the control of an individual company such as the global economic climate, interest rates, government policy, and demand-supply conditions will have a bearing on future performance of the sector. Significantly, growth in demand for housing is driven by the availability of finance at low rates of interest. Increases in interest rates can limit our

customers' purchasing power and therefore lower demand. Your Company understands the risks inherent in the real estate industry and has put in place several measures that we feel reduce our exposure to industry cyclicality. Firstly, the joint venture model is significantly de-risked as compared to purchasing land as at any given time the amount of capital GPL has deployed in land is much lower than it would be if it were purchasing the land on an outright basis. Secondly, before entering into any new project, your company does extensive market research and scenario planning to ensure that even if a downturn occurs, it is able to maintain profitability, albeit with lower margins.

2. Statutory approvals: For all real estate developments a large number of statutory approvals are required to begin a project. Several projects are in the preliminary stages of planning and any delay to these approvals could create delays to project completion schedules. To mitigate this risk GPL ensures it prepares meticulously all documentation required for statutory approvals.

COMPANY HIGHLIGHTS:

1. FY 11 witnessed considerable momentum in sales with total bookings touching ~ 3.2 million square feet* as compared to 1.38 million sq. ft.* in FY 10.

2. In Jan 2011, GPL unveiled its 35 acres, 2.8 million sq. ft. mixed used development, The Trees, at Vikhroli. GPL has already begun the construction of Godrej One (0.75 million sq. ft. commercial office building) which will be headquarters for many Godrej Group companies.
3. GPL launched its first state of the art township Godrej Garden City in Ahmedabad in March 2010. The project received an overwhelming response and within days of its launch, the first phase of 1.3 million square feet was completely booked. Phase III which was launched in Q4 FY 11, registered bookings of ~ 0.95 million square feet*. The total booking in the project in FY 11 was ~ 1.6 million square feet*.
4. The company entered the NCR with a residential joint development project in Gurgaon where your company signed a development agreement for a 9-acre plot with 0.82 million sq. ft.* saleable area. In October 2010, we launched Godrej Frontier, Gurgaon and sold 0.67 million sq. ft.* in FY 11. The strong response highlights GPL's ability to execute the joint development model across India.

Profit & Loss Statement for fourth quarter and year ended 31st March, 2011

₹ in Crore

Particulars	FY 2011	FY 2010	% change	Q4 FY 2011	Q4 FY 2010	% change
Sales & operating income	451.5	242.7	86%	327.8	151.4	116%
Other income	107.4	147.7	-27%	5.7	78.8	-93%
Total income	558.9	390.4	43%	333.53	230.2	45%
EBITDA	212.5	165.5	28%	101.4	75.6	34%
Profit before tax	205.1	162.4	26%	97.8	74.8	31%
Profit after tax	142.7	124.0	15%	68.1	58.5	17%
- Minority interest	(11.8)	(1.2)	-	(8.2)	(1.0)	-
Net profit	130.9	122.8	7%	60.0	57.5	4%



5. Your Company demonstrated continued success in signing new deals via the joint development model. In addition to the project in Gurgaon, GPL entered into a joint venture with Bombay Footwear in Q2 to develop 0.15 million sq ft of residential space in Chembur, Mumbai.
6. GPL successfully launched numerous projects across the country validating our strategy of creating a pan-India real estate development company. The company launched projects in three new cities - NCR, Chennai, and Mangalore - during FY 11.
7. During the period under review capital raising deals worth ₹ 90 crore was executed with the sale of 49.9% stake to India Realty Excellence Fund in Godrej Woodsman Estate II in Bengaluru for ₹ 50 crore and 27.6% stake to HDFC PMS in Palm Grove in Chennai for ₹ 40 crore. Divesting stakes in certain projects through private equity is an ongoing part of our

business strategy to monetize assets at an appropriate stage and utilize the proceeds to fund existing and new projects.

*GPL Area share

FINANCIAL PERFORMANCE FOR THE YEAR:

Consolidated total income for the year stood at ₹ 558.9 crore. This is 43% higher than total income of ₹ 390 crore in FY 2010. This significant increase is primarily driven by projects in Ahmedabad, Kolkata, NCR and Mumbai as well as by the private equity deals that were concluded during the year.

EBITDA amounted to ₹ 212.5 crore, a growth of 28% over the ₹ 165.5 crore reported last year. Net profit grew by 7% to ₹ 130.9 crore from ₹ 122.8 crore last year.

Staying focused on capital efficiency, your company entered into private equity deals worth ₹ 90 crore. The EBITDA margins were 38.02%. Profit after tax registered a significant growth of 15% and was ₹ 142.7 crore in FY 11.

COMPANY OUTLOOK:

GPL plans to lay emphasis on the high growth markets of Mumbai, NCR, Chennai, Bengaluru and Pune in FY 12. We will pursue several new business and redevelopment opportunities across Mumbai & Pune in FY12. We have made good in-roads in NCR, Chennai and Bengaluru and will look to build on the success of our earlier projects in these key regions. We believe that the economic growth in these metropolitan cities will result in increased demand for residential housing and commercial spaces.

We will expand our sphere of operations to 11 cities in India with the scheduled launch of new projects in Hyderabad and Kochi in the next 12 months. We have received an overwhelming response for our first township in Ahmedabad, launched in March 2010, and plan to launch two new townships in Kalyan and Pune. As part of your company's strategy, there is going to be increased focus on developing expertise in township projects.

The company will continue to work with equity partners to increase scale and mitigate risk without affecting the development intent/ rights of GPL.

SUSTAINABILITY:

The Godrej Group has been at the forefront of philanthropic and social activities for several decades. 25% of the shares of the Godrej Group's holding company Godrej & Boyce are held in a trust that invests back in initiatives that support the environment, and improve the quality and availability of healthcare and education. Through the investment and oversight by the trust, a large tract of mangrove forests in Mumbai have been protected, developed and maintained for several years and have served as a second set of lungs for the city. The Godrej Group has supported education for all through its support of the Udayachal pre-primary and primary schools which focus on all round development of children.

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

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

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

Environmental Initiatives

Godrej Properties, as part of the Godrej Group aims to build a brighter, more sustainable India. Since our inception in 1991, we have consciously and actively looked for opportunities to incorporate sustainability features into every residential, commercial and township project that we develop.

- Clinton Climate Initiative

Our 250-acre township development at Godrej Garden City in Ahmedabad is one of only two founding projects in India and sixteen worldwide to be chosen by the Climate Positive Development Program. The program which is part of the Clinton Climate Initiative (CCI) supports the development of large-scale urban projects that demonstrate cities can grow in ways that are "climate positive." Climate positive real estate

developments will strive to reduce the amount of on-site carbon dioxide emissions to below zero.

Along with other founding projects, Godrej Garden City will demonstrate Climate Positive strategies, setting an environmental and economic example for other cities to follow. Initiatives to reduce the net greenhouse gas emissions to below zero include implementing economically viable innovations in buildings, generation of clean energy, waste and water

management and transportation and outdoor lighting systems.

- **Green Buildings**

In 2004, when the CII Sohrabji Godrej Green Business Centre was inaugurated, it was the single highest LEED (Leadership in Energy and Environmental Design) platinum-rated building in the world. The centre has expertise in offering advisory services of

GODREJ GENESIS, KOLKATA





green buildings, energy efficiency, water management and other climate change activities.

Our commitment to creating sustainable developments that benefit the residents living and working in them as well as society as a whole has continued to be strong. Godrej Properties has committed to ensuring that every new development will be planned in a manner that enables it to receive a LEED green building certification the preeminent global green building rating. Our commercial building in Chandigarh (Godrej Eternia) has received a LEED-Platinum precertification, which is the highest rating for sustainable design, and our residential project in Chennai also received a LEED-Gold precertification. Our project in Kolkata (Godrej Waterside) has also received a LEED-Gold rating.

Issues related to buildings, such as construction, operation, maintenance etc. account for approximately 40% of global greenhouse gas emissions. While a Green building and a conventional building do not visually look very different, there is a significant difference in the design, construction and ongoing operational aspects. A Green building keeps environmental concerns in focus in several areas such as site selection, selection and usage of materials, architectural features, efficiencies in water and energy management, indoor air quality and thermal comfort. Optimum importance is also given to safety during construction and post occupancy as well.

Besides the significant environmental advantages of Green buildings, other benefits also include cost savings in power and water resources and minimal strain on local infrastructure.

Social initiatives

GPL has tried to ensure that the children of construction workers, living and working at construction sites are provided with a safe and healthy environment. This initiative has been done in association with an organization called "Mobile Crèches", which establishes crèches and schools for the children of construction workers. Run by specially trained staff, the centers are cheerful, lively places, filled with

song and laughter. Nutritious lunch and snacks are served every day. Additionally, through weekly visits, doctors regularly monitor the children's health.

Looking forward:

Over the last year, through an even more strategic approach to corporate social responsibility, the Godrej Group has relooked at how it can drive more meaningful impact, and further its commitment through shared value initiatives that create both social and business benefits.

In conjunction with the vision of "brighter living" for all its stakeholders, the Godrej Group has 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". As part of Good & Green, the Group aspires by 2020, to create a more employable Indian workforce, a greener India and innovate for good and green products. Specifically, our goals 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 and a 30% renewable energy source
- Having a third of our portfolio revenues comprising good and/or green products and services defined as products that are environmentally superior or addresses a critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid

The Good and Green vision and continued execution against that vision will be a strong focus for GPL going forward.

HUMAN RESOURCES:

Your Company firmly believes that a motivated and empowered employee is the key to competitive advantage. The total number of persons employed in your company as on March 31, 2011 was 248. Your Company's employee value proposition is based on a strong focus on employee development, an exciting work culture, performance and empowerment. Processes such as performance improvement, talent management and competency management are platforms for individual development.

Technology is leveraged to ensure availability of information to employees at all times and also serves as the medium for ongoing communication. Godrej Properties Limited was the highest ranked real estate developer in the 'India's Best Companies to Work For' study 2010 conducted by the Great Places To Work Institute and Economic Times. Your Company believes that the skills and diversity of our employees give us the flexibility to adapt to the future needs of our business.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and those transactions are authorized, recorded and reported correctly. Your Company's Corporate Audit and Assurance Department is ISO 9001 certified so that issues are well documented and operating procedures and authorities have adequate built-in controls at the beginning of any activity and any time there is any major change. The internal control is supplemented by an extensive program of internal and 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. 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 cCompany accords great importance to the security of its information assets. To ensure that this gets the required

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 systems. Your Company has put in place all the procedures and practices that are in line with the ISO Security Standards.

SAFETY

Your Company has always considered safety and environmental protection as one of its key focus areas and strived to make continuous improvement on this front. During the financial year all the projects exhibited an impressive safety performance.

Your Company is committed to comply with regulations in regard to safety and ensure safer sites by conducting safety audits, risk assessments, ambient air monitoring survey and periodic safety awareness campaigns & training to contractors and employees.

CAUTIONARY STATEMENT

Some of the statements in this Management Discussion and Analysis Report 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. Such statements reflect the Company's current views with respect to the future events and are subject to risk and uncertainties. Important developments that could affect the company's operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, litigation and labor relations.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2011

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 26th Annual Report of your Company along with the Audited Accounts for the financial year ended March 31, 2011.

1. OPERATING RESULTS:

Your Company's performance during the financial year ended March 31, 2011 as compared to the previous period is summarised below:

	2010-2011 (₹ in Lacs)	2009-2010 (₹ in Lacs)
Profit before Taxation	15,555.53	15,874.60
Provision for Taxation	(4,985.80)	(3,669.83)
Provision for deferred tax	53.96	(20.65)
Profit after taxation	10,623.69	12,184.12
Add: Surplus brought forward	15,195.39	7,510.69
Prior year tax adjustments	(8.33)	(21.37)
AMOUNT AVAILABLE FOR APPROPRIATION	25,810.75	19,673.44
Appropriations:		
Your Directors recommend appropriations as under:		
Proposed Dividend	3,143.25	2,794.00
Dividend Distribution Tax	509.91	464.05
Transfer to General Reserve	1,070.00	1,220.00
Surplus carried forward	21,087.59	15,195.39
TOTAL APPROPRIATIONS	25,810.75	19,673.44

2. DIVIDEND:

Your Directors recommend for approval of the members at the ensuing Annual General Meeting payment of final dividend of 45% (₹ 4.5/- per share) for the year ended March 31, 2011.

3. REVIEW OF OPERATIONS:

Your Company posted a total income of ₹ 44,381.53 lacs during the year ended March 31, 2011.

During the year, your Company successfully completed several residential projects in Mumbai, most notably Godrej Riverside in Kalyan, Godrej Edenwoods in Thane, and Tower 5 of Planet Godrej in Mahalaxmi. At the end of FY 2011, the total area developed by your Company stood at 7.60 million sq. ft.

One important highlight of this year has been the successful entry of your Company into the NCR region, with the launch of our residential project, Godrej Frontier, in Gurgaon. The



project has a total developable area of 1.09 million sq. ft., was launched in October 2010, and received a tremendous response from the market, with approx. 6.78 lacs sq. ft. being sold by March 31, 2011.

Your Company also launched new residential projects in Bengaluru and Mangalore, and continued to witness strong demand for its new phases in its ongoing residential projects in Ahmedabad and Kolkata. Your Company also

launched Godrej Eternia and Godrej Genesis – commercial projects in Chandigarh and Kolkata respectively. In the year 2010-11, your Company sold approx. 3.2 million sq. ft. of area, spread across all its location, as compared to 1.38 million sq. ft. in 2009-10.

Your Company successfully commenced the first phase of its mixed-use development, The Trees, spread over an area of 35 acres in Vikhroli, Mumbai. The development



on completion will contain 2.8 million sq. ft. of area and will be one of the largest developments in Mumbai. Your Company has commenced the construction of Godrej One, a 750,000 sq. ft. office building that will be the first building at The Trees. Godrej One when completed will be the headquarters for several Godrej Group companies.

Continuing with our joint venture strategy for sourcing land, your Company entered into a development agreement

with Bombay Footwear Private Limited to develop their plot at Chembur, Mumbai. Godrej Sea View Properties Private Limited, a subsidiary of your Company has signed a development agreement with Addison & Company Limited for the development of their additional land parcel of 4.8 acres in Chennai.

India Realty Excellence Fund and others acting through its investment manager, Motilal Oswal Private Equity Advisors Private Limited, invested 49.9% in two tranches in the subsidiary, Godrej Buildwell Private Limited, for development of a residential project in Bengaluru.

In Godrej Sea View Properties Private Limited (GSVPPL), your Company transferred 26.73% of the equity share capital of GSVPPL to HDFC PMS in May 2010, and another 0.9% of the equity share capital through supplementary/ amendment agreements in December 2010. Your Company also acquired the entire paid-up share capital of Udhay-GK Realty Pvt. Limited from HDFC Ventures Trustee Company Limited in March 2011.

Your Company has intensified its efforts to be at the forefront of sustainable development. Key achievements in this direction include numerous sustainable design certifications we received during the year. These include a LEED-Platinum pre-certification for Godrej Eternia (Chandigarh), a LEED-Gold rating for Godrej Waterside (Kolkata), and a LEED-Gold pre-certification for Godrej Palm Grove (Chennai). The LEED-Platinum pre-certification for Godrej Eternia was the first time a Godrej Properties development has received a Platinum rating and Godrej Palm Grove was the first of our residential projects to receive a Gold pre-certification. There was also progress on sustainability planning at Godrej Garden City (Ahmedabad), which is one of the 16 founding projects of the Climate Positive Development Program under the Clinton Climate Initiative.

4. FUTURE PROSPECTS AND OUTLOOK OF THE COMPANY:

Your Company will continue to focus on building scale through sourcing land under the joint development model which allows us to manage capital efficiently. Our primary areas of focus for new business development will be major

cities like Mumbai, NCR, Bengaluru, Pune and Chennai. Your Company is planning to increase its operational presence by adding two new locations – Hyderabad and Kochi, in the coming year. The formation of a new subsidiary Godrej Projects Development Private Limited (GPDPL) is the first step your Company has initiated to focus on the opportunities available for redevelopment projects across Mumbai. Through strategic partnerships with leading construction firms like L&T your Company is further strengthening its project execution capabilities across regions, and thereby endeavouring to ensure on-time delivery and quality.

5. FIXED DEPOSITS:

Your Company has accepted fixed deposits for 12, 24 and 36 months' tenure, respectively. During the year ended March 31, 2011 fixed deposits aggregating to ₹ 1354.43 lacs have been mobilized.

6. DEPOSITORY SYSTEM:

Your Company's equity shares are available for dematerialisation through National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2011, 30.31% of the equity shares of your Company were held in demat form.

7. CORPORATE GOVERNANCE:

As required by the existing Clause 49 of the Listing Agreements entered into by your Company with the Stock Exchanges, a detailed Report on Corporate Governance together with Management Discussion and Analysis Report are included in the Annual Report. The Auditors have certified the Company's compliance with 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.

8. AWARDS AND RECOGNITIONS:

Your Directors take pleasure in informing you that your Company was acknowledged with the following awards during the financial year ended March 31, 2011:

- The "Mumbai 7 Star" rating by CRISIL for Planet Godrej. CRISIL rates real estate projects based on several stringent project-specific parameters like, sponsor quality, construction quality, legal quality, financial quality and innovativeness. This is the highest rating given to any real estate project.
- Ranked one of India's Top 10 Builders by the Construction World Architect and Builder Awards, 2010.
- "Best Business Practices of the year" award by Accommodation times.
- Smart Living Award 2010 for "Best Luxury Residential Project" for Planet Godrej.
- During the Property Exhibition 2010 held from 8th to 11th April, 2010 organised by MCHI at Bandra-Kurla Complex, Mumbai your Company's stall won the following 2 awards:
 - (i) Best Stall Design; and
 - (ii) Excellence in Innovative Marketing and Customer Responsiveness
- During the Property Exhibition held from 21st to 24th October, 2010 by MCHI at MMRDA grounds, Bandra-Kurla Complex, Mumbai, your Company's stall won the following 3 awards:
 - (i) Best Stall Design;
 - (ii) 2nd runner up – Customer Information and Responsiveness; and
 - (iii) 2nd runner up – Innovative Marketing.

9. EMPLOYEES STOCK OPTION SCHEME:

- I. The members of the Company had vide a special resolution passed by postal ballot on March 18, 2011 approved amendments to the terms of the existing Godrej Properties Limited Employee Stock Option Plan (GPL ESOP) of the Company including the following:

- a) Increase in the vesting period of the 3,72,700 options granted under GPL ESOP from three years from the date of grant to five years from the date of grant. Accordingly, the options which were previously proposed to have vested on December 27, 2010, will now vest on December 27, 2012.

However in the event that during the 4th and 5th year of the vesting period i.e. in the year 2011 and 2012, the average of the closing market prices of the equity shares of the Company on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on each day exceeds the exercise price by not less than ₹ 50 for a consecutive period of 30 days, the option shall be deemed to have vested on the day immediately following the 30th day, as determined by the Remuneration Committee.

- b) Increase in the exercise period of the 3,72,700 options granted under GPL ESOP from two years from the date of vesting to three years from the date of vesting. Accordingly, the exercise period which was previously proposed to have ceased on December 27, 2012 is now extended to December 27, 2015.

As required under the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, the disclosure relating to GPL ESOP is given in **Annexure A (Part I)**.

- II. Implementation of a new employee stock grant scheme namely 'Godrej Properties Limited Employee Stock Grant Scheme 2011' ("GPL ESGS").

The members of the Company had vide special resolution passed by postal ballot on March 18, 2011



approved the GPL ESGS for the benefit of the employees of the Company, its subsidiaries and Godrej Industries Limited, the holding company. The main objective of GPL ESGS is to align top management/key employees of the Company to shareholders expectation.

As required under the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, the disclosure relating to GPL ESGS is given in **Annexure A (Part II)**.

10. SUBSIDIARY COMPANIES:

A. Subsidiaries' Accounts

During the year under review, your Company has formed the following new subsidiaries:

1. Godrej Buildwell Private Limited;
2. Godrej Buildcon Private Limited;
3. Godrej Projects Development Private Limited;
4. Godrej Garden City Properties Private Limited; and
5. Godrej Premium Builders Private Limited.

During the year under review, Udhay-GK Realty Private Limited became a wholly-owned subsidiary of your Company consequent to acquisition of its entire paid-up share capital from HDFC Ventures Trustee Company Limited (in its Capacity as trustee of HDFC Property Fund, organised as an irrevocable contributory trust under the Indian Trust Act, 1882, pursuant to an Indenture of trust dated November 6, 2004 investing through the scheme "HDFC India Real Estate Fund").

Accordingly, the number of subsidiary companies of your Company has been increased to 13 (thirteen) as at March 31, 2011.

Pursuant to the General Circular No. 2/2011 dated February 8, 2011 issued by the Government of India, Ministry of Corporate Affairs, the Board of Directors of the Company have given their consent for not attaching the balance sheets of all the subsidiaries of the Company with the Annual Report of the Company. However the Audited

Consolidated Financial Statements along with the Auditors' Report have been annexed to this Annual Report.

The Company shall provide the copy of the Annual Accounts of the subsidiary companies and the related detailed information to the members of the Company and also to the members of the subsidiary companies on their request. The annual accounts of the subsidiary companies will also be kept open for inspection by any members at the Registered Office of the Company and also at the Registered Office of the respective subsidiary companies.

B. Transfer of Stake

1. During the year under review, pursuant to the agreements entered by the Company with India Realty Excellence Fund and others acting through its investment manager, Motilal Oswal Private Equity Advisors Private Limited (Investors), the Company had transferred 49.9% of the Class A equity share capital of Godrej Buildwell Private Limited in two tranches to Investors for a consideration of ₹ 5,000 lacs.
2. During the year under review, the Company had transferred 27.63% of the equity share capital of Godrej Sea View Properties Private Limited against ₹ 4,000 lacs to HDFC PMS (under HDFC Asset Management Company Limited Portfolio Management Services Real Estate Portfolio-I through its Portfolio Manager HDFC Asset Management Company Limited).

C. Formation of Limited Liability Partnership (LLP)

The Company formed the following LLPs:

- Godrej Buildcorp LLP for the project of the Company located at Hyderabad in partnership with Godrej & Boyce Manufacturing Company Limited on April 4, 2011.
- Godrej Property Developers LLP for the project of the Company located at Thane (Mumbai) in partnership with Godrej & Boyce Manufacturing Company Limited on April 5, 2011.

- Godrej Vikhroli Properties LLP for the project of the Company located at Vikhroli in partnership with Godrej Industries Limited on April 18, 2011.

D. Material Non-Listed Indian Subsidiary

Pursuant to Clause 49 of the Listing Agreement, if the turnover or net worth (i.e. paid-up capital and free reserves) of any unlisted Indian subsidiary company exceeds 20% of the consolidated turnover or net worth respectively of the listed holding company and its subsidiaries in the immediately preceding Accounting year; that subsidiary is termed as Material Non-Listed Indian Subsidiary. During the financial year 2010-2011, there is no Material Non-Listed Indian subsidiary of your Company.

11. AMENDMENTS IN THE OBJECTS OF THE INITIAL PUBLIC OFFERING IN RELATION TO UTILISATION OF ISSUE PROCEEDS

In the last Annual General Meeting of the Company held on July 17, 2010, the members of the Company had approved certain deviations/amendments to the objects of the initial public offering as disclosed on page 43 of the Prospectus of the Company dated December 16, 2009 (the “**Prospectus**”).

However there are further deviations in the utilisation of issue proceeds from the last approved schedule of deployment, due to the following reasons:

a) Acquisition of land development rights for our forthcoming projects

In relation to the property located at Ahmedabad, the Company was required to utilise an amount of ₹ 107 crores in the fiscal year 2011 in accordance with the shareholders’ approval dated July 17, 2010 subject to entering into the Development Agreements for the balance area by March 2011. The Company has utilised an amount of ₹ 41.09 crores in the fiscal year 2011 out of the sum of ₹ 107 crores as the Company had entered into the Development Agreements for the part of the balance area during the fiscal year 2011. It is now proposed that the balance amount of ₹ 65.91 crores will be utilised by the Company by March 2012

subject to entering into Development Agreements for the remaining area.

In relation to the property located at Kalyan, the Company was required to pay an amount of ₹ 20.00 crores in the fiscal year 2011 in accordance with the shareholders’ approval dated July 17, 2010 subject to the aggregation of the entire 160 acres of land at Kalyan. The Company has paid ₹ 10.91 crores in the fiscal year 2011 out of the said amount of ₹ 20.00 crores as only a part of the land was aggregated till March 2011. It is now proposed to pay the balance amount of ₹ 9.09 crores in the fiscal year 2012 once the aggregation of proposed land is scheduled to be completed.

In relation to the property located at Pune, the Company was required to pay an amount of ₹ 51.00 crores in the fiscal year 2011 in accordance with shareholders’ approval dated July 17, 2010 subject to receipt of certificate of conversion of land to non-agricultural use by the owners of the property at Pune (the “**Pune Project**”). However the same has not been received till date and therefore, it is proposed that the said amount of ₹ 51 crores shall be utilised for the purpose of repayment of loans. The details of these loans which are proposed to be repaid are disclosed in the table below. Consequently, the total amount of ₹ 203 crores of the Net Proceeds which was proposed to be utilised for acquisition of land development rights for our forthcoming projects will be revised to ₹ 152 crores.

b) Construction of Forthcoming Project

In relation to the construction of commercial project located in Chandigarh, the Company was required to utilise an amount of ₹ 60 crores in the fiscal year 2011 and ₹ 15 crores in the fiscal year 2012 in accordance with the shareholders’ approval dated July 17, 2010. The Company has utilised an amount of ₹ 62.30 crores in the fiscal year 2011. It is now proposed that the balance amount of ₹ 12.70 crores will be utilised by the Company by the fiscal year March 2012.

c) Repayment of Loans

It was stated in the Prospectus that an amount of ₹ 150.17 crores would be utilised by the Company

for repayment of loans which was fully utilised by the Company in the fiscal year 2010. However as mentioned on page 47 of the Prospectus, the Company may re-schedule at its discretion the proposed utilisation of Net Proceeds by increasing or decreasing the expenditure for a particular object and adjusting in other object.

In order to reduce interest burden it is proposed to utilise a further amount of ₹ 51 crores as stated in para

(a) above relating to Pune Project for repayment of the existing loans of the Company.

In light of the above mentioned changes to the Objects of the Issue, the approval of members of the Company is sought in the ensuing Annual General Meeting for amending the schedule of deployment and utilisation of the net proceeds of the IPO as provided hereunder:

(₹ in crores)

Sr. No.	Expenditure Items	Total Estimated Cost	Amount deployed till November 15, 2009 (as mentioned in the Prospectus)	Balance Payable as on November 15, 2009 (as mentioned in the Prospectus)	Proposed to be funded by internal accruals	Amount upto which will be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for		
							FY 2010	FY 2011	FY 2012
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	152.00*	25.00	52.00**	75.00***
2.	Construction of our Forthcoming Project	100.84	22.82	78.02	Nil	75.00	0.00	62.30* ¹	12.70* ²
3.	Repayment of loans	201.17 [#]	Nil	172.00	Nil	201.17 [#]	150.17	0.00	51.00
	Total	746.83	175.32	542.34	Nil	428.17	175.17	114.3	138.7

* It was stated that an amount of ₹ 203.00 crores was proposed to be utilised from Net Proceeds for Acquisition of land development rights for our forthcoming projects. Now amended to state that ₹ 152.00 crores is proposed to be utilised for the said purpose.

** It was stated that an amount of ₹ 178.00 crores was proposed to be utilised in fiscal year 2011. Now amended to state that ₹ 52.00 crores was utilised in fiscal year 2011.

*** It was stated that no amount was proposed to be utilised in fiscal year 2012. Now amended to state that ₹ 75.00 crores is proposed to be utilised in fiscal year 2012.

*¹ It was stated that an amount of ₹ 60.00 crores was proposed to be utilised in fiscal year 2011. Now amended to state that ₹ 62.30 crores was utilised in fiscal year 2011.

*² It was stated that an amount of ₹ 15.00 crores was proposed to be utilised in fiscal year 2012. Now amended to state that ₹ 12.70 crores is proposed to be utilised in fiscal year 2012.

[#] The increase in the total estimated cost for repayment of loans and amount up to which will be financed from Net Proceeds is due to the utilisation of ₹ 51 crores originally proposed to be utilised for the Pune Project. The details of the loan to be repaid in addition to those mentioned in the Prospectus are provided in the table below:

(₹ in crores unless otherwise mentioned)

Sr. No.	Name of the lender	Date of the loan facility agreement	Total Amount Sanctioned	Purpose of loan	Utilisation of the Loans	Principal amount outstanding as on March 31, 2011	Repayment Date/ schedule	Interest/Commission	Amount proposed to be repaid out of the Issue proceeds
1.	State Bank of India (Working capital loan)	March 16, 2011	475.00 (Including interchangeable non-fund based facility of ₹ 75.00 crores)	Working Capital Purpose - To meet Working Capital Requirements	Loans were utilised for the purpose for which it was raised – To meet working capital requirement	431.16 (Including the utilisation of non-fund based limit of ₹ 12.27 crores) Working Capital Demand Loan (WCDL) – ₹ 150 crores	No fixed repayment date as this is a cash credit facility	For cash credit – 4.25% above Base rate per annum. Effective rate as on March 31, 2011 is 12.50% per annum For WCDL of ₹ 100 crores. Rate of Interest is 10.25% per annum For WCDL of ₹ 50 crores. Rate of Interest is 10.95% per annum Inland and Import Letter of Credit – 0.40 per annum plus applicable tax Bank guarantee – 0.80 per annum plus applicable tax	51.00 Cash Credit Component

12. DIRECTORS:

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Ms. Parmeshwar A. Godrej, Mr. Nadir B. Godrej, Mr. Amit B. Choudhury and Mr. Keki B. Dadiseth retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

13. APPOINTMENT OF AUDITORS:

M/s. Kalyaniwalla & Mistry, Chartered Accountants, the statutory auditor of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment for which they have given their consent.

14. COMMITTEES OF DIRECTORS:

a) Reconstitution of Audit & Remuneration Committee:

During the year the Audit & Remuneration Committees were reconstituted with effect from October 16, 2010 by appointing Mr. Amitava Mukherjee as a member on these Committees.

b) Allotment Committee

The Board of Directors in their meeting held on May 7, 2011 has formed the Allotment Committee, particularly for the allotment and listing of the equity shares of the Company to be issued and allotted from time to time pursuant to the Godrej Properties Limited Employee Stock Grant Scheme 2011. The Committee comprises of Mr. Adi B. Godrej - Chairman, Mr. Milind S. Korde - Managing Director, Mr. Pirojsha Godrej - Executive Director, Mr. K. T. Jithendran - Executive Director and Mr. Amit B. Choudhury - Independent Director.

15. ADDITIONAL INFORMATION:

- (a) In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all the members of the Company excluding the statement of particulars of the employee under Section 217 (2A) of the Companies Act, 1956. Pursuant to the Notification dated March 31, 2011 issued by the Government of India,

Ministry of Corporate Affairs and in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees as required to be set out in the annexure to the Directors' Report is available for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the annexure may write to the Company Secretary at the Registered Office of the Company.

- (b) Information in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as 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 is provided hereunder:

(i) Conservation of Energy:

Expenses on account of Energy are negligible.

(ii) Technology Absorption:

It is an ongoing process.

(iii) Foreign Exchange Earnings & Outgo:

During 2010-11, expenditure in foreign currencies amounted to ₹ 1,001.41 lacs/- (Previous Year ₹ 667.52 lacs) on account of travelling and expenses incurred for business promotion.

The Company has not earned any foreign exchange during the year.

16. GROUP FOR INTERSE TRANSFER OF SHARES:

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

17. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors based on the representation received from the Management and after due enquiry confirms:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2011 and of the profits of the Company for that year;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

18. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and sincere thanks to the State Government, Government agencies, Banks, Financial Institutions, Joint Venture Partners, Customers, Shareholders, Fixed Deposit Holders, Vendors, and other related organisations who through their continued support and co-operation, have helped, as partners, in your Company's progress. Your Directors also acknowledge the hard work, dedication and commitment of the employees.

For and on behalf of the Board of
Directors of Godrej Properties Limited

Place: Mumbai
Date: May 07, 2011

Adi B. Godrej
Chairman

ANNEXURE A

(PART I)

DISCLOSURE RELATING TO GODREJ PROPERTIES LIMITED EMPLOYEES STOCK OPTION PLAN (GPL ESOP)

Particulars	Details
Options granted	442,700
Exercise price of options	₹ 620 per share plus interest at a compounding rate of 10% per annum or at such other rate as may be defined by the Remuneration Committee and intimated to the option grantees. In addition to it, such other amount as intimated by the Remuneration Committee from time to time viz. amount of stamp duty and trusteeship fees will be recoverable from the employees.
Total options vested	Nil
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	442,700
Options forfeited/ lapsed/ cancelled	71,000 - will be available for re-issue (1,000 lapsed on April 20, 2011)
Variations in terms of options	Please see the amendments in the Scheme as mentioned below
Money realised by exercise of options	Nil
Options outstanding (in force)	371,700
Vesting schedule	<p>The Remuneration Committee of the Company on December 24, 2010 has decided to increase the vesting period of 3,72,700 options granted under the GPL ESOP from three years from the date of grant to five years from the date of grant. Accordingly, the options which were previously proposed to have vested on December 27, 2010 will now vest on December 27, 2012.</p> <p>However in the event that during the 4th and 5th year of the vesting period that is in the year 2011 and 2012, the average of the closing market prices of the shares of the Company on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on each day exceeds the exercise price by not less than ₹ 50 for a consecutive period of 30 days, the option shall be deemed to have vested on the day immediately following the 30th day, as determined by the Remuneration Committee.</p>

Particulars	Details
Person wise details of options granted to	
i) Directors and key management employees	Please see Note 1 below
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
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 on exercise of option therefore the same is not applicable.
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company has used fair value of options and impact of this difference on profits and EPS of the Company	Nil
Weighted average exercise prices and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price is ₹ 620 per share plus interest.
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	N.A.
Lock-in	Five years from the date of grant i.e. December 28, 2007. However as per the last amendment in the GPL ESOP, in the event that during the 4 th and 5 th year of the vesting period that is in the year 2011 and 2012, the average of the closing market prices of the shares of the Company on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on each day exceeds the exercise price by not less than ₹ 50 for a consecutive period of 30 days, the option shall be deemed to have vested on the day immediately following the 30 th day, as determined by the Remuneration Committee. Lock-in period after exercise:- NIL
Impact on profits of the last three years and on the EPS of the last three years if the issuer had followed the accounting policies specified in Clause 13 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of options granted in the last three years	Nil

Details regarding options granted to our Directors and our Key Management Personnel are set forth below:

Name	Position	Number of options granted under GPL ESOP
Mr. Milind S. Korde	Managing Director	60,000
Mr. K. T. Jithendran	Executive Director	30,000
Mr. Nishikant Shimpi	Executive Vice President (Bengaluru region)	20,000
Mr. K. P. Sudheer	Vice President (Mumbai region)	20,000
Mr. Nitin Wagle	Vice President (Operations)	10,000
Mr. Shodhan A. Kembhavi	Vice President (Legal) and Company Secretary	10,000
Mr. Rajendra Khetawat	Vice President (Finance and Accounts)	10,000
Mr. Santosh Tamhane	Vice President (Projects)	10,000
Ms. Aylona D'Souza	Vice President (Human Resources and Administration)	7,000

Amendments to the Employee Stock Option Scheme:

The Shareholders had vide special resolution passed by Postal Ballot on March 18, 2011 approved the following amendments to the Godrej Properties Limited Employees Stock Option Plan (GPL ESOP).

- a) Increase in the vesting period of the 3,72,700 options granted under GPL ESOP from three years from the date of grant to five years from the date of grant. Accordingly, the options which were previously proposed to have vested on December 27, 2010 will now vest on December 27, 2012.

However in the event that during the 4th and 5th year of the vesting period i.e. in the year 2011 and

2012, the average of the closing market prices of the equity shares of the Company on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on each day exceeds the exercise price by not less than ₹ 50 for a consecutive period of 30 days, the option shall be deemed to have vested on the day immediately following the 30th day, as determined by the Remuneration Committee.

- b) Increase in the exercise period of the 3,72,700 options granted under GPL ESOP from two years from the date of vesting to three years from the date of vesting. Accordingly, the exercise period which was previously proposed to have ceased on December 27, 2012 is now extended to December 27, 2015.

ANNEXURE A

(PART II)

DISCLOSURE RELATING TO GODREJ PROPERTIES LIMITED EMPLOYEE STOCK GRANT SCHEME, 2011 (GPL ESGS)

Particulars	Details
Options granted	41,203 (On May 7, 2011)
Exercise price of options	₹ 10 per share
Total options vested	Nil
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	41,203
Options forfeited/ lapsed/ cancelled	Nil
Variations in terms of options	NA
Money realised by exercise of options	Nil
Options outstanding (in force)	41,203
Vesting schedule	<ul style="list-style-type: none"> ➤ 1/3 of the Stock Grants Granted and outstanding shall Vest at the end of one year from the date of Grant; ➤ 1/3 of the Stock Grants Granted and outstanding shall Vest at the end of second year from the date of Grant; and ➤ 1/3 of the Stock Grants Granted and outstanding shall Vest at the end of third year from the date of Grant.
Person-wise details of options granted to	
i) Directors and key management employees	Please see Note 1 below
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
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'	Since the Stock Grants are granted during the financial year 2011-12 therefore it has no impact on the EPS of FY 2010-11
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company has used fair value of options and impact of this difference on profits and EPS of the Company	Since the Stock Grants are granted during the financial year 2011-12 therefore it has no impact on the Profits and EPS of FY 2010-11
Weighted average exercise prices and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Since the shares under ESGS are to be issued at Face Value therefore Face Value of the Share is Weighted Average Exercise Price and in this case exercise price is less than the market price of share. Weighted Average fair value of option is ₹ 652.34 per option.

Particulars	Details
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>Significant Assumptions used to estimate the fair value of option:</p> <ol style="list-style-type: none"> 1. Risk Free Interest Rate – 1 year - 7.79% 2 years - 7.82% 3 years - 7.97% 2. Expected Life – 1 year, 2 years, 3 years 3. Expected Volatility – 1 year – 34.70% 2 years – 82.55% 3 years – 70.64% 4. Expected Dividends – ₹ 4.50 Per Share 5. Price of Underlying Share at the time of grant of option: ₹ 669.85
Lock-in	<p>Lock-in period between grant and vesting:- Except in case of demise or Permanent Incapacity of the Eligibility Employee, Equity Share shall Vest in the following manner:</p> <ul style="list-style-type: none"> ➤ 1/3 of the Stock Grants Granted and outstanding shall Vest at the end of one year from the date of Grant; ➤ 1/3 of the Stock Grants Granted and outstanding shall Vest at the end of second year from the date of Grant; and ➤ 1/3 of the Stock Grants Granted and outstanding shall Vest at the end of third year from the date of Grant. <p>Lock-in period after exercise:- NIL</p>
Impact on profits of the last three years and on the EPS of the last three years if the issuer had followed the accounting policies specified in Clause 13 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of options granted in the last three years	Not Applicable as the options are granted during the year 2011-12.

Details regarding options granted to our Directors and our Key Management Personnel are set forth below:

Name	Position	Number of options granted under GPL ESGS
Mr. Milind S. Korde	Managing Director	10,751
Mr. K T Jithendran	Executive Director	8,064
Mr. Nishikant Shimpi	Executive Vice President (Bengaluru Region)	2,687
Mr. K. P. Sudheer	Vice - President (Mumbai Region)	1,791
Mr. Nitin Wagle	Vice - President (Operations)	1,791
Mr. Shodhan A. Kembhavi	Vice - President (Legal) & Company Secretary	1,791
Mr. Rajendra Khetawat	Vice - President (Finance & Accounts)	1,791
Mr. Santosh Tamhane	Vice - President (Projects)	1,791
Ms. Aylona D'Souza	Vice - President (Human Resources & Administration)	1,791
Mr. Sriram Iyer	Vice - President (Chennai & Kochi)	1,791
Ms. Mamta Bakshi	Vice - President (Chief Customer Officer)	1,791
Mr. Mohit Malhotra	Vice - President (Business Development)	1,791
Mr. Girish Shah	Vice - President (Marketing & Sales)	1,791
Mr. Milind Apte	Vice - President (Human Resources & Administration)	1,791

ANNEXURE B

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

- | | |
|--|--|
| 1) Godrej Industries Limited | 41) Godrej (Vietnam) Co. Ltd. |
| 2) Godrej & Boyce Manufacturing Co. Ltd. | 42) Godrej Nigeria Ltd |
| 3) Ensemble Holdings & Finance Ltd | 43) Godrej Consumer Products Dutch Cooperatief U.A |
| 4) Godrej Investments Private Ltd | 44) Godrej Consumer Holdings (Netherlands) B.V |
| 5) Godrej Efacec Automation & Robotics Ltd. | 45) Godrej Consumer Products (Netherlands) B.V |
| 6) Veromatic International BV | 46) Godrej Indonesia Netherlands Holding BV |
| 7) Water Wonder Benelux BV | 47) PT. Megasari Makmur |
| 8) Wadala Commodities Ltd. | 48) PT. Intrasari Raya |
| 9) Swadeshi Detergents Ltd. | 49) PT. Simba Indosnack Makmur |
| 10) Nature's Basket Ltd. | 50) PT. Ekamas Sarijaya |
| 11) Godrej Hershey Limited | 51) PT. Indomas Susemi Jaya |
| 12) Godrej Consumer Products Ltd. | 52) PT. Sarico Indah |
| 13) Godrej Agrovat Ltd. | 53) Godrej Argentina Dutch Cooperatief U.A |
| 14) Golden Feed Products Ltd. | 54) Godrej Netherlands Argentina Holding B.V |
| 15) Godrej Oil Palm Ltd. | 55) Godrej Netherlands Argentina B.V |
| 16) Cauvery Palm Oil Limited | 56) ABG Venture LLP |
| 17) Godrej Infotech Ltd. | 57) NBG Enterprise LLP |
| 18) Geometric Ltd. | 58) JNG Enterprise LLP |
| 19) Mercury Mfg. Co. Ltd. | 59) SVC Enterprise LLP |
| 20) Godrej (Malaysia) Sdn. Bhd. | 60) RKN Enterprise LLP |
| 21) Godrej (Singapore) Pte. Ltd. | 61) Godrej & Boyce Enterprise LLP |
| 22) Godrej International Ltd. | 62) Mr. Adi B. Godrej |
| 23) Veromatic Services BV | 63) Ms. Parmeshwar A. Godrej |
| 24) Boston Analytics Inc., USA | 64) Ms. Tanya Arvind Dubash |
| 25) CBay Systems Limited, USA | 65) Ms. Nisaba Godrej |
| 26) CBay Infotech Ventures P L | 66) Mr. Pirojsha Godrej |
| 27) HyCa Technologies Pvt. Ltd. | 67) Mr. Nadir B. Godrej |
| 28) Bahar Agrochem & Feeds Pvt. Ltd. | 68) Mrs. Rati Nadir Godrej |
| 29) Vora Soaps Limited | 69) Mr. Sohrab Nadir Godrej |
| 30) Godrej Household Products Limited | 70) Mst. Burjis Nadir Godrej |
| 31) Godrej Consumer Products (UK) Ltd. | 71) Mst. Hormuzd Nadir Godrej |
| 32) Keyline Brands Limited | 72) Mr. Jamshyd N. Godrej |
| 33) Rapidol (Pty) Ltd. | 73) Mrs. Pheroza J. Godrej |
| 34) Godrej Global Mid East FZE | 74) Mr. Navroze J. Godrej |
| 35) Godrej Consumer Products Mauritius Limited | 75) Ms. Raika J. Godrej |
| 36) Godrej Kinky Holding Limited | 76) Mr. V. M. Crishna |
| 37) Kinky Group Pty. Ltd. | 77) Mrs. Smita V. Crishna |
| 38) Godrej Hygiene Products Limited | 78) Ms. Nyrika V. Crishna |
| 39) Cartini India Ltd. | 79) Ms. Freyan V. Crishna |
| 40) Godrej Holdings Pvt. Ltd. | 80) Mr. Rishad K. Naoroji |

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON GOVERNANCE

Your Company believes that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence.

In order to promote good governance the Company has followed the best practices, processes and policies based on conscience, openness, fairness, professionalism and accountability.

The corporate governance framework of your Company is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The operations of the Company are managed under the directions of the Board within the framework set by the Companies Act, 1956, the Listing Agreement with the stock exchanges and the Articles of Association of the Company.

The Directors present below the Companies policies and practices on Corporate Governance.

THE GOVERNANCE STRUCTURE

1. BOARD OF DIRECTORS

a) Board Structure

As of March 31, 2011, the Board of Directors of the Company consisted of Fourteen Directors, which

includes one Managing Director and two Executive Directors. The remaining eleven were Non-Executive Directors, with seven 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. Adi B. Godrej and Mr. Nadir B. Godrej, who are brothers (2) Mr. Pirojsha Godrej who is the son of Mr. Adi B. Godrej and Ms. Parmeshwar A. Godrej. The details of the Board are given in Table 1.

b) Board meetings held and Directors' attendance record

The Board meets at least once in a quarter to consider among other business the quarterly performance and financial results of the Company. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. During the year 2010-2011 Board meetings were held on May 17, 2010, July 17, 2010, October 16, 2010, and January 14, 2011. The details are given in Table 1:

Table 1: Details about the Company's Board of Directors & 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 public companies incorporated in India as at year-end*	Number of Chairmanship/ membership in Board Committees as at the year-end	
						Chairmanship	Membership
Mr. Adi B. Godrej	Chairman – Non-Executive	4	4	Yes	11(3)	4	5
Mr. J. N. Godrej	Non-Executive	4	2	Yes	10(5)	1	3
Mr. Nadir B. Godrej	Non Executive	4	4	Yes	16(5)	1	3
Ms. Parmeshwar A. Godrej	Non-Executive	4	3	Yes	1(1)	-	-
Mr. Milind S. Korde	Managing Director	4	4	Yes	2(1)	-	1
Mr. Pirojsha Godrej	Executive Director	4	4	Yes	1(1)	-	-
Mr. Amit B. Choudhury	Independent Director	4	4	Yes	6(3)	-	4

Name of Director	Category	Board meetings held during the year	Board meetings attended during the year	Whether attended last AGM	Directorships held in public companies incorporated in India as at year-end*	Number of Chairmanship/ membership in Board Committees as at the year-end	
						Chairmanship	Membership
Mr. Keki B. Dadiseth	Independent Director	4	4	Yes	7(5)	3	6
Mrs. Lalita D. Gupte	Independent Director	4	4	Yes	5(3)	1	2
Mr. Pranay D. Vakil	Independent Director	4	3	Yes	2(2)	-	1
Dr. Pritam Singh	Independent Director	4	3	Yes	5(5)	1	4
Mr. S. Narayan	Independent Director	4	3	No	6(4)	-	4
Mr. K. T. Jithendran [#]	Executive Director	4	4	Yes	1(1)	-	-
Mr. Amitava Mukherjee [#]	Independent Director	4	2	Yes	2(2)	-	2

Notes:

- (i) * Alternate directorships and directorships in private companies, foreign companies and associations are excluded.
- (ii) [#] Mr. K. T. Jithendran, Executive Director and Mr. Amitava Mukherjee, Independent Director were appointed on May 17, 2010.
- (iii) Figures in () denote listed companies.
- (iv) Board Meetings held during the year represents the number of meetings held during the tenure of that director.

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. [Committees here include only Investors' Grievance cum Share Transfer Committee & Audit Committee]

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,
- 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 human resources,
- 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 meetings or are tabled in the course of the Board meetings.

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

Except for drawing remuneration, none of the Directors have any other materially significant related party transactions, pecuniary or business relationship with the Company. The Company enters into transactions in the ordinary course of business with the companies in which directors hold Directorship. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts – Schedule 19, Note No.17, 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 Company pays its Non-Executive Directors sitting fees of ₹ 20,000 for every meeting of its Board, and ₹ 5,000 for attending every meeting of the Audit Committee and Remuneration Committee of the Board.

Each of the Non-Executive Directors are also entitled to a commission of ₹ 5,00,000 per annum and out of pocket expenses (including travel expenses).

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: Remuneration paid or payable to Directors for the year ended March 31, 2011

(Amt. in ₹)

Name of Director	Relationship with Directors	Sitting fees	Commission	Salary	Perquisites	Provident Fund	Others	Total
Mr. Adi B. Godrej	Brother of Mr. N. B. Godrej Father of Mr. Pirojsha Godrej & Spouse of Ms. Parmeshwar A. Godrej	80,000	500,000	Nil	Nil	Nil	Nil	580,000
Mr. J. N. Godrej	-	40,000	500,000	Nil	Nil	Nil	Nil	540,000
Mr. Nadir B. Godrej	Brother of Mr. A. B. Godrej	80,000	500,000	Nil	Nil	Nil	Nil	580,000
Ms. Parmeshwar A. Godrej	W/o Mr. Adi B. Godrej and mother of Mr. Pirojsha Godrej	60,000	500,000	Nil	Nil	Nil	Nil	560,000
Mr. Amit B. Chodhury	-	115,000	500,000	Nil	Nil	Nil	Nil	615,000
Mr. Keki. B. Dadiseth	-	115,000	500,000	Nil	Nil	Nil	Nil	615,000
Mrs. Lalita D. Gupte	-	115,000	500,000	Nil	Nil	Nil	Nil	615,000
Mr. Pranay D. Vakil	-	85,000	500,000	Nil	Nil	Nil	Nil	585,000
Dr. Pritam Singh	-	85,000	500,000	Nil	Nil	Nil	Nil	585,000
Mr. S. Narayan	-	85,000	500,000	Nil	Nil	Nil	Nil	585,000
Mr. Amitava Mukherjee	-	50,000	436,986	Nil	Nil	Nil	Nil	486,986
Mr. Milind S. Korde	-	-	-	14,158,875	455,745	825,408	5,899,243*	21,339,271
Mr. Pirojsha Godrej	Son of Mr. Adi B. Godrej & Ms. Parmeshwar A. Godrej	-	-	7,447,200	10,569,767	460,800	2,265,388*	20,743,155
Mr. K.T. Jithendran	-	-	-	10,022,727	385,660	481,829	4,023,694*	14,913,910

Notes :

*It includes a provision made for Performance Bonus of ₹ 4,497,980 for Mr. Milind S. Korde, ₹ 2,265,388 for Mr. Pirojsha Godrej and ₹ 2,721,044 for Mr. K. T. Jithendran for the year ended March 31, 2011.

The service contracts of the Managing & Executive Directors are for a period of three years with a notice period of three months.

Table 3: Number of shares held by Directors, options granted and dividend paid

Name of Director	Shares held as on March 31, 2011	Dividend paid during the year (Rupees)	Number of options Granted Under	
			GPL ESOP	GPL ESGS
Mr. Adi B. Godrej	-	-	-	-
Mr. Nadir B. Godrej	1,562,250	6,921,000	-	-
Mr. J. N. Godrej	-	-	-	-
Ms. Parmeshwar A. Godrej	-	-	-	-
Mr. Amit Choudhury	1,500	6,000	-	-
Mr. Keki B. Dadiseth	-	-	-	-
Mrs. Lalita D. Gupte	7,000	28,000	-	-
Mr. Pranay D. Vakil	8,000	32,000	-	-
Dr. Pritam Singh	1,000	4,000	-	-
Mr. S. Narayan	-	-	-	-
Mr. Amitava Mukherjee	-	-	-	-
Mr. Milind S. Korde	10,000	40,000	60,000	10,751
Mr. Pirojsha Godrej	520,747	2,306,988	-	-
Mr. K.T. Jithendran	2,445	8,000	30,000	8,064

COMMITTEES OF THE BOARD

2. AUDIT COMMITTEE

The Company's Audit Committee comprises of Independent Directors. They are Mr. Keki B. Dadiseth (Chairman), Mrs. Lalita D. Gupte, Mr. Amit B. Choudhury, Mr. Pranay D. Vakil, Dr. Pritam Singh, Mr. S. Narayan and Mr. Amitava Mukherjee. 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 meetings. Mr. Shodhan A. Kembhavi, Vice-President (Legal) & Company Secretary acts as a Secretary to the Audit Committee. The Audit Committee met four times during the year i.e.: on May 17, 2010, July 17, 2010, October 16, 2010 and January 14, 2011. Table 4 gives the attendance record.

Table 4: Attendance record of audit committee members

Name of Director	No. of meetings held	Meetings attended
Mr. Keki B. Dadiseth	4	4
Mrs. Lalita D. Gupte	4	4
Mr. Amit B. Choudhury	4	4
Mr. Pranay D. Vakil	4	3
Dr. Pritam Singh	4	3
Mr. S. Narayan	4	3
Mr. Amitava Mukherjee*	1	1

Note:

Committee Meetings held during the year represents the number of meetings held during the tenure of that director.

** Mr. Amitava Mukherjee was inducted in the Audit Committee in the Board Meeting held on October 16, 2010.*

The Audit Committee of the Company performs the following functions:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956,
 - b) Changes, if any, in accounting policies and practices and reasons for the same,
 - c) Major accounting entries involving estimates based on the exercise of judgment by management,
 - d) Significant adjustments made in the financial statements arising out of audit findings,
 - e) Compliance with listing and other legal requirements relating to financial statements,
 - f) Disclosure of any related party transactions, and
 - g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue/ rights issue/ preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter.
9. Discussion with internal auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

3. REMUNERATION COMMITTEE

Setting up of a Remuneration Committee constitutes a non-mandatory provision of Clause 49. This Committee looks in all matters pertaining to remuneration of the Managing Director, the Executive Directors and administration of the Company's Employee Stock Option Plan and Employee Stock Grant Scheme.

The Remuneration Committee consists of the Independent Directors. They are: Mrs. Lalita D. Gupte (Chairperson), Mr. Keki B. Dadiseth, Mr. Amit B. Choudhury, Mr. Pranay D. Vakil, Dr. Pritam Singh, Mr. S. Narayan and Mr. Amitava Mukherjee. During the year ended March 31, 2011, the Committee met on May 17, 2010, October 16, 2010, and January 14, 2011. The attendance details are given in Table 5.

Table 5: Attendance record of Remuneration Committee members

Name of Director	No. of meetings held	Meetings attended
Mrs. Lalita D. Gupte	3	3
Mr. Keki B. Dadiseth	3	3
Mr. Amit B. Choudhury	3	3
Mr. Pranay D. Vakil	3	2
Dr. Pritam Singh	3	2
Mr. S. Narayan	3	2
Mr. Amitava Mukherjee*	1	1

Note:

Committee Meetings held during the year represents the number of meetings held during the tenure of that director.

** Mr. Amitava Mukherjee was inducted in the Remuneration Committee in the Board Meeting held on October 16, 2010.*

Mr. Shodhan A. Kembhavi, Vice-President (Legal) & Company Secretary acts as the Secretary of the Committee.

During the year the Company has adopted Performance Bonus For Teams (PBFT) Scheme for payment of Performance Bonus (earlier known as performance linked variable remuneration). This scheme is based on the profit after tax (excluding minority interests and post PBFT) achieved by the business as well as the Individual Performance Rating of the concerned employee. The achievement of profit after tax is linked to Performance

Bonus of the Managing Director, Executive Directors and Officers of the Company.

4. INVESTORS' GRIEVANCE CUM SHARE TRANSFER COMMITTEE

The members of the Investors' Grievance cum Share Transfer Committee are:

1. Mr. Adi B. Godrej, Non-Executive Chairman;
2. Mr. Milind S. Korde, Managing Director; and
3. Mr. Amit B. Choudhury, Independent Director.

Mr. Shodhan A. Kembhavi, Vice President (Legal) & Company Secretary, is the Secretary of the Investors' Grievance cum Share Transfer Committee.

This Committee is responsible for redressal of shareholders' and investors' complaints relating to transfer of shares, issue of duplicate/consolidated share certificates, allotment and listing of shares, review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, and non-receipt of dividends declared etc. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances. This Committee is also responsible for approval of transfer of shares including power to delegate the same to the Registrar and Transfer Agents.

Name and designation of Compliance Officer:

Mr. Shodhan A. Kembhavi
Vice-President (Legal) & Company Secretary.

Number of complaints for the year ended March 31, 2011

Complaints outstanding as on April 1, 2010	0
Complaints received during the year ended March 31, 2011	25
Complaints resolved during the year ended March 31, 2011	25
Complaints outstanding as on March 31, 2011	0

There are no pending share transfers as on March 31, 2011.

5. MANAGEMENT

i) Management Discussion and Analysis

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

ii) 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.

6. DISCLOSURES

i) Materially significant related party transaction that may have potential conflict of interest of Company at large.

During the year 2010-11, 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 Accounts – Schedule 19, Note No. 17, forming part of the Annual Report.

ii) 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 at its meeting held on May 17, 2010, a Whistle Blower Policy. During the year 2010-11, no person has been denied access to the Audit Committee.

iii) 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 (IVA)	Yes
(B) Board disclosures	49 (IVB)	Yes
(C) Proceeds from public issues, rights issues, preferential issues etc.	49 (IVC) 49 (IVD)	Yes
(D) Remuneration of Directors	49 (IVE)	Yes
(E) Management	49 (IVF)	Yes
(F) Shareholders	49 (IVG)	Yes
V. CEO/CFO Certification	49 (V)	Yes
VI. Report on Corporate Governance	49 (VI)	Yes
VII. Compliance	49 (VII)	Yes

iv) 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.

v) Declaration by Managing Director

The declaration by the Managing Director stating that all the Board Members and Senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended March 31, 2011, is annexed to the Corporate Governance Report.

7. GENERAL BODY MEETINGS

i) Details of last three AGMs

Year	Venue	Date	Time
2007-08	Godrej Bhavan, 6 th Floor, 4A, Home Street, Fort, Mumbai - 400 001	June 18, 2008	5.00 p.m.
2008-09	Godrej Bhavan, 4 th Floor, 4A, Home Street, Fort, Mumbai - 400 001	July 27, 2009	12.30 p.m.
2009-10	Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021	July 17, 2010	3.30 p.m.

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

Date of AGM	Number of Special Resolution passed	Details of Special Resolution Passed
June 18, 2008	1	Payment of remuneration by way of commission not exceeding ₹ 500,000 p.a. and out of pocket expenses (including travel expenses) to each of the Non-Executive Directors of the Company.
July 27, 2009	5	<ol style="list-style-type: none"> Re-appointment of Mr. Milind S. Korde as Managing Director of the Company with effect from April 1, 2009 for a period of 3 years To make loan(s) and / or give guarantee(s)/ provide any security(ies) in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of Godrej Waterside Properties Private Limited to a limit not exceeding ₹ 250 crores (Two Hundred Fifty crores only), u/s 372A of the Companies Act, 1956. To make loan(s) and/or give guarantee(s)/provide any security(ies) in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of Godrej Developers Private Limited to a limit not exceeding ₹ 250 crores (Two Hundred Fifty crores only) u/s 372A of the Companies Act, 1956. To make loan(s) and/or give guarantee(s)/provide any security(ies) in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of Godrej Realty Private Limited to a limit not exceeding ₹ 50 crores (Fifty crores only) u/s 372A of the Companies Act, 1956. To give Corporate Guarantee to Mjunction Services Ltd. Kolkata for an amount not more than ₹ 3.5 crores (Rupees Three Crores Fifty lacs only) in the event of failure on the part of Godrej Waterside Properties Private Limited to deliver the possession of the office space on the third floor of Tower – I in Godrej Waterside IT Park, situated at Kolkata completed in all respects by July 31, 2009.
July 17, 2010	5	<ol style="list-style-type: none"> To make investment in and/or acquire by way of subscription, purchase or otherwise the securities of the Body Corporate(s)/Limited Liability Partnership(s)/or any such form of organisation(s) formed or incorporated as per the terms of Memorandum of Understanding dated October 8, 2009 and extension letter dated June 3, 2010, to a limit not exceeding ₹ 100 crores (Rupees One Hundred crore only) To make investment in and/or acquire by way of subscription, purchase or otherwise the securities of Udhay-GK Realty Private Limited, to a limit not exceeding ₹ 30 crores (Thirty crore only) To make investment in and/or acquire by way of subscription, purchase or otherwise the securities of Kakade Estate Developers Private Limited or any other Body Corporate formed as per the terms of Agreement dated March 31, 2010 for the Project located at Bhugaon, Pune, from time to time up to a limit not exceeding ₹ 54 crores (Fifty Four crores only) To make investment in and/or acquire by way of subscription, purchase or otherwise the securities of M/s. Lucifer Engineering (P) Limited or any other Body Corporate formed for the Project located at Bhugaon, Pune, from time to time up to a limit not exceeding ₹ 54 crores (Fifty Four crores Only) To make investment in and/or acquire by way of subscription, purchase or otherwise the securities of Body Corporate(s) or for promotion and incorporation of subsidiaries of the Company, up to a limit not exceeding ₹ 500,000 (Rupees Five lacs only) for each such entity, which shall not exceed in aggregate ₹ 1,000,000 (Rupees Ten lacs only) for all of them together, for the real estate development of projects of the Company located at Ahmedabad and Kochi.

iii) 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, four postal ballots were conducted. The Notices of postal ballot were mailed to all shareholders along with postage prepaid envelopes. Mr. S. Anand S.S. Rao, Company Secretary in Practice, had been appointed as Scrutinizer for the postal ballots, who submitted his report to the Chairman, Mr. Adi B. Godrej. The details of the postal ballots conducted during the year are provided herein 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.	May 17, 2010	Special	1. To make loan(s) or place inter corporate deposits with and/or any other form of debt to and/or investment in and/or give guarantee(s)/provide any security(ies) in connection with Loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of M/s. Godrej Estate Developers Private Limited, a subsidiary of the Company to a limit not exceeding ₹ 100 crores.	940	99.9977	0.0023	0.00
			2. To make loan(s) or place inter corporate deposits with and/or any other form of debt to and/or investment in and/or give guarantee(s)/provide any security(ies) in connection with Loan(s) made to and/or acquire by way of subscription, purchase or otherwise the Securities of M/s. Godrej Sea View Properties Private Limited, a subsidiary company to a limit not exceeding ₹ 65 crores.	940	99.9976	0.0024	0.00
			3. To make loan(s) or place inter corporate deposits with and/or any other form of debt to and/or investment in and/or give guarantee(s)/provide any security(ies) in connection with Loan(s) and/or acquire by way of subscription, purchase or otherwise the securities of M/s. Happy Highrises Limited, a subsidiary of the Company to a limit not exceeding ₹ 250 crores.	940	99.9976	0.0024	0.00
2.	September 20, 2010	Special	To make investment in and/or acquire by way of subscription, purchase or otherwise the securities of Body Corporate(s) or for promotion and incorporation of subsidiaries of the Company up to a limit not exceeding ₹ 5,00,000 (Rupees Five lacs only) in each such entity, which shall not exceed in aggregate ₹ 2,000,000 (Rupees Twenty lacs) for all of them together, for the real estate development of three new projects located in Mumbai and one project located in Bengaluru.	648	99.99996	0.00004	0.00

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 %
3.	December 9, 2010	Special	1. To make investment in and/or to make loan(s) or place inter corporate deposits with and/or any other form of debt and/or to provide any security(ies) in connection with such loan(s) and/or give guarantees in connection with Loan(s) given by any other person to and/or acquire by way of subscription, purchase or otherwise the securities of two Body Corporate(s)/Limited Liability Partnership(s)/or any such form of entities or organisation(s) to be formed or incorporated by the Company or together with Godrej & Boyce Manufacturing Company Limited for the development of the proposed projects of the Company located in Hyderabad and Mumbai up to an amount not exceeding ₹ 100,000,000 (Rupees Ten cores only) in each such entity and ₹ 200,000,000 (Rupees Twenty crores only) in the aggregate for all such entities taken together.	736	99.99907	00.00093	0.00
			2. To make investment in and/or to make loan(s) or place inter corporate deposits with and/or any other form of debt and/or to provide any security (ies) in connection with such loan(s) and/or give guarantees in connection with Loan(s) given by any other person to Godrej Buildwell Private Limited up to an amount not exceeding ₹ 1,500,000,000 (Rupees One Hundred Fifty crores only).	736	99.99900	00.00100	0.00
			3. To make investment in and/or to make loan(s) or place inter corporate deposits with and/or any other form of debt and/or to provide any security(ies) in connection with such Loan(s) and/or give guarantees in connection with Loan(s) given by any other person to and/or acquire by way of subscription, purchase or otherwise the securities of Umbarde Realty Private Limited up to an amount not exceeding ₹ 700,000,000 (Rupees Seventy crores only).	736	99.99878	00.00122	0.00

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 %
		Ordinary	4. Increasing the limits of the Performance Bonus (earlier called as Performance Linked Variable Remuneration) of Mr. Milind S. Korde - Managing Director, with effect from April 1, 2010.	736	99.99716	00.00284	0.00
			5. Increasing the limits of the Flexible Compensation of Mr. Pirojsha Godrej, Executive Director, with effect from August 1, 2010.	736	99.99684	00.00316	0.00
4.	March 18, 2011	Special	1. Amending the terms of the existing Godrej Properties Limited Employee Stock Option Plan (GPL ESOP)	711	99.53091	00.46909	0.00
			2.1 Approval of new employee stock grant scheme namely Godrej Properties Limited Employee Stock Grant Scheme 2011 (GPL ESGS) for the benefit of the employees of the Company.	711	99.14076	0.85924	0.00
			2.2 Extending the benefits of GPL ESGS to the employees of Holding and Subsidiary Companies	711	99.14079	00.85921	0.00
			3. To make investments in and/or to make loan(s) or place inter corporate deposits with and/or any other form of debt and/or to provide any security(ies) in connection with such loan(s) and/or gives guarantees in connection with Loan(s) given by any other person to and/or acquire by way of subscription, purchase or otherwise the securities of Body Corporate to be formed or incorporated by the Company for the development of the proposed project of the Company located in Hyderabad up to an amount not exceeding ₹ 350,000,000 (Rupees Thirty Five crores only).	711	99.99841	00.00159	0.00

iv) Procedure adopted for Postal Ballot

- i) The Board at its meeting or through circular resolutions approves the items to be passed through postal ballot and authorises the Managing Director 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 newspaper 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.
- viii) Results are intimated to the Stock Exchange and are put up on the Company's Website.

8. SHAREHOLDERS AND MEANS OF COMMUNICATION

a) Disclosures regarding appointment or re-appointment of Directors

According to the Articles of Association of the Company, at every Annual General Meeting of the Company one-third of the Directors are liable to retire by rotation. Ms. Parmeshwar A. Godrej, Mr. Nadir B. Godrej, Mr. Amit B. Choudhury and Mr. Keki B. Dadiseth shall retire at this Annual General Meeting of the Company and being eligible, offer themselves for re-election.

Further the Board of Directors of the Company in their meeting held on May 7, 2011 approved the re-appointment of Mr. Pirojsha Godrej as Executive Director for a further period of 3 (three) years w.e.f. November 1, 2011 subject to the approval of shareholders.

Information about the Directors who are being appointed/re-appointed is given as an annexure to the Notice of the Annual General Meeting.

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.godrejproperties.com. The quarterly and annual results of the Company's performance are published in leading English dailies like Economic Times and Maharashtra Times. The Company has also posted information relating to its financial results and shareholding pattern on Corporate Filing and Dissemination System at www.corpfiling.co.in as per Clause 52 of Listing Agreement.

c) Investor grievances

As mentioned before, the Company has constituted an Investors' Grievance cum Share Transfer Committee to look into and redress shareholders and investor complaints. Mr. Shodhan A. Kembhavi, Vice-President (Legal) & Company Secretary is the Compliance Officer.

d) Share transfer

The Company has outsourced its share transfer function to M/s. Karvy Computershare Private Ltd., which is registered with SEBI having Registration no. INR000000221.

e) Details of non-compliance

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

DECLARATION BY MANAGING DIRECTOR

I, Milind S. Korde, Managing Director of Godrej Properties Limited (GPL), hereby confirm pursuant to Clause 49(1)(D) of the listing agreement that:

The Board of Directors of Godrej Properties Limited 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.godrejproperties.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, 2011.

Milind S. Korde
Managing Director

Mumbai
May 7, 2011

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

GODREJ PROPERTIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Godrej Properties Limited (the Company) for the period ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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 the compliance of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the record maintained by the Shareholders/Investors Grievance Committee.

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 and Mistry
Chartered Accountants
Firm Registration No. 104607W

Ermin K. Irani
Partner
Membership No: 35646

Place: Mumbai
Dated: May 7, 2011

GENERAL SHAREHOLDERS' INFORMATION

i) Annual General Meeting

Date: July 22, 2011

Time: 3.30 p.m

Venue: Y. B. Chavan Pratishthan, 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, 2011, results were announced on:-

- July 17, 2010 : First Quarter
- October 16, 2010 : Second Quarter
- January 14, 2011 : Third Quarter
- May 7, 2011 :- Annual

iii) Date of Book Closure

A dividend of ₹ 4.5 per share (45%) has been recommended by the Board of Directors of the Company. For payment of dividend, the book closure is from July 18, 2011 to July 22, 2011 (both days inclusive)

iv) Dividend Payment Date

The Dividend, if declared will be paid on August 1, 2011

v) Listing information

The Company's shares are listed on The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Name of Stock Exchange	Stock code
The Bombay Stock Exchange Limited	533150
The National Stock Exchange of India Limited	GODREJPROP

The ISIN No. of the Company on both NSDL & CDSL is INE484J01019

vi) Stock Data

Tables 1 and 2 respectively gives the monthly high and low prices and volumes of equity shares of the Company at BSE and NSE for the year ended March 31, 2011.

Table 1: Monthly High and Low prices and volumes of equity shares of Godrej Properties Limited at BSE for the year ended March 31, 2011:

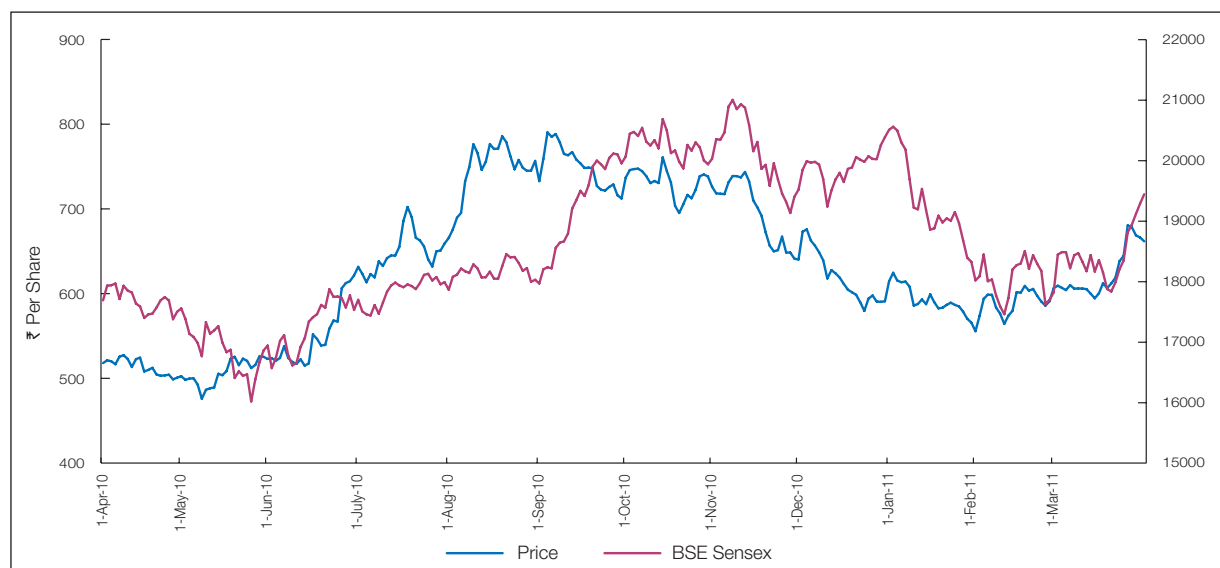
Month	High (₹)	Low (₹)	Volumes traded (No. of Shares)
April	527.30	498.80	272781
May	525.85	475.85	564350
June	631.60	515.05	865171
July	702.25	613.40	1360003
August	785.75	675.75	1993331
September	790.40	712.25	757658
October	760.80	695.15	594670
November	743.60	640.25	193343
December	675.90	579.60	229236
January	624.60	565.80	352592
February	609.10	555.65	943870
March	680.55	594.45	476016

Table 2: Monthly High and Low prices and volumes of equity shares of Godrej Properties Limited at NSE for the year ended March 31, 2011:

Month	High (₹)	Low (₹)	Volumes traded (No. of Shares)
April	529.30	496.05	831610
May	525.10	473.25	1106481
June	631.95	515.10	1638126
July	704.45	612.00	2647611
August	786.35	673.05	4261023
September	791.40	711.10	1814035
October	759.45	694.85	977404
November	744.85	639.80	841742
December	676.25	576.95	636847
January	623.30	566.65	735818
February	606.05	559.00	535335
March	680.35	593.75	344966

Note: High and low prices are in rupees per traded share derived from the closing prices. Volume is the total monthly volume of trade (in numbers) in equity shares of the Company on the BSE and NSE.

The Company's share performance compared to BSE Sensex



vii) Distribution of shareholding as on March 31, 2011

Distribution Schedule as on 31/03/2011

Sr. No.	Category	No. of Shareholders	% of Shareholders	Amount	% Amount
1.	upto 1 - 5000	18935	96.82	11830870.00	1.69
2.	5001 - 10000	292	1.49	2293330.00	0.33
3.	10001 - 20000	146	0.75	2139710.00	0.31
4.	20001 - 30000	44	0.22	1134520.00	0.16
5.	30001 - 40000	22	0.11	791600.00	0.11
6.	40001 - 50000	15	0.08	699570.00	0.10
7.	50001 - 100000	24	0.12	1736490.00	0.25
8.	100001 & Above	79	0.40	677874000.00	97.05
Total		19557	100.00	698500090.00	100.00

viii) Shareholding pattern as on March 31, 2011

Shareholding Pattern as on 31/03/2011

Sr. No.	Description	No. of Shareholders	Shares	% Equity
1.	Promoters	13	58527614	83.79
2.	Mutual Funds	4	1240898	1.78
3.	Banks/Financial Institutions	6	181464	0.26
4.	FII's	20	3850274	5.51
5.	Private Bodies Corporate	436	2242193	3.21
6.	Indian Public	18582	3233535	4.63
7.	NRIs/OCBs	460	77060	0.11
8.	Others	36	496971	0.71
Total		19557	69850009	100.00

ix) Shares held in physical and dematerialised form

Category	Number of Shareholders	Shareholders %	Number of Shares Held	Shareholding %
Physical	132	0.67	48680627	69.69
Electronic	19425	99.33	21169382	30.31
Total	19557	100	69850009	100

x) Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments and their impact on equity

The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible instruments.

xi) Share Transfer

Share transfer and related operations for Godrej Properties Limited are conducted by M/s. Karvy Computershare Private Limited. Share transfer is normally effected within the maximum period of 30 days from the date of receipt, if all the required documentation is submitted.

xii) Investor correspondence should be addressed to

Karvy Computershare Private Limited

(Unit : Godrej Properties Limited)
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel.: 040 – 4465 5000
Fax No.: 040 - 23420814
E-mail ID : einward.ris@karvy.com
Toll Free No. 18003454001
Contact Person – Mr. K. S. Reddy

xiii) Compliance Officer:

Mr. Shodhan A. Kembhavi
Vice President (Legal) & Company Secretary.
Godrej Bhavan, 4th Floor, 4A,
Home Street, Fort, Mumbai - 400 001

xiv) Details of Demat Suspense Account:

Sr. No.	Particulars	No. of cases	No. of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	6	182
2.	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	5	130
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	5	130
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year*.	1	52

Note:

* The voting rights on the shares shall be frozen till the rightful owner shall claim such shares.

FINANCIALS

AUDITORS' REPORT

TO THE MEMBERS OF GODREJ PROPERTIES LIMITED

1. We have audited the attached Balance Sheet of GODREJ PROPERTIES LIMITED, as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) Without qualifying our opinion, we draw attention to the fact that as referred to in Note 1(f) of Schedule 19-Notes to Accounts, in respect of projects under long-term contracts undertaken and/or financed by the Company, we have relied upon the management's estimates of the percentage of completion, costs to completion and on the projections of revenues expected from projects owing to the technical nature of such estimates, on the basis of which profits/losses have been accounted, interest income accrued and realizability of the construction work in progress and project advances determined.
5. (a) Without qualifying our opinion, we draw attention to the fact that as referred to in Note 8a of Schedule 19-Notes to Accounts, regarding a loan of ₹ 368,916,600/- to the GPL ESOP Trust for purchase of the Company's shares from Godrej Industries Ltd. equivalent to options granted under an Employee Stock Option Plan. As at 31st March, 2011, the market value of the shares held by the GPL ESOP Trust is lower than the cost of acquisition of the shares by ₹ 81,549,135/-. The repayment of the loans granted to the GPL ESOP Trust is dependant on the exercise of the options by the employees and 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 value of the underlying equity shares is on account of current market volatility and the loss, if any, can be determined only at the end of the exercise period, in view of which provision for the diminution is not considered necessary in the financial statements.

- (b) Without qualifying our opinion, we draw attention to the fact that as referred to in Note 8b of Schedule 19-Notes to Accounts, regarding a loan of ₹ 82,884,089/- to GIL ESOP Trust for purchase of the Holding Company's shares from the market equivalent to options granted under an Employee Stock Option Plan. As at 31st March, 2011, the market value of the shares held by the GIL ESOP Trust is lower than the cost of acquisition of the shares by ₹ 24,174,390/-. The repayment of the loans granted to the GIL ESOP Trust is dependant on the exercise of the options by the employees and 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 value of the underlying equity shares is on account of current market volatility and the loss, if any, can be determined only at the end of the exercise period, in view of which provision for the diminution is not considered necessary in the financial statements.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
7. On the basis of the written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March, 2011 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 Registration No. 104607W

Ermin K. Irani
Partner
Membership No. 35646
Place: Mumbai
Dated: May 07, 2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, 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.
- (c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
- 2) (a) The inventory includes construction work in progress, and cost of development rights in identified land. Physical verification of inventory have been conducted at reasonable intervals by the management.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) Consequently, the question of commenting on the rates of interest, terms and conditions of the loans granted being prejudicial to the interests of the Company, receipt of regular principal and interest and reasonable steps for recovery of the same does not arise.
- (c) The Company has not taken any loan secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (d) Consequently, the question of commenting on the rates of interest and other terms and conditions of the loans taken being prejudicial to the interests of the Company, payment of regular principal and the interest does not arise.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. There are no sales of service. During the course of our audit, we have not observed a continuing failure to correct major weaknesses in internal controls.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section.
- (b) The transactions made in pursuance of such contracts or arrangements, were made at prices which are reasonable having regard to prevailing market prices at the relevant time, where comparable market price exist.
- 6) In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder, in respect of the deposits accepted from the public.
- 7) The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.
- 8) In our opinion and according to the information and explanations given to us, The Central Government has not been prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- 9) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, during the year, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2011 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 outstanding of Income Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess on account of any dispute other than the following:

Sr. No.	Name of the Statute	Amount	Forum where dispute is pending
1	Income Tax Act, 1961	₹ 558,587/-	Commissioner of Income Tax (Appeals)

- 10) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial years.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions or outstanding debentures.
- 12) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures 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 and according to the information and explanations given to us, 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.
- 15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and other financial institutions.
- 16) According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the term loan has been applied for the purpose for which the loans were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19) The Company did not issue any debentures during the year.
- 20) We have verified the end use of money raised by public issue as disclosed in Note 2 of Schedule 19. Pending utilization of the funds raised through public issue, a sum of ₹ 1,388,377,300/- has been temporarily invested in Mutual Funds and Bank Deposits.
- 21) Based on the audit procedures performed and information and explanations given by the Management, we report that 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 Registration No. 104607W

Ermin K. Irani

Partner

Membership No. 35646

Place: Mumbai

Dated: May 07, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	698,500,090	698,500,090
Reserves and Surplus	2	8,151,938,424	7,455,718,586
LOAN FUNDS			
Secured Loans	3	4,188,897,024	1,284,680,753
Unsecured Loans	4	3,970,694,470	3,264,337,035
		17,010,030,008	12,703,236,464
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		215,781,020	165,480,100
Less: Depreciation		91,899,923	60,419,981
Net Block		123,881,097	105,060,119
Capital Work-in-Progress / Advances		13,808,894	-
		137,689,991	105,060,119
INVESTMENTS	6	788,789,850	2,477,723,964
DEFERRED TAX ASSET		8,190,000	2,794,500
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	1,924,303,584	1,435,939,077
Sundry Debtors	8	2,001,807,181	1,377,092,002
Cash and Bank Balances	9	1,409,583,310	723,493,415
Loans and Advances	10	13,614,810,630	8,216,360,349
		18,950,504,705	11,752,884,843
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	2,404,392,098	1,270,893,012
Provisions	12	470,752,440	364,333,950
		2,875,144,538	1,635,226,962
NET CURRENT ASSETS			
		16,075,360,167	10,117,657,881
		17,010,030,008	12,703,236,464
NOTES TO ACCOUNTS AND ACCOUNTING POLICIES	19		

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

As per our Report of even date.

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

ERMIN K. IRANI

Partner

Mumbai, Dated: May 7, 2011

A. B. GODREJ

Chairman

Signatures to the Balance Sheet and Schedules 1 to 12 and 19

MILIND S. KORDE

Managing Director

SHODHAN A. KEMBHAVI

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
INCOME			
Sales		2,843,410,248	1,123,900,693
Operating Income	13	529,467,830	611,754,265
Other Income	14	1,065,275,339	1,475,372,365
TOTAL INCOME		4,438,153,417	3,211,027,323
EXPENDITURE			
Cost of Sales	15	2,164,746,853	1,038,528,297
Employee Remuneration and Benefits	16	72,011,433	106,851,547
Administration Expenses	17	150,205,672	141,490,427
Interest and Finance Charges	18	460,232,450	312,169,963
Depreciation		35,403,269	24,528,123
		2,882,599,677	1,623,568,357
Profit for the year		1,555,553,740	1,587,458,966
Provision for Taxation			
Current Tax		498,580,000	366,983,000
Deferred Tax		(5,395,500)	2,064,500
		493,184,500	369,047,500
Profit After Tax		1,062,369,240	1,218,411,466
Less: Prior years tax adjustments		(832,981)	(2,137,248)
Surplus brought forward		1,519,538,846	751,069,518
Amount Available for Appropriation		2,581,075,105	1,967,343,736
Less:			
Proposed Dividend		314,325,041	279,400,036
Dividend Distribution Tax		50,991,380	46,404,854
Transfer to General Reserve		107,000,000	122,000,000
Surplus carried forward to Balance Sheet		2,108,758,684	1,519,538,846
Earnings per share Basic/Diluted in ₹ (Refer Note 9)		15.20	19.31
NOTES TO ACCOUNTS AND ACCOUNTING POLICIES	19		

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

As per our Report of even date.

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

ERMIN K. IRANI

Partner

Mumbai, Dated: May 7, 2011

A. B. GODREJ

Chairman

Signatures to the Profit and Loss Account and Schedules 13 to 19

MILIND S. KORDE

Managing Director

SHODHAN A. KEMBHAVI

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
Cash Flow from Operating Activities		
Profit for the Year before Taxation	1,555,553,740	1,587,458,966
Adjustment for:		
Depreciation	35,403,269	24,528,123
Interest Paid	581,195,147	671,317,930
(Profit)/Loss on sale of Fixed Asset (Net)	424,922	(5,932)
Provision for Diminution in value of Investment written back	-	(201)
Investment Written Off	-	616
Interest Income	(77,349,681)	(708,002,676)
Dividend Received	(87,120,788)	(24,417,754)
Profit on Sale of Long Term and Current Investment	(898,782,703)	(1,398,590,265)
Operating Profit before working capital changes	1,109,323,906	152,288,807
Adjustment for:		
Change in Inventory	(488,364,507)	(910,900,009)
Change in Sundry Debtors	(624,715,179)	(236,888,871)
Change in Loans and Advances	(5,376,776,366)	(2,319,465,704)
Change in Current Liabilities/Provisions	1,141,810,817	588,980,038
	(4,238,721,329)	(2,725,985,739)
Taxes Paid (Net)	(440,817,753)	(357,305,497)
Net Cash Flow from Operating Activities	(4,679,539,082)	(3,083,291,236)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(69,618,140)	(60,894,380)
Sale of Fixed Assets	1,160,075	1,576,383
Purchase of Investments	(248,122,510)	(2,978,561,060)
Sale of Investments	2,835,839,327	2,456,616,320
Interest Received	55,675,767	700,178,755
Dividend Received	87,120,788	24,417,754
Net Cash Flow from Investing Activities	2,662,055,307	143,333,772

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital	-	4,285,654,795
Change in Cash Credit	2,904,216,271	(682,248,703)
(Repayment) of Term Loan	-	(600,000,000)
Proceeds from Unsecured Borrowings	615,292,435	631,804,140
(Repayment) of Inter Company Deposit	-	(20,000,000)
(Repayment)/Acceptance of Fixed Deposits	91,065,000	748,943,000
Interest Paid	(581,195,147)	(671,317,930)
Payment of Dividend	(279,400,036)	(151,050,648)
Tax on Distributed Profits	(46,404,854)	(25,671,058)
Net Cash Flow from Financing Activities	2,703,573,669	3,516,113,596
Net Increase in Cash and Cash Equivalent	686,089,894	576,156,132
Cash and Cash Equivalent - Opening Balance	723,493,415	147,337,283
Cash and Cash Equivalent - Closing Balance	1,409,583,309	723,493,415

Notes :

1. The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.
2. Figures for the previous year have been regrouped/restated wherever necessary to conform to this year's classification.

As per our Report of even date

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

ERMIN K. IRANI

Partner

Mumbai, Dated: May 7, 2011

A. B. GODREJ

Chairman

MILIND S. KORDE

Managing Director

SHODHAN A. KEMHAVI

Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 1
SHARE CAPITAL
AUTHORISED

100,000,000 Equity Shares of ₹ 10/- each

As at
31.03.2011
₹As at
31.03.2010
₹

1,000,000,000

1,000,000,000

1,000,000,000

1,000,000,000

ISSUED, SUBSCRIBED AND PAID UP

69,850,009 Equity Shares of ₹ 10/- each fully paid-up
 (Of the above 49,335,209 (Previous Year 48,495,209) shares are held
 by Godrej Industries Ltd, the Holding Company)

698,500,090

698,500,090

Of the above 54,203,845 shares were issued as
 Bonus shares by capitalising Share Premium, General Reserve and
 Profit and Loss Account

698,500,090

698,500,090

SCHEDULE 2
RESERVES AND SURPLUS

Securities Premium

As per last Balance Sheet

5,663,179,740

1,475,805,940

Add: Received during the year

-

4,594,173,800

Less: Utilised for Initial Public Issue expenses

-

406,800,000

5,663,179,740

5,663,179,740

General Reserve

As per last Balance Sheet

273,000,000

151,000,000

Add: Transfer from Profit and Loss Account

107,000,000

122,000,000

380,000,000

273,000,000

Profit and Loss Account

2,108,758,684

1,519,538,846

8,151,938,424

7,455,718,586

SCHEDULE 3**SECURED LOANS****1) Cash Credit/Working Capital Demand Loan**

(Secured by equitable mortgage of immovable property
 of the Company's Project at Juhu, Mumbai)

(Hypothecated against current assets of company and Godrej Real Estate
 Pvt. Ltd.)

4,188,897,024

1,284,680,753

4,188,897,024

1,284,680,753

Of the above,
 Repayable within a year (other than cash credit accounts)

-

-

SCHEDULE 4
UNSECURED LOANS

Fixed Deposits

840,008,000

748,943,000

Banks

3,130,686,470

2,515,394,035

3,970,694,470

3,264,337,035

Of the above,
 Repayable within a year (other than cash credit accounts)

2,530,227,000

2,440,193,000

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 5 : FIXED ASSETS

₹

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 st April, 2010	Additions	Deductions	As at 31 st March, 2011	As at 1 st April, 2010	For the Year	Deductions	As at 31 st March, 2011	As at 31 st March, 2011	As at 31 st March, 2010
Tangible Assets										
Building	17,031,600	-	-	17,031,600	-	851,580	-	851,580	16,180,020	17,031,600
Leasehold Improvement	28,826,119	11,216,070	-	40,042,189	15,476,862	12,730,350	-	28,207,212	11,834,977	13,349,257
Office Equipment	17,496,297	7,125,483	253,764	24,368,016	5,035,895	2,271,775	137,615	7,170,055	17,197,961	12,460,402
Site Equipments	2,072,120	-	2,072,120	-	1,659,834	55,620	1,715,454	-	-	412,286
Furniture and Fixtures	16,836,500	11,621,571	526,815	27,931,256	7,936,689	2,519,197	311,986	10,143,900	17,787,356	8,899,811
Computer	23,933,533	9,178,514	1,353,340	31,758,707	16,582,656	4,568,579	1,140,948	20,010,287	11,748,420	7,350,877
Motor Vehicle	11,293,554	16,198,803	1,302,287	26,190,070	3,463,641	4,340,447	617,325	7,186,763	19,003,307	7,829,913
Intangible Assets										
Licenses and Software	47,990,377	468,805	-	48,459,182	10,264,404	8,065,722	-	18,330,126	30,129,056	37,725,973
Total	165,480,100	55,809,246	5,508,326	215,781,020	60,419,981	35,403,270	3,923,328	91,899,923	123,881,097	105,060,119
Previous Year	75,040,934	93,431,037	2,991,871	165,480,100	37,313,278	24,528,123	1,421,420	60,419,981	105,060,119	
Capital Work-in-progress									13,808,894	-
					TOTAL				137,689,991	105,060,119

SCHEDULE 6 : INVESTMENTS

At Cost

Long Term

Quoted Investments

100 Equity Shares of ₹ 10/- each of
Alacrity Housing Limited

742

742

100 Equity Shares of ₹ 10/- each of
Ansal Buildwell Limited

1,066

1,066

100 Equity Shares of ₹ 10/- each of
Ansal Housing & Construction Limited

1,366

1,366

600 Equity Shares of ₹ 5/- each of
Ansal Properties & Infrastructure Limited

3,081

3,081

100 Equity Shares of ₹ 10/- each of
Lok Housing & Construction Limited

1,241

1,241

100 Equity Shares of ₹ 10/- each of
Global Infrastructure & Technologies Limited

1,641

1,641

Formerly Known as Mantri Housing & Construction Limited

100 Equity Shares of ₹ 10/- each of
Premier Energy & Infrastructure Limited

1,516

1,516

Formerly Known as Premier Hsg & Industrial Ent Limited

100 Equity Shares of ₹ 10/- each of
D. S. Kulkarni Developers

891

891

13,000 Equity Shares of ₹ 2/- each of
Unitech Limited

6,366

6,366

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 6 : INVESTMENTS (Contd.)

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 6 : INVESTMENTS (Contd.)		
72 Equity Shares of ₹10/- each of The Great Eastern Shipping Company Limited	2,485	2,485
18 Equity Shares of ₹10/- each of The Great Offshore Limited	621	621
1,000 Equity Shares of ₹1/- each of Radhe Developers Limited	266	266
23,700 Equity Shares of ₹10/- each of United Textiles Limited	2,370	2,370
	23,652	23,652
Less: Provision for Diminution in Value	7,564	7,564
	16,088	16,088
Unquoted Investments		
1,000 Equity Shares of ₹ 10/- each of Saraswat Co-operative Bank Limited	10,000	10,000
25,000 Equity Shares of ₹ 10/- each of Amitabh Bachchan Corporation Limited	2,500	2,500
Investments in Subsidiary Companies		
510,000 Equity Shares of ₹ 10/- each of Godrej Realty Pvt. Ltd.	5,100,000	5,100,000
1% Secured Redeemable optionally Convertible Debentures of Godrej Realty Pvt. Ltd.	76,500,000	76,500,000
510,000 Equity Shares of ₹ 10/- each of Godrej Waterside Properties Pvt. Ltd.	5,100,000	5,100,000
1% Secured Redeemable optionally Convertible Debentures of Godrej Waterside Properties Pvt. Ltd.	147,900,000	147,900,000
250,500 (Previous Year 388,636) Equity Shares of ₹ 1/- each of Godrej Seaview Properties Pvt. Ltd.	250,500	388,636
50,000 Equity Shares of ₹10/- each of Godrej Real Estate Pvt. Ltd.	500,000	500,000
34,032 Equity Shares of ₹ 10/- each of Godrej Developers Pvt. Ltd.	340,320	340,320
103,592 Equity Shares of ₹ 10/- each of Happy Highrises Limited	163,568,489	163,568,489
255,500 (Previous Year 25,500 of ₹ 10/- each) Equity Shares of ₹ 1/- each of Godrej Estate Developers Pvt. Ltd.	255,000	255,000
24,500 (Previous Year NIL) Equity Shares (Class-A) of ₹ 10/- each of Godrej Buildwell Pvt. Ltd.	245,000	-
1,000 (Previous Year NIL) Equity Shares (Class-D) of ₹ 10/- each of Godrej Buildwell Pvt. Ltd.	10,000	-
50,000 (Previous Year NIL) Equity Shares of ₹ 10/- each of Godrej Buildcon Pvt. Ltd.	500,000	-
50,000 (Previous Year NIL) Equity Shares of ₹ 10/- each of Godrej Projects Development Private Limited	500,000	-

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 6 : INVESTMENTS (Contd.)		
50,000 (Previous Year NIL) Equity Shares of ₹ 10/- each of Godrej Premium Builders Private Limited	500,000	-
50,000 (Previous Year NIL) Equity Shares of ₹ 10/- each of Godrej Garden City Properties Private Limited	500,000	-
100,000 (Previous Year NIL) Equity Shares of ₹ 10/- each of Udhay-GK Realty Private Limited	245,612,510	-
	647,410,407	399,681,033
Total Long Term Investments	647,426,495	399,697,121
Current Investments		
(In Debt Mutual Funds) - Refer Note 2		
Kotak Floater - LT - Daily Dividend Reinvest (Sold 35,050,618.61 Units)	-	353,303,226
JPMorgan India Treasury Fund - Super IP - Daily Dividend Reinvest (Sold 19,468,215.87 Units)	-	194,855,426
Reliance Money Manager Fund - IP - Dly Dividend Reinvest (Sold 192,892.196 Units)	-	193,111,414
ICICI Prudential Flexible Income Plan - Premium - Daily Dividend Reinvest (Sold 3,341,176.86 Units)	-	353,279,335
LIC MF Savings Plus Fund - Daily Dividend Reinvest (Sold 35,351,542.24 Units)	-	353,515,422
HDFC Cash Mgmt Fund - Treasury Advantage - WP - Dly Div Reinvest (Sold 35,217,481.74 Units)	-	353,284,168
IDFC Money Manager - Treasury Plan - Plan C - Dly Dividend Reinvest (Sold 25,230,374.17 Units)	-	252,341,587
FORTIS Money Plus Fund - IP - Daily Dividend Reinvest (Sold 2,434,480.63 Units)	-	24,352,353
1,413,469.334 Units	141,379,443	-
ICICI Prudential Floating Rate Plan D - Daily Dividend Reinvest (Purchased 3,530,022.525 Units and Sold 2,116,553.192 Units)	141,379,443	2,078,042,931
Total Current Investments	788,805,938	2,477,723,964
Total Investments		
1. Cost of Quoted Investments	23,652	23,652
2. Market Value of Quoted Investments	671,014	1,142,410
SCHEDULE 7 : INVENTORIES		
Stock in trade (Refer Note 4 (a))	3,652,160	4,816,919
Construction Work-in-progress (Refer Note 4 (b))	1,920,651,424	1,431,122,158
	1,924,303,584	1,435,939,077
SCHEDULE 8 : SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)		
Due over Six months	76,672,920	822,054,523
Others (Includes unbilled Revenue of ₹ 1,590,475,414/-, Previous Year ₹ 348,931,645/-)	1,925,134,261	555,037,479
	2,001,807,181	1,377,092,002

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash and Cheques-in-Hand	9,717,283	6,381,985
Balance with Scheduled Banks - on Current Accounts	116,544,578	178,010,937
- on Fixed Deposit Accounts	1,283,321,449	539,100,493
(Refer Note 2 & 5)	1,409,583,310	723,493,415
SCHEDULE 10 : LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)		
Advances recoverable in cash or in kind		
or for value to be received (Refer Note 6 (a & b))	8,517,142,951	4,181,234,142
Loan to GIL ESOP Trust	82,884,089	70,974,033
Loan to GPL ESOP Trust	368,916,600	375,119,478
Due on Management Projects (Refer Note 6(c))	799,092,785	677,718,723
Development Manager Fees Accrued but not due (Refer Note 6 (d))	44,456,901	60,230,839
Interest Accrued	96,910,108	75,236,194
Deposits	3,705,407,196	2,775,846,940
	13,614,810,630	8,216,360,349
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors (Refer Note 10)	1,495,316,271	485,786,105
Investor Education and Protection Fund	-	-
Advances received against sale of flats	79,326,082	220,256,051
Deposits	250,590	250,590
Unclaimed Fixed Deposits	511,918	183,000
Unclaimed Dividend	154,652	23,500
Other Liabilities	618,131,168	435,545,904
Due to Management Projects	210,701,417	128,847,862
	2,404,392,098	1,270,893,012
SCHEDULE 12 : PROVISIONS		
For Taxation	77,503,154	18,907,926
(Net of Advance Tax and Tax deducted at source of ₹ 1,792,091,946/-, Previous Year ₹ 1,351,335,693/-)		
Proposed Dividend	314,325,041	279,400,036
Tax on Dividend	50,991,380	46,404,854
Gratuity	12,341,062	7,625,984
Leave Encashment	15,591,803	11,995,150
	470,752,440	364,333,950

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 13 : OPERATING INCOME (GROSS)

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
Income From Development Projects	8,264,574	227,228,811
Compensation Received from Project	50,000,000	70,000,000
Project Management fees	-	3,888
Other Income from Customers	44,436,654	14,552,183
Lease Rent	14,400	14,400
License Fees	12,000	12,000
Interest Income - Projects and landlords	426,740,202	299,942,983
	529,467,830	611,754,265
Tax Deducted at source	44,110,081	52,719,662

SCHEDULE 14 : OTHER INCOME

Dividends	87,120,788	24,417,754
Profit on sale of Fixed Assets (Net)	-	5,932
Profit on sale of Long Term Investments	898,612,344	1,398,581,955
Miscellaneous Income	2,192,526	3,454,998
Interest Income		
- Customers	-	2,250
- Others	77,349,681	48,909,476
	1,065,275,339	1,475,372,365
Tax Deducted at source	7,869,197	4,938,947

SCHEDULE 15 : COST OF SALES

Own Projects

Opening Stock:	1,435,939,077	525,039,070
Add : Expenditure/ Transfers from Advances during the year		
Stock-in-Trade Acquired during the year	-	317,741,314
Development Rights	89,026,707	115,882,000
Construction, Material and Labour	1,558,042,000	974,292,348
Architect Fees	151,647,431	75,974,660
Advertisement Expenses	119,210,754	41,859,043
Overheads	679,557,802	377,376,685
Interest	61,024,562	305,833,636
	2,658,509,256	2,208,959,686
Less: Project transferred to Subsidiary Company	5,397,896	259,531,382
Less: Closing Stock	1,924,303,584	1,435,939,077
	2,164,746,853	1,038,528,297

SCHEDULE 16 : EMPLOYEE REMUNERATION AND BENEFITS

Salaries, Bonus, Gratuity and Allowances	60,399,203	98,665,676
Contribution to Provident and other funds	11,612,230	8,185,871
	72,011,433	106,851,547

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 17 : ADMINISTRATION EXPENSES

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
Cost of Project Management	-	187,177
Consultancy Charges	11,223,167	7,094,890
Service Charges	115,813	135,478
Loss on sale of Fixed Assets (Net)	424,922	-
Power and Fuel	2,293,415	4,445,260
Rent	22,692,061	28,094,016
Insurance	1,191,169	234,543
Rates and Taxes	276,434	119,371
Other Operating Expenses	111,988,691	101,179,277
Diminution in value of investments written off	-	415
	150,205,672	141,490,427

SCHEDULE 18 : INTEREST AND FINANCE CHARGES

Interest Paid		
- Banks	448,419,955	526,978,921
- Inter Corporate Deposits	6,739,726	8,234,384
- Projects and landlords	35,961,458	76,841,766
- Others	74,844,951	32,952,168
Total Interest Paid	565,966,090	645,007,239
Add : Brokerage and other Financial charges	15,229,057	26,310,691
Total Interest/Finance Charges Paid	581,195,147	671,317,930
Less : Capitalised to Projects	120,962,697	359,147,967
NET INTEREST PAID	460,232,450	312,169,963

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 19 : NOTES TO ACCOUNTS AND ACCOUNTING POLICIES

1. Accounting Policies:

a) General

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units/assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

c) Depreciation/Amortization

Depreciation has been provided on Written Down Value basis, at the rates specified in Schedule XIV of the Companies Act, 1956.

Assets acquired on lease are depreciated over the period of the lease.

Leasehold improvements are amortized over a period of lease or five years whichever is more.

Intangible Assets are amortized over a period of six years.

d) 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 recognize a decline, other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

e) Inventories

Inventories are valued as under:

- | | |
|----------------------------------|------------------------------------|
| a) Completed Flats | - At lower of Cost or Market value |
| b) Construction Work-in-Progress | - At cost |

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 Company.

f) Revenue Recognition

The Company is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognized in Profit and Loss Account 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. If the actual project cost incurred is less than 20% of the total estimated project cost, no income is recognized in respect of that project in the relevant period. 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 recognized in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately.

Revenue on bulk deals on sale of its properties is recognized on execution of documents.

Income from operation of commercial complexes is recognized over the tenure of the lease/service agreement.

Interest income is accounted on an accrual basis at contracted rates.

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

SCHEDULES FORMING PART OF THE ACCOUNTS

g) Development Manager Fees

The Company has been entering into Development and Project Management agreements with landlords. Accounting for income from such projects is done on accrual basis on percentage of completion or as per the terms of the agreement.

h) Employee Benefits**(a) Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

(b) Post-employment benefits:**(i) Defined Contribution Plans:**

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans:

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

(iii) Other long-term employee benefits:

Other long-term employee benefits viz. leave encashment is recognized as an expense in the profit and loss account as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect such benefits are charged to the profit and loss account.

i) Borrowing Cost

Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects are transferred to Construction Work-in-Progress/Due on Management Project, as a part of the cost of the projects at weighted average of the borrowing cost/rates as per Agreements respectively.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

j) Earnings Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

k) Provision for Taxation

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

SCHEDULES FORMING PART OF THE ACCOUNTS

l) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are translated at the year end exchange rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at year end exchange rates. The premium payable on foreign exchange contracts is amortised over the period of the contract. Exchange gains/losses are recognised in the Profit and Loss Account.

m) Allocation of Expenses

Corporate Employee Remuneration and Administration expenses are allocated to various projects on a reasonable basis as estimated by the management.

n) Provisions and Contingent Liabilities

Provisions are recognized 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. The Initial Public Offer (IPO) proceeds have been utilized as per objects of the issue as stated in the prospectus as under:

Particulars	(Amount in ₹)
Amount Received from IPO	4,688,471,300
Utilization of Funds upto 31 st March, 2011:	
Funding to part finance the acquisition of land developments rights and construction costs	1,393,043,857
Repayment of Loans	1,501,700,000
Issue Expenses	405,350,143
Balance unutilized amount temporarily invested in Mutual Funds	1,38,377,300
Fixed Deposit/Bank Balance	1,250,000,000
TOTAL	4,688,471,300

As on 31st March, 2011, unutilized funds have been temporarily invested in mutual funds schemes and fixed deposit with banks as mentioned in the prospectus of the Company.

3. Contingent Liabilities:

Matters	As at 31 st March, 2011 ₹	As at 31 st March, 2010 ₹
a) Uncalled amount of ₹ 80/- & ₹ 30/- on 70 & 75 partly paid shares respectively of Tahir Properties Limited	7,850/-	7,850/-
b) Claims against the Company not acknowledged as debts represents cases filed by parties in the Consumer forum and High Court and disputed by the Company as advised by our advocates. In the opinion of the management the claims are not sustainable.	30,144,189/-	798,647/-
c) Claims against the Company under the Labour Laws for disputed cases	1,989,240/-	1,989,240/-
d) Guarantees given by Bank, counter guaranteed by the Company	122,734,000/-	30,500,000/-
e) Claims against the Company under Bombay Stamp Act, 1958	14,850,000/-	14,850,000/-
f) Other Claims against the Company not acknowledged as debts	3,925,000/-	9,925,000/-
g) Claims against the Company under Income Tax Act, Appeal preferred to Commissioner of Income Tax (Appeals)	558,587/-	3,369,812/-

SCHEDULES FORMING PART OF THE ACCOUNTS

Capital Commitment outstanding for the year ended 31st March, 2011 (Net of Advance) is amounting to ₹ 7,157,288/- (Previous Year ₹ NIL).

4. Inventories

a) Stock-in-Trade includes shares in the following Companies - at cost or market value (whichever is lower):

Particulars	Current Year ₹	Previous Year ₹
Tahir Properties Limited		
a) 70 Equity shares of ₹ 100/- each, ₹ 20/- paid-up	1,400	1,400
b) 75 Redeemable Preference Class A shares of ₹100/- each, ₹70/- paid	5,250	5,250

b) Construction Work-in-Progress and Due on Management projects represents materials at site and unbilled cost on the projects based on projections and estimates by the Company of the expected revenues and costs to completion. In the opinion of the management, the net realizable value of the construction work-in-progress will not be lower than the costs so included.

5. Cash and Bank Balances:

Balances with scheduled banks on deposit accounts include ₹ 26,907,709/- (Previous Year ₹ 34,422,705/-) received from flat buyers and held in trust on their behalf in a corpus fund.

6. Loans and Advances:

a) Amounts due from companies under the same management:

Particulars	Maximum Debit Balance during the year	Balance as on March 31, 2011	Balance as on March 31, 2010
Godrej Industries Ltd.	4,349,136	4,349,136	3,249,136

b) Loan and Advance to Subsidiary Companies:

Particulars	Maximum Debit Balance during the year	Balance as on March 31, 2011	Balance as on March 31, 2010
Godrej Realty Pvt. Ltd.	-	-	16,032,697
Godrej Waterside Properties Pvt. Ltd.	2,795,160,649	2,795,160,649	556,396,071
Godrej Sea View Properties Pvt. Ltd.	318,087,515	318,087,515	141,085,481
Godrej Real Estate Pvt. Ltd.	1,163,444,034	1,163,444,034	983,867,205
Godrej Developers Pvt. Ltd.	567,704,344	433,759,985	501,260,304
Happy Highrises Limited	1,523,994,154	1,523,994,154	1,227,097,105
Godrej Estate Developers Pvt. Ltd.	1,150,593,024	1,150,593,024	590,596,924
Godrej Buildwell Pvt. Ltd.	791,240,394	791,240,394	-
Godrej Buildcon Pvt. Ltd.	38,900	38,900	-
Godrej Projects Development Pvt. Ltd.	16,301,238	16,301,238	-
Godrej Garden City Properties Pvt. Ltd.	33,208	33,208	-
Godrej Premium Builders Pvt. Ltd.	33,208	33,208	-
Udhay-GK Realty Pvt. Ltd.	5,000,300	5,000,300	-

c) Due on Management Projects include a sum of ₹ 21,565,250/- (Previous Year ₹ 21,564,700/-) on account of a project, where the matter is sub-judice with arbitrators.

SCHEDULES FORMING PART OF THE ACCOUNTS

- d) The Company has been entering into Development Agreements with landlords. Development Manager Fees amounting to ₹ 44,456,901/- (Previous Year ₹ 60,230,839/-) 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 Manager Fees accrued but not due in Schedule 10.

7. Leases:

- a) The Company's significant leasing arrangements are in respect of operating leases for Residential premises. Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

Particulars	Current Year ₹	Previous Year ₹
Future minimum lease receipts under non-cancellable operating leases		
➤ Not later than 1 year	26,400	26,400
➤ Later than 1 year and not later than 5 years	105,600	105,600

- b) The Company's significant leasing arrangements are in respect of operating leases for Commercial/Residential premises. Lease expenditure for operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

Particulars	Current Year ₹	Previous Year ₹
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	28,464,198	28,603,511
➤ Later than 1 year and not later than 5 years	47,457,972	33,332,065
➤ Later than 5 years	3,208,397	6,047,901

8. Employee Stock Option Plan:

- a) During the financial year ended 31st March, 2008, the Company instituted an employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 442,700 options convertible into 442,700 Equity Shares of ₹ 10/- each to eligible employees of Godrej Properties Limited and its Subsidiary Companies (the Participating Companies) with effect from 28th December, 2007.

The Scheme is administered by an Independent ESOP Trust which has purchased shares from Godrej Industries Limited (The holding Company), equivalent to the number of options granted to the eligible employees of the Participating Companies.

Particulars	No. of Options		Weighted Average Exercise Price ₹
	Current Year	Previous Year	
Options Outstanding at the beginning of the year	403,700	412,700	620.00 (plus interest)
Options granted	-	-	-
Options exercised	-	-	-
Less: Forfeited/ Expired/ Lapsed/ Idle/ Available for reissue	31,000	9,000	-
Options Outstanding at the year end	372,700	403,700	620.00 (plus interest)

The Option granted shall vest after five years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within three years after vesting.

However in the event that during the 4th and 5th year of the vesting period that is in the year 2011 and 2012, the average of the closing market prices of the shares of the Company on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on each day exceeds the exercise price by not less than ₹50 for a consecutive period of 30 days, the option shall be deemed to have vested on the day immediately following the 30th day, as determined by the Remuneration Committee.

SCHEDULES FORMING PART OF THE ACCOUNTS

The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since, the price of the underlying equity shares on the grant date is same/ less than exercise price of the option, the intrinsic value of option, therefore being determined as nil.

The Company has provided loan of ₹ 368,916,600/- (Previous Year ₹ 375,119,478/-) to GPL ESOP, which is administered by an independent ESOP Trust which has purchased shares of GPL from Godrej Industries Limited equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted by the Company to ESOP Trust is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period. 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 ₹ 81,549,135/- (Previous Year ₹ 117,750,174/-) is not considered necessary in the financial statements.

- b) The Company has provided loan of ₹ 82,884,089/- (Previous Year ₹ 70,974,033/-) to Godrej Industries Limited Employee Stock Option Scheme (GIL ESOP), which is administered by an independent ESOP Trust which purchases shares of GIL from the market equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted by the Company to ESOP trust is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period. 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 ₹ 24,174,390/- (Previous Year ₹ 29,016,289/-) is not considered necessary in the financial statements.

9. Earnings Per Share

Particulars	Current Year	Previous Year
Profit after tax and prior years tax adjustments as per Profit & Loss Account	₹ 1,061,536,259	₹ 1,216,274,218
Weighted average no. of equity shares outstanding	69,850,009	62,977,917
Basic earnings per share	₹ 15.20	₹ 19.31
Nominal value of shares	₹10 /-	₹10 /-

10. Dues To Micro, Small And Medium Industries

Disclosure of sundry creditors under current liabilities 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 31st March, 2011 to Micro, Small and Medium Enterprises on account of principal amount together with interest and also during the previous year.

11. The amount of exchange difference included in the Profit and Loss Account, under the related heads of expenses is ₹ (337,174/-). (Previous Year ₹ (25,624/-)).

12. Expenditure in Foreign Currency

Particulars	Current Year ₹	Previous Year ₹
Travelling Expenses	2,429,479	1,788,397
Other Expenditure	97,711,862	64,963,887
Total	100,141,341	66,752,284

13. Deferred Tax

The tax effect of significant temporary differences that resulted in deferred tax assets are:

Particulars	Current Year ₹	Previous Year ₹
Depreciation on Fixed Assets	(880,000)	(3,523,000)
Others	9,070,000	6,317,500
Deferred Tax Asset	8,190,000	2,794,500

SCHEDULES FORMING PART OF THE ACCOUNTS

14. Computation of Net Profit under Section 349 of the Companies Act, 1956.

Particulars	Current Year ₹	Previous Year ₹
Profit before Tax as per Profit and Loss Account	1,555,553,740	1,587,458,966
Add:		
Managerial Remuneration	48,888,368	39,754,731
Depreciation	35,403,269	24,528,123
Loss on sale of Fixed Asset	424,922	-
Less:		
Depreciation	35,403,269	24,528,123
Profit on sale of Fixed Asset	-	5,932
Net Profit for the purpose of Directors Remuneration	1,604,867,030	1,627,207,765
(a) 11% (Previous Year 11%) of Net Profit as computed above	176,535,373	178,992,854

Managerial Remuneration:

	Particulars	Current Year ₹	Previous Year ₹
A	Salaries	31,628,802	20,210,392
B	Contribution to Provident Fund	1,768,037	1,048,608
C	Estimated Monetary Value of Perquisites	14,115,085	7,873,598
D	Performance Bonus	9,484,412	13,434,848
E	Director Sitting Fees to Non-Executive Director	910,000	1,005,000
F	Commission to Non-Executive Director	5,436,986	5,000,000
	Total	63,343,322	48,572,446

Notes:

In case of the Managing Director and Executive Directors, Performance Bonus of ₹ 9,484,412/- is on the basis of provision made in the accounts.

15. Amounts paid to Auditors

Particulars	Current Year ₹	Previous Year ₹
Audit Fees	4,278,537	1,963,340
Audit under other Statutes	1,224,330	1,036,820
Certification under other Statutes	-	1,384,265
Other Certifications	183,999	118,703
Consultancy Charges	2,089,634	4,412
Reimbursement of Expenses	8,022	8,553

16. Segment Information: As the Company has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

SCHEDULES FORMING PART OF THE ACCOUNTS

17. Related Party Disclosures:**1. Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below:****(i) Relationships:**

Shareholders (Holding Company)

Godrej Industries Limited (GIL) holds 70.63% (Previous Year 69.43%) shares in the Company. GIL is the subsidiary of Godrej & Boyce Mfg. Co. Limited, the Ultimate Holding Company.

(ii) Subsidiaries:

Godrej Realty Private Limited (51%)

Godrej Waterside Properties Private Limited (51%)

Godrej Real Estate Private Limited (100%)

Godrej Developers Private Limited (51%)

Godrej Sea View Properties Private Limited (50.10%) (77.73% upto 03rd May, 2010)

Happy Highrises Limited (51%)

Godrej Estate Developers Private Limited (51%)

Godrej Buildwell Private Limited (49%) (100% upto 29th September, 2010) (Subsidiary due to control over composition of Board of Directors)

Godrej Buildcon Private Limited (100%) (Subsidiary w.e.f. 21st September, 2010)

Godrej Projects Development Private Limited (100%) (Subsidiary w.e.f. 22nd November, 2010)

Godrej Premium Builders Private Limited (100%) (Subsidiary w.e.f. 18th February, 2011)

Godrej Garden City Properties Private Limited (100%) (Subsidiary w.e.f. 18th February, 2011)

Udhay - GK Realty Private Limited (100%) (Subsidiary w.e.f. 07th March , 2011)

(iii) Other Related Parties in Godrej Group, where common control exists:

Vora Soaps Limited

Bahar Agrochem & Feeds Private Limited

Ensemble Holdings & Finance Limited

Godrej Appliances Limited

Godrej Agrovat Limited

Godrej Consumer Products Limited

Godrej Household Products Limited (Formerly known as Godrej Saralee Limited)

Godrej SCA Hygiene Limited

Godrej Hershey Limited

Godrej Infotech Limited

Natures Basket Limited

(iv) Key Management Personnel:

Mr. Milind Surendra Korde

Mr. Pirojsha Godrej

Mr. K.T. Jithendran

(v) Individuals exercising Significant Influence:

Mr. A. B. Godrej

Mr. N. B. Godrej

SCHEDULES FORMING PART OF THE ACCOUNTS

2. The following transactions were carried out with the related parties in the ordinary course of business.

(i) Details relating to parties referred to in items 1 (i), (ii) and (iii) above

(Amt in ₹)

Sr. No.	Description	Godrej & Boyce Mfg. Co. Ltd.	Godrej Industries Ltd.	Subsidiaries	Other Related Parties in Godrej Group
		(i)	(ii)	(iii)	(iv)
1.	Investment in equity/ preference share capital	- -	- -	25,10,000 -	- -
2.	Purchase of fixed assets	2,915,497 16,358,085	- -	- -	- -
3.	Advances given	2,500,000 -	- -	4,158,870,866 2,042,546,970	- -
4.	Sale of Fixed Assets	- -	- -	90,398 -	- -
5.	Advance received against sale of flats	- -	18,070,120 86,284,840	- -	- -
6.	Loans & Advances repaid	- -	- -	1,428,844,105 1,092,756,863	- -
7.	Deposit given	- -	1,750,000 1,600,000	- -	- -
8.	Deposit repaid	- -	650,000 -	- -	- -
9.	Inter-Corporate Deposit taken	- -	- 55,000,000	- -	- 10,000,000
10.	Inter-Corporate Deposit repaid	- -	- 55,000,000	- -	- 10,000,000
11.	Interest (Paid)/Received on Inter-Corporate Deposit	- -	- (3,571,233)	- -	- (39,041)
12.	Construction & other expenses incurred on behalf of other companies	- -	5,639,464 2,286,799	594,289,826 735,552,192	7,426,854 228,393
13.	Expenses charged by other companies	67,113,623 94,505,898	51,845,477 26,706,213	- 9,604,511	750,825 10,864
14.	Dividend Paid	2,760,000 1,725,000	193,980,836 121,238,023	- -	7,871,400 4,919,625
15.	Outstanding receivables, net of (payables)	(1,799,504) (14,470,248)	(1,777,112) (7,838,443)	7,852,090,101 4,016,335,787	- -
16.	Deposits Receivable	- -	4,325,000 3,225,000	- -	- -

Figures in italics are for previous year.

SCHEDULES FORMING PART OF THE ACCOUNTS

(ii) Details relating to persons referred to in items 1 (iv) & (v) above

Sr. No	Key Management Personnel	Current Year ₹	Previous Year ₹
1.	Remuneration	56,996,336	42,567,446
2.	Reimbursement of Travel Expenses	-	240,000
3.	Dividend Paid	2,354,988	1,466,868
4.	Individuals exercising significant Influence: Dividend paid – Mr. N. B. Godrej	6,921,000	4,325,625

3. Significant Related Party Transactions.

Nature of Transactions	Subsidiaries and Other Related Parties in the Godrej Group	Amount ₹
Investment in equity share capital	Godrej Buildwell Private Limited	5,10,000
		-
	Godrej Buildcon Private Limited	5,00,000
		-
	Godrej Projects Development Private Limited	5,00,000
		-
Purchase of fixed assets	Godrej Premium Builders Private Limited	5,00,000
		-
	Godrej Garden City Properties Private Limited	5,00,000
		-
		16,358,085
Advances given	Godrej & Boyce Mfg. Co. Limited	2,915,497
		763,850,000
	Godrej Waterside Properties Private Limited	2,091,110,215
	Godrej Developers Private Limited	510,967,916
	Godrej Estate Developers Private Limited	501,687,500
Advances Repaid	Godrej Estate Developers Private Limited	533,828,735
	Godrej Buildwell Private Limited	329,645,356
		751,625,000
		-
		-
Advance received against sale of flats	Godrej Waterside Properties Private Limited	444,672,773
	Godrej Developers Private Limited	500,752,038
	Happy Highrises Limited	629,500,000
		453,900,000
Inter-Corporate Deposits taken during the year		232,890,000
		31,900,000
		-
Inter-Corporate Deposits repaid during the year	Godrej Industries Limited	18,070,120
		86,284,840
		-
Deposit Given	Natures Basket Limited	55,000,000
		-
		10,000,000
Deposit Given	Godrej Industries Limited	-
		55,000,000
	Natures Basket Limited	-
Deposit Given		10,000,000
		-
Deposit Given	Godrej Industries Limited	1,750,000
		1,600,000

SCHEDULES FORMING PART OF THE ACCOUNTS

Nature of Transactions	Subsidiaries and Other Related Parties in the Godrej Group	Amount ₹
Deposit Repaid	Godrej Industries Limited	650,000 -
Construction and other expenses incurred on behalf of other companies	Happy Highrises Limited Godrej Waterside Properties Private Limited Godrej Real Estate Private Limited Godrej Developers Private Limited Godrej Estate Developers Private Limited	145,181,159 181,214,018 159,501,846 77,778,258 59,043,666 118,101,621 55,415,917 61,571,202 85,561,685 264,496,384
Expenses charged by other companies.	Godrej & Boyce Mfg. Co. Limited Godrej Industries Limited	67,113,623 94,505,898 51,845,477 26,706,213
Interest (Paid)/Received on Inter-Corporate Deposits given	Godrej Industries Limited	- (3,571,233)
Outstanding receivables, net of (payables)	Godrej Real Estate Private Limited Happy Highrises Limited Godrej Developers Private Limited Godrej Waterside Properties Private Limited Godrej Estate Developers Private Limited Godrej Buildwell Private Limited	1,163,444,034 983,867,205 1,523,994,154 1,227,097,105 433,759,986 501,260,304 2,775,253,748 556,396,071 1,150,593,024 590,596,924 791,240,394 -
Dividend Paid	Godrej Industries Limited	193,980,836 121,238,023
Deposit Receivable	Godrej Industries Limited	4,325,000 3,225,000

18. Employee Benefits

(i) Defined Contribution Plans:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Particulars	Current year ₹	Previous year ₹
Employers' Contribution to Provident Fund	11,541,377	8,144,688
Employers' Contribution to ESIC	70,853	41,183

(ii) Defined Benefit Plans:

(a) Contribution to Gratuity Fund

Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Company's policy whichever is beneficial to the employees.

SCHEDULES FORMING PART OF THE ACCOUNTS

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements:

Particulars	Current year ₹	Previous year ₹
Change in present value of obligation		
Present value of obligation as at beginning of the year	7,625,984	6,450,060
Interest Cost	610,079	499,880
Service Cost	2,816,472	1,231,678
Benefits Paid	(738,901)	(1,224,663)
Effect of Liability Transfer in	-	238,552
Actuarial (gain)/loss on obligation	2,027,428	430,477
Present value of obligation, as at end of the year	12,341,062	7,625,984
Amount recognized in the Balance Sheet		
Present value of obligation, as at end of the year	(2,027,428)	(430,477)
Fair value of plan assets as at end of the year	-	-
Net obligation as at end of the year	(2,027,428)	(430,477)
Net gratuity cost for the year ended		
Current Service Cost	1,343,752	1,231,678
Interest Cost	610,079	499,880
Expected return on plan assets	-	-
Past Service Cost (Vested Benefit)	1,472,720	-
Net Actuarial (gain)/loss to be recognized	2,027,428	430,477
Net gratuity cost	5,453,979	2,162,035
Assumptions used in accounting for the gratuity plan		
	(In %)	(In %)
Discount Rate	8.00	7.75
Salary escalation rate	5.00	4.75

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

SCHEDULES FORMING PART OF THE ACCOUNTS

19. Information in respect of Joint Ventures.

Jointly Controlled Operations - Development of the following Residential/Commercial Projects:

Coliseum, Mumbai	- Profit sharing
Woodsman Estate, Bangaluru	- Revenue Sharing
Gold County, Bangaluru	- Revenue Sharing
Planet Godrej, Mumbai	- Profit Sharing
Edenwoods, Mumbai	- Revenue/Profit Sharing
Shivajinagar, Pune	- Profit Sharing
Bhugaon, Pune	
Avalon Project	- Area Sharing/Revenue Sharing
Sanjay Khan, Bangaluru	- Revenue Sharing
Grenville Park, Mumbai	- Profit Sharing
Godrej Garden City, Ahmedabad	- Area Sharing
K. Syama Raju, Bangaluru	- Area Sharing/Revenue Sharing
Vikhroli	- Profit Sharing
Kochi	- Revenue Sharing
Umbarde Kalyan	- Revenue Sharing
Frontier, Gurgaon	- Area Sharing/Revenue Sharing
Solitaire, Chembur	- Revenue Sharing

20. Previous year figures have been regrouped/rearranged where ever necessary to confirm to current year's classification.

21. Additional information as required under Part IV of Schedule VI of the Companies Act, 1956 to the extent not applicable has not been given.

SCHEDULES FORMING PART OF THE ACCOUNTS

22. Statement Pursuant to Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract for the Year Ended 31st March, 2011 And Company's General Business Profile

a) Registration Details

Registration No.	L74120MH1985PLC035308
State Code	11
Balance Sheet Date	31 st March, 2011

b) Capital raised during the year (Amount in ₹ Thousands)

Public Issue (Including Premium)	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

c) Position of mobilisation and deployment of funds (Amount in ₹ Thousands)

Total Liabilities	19,885,175
Total Assets	19,885,175

Sources of Funds

Paid-up Capital	698,500
Reserves and Surplus	8,151,938
Secured Loans	4,188,897
Unsecured Loans	3,970,695

Application of Funds

Net Fixed Assets	137,690
Investments	788,790
Net Current Assets	16,075,360
Miscellaneous Expenditure	Nil
Deferred Tax Asset	8,190
Accumulated Losses	Nil

d) Performance of Company (Amount in ₹ Thousands)

Turnover	4,438,153
Total Expenditure (Net of other income)	2,882,600
Profit before tax	1,555,554
Profit after tax	1,062,369
Earning per Share in ₹ (on an annualized basis)	15.20
Dividend rate %	45

e) Generic Name of three principal products/services of Company

N.A

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1	Name of the Subsidiary Company	Godrej Developers Private Limited	Godrej Estate Developers Private Limited	Godrej Real Estate Private Limited	Godrej Realty Private Limited	Godrej Sea View Properties Private Limited	Godrej Waterside Properties Private Limited	Happy Highrises Limited	Godrej Buildwell Private Limited	Godrej Buildcon Private Limited	Godrej Projects Development Private Limited	Godrej Garden City Properties Private Limited	Godrej Premium Builders Private Limited	Udhay GK - Realty Private Limited
2	The Company's interest in the subsidiaries as on 31 st March, 2011													
	a) Number of Equity Shares	34,032	255,000	50,000	510,000	250,500	510,000	103,592	25,500	50,000	50,000	50,000	50,000	100,000
	Total Number of Shares	66,730	500,000	50,000	1,000,000	500,000	1,000,000	203,120	53,220	50,000	50,000	50,000	50,000	100,000
	b) Face Value (₹)	10	1	10	10	1	10	10	10	10	10	10	10	10
	c) Extent of Holding	51.00%	51.00%	100.00%	51.00%	50.10%	51.00%	51.00%	49.00% & Control over composition of BOD	100.00%	100.00%	100.00%	100.00%	100.00%
3	Net aggregate profit/(loss) of the subsidiary company so far it concerns the members of the Company													
	A. For the financial year ended on 31 st March, 2011													
	i. Not dealt with in the books of Accounts of the Company	4,636,286	2,342,314	(338,544)	2,354,511	(767,470)	(273,441)	114,840,007	(926)	(160,028)	(1,430,320)	(155,293)	(155,293)	126,019,987
	ii. Dealt with in the books of account of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-
	B. For the subsidiary company's previous financial years since it became a subsidiary													
	i. Not dealt with in the books of Accounts of the Company	(92,116)	(74,492)	(464,830)	3,168,076	(170,527)	7,417,929	10,646,309	-	-	-	-	-	-
	ii. Dealt with in the books of account of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-

A. B. GODREJ
Chairman

MILIND S. KORDE
Managing Director

SHODHAN A. KEMBHAVI
Company Secretary

Mumbai, Dated: May 7, 2011

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF GODREJ PROPERTIES LIMITED ON CONSOLIDATED FINANCIAL STATEMENTS

- 1) We have examined the attached Consolidated Balance Sheet of Godrej Properties Limited, its Subsidiaries as at 31st March, 2011 and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Godrej Properties Limited and its subsidiaries included in the consolidated financial statements.
- 4) Without qualifying our opinion, we draw attention to the fact that as referred to in Note 1(g) of Schedule 19-Notes to Accounts, in respect of projects under long term contracts undertaken and/or financed by the Company, we have relied upon the management's estimates of the percentage of completion, costs to completion and on the projections of revenues expected from projects owing to the technical nature of such estimates, on the basis of which profits/losses have been accounted, interest income accrued and realizability of the construction work in progress and project advances determined.
- 5)
 - (a) Without qualifying our opinion, we draw attention to the fact that as referred to in Note 10(a) of Schedule 19-Notes to Accounts, regarding a loan of Rs. 368,916,600/- to the GPL ESOP Trust for purchase of the Company's shares from Godrej Industries Ltd. equivalent to options granted under an Employee Stock Option Plan. As at 31st March, 2011, the market value of the shares held by the GPL ESOP Trust is lower than the cost of acquisition of the shares by Rs. 81,549,135/-. The repayment of the loans granted to the GPL ESOP Trust is dependant on the exercise of the options by the employees and 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 value of the underlying equity shares is on account of current market volatility and the loss, if any, can be determined only at the end of the exercise period, in view of which provision for the diminution is not considered necessary in the financial statements.
 - (b) Without qualifying our opinion, we draw attention to the fact that as referred to in Note 10(b) of Schedule 19-Notes to Accounts, regarding a loan of Rs. 82,884,089/- to GIL ESOP Trust for purchase of the Holding Company's shares from the market equivalent to options granted under an Employee Stock Option Plan. As at 31st March, 2011, the market value of the shares held by the GIL ESOP Trust is lower than the cost of acquisition of the shares by Rs. 24,174,390/-. The repayment of the loans granted to the GIL ESOP Trust is dependant on the exercise of the options by the employees and 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 value of the underlying equity shares is on account of current market volatility and the loss, if any, can be determined only at the end of the exercise period, in view of which provision for the diminution is not considered necessary in the financial statements.

- 6) In our opinion and to the best of our information and according to the explanations given to us and on consideration of separate audit report on the individual audited financial statements of Godrej Properties Limited and its subsidiaries, the consolidated financial statements read with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Godrej Properties Limited and its subsidiaries as at 31st March, 2011; and
 - ii) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations Godrej Properties Limited and its subsidiaries for the year ended on that date.
 - iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Godrej Properties Limited and its subsidiaries for the year ended on that date.

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

Ermin K. Irani
Partner
Membership No. 35646
Place: Mumbai
Dated: May 07, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	698,500,090	698,500,090
Reserves & Surplus	2	8,417,434,422	7,474,196,215
LOAN FUNDS			
Secured Loans	3	5,477,897,024	3,831,480,753
Unsecured Loans	4	3,970,694,470	3,264,337,035
MINORITY INTEREST		148,347,305	29,717,580
		18,712,873,311	15,298,231,673
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		560,039,142	339,593,249
Less: Depreciation		99,228,285	63,471,061
Net Block		460,810,857	276,122,188
Capital Work-In-Progress/Advances		13,808,894	2,182,485
		474,619,751	278,304,673
INVESTMENTS	6	141,408,031	2,078,071,519
DEFERRED TAX ASSET		8,403,500	2,731,500
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	10,154,493,284	7,250,917,681
Sundry Debtors	8	2,899,499,520	1,797,962,433
Cash & Bank Balances	9	1,490,332,635	955,001,697
Loans & Advances	10	6,964,136,337	4,926,575,271
		21,508,461,776	14,930,457,082
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	2,919,568,193	1,621,370,995
Provisions	12	500,550,123	369,994,403
		3,420,118,316	1,991,365,398
NET CURRENT ASSETS		18,088,343,460	12,939,091,684
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)			
Preliminary Expenditure		98,569	32,297
		18,712,873,311	15,298,231,673
NOTES TO ACCOUNTS & ACCOUNTING POLICIES	19		

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

As per our Report of even date.

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

ERMIN K. IRANI

Partner

Mumbai, Dated: May 7, 2011

A. B. GODREJ

Chairman

Signatures to the Balance Sheet and Schedules 1 to 12 and 19

MILIND S. KORDE

Managing Director

SHODHAN A. KEMBHAVI

Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
INCOME			
Sales		4,412,311,191	2,115,165,474
Operating Income	13	102,727,628	311,811,282
Other Income	14	1,074,066,033	1,476,865,722
TOTAL INCOME		5,589,104,852	3,903,842,478
EXPENDITURE			
Cost of Sales	15	3,239,989,666	2,000,271,050
Employee Remuneration & Benefits	16	73,132,380	106,851,547
Administration Expenses	17	151,201,275	141,490,428
Interest & Finance Charges	18	34,001,843	5,541,180
Depreciation		39,729,836	25,986,079
Preliminary Expenses written off		18,148	8,092
		3,538,073,148	2,280,148,376
Profit for the period		2,051,031,704	1,623,694,102
Provision for Taxation			
for Current Tax		628,085,000	379,683,000
for MAT Credit Entitlement		3,000	(4,000)
for Deferred Tax		(5,672,000)	2,130,500
		622,416,000	381,809,500
Profit After Tax before Minority Interest		1,428,615,704	1,241,884,602
Prior years tax adjustments		(1,837,720)	(2,138,267)
Profit before Minority Interest		1,426,777,984	1,239,746,335
Share of Minority Interest		(118,222,588)	(11,622,488)
Profit After Minority Interest		1,308,555,396	1,228,123,847
Surplus brought forward		1,538,017,356	757,697,518
Amount Available for Appropriation		2,846,572,752	1,985,821,365
Less:			
Proposed Dividend		314,325,041	279,400,036
Dividend Distribution tax		50,993,029	46,404,854
Transfer to General Reserve		141,391,577	122,000,000
		2,339,863,105	1,538,016,475
Surplus carried forward to Balance Sheet		18.73	19.50
Earnings per share Basic/Diluted in ₹ (Refer Note 11)	19		
NOTES TO ACCOUNTS & ACCOUNTING POLICIES			

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

As per our Report of even date.

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

ERMIN K. IRANI

Partner

Mumbai, Dated: May 7, 2011

A. B. GODREJ

Chairman

Signatures to the Profit and Loss Account and Schedules 13 to 19

MILIND S. KORDE

Managing Director

SHODHAN A. KEMBHAVI

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
Cash Flow from Operating Activities		
Profit for the Year before Taxation	2,051,031,704	1,623,694,102
Adjustment for:		
Depreciation	39,729,836	25,986,079
Interest Paid	34,001,843	662,448,569
(Profit)/Loss on sale of Fixed Asset (Net)	424,922	(5,932)
Profit on sale of Long-Term & Current Investment	(898,612,344)	(1,398,561,604)
Preliminary Expenses Written Off	18,148	8,092
Provision for Diminution in value of Investment written off	-	(201)
Investment Written Back	-	616
Interest Income	(80,392,231)	(707,341,133)
Dividend Received	(87,120,788)	(24,417,754)
Operating Profit before working capital changes	1,059,081,090	181,810,834
Adjustments for:		
Change in Inventory	(2,903,575,603)	(2,492,275,726)
Change in Sundry Debtors	(1,101,537,087)	(412,442,002)
Change in Loans & Advances	(2,014,070,952)	(949,822,930)
Change in Current Liabilities/Provisions	1,304,568,528	615,021,159
	(3,655,534,024)	(3,057,708,665)
Taxes Paid (Net)	(547,194,910)	(366,144,841)
Net Cash Flow from Operating Activities	(4,202,728,934)	(3,423,853,506)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(237,642,835)	(70,037,728)
Sale of Fixed Assets	1,172,999	1,576,383
Purchase of Investments	-	(2,978,561,060)
Sale of Investment	2,835,668,968	2,456,616,320
Interest Received	56,902,116	695,275,966
Dividend Received	87,120,788	24,417,754
Preliminary Expenses	(91,758)	-
Net Cash Flow from Investing Activities	2,743,130,278	129,287,635

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital	-	4,285,654,795
Proceeds from Issue of Equity Shares to Minority Stakeholders	22,220	-
Change in Cash Credit	2,904,216,271	(682,248,703)
(Repayment) of Term Loan	(1,257,800,000)	(146,100,000)
Proceeds from Unsecured Borrowings	615,292,435	631,804,140
(Repayment) of Inter Company Deposit	-	(20,000,000)
(Repayment)/Acceptance of Fixed Deposits	91,065,000	748,943,000
Interest Paid	(32,061,442)	(660,508,168)
Payment of Dividend	(279,400,036)	(151,050,648)
Tax on Distributed Profits	(46,404,854)	(25,671,058)
Net Cash Flow from Financing Activities	1,994,929,594	3,980,823,358
Net Increase in Cash and Cash Equivalent	535,330,938	686,257,487
Cash and Cash Equivalent - Opening Balance	955,001,697	268,744,210
Cash and Cash Equivalent - Closing Balance	1,490,332,635	955,001,697

Notes:

1. The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.
2. Figures for the previous year have been regrouped/restated wherever necessary to conform to this year's classification.

As per our Report of even date.

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

ERMIN K. IRANI

Partner

Mumbai, Dated: May 7, 2011

A. B. GODREJ

Chairman

MILIND S. KORDE

Managing Director

SHODHAN A. KEMHAVI

Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
100,000,000 Equity Shares of ₹ 10/- each	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
ISSUED, SUBSCRIBED & PAID-UP		
69,850,009 Equity Shares of ₹ 10/- each fully paid-up (Of above 49,335,209 (Previous year 48,495,209) shares are held by Godrej Industries Ltd, the Holding Company) Of the above 54,203,845 shares were issued as Bonus shares by capitalising Share Premium, General Reserve & Profit and Loss Account	698,500,090	698,500,090
	698,500,090	698,500,090
SCHEDULE 2 : RESERVES & SURPLUS		
Securities Premium As per last Balance Sheet	5,663,179,740	1,475,805,940
Add: Received during the Year	-	4,594,173,800
Less : Utilised for Initial Public Issue expenses	-	406,800,000
	5,663,179,740	5,663,179,740
General Reserve As per last Balance Sheet	307,391,577	151,000,000
Add : Transfer from Profit and Loss Account	107,000,000	122,000,000
	414,391,577	273,000,000
Profit and Loss Account	2,339,863,105	1,538,016,475
	8,417,434,422	7,474,196,215
SCHEDULE 3 : SECURED LOANS		
1) 1% Secured Redeemable Optionally Convertible Debenture (Refer Note 5)	215,600,000	215,600,000
2) Cash Credit/Working Capital Demand Loan (Secured by equitable mortgage of immovable property of the Company's Project at Juhu, Mumbai) (Hypothecated against current assets of Company and Godrej Real Estate Pvt. Ltd.)	4,188,897,024	1,284,680,753
3) Term Loan from State Bank of India (Secured by charge of development rights of Company's project Godrej Waterside IT Park at Kolkata)	-	1,877,300,000
4) Term Loan from State Bank of India (Secured against Company's share of undivided interest in the project Godrej Genesis at Kolkata)	1,073,400,000	453,900,000
	5,477,897,024	3,831,480,753
Of the above, Repayable within a year (other than cash credit accounts)	250,000,000	1,877,300,000

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 4 : UNSECURED LOANS

Fixed Deposits

Banks

Of the above,

Repayable within a year (other than cash credit accounts)

As at 31.03.2011 ₹	As at 31.03.2010 ₹
840,008,000	748,943,000
3,130,686,470	2,515,394,035
3,970,694,470	3,264,337,035
2,530,227,000	2,440,193,000

SCHEDULE 5 : FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 st April 2010	Additions	Deductions	As at 31 st March 2011	Upto 1 st April 2010	For the Year Ended 31 st March 2011	Deductions	Upto 31 st March 2011	As at 31 st March 2011	As at 31 st March 2010
Tangible Assets										
Land (Refer Note 5)	578,555	290,000	-	868,555	-	-	-	-	868,555	578,555
Building	17,031,600	-	-	17,031,600	-	851,580	-	851,580	16,180,020	17,031,600
Leasehold Improvements	28,826,119	20,273,334	-	49,099,453	15,476,862	14,082,719	-	29,559,581	19,539,872	13,349,257
Office Equipment	19,582,235	8,513,364	253,764	27,841,835	5,319,800	2,634,971	137,615	7,817,156	20,024,679	14,262,435
Site Equipments	2,072,120	-	2,072,120	-	1,659,834	55,620	1,715,454	-	-	412,286
Furniture & Fixtures	20,820,486	15,731,822	526,815	36,025,493	8,769,915	3,582,812	311,986	12,040,741	23,984,752	12,050,571
Computer	27,282,505	10,258,514	1,415,549	36,125,470	18,024,124	5,652,912	1,190,232	22,486,804	13,638,666	9,258,381
Motor Vehicle	12,839,810	18,143,449	1,302,287	29,680,972	3,956,122	4,803,501	617,326	8,142,297	21,538,675	8,883,688
Intangible Assets										
Goodwill	162,569,442	152,337,139	-	314,906,581	-	-	-	-	314,906,581	162,569,442
Licenses & Software	47,990,377	468,806	-	48,459,183	10,264,404	8,065,722	-	18,330,126	30,129,057	37,725,973
Total	339,593,249	226,016,428	5,570,535	560,039,142	63,471,061	39,729,837	3,972,613	99,228,285	460,810,857	276,122,188
Previous Year	398,384,928	100,391,900	159,183,579	339,593,249	38,906,402	25,986,079	1,421,420	63,471,061	276,122,188	
Capital Work-in-Progress									13,808,894	2,182,485
								Total	474,619,751	278,304,673

SCHEDULE 6 : INVESTMENTS

At Cost

Long-term

Quoted Investments

100 Equity Shares of ₹ 10/- each of

Alacrity Housing Limited

100 Equity Shares of ₹ 10/- each of

Ansal Buildwell Limited

100 Equity Shares of ₹ 10/- each of

Ansal Housing & Construction Limited

600 Equity Shares of ₹ 5/- each of

Ansal Properties & Infrastructure Limited

100 Equity Shares of ₹ 10/- each of

Lok Housing & Construction Limited

As at 31.03.2011 ₹	As at 31.03.2010 ₹
742	742
1,066	1,066
1,366	1,366
3,081	3,081
1,241	1,241

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 6 : INVESTMENTS (Contd.)		
100 Equity Shares of ₹ 10/- each of Global Infrastructure & Technologies Limited Formerly Known as Mantri Housing & Construction Limited	1,641	1,641
100 Equity Shares of ₹ 10/- each of Premier Energy & Infrastructure Limited Formerly Known as Premier Hsg & Industrial Ent Limited	1,516	1,516
100 Equity Shares of ₹ 10/- each of D. S. Kulkarni Developers	891	891
13,000 Equity Shares of ₹ 2/- each of Unitech Limited	6,366	6,366
72 Equity Shares of ₹ 10/- each of The Great Eastern Shipping Company Limited	2,485	2,485
18 Equity Shares of ₹ 10/- each of The Great Offshore Limited	621	621
1,000 Equity Shares of ₹ 1/- each of Radhe Developers Limited	266	266
23,700 Equity Shares of ₹ 10/- each of United Textiles Limited	2,370	2,370
	23,652	23,652
Less: Provision for Diminution in Value	7,564	7,564
	16,088	16,088
Unquoted Investments		
1,000 Equity Shares of ₹ 10/- each of Saraswat Co-operative Bank Limited	10,000	10,000
25,000 Equity Shares of ₹ 10/- each of Amitabh Bachchan Corporation Limited	2,500	2,500
	12,500	12,500
Total Long-term Investments	28,588	28,588
Current Investments		
(In Debt Mutual Funds) - Refer Note 3		
Kotak Floater - LT - Daily Dividend Reinvest (Sold 35,050,618.61 Units)	-	353,303,225
JP Morgan India Treasury Fund - Super IP - Daily Dividend Reinvest (Sold 19,468,215.87 Units)	-	194,855,426
Reliance Money Manager Fund - IP - Dly Dividend Reinvest (Sold 192,892.196 Units)	-	193,111,414
ICICI Prudential Flexible Income Plan - Premium - Daily Dividend Reinvest (Sold 3,341,176.86 Units)	-	353,279,335
LIC MF Savings Plus Fund - Daily Dividend Reinvest (Sold 35,351,542.24 Units)	-	353,515,422

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 6 : INVESTMENTS (Contd.)		
HDFC Cash Mgmt Fund - Treasury Advantage - WP - Dly Div Reinvest (Sold 35,217,481.74 Units)	-	353,284,168
IDFC Money Manager - Treasury Plan - Plan C - Dly Dividend Reinvest (Sold 25,230,374.17 Units)	-	252,341,587
FORTIS Money Plus Fund - IP - Daily Dividend Reinvest (Sold 2,434,480.63 Units)	-	24,352,353
ICICI Prudential Floating Rate Plan D - Daily Dividend Reinvest (Purchased 3,530,022.525 Units and Sold 2,116,553.192 Units)	141,379,443	-
Total Current Investments	141,379,443	2,078,042,931
Total Investments	141,408,031	2,078,071,519
1. Cost of Quoted Investments	23,652	23,652
2. Market Value of Quoted Investments	671,014	1,142,410
SCHEDULE 7 : INVENTORIES		
Stock in trade (Refer Note 6(a))	3,652,160	4,816,919
Construction Work in progress (Refer Note 6 (b))	10,150,841,124	7,246,100,762
	10,154,493,284	7,250,917,681
SCHEDULE 8 : SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)		
Due over Six months	76,672,920	822,054,523
Others	2,822,826,600	975,907,910
(Includes unbilled Revenue of ₹ 2,488,167,801/-, Previous Year ₹ 750,236,392/-)	2,899,499,520	1,797,962,433
SCHEDULE 9 : CASH & BANK BALANCES		
Cash & Cheques-in-Hand	28,996,932	6,582,902
Balance with Scheduled Banks - on Current Accounts	149,807,254	336,568,302
- on Fixed Deposit Accounts	1,311,528,449	611,850,493
(Refer Notes 3 & 7)	1,490,332,635	955,001,697
SCHEDULE 10 : LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 8 (a))	1,126,299,705	243,026,955
Secured (secured against bank/Corporate Guarantee)	184,649,278	113,274,742
Others	32,727,889	78,214,089
Loan to GIL ESOP Trust	82,884,089	70,974,033
Loan to GPL ESOP Trust	368,916,600	375,119,478
Due on Management Projects (Refer Note 8 (b))	799,092,785	677,718,723
Development Manager Fees Accrued but not due (Refer Note 8(c))	44,456,901	60,230,839
Interest Accrued	75,404,587	51,914,472
Deposits	4,249,704,504	3,256,101,940
	6,964,136,338	4,926,575,271

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors (Refer Note 12)	2,152,078,746	728,562,001
Investor Education and Protection Fund	-	-
Advances received against sale of flats	111,802,350	226,137,392
Deposits	250,590	250,590
Unclaimed Fixed Deposits	511,918	183,000
Unclaimed Dividend	154,652	23,500
Other Liabilities	407,535,805	502,774,336
Due to Management Projects	210,701,417	128,847,862
Interest Accrued but not due on Loans	36,532,715	34,592,314
	2,919,568,193	1,621,370,995
SCHEDULE 12 : PROVISIONS		
For Taxation	107,299,188	24,568,379
(Net of Advance Tax & Tax deducted at source of ₹ 2,055,397,206/-, Previous Year ₹ 1,368,513,240/-)		
Proposed Dividend	314,325,041	279,400,036
Tax on Dividend	50,993,029	46,404,854
Gratuity	12,341,062	7,625,984
Leave Encashment	15,591,803	11,995,150
	500,550,123	369,994,403

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
SCHEDULE 13 : OPERATING INCOME (GROSS)		
Income from Development Projects	8,264,574	227,228,811
Compensation Received from Project	50,000,000	70,000,000
Project Management Fees	-	3,888
Other Income from Customers	44,436,654	14,552,183
Lease Rent	14,400	14,400
License Fees	12,000	12,000
	102,727,628	311,811,282
Tax Deducted at source	1,436,057	22,725,362
SCHEDULE 14 : OTHER INCOME		
Dividends	87,120,788	24,417,754
Profit on sale of Fixed Assets (Net)	-	5,932
Profit on sale of Long-term Investments	898,612,344	1,398,553,294
Miscellaneous Income	7,940,670	3,454,998
Interest Income		
- Customers	-	2,250
- Others	80,392,231	50,431,494
	1,074,066,033	1,476,865,722
Tax deducted at source	9,082,530	5,961,602
SCHEDULE 15 : COST OF SALES		
Own Projects		
Opening Stock:	7,250,917,680	4,758,641,957
Add : Expenditure/Transfers from Advances during the year		
Stock-in-Trade Acquired during the year	87,001,486	345,145,279
Development Rights	89,036,707	115,882,000
Construction, Material & Labour	3,663,601,514	2,281,304,270
Architect Fees	195,067,411	95,776,062
Advertisement Expenses	176,803,806	78,986,059
Overheads	1,222,641,923	742,590,704
Interest	709,412,423	832,862,399
	6,143,565,270	4,492,546,773
Less : Closing Stock	10,154,493,284	7,250,917,680
	3,239,989,666	2,000,271,050
SCHEDULE 16 : EMPLOYEE REMUNERATION & BENEFITS		
Salaries, Bonus, Gratuity & Allowances	61,503,222	98,665,676
Contribution to Provident & other funds	11,626,400	8,185,871
Other Employee Benefits	2,758	-
	73,132,380	106,851,547

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 17 : ADMINISTRATION EXPENSES

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
Cost of Project Management	-	187,177
Consultancy Charges	11,525,917	7,094,890
Service Charges	115,813	135,478
Loss on sale of Fixed Assets (Net)	424,922	-
Power & Fuel	2,293,415	4,445,260
Rent	22,692,061	28,094,016
Insurance	1,191,169	234,543
Rates & Taxes	276,434	119,371
Other Operating Expenses	112,681,544	101,179,278
Diminution in value of investments written off	-	415
	151,201,275	141,490,428

SCHEDULE 18 : INTEREST AND FINANCE CHARGES

Interest Paid		
- Banks	677,805,556	754,821,949
- Inter-Corporate Deposits	6,739,726	8,234,384
- Projects and landlords	26,534,479	67,237,255
- Others	77,000,952	35,108,168
Total Interest Paid	788,080,713	865,401,756
Add : Brokerage & other Financial charges	15,271,689	26,316,154
Total Interest/Finance Charges Paid	803,352,402	891,717,910
Less: Capitalised to Projects	769,350,559	886,176,730
Net Interest Paid	34,001,843	5,541,180

SCHEDULE 19 : NOTES TO ACCOUNTS AND ACCOUNTING POLICIES

1) Accounting Policies:

a) Principle of Consolidation

The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard (AS 21) "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India ('ICAI').

The Consolidated Financial Statements include the financial statements of the Company and all its subsidiaries, which are more than 50 percent owned or controlled and whose financial statement are drawn upto the same reporting date as of the Company i.e. 31st March, 2011.

The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full.

In the Consolidated Financial Statements, 'Goodwill' represents the excess of the cost to the Company of its investments in the subsidiaries over its share of equity, at the respective dates on which investments are made. Alternatively, where the share of equity as on the date of investments is in excess of cost of investments it is recognized as 'Capital Reserve' in the Consolidated Financial Statements. 'Minority Interest' represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

b) General

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

c) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

d) Depreciation/Amortization

Depreciation has been provided on Written Down Value basis, at the rates specified in Schedule XIV of the Companies Act, 1956.

Assets acquired on lease are depreciated over the period of the lease.

Leasehold improvements are amortized over a period of lease or five years whichever is more.

Intangible Assets are amortized over a period of six years.

e) 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 recognize a decline, other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

f) Inventories

Inventories are valued as under:

- a) Completed Flats - At lower of Cost or Market value
- b) Construction Work-in-Progress - At Cost

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 Company.

g) Revenue Recognition

The Company is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognized in Profit and Loss Account 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. If the actual project cost incurred is less than 20% of the total estimated project cost, no income is recognized in respect of that project in the relevant period. 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 recognized in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately.

Revenue on bulk deals on sale of its properties is recognized on execution of documents.

Income from operation of commercial complexes is recognized over the tenure of the lease/service agreement.

Interest income is accounted on an accrual basis at contracted rates.

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

h) Development Manager Fees

The Company has been entering into Development & Project Management agreements with landlords. Accounting for income from such projects is done on accrual basis on percentage of completion or as per the terms of the agreement.

i) Employee Benefits

a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognized at actual amounts due in the period in which the employee renders the related service.

b) Post-employment benefits:

(i) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans:

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

(iii) Other long-term employee benefits:

Other long-term employee benefits viz., leave encashment is recognized as an expense in the Profit and Loss Account as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Profit and Loss Account.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

j) Borrowing Cost

Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long-term projects, are transferred to Construction Work-in-Progress/Due on Management Project, as a part of the cost of the projects at weighted average of the borrowing cost/rates as per Agreements respectively.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

k) Earnings Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

l) Provision For Taxation

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

m) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are translated at the year end exchange rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at year end exchange rates. The premium payable on foreign exchange contracts is amortized over the period of the contract.

n) Allocation of Expenses

Corporate Employee Remuneration and Administration expenses are allocated to various projects on a reasonable basis as estimated by the management.

o) Provisions and Contingent Liabilities

Provisions are recognized 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) Information on subsidiaries:

The subsidiary companies considered in the consolidated financial statements are (collectively referred as "the Group"):

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
1.	Godrej Realty Private Limited	India	51%	51%
2.	Godrej Waterside Properties Private Limited	India	51%	51%
3.	Godrej Real Estate Private Limited	India	100%	100%
4.	Godrej Developers Private Limited	India	51%	51%
5.	Godrej Sea View Properties Private Limited (77.73% upto May 3, 2010)	India	50.10%	77.73%
6.	Happy Highrises Limited	India	51%	51%

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
7.	Godrej Estate Developers Private Limited	India	51%	51%
8.	Godrej Buildwell Private Limited (100% upto 29 th September, 2010) (Subsidiary due to control over composition of Board of Directors)	India	49%	NA
9.	Godrej Buildcon Private Limited	India	100%	NA
10.	Godrej Projects Development Private Limited	India	100%	NA
11.	Godrej Premium Builders Private Limited	India	100%	NA
12.	Godrej Garden City Properties Private Limited	India	100%	NA
13.	Udhay - GK Realty Private Limited (Subsidiary w.e.f. 7 th March, 2011)	India	100%	NIL

3) **The Initial Public Offer (IPO) proceeds have been utilized as per objects of the issue as stated in the prospectus as under:**

Particulars	(Amount in ₹)
Amount Received from IPO	4,688,471,300
Utilization of Funds upto 31 st March, 2011 :	
Funding to part finance the acquisition of land developments rights and construction costs	1,393,043,857
Repayment of Loans	1,501,700,000
Issue Expenses	405,350,143
Balance unutilized amount temporarily invested in Mutual Funds	1,38,377,300
Fixed Deposit/Bank Balance	1,250,000,000
TOTAL	4,688,471,300

As on 31st March, 2011, unutilized funds have been temporarily invested in mutual funds schemes and fixed deposit with banks as mentioned in the prospectus of the Company.

4) **Contingent Liabilities:**

Matters	As at 31 st March, 2011 ₹	As at 31 st March, 2010 ₹
a) Uncalled amount of ₹ 80/- & ₹ 30/- on 70 & 75 partly paid shares respectively of Tahir Properties Limited	7,850/-	7,850/-
b) Claims against the Company not acknowledged as debts represents cases filed by parties in the Consumer forum, Civil Court and High Court and disputed by the Company as advised by our advocates. In the opinion of the management the claims are not sustainable.	30,644,189/-	798,647/-
c) Claims against the Company under the Labour Laws for disputed cases	1,989,240/-	1,989,240/-
d) Letter of credit opened by Bank on behalf of the Company	63,174,839/-	-
e) Guarantees given by Bank, counter guaranteed by the Company	126,841,000/-	38,600,000/-
f) Claims against the Company under Bombay Stamp Act, 1958	14,850,000/-	14,850,000/-
g) Other Claims against the Company not acknowledged as debts	3,925,000/-	9,925,000/-
h) Claims against the Company under Income Tax Act, Appeal preferred to Commissioner of Income Tax (Appeals)	10,281,873/-	3,369,812/-

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

Capital Commitment outstanding for the year ended 31st March, 2011 (Net of Advance) is amounting to ₹ 7,157,288/- (Previous Year ₹ 2,322,203/-).

5) Outstanding Debentures to HDFC Venture Trustee Company Limited:

Sr. No.	Particulars	Issuer	Deemed Date of Allotment	Units	Amount ₹
1.	1% secured redeemable optionally convertible debentures	Godrej Realty Private Limited	16 th March, 2006 12 th March, 2007	5,635,000 1,715,000	56,350,000 17,150,000
	Total			7,350,000	73,500,000
2.	1% secured redeemable optionally convertible debentures	Godrej Waterside Properties Private Limited	4 th July, 2007	14,210,000	142,100,000

The subsidiary companies ("the Issuer company") had issued debentures to HDFC Venture Trustee Company Limited, which are redeemable at the end of the 7 years from the deemed date of allotment and are secured to the extent of specific immovable assets of the Group disclosed under the head "Fixed Assets".

Further the Issuer companies has created a Debenture Redemption Reserve as required under Section 117 (C) of the Companies Act, 1956 to the extent of Profit available for distribution.

6) Inventories:

a) Stock-in-Trade includes shares in the following companies - at cost or market value (whichever is lower):

Particulars	Current Year ₹	Previous Year ₹
Tahir Properties Limited		
a) 70 Equity shares of ₹ 100/- each, ₹ 20/- paid up	1,400	1,400
b) 75 Redeemable Preference Class A shares of ₹ 100/- each, ₹ 70/- paid	5,250	5,250

b) Construction Work-in-Progress and Due on Management projects represents materials at site and unbilled cost on the projects based on projections and estimates by the Group of the expected revenues and costs to completion. In the opinion of the management, the net realizable value of the construction Work-in-Progress will not be lower than the costs so included.

7) Cash & Bank Balances:

Balances with scheduled banks on deposit accounts include ₹ 26,907,709/- (Previous year ₹ 34,422,705/-) received from flat buyers and held in trust on their behalf in a corpus fund.

8) Loans and Advances:

a) Amounts due from companies under the same management:

Particulars	Maximum Debit Balance during the year	Balance as on March 31, 2011	Balance as on March 31, 2010
Godrej Industries Ltd.	4,349,146	4,349,146	3,249,136

b) Due on Management Projects include a sum of ₹ 21,565,250/- (Previous Year ₹ 21,564,700/-) on account of a project, where the matter is sub-judice with arbitrators.

c) The Group has been entering into Development Agreements with landlords. Development Manager Fees amounting to ₹ 44,456,901/- (Previous Year ₹ 60,230,839/-) accrued as per terms of the Agreement are receivable by the Group based upon progress milestones specified in the respective Agreements and have been disclosed as Development Manager Fees accrued but not due in Schedule 10.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

9) Leases:

- a) The Group's significant leasing arrangements are in respect of operating leases for Residential premises. Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

Particulars	Current Year ₹	Previous Year ₹
Future minimum lease receipts under non-cancelable operating leases		
➤ Not later than 1 year	26,400	26,400
➤ Later than 1 year and not later than 5 years	105,600	105,600

- b) The Group's significant leasing arrangements are in respect of operating leases for Commercial/Residential premises. Lease expenditure for operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

Particulars	Current Year ₹	Previous Year ₹
Future minimum lease payments under non-cancelable operating leases		
➤ Not later than 1 year	35,689,914	32,647,419
➤ Later than 1 year and not later than 5 years	64,290,247	46,959,849
➤ Later than 5 years	3,208,397	8,078,107

10) Employee Stock Option Plan :

- a) During the financial year ended 31st March, 2008, the Company instituted an Employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 442,700 options convertible into 442,700 Equity Shares of ₹ 10/- each to eligible employees of Godrej Properties Limited and its Subsidiary Companies (the Participating Companies) with effect from 28th December, 2007.

The Scheme is administered by an Independent ESOP Trust which has purchased shares from Godrej Industries Limited (The Holding Company), equivalent to the number of options granted to the eligible employees of the Participating Companies.

Particulars	No. of Options		Weighted Average Exercise Price ₹
	Current Year	Previous Year	
Options Outstanding at the beginning of the year	403,700	412,700	620.00 (plus interest)
Options granted	-	-	-
Options exercised	-	-	-
Less : Forfeited/ Expired/ Lapsed/ Idle/ Available for reissue	31,000	9,000	-
Options Outstanding at the year end	372,700	403,700	620.00 (plus interest)

The Option granted shall vest after five years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within three years after vesting.

However in the event that during the 4th and 5th year of the vesting period that is in the year 2011 and 2012, the average of the closing market prices of the shares of the Company on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on each day exceeds the exercise price by not less than ₹ 50 for a consecutive period of 30 days, the option shall be deemed to have vested on the day immediately following the 30th day, as determined by the Remuneration Committee.

The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since, the price of the underlying equity shares on the grant date is same/ less than exercise price of the option, the intrinsic value of option, therefore being determined as nil.

The Company has provided loan of ₹ 368,916,600/- (Previous Year ₹ 375,119,478/-) to GPL ESOP, which is administered by an independent ESOP Trust which has purchased shares of GPL from Godrej Industries Limited equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted by the

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

Company to ESOP Trust is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period. 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 ₹ 81,549,135/- (Previous Year ₹ 117,750,174/-) is not considered necessary in the financial statements.

- b) The Company has provided loan of ₹ 82,884,089/- (Previous Year ₹ 70,974,033/-) to Godrej Industries Limited Employee Stock Option Scheme (GIL ESOP), which is administered by an independent ESOP Trust which purchases shares of GIL from the market equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted by the Company to ESOP trust is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period. 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 ₹ 24,174,390/- (Previous Year ₹ 29,016,289/-) is not considered necessary in the financial statements.

11) Earnings Per Share:

Particulars	Current Year	Previous Year
Profit after tax (Including prior years tax adjustments, Prior Period Income and excluding Minority Interest as per Profit and Loss Account)	₹ 1,308,555,396	₹ 1,228,123,847
Weighted average no. of equity shares outstanding	69,850,009	62,977,917
Basic earnings per share	₹ 18.73	₹ 19.50
Nominal value of shares	₹ 10 /-	₹ 10 /-

12) Dues to Micro, Small and Medium Industries:

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small & Medium Enterprises Development Act 2006". There is no amount overdue as on 31st March, 2011 to Micro, Small & Medium Enterprises on account of principal amount together with interest and also during the previous year.

- 13) The amount of exchange difference included in the Profit and Loss Account, under the related heads of expenses is ₹ (337,174/-). (Previous Year - ₹ (25,624/-).

14) Deferred Tax:

The tax effect of significant temporary differences that resulted in deferred tax assets are:

Particulars	Current Year ₹	Previous Year ₹
Depreciation on Fixed Assets	(663,500)	(3,584,000)
Others	9,067,000	6,315,500
Deferred Tax Asset	8,403,500	2,731,500

15) Segment Information:

As the Group has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

16) Related Party Disclosures:

1. Related party disclosures as required by AS – 18, "Related Party Disclosures", are given below:

Relationships:

- (i) Shareholders (Holding Company)

Godrej Industries Limited (GIL) holds 70.63% (Previous Year 69.43%) shares in the Company. GIL is the subsidiary of Godrej & Boyce Mfg. Co. Limited, the Ultimate Holding Company.

(ii) Other Related Parties in Godrej Group, where common control exists:

Vora Soaps Limited
 Bahar Agrochem & Feeds Private Limited
 Ensemble Holdings & Finance Limited
 Godrej Appliances Limited
 Godrej Agrovat Limited
 Godrej Consumer Products Limited
 Godrej Household Products Limited (Formerly known as Godrej Saralee Limited)
 Godrej SCA Hygiene Limited
 Godrej Hershey Limited
 Godrej Infotech Limited
 Natures Basket Limited

(iii) Key Management Personnel:

Mr. Milind Surendra Korde
 Mr. Pirojsha Godrej
 Mr. K.T. Jithendran

(iv) Individuals exercising Significant Influence:

Mr. A.B. Godrej
 Mr. N.B. Godrej

(v) Joint Ventures and Associates:

HDFC Venture Trustee Company Limited
 HDFC PMS
 Milestone Real Estate Fund
 Red Fort India Real Estate, Babur
 India Realty Excellence Fund & Others

2. The following transactions were carried out with the related parties in the ordinary course of business.**(i) Details relating to parties referred to in items 1 (i), (ii) and (v) above**

Amount in ₹

Sr. No.	Description	Godrej & Boyce Mfg. Co. Ltd. (i)	Godrej Industries Ltd. (ii)	Joint Ventures and Associates (iii)	Other Related Parties in Godrej Group (iv)
1.	Issue of equity share capital	- -	- -	22,220 -	- -
2.	Sale of equity share	- -	- -	900,000,000 1,561,000,000	- -
3.	Purchase of fixed assets	4,308,585 17,926,314	- -	- -	- -
4.	Advances given	4,135,023 14,013,093	- -	- -	- -
5.	Advance received against sale of flats	- -	18,070,120 86,284,840	- -	- -
6.	Deposits given	- -	1,750,000 1,600,000	- -	- -
7.	Deposit repaid	- -	650,000 -	- -	- -
8.	Inter-Corporate Deposit taken	- -	- 55,000,000	- -	- 10,000,000

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

Sr. No.	Description	Godrej & Boyce Mfg. Co. Ltd. (i)	Godrej Industries Ltd. (ii)	Joint Ventures and Associates (iii)	Other Related Parties in Godrej Group (iv)
9.	Inter-Corporate Deposit repaid	- -	- <i>55,000,000</i>	- -	- <i>10,000,000</i>
10.	Interest received/(paid) on Inter-Corporate Deposit	- -	- <i>(3,571,233)</i>	- -	- <i>(39,041)</i>
11.	Construction & other expenses incurred on behalf of other companies	- -	5,639,464 <i>2,286,799</i>	- -	7,426,854 <i>228,393</i>
12.	Expenses charged by other companies	90,173,462 <i>130,825,848</i>	51,845,477 <i>26,706,213</i>	- -	750,825 <i>10,864</i>
13.	Dividend Paid	2,760,000 <i>1,725,000</i>	193,980,836 <i>121,238,023</i>	- -	7,871,400 <i>4,919,625</i>
14.	Debentures Interest	- -	- -	2,156,000 <i>2,156,000</i>	- -
15.	Debentures Outstanding	- -	- -	215,600,000 <i>215,600,000</i>	- -
16.	Outstanding receivables, net of (payables)	(6,491,568) <i>(18,766,336)</i>	(1,777,112) <i>(7,838,443)</i>	(36,532,715) <i>(34,592,314)</i>	- -
17.	Deposits Receivable	- -	4,325,000 <i>3,225,000</i>	- -	- -

Figures in italics are for previous year

(ii) Details relating to persons referred to in items 1 (iii) & (iv) above

Sr. No.	Key Management Personnel	Current Year ₹	Previous Year ₹
1.	Remuneration	56,996,336	42,567,446
2.	Reimbursement of travel expenses	-	240,000
3.	Dividend paid	2,354,988	1,466,868
4.	Individuals exercising significant Influence: Dividend paid - Mr. N.B. Godrej	6,921,000	4,325,625

3. Significant Related Party Transactions

Nature of Transactions	Other Related Parties in the Godrej Group	Amount ₹
Issue of equity share capital	India Realty Excellence Fund & Others	22,220 -
Sale of equity share	HDFC PMS	400,000,000 <i>700,000,000</i>
	Milestone Real Estate Fund	- <i>861,000,000</i>
	India Realty Excellence Fund & Others	500,000,000 -
Purchase of fixed assets	Godrej & Boyce Mfg. Co. Limited	4,308,585 <i>17,926,314</i>
Advances given	Godrej & Boyce Mfg. Co. Limited	4,135,023 <i>14,013,093</i>

Nature of Transactions	Other Related Parties in the Godrej Group	Amount ₹
Advance received against sale of flats	Godrej Industries Limited	18,070,120 <i>86,284,840</i>
Inter-Corporate Deposits taken during the year	Godrej Industries Limited	- <i>55,000,000</i>
	Natures Basket Limited	- <i>10,000,000</i>
Inter-Corporate Deposits repaid during the year	Godrej Industries Limited	- <i>55,000,000</i>
	Natures Basket Limited	- <i>10,000,000</i>
Expenses charged by other companies	Godrej & Boyce Mfg. Co. Limited	90,173,462 <i>130,825,848</i>
	Godrej Industries Limited	51,845,477 <i>26,706,213</i>
Expenses charged to other companies	Godrej Industries Limited	5,639,464 <i>2,286,799</i>
	Godrej Consumer Products Ltd.	7,426,854 <i>-</i>
Deposit Given	Godrej Industries Limited	1,750,000 <i>1,600,000</i>
Deposit Repaid	Godrej Industries Limited	650,000 <i>-</i>
Interest Income/(expense) on Inter-Corporate Deposits given	Godrej Industries Limited	- <i>(3,571,233)</i>
Dividend Paid	Godrej Industries Limited	193,980,836 <i>121,238,023</i>
Debentures Outstanding	HDFC Venture Trustee Company Limited	215,600,000 <i>215,600,000</i>
Debenture Interest	HDFC Venture Trustee Company Limited	2,156,000 <i>2,156,000</i>
Outstanding receivables, net of (payables)	HDFC Venture Trustee Company Limited	(36,532,715) <i>(34,592,314)</i>
	Godrej Industries Limited	(1,777,112) <i>(7,838,443)</i>
	Godrej & Boyce Mfg. Co. Limited	(6,491,568) <i>(18,766,336)</i>
Deposit Receivable	Godrej Industries Limited	4,325,000 <i>3,225,000</i>

Figures in italics are for previous year

17) Employee Benefits:

a. Defined Contribution Plans:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Particulars	Current Year ₹	Previous Year ₹
Employers' Contribution to Provident Fund	11,555,547	8,144,688
Employers' Contribution to ESIC	70,853	41,183

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

b. Defined Benefit Plans:

(i) Contribution to Gratuity Fund

Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Group's policy whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Group's financial statements as at 31st March 2011:

Particulars	Current year ₹	Previous year ₹
Change in present value of obligation		
Present value of obligation as at beginning of the year	7,625,984	6,450,060
Interest Cost	610,079	499,880
Service Cost	2,816,472	1,231,678
Benefits Paid	(738,901)	(1,224,663)
Effect of Liability Transfer in	-	238,552
Actuarial (gain)/loss on obligation	2,027,428	430,477
Present value of obligation, as at end of the year	12,341,062	7,625,984
Amount recognized in the Balance Sheet		
Present value of obligation, as at end of the year	(2,027,428)	(430,477)
Fair value of plan assets as at end of the year	-	-
Net obligation as at end of the year	(2,027,428)	(430,477)
Net gratuity cost for the year ended		
Current Service Cost	1,343,752	1,231,678
Interest Cost	610,079	499,880
Expected return on plan assets	-	-
Past Service Cost (Vested Benefit)	1,472,720	-
Net Actuarial (gain)/loss to be recognized	2,027,428	430,477
Net gratuity cost	5,453,979	2,162,035
Assumptions used in accounting for the gratuity plan		
	(In %)	(In %)
Discount Rate	8.00	7.75
Salary escalation rate	5.00	4.75

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

18) Information in respect of Joint Ventures:**Jointly Controlled Operations Development of the following Residential/Commercial Projects:**

Coliseum, Mumbai	- Profit Sharing
Woodsman Estate, Bangalore	- Area Sharing
Gold County, Bangalore	- Revenue Sharing
Planet Godrej, Mumbai	- Profit Sharing
Edenwoods, Mumbai	- Revenue/Profit Sharing
Shivajinagar, Pune	- Profit Sharing
Bhugaon, Pune	
Avalon Project	- Area Sharing/Revenue Sharing
Sanjay Khan, Bangalore	- Revenue Sharing
Grenville Park, Mumbai	- Profit Sharing
Godrej Garden City, Ahmedabad	- Area Sharing
K. Syama Raju, Bangalore	- Area Sharing/Revenue Sharing
Kochi	- Revenue Sharing
Umbarde, Kalyan	- Revenue Sharing
Vikhroli	- Profit Sharing
Frontier, Gurgaon	- Area Sharing/Revenue Sharing
Solitaire, Chembur	- Revenue Sharing
Waterside IT Park	- Area Sharing
Godrej Genesis, Kolkata	- Area Sharing
Godrej Eternia, Chandigarh	- Revenue Sharing
Godrej Palmgrove, Chennai	- Revenue Sharing
Nandi Hills, Bangalore	- Revenue Sharing

19) Previous year figures have been regrouped/rearranged wherever necessary to confirm to current year's classification.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

20) Statement Pursuant to Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract for the year ended 31st March, 2011 and Company's General Business Profile

a) Registration Details

Registration No.	L74120MH1985PLC035308
State Code	11
Balance Sheet Date	31 st March, 2011

b) Capital raised during the year (Amount in ₹ Thousands)

Public Issue (Including Premium)	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

c) Position of mobilization and deployment of funds (Amount in ₹ Thousands)

Total Liabilities	22,132,992
Total Assets	22,132,992

Sources of Funds

Paid-up Capital	698,500
Reserves & Surplus	8,417,434
Secured Loans	5,477,897
Unsecured Loans	3,970,694
Minority Interest	148,347

Application of Funds

Net Fixed Assets	474,620
Investments	141,408
Net Current Assets	18,088,343
Misc. Expenditure	98
Deferred Tax Asset	8,403
Accumulated Losses	Nil

d) Performance of Company (Amount in ₹ thousands)

Turnover	5,589,105
Total Expenditure (Net of other income)	3,538,073
Profit/(loss) before tax	2,051,032
Profit/(loss) after tax	1,428,616
Earning per Share in ₹ (on an annualized basis)	18.73
Dividend rate %	45

e) Generic Name of three principal products/services of Company

N.A

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Sr. No.	Name of the Subsidiary Company	Godrej Developers Private Limited	Godrej Estate Developers Private Limited	Godrej Real Estate Private Limited	Godrej Realty Private Limited	Godrej Sea View Properties Private Limited	Godrej Waterside Properties Private Limited	Happy Highrises Limited	Godrej Buildwell Private Limited	Godrej Buildcon Private Limited	Godrej Projects Development Private Limited	Godrej Garden City Properties Private Limited	Godrej Premium Builders Private Limited	Udhay GK - Realty Private Limited
1	Capital	667,300	500,000	500,000	10,000,000	500,000	10,000,000	2,031,200	532,220	500,000	500,000	500,000	500,000	1,000,000
2	Reserve & Surplus	8,935,967	4,517,799	(803,374)	10,828,604	(1,702,419)	16,339,643	239,648,509	(1,890)	(160,028)	(1,430,320)	(155,293)	(155,293)	218,349,795
3	Total Assets	1,580,541,740	1,211,106,598	1,167,013,974	206,000,074	448,048,319	3,392,531,910	2,086,401,949	796,160,260	677,038	17,613,797	671,083	671,083	224,572,695
4	Total Liabilities	1,580,541,740	1,211,106,598	1,167,013,974	206,000,074	448,048,319	3,392,531,910	2,086,401,949	796,160,260	677,038	17,613,797	671,083	671,083	224,572,695
5	Detail of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	88,117,964	46,455,494	-	9,791,757	134,741	138,234,695	1,088,103,174	5,775,473	-	-	-	-	281,840,991
7	Profit before Taxation	13,951,757	6,747,772	(364,544)	8,279,928	(1,622,876)	(548,158)	344,862,485	(1,890)	(160,028)	(1,430,320)	(155,293)	(155,293)	(124,390,139)
8	Provision for Taxation	4,861,000	2,155,000	(26,000)	2,658,500	(91,000)	(12,000)	119,686,000	-	-	-	-	-	54,438
9	Profit after Taxation	9,090,757	4,592,772	(338,544)	4,616,689	(1,531,876)	-536,158	225,176,485	(1,890)	(160,028)	(1,430,320)	(155,293)	(155,293)	(124,640,098)
10	Interim/Proposed Dividend: Equity Preference	-	-	-	-	-	-	-	-	-	-	-	-	794,000
		10,163	-	-	-	-	-	-	-	-	-	-	-	-

A. B. GODREJ
Chairman

Mumbai, Dated: May 7, 2011

MILIND S. KORDE
Managing Director

SHODHAN A. KEMBHAVI
Company Secretary

GODREJ PROPERTIES LIMITED

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of Godrej Properties Limited will be held on Friday, July 22, 2011, at 3.30 p.m. at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended March 31, 2011, the Balance Sheet as on that date and the Cash Flow Statement of the Company together with the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares issued by the Company, for the financial year ended March 31, 2011.
3. To appoint a Director in place of Ms. Parmeshwar A. Godrej, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Nadir B. Godrej, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Amit B. Choudhury, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Keki B. Dadiseth, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint M/s. Kalyaniwalla & Mistry, Chartered Accountants, the retiring Auditors as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

8. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 302, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), and pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals as may be required, the consent of the Members be and is hereby accorded to the Company for payment of revised remuneration to Mr. Milind S. Korde - Managing Director, as provided herein with effect from April 1, 2011.

I. Fixed Compensation:

Fixed compensation shall include basic salary and the Company's contribution to the Provident Fund and the Gratuity Fund.

The basic salary is ₹ 703,200 per month. The annual basic salary and increments will be decided by the Remuneration Committee/ the Board of Directors depending on the performance of the Managing Director, the profitability of the Company and other relevant factors.

II. Performance Bonus For Teams:

Performance Bonus For Teams (PBFT) according to the Scheme of the Company for each of the financial years based on profit after tax (excluding minority interests and post PBFT) achieved by the Company and other relevant factors and having regard to the performance of the Managing Director for each year.

The collective target component is ₹ 3,500,000.

III. Flexible Compensation:

In addition to the fixed compensation and performance bonus, the Managing Director will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956, as amended, (collectively called “perquisites and allowances”).

These perquisites and allowances shall be granted to the Managing Director as per the rules of the Company and in the manner as the Remuneration Committee/Board may decide.

- i. Housing i.e. unfurnished residential accommodation and house rent allowance at applicable rate as per the Company's rules OR house rent allowance as per the Company's rules;
- ii. Furnishing at residence;
- iii. Supplementary allowance;
- iv. Leave travel assistance;
- v. Payment/reimbursement of medical expenses for self and family;
- vi. Payment/reimbursement of food vouchers, petrol reimbursement;
- vii. Company cars with driver for official use, provision of telephone(s) at residence;
- viii. Payment/reimbursement of telephone expenses;
- ix. Housing loan, contingency loan as per the rules of the Company. These loans shall be subject to Central Government approval, if any;
- x. 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;
- xi. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Remuneration Committee/ the Board of Directors from time to time.

The maximum cost to the Company per annum for the grant of the perquisites and allowances listed above for the Managing Director is ₹ 11,135,871. In addition to the above, the Managing Director will be eligible for encashment of leave, club facilities, group insurance cover, group hospitalisation cover, and/ or any other allowances, perquisites and facilities as per the Rules of the Company. Further the Managing Director will also be entitled to the stock options/ stock grants as per prevailing schemes of the Company.

Explanation:

- i) For the Leave travel assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse, dependent children and dependent parents.
- ii) 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. Other Reimbursements:

Mr. Milind S. Korde will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as in force from time to time.

V. Minimum Remuneration:

Where in any financial year, during the currency of tenure of Mr. Milind S. Korde as Managing Director, the Company has no profits or its profits are inadequate, Mr. Milind S. Korde shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956, as amended.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby jointly and severally authorised to execute the agreement with Mr. Milind S. Korde for the revised remuneration and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable for giving effect to the foregoing resolution, and to settle any question, or doubt that may arise in relation thereto.

9. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 302, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals as may be required, the consent of the Members be and is hereby accorded to the Company for payment of revised remuneration to Mr. Pirojsha Godrej – Executive Director, as provided herein with effect from April 1, 2011 and for his re-appointment as an Executive Director of the Company for a further period of three years with effect from November 1, 2011 on the below mentioned terms and conditions.

I. Fixed Compensation:

Fixed compensation shall include basic salary and the Company's contribution to the Provident Fund and the Gratuity Fund.

The basic salary is ₹ 400,000 per month. The annual basic salary and increments will be decided by the Remuneration Committee/the Board of Directors depending on the performance of the Executive Director, the profitability of the Company and other relevant factors.

II. Performance Bonus For Teams:

Performance Bonus For Teams (PBFT) according to the Scheme of the Company for each of the financial years based on profit after tax (excluding minority interests and post PBFT) achieved by the Company and other relevant factors and having regard to the performance of the Executive Director for each year.

The individual target component of performance bonus is ₹ 3,50,000 and the collective target component is ₹ 27,00,000.

III. Flexible Compensation:

In addition to the fixed compensation and the performance bonus, Mr. Pirojsha Godrej will 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, as amended (collectively called "perquisites and allowances").

These perquisites and allowances shall be granted to Mr. Pirojsha Godrej as per the rules of the Company and in the manner as the Remuneration Committee/Board may decide.

- i. Housing i.e. unfurnished residential leased accommodation (including maintenance) or house rent allowance as per the Company's rules;
- ii. Supplementary allowance;
- iii. Leave travel assistance;
- iv. Payment/reimbursement of medical expenses for self and family;
- v. Payment/reimbursement of food vouchers;
- vi. Housing loan, contingency loan as per the rules of the Company. These loans shall be subject to Central Government approval, if any;
- vii. 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;
- viii. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Remuneration Committee/ the Board from time to time.

The maximum cost to the Company per annum for the grant of the perquisites and allowances listed above for Mr. Pirojsha as Executive Director is ₹ 14,700,000/-. In addition to the above, Mr. Pirojsha is entitled to furnishing at residence, provision of telephone at residence, electricity expenses for the leased accommodation, payment/reimbursement of telephone expenses, company cars with driver for official use, petrol reimbursement, encashment of leave, club facilities, group insurance cover, group hospitalisation cover, and/ or any other allowances, perquisites and facilities as per the rules of the Company.

Explanation:

- i) For the leave travel assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse, dependent children and dependent parents.
- ii) 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. Other Reimbursements:

Mr. Pirojsha Godrej will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as in force from time to time.

V. Minimum Remuneration:

Where in any financial year, during the currency of tenure of Mr. Pirojsha Godrej as Executive Director, the Company has no profits or its profits are inadequate, Mr. Pirojsha Godrej shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956, as amended.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby jointly and severally authorized to execute the agreement with Mr. Pirojsha Godrej for the revised remuneration with effect from April 1, 2011 and for his re-appointment with effect from November 1, 2011 on the same terms and conditions as provided above and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable for giving effect to the foregoing resolution, and to settle any question, or doubt that may arise in relation thereto.”

10. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 302, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals as may be required, the consent of the Members be and is hereby accorded to the Company for payment of revised remuneration to Mr. K. T. Jithendran, Executive Director, as provided herein, with effect from April 1, 2011.

I. Fixed Compensation:

Fixed Compensation shall include basic salary and the Company’s contribution to the Provident Fund and the Gratuity Fund.

The basic salary is ₹ 422,500 per month. The annual basic salary and increments will be decided by the Remuneration Committee/ the Board of Directors depending on the performance of Mr. K. T. Jithendran, the profitability of the Company and other relevant factors.

II. Performance Bonus For Teams:

Performance Bonus For Teams (PBFT) according to the Scheme of the Company for each of the financial years based on profit after tax (excluding minority interests and post PBFT) achieved by the Company and other relevant factors and having regard to the performance of the Executive Director for each year.

The collective target component is ₹ 27,00,000.

III. Flexible Compensation:

In addition to the fixed compensation and the performance bonus, Mr. K. T. Jithendran will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956, as amended (collectively called “perquisites and allowances”).

These perquisites and allowances shall be granted to Mr. K. T. Jithendran as per the rules of the Company and in the manner as the Remuneration Committee/Board may decide.

- i. Housing i.e. unfurnished residential accommodation and house rent allowance at applicable rate as per Company’s rules or house rent allowance as per Company’s rules;
- ii. Furnishing at residence;
- iii. Supplementary allowance;
- iv. Leave travel assistance;
- v. Payment/reimbursement of medical expenses for self and family;
- vi. Payment/reimbursement of food vouchers, petrol reimbursement;
- vii. Company cars with driver for official use, provision of telephone(s) at residence;
- viii. Payment/reimbursement of telephone expenses;
- ix. Housing loan, contingency loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- x. 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;
- xi. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Remuneration Committee/Board from time to time.

The maximum cost to the Company per annum for the grant of the perquisites and allowances listed above for Mr. K. T. Jithendran as Executive Director is ₹ 8,282,779. In addition to the above, Mr. K. T. Jithendran will be eligible for encashment of leave, club facilities, group insurance cover, group hospitalisation cover, and/ or any other allowances, perquisites and facilities as per the rules of the Company. Further Mr. K. T. Jithendran will also be entitled to the stock options/stock grants as per prevailing schemes of the Company.

Explanation:

- i) For the leave travel assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse, dependent children and dependent parents.
- ii) 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. Other Reimbursements:

Mr. K. T. Jithendran will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as in force from time to time.

V. Minimum Remuneration:

Where in any financial year, during the currency of tenure of Mr. K. T. Jithendran as Executive Director, the Company has no profits or its profits are inadequate, Mr. K. T. Jithendran shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956, as amended.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby jointly and severally authorised to execute the agreement with Mr. K. T. Jithendran for the revised remuneration and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable for giving effect to the foregoing resolution, and to settle any question, or doubt that may arise in relation thereto.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 61 of Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions of the laws, rules and regulations for the time being in force and in supersession of the ordinary resolution (Item no. 13) passed in the Annual general meeting held on July 17, 2010, the consent of the Members be and is hereby accorded to the Company to amend the schedule of deployment and utilisation of the net proceeds, arising out of the issue of equity shares allotted pursuant to the Prospectus (page 43) dated December 16, 2009 (the **"Prospectus"**) filed by the Company with the Registrar of Companies, Mumbai, Maharashtra as under:

(₹ in Crores)

S. No.	Expenditure Items	Total Estimated Cost	Amount deployed till November 15, 2009 (as mentioned in the Prospectus)	Balance Payable as on November 15, 2009 (as mentioned in the Prospectus)	Proposed to be funded by internal accruals	Amount upto which will be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for		
							FY 2010	FY 2011	FY 2012
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	152.00	25.00	52.00	75.00
2.	Construction of our Forthcoming project	100.84	22.82	78.02	Nil	75.00	0.00	62.30	12.70
3.	Repayment of loans	201.17 [#]	Nil	172.00	Nil	201.17 [#]	150.17	0.00	51.00
	Total	746.83	175.32	542.34	Nil	428.17	175.17	114.3	138.7

[#] In addition to the repayment of the loans as disclosed on page 46 of the Prospectus under the heading "Repayment of loans taken from various lenders", the Company proposes to repay ₹51 Crores under the working capital facility availed from State Bank of India. The amount outstanding as on March 31, 2011 under this working capital facility was ₹418.89 Crores.

Accordingly, the schedule of implementation of the net proceeds of the issue of equity shares as provided in the Prospectus (page 43) shall be amended as follows:

(₹ in Crores)

Sr. No.	Objects	FY 2010	FY 2011	FY 2012
1.	Acquisition of land development rights for our Forthcoming Projects	25.00	52.00	75.00
2.	Construction of our Forthcoming project	0.00	62.30	12.70
3.	Repayment of loans	150.17	0.00	51.00
	Total	175.17	114.3	138.7

RESOLVED FURTHER THAT Mr. Milind S. Korde, Managing Director or Mr. K. T. Jithendran, Executive Director or Mr. Shodhan Kembhavi – Vice President (Legal) and Company Secretary be and are hereby authorized to do all such necessary acts and execute such deeds, documents and papers as may be necessary and deemed fit to give effect to the aforesaid resolution.

By Order of the Board of Directors
For Godrej Properties Ltd.

Sd/-
Company Secretary

Place: Mumbai
Dated: May 7, 2011

Registered Office:

Godrej Bhavan,
4th Floor, 4A Home Street,
Fort, Mumbai 400 001

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND 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.**
- All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours up to the date of the Annual General Meeting.
- Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting and also their copy of Annual Report.
- The explanatory statements pursuant to Section 173 of the Companies Act, 1956, as amended, with respect to Item nos. 8 to 11 of the notice as set out above are annexed hereto.
- The Register of Members and Share Transfer Books of the Company will be closed from July 18, 2011 to July 22, 2011 (both days inclusive) for ascertaining the names of the members 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 Limited and Central Depository Services (India) Limited for the purpose.
- Profile of directors seeking re-appointment as stipulated under Clause 49 of the Listing Agreement with stock exchanges is given hereinunder.
- Corporate members intending to send their authorised representatives to attend the 26th Annual General Meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
- Members desirous of asking any questions at the 26th Annual General Meeting are requested to send in their questions so as to reach the Company's Registered Office at least 7 days before the date of the 26th Annual General Meeting so that the same can be suitably replied to.

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

ITEM NO. 8:

The members of the Company at their meeting held on July 27, 2009, re-appointed Mr. Milind S. Korde as the Managing Director of the Company for period of 3 years with effect from April 1, 2009 to March 31, 2012.

In the Board Meeting held on May 7, 2011, the remuneration of Mr. Milind S. Korde has been revised with effect from April 1, 2011, subject to the approval of members at the ensuing Annual General Meeting of the Company, which is within the limits provided in terms of Schedule XIII of the Companies Act, 1956, as amended.

Therefore, it is proposed to obtain approval of the members of the Company for revision of remuneration of Mr. Milind S. Korde as mentioned in the Resolution at Item No. 8 of this Notice with effect from April 1, 2011.

The Board of Directors of the Company recommends the passing of the Resolution as set out at Item No. 8 of the Notice.

The Explanatory Statement together with the Notice should be treated as an abstract of the terms under Section 302 of the Companies Act, 1956, as amended.

Mr. Milind S. Korde is deemed to be interested in the Resolution.

None of the other Directors of the Company are concerned or interested in the Resolution.

ITEM NO. 9:

The Board of Directors in their meeting held on October 25, 2008 and the members of the Company at an Extra-Ordinary General Meeting held on January 10, 2009 appointed Mr. Pirojsha Godrej as an Executive Director of the Company for a period of 3 years with effect from November 1, 2008.

It is now proposed to:

- a) revise the remuneration of Mr. Pirojsha Godrej as mentioned in the Resolution at Item No. 9 of this Notice with effect from April 1, 2011; and
- b) re-appoint Mr. Pirojsha Godrej as an Executive Director of the Company for a further period of three years with effect from November 1, 2011 on the terms and conditions mentioned in the Resolution at Item No. 9

The Board of Directors have approved the aforesaid proposals in their meeting held on May 7, 2011, subject to the approval of members at the ensuing Annual General Meeting of the Company. The proposed revised remuneration as stated at Item No. 9 is within the limits provided in terms of Schedule XIII of the Companies Act, 1956, as amended. Your Directors recommend the passing of the said Resolution.

The Explanatory Statement together with the Notice should be treated as an abstract of the terms under Section 302 of the Companies Act, 1956, as amended.

No director of the Company except, Mr. Adi B. Godrej, Ms. Parmeshwar A. Godrej and Mr. Pirojsha Godrej are concerned or interested in the above Resolution.

ITEM NO. 10:

The members of the Company at their meeting held on July 17, 2010, appointed Mr. K. T. Jithendran as the Executive Director of the Company for period of 3 years with effect from May 17, 2010.

In the Board Meeting held on May 7, 2011, the remuneration of Mr. K. T. Jithendran has been revised with effect from April 1, 2011, subject to the approval of members at ensuing Annual General Meeting of the Company, which is within the limits provided in terms of Schedule XIII of the Companies Act, 1956, as amended.

Therefore, it is proposed to obtain approval of the members of the Company for revision in the terms of remuneration of Mr. K. T. Jithendran as mentioned in the Resolution at Item No. 10 of this Notice with effect from April 1, 2011.

The Board of Directors of the Company recommends the passing of the Resolution as set out at Item No. 10 of this Notice.

The Explanatory Statement together with the Notice should be treated as an abstract of the terms under Section 302 of the Companies Act, 1956, as amended.

Mr. K. T. Jithendran is deemed to be interested in the Resolution.

None of the other Directors of the Company are concerned or interested in the Resolution.

ITEM NO. 11:

The Members of the Company at their Extraordinary General Meeting held on September 30, 2009 had approved the Initial Public Offer (“**IPO**”) of equity shares of the Company. Accordingly, the Company made an offer of 9,429,750 equity shares through 100% book building route with a price band of ₹ 490 to ₹ 530 per equity share. The Company received ₹ 468.85 Crores from the IPO as the issue proceeds (the “**Issue Proceeds**”). The net Issue Proceeds, after deduction of IPO related expenses, were ₹ 428.17 crores (“**Net Proceeds**”).

The objects of the Issue were:

- Acquisition of land development rights for our Forthcoming Projects;
- Construction of our Forthcoming Project; and
- Repayment of loans.

In the last Annual General Meeting of the Company held on July 17, 2010, the members of the Company approved following amendments to the schedule of utilisation of the Net Proceeds as disclosed on page 43 of the Prospectus of the Company dated December 16, 2009 (the “**Prospectus**”):

(₹ in Crores)

Sr. No.	Expenditure Items	Total Estimated Cost	Amount deployed till November 15, 2009	Balance Payable as on November 15, 2009	Proposed to be funded by internal accruals	Amount upto which will be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for		
							FY 2010	FY 2011	FY 2012
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	203.00	25.00*	178.00**	-
2.	Construction of our Forthcoming project	100.84	22.82	78.02	Nil	75.00	- [#]	60.00 ^{#3}	15.00
3.	Repayment of loans	172.00	Nil	172.00	Nil	150.17	150.17	-	-
	Total	717.66	175.32	542.34	Nil	428.17	175.17	238.00	15.00

* The Prospectus stated that an amount of ₹ 203.00 crores was proposed to be utilised in fiscal year 2010. Now amended to state that ₹ 25.00 crores was utilised in fiscal year 2010.

** The Prospectus stated that no amount was proposed to be utilised in fiscal year 2011. Now amended to state that ₹ 178.00 crores is proposed to be utilised in fiscal year 2011.

The Prospectus stated that an amount of ₹ 20.00 crores was proposed to be utilised in fiscal year 2010. Now amended to state that no amount was utilised in fiscal year 2010.

^{#3} The Prospectus stated that an amount of ₹ 40.00 crores was proposed to be utilised in fiscal year 2011. Now amended to state that the amount of ₹ 60.00 crores is proposed to be utilised in fiscal year 2011.

Since there are further deviations in the utilisation of the Net Proceeds, the approval of the members of the Company is sought for the proposed amendments in the Objects of the IPO as per the details mentioned below:

a) Acquisition of land development rights for our forthcoming projects

In relation to the property located at Ahmedabad, the Company was required to utilise an amount of ₹ 107 Crores in the fiscal year 2011 in accordance with the shareholders’ approval dated July 17, 2010 subject to entering into the Development Agreements for the balance area by March 2011. The Company has utilised an amount of ₹ 41.09 Crores in the fiscal year 2011 out of the sum of ₹ 107 Crores as the Company had entered into the Development Agreements for the part of the balance area during the fiscal year 2011. It is now proposed that the balance amount of ₹ 65.91 Crores will be utilised by the Company by March 2012 subject to entering into Development Agreements for the remaining area.

In relation to the property located at Kalyan, the Company was required to pay an amount of ₹ 20.00 Crores in the fiscal year 2011 in accordance with the shareholders’ approval dated July 17, 2010 subject to the aggregation of the entire 160 acres of land at Kalyan. The Company has paid ₹ 10.91 Crore in the fiscal year 2011 out of the said amount of ₹ 20.00 Crores as only a part of the land was aggregated till March 2011. It is now proposed to pay the balance amount of ₹ 9.09 Crores in the fiscal year 2012 once the aggregation of proposed land is scheduled to be completed.

In relation to the property located at Pune, the Company was required to pay an amount of ₹ 51.00 crores in the fiscal year 2011 in accordance with shareholders' approval dated July 17, 2010 subject to receipt of certificate of conversion of land to non-agricultural use by the owners of the property at Pune (the "Pune Project"). However the same has not been received till date and therefore, it is proposed that the said amount of ₹ 51 Crores shall be utilised for the purpose of repayment of loans. The details of these loans which are proposed to be repaid are disclosed in the table below. Consequently, the total amount of ₹ 203 Crores of Net Proceeds which was proposed to be utilised for acquisition of land development rights for our forthcoming projects will be revised to ₹ 152 Crores.

b) Construction of Forthcoming Project

In relation to the construction of commercial project located in Chandigarh, the Company was required to utilise an amount of ₹ 60 Crores in the fiscal year 2011 and ₹ 15 Crores in the fiscal year 2012 in accordance with the shareholders' approval dated July 17, 2010. The Company has utilized an amount of ₹ 62.30 Crores in the fiscal year 2011. It is now proposed that the balance amount of ₹ 12.70 Crores will be utilised by the Company by the fiscal year 2012.

c) Repayment of Loans

It was stated in the Prospectus that an amount of ₹ 150.17 Crores would be utilised by the Company for repayment of loans which was fully utilised by the Company in the fiscal year 2010. However as mentioned on page 47 of the Prospectus, the Company may re-schedule at its discretion the proposed utilization of Net Proceeds by increasing or decreasing the expenditure for a particular object and adjusting in other object.

In order to reduce interest burden it is proposed to utilise a further amount of ₹ 51 Crores as stated in para (a) above relating to Pune Project for repayment of the existing loans of the Company.

In light of the abovementioned changes to the Objects of the Issue, the approval of members of the Company is sought for amending the schedule of deployment and utilisation of the Net Proceeds of the IPO as provided hereunder:

(₹ in Crores)

Sr. No.	Expenditure Items	Total Estimated Cost	Amount deployed till November 15, 2009 (as mentioned in the Prospectus)	Balance Payable as on November 15, 2009 (as mentioned in the Prospectus)	Proposed to be funded by internal accruals	Amount upto which will be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for		
							FY 2010	FY 2011	FY 2012
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	152.00*	25.00	52.00**	75.00***
2.	Construction of our Forthcoming project	100.84	22.82	78.02	Nil	75.00	0.00	62.30 ¹	12.70 ²
3.	Repayment of loans	201.17 [#]	Nil	172.00	Nil	201.17 [#]	150.17	0.00	51.00
	Total	746.83	175.32	542.34	Nil	428.17	175.17	114.3	138.7

* It was stated that an amount of ₹ 203.00 Crores was proposed to be utilised from Net Proceeds for Acquisition of land development rights for our forthcoming projects. Now amended to state that ₹ 152.00 Crores is proposed to be utilised for the said purpose.

** It was stated that an amount of ₹ 178.00 crores was proposed to be utilised in fiscal year 2011. Now amended to state that ₹ 52.00 Crores was utilised in fiscal year 2011.

*** It was stated that no amount was proposed to be utilised in fiscal year 2012. Now amended to state that ₹ 75.00 Crores is proposed to be utilised in fiscal year 2012.

¹ It was stated that an amount of ₹ 60.00 Crores was proposed to be utilised in fiscal year 2011. Now amended to state that ₹ 62.30 Crores was utilised in fiscal year 2011.

² It was stated that an amount of ₹ 15.00 Crores was proposed to be utilised in fiscal year 2012. Now amended to state that ₹ 12.70 Crores is proposed to be utilised in fiscal year 2012.

[#] The increase in the total estimated cost for repayment of loans and amount up to which will be financed from Net Proceeds is due to the utilisation of ₹ 51 Crores originally proposed to be utilised for the Pune Project. The details of the loan to be repaid in addition to those mentioned in the Prospectus are provided in the table below:

Sr. No.	Name of the lender	Date of the loan facility agreement	Total Amount Sanctioned	Purpose of loan	Utilisation of the Loans	Principal amount outstanding as on March 31, 2011	Repayment Date/ schedule	Interest/ Commission	Amount proposed to be repaid out of the Issue proceeds
1.	State Bank of India (Working capital loan)	March 16, 2011	475.00 (Including interchangeable non fund based facility of ₹ 75.00 Crores)	Working Capital Purpose - To meet Working Capital Requirements	Loans were utilised for the purpose for which it was raised – To meet working capital requirement	431.16 (Including the utilisation of non fund based limit of ₹ 12.27 Crores.) Working Capital Demand Loan (WC DL) – ₹ 150 Crores.	No fixed repayment date as this is a cash credit facility	For cash credit – 4.25% above Base rate per annum. Effective rate as on March 31, 2011 is 12.50% Per annum. For WC DL of ₹ 100 Crores Rate of Interest is 10.25% per annum. For WC DL of ₹ 50 Crores Rate of Interest is 10.95% per annum Inland and Import Letter of Credit – 0.40 per annum plus applicable tax Bank guarantee – 0.80 per annum plus applicable tax	51.00 Cash Credit Component

The Company shall comply with the applicable provisions of the listing agreement entered into with the stock exchanges in relation to the amendments in the Objects of the IPO. The Company has also informed the Monitoring Agency, appointed for the IPO, and the Audit Committee of the amendments in the Objects of the IPO.

The provisions of the Companies Act, 1956, as amended, require the Company to obtain the approval of the members for any variation in the use of issue proceeds as referred in the Prospectus.

Your Directors therefore solicit your approval by way of passing this Resolution as an Ordinary Resolution.

None of the Directors is interested in this Resolution.

By Order of the Board of Directors

For Godrej Properties Ltd.

Sd/-

Company Secretary

Place: Mumbai

Dated: May 7, 2011

Registered Office:

Godrej Bhavan,
4th Floor, 4A Home Street,
Fort, Mumbai 400 001

Pursuant to Clause 49 of listing agreement with the stock exchanges, the following information is furnished about the Directors proposed to be re-appointed

Brief Resume of the Directors

Name of the Director	Ms. Parmeshwar A. Godrej	Mr. Nadir B. Godrej	Mr. Amit B. Choudhury	Mr. Keki B. Dadiseth	Mr. Pirojsha Godrej
Age	66	59	68	65	30
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Appointment	November 30, 1989	April 25, 1990	May 1, 2003	January 16, 2008	November 1, 2008 as Executive Director
Shares held in the Company	NIL	15,62,250	1,500	NIL	5,20,747
Qualification	Ms. Parmeshwar A. Godrej has completed her Senior Cambridge and studied Fine Arts and Commercial Art at J.J. School of Arts, Mumbai	Mr. Nadir B. Godrej holds a Bachelor of Science degree in chemical engineering from the Massachusetts Institute of Technology, U.S.A., a Master of Science degree in chemical engineering from Stanford University, U.S.A, and a Master of Business Administration degree from Harvard Business School, USA.	Mr. Amit B. Choudhury holds a Masters degree in Economics and Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies	Mr. K.B. Dadiseth, is a Fellow of the Institute of Chartered Accountants of England and Wales.	Mr. Pirojsha Godrej holds a Bachelors Degree in Economics from the Wharton School at the University of Pennsylvania, a Masters in International Affairs from Colombia University's School of International and Public Affairs and a Masters in Business Administration from Columbia Business School.
Expertise in specific functional area	Design	Engineering and Management	General Management with emphasis on Marketing & Real Estate	General & Financial Management	Management
Directorships held in other companies	<ol style="list-style-type: none"> Indian Hotels & Health Resorts Pvt. Ltd Gates Foundation (Avahan) The Gere Foundation Cine Blitz Publications The American India Foundation The Palace School in Jaipur 	<ol style="list-style-type: none"> Godrej Industries Limited Godrej Agrovet Limited Godrej Tyson Foods Limited Godrej Oil Palm Limited Godrej & Boyce Mfg. Co. Ltd. Godrej Consumer Products Limited Mahindra & Mahindra Limited Godrej Household Products Limited KarROX Technologies Limited Tata Teleservices (Maharashtra) Limited Cauvery Palm Oil Limited The Indian Hotels Company Limited Godrej International Limited Godrej Global Mid East FZE ACI Godrej Agrovet Private Limited, Bangladesh Keyline Brands Limited Rapidol (Pty) Limited Godrej Nigeria Limited Poultry Processors' Association of India 	<ol style="list-style-type: none"> Swadeshi Detergents Limited Vora Soaps Limited Godrej Agrovet Limited Wadala Commodities Limited Godrej Industries Limited Godrej Waterside Properties Private Limited 	<ol style="list-style-type: none"> Britannia Industries Limited ICICI Prudential Life Insurance Company Limited Piramal Healthcare Limited Omnicom India Marketing Advisory Services Private Limited ICICI Prudential Trust Limited Siemens Limited The Indian Hotels Company Limited Sony India Private Limited Prudential PLC 	<ol style="list-style-type: none"> Godrej Realty Private Limited Godrej Waterside Properties Private Limited Godrej Developers Private Limited Godrej Projects Development Private Limited Godrej Buildwell Private Limited Member of Governing Advisory Board for the India Rental Yield and Appreciation Portfolio established under the Anand Rathii CITADEL platform

Name of the Director	Ms. Parmeshwar A. Godrej	Mr. Nadir B. Godrej	Mr. Amit B. Choudhury	Mr. Keki B. Dadiseth	Mr. Pirojsha Godrej
Chairmanships/ Memberships of Committees in other companies as per Clause 49	NIL	Chairman of Shareholders Committee of Godrej Consumers Products Limited Member of Audit Committee of Godrej Household Products Limited Member of Audit Committee of Mahindra & Mahindra Limited	Member of Audit & Shareholders' Grievance Committee of Wadala Commodies Limited	Member of Audit Committee of Britannia Industries Limited Chairman of Audit Committee and Member of Share Transfer Committee of ICICI Prudential Life Insurance Co. Limited Member of Audit Committee of Siemens Ltd. Chairman of Audit Committee of The Indian Hotels Company Limited	NIL
Inter-se relationship with other directors	Spouse of Mr. Adi B. Godrej and Mother of Mr. Pirojsha Godrej.	Brother of Mr. Adi B. Godrej	None	None	Son of Mr. Adi B. Godrej and Ms. Parmeshwar A. Godrej



Godrej Properties Limited

Regd. Office : Godrej Bhavan, 4th Floor, 4A Home Street, Fort, Mumbai – 400 001.
Phones: 91-22-66510200, Fax: 91-22-22072044

PROXY FORM

Regd. Folio No.

No. of Shares held

Client Id*

DP Id*

I/We.....
of.....

.....being a member/members of Godrej Properties Limited hereby appoint

Mr./Ms..... of.....or failing him

Mr./Ms of as my/ our/ proxy to vote for me/
us on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company to be held on Friday, July 22,
2011, at 3.30 p.m. at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021 and
at any adjournment thereof.

Signed this day of, 2011

.....
Signature

Revenue
Stamp of
30 paise

* Applicable for members holding shares in electronic form.

Notes:

- (1) The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company.
- (2) The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
- (3) A Proxy need not be a member.



Godrej Properties Limited

Regd. Office : Godrej Bhavan, 4th Floor, 4A Home Street, Fort, Mumbai – 400 001.
Phones: 91-22-66510200, Fax: 91-22-22072044

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

TWENTY SIXTH ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the Twenty Sixth Annual General Meeting of the Company held on Friday, July 22,
2011, at 3.30 p.m. at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021.

Full Name of the Member
(in BLOCK LETTERS)

Regd. Folio No.

No. of Shares held

Client Id*

DP Id*

Full Name of the Proxy (in BLOCK LETTERS)

Member's/Proxy's Signature

* Applicable for members having shares in electronic form.

Godrej Properties Limited

Registered Office:

Godrej Properties Limited,
Godrej Bhavan, 4th Floor, 4A, Home Street,
Fort, Mumbai 400 001, India.
Phone: + 91 - 22 - 6651 0200
Fax: + 91 - 22 - 2207 2044

Regional Office

AHMEDABAD	BENGALURU	CHANDIGARH	CHENNAI	GURGAON	HYDERABAD	KOLKATA	PUNE
2 nd Floor, RUDRAPATH Near Rajpath Club S. G. Highway Ahmedabad - 380059.	302, Embassy Classic, No. 11, Vittal Malia Road, Bengaluru - 560001.	SCO - 153-155, First Floor, Madhya Marg, Sector-9C Chandigarh - 160009.	No. 70, Lancor West Minstar, R. K. Salai, Mylapoor, Chennai - 600004.	Unit No 215, Time Tower Mehrauli Gurgaon Road, Gurgaon - 122002, Haryana.	302, Sapphire Square, MCH No.6-3-885/7, Rajiv Gandhi Chowk, Somajiguda, Hyderabad - 500082.	No. 23, The Legacy 25A, Shakeshpore Sarani, Kolkata - 700017.	Godrej Eternia C, Office A, 10 th Floor, 3 Old Mumbai Pune Highway, Wakdevadi Shivaji Nagar, Pune - 411005

Site Addresses

Godrej Garden City
Behind Nirma University,
Off Sarkhej Gandhinagar Highway,
Jagatpur, Ahmedabad - 382 481.

Godrej Eternia
Plot No. 70,
Industrial Area Phase-I,
Chandigarh - 160 002.

Godrej Hill
Barave Village,
Behind Birla College,
Murbad Road,
Kalyan (West) - 421 301.

Godrej Waterside IT Park
Plot No.5, Block DP, Sector - V,
Salt Lake City,
Kolkata - 700 091.

Planet Godrej
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai - 400 011.

Godrej Edenwoods
Gladys Alwares Marg,
Pokhran Road No. 2,
Thane - 400 610.

Godrej Gold County
Chikkabidarakallu Village,
Dasanpura Hobli,
Bengaluru North

Godrej Palm Grove
Chembarabakam Village,
Poonamalee Taluk,
Tiruvallur District,
Chennai, Tamilnadu.

Godrej Genesis
Simoco Project, Plot No. 11,
Block EP & GP,
Sector - V, Salt Lake City,
Kolkata - 700 091.

Godrej Avalon
Yeyyadi, Padavu Village,
Mangalore - 575 008.

Godrej Genesis
Mumbai-Bangalore Highway,
Next to PRAJ Industries,
Pune - 411 045.

The Trees
Godrej Industries Ltd.
3rd Floor Factory Building,
Pirojsha Nagar,
Eastern Express Highway,
Vikhroli (East), Mumbai - 400 079.

Godrej Woodsman Estate
Hebbal, Bellary Road,
Bengaluru - 560 024.

Godrej Genesis
IDA - Phase II, Rallis India Ltd.
Complex, Adjoining NH-9,
Patancheru, Medak District,
Hyderabad - 502 319.

Godrej Prakriti
Banarsree Cotton Mills,
150 BT Road,
Kolkata - 700 115.

Godrej Coliseum
Sion Kurla Road,
Eastern Express Highway,
Chunabhatti, Mumbai - 400 022.

Godrej Eternia
3 Old Mumbai Pune Highway,
Wakdevadi Shivaji Nagar,
Pune - 411 005.

Godrej Frontier
Sector 80, Gurgaon,
Haryana

