

# ANNUAL REPORT

2012-2013



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# VISION

GODREJ BKC, 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.



# THE YEAR THAT WAS

## Robust Growth

- FY13 consolidated total income increased by 28% to INR 1,047.6 million from INR 819.8 million in FY12
- FY13 total booking value increased by 71% to INR 2,762 million from INR 1,612 million in FY12
- Booking volumes grew by 58% to 4.08 million square feet in FY13 from 2.58 million square feet in FY12
- Consolidated EBITDA for FY13 improved by 43% to INR 296.2 million from INR 207.7 million in FY12
- Net profit increased by 41% to INR 138.4 million in FY13 from INR 97.9 million in FY12

## Highest Ever New Launches & Sales

- Strong response to 13 launches in 6 cities in FY13
- 58% bookings growth by volume and 71% by value, despite weak real estate sector performance
- Godrej Summit Phase I, Gurgaon – total launched stock of 695 apartments with 1 million sq. ft. of saleable area sold in one day
- Godrej Platinum, Vikhroli – 40% price increase in one year despite poor market conditions
- Godrej E-City, Bengaluru – sold ~ 400,000 sq.ft. in two months and launched 2nd phase six months ahead of schedule
- Affordable Housing launched in Ahmedabad – 100% inventory sold within two days

## Continued Success in Business Development

- Godrej Properties added 8 new projects with ~ 6.6 million sq. ft. of saleable area to the Company's development portfolio
- Your Company expanded its presence in the Mumbai redevelopment space with five new projects being added in FY13
- Your Company created an added opportunity with the formation of an INR 1,073 crore Residential Co-Investment Platform. This platform provides a new growth avenue for Godrej Properties by allowing us to develop projects that require more upfront capital

## Building a future ready organization

- Your Company launched an operational excellence initiative, 'Project Pyramid', which has resulted in significant improvement in approval processes, cash flow management, debtor management, quantity estimation, value engineering and design standardization. This initiative has also enabled Godrej Properties to reduce net debt in FY13, despite having added 8 new projects to its portfolio
- Your Company has exhibited exceptional improvement in team building and employee engagement while growing its employee base by 25%
- In an employee engagement study by Hewitt, Godrej Properties' employee engagement scores came in at 80%, a 14% improvement over the previous year and well above the average for the best in-class companies in Asia

## Awards & Recognitions

Godrej Properties received 20 awards and recognitions in FY13

- 'Popular Choice Developer of the year' – Residential Category, ET Now Awards
- Ranked amongst India's Top 15 companies to work for in a study by the Great Places to Work Institute, India, in partnership with Economic Times
  - 14th Best Company to Work For in India in the overall category
  - Ranked #1 in the Best Company in the real estate and construction sector
  - Ranked #2 in the Best Company with under 1,000 employees category
- 'Real Estate Company of the year'– Construction Week India Award
- 'CWAB Platinum Award for Excellence' – 7th Construction World Architect and Builder (CWAB) Awards
- 'Brand Excellence Award' – in the Real Estate category at the Zee Business Awards
- 'Platinum Award for Excellence' – Construction World Magazine
- 'Best Marketing Campaign of the year'– CMOAsia Awards, Singapore
- 'Brand Leadership Award' – ET Now Awards
- 'Innovative Real Estate Marketing Campaign' – ET Now Awards
- Godrej Garden City, Ahmedabad
  - 'Best Residential Project' – mid-segment category of projects that are 70% complete at the CNBC Awaaz Real Estate Awards
  - 'Integrated Township of the year' – ET Now Awards
  - 'Safety Award' – The British Safety Council International Award, Distinction Category for Affordable and Mass Housing
- Godrej Anandam, Nagpur
  - 'Best Upcoming Township' – My FM, Dainik Bhaskar and CREDAI Nagpur
  - 'Best Developer Award (Rest of Maharashtra)' – The Vasturaviraj Vishwakarma Real Estate Awards
- Godrej Prakriti, Kolkata received the 'Best Residential Project' in the mid-segment category of projects that are 70% complete at the CNBC Awaaz Real Estate Awards
- Godrej Waterside, Kolkata won the 'Best Commercial Property' at the CNBC Awaaz Real Estate Awards
- Godrej One, Mumbai received 'Safety Award' – The British Safety Council International Award, Distinction Category for Information Technology and Office Space category







# COMPANY INFORMATION

- DIRECTORS** :
1. Mr. Adi B. Godrej - Chairman
  2. Mr. Jamshyd N. Godrej
  3. Mr. Nadir B. Godrej
  4. Mrs. Parmeshwar A. Godrej
  5. Mr. Pirojsha Godrej - Managing Director & Chief Executive Officer
  6. Mr. K.T. Jithendran - Executive Director
  7. Mr. V. Srinivasan - 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  
HDFC Bank

# CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report that Your Company had a strong year in FY13 despite a subdued period for the real estate industry and the Indian economy. India faced numerous challenges in the past year with GDP growth slowing considerably due to both global and domestic factors. Weak GDP growth combined with high interest rates and negative consumer and business sentiment resulted in a poor year for the real estate sector.

Despite this challenging environment, Godrej Properties demonstrated superior performance on all operational and financial parameters by achieving substantially higher revenue, profit, bookings and new launches in FY13. Your Company's total income for the year grew a robust 28% in FY13. Profitability also increased rapidly with EBITDA growth of 43% and net profit growth of 41%. Furthermore, despite a constrained approval environment, GPL successfully launched 13 new projects and phases in six cities



across India. These successful launches played a key role in enabling us to grow our bookings by 71% to over US\$ 500 million for the financial year.

In addition to the strong in-year financial performance, Your Company also made tremendous strides in business development, which will help ensure that growth is sustained in the years ahead. In FY13, we added 8 new projects to our portfolio demonstrating our ability to add attractive new projects irrespective of market conditions. These project additions include five redevelopment projects in various parts of Mumbai and a large township project in Panvel, Mumbai that will substantially enhance our presence in the important Mumbai market.

I am pleased to note that Your Company over the past year has been accredited with significant recognition and awards at both the entity and project levels. GPL received 20 awards in FY13 including the 'Popular Choice Developer of the Year' in the residential category from ET Now.

With the scale of development that is likely to unfold in India over the next several decades, it is of vital importance that this development be planned in a sustainable manner. GPL has been at the forefront of driving sustainable and environment friendly urban design in India. We remain committed to ensuring

that every single new Godrej Properties development will be planned in a manner that enables it to receive a LEED or IGBC green building certification.

Globally, the real estate sector is cyclical in nature and is primarily driven by consumer sentiment, monetary policy and overall economic outlook. While the last few years have been challenging for the Indian economy and especially for the Indian real estate sector, with headline inflation moderating to 3-year lows and a better GDP growth forecast for FY14, we anticipate an improvement in the business environment and consumer sentiment in the year ahead. Such an improvement will disproportionately benefit the real estate sector. We believe that our national presence, strong brand equity and robust project portfolio will allow us to capitalize on this opportunity.

Let me close by expressing my appreciation to the Godrej Properties team for driving continued success and growth at Godrej Properties. I would also like to thank our business partners, vendors and other associates. Finally, my gratitude to you, our shareholders, for your unwavering support and trust.

Best wishes,

Adi B. Godrej  
Chairman, The Godrej Group



# MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

FY 13 has been an exciting year for Godrej Properties. In a tough macroeconomic environment in which the real estate sector has struggled, Your Company has had its best ever year on most operational and financial parameters.

We added 8 new projects to our portfolio in FY13. For new projects that we add to our portfolio, the focus has been entirely on residential projects in target cities and on favorable deal structures that enhance our margin profile. This has allowed us to add projects that we think will create very significant amounts of future profit with very limited up front investment. In addition to all the new projects we added in FY13, we also partnered with a group of international financial investors to create a residential investment platform, through which we will

be able to source additional projects, particularly those with high upfront financial commitments. The size of this platform is over Rs. 1,000 crores and we hope to deploy most of these funds in FY14.

One of the key highlights for Godrej Properties in FY13 was the large number of successful new project launches we had. In total, we were able to launch 13 new projects or phases in 6 cities across the country. Almost all of these launches have been very successful and some of the highlights included Godrej Summit in Gurgaon where we sold one million sq. ft. in one day, Godrej Platinum in Vikhroli, where prices increased by 40% in one year, and Godrej E-City in Bangalore where we sold out of the first phase far ahead of our initial schedule. These are 3 examples from the 3 largest real estate markets in the country- NCR, Mumbai, and



Bangalore. We look forward to continuing to build our presence in these markets through new project additions and new launches. In addition to these launches, we also ended the year with some important additional launches including Godrej BKC, our flagship commercial project in Bandra Kurla Complex in Mumbai. Two other launches we had at the end of FY13 were at the opposite ends of the pricing spectrum, with a luxury project launch in Alipore, Kolkata where the average unit price is in excess of Rs. 10 crore, and in Ahmedabad where we sold 150 units of smaller sized apartments within 2 days of launch. The tremendous success of these two launches on opposite ends of the country and opposite ends of the price spectrum, gives us tremendous confidence in our ability to attract customers for our residential development plans across the country.

While business development and sales have been areas where we have been doing quite well for a while, one area where we wanted to demonstrate an improved performance in FY13 was in terms of operational excellence. With this in mind, we launched an operational excellence initiative called Project Pyramid. Through this initiative, there has been a substantial enhancement of our capabilities across parameters like approval processes, cash flow management, value engineering, and contracting and design strategy. There have already been visible results, including the fact that we have ended FY13 with positive cash flows and reduced debt despite having added 18 new projects to our portfolio in FY12 and FY13. We are confident that the improvements we've made through this initiative will continue to yield positive results in the years ahead.

Another important area of focus for Godrej Properties has been ensuring we are building a team capable of delivering our large growth aspirations. In FY13 our total employee strength increased by 25% and a lot of work went into ensuring selection of the right talent and into team-building and capability development. I'm happy to report that in the Great Places to Work Study, which is an annual study with over 500 companies participating,

Godrej Properties was adjudged the 14th best company to work for in India, the 2nd best company to work for out of all companies with less than 1,000 employees, and as the best company to work for in the real estate sector. Continuing to develop talent and ensuring a growth-oriented organization will remain a critical priority in the year ahead.

We did have our fair share of disappointments in Financial Year 2013. Despite it being by far our best ever year for new launches and bookings growth, we were only able to achieve 70% of the total launches we'd hoped to in FY13. Regulatory approvals continue to sometimes frustrate our best efforts to crash pre-launch timelines, but we have made a lot of progress this year in ensuring we do everything we can from an internal process and effort perspective. We also fell far short of our goals in terms of sales in our commercial projects in Kolkata and Chandigarh. Unlocking capital from our commercial projects will remain a critical priority in the year ahead. Another ongoing challenge has been generally low margins in some of our older projects but we've been very happy with the progress we've made this year in terms of improving our business development and operational strategies to ensure our newer projects yield superior performance in these areas. We are confident that these improvements will ensure strong growth and substantially improved return on equity for Your Company in the years ahead.

I'd like to take this opportunity to sincerely thank my management team for the exceptional efforts they have made throughout the year to ensure strong performance in an adverse environment. I would also like to thank our joint venture partners, customers, and business associates for their support. Finally, a big vote of thanks to all our investors for their continued belief in Godrej Properties.

All the best,

Pirojsha Godrej  
Managing Director & CEO, Godrej Properties

GODREJ PLATINUM, ALIPORE





# MANAGEMENT DISCUSSION & ANALYSIS

## ECONOMIC OVERVIEW

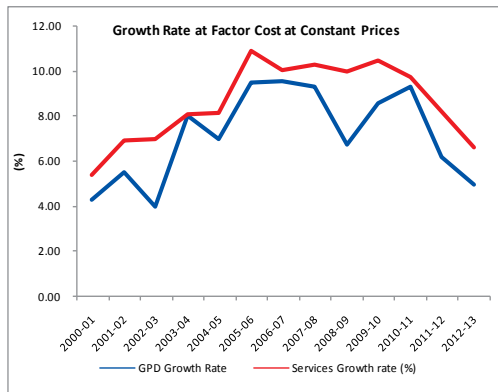
The Indian economy faced another challenging year in 2012-13. GDP growth slowed considerably, the Central Statistics Office (CSO) estimated a GDP growth of 5.0% for the year 2012-13. GDP and IIP growth have been at the lowest levels in the past ten years, while interest rates peaked during the year.

Despite the ongoing macroeconomic volatility and geopolitical uncertainty, 2012-13 generally represented a year of stabilization within the global economy. Confidence improved as the year progressed, as central banks around the world eased monetary policy in order to support a budding economic recovery. Positive catalysts emerged across the globe, with the U.S. housing market continuing to improve and sovereign debt concerns in Europe beginning to subside. With liquidity continuing to flood the market and interest rates remaining near historic lows, the world economy ended the year poised for a return to normalcy and moderate levels of growth.

On the domestic front, high interest rates, decelerating industrial production and a lack of policy reform momentum resulted in a subdued economic environment. High inflation and a tight monetary policy slowed improvement in consumer demand.

While FY13 was challenging for the Indian economy, some key positives did emerge. The WPI headline inflation reduced to a 40-month





Source: CSO Data

low of 5.96% in March 2013. The moderation in WPI headline inflation and a global correction in commodity prices including that of oil and gold will benefit India's inflation and current account deficit outlook. This should support an easing of the monetary policy going forward.

The Union Budget was progressive and is expected kick-start the next cycle of investments leading to an improved economic

GODREJ BKC, MUMBAI





environment. Positive policy initiatives announced by the Government including foreign direct investment (FDI) in multiple sectors, easing FII investment norms and rationalization of fuel & fertilizer subsidies helped improve investor confidence and reduce the fiscal and current account deficits.

While there have been challenges, many viewed 2012-13 as the cyclical bottoming out

of the domestic economy. Interest rates did soften from their peak in 2012-13 and are expected to continue to decline through 2014. WPI headline inflation saw a sharp decline during the year and has made way for monetary policy easing that should stimulate domestic consumption demand and lead to better GDP growth.

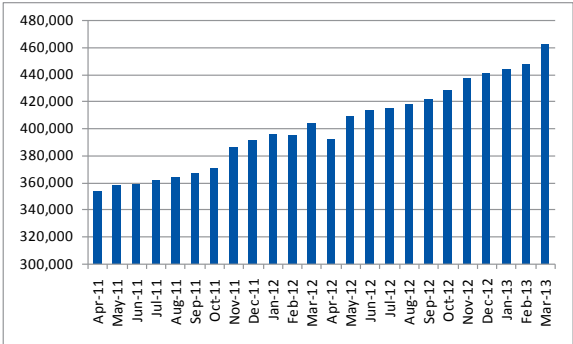
Strong GDP growth, favourable demographics and a strong urbanisation trend ensure the long term fundamentals of the Indian economy remain intact. India recorded a CAGR in GDP of 7.6% for the period 2003-2013, 63% of the population is under the age of 30 and there is strong probability that India will house the world’s largest consumer market by 2030.

### REAL ESTATE OVERVIEW

The year 2012-13 was muted for the property sector across residential, commercial and retail real estate. An adverse economic environment, high inflation and high interest rates continued to affect demand. Property developers continued to be constrained by reduced liquidity, rising project costs, approval delays and higher leverage.

The year closed on a better economic note with declining inflation levels that could lead to easing of monetary policy and therefore increased demand for real estate. The Index of Industrial Production (IIP) improved during the last

**Table: Outstanding Bank credit to housing (₹ Crore)**



Source: RBI Database







quarter, a sign that there is overall improvement in the economy. The Union Budget 2013-14 was marginally negative for premium/luxury housing but provided incentives for the affordable housing space. The clearance of key bills, including the Land Acquisition Bill & the Real Estate Regulation Bill, along with the likelihood of infrastructure status being provided to the real estate sector are positives and have the potential to greatly improve the overall outlook.

The fundamental trends in demand for real estate remain intact with a growing middle class population, increase in nuclear families and rapid urbanization leading to sustained shortage of housing across Indian cities. Softening interest rates, moderating inflation and GDP growth continue to provide impetus to the sector and realty remains well positioned for long term sustained growth.

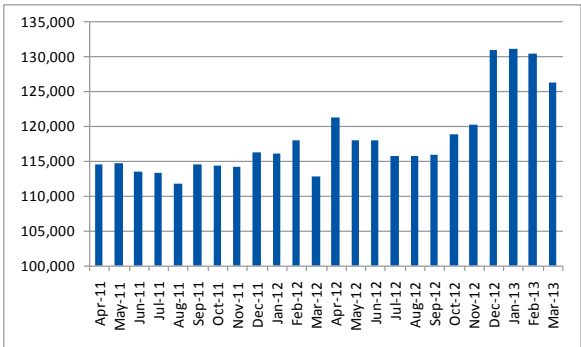
### Residential Real Estate

The overall pace of growth in the residential property market continued to decelerate due to weak demand across most cities in India. While launches through CY2012 were higher than the previous year, the absorption rate showed a marginal decline with inventory levels approaching peak levels in most markets. Rising input costs resulted in property prices inching up in key cities over the past 12 months thereby impacting affordability. Construction activity constrained by approval delays and tight liquidity further inhibited recovery of the sector.

Most major markets including Mumbai, Pune and Hyderabad recorded weak performance with lower absorption and higher inventory as sales were affected by cautious buyer sentiment and delayed launches. In select micro markets of Mumbai prices softened for new launches; while they were mostly stable in other micro markets.

Bangalore continued to witness stable property trends where capital values appreciated marginally across all submarkets, with price increases recorded in projects that neared completion. For Gurgaon, 2012-13 has been a robust year with increasing buyer interest from neighboring states, improving infrastructure and affordable property prices.

**Table: Outstanding Bank Credit to Commercial Real Estate (₹ Crore)**



Source: RBI Database

Residential markets are expected to benefit from declining mortgage rates, improvement in the

approval environment, market calibrated price points & unit sizes boosting affordability levels moving into 2013-14.

Over the next decade demand for housing in India is expected to continue to exceed supply. A key trend is the consumer preference to buy homes rather than rent due to the consumers' expectation of capital appreciation in the medium to long term. Real estate remains an attractive investment considering that asset prices in India are expected to benefit from the progress in infrastructure projects, rising land & FSI costs and high inflation.

### Commercial Real Estate

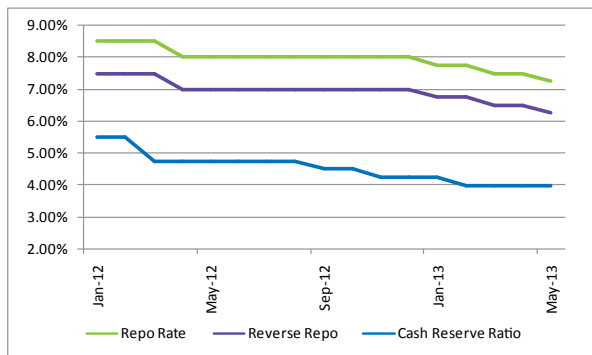
The commercial property market fared poorly in 2012-13; sluggish leasing activity and a lack of a meaningful recovery in rentals across major Indian cities accounted for subdued performance during the year. The slow commercial market can be attributed to cautious occupier sentiment that resulted from global and domestic uncertainties.

GODREJ MILLENNIUM, PUNE



Slower economic activity across industries led to lower job creation and a resultant decrease in commercial absorption. During the year, Banking Financial Services & Insurance (BFSI) and Information Technology (IT/ITES), the primary drivers of commercial markets, witnessed compression and reported slower uptake of office space. A silver lining for the commercial space has been increased private equity interest for yield generating completed projects. Over the last year, a number of large private equity transactions in the commercial real estate space were concluded.

**The trend of declining Interest Rates will continue; positive for real estate**

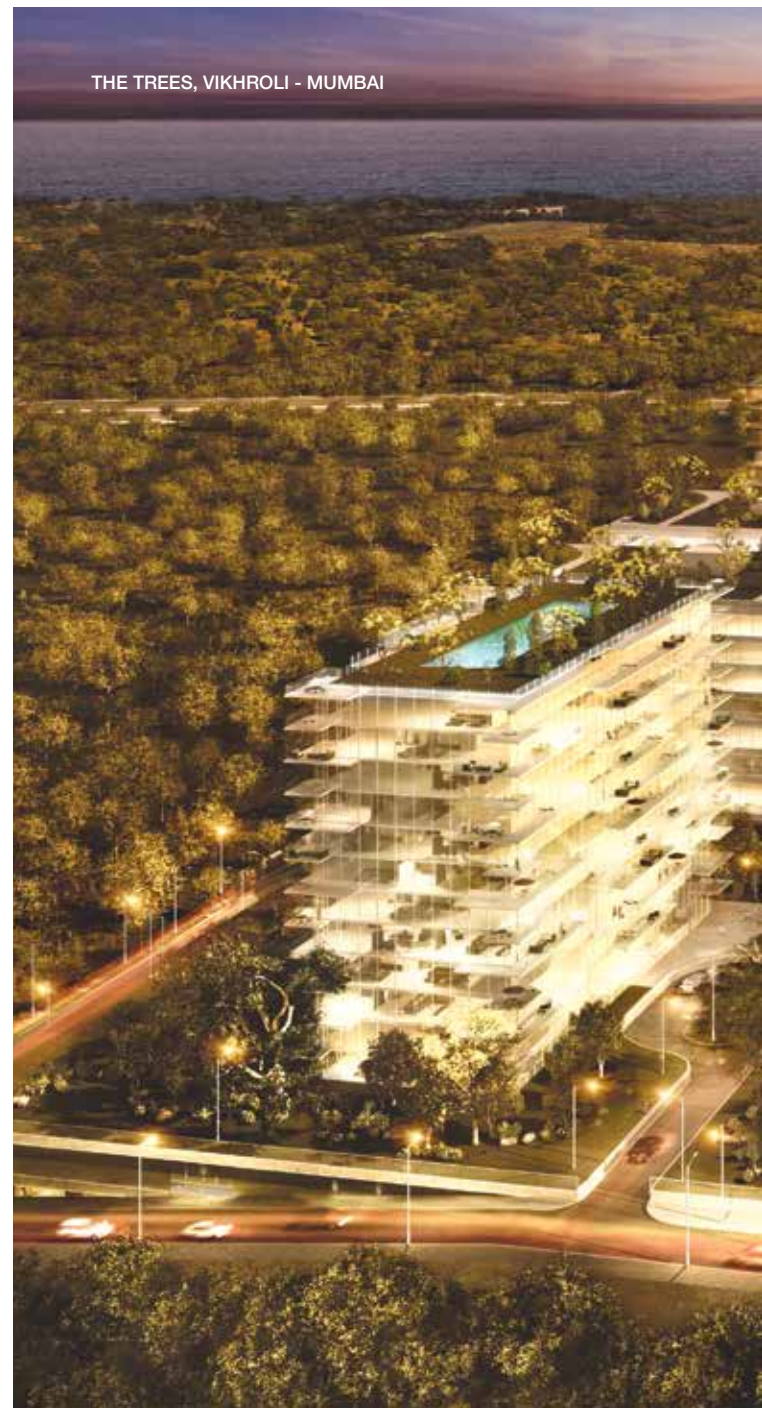


Source: RBI Database

According to Jones Lang LaSalle, in CY12, India's top seven cities (NCR-Delhi, Mumbai, Bangalore, Chennai, Hyderabad, Kolkata and Pune) together registered lower absorption at 27msf, down 20% from CY11. Bangalore emerged as an attractive market, being the only city to register higher absorption levels relative to the prior year. While rents in Bangalore remained stable across all the submarkets because of the stable demand and controlled supply; capital values appreciated slightly across the submarkets. In Hyderabad, the supply constraint of special economic zone (SEZ) spaces continued. NCR vacancy levels increased as companies consolidated their operations in larger spaces and vacated their existing spaces. In Mumbai, rentals and capital values in most micro-markets were stable following a correction.

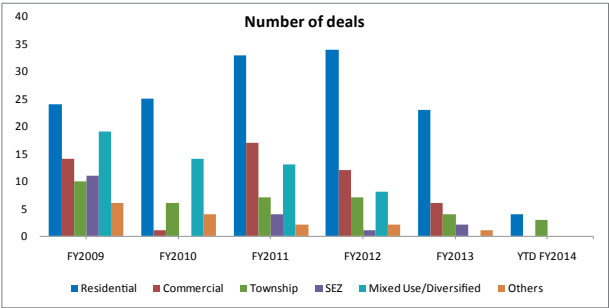
Capital transactions in Mumbai were slower compared with those in Bangalore, Pune and Chennai because of the high ticket size and oversupply. However, certain micro-markets, like Bandra-Kurla Complex (BKC) maintained pricing levels due to limited supply.

Commercial demand revival is contingent on macroeconomic factors and the performance





of IT/ITeS and BFSI sectors. Over the past year, supply has been constrained, in line with the falling demand trends and tight funding environment. Going forward, a supply correction is expected to result in fewer options for occupiers. This in combination with steady absorption will lead to lower vacancy levels and push up rentals in select markets.



Source: Venture Intelligence





## Opportunities

### 1. Housing demand

Your Company expects demand from the affordable and mid income residential segments to remain strong as we believe there is a significant demand supply gap in this category across the country. Increasing disposable incomes, rapid urbanization, and strong demographics are some of the trends favoring the mid-income residential market.

### 2. Redevelopment in Mumbai

Redevelopment in Mumbai offers a tremendous opportunity with at least 16,000 buildings to be redeveloped in the next decade. Land is a scarce commodity in Mumbai and redevelopment is a way to ease the pressures of housing in the city. The government has sensible policies in place to attract private investment in this space.

### 3. Monetary easing

Expected monetary easing will provide impetus to housing demand. A marginal rate cut can positively impact affordability and consumer sentiment and encourage homebuyers and developers. In the coming year, interest rates are expected to witness a downward trend. The resultant reduction in mortgage rates, in turn will boost demand for real assets. Also, more liquidity at a reduced cost will help timely project completions.

### 4. Real Estate Reforms

Real Estate contributes 7% to the Indian GDP and is one of the biggest creators of jobs for unskilled labor. The government is evaluating the grant of infrastructure status to the real estate sector which is expected to fast track the approval process and enable increased liquidity.

GODREJ E-CITY, BENGALURU



A Regulatory Bill can be positive for developers, home buyers and investors. A Real Estate Regulation Bill is being proposed to establish a regulatory authority for enforcing fair practices, accountability norms and fast track dispute resolution mechanisms in real estate transactions. The bill is also expected to act as a one-window clearance for all project approvals. Quality developers with superior execution track records and better disclosures standards should benefit the most from the Regulatory Bill.

Implementations of these initiatives would promote transparency and improve corporate governance leading to long-term benefits for the sector.

### 5. Mumbai Development Control Rules (DCR) amendments

In 2012-13, the Municipal Corporation of Greater Mumbai (MCGM) amended its DCR as a step

towards stopping misuse of norms and creating a level-playing field for all developers. These amendments will also result in faster clearance of plans, approvals and projects.

### 6. Increased private equity (PE) funding

Real estate in India, over the last decade, has seen tremendous growth and transformation. A wider participation of institutional private equity (PE) in the capital intensive business in addition to traditional debt finance has played a critical part in this change.

The entry of PE participants has also brought in a more disciplined approach towards construction and delivery of projects along with better transparency to the market. With PE players' understanding of the Indian market now increasing, and limited global real estate investment opportunities, PE investments into Indian real estate are set to continue to grow.

## Threats

### 1. Economic Environment

Economic growth in India has slowed down considerably due to domestic and global factors. Major economists and Government authorities have lowered growth projections for the Indian economy in 2013-14. Economic growth is the key factor with respect to demand for housing and commercial office space. Sluggish domestic GDP growth along with weak global markets can significantly affect the sector. Major political instability, macro inflationary pressures along with further rate increases can also inhibit real estate growth.

### 2. Regulatory Hurdles

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.





### 3. Commercial Real Estate Demand

The subdued economic scenario and continuing high vacancies have resulted in tenants being locked in at existing rents rather than being pushed for incremental rents. Slower growth in the economy, oversupply and slowdown in the BFSI sector reduces the need for office space expansion and will continue to impact commercial real estate.

### 4. Escalating Construction Costs

The domestic construction industry has been impacted with a steep rise in prices of inputs including cement, steel, and bricks, the cost of which has increased significantly. Labor costs have also increased over the years due to increasing locally generated employment opportunities through government welfare schemes such as the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) that are discouraging migrant labourers from moving away from their homes. The increased costs and a labour crunch has been a major hurdle for developers.

### 5. Land acquisition bill

The recently tabled Land acquisition bill could have a negative impact on the real estate sector. The Bill proposes the payment of compensation for land that is up to four times the market value in rural areas and two times the market value in urban areas. The bill would enable adequate compensation for land owners and help bring in transparency. However, there are issues related to land being available at competitive rates, without delays and with certainty.

### 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 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

approximately 84 million square feet through projects in twelve 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 for its processes and performance both at the entity and project level. During FY2013 your company won the 'Platinum Award for Excellence' by Construction World for being selected as one of 5 developers who have featured every year in their annual list of the country's top 10 builders. Godrej Properties also received the 'Emerging Developer of the Year' award at the Bangalore Real Estate Awards 2012, the 'Real Estate Company of The Year' at the Construction Week India Awards 2012 and the 'Brand Excellence Award' at the Zee Business Awards in the residential category. At the ET Now awards in 2013 your company won 'Popular Choice Developer of the year' in the residential category and 'Innovative Real Estate Marketing Campaign'. At the CMO Asia Awards held in Singapore GPL won the 'Best Marketing Campaign' of the year. The company 'Most Admired Real Estate Website of the Year' at the 2nd Asian Leadership Awards, 'Best Innovative/ Marquee Developer of the Year – West India' at the 4th Annual National Estate Awards and Summit organized by Franchise India and "Best Business Practice in Real Estate" at the National Real Estate Award for Excellence in Real Estate for the year 2012 by Accommodation Times. We have also been ranked the 14th Best Company to work for in India across all industry categories, 2nd amongst companies with less than 1000 employees and 1st in the real estate sector.

The projects of your company have also won recognitions during the year that include 'Best Upcoming Township Award' and 'Best Developer Award' for Godrej Anandam, Nagpur. Godrej Garden City has won 'Integrated Township of the year' and 'British Safety Council International Award' during FY2013. Godrej One won the 'Safety award' at British Safety Council International Award. At CNBC Awaaz Real Estate Awards 2012, Godrej Garden City won 'Best Residential Project, Ahmedabad' amongst mid-segment projects that are 70% complete and

Godrej Prakriti won 'Best Residential Project, Kolkata' under the category of mid-sized projects that are 70% complete. Godrej Waterside won the 'Best Commercial Project', Kolkata.

### **Our Business Strategies:**

We have put in place the following strategic priorities to ensure focus on long term value enhancement. Our strategies will give shape to our business and cover initiatives to continuously build a solid foundation for sustained growth.

#### **1. Enhance and leverage the Godrej brand and group resources**

We believe that the "Godrej" brand is instantly recognizable across India due to its long standing presence in the Indian market, the diversified businesses in which the Godrej Group operates and the trust it has developed over the course of its operating history.

We believe that the strength of the "Godrej" brand and its association with trust, quality and reliability help us in many aspects of our business.

These include entering into joint development agreements, expanding to new cities and markets, and formulating business associations. The brand has also helped us build deeper relationships with our customers, service providers, process partners, investors and lenders, all of which have led to us acquiring a strong position within the sector. In addition, GPL's association with the Godrej Group provides accessibility to several land parcels owned by Godrej Group companies enhancing the scope of our development portfolio significantly.

#### **2. Focus on residential projects in high growth urban areas**

We believe that the growth opportunity for real estate development in India will be focused primarily on residential developments, fueled by India's rapidly growing middle class. We have laid emphasis on adding projects in top-tier markets with demonstrated demand that will further enhance our portfolio and earnings growth for the long-term. Over the years, we have created meaningful presence in our targeted markets of



GODREJ SUMMIT, GURGAON



Mumbai, NCR, Bengaluru, Chennai and Pune. Our developments are typically located in high growth urban areas mainly situated in prominent and growing cities across India.

To capitalize on the tremendous opportunity available in the Mumbai redevelopment market, we have incorporated a wholly-owned subsidiary, Godrej Projects Development Private Limited. We have established a dedicated internal team that is focused on undertaking residential redevelopment projects in Mumbai. We believe pursuing this opportunity will allow us to increase and diversify our market presence in Mumbai. We have already made strong headway in this space with project additions across key micro markets of Mumbai.

### **3. Build upon extensive portfolio of joint development projects**

We believe there are significant opportunities to create value in real estate and we are exploring a number of new deals to further expand our future development pipeline. We are looking to judiciously add projects which increase our penetration in our core markets and enter untapped markets that exhibit potential to improve our performance.

We intend to leverage our established track record and existing relationships with landowners to pursue projects across high growth markets

through innovative and favorable structures that enhance our margin profile. As we expand our operations, joint development projects allow us to remain asset light while enabling us to focus on our key strengths of land sourcing, project execution and marketing. In addition, we have diversified our business model to include the development of projects as a Project Development Manager on a fee basis.

### **4. Focus on execution**

We continue to scale up our operations and project management capabilities as we fully recognize the importance of delivering quality projects on a timely basis. Selective outsourcing of the development process enables us to undertake more projects and source best-in-class development partners, while optimally utilizing our resources. We intend to continue to outsource activities such as architecture and construction to skilled partners, allowing us to better manage projects.

### **5. Focus on sustainable development**

As a developer of properties in 12 cities across India, we are committed to promote our growth and operations in a sustainable and responsible manner.

GODREJ ETERNIA, CHANDIGARH







Actual photograph of the villa

We are a founding member of the Indian Green Building Council, which is actively involved in promoting sustainable design in India. We have implemented sustainable design concepts in many of our projects, in line with leading global practices. We ensure this by meeting environmental parameters for site selection and planning, water efficiency, energy efficiency, material and indoor environmental quality. Further, we remain committed to ensuring that each of our upcoming projects will be planned in a manner that enables it to be awarded a Leadership in Energy and Environmental Design (“LEED”) green building certification.

## 6. Project Pyramid

The management team is focused on demonstrating improvements in the operating performance of the Company. In line with this, Your Company launched an operational excellence

initiative, ‘Project Pyramid’, which has led to a significant improvement in approval processes, cash flow management, quantity estimation, value engineering and design standardization.

The initiative has enabled the Company to report positive cash flows for 2012-13. We are confident that the improvements we have made through this initiative will continue to yield positive results in the future.

## 7. Human Capital

Our people are one of our major assets as we are building a team capable of delivering our large growth aspirations. In 2012-13, we increased our total employee strength by 25%. We aim to attract and retain the best people, whose expertise, judgment and skills can be leveraged across our operations.

Staff engagement is a major competitive advantage at GPL. In the “Great Places to Work Study”, an annual study with over 500 companies participating, Godrej Properties has been adjudged as the 14th best company to work for in India. We have also been recognized as the 2nd best company to work for out of all companies with less than 1000 employees and as the best company to work for in the real estate sector. In an employee engagement study by Hewitt, our employee engagement scores came in at 80% which was a 14% improvement over the previous year and was well above the average for the best in-class companies in Asia. Continuing to develop talent and ensuring a growth oriented organization will remain a critical priority in the year ahead.

## 8. Strong Customer focus

Customer-centricity is a key element of our culture and we have a strong desire to meet our customer’s real estate requirements more precisely. As a Company, we are committed to provide buyers the residence they want and do so in a trustworthy manner. Our focus and delivery of high-quality buildings in well-managed environments attracts new and existing customers. Our success towards

this philosophy will ultimately augment our brand and financial equity.

## OPPORTUNITIES

### 1. New Business Development

Your Company has a broad development portfolio covering 12 cities across India. We remain focused on expanding coverage in high growth cities, and building on our national presence to strengthen the overall scale of our development. In FY2013 we have added 8 new projects showcasing our ability to attract deals across markets in varied economic conditions. Your Company has a robust pipeline of projects and will continuously aspire to add value accretive projects on an ongoing basis.

### 2. Mumbai Redevelopment

Your Company has created a 100% subsidiary Godrej Projects Development Private Limited (GPDPL) that is focused on capturing opportunities in the Mumbai redevelopment space. We believe that the Godrej brand has considerable advantage in attracting tenants in the redevelopment space. We also feel that these projects fit in well with our strategy of focusing on asset-light developments.

GODREJ PRAKRITI, KOLKATA







The size of opportunity, given the number and condition of residential dwellings in Mumbai, is truly enormous. We have witnessed strong traction in the Redevelopment space where we have added a project in each of the last five quarters. We are well placed to continue to grow our presence in the redevelopment space in the coming years.

### 3. Residential Development Platform

During FY2013, your Company created an INR1,073 crore residential real estate development platform. This platform represents a substantial growth opportunity for Godrej Properties. The commitments for this platform will be in the ratio of 25:75 by GPL and the investor consortium. The investor consortium is led by Dutch pension services provider APG. Godrej Properties has always followed a capital efficient land sourcing

strategy and this deal allows us to access land parcels with significant capital requirements in our focus markets of Mumbai, NCR and Bangalore, without having to burden our balance sheet. Godrej Properties will be the exclusive developer of the projects to be pursued by the platform, for which it will also receive a development management fee. This transaction demonstrates GPL's ability to attract long-term high-quality institutional capital in a challenging market environment.

### THREATS, RISKS AND CONCERNS:

#### 1. Industry cyclicality

The real estate market is inherently a cyclical market and is also affected by macroeconomic conditions, changes in applicable governmental schemes, changes in supply and demand for





projects, availability of consumer financing and illiquidity. Your Company has attempted to hedge against the inherent risks involved, de-risking its business through its joint venture business model and its Pan India presence.

## 2. Statutory approvals

The real estate sector in India is heavily regulated by the central, state and local governments. Real estate developers are required to comply with a number of laws and regulations, including policies and procedures established and implemented by local authorities in relation to land acquisition, transfer of property, registration and use of land. These laws often vary from state to state. Several of your Company's projects are in preliminary stages of planning and any delay in obtaining approvals could warrant revised scheduling of project timelines.

## COMPANY HIGHLIGHTS:

1. FY2013 registered healthy sales with total bookings of 4.1 million square feet as compared to 2.6 million sq. ft in FY2012
2. Your Company added 8 new projects to its development portfolio. We have concluded deals across the nation including Pune and Kolkata and several key micro markets in Mumbai
3. In FY2013, GPL launched 13 new projects/ phases in 6 cities (Mumbai, Gurgaon, Bengaluru, Pune, Ahmedabad and Kolkata)
4. In March 2013, GPL launched its landmark commercial development, Godrej BKC located at the centre of India's most prestigious and desirable commercial address, Bandra-Kurla Complex







5. In March 2013, GPL delivered 534 apartments in 1st Phase of Godrej Prakriti, its first residential project in Kolkata

6. During the year, your Company created an INR 1,073 crore residential real estate development platform

7. Your company has made strong progress towards its operational excellence through Project Pyramid and has made huge improvements in cash flow management, quantity estimation, value engineering and process institutionalization

8. During the year, your Company has exhibited exceptional improvement in team building and employee engagement.

#### **FINANCIAL PERFORMANCE FOR THE YEAR:**

The year witnessed a revenue growth of 28% to INR 1,048 Crores as compared to INR 820 Crores in FY12; a 45% increase in Profit Before Tax to INR 289 Crores in FY13 from INR 199 Crores in FY12 and a Profit After Tax of INR 138 Crores in

FY13, a 41% increase versus INR 98 Crores in FY12. The company's EBITDA margin rose 300 bps to 28.3% in FY13 over the previous fiscal.

#### **COMPANY OUTLOOK:**

The current challenging market environment necessitates increased dynamism. GPL is reinforcing the advantages of its differentiated business proposition and competitive strengths by focusing on remaining capital efficient, while simultaneously adding substantial new projects to ensure strong and sustainable growth.

Our key areas of focus for new business development will be in the high growth markets of Mumbai, NCR, Bengaluru, Chennai and Pune for FY2014. Strategically, we have reduced our focus on commercial projects in Tier II cities and increased our overall emphasis on residential developments which require lower investments and can be developed in a more capital efficient manner.



# DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2013

## TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 28<sup>th</sup> Directors' Report of your Company along with the audited accounts for the financial year ended March 31, 2013.

### 1 OPERATING RESULTS:

Certain key aspects of your Company's performance during the financial year ended March 31, 2013, as compared to the previous financial year are summarised below:

	Financial year 2012 – 2013 (₹ in Lacs)	Financial year 2011 – 2012 (₹ in Lacs)
Profit before Taxation	13,960.52	10,439.95
Tax Expenses	(1,693.74)	(2,303.48)
Profit after Taxation	12,266.78	8,136.47
Add: Surplus brought forward	25,682.80	21,087.59
Less: Utilised during the year (Refer Note no. 27 of Financial Statement)	7,719.53	-
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>30,230.05</b>	<b>29,224.06</b>
<b>Appropriations:</b>		
Your Directors recommend appropriations as under:		
Proposed Dividend	3,123.01	2,341.42
Dividend Distribution Tax	530.76	379.84
Transfer to General Reserve	1,230.00	820.00
Surplus carried forward	25,346.28	25,682.80
<b>TOTAL APPROPRIATIONS</b>	<b>30,230.05</b>	<b>29,224.06</b>

### 2. DIVIDEND:

Your Directors recommend for approval of the Members at the ensuing Annual General Meeting payment of final dividend of ₹ 4/- per equity share of ₹ 10/- each (40%) for the financial year ended March 31, 2013 (previous year ₹ 3.00 per equity share of ₹ 10 each). The dividend will be paid in compliance with the applicable regulations.

### 3. RIGHTS ISSUE OF SHARES:

Your Directors have approved raising funds by issue of equity shares of the face value of ₹ 10/- each of the Company to the existing equity shareholders of the Company on a rights basis ("Rights Issue") aggregating upto ₹ 700 Crores, subject to all applicable statutory and regulatory approvals. The terms and conditions of the Rights Issue, including the

rights entitlement ratio, the issue price, issue size, record date, timing of the issue and other matters shall be decided by a Committee of Board constituted for this purpose (Rights Issue Committee) in consultation with the lead manager to the Rights Issue.

### 4. SUBDIVISION OF EQUITY SHARES:

The Company had sought approval of the members, by its notice of postal ballot dated March 23, 2013, for subdivision of each equity share of the Company of nominal value of ₹ 10/- to 2 (Two) equity shares of nominal value of ₹ 5/-, and the consequent division of the authorised capital of the Company of ₹ 100,00,00,000 into 20,00,00,000 equity shares of ₹ 5/- each.

In terms of the Scheme of amalgamation of Godrej Waterside Properties Private Limited (GWPP), a wholly-

owned subsidiary of the Company, with the Company, the authorised share capital of GWPPPL of ₹ 17,00,00,000 has been combined with the authorised share capital of the Company of ₹ 100,00,00,000, and the resultant authorised share capital of ₹ 117,00,00,000 is divided into 11,70,00,000 equity shares of ₹ 10/- each.

It has become impossible to give effect to the amendments and consequently the approval of the shareholders through Postal Ballot for the Sub-division and the amendments cannot be given effect to. The Board of Directors has on May 9, 2013, approved the sub-division of Authorised Capital of ₹ 117,00,00,000 comprising of equity shares of ₹ 10/- each into 23,40,00,000 (Twenty Three Crore Forty Lakh) equity shares of ₹ 5/- (Rupees Five only) each, which was earlier approved by the Board on March 23, 2013, but could not be given effect to for reasons set out above, subject to the approval of the Members. Such approval will be obtained, and other required steps to give effect to the sub-division will be sought, after the completion of the proposed Rights Issue.

## 5. OVERVIEW OF OPERATIONS:

Your Company posted a total income of ₹ 48,949.52 Lacs during the year ended March 31, 2013.

In spite of the current uncertainties and challenges in the real estate environment, your Company successfully demonstrated strong value addition to its development portfolio. During the year, your company managed to sign 8 new project totaling approximately 6.6 million sq. ft. of saleable area. Your Company has successfully created a residential co-investment platform with a total corpus of ₹ 1072.5 crores, under which a Dutch co-operative representing a group of overseas investors and an Indian investor, is committed to equity investments in our residential projects. The platform will enable your Company to capture outright land purchase transactions without deviating from the asset light model followed by your Company. Your Company will receive development management fees for all projects undertaken under the fund, plus a share of equity profits from the projects.

During the year, your company continued to make significant progress in the Mumbai re-development space by signing five new residential re-development projects in Byculla, Ghatkopar, Curry Road, Malad and Sahakar Nagar

(Chembur), with a total saleable area of approximately 1.5 million square feet.

During the year, your Company launched 13 new projects and phases across the country. While volumes for the real estate sector have declined for the second consecutive year, your Company has delivered a 58% growth in booking volume and a 71% growth in booking value driven by successful new launches in Gurgaon, Bangalore, Kolkata, Pune, Ahmedabad and Mumbai. The highlight of the year was the successful launch of Godrej Summit in Gurgaon where your Company sold 695 apartments with 1 mn. sqft of saleable area in one day. Sales from new and existing phases of ongoing residential projects also continued to witness strong demand. During the year, your Company sold approx. 4.1 million sq. ft. of area with a total booking value of approx. ₹ 2761 crores, spread across all its location. Another milestone your Company achieved during the year was the handover of 535 apartments in Phase I of the Godrej Prakriti in Kolkata within the time period committed to our customers.

In sync with our vision of being the most trusted name in the real estate industry, your company has intensified its efforts with regards to our customer-centric initiatives, and is continuously incorporating customer feedback in design and specifications, across all its projects. Your Company has made good progress in its customer management and marketing abilities through numerous targeted customer engagement programs and innovative digital campaigns. Your Company has won 20 awards at the entity and project level including **'Real Estate Company of the Year'** at the Construction Week India Awards, **'Emerging Developer of the Year'** at the Bangalore Real Estate Awards 2012, being awarded the **'Platinum Award for Excellence'** by Construction World Magazine, being awarded the **'Popular Choice Developer of the Year'** in the residential category at the ET Now, **'Best Upcoming Township Award'** won by the Godrej Anandam Project at the My FM Dainik Bhaskar CREDAI Awards, **'Best Residential Project- Ahmedabad'** won by the Godrej Garden City Project at the CNBC Awaaz Real Estate Awards 2012, **'Best Residential Project- Kolkata'** won by the Godrej Prakriti Project at the CNBC Awaaz Real Estate Awards 2012. In recognition of our endeavour to maintain outstanding employee practices and encourage collaborative work spaces, your Company was



ranked as the **'14th Best Company to Work For'** in the overall category, 2nd amongst companies with less than 1000 employees and the best company to work for in the Real Estate Industry by the Great Places to Work Survey 2012 conducted by Great Place to Work Institute.

Your Company continues to be at the forefront of sustainable development. 74% of our inventory launched in the financial year was registered/pre-certified as green by the Indian Green Building Council; up from 67% in FY 12 and 26% in FY 11. Key achievements in this area include numerous sustainable design certifications received during the year. These include Gold Pre-certifications for Godrej Horizon in Pune, Serenity in Mumbai and Gold County in Bangalore, all under the IGBC Green Homes rating system v.1.0. Godrej Central in Mumbai, which is yet to be launched, has been awarded Silver Pre-certification under the IGBC Green Homes rating system v 2.0. To consistently deliver green buildings, the company has set up internal benchmarks, integrated sustainability goals with project planning. In addition, your Company continuously engages its design and construction partners to create greener buildings. Under Green operations, your Company is working on reducing energy and water consumption and waste generated at our administrative offices in accordance with the Group wide Good & Green Targets.

## 6. FUTURE PROSPECTS AND OUTLOOK OF THE COMPANY:

Your Company will continue to focus on building scale through capital efficient business models such as sourcing land under the joint development model and the development manager model. Additionally, your Company will focus on sourcing land with large capital requirements in our target geographies under the Residential Co-investment platform with your Company acting as the development manager for these projects and sharing in the equity profits as well. Our primary areas of focus for new business development will be major cities like Mumbai, NCR, Bengaluru, Pune, and Chennai. In FY 11 your Company formed a new subsidiary Godrej Projects Development Private Limited (GPDPL) to focus on the opportunities available for redevelopment projects across Mumbai. GPDPL signed five new projects in FY 13 and will continue to actively explore suitable redevelopment opportunities which will be value accretive to GPL. Through strategic partnerships with leading

construction firms, your Company is further strengthening its project execution capabilities across regions, and thereby endeavoring to ensure on-time delivery and quality.

## 7. FIXED DEPOSITS:

Your Company continues to accept fixed deposits for 12, 24 and 36 months' tenure. During the financial year ended March 31, 2013, fixed deposits aggregating to ₹ 20,212.31 Lacs have been mobilised. The Company has no overdue deposits other than unclaimed deposits.

## 8. 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, 2013, 99.39 % of the equity shares of your Company were held in demat form.

## 9. CORPORATE GOVERNANCE:

As required by the existing Clause 49 of the Listing Agreements entered into by your Company with the BSE Limited and The National Stock Exchange of India Limited, a detailed Report on Corporate Governance together with a report on Management Discussion and Analysis is 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.

## 10. AWARDS & RECOGNITIONS:

Your Directors take pleasure in informing you that your Company was acknowledged with the following awards during the financial year ended March 31, 2013:

- 'Best Marketing Campaign of the Year' at the 3rd CMO Asia Awards, Singapore
- Real Estate Company of the year - Construction Week India Awards 2012
- Emerging Developer of the year - Bangalore Real Estate Awards 2012
- 'Efficient Bathrooms at Building Complexes' by Washrooms and Beyond Honours 2012
- Most Admired Real Estate Website of the year – 2nd Asian Leadership Awards

- 'CWAB Platinum Award for Excellence' at the 7<sup>th</sup> Construction World Architect and Builder (CWAB) Awards, 2012
- Zee Business Awards in the real estate category
- 3 awards at CNBC Awaaz Real Estate Awards, 2012
  - Godrej Garden City : 'Best Residential Project' in Ahmedabad, in the mid-segment category of projects that are 70% complete
  - Godrej Prakriti : 'Best Residential Project' in Kolkata, in the mid-segment category of projects that are 70% complete
  - Godrej Waterside : "Best Commercial Property" in Kolkata
- 'Best Innovative/ Marque Developer of the Year – West India' at the 4<sup>th</sup> Annual National Estate Awards and Summit organized by Franchise India
- Best Upcoming Township – Godrej Anandam, Nagpur received this award from My FM, Dainik Bhaskar and CREDAI Nagpur
- 'Best Business Practice in Real Estate' at the National Real Estate Award for Excellence in Real Estate for the year 2012 by Accommodation Times.
- The following awards at the 'Real Estate Awards' by ET NOW
  - Godrej Properties won the Popular Choice-Developer of the Year in the Residential Category
  - Godrej Properties won the Integrated Township of the year for Godrej Garden City
- Popular Choice for its Innovative Real Estate Marketing Campaign
- Godrej Anandam, Nagpur, won the 'Best Developer Award' (Rest of Maharashtra) at the Vasturaviraj Vishwakarma Real Estate Awards
- 'Brand Leadership Award' in the real estate sector at the Brand Leadership Awards 2013
- Godrej Garden City was awarded with the 'British

Safety Council International Award' in Distinction Category for Affordable and Mass Housing

- Godrej One won the safety award with the British Safety Council International Award in Distinction Category for Information Technology and Office Space category
- Ranked amongst India's Top 15 companies to work for in FY 2012, in a study by the Great Places to Work Institute and the Economic Times
  - 14th Best Company to Work for in India in the overall category
  - Ranked #1 in the Best Company in the real estate and construction sector
  - Ranked #2 in the Best Company with under 1000 employees category

## 11. EMPLOYEES STOCK OPTION SCHEME:

The members of the Company had vide a Special Resolution passed through Postal Ballot on September 11, 2012 approved the amendment to the terms of the Godrej Properties Limited Employee Stock Option Plan (GPL ESOP) for revision in the Exercise Price.

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

## 12. SCHEME OF AMALGAMATION OF GODREJ WATERSIDE PROPERTIES PRIVATE LIMITED

Godrej Waterside Properties Private Limited, a wholly owned subsidiary of the Company was amalgamated with the Company in terms of the Scheme of Amalgamation ('Scheme') sanctioned by the Hon'ble Bombay High Court vide order dated April 12, 2013. The appointed date of the Scheme was April 1, 2012.

### 13. SUBSIDIARY COMPANIES:

#### A. Subsidiaries' Accounts

During the year under review, Godrej Redevelopers (Mumbai) Private Limited has been incorporated as subsidiary company of Godrej Projects Development Private Limited, a wholly owned subsidiary of your Company. Accordingly, as at March 31, 2013, your Company had 14 subsidiaries, namely, Godrej Realty Private Limited, Godrej Developers Private Limited, Godrej Real Estate Private Limited, Godrej Sea View Properties Private Limited, Happy Highrises Limited, Godrej Premium Builders Private Limited, Godrej Buildcon Private Limited, Godrej Garden City Properties Private Limited, Godrej Projects Development Private Limited, Godrej Nandhi Hills Project Private Limited, Godrej Buildwell Private Limited, Godrej Landmark Redevelopers Private Limited, Godrej Estate Developers Private Limited and Godrej Redevelopers (Mumbai) Private Limited.

Wonder Space Properties Private Limited, a wholly owned subsidiary of the Company, has been incorporated on April 25, 2013.

Pursuant to the General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors of your Company have given their consent for not attaching the accounts of all the subsidiaries of the Company along with the Annual Report of the Company. In line with the above circular and as per the Accounting Standard 21 (AS 21) issued by the Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements of your Company 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 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 during business hours.

#### B. Limited Liability Partnerships (LLPs)

Your Company is a partner in the following LLPs as of March 31, 2013:

1. Godrej Buildcorp LLP.
2. Godrej Property Developers LLP for the project located at Thane (Mumbai).
3. Godrej Vikhroli Properties LLP for the project located at Vikhroli.

4. Mosiac Landmarks LLP for the project located at Undri, Pune.
5. Dream World Landmarks LLP for the project located at Undri, Pune.

#### C. 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 a 'Material Non-Listed Indian Subsidiary'. There is no material non-listed Indian subsidiary of your Company for the financial year 2012-2013.

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

In the last Annual General Meeting of your Company held on July 28, 2012, the Members had approved certain deviations/ amendments to the objects of the initial public offering, as disclosed on page 43 of the prospectus of your Company dated December 16, 2009 (the "**Prospectus**"). Your Company received ₹ 468.85 Crores as the issue proceeds (the "**Issue Proceeds**"). The net Issue Proceeds, after deduction of the issue related expenses, were ₹ 428.17 crores (the "**Net Proceeds**").

However there are further deviations in the utilisation of the issue proceeds from the last approved schedule of deployment and the details of the same are provided below:

#### a) Acquisition of land development rights for our forthcoming projects:

As per the approval received from the Members in the Annual General Meeting held on July 28, 2012, your Company was required to utilise ₹ 9.09 crores in the financial year 2012-2013 for its project located at Kalyan, subject to the aggregation of the balance land area. However, the said aggregation has not been completed during the financial year 2012-2013 and therefore; it is proposed that the said amount of ₹ 9.09 crores be utilized for the purpose of repayment of loans. Consequently, the total amount of ₹ 152 crores out of Net Proceeds which was proposed to be utilized for acquisition of land development rights for our forthcoming projects will be revised to ₹ 142.91 crores.



## b) Repayment of Loans

As per the approval of the members in the Annual General Meeting held on July 22, 2011, an amount of ₹ 201.17 crores was to be utilised by the Company for repayment of loans, which was fully utilised by the Company in the financial years 2010 and 2012. 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 utilize a further amount of ₹ 9.09 crores, which was earlier earmarked towards utilisation for the Kalyan project (as stated in para (a) above), for repayment of loan taken from State Bank of India under the Facility Agreement dated March 16, 2011.

In light of the abovementioned reasons, the approval of the Members of the Company is sought in the ensuing Annual General Meeting for amending the schedule of deployment and utilisation of the Net Proceeds, as provided hereunder:

(₹ in Crores)

Sr. No.	Expenditure Items	Total Estimated Cost (as mentioned in the Prospectus)	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	FY 2013	FY 2014
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	142.91*	25.00	52.00	65.91	~**	-
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	172.00	Nil	172.00	Nil	210.26#	150.17	0.00	51.00	-	9.09
<b>Total</b>		<b>717.66</b>	<b>175.32</b>	<b>542.34</b>	<b>Nil</b>	<b>428.17</b>	<b>175.17</b>	<b>114.3</b>	<b>129.61</b>	<b>-</b>	<b>9.09</b>

\* It was stated that an amount of ₹ 152.00 Crores shall be utilised from the Net Proceeds for Acquisition of land development rights for our forthcoming projects. Now amended such amount to ₹ 142.91 Crores, as ₹ 9.09 Crores shall be utilised for repayment of loans .

\*\* It was stated that an amount of ₹ 9.09 Crores shall be utilised in the fiscal year 2013. Now amended to state that no amount utilised in fiscal year 2013.

# 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 utilization of ₹ 9.09 Crore originally proposed to be utilized for the Kalyan Project towards part repayment of loan taken from state Bank of India under the Facility agreement dated March 16,2011.

It was also stated in the Prospectus that out of the gross Issue Proceeds of ₹ 468.85 crores, an amount of ₹ 40.68 crores relates to issue expenses. The Company has spent ₹ 40.54 crores towards issue expenses, leaving a balance of ₹ 0.14 crore. It is therefore proposed to utilize the said amount of ₹ 0.14 crore towards part repayment of loan taken from State Bank of India under the Facility Agreement dated March 16, 2011.

Accordingly, the approval of the Members of the Company is also sought in the ensuing Annual General Meeting to amend the schedule of implementation of the Net Proceeds, as provided in the Prospectus (on page 43) as follows:

(₹ in crores)

Sr. No	Objects	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1.	Acquisition of land development rights for our Forthcoming Projects	25.00	52.00	65.91	0.00	-
2.	Construction of our Forthcoming project	0.00	62.30	12.70	-	-
3.	Repayment of loans	150.17	0.00	51.00	-	9.09
<b>Total</b>		<b>175.17</b>	<b>114.3</b>	<b>129.61</b>	<b>0.00</b>	<b>9.09</b>

The approval of the Members of the Company is also sought to utilize the amount of ₹ 0.14 crore earmarked for issue related expenses towards part repayment of loan taken by the Company from State Bank of India under the facility agreement dated March 16, 2011.

## 15. DIRECTORS:

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. Adi B. Godrej, Mr. Jamshyd N. Godrej, Mr. Amitava Mukherjee and Mrs. Parmeshwar A. Godrej, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

## 16. APPOINTMENT OF AUDITORS:

M/s. Kalyaniwalla & Mistry, Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

The Company has received a letter from M/s. Kalyaniwalla & Mistry to the effect that their re-appointment, if made, would be within the limits specified under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified within the meaning of Section 226 of the Companies Act, 1956 for such re-appointment.

## 17. COST RECORDS COMPLIANCE REPORT

The Company has filed the Cost Record Compliance Report for the year 2011-12.

## 18. COMMITTEES OF DIRECTORS:

### a) Reconstitution of Management Committee:

During the year under review, the Management Committee was reconstituted on May 5, 2012 by appointing Mr. K. T. Jithendran and Mr. V. Srinivasan as members of the Committee with effect from May 5, 2012. Mr. Milind S. Korde ceased to be a member of the Committee with effect from March 31, 2012. The Committee currently comprises Mr. Adi B. Godrej - Chairman, Mr. Pirojsha Godrej – Managing Director & Chief Executive Officer, Mr. K. T. Jithendran, Executive Director and Mr. V. Srinivasan, Executive Director.

### b) Reconstitution of Allotment Committee:

During the year under review, the Allotment Committee was reconstituted on May 5, 2012 due to resignation of Mr. Milind S. Korde who ceased to be a member of the Committee with effect from March 31, 2012. The Committee comprises currently Mr. Adi B. Godrej - Chairman, Mr. Pirojsha Godrej – Managing Director & Chief Executive Officer, Mr. K. T. Jithendran, Executive Director and Mr. Amit B. Choudhury, Independent Director.

## 19. ADDITIONAL INFORMATION:

- 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. In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed there under i.e. the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees as required to be set out in the annexure to the Director's Report is available for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company.
- 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 given in Annexure B.
- Your Company has devised proper systems to ensure compliance with all applicable laws.

## 20. GREEN INITIATIVES IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs, Government of India, has permitted companies to send electronic copies of Annual Report, notices etc., to the e-mail ids of shareholders. We have accordingly arranged to send the soft copies of these documents to the e-mail ids of shareholders, wherever applicable. In case any of the shareholders would like to receive physical copies of these documents, the same shall be forwarded on written request to the Registrars M/s. Karvy Computershare Private Limited.

## 21. 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, confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2013 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.

## 22. 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 Goderj Properties Limited**

Place : Mumbai  
Date : May 9, 2013

**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
The Pricing formula	Grant Price plus interest at such rate as may be decided from time to time and compoundable on an annual basis, for the period commencing from the date of grant of the Options and ending on March 31, 2012 plus all other expenses as may be incurred by the Company to give effect to the GPL ESOP.
Total options vested	297,700
Options exercised	Nil
Total number of equity shares that would arise as a result of full exercise of options already granted	Nil Since no fresh issue of shares by the Company
Options forfeited/ lapsed/ cancelled	162,000 - will be available for re-issue
Variations in terms of options	Please see Note No. 1
Money realised by exercise of options	Nil
Options outstanding (in force)	280,700
Person wise details of options granted to	
i) Directors and key management employees	Please see Note 2 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

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	N.A.
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 Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, in respect of options granted in the last three years	Nil

### Notes

1. The Remuneration Committee by its circular resolution dated April 18, 2012 and the Board of Directors by its circular resolution dated April 20, 2012 have approved the following:
  - a) Vesting of 60,000 stock options granted under the GPL ESOP to Mr. Milind S. Korde with effect from March 31, 2012; and
  - b) Extension of exercise period of options vested in Mr. Milind S. Korde, such that the aforesaid vested options can be exercised by Mr. Milind S. Korde within a period of three years from the date of vesting i.e. March 31, 2012.
2. Details regarding options granted to our Directors and our Key Management Personnel are set forth below:

Name	Position	Number of options outstanding under GPL ESOP
Mr. K. T. Jithendran	Executive Director	30,000
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

# ANNEXURE A

## (Part II)

### Disclosure relating to Godrej Properties Limited Employee Stock Grant Scheme, 2011 (GPL ESGS)

Particulars	Details
Options granted	93,232
Exercise price of options	₹ 10 per equity share
Total options vested	11,075
Options exercised	9,284
Total number of equity shares that would arise as a result of full exercise of options already granted	93,232
Options forfeited/ lapsed/ cancelled	17,617
Variations in terms of options	NA
Money realised by exercise of options	₹ 92,840
Options outstanding (in force)	66,331
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'.	₹ 15.71 per share
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	Refer Note 33 (c) of Financial
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 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 values of options are ₹ 589.62 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	<ol style="list-style-type: none"> <li>1. Method: Black-Scholes Options pricing formula</li> <li>2. Risk –free interest Rate : 7.73 %– 8.54%</li> <li>3. Expected life : 1 - 3 years</li> <li>4. Expected volatility : 27% - 71%</li> <li>5. Expected dividend: ₹ 3 - 4 per share</li> <li>6. Weighted Average Market price of the underlying share at the time of grant: ₹ 605 per share</li> </ol>
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 Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, in respect of options granted in the last three years	Refer Note 33 (c) of Financial

**Note:**

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

Name	Position	Number of options outstanding under GPL ESGS
Mr. K T Jithendran	Executive Director	24,555
Mr. V Srinivasan	Executive Director	7,827
Mr. Jayanand Potdar	Chief Operating Officer	360
Mr. Nitin Wagle	Vice – President (Operations)	1,194
Mr. Shodhan A. Kembhavi	Vice – President (Legal) & Company Secretary	3,642
Mr. Rajendra Khetawat	Vice – President (Finance & Accounts)	3,642
Mr. Sriram Iyer	Executive Vice – President (South Zone)	3,642
Ms. Mamta Bakshi	Vice – President (Chief Customer Officer)	3,642
Mr. Mohit Malhotra	Executive Vice – President (Business Development)	4,254
Mr. Girish Shah	Executive Vice – President (Marketing & Sales)	3,642
Mr. Milind Apte	Executive Vice – President (Human Resources & Administration)	4,254
Mr. Shailesh Joshi	Vice – President (Information Technology)	2,666
Mr. Royden Braganza	Vice – President (Commercial Sales)	626
Mr. Rupak Agarwal	Vice- President (Operations), Ahmedabad	2,040
Mr. Rabikant Sharma	Vice- President (Operations), Mumbai Region	345

# ANNEXURE B

## INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### A. Conservation of Energy

#### I. (A) Energy Conservation measures undertaken:

GPL constantly endeavors to achieve energy conservation by adopting green building practices certified by the Indian Green Building Council. As an internal mandate each project strives to achieve a minimum Silver certification under the relevant Green Building rating system. From the Project inception stage, through design & execution, to post-occupancy we constantly work with internal and external team members to meet the Energy Performance Index benchmarks set by BEE and TERI. The following best practices are in place to achieve this objective

1. Comprehensive Energy modeling during the design stage to realize energy conservation while meeting functional requirements for both residential and commercial projects.
2. Building envelope design and material selection using passive cooling techniques where possible.
3. Use of high efficiency glazing that cuts down heat ingress while maintain optimum day lighting and noise levels.
4. Use of high energy efficiency equipments – e.g. Elevators, water pumps, STP.
5. Solar PV lighting in external common areas in several projects to reduce dependence on fossil fuels.
6. Effective preventive and predictive maintenance system for maintaining all energy intensive equipment i.e., DG sets for energy generation, cranes, hoists, loaders, excavators, trucks and other transport vehicles.
7. Installation of energy efficient chillers with partial loading.
8. EPI has been benchmarked for internal & external space for residential & conditioned & unconditioned space for commercial.

9. Encouraging occupants to lead a greener lifestyle by using high efficiency ACs and refrigerators (BEE 5 star rated) through a formal handover event.

#### (B) Proposed energy conservation measures:

Renewable energy for all projects to be increased to  $\geq 1\%$  from the current 0.52% to reduce grid sourced energy. This translates to mitigating 730.802 metric tonnes annually, for the benchmarked 10 projects.

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

Saving in energy costs during the period under consideration.

### B. Technology Absorption

#### Research and Development (R &D)

#### I. Specific areas in which R & D was carried out by the company

##### (a) Technical Initiatives

- Deployment of machines to substitute partly or fully manual work.
- Use of Pre-fabrication fully or party at site to increase reliability.
- The improvement of existing or the development/ deployment of new construction technologies to speed up the process and make construction more efficient.
- Researching the market for new machines, materials and developing methodologies for their effective use in our project sites.
- Solar technologies for common area, parking & street lighting.
- Solar water heating for residential buildings.
- LEDs for common area lighting.
- LEDs for use in GPL office buildings.

#### (b) Process Initiatives

- The organization of the work with the help of scheduling, structuring of work force in tandem with job descriptions and closing time gaps to ensure efficiency
- In depth planning of construction activities/ procedures which in turn will result in stable levels of quality, shorter time lines and reduced consumptions of man and material at site.
- Standardization of building elements and parts, introducing rules and regulations based on national and international standards and internal classifications.
- The usage of special sub-contractors/ consultants to realize tasks efficiently.
- Benchmarked Energy Performance Index, i.e. Annual energy consumption per square meters of built up area for pilot project and for GPL administrative offices

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

Renewable energy for all projects to be increased to  $\geq 1\%$  from the current 0.52% to reduce grid sourced energy.

#### III. Future Plan of Action:

Engage with new technology vendors to meet energy efficiency requirements requiring lower capital expenditure.

#### IV. Expenditure on R & D: N.A

##### Technology absorption, adaptation and innovation:-

1. Effort, in brief, made towards technology absorption, adaptation and innovation: Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. The above efforts helped in cost reduction, customer satisfaction and top line and bottom line improvements. N.A
3. Imported Technology:  
The Company has not imported any technology since incorporation.

#### C. Foreign Exchange earnings and outgo:

During the financial year 2012-13, expenditure in foreign currencies amounted to ₹ 253.06 Lacs (Previous Year ₹ 943.30 Lacs) on account of professional & consultation fees and expenses incurred for business promotion.

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



# 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 follows the best practices, processes and policies based on conscience, openness, fairness, professionalism and accountability. These policies seek to focus on enhancement of long term shareholder value without compromising on ethical standards and corporate social responsibilities.

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. We believe that an active, well informed and independent board is necessary to ensure the highest standards of corporate governance.

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 BSE Limited and the National Stock Exchange of India Limited and the Articles of Association of the Company.

The Directors present below the Company's policies and practices on corporate governance.

## THE GOVERNANCE STRUCTURE

### 1) BOARD OF DIRECTORS

#### a) Board Structure

The policy of the Company is to induct an appropriate combination of executive, non-executive and independent directors to maintain the independence of the Board from the management. As of March 31, 2013, the Board of Directors of the Company consisted of 14 (fourteen) Directors, which include 1 (one) Managing Director & Chief Executive Officer, 2 (two) Executive Directors and 11 (eleven) Non-Executive Directors, with 7 (seven) of such Non-Executive Directors being Independent Directors.

Except as disclosed below, no Director of the Company is related to any other Director on the Board in terms of the meaning of the term 'relative' given under the Companies Act, 1956:

- Mr. Adi. B. Godrej is a brother of Mr. Nadir B. Godrej;
- Mr. Adi. B. Godrej is a husband of Mrs. Parmeshwar A. Godrej; and
- Mr. Pirojsha Godrej is a son of Mr. Adi B. Godrej and Mrs. Parmeshwar A. Godrej.

The details of the Board of the Company and number of meetings attended by each of the Directors are given in Table 1 below:

**Table 1: Details about the Company's Directors and meetings attended by the Directors during the Financial Year 2012-13**

Name of Director	Category	Board Meetings held during the Financial Year 2012-2013	Board Meetings attended during the Financial Year 2012-2013	Whether attended last AGM (held on July 28, 2012)	Directorships held in public companies incorporated in India as at March 31, 2013 <sup>(a)</sup>	Number of Chairmanships/ Memberships in Board Committees as at March 31, 2013	
						Chairmanship (excluding Memberships of Committees)	Memberships
Mr. Adi B. Godrej	Chairman – Non-Executive	4	4	Yes	8(3)	2	1
Mr. Jamshyd N. Godrej	Non-Executive Director	4	2	Yes	8(5)	1	3
Mr. Nadir B. Godrej	Non-Executive Director	4	4	Yes	13(6)	1	1
Mrs. Parmeshwar A. Godrej	Non-Executive Director	4	3	No	1(1)	-	-
Mr. Pirojsha Godrej	Managing Director & CEO	4	4	Yes	1(1)	-	-
Mr. Amit B. Choudhury	Independent Director	4	4	Yes	6(3)	-	4
Mr. Keki B. Dadiseth	Independent Director	4	3	Yes	8(6)	1	2
Mrs. Lalita D. Gupte	Independent Director	4	4	Yes	5(3)	1	2

Name of Director	Category	Board Meetings held during the Financial Year 2012-2013	Board Meetings attended during the Financial Year 2012-2013	Whether attended last AGM (held on July 28, 2012)	Directorships held in public companies incorporated in India as at March 31, 2013 <sup>(i)(ii)</sup>	Number of Chairmanships/ Memberships in Board Committees as at March 31, 2013	
						Chairmanship (excluding Memberships of Committees)	Memberships
Mr. Pranay D. Vakil	Independent Director	4	4	Yes	4(3)	-	1
Dr. Pritam Singh	Independent Director	4	2	No	3(3)	1	2
Mr. S. Narayan	Independent Director	4	3	No	8(5)	-	4
Mr. Amitava Mukherjee	Independent Director	4	3	Yes	3(2)	-	2
Mr. K. T. Jithendran	Executive Director	4	4	Yes	2(1)	-	-
Mr. V. Srinivasan	Executive Director	4	4	Yes	2(1)	-	-

Notes:

- (i) *Alternate directorships and directorships in private companies, foreign companies and associations are excluded.*  
(ii) *Figures in ( ) denote listed companies.*

As required under Clause 49 of the Listing Agreement, none of the Directors is: (i) member of more than 10 (ten) committees; and (ii) chairman of more than 5 (five) committees. In terms of explanations to Clause 49(1)(C)(2) of the Listing Agreement, chairmanship or membership of the 'Audit Committee' and the 'Shareholders' Grievance Committee' of Indian public limited companies has been considered for the aforesaid purpose.

**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.

The details of Board meetings held during the financial year 2012 - 2013 and Directors' attendance record are given in Table 2 below :

**Table 2 : The details of meetings of the Board held during the financial year 2012-2013 are as under**

Date on which Board Meeting was held	Total strength of the Board on the date of Meeting	No. of Directors present at the Board Meeting
May 5, 2012	14	12
July 28, 2012	14	13
November 1, 2012	14	12
January 30, 2013	14	11

**c) Information supplied to the Board**

The information provided to the Board 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 of the Board;
- 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; and
- 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 the Directors hold directorship. Attention of the Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts Note No. 38 of Standalone Financial Results, forming part of the Annual Report.

**e) Remuneration of Directors: sitting fees, salary, perquisites and commissions and number of equity shares held by the Non-Executive Directors.**

The Company pays to its Non-Executive Directors sitting fees of ₹ 20,000/- (Rupees twenty thousand) for every meeting of its Board and ₹ 5,000/- (Rupees five thousand) for attending every meeting of the Audit Committee and the Remuneration Committee.

At the Extraordinary General Meeting held on October 19, 2012, the Members' of the Company have empowered the Board of Directors to determine, from time to time, the commission payable to each Non-Executive Director, provided such commission plus service tax at applicable rates or any other taxes, duties or levy, by whatever name called, that may be applicable at a future date, in aggregate shall not exceed 1% of the net profits of the Company for that year, computed in the manner provided in Section 349 and 350 of the Companies Act, 1956. The above approval is for a period of 5 (five) years from April 1, 2011 till March 31, 2016.

The remuneration to the Managing Director & Chief Executive Officer and the Executive Director(s) is based on the Company's size, industry practice and overall performance of the Company. The Remuneration Committee submits its recommendation to the Board, which after consideration of the recommendation approves the remuneration payable to the Managing Director & Chief Executive Officer and the Executive Director(s) (which also includes the annual increments and performance bonus) within the overall limits prescribed under the Companies Act, 1956, subject to the approval of the Members, wherever required.

The details of remuneration package of the Directors and their relationships with each other, if any, are given in Table 3 below:



**Table 3: Remuneration paid or payable to the Directors during the Financial Year ended March 31, 2013***(Amount in ₹)*

Name of Director	Relationship with other Directors	Sitting fees	Commission*	Salary	Perquisites	Provident Fund	Others	Total
Mr. Adi B. Godrej	Brother of Mr.NadirB. Godrej Father of Mr.Pirojsha Godrej & spouse of Mrs. ParmeshwarA.Godrej	80,000	650,000	Nil	Nil	Nil	Nil	730,000**
Mr. Jamshyd N. Godrej	-	40,000	650,000	Nil	Nil	Nil	Nil	690,000**
Mr. Nadir B. Godrej	Brother of Mr.AdiB.Godrej	80,000	650,000	Nil	Nil	Nil	Nil	730,000**
Mrs. ParmeshwarA. Godrej	Wife of Mr.Adi B Godrej and mother of Mr.Pirojsha Godrej	60,000	650,000	Nil	Nil	Nil	Nil	710,000**
Mr.Amit B. Chodhury	-	115,000	650,000	Nil	Nil	Nil	Nil	765,000**
Mr. Keki. B. Dadiseth	-	85,000	650,000	Nil	Nil	Nil	Nil	735,000**
Mrs. Lalita D. Gupte	-	115,000	650,000	Nil	Nil	Nil	Nil	765,000**
Mr. Pranay D.Vakil	-	115,000	650,000	Nil	Nil	Nil	Nil	765,000**
Dr. Pritam Singh	-	55,000	650,000	Nil	Nil	Nil	Nil	705,000**
Mr. S. Narayan	-	90,000	650,000	Nil	Nil	Nil	Nil	740,000**
Mr. Amitava Mukherjee	-	85,000	650,000	Nil	Nil	Nil	Nil	735,000**
Mr. Pirojsha Godrej	Son of Mr.Adi B. Godrej and Mrs.Parmeshwar A.Godrej	-	-	94,20,000	1,17,10,800	5,76,000	23,75,000***	2,40,81,800
Mr. K.T. Jithendran	-	-	-	1,55,25,732	1,03,55,653	7,39,800	31,50,000***	2,97,71,185
Mr. V. Srinivasan	-	-	-	82,31,292	38,14,437	4,10,400	15,00,000***	1,39,56,129

Notes:

\* *Commission for the Financial Year 2012-13 is payable in the Financial Year 2013-14.*\*\* *Under the Finance Act, 1994, as amended, service tax (along with education cess and secondary & higher education cess) was also paid under reverse charge mechanism by the Company.*\*\*\* *It includes provision made for the Performance Bonus for the financial year 2012-13.*

The service contracts of the Managing Director & Chief Executive Officer and the Executive Directors of your Company are for a period of three years, with a notice period of three months.

**The details of number of equity shares held and dividend paid to each of the Directors are given in Table 4 below:**

**Table 4: Number of equity shares held by each of the Directors, options held and dividend paid**

Name of Director	Equity Shares held as on March 31, 2013	Dividend paid during the Financial Year 2012-13 (in ₹)	Number of options held Under	
			GPL ESOP	GPL ESGS
Mr. Adi B Godrej	-	-	-	-
Mr. Nadir B. Godrej	15,62,250	46,86,750	-	-
Mr. Jamshyd N. Godrej	-	-	-	-
Mrs. Parmeshwar A. Godrej	-	-	-	-
Mr. Amit B. Choudhury	1,500	4,500	-	-
Mr. Keki B. Dadiseth	-	-	-	-
Mrs. Lalita D. Gupte	7,000	21,000	-	-
Mr. Pranay D Vakil	8,000	24,000	-	-
Dr. Pritam Singh	1,000	3,000	-	-
Mr. S. Narayan	-	-	-	-
Mr. Amitava Mukherjee	-	-	-	-
Mr. Pirojsha Godrej	5,20,747	15,62,241	-	-
Mr. K.T. Jithendran	5,383	15,399	30,000	24,555
Mr. V. Srinivasan	600	1,800	-	7,827

## 2) COMMITTEES OF THE BOARD

### A. AUDIT COMMITTEE

The Company's Audit Committee comprises 7 (seven) Independent Directors. They are:

- (a) Mr. Keki B. Dadiseth (Chairman);
- (b) Mrs. Lalita D. Gupte,
- (c) Mr. Amit B. Choudhury;
- (d) Mr. Pranay D. Vakil;
- (e) Dr. Pritam Singh;
- (f) Mr. S. Narayan; and
- (g) Mr. Amitava Mukherjee.

The composition of the Audit Committee is in compliance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

All the members of the Audit Committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. The Chairman of the Audit Committee was present at the Annual General Meeting to answer Members' queries. Minutes of each of the meeting of the Audit Committee are placed before the Board in its meetings. The representatives of the Statutory Auditors are invited to attend meetings of the Audit Committee. The Audit Committee also invites executives of the Company viz., Managing Director & Chief Executive Officer, Head (Finance), Head (Internal Audit), as it considers appropriate, to be present at the meetings. Mr. Shodhan A. Kembhavi, Vice-President (Legal) & Company Secretary acts as the Secretary to the Audit Committee. The Audit Committee met 4 (four) times during the financial year ended March 31, 2013, i.e. on May 5, 2012, July 28, 2012, November 1, 2012, and January 30, 2013. Table 5 below gives the attendance record for the aforesaid meetings of the Audit Committee:

**Table 5: Attendance record of Audit Committee members**

Name of Director	No. of meetings held during the financial year ended March 31, 2013	No. of meetings attended during the financial year ended March 31, 2013
Mr. Keki B. Dadiseth	4	3
Mrs. Lalita D. Gupte	4	4
Mr. Amit B. Choudhury	4	4
Mr. Pranay D. Vakil	4	4
Dr. Pritam Singh	4	2
Mr. S. Narayan	4	3
Mr. Amitava Mukherjee	4	3

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 there on.
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**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

## **B. REMUNERATION COMMITTEE**

Setting up of a Remuneration Committee is not a mandatory requirement in terms of Clause 49 of the Listing Agreement. The Remuneration Committee looks in all matters pertaining to remuneration of the Managing Director & Chief Executive Officer, the Executive Directors and administration of the employee stock option schemes of the Company i.e. the

Godrej Properties Limited Employee Stock Option Plan and the Godrej Properties Limited Employee Stock Grant Scheme, 2011.

The Remuneration Committee consists of seven Independent Directors. They are:

- (a) Mrs. Lalita D. Gupte (Chairperson);
- (b) Mr. Keki B. Dadiseth;
- (c) Mr. Amit B. Choudhury;
- (d) Mr. Pranay D. Vakil;
- (e) Dr. Pritam Singh;
- (f) Mr. S. Narayan; and
- (g) Mr. Amitava Mukherjee.

During the financial year ended March 31, 2013, the Committee met 3 (three) times, i.e. on May 5, 2012, November 1, 2012 and January 30, 2013. The attendance details are given in Table 6 below:

**Table 6: 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	2
Mr. Amit B. Choudhury	3	3
Mr. Pranay D. Vakil	3	3
Dr. Pritam Singh	3	1
Mr. S. Narayan	3	3
Mr. Amitava Mukherjee	3	2

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

## **C. INVESTORS' GRIEVANCE CUM SHARE TRANSFER COMMITTEE**

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

- (a) Mr. Adi B. Godrej, Non-Executive Chairman;
- (b) Mr. Pirojsha Godrej, Managing Director & Chief Executive Officer; and
- (c) Mr. Amit B. Choudhury, Independent Director.

Mr. Shodhan A. Kumbhavi, 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 financial year ended March 31, 2013**

Complaints outstanding as on April 1, 2012	0
Complaints received during the financial year ended March 31, 2013	7
Complaints resolved during the financial year ended March 31, 2013	7
Complaints outstanding as on March 31, 2013	0

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

### **3) SUBSIDIARY COMPANIES**

The Company does not have any material non-listed Indian subsidiary company as of March 31, 2013 and hence, it is not required to appoint an Independent Director of the Company on the Board of any of its non-listed Indian subsidiary.

The financial statements of the subsidiaries are reviewed by the Audit Committee of the Company. Further, the minutes of the meetings of Board of Directors of the subsidiary companies are also placed before the Board of Directors of the Company.

### **4) MANAGEMENT**

#### **i) Management Discussion and Analysis**

A detailed chapter on Management Discussion and Analysis has been separately included in the Annual Report.

#### **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.

### **5) DISCLOSURES**

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

During the financial year 2012-2013, 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 – Note No. 38 forming part of the Standalone financial results.

#### **ii) Whistle Blower Policy**

With a view to establish a mechanism for protecting the employees reporting unethical behavior, fraud, violation of Company's Code of Conduct, the Board of Directors has, at its meeting held on May 17, 2010, adopted a Whistle Blower Policy.

During the financial year 2012-2013, no person has been denied access to the Audit Committee.

#### **iii) Policy to prevent sexual harassment at the workplace**

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

#### iv) Details of compliance with mandatory requirements under Clause 49 of the Listing Agreement

Particulars	Clause of Listing Agreement	Compliance Status Yes / No
<b>I. Board of Directors</b>	<b>49 I</b>	
(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
<b>II. Audit Committee</b>	<b>49 (II)</b>	
(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
<b>III. Subsidiary Companies</b>	<b>49 (III)</b>	Yes
<b>IV. Disclosures</b>	<b>49 (IV)</b>	
(A) Basis of related party transactions	49 (IV A)	Yes
(B) Disclosure of accounting treatment	49 (IV B)	Yes
(C) Board disclosures – risk management	49 (IV C)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Yes
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
<b>V. CEO/CFO Certification</b>	<b>49 (V)</b>	Yes
<b>VI. Report on Corporate Governance</b>	<b>49 (VI)</b>	Yes
<b>VII. Compliance</b>	<b>49 (VII)</b>	Yes

Pursuant to Clause 47(c) of the Listing Agreement, certificates on half yearly basis, have been issued by a qualified practicing Company Secretary for due compliance of share transfer formalities by the Company.

A qualified practicing Company Secretary has carried out secretarial audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form.

#### v) 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 BSE Limited, the National Stock Exchange of India Limited, the Securities and Exchange Board of India or any statutory authority, in relation to any matter related to capital markets, during last three years.

#### vi) Declaration by the Managing Director

A 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 financial year ended March 31, 2013, is annexed to the Corporate Governance Report.

## 6) GENERAL BODY MEETINGS

### i) Details of last three Annual General Meetings of the Company

Financial year	Venue	Date	Time
2009-10	Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021	July 17, 2010	3.30 PM.
2010-11	Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021	July 22, 2011	3.30 PM.
2011-12	Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021	July 28, 2012	3.30 PM.

### ii) Details of special resolutions passed in previous three Annual General Meetings of the Company

Date of AGM	Number of Special Resolutions passed	Details of Special Resolutions Passed
July 17, 2010	5	<ol style="list-style-type: none"> <li>1) 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 Crore (Rupees One Hundred Crore only).</li> <li>2) 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).</li> <li>3) 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).</li> <li>4) 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).</li> <li>5) 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 Lac (Rupees Five Lac Only) for each such entity, which shall not exceed in aggregate ₹ 10 Lac (Rupees Ten Lac only) for all of them together, for the real estate development of projects of the Company located at Ahmedabad and Kochi.</li> </ol>
July 22, 2011	-	-
July 28, 2012	3	<ol style="list-style-type: none"> <li>1) To approve appointment and payment of remuneration of Mr. Pirojsha Godrej as the Managing Director and Chief Executive Officer of the Company, for a period of three years with effect from April 1, 2012.</li> <li>2) To approve appointment and payment of remuneration of Mr. V. Srinivasan, as an Executive Director of the Company, for a period of three years with effect from April 1, 2012.</li> <li>3) To approve revision in the remuneration of Mr. K. T. Jithendran, Executive Director of the Company, with effect from April 1, 2012.</li> </ol>

### iii) Details of special resolutions passed at the Extraordinary General Meeting held during the year

Date of EGM	Number of Special Resolution passed	Details of Special Resolution Passed
October 19, 2012	1	Revision in commission payable to Non-executive Directors.



#### iv) Postal Ballot

During the financial year 2012-2013, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, certain resolutions were passed by the Members through postal ballot. The notice of the postal ballot dated July 28, 2012 was sent to all the shareholders of the Company along with postage prepaid envelopes. Mr. S. Anand S.S. Rao, a Practicing Company Secretary was appointed as the Scrutinizer for the Postal Ballot, who had submitted his report to the Chairman, Mr. Adi B. Godrej. The details of the Postal Ballot conducted during the financial year 2012-2013, result of which was announced on September 11, 2012 is provided herein below:

Sr No	Date of announcement of results	Nature of resolution	Item	Total No. of valid votes polled	No. of votes in favour %	No. of votes against %
1	September 11, 2012	Special	To make investment(s) in any security(ies) of and/or to make loan(s) to or place inter-corporate deposit(s) with and/or provide any other form of debt to and/or to provide any security(ies) in connection with loan(s) and/or give guarantee(s) in connection with loan(s) given by any other person to Godrej Sea View Properties Private Limited, a subsidiary of the Company, for an aggregate amount not exceeding ₹ 150 Crores (Rupees One Hundred and Fifty Crores).	680	99.996	0.004
		Special	To make investment(s) in any security(ies) of and/or to make loan(s) to or place inter-corporate deposit(s) with and/or provide any other form of debt to and/or to provide any security(ies) in connection with loan(s) and/or give guarantee(s) in connection with loan(s) given by any other person to Godrej Vikhroli Properties LLP for an aggregate amount not exceeding ₹ 250 Crores (Rupees Two Hundred and Fifty Crores).	677	99.996	0.004
		Special	To make investment(s) in any security(ies) of and/or to make loan(s) to or place inter-corporate deposit(s) with and/or provide any other form of debt to and/or to provide any security(ies) in connection with loan(s) and/or give guarantee(s) in connection with loan(s) given by any other person to Mosiac Landmarks LLP for an aggregate amount not exceeding ₹ 50 Crores (Rupees Fifty Crores).	677	99.996	0.004
		Special	To amend the terms of the Godrej Properties Limited Employee Stock Option Plan for revision in the 'Exercise Price'.	670	98.56	1.44

**Note:** All the Special Resolutions as mentioned in the Notice of Postal Ballot dated July 28, 2012 have been passed by the requisite majority.

At the forthcoming AGM, there is no item on the agenda that needs approval by Postal Ballot.

#### v) Procedure adopted for Postal Ballot

- |  |   |
|--|---|
| <p>(i) The Board at its meeting or through circular resolutions approves the items to be passed through postal ballot and authorizes the Managing Director and the Company Secretary to be responsible for the entire process of postal ballot.</p> <p>(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.</p> | <p>(iii) Notice of postal ballot along with the ballot papers are sent to the shareholders of the Company along with a self-addressed envelope addressed to the Scrutinizer.</p> <p>(iv) An advertisement is published in a national newspaper about the dispatch of ballot papers and notice of postal ballot.</p> <p>(v) The duly completed postal ballot papers are received by the Scrutinizer.</p> <p>(vi) The Scrutinizer gives his report to the Chairman.</p> <p>(vii) The Chairman announces the results of the postal ballot.</p> |
|--|---|

- (viii) Results are intimated to the stock exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited and are put up on the Company's website.

Pursuant to the requirements under the Listing Agreement (as amended by a circular dated July 14, 2012 issued by the Securities and Exchange Board of India), the Company provides e-voting facility to the Members for the postal ballots held after October 1, 2012.

## 7) SHAREHOLDERS AND MEANS OF COMMUNICATION

### a) Disclosures regarding appointment or re-appointment of Directors

According to the Articles of Association of the Company, one-third of the Directors are liable to retire by rotation at every Annual General Meeting of the Company. Mr. Adi B. Godrej, Mr. Jamshyd N. Godrej, Mr. Amitava Mukherjee and Mrs. Parmeshwar A. Godrej shall retire at this Annual General Meeting of the Company and being eligible, offer themselves for re-election.

The Board of Directors of the Company have re-appointed Mr. K T Jithendran as an Executive Director of the Company with effect from May 17, 2013, subject to the approval of the Members.

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 annual reports, quarterly results, official press releases and presentations to analysts/ performance updates are posted on the website of the Company [www.godrejproperties.com](http://www.godrejproperties.com) and a copies of the same are sent to the BSE Limited and the National Stock Exchange of India Limited. 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](http://www.corpfiling.co.in) in terms of Clause 52 of Listing Agreement. Further, the annual reports containing audited standalone and consolidated financial statements of the Company together with Directors' Report, Auditors' Report and other important information are circulated to the members and others entitled thereto.

### c) Investor grievances

As mentioned before, the Company has constituted an Investors' Grievance cum Share Transfer Committee to look into and redress complaints from shareholders and investors. Mr. Shodhan A. Kembhavi, Vice-President

(Legal) & Company Secretary is the Compliance Officer of the Company.

### d) Share transfer

The Company has outsourced its share transfer function to M/s. Karvy Computershare Private Limited, which is registered with the Securities and Exchange Board of India 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.

## 8) NON-MANDATORY REQUIREMENTS UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement is provided below:

a) **Tenure of independent Directors:** No maximum tenure for independent directors has been specifically determined.

b) **Remuneration Committee:** The Board has set up a Remuneration Committee consisting of Independent Directors, details of which have been provided in this Report.

c) **Shareholders' Rights:** As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

d) **Audit Qualifications:** The Company's financial statements for the year 2012-13 do not contain any audit qualification.

e) **Training of Board members:** The Board members are fully updated on all the new initiatives proposed by the Company, industry scenario, changes in the statutes/ legislations and critical business issues. The Company engages outside consultants for presentation and discussion with the Board members on matters of specialized nature.

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

## 9) AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in Clause 49 of the Listing Agreement, the auditor's certificate regarding compliance of conditions of corporate governance is annexed to the Corporate Governance Report.

## Declaration by Managing Director

I, Pirojsha Godrej, Managing Director & Chief Executive Officer of Godrej Properties Limited, hereby confirm pursuant to Clause 49(l)(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](http://www.godrejproperties.com). All the Board members and senior management personnel have affirmed their compliance with the said Code of Conduct for the financial year ended March 31, 2013.

**Pirojsha Godrej**  
**Managing Director & Chief Executive Officer**

Mumbai  
May 9, 2013

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## 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 year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreements of the Company with the 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  
Date : May 9, 2013



## General Shareholders' Information

### i) Annual General Meeting

<b>Date</b>	July 27, 2013
<b>Time</b>	2.00 p.m.
<b>Venue</b>	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 financial year ended March 31, 2013, the financial results were announced on:-

- July 28, 2012 : First Quarter
- November 1, 2012 : Second Quarter
- January 30, 2013 : Third Quarter
- May 9, 2013 : Annual

### iii) Date of Book Closure

A dividend of ₹ 4/- per equity share (40%) has been recommended by the Board of Directors of the Company. For payment of dividend, the book closure is from July 4, 2013 to July 5, 2013 (both days inclusive).

### iv) Dividend Payment Date

The dividend, if declared, will be payable on and from August 2, 2013.

### v) Listing information

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

Name of Stock Exchange	Stock/Scrip code
BSE Limited	533150
The National Stock Exchange of India Limited	GODREJPROP

The ISIN No. of the Company's equity shares on both National Securities Depository Limited and Central Depository Services (India) Limited is **INE484J01019**.

### vi) Stock Data

Table 1 and Table 2 respectively gives the monthly high and low prices and volumes of equity shares of the Company at the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") for the financial year ended March 31, 2013.

**Table 1:** Monthly high and low prices and volumes of equity shares of Godrej Properties Limited at BSE for the financial year ended March 31, 2013

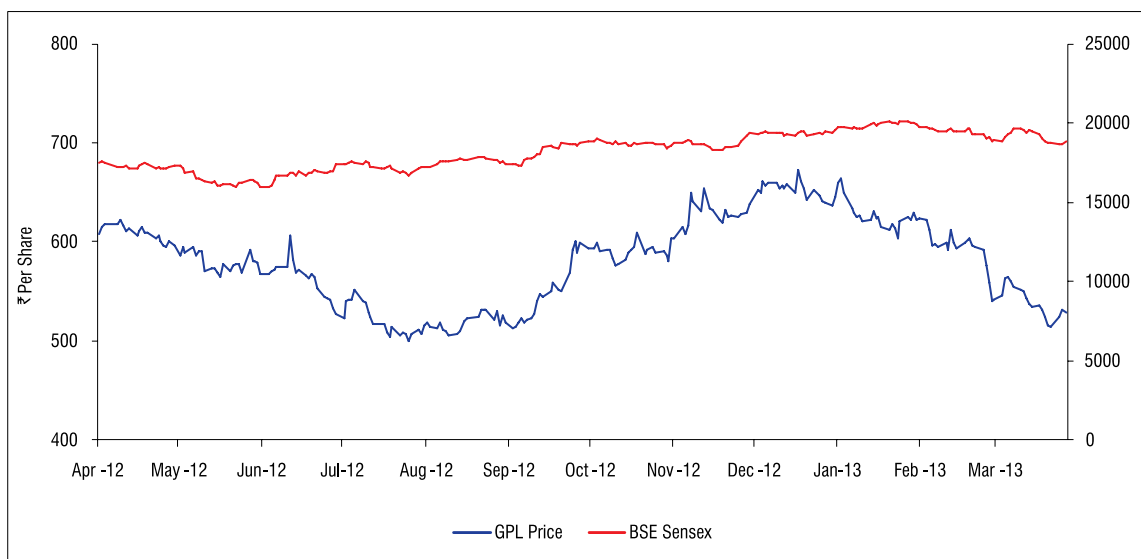
Month	High (₹)	Low(₹)	Volumes traded (No. of equity shares)
<b>April</b>	621.80	595.20	130,785
<b>May</b>	595.15	564.95	125,388
<b>June</b>	605.95	527.70	60,146
<b>July</b>	551.25	500.70	134,695
<b>August</b>	532.25	505.50	266,089
<b>September</b>	601.10	513.20	150,916
<b>October</b>	609.45	575.65	562,746
<b>November</b>	653.45	603.30	246,345
<b>December</b>	672.45	637.00	146,389
<b>January</b>	664.40	603.35	140,987
<b>February</b>	623.20	540.00	136,948
<b>March</b>	565.30	515.05	489,471

**Table 2:** Monthly high & low prices and volumes of equity shares of Godrej Properties Limited at NSE for the financial year ended March 31, 2013

Month	High (₹)	Low(₹)	Volumes traded (No. of equity shares)
<b>April</b>	621.05	593.05	472,604
<b>May</b>	595.25	565.45	148,463
<b>June</b>	602.00	527.30	247,275
<b>July</b>	550.65	500.60	713,290
<b>August</b>	532.05	507.60	324,717
<b>September</b>	598.00	515.00	758,377
<b>October</b>	605.40	575.10	755,776
<b>November</b>	653.05	601.40	1,040,779
<b>December</b>	671.75	639.05	661,691
<b>January</b>	662.90	607.05	859,755
<b>February</b>	621.35	537.20	425,093
<b>March</b>	563.35	515.00	1,118,877

**Note:** High and low prices are in rupees per traded equity 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 the NSE.

### The Company's equity share performance compared to BSE Sensex



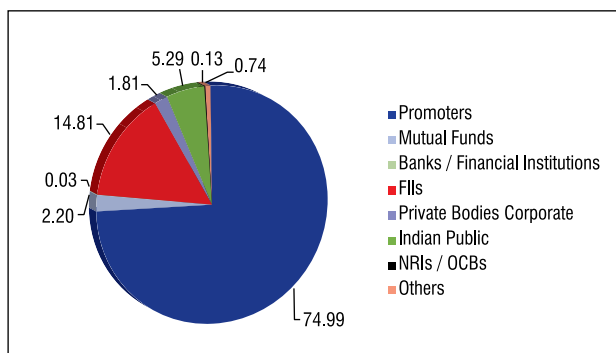
#### vii) Distribution of shareholding as on March 31, 2013

DISTRIBUTION SCHEDULE AS ON MARCH 31, 2013						
Sr. No.	Category	No. of shareholders	% of shareholders	No. of equity shares	Amount (₹)	% Amount
1	1 - 5000	21,150	96.18	1,364,785	13,647,850	1.75
2	5001 - 10000	398	1.81	307,953	3,079,530	0.39
3	10001 - 20000	194	0.88	291,771	2,917,710	0.37
4	20001 - 30000	68	0.31	174,851	1,748,510	0.22
5	30001 - 40000	34	0.15	119,817	1,198,170	0.15
6	40001 - 50000	26	0.12	120,567	1,205,670	0.15
7	50001 - 100000	38	0.17	284,337	2,843,370	0.36
8	100001 & Above	83	0.38	75,382,022	753,820,220	96.59
	<b>Total</b>	<b>21,991</b>	<b>100.00</b>	<b>78,046,103</b>	<b>780,461,030</b>	<b>100.00</b>

#### viii) Shareholding pattern as on March 31, 2013

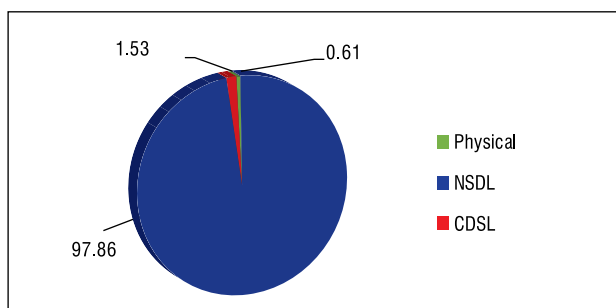
SHARE HOLDING PATTERN AS ON MARCH 31, 2013				
Sr. No.	Category	No. of shareholders	No. of equity shares held	% of shareholding
1	Promoters and Promoter Group	16	58,527,614	74.99
2	Mutual Funds	5	1,716,382	2.20
3	Banks / Financial Institutions	4	24,512	0.03
4	FII's	39	11,554,873	14.81
5	Private Bodies Corporate	484	1,413,324	1.81
6	Indian Public	20,852	4,127,795	5.29
7	NRIs / OCBs	532	100,497	0.13
8	Others	59	581,106	0.74
	<b>TOTAL</b>	<b>21,991</b>	<b>78,046,103</b>	<b>100.00</b>

Note: The details of outstanding employee stock options as on March 31, 2013 are provided in Annexures to the Directors' Report.



**ix) Shares held in physical and dematerialized form**

Category	Number of shareholders	Shareholders %	Number of equity shares held	Shareholding %
Physical	103	0.47	477,257	0.61
NSDL	15,688	71.34	76,378,063	97.86
CDSL	6200	28.19	1,190,783	1.53
<b>Total</b>	<b>21,991</b>	<b>100.00</b>	<b>78,046,103</b>	<b>100.00</b>



**x) Outstanding GDRs / ADRs / warrants / convertible instruments and their impact on equity**

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

**xi) Share Transfer**

Share transfer and related operations for Godrej Properties Limited are conducted by M/s Karvy Computershare Private Limited, Registrar and Share Transfer Agents of the Company. Share transfer is normally affected within a period of 15 days from the date of receipt of request, 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 - 500081  
Tel.: 040 – 4465 5000  
Fax No.: 040 – 23420814  
Email 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, 4<sup>th</sup> Floor, 4A, Home Street,  
Fort, Mumbai – 400 001

**xiv) Details of Demat Suspense Account:**

As per Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the public issue.

Sr. No.	Particulars (for the Financial Year 2012-2013)	No. of Cases	No. of Equity Shares
1.	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the beginning of the year;	1	52
2.	Number of shareholders who approached issuer for transfer of equity shares from suspense account during the year;	-	-
3.	Number of shareholders to whom equity shares were transferred from suspense account during the year;	-	-
4.	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the end of the year*.	1	52

Note:

\* *The voting rights on the equity shares shall be frozen till the rightful owner claims such shares.*

# BUSINESS RESPONSIBILITY REPORT

## GOOD & GREEN – CSR / BSR

### Basic Information:

Godrej Properties Limited (GPL) is a real estate development arm of the Godrej Group, one of the leading business groups in India. GPL primarily focuses on developing residential projects. GPL currently has real estate development projects in 12 cities in India. In addition, we also have certain commercial projects at various stages of development. GPL undertakes its projects through the in-house team of professionals and by partnering with companies with domestic and international operations.

GPL is a public limited company and is listed on BSE Limited & the National Stock Exchange of India Limited. The Company is controlled by Godrej & Boyce Manufacturing Company Limited, Godrej Industries Limited and Godrej family members. The shareholding of promoter/promoter group constitutes 74.99% of the paid up capital of the Company as at March 31st, 2013.

Economic and financial data as on 31 March, 2013:

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

### Details about the Top Management:

Our management personnel are qualified professionals, many of whom have spent a number of years in various functions of real estate development. GPL's Board and the key management personnel have been instrumental in the growth and progress of the Company.

As at March 31, 2013, the Company has 420 employees in the Company.

Details of Pan India Operations / Regional / Site Offices:

The details about the Company's Pan India Operations / Regional / Site Offices addresses forms part of the Annual Report.

### PHILANTHROPIC EFFORTS BY THE GODREJ GROUP

The Godrej Group has been at the forefront of philanthropic and socially responsible activities for several decades. 25% of the shares of the Godrej Group's holding Company Godrej & Boyce are held in a trust that invests back in initiatives that support the environment, and improve the quality and availability of healthcare and education. Through investment and oversight by the trust, a large tract of mangrove forests in Mumbai have been protected, developed and maintained for several years and have served as a second set of lungs for the city. The Godrej Group has supported education for all, through its support of the Udayachal pre-primary and primary schools, which focus on all round development of children. The Udayachal high school has recently been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching.

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



## Table for Two

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

## Heroes AIDS Project

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

Heroes Project was invited by the 2012 International AIDS Conference in Washington, D.C. in the United States to present its groundbreaking research on the impact of using societal leaders as advocates for HIV issues. Heroes Project's award-winning 'Mr. Doubt' public service announcements (PSA) on HIV risk perception and testing were evaluated in Andhra Pradesh, where 49% -- a significant proportion -- of the audience surveyed indicated their intention to get

tested for HIV after watching the PSAs on television and in movie theatres. The 'Mr. Doubt' campaign was dubbed into Kannada for the Karnataka AIDS Control Society, and was completely remade in Marathi for the Maharashtra AIDS Control Society.

## Teach for India

Godrej Industries Limited, our parent Company, has been supporting Teach for India (TFI) since its inception in 2009. TFI is a nationwide movement of outstanding college graduates and young professionals who commit two-years to teach full-time in under resourced schools. These individuals working in various sectors towards the pursuit of equity in education will become lifelong leaders. In 2009, TFI began its journey in the classrooms with 78 fellows (or teachers) in 2 cities and across 34 schools covering 3000 children. In 2012, the movement has grown to cover 164 schools in 5 cities with 506 fellows, impacting more than 16,000 children. Godrej Industries has contributed significantly to this growth not only through direct funding but also by allowing employees to participate in the 2 year fellowship program through a sabbatical. Apart from this the Company has also provided a space of 1500 sq. ft. within its campus for establishing the TFI office.

60% of the alumni have stayed back in education / development sectors to create further social impact. TFI was rated as a great place to work in the NGO sector in the Great Places to Work survey in 2011.

## Dasra

Dasra, a strategic philanthropy foundation, has several initiatives to help both philanthropists and social entrepreneurs at various levels in their journey towards bringing about social change. One of these initiatives is

'Advisory Research'. Godrej Industries has sponsored 4 research reports – on Education in Mumbai's Public Schools, Girl Education, Employability and Agriculture. The action-oriented knowledge of these reports has been fundamental to the process of catalyzing social change. These reports have the power to direct funding, which drives greater impact on ground where it is most needed and can improve the lives of thousands living in poverty.

### Godrej Good & Green

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

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

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

- Training 1 million rural and urban youth in skilled employment
- Achieving zero waste, carbon neutrality, positive water balance along with reducing our specific energy consumption and increasing proportion of renewable energy resources
- Having a third of our portfolio revenues comprising good and/or green products and services – defined as

products that are environmentally superior or address a critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid

## PART B: BUSINESS RESPONSIBILITY INITIATIVES BY GODREJ PROPERTIES LIMITED

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

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

At Godrej Properties, there is a well thought out policy on code of conduct. Every new employee who joins the Company goes through the code of conduct document and accepts and signs an undertaking. The code of conduct speaks about various codes like: 1) Communication and Public Relations: We value our relationship with the media and the public at large and do our best to provide full and prompt disclosure of all appropriate information and events. 2) Compliance with the law: We comply with all domestic and international laws, rules, regulations, and statutory requirements applicable to our business and the countries where we operate. 3) Confidentiality and Non Compete: We protect confidential company information from unauthorized disclosure. Any necessary and authorized sharing of this information will be limited to those who have a legitimate need to be kept informed. We will not engage with any company, firm, individual or business which competes with the business of Godrej for a period of one year after leaving the services of the company. 4) Customers: We are a customer centric company and greatly value the trust, satisfaction and loyalty of our customers across the world.

Our primary focus is on delighting our customers, both external and internal. 5) Diversity and Anti-Discrimination: We recognize merit and perseverance and encourage diversity in our company. We do not tolerate any form of discrimination on the basis of colour, gender, race, caste, age, marital status, sexual orientation or disability and will allow for equal opportunities for all team members. 6) Good and Green: We are a socially responsible (Good and Green) Company. We identify shared value opportunities, which imply addressing social and environmental problems, while at the same time strengthening our drivers of competitiveness. 7) Individual Conduct: We take initiative, strive to learn and improve and be emotionally and socially aware. 8) Integrity: We uphold integrity in all our interactions and associations both within the Company and also with external stakeholders, be it with regard to financial or intellectual or any other issue. 9) Quality: We deliver high quality products and services to delight our customers and continuously explore new ways of improving our offerings. 10) Safety and Health: We remain committed to protecting and building a safe and healthy workplace.

This code of conduct is also a part of the policy manual which is uploaded on the intranet of the Company.

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

Godrej Properties Ltd has intensified its efforts to be at the forefront of sustainable development. 74% of our inventory launched in the financial year was registered/ pre-certified as green by the Indian Green Building Council (IGBC); up from 67% in FY 12 and 26% in FY 11. Our efforts were acknowledged with numerous sustainable design certifications received during the year. These include Gold Pre-certifications for Godrej Horizon in Pune, Serenity in Mumbai and Gold County in Bangalore, all under the IGBC Green Homes rating system v.1.0. Godrej Central in Mumbai,

which is yet to be launched, has been awarded Silver Pre-certification under the IGBC Green Homes rating system v 2.0. To consistently deliver green buildings, the Company has set up internal benchmarks, integrated sustainability goals with project planning. In addition, Godrej Properties continuously engages its design and construction partners to create greener buildings. Under Green operations, the Company is working on reducing energy and water consumption and waste generated at our administrative offices in accordance with the Group wide Good & Green Targets



Pond Retention at Godrej Prakriti, Kolkata, to retain existing topography



Use of Fly Ash Bricks for Construction at Godrej Prakriti, Kolkata; improves energy performance and has a high recycled content

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

At Godrej Properties, we have put in place the following employee friendly policies. 1) Diversity: We value diversity within the Godrej Group and are committed to offering equal opportunities in employment. We do not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, gender, gender identity/expression, sexual orientation, disability, age, or marital status. 2) Prevention of Sexual Harassment: We are committed to creating and maintaining an atmosphere in which our team members can work together, without fear of sexual harassment, exploitation or intimidation ('Sexual Harassment' is defined as unwelcome sexual advances, requests for sexual favours and other verbal, non verbal or physical conduct of a sexual nature). Every team member is made aware that the Godrej Group is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and the Group policy. We take all necessary action(s) required to prevent, correct and if necessary, discipline behaviour which violates this policy. 3) Flexi working hours: The Flexi-Time Module is designed to best equip and enable employees to have a healthy work-life balance. 4) Work from home: Our Work From Home Module is designed to best equip employees to balance their work and personal responsibilities or exigencies, as the case may be, through a mutually beneficial arrangement for them and the Company. 5) Part time work: This policy has been designed to facilitate the following, while ensuring that the demands of the business are met: a) Benefit existing team members by providing personal flexibility b) Help us attract

and retain a talent pool which is not available on full time work commitment. Employees can opt to work part time for up to a year, in order to balance unexpected work and family demands, recover from an illness, pursue an education, devote time to a volunteer activity in the community or other exigencies. 6) Leave: We at Godrej Properties Limited believe that availing leave is necessary for employees to have a healthy work-life balance and improve productivity at the workplace. Our Consolidated Privilege Leave Module is designed to best enable employees to take regular leave and maintain this balance. 7) Maternity, Paternity, Adoption leave and benefits: The Adoption Leave and Benefits Module is designed to best equip employees to balance their responsibilities as a new parent, both on a career and personal front, through a mutually beneficial arrangement for employees and the Company.

More than 20% employees at Godrej Properties are women. There have been no complaints relating to child labour, forced labour, involuntary labour or sexual harassment in the Company.

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

One of initiatives that Godrej Properties has undertaken is in collaboration with Mobile Crèche, which provides education for construction workers' children on the construction site. The Company has also subscribed to Labour welfare fund membership which promotes basic computer education, gym and basic education to children of working class.



Basic education centers are set up at sites with the help of appointed contractors. Godrej Properties actively participates in all Corporate activities conducted by the corporate Good & Green cell. During the Joy of Giving week, interested employees participated in spreading the Greener India vision to school children across key locations in the country. Employees have also in the past contributed to clothes collection drives, school to school, flood relief, winter collection drives etc. for Goonj – an NGO that believes in not just addressing a basic need of clothing but also using cloth as an entry point into the lives of people; to address other important needs like health, education, employment generation etc. Employees also participated in the 'khichadi drive' organized by the ISKCON Foundation for raising funds for mid day meal programs in low income municipal schools. Besides these, employees show a lot of enthusiasm in participating in events such as the Mumbai Marathon, the water conclave organized by the Good & Green team etc.



Employees participated in the Standard Chartered Mumbai Marathon in support of the NGO Teach for India



Employees participated in the Standard Chartered Mumbai Marathon in support of the NGO Teach for India



Good & Green Nipun Training Program for construction workers



GPL Creches, in collaboration with local NGOs

## Principle 5: Businesses should respect and promote human rights

Godrej Properties respects and promotes human rights for all individuals. No violations in this regard have occurred in the Company till date. Our Code of Conduct covers aspects like diversity, anti-discrimination, equal opportunity, compliance with the law and integrity which contribute to respecting and promoting human rights. We also have policies like Whistleblower, Prevention of Sexual Harassment that encourage respect and promotion of human rights. Any violation of the Code of Conduct can result in stern disciplinary action including termination of employment and / or other appropriate actions as permissible under the law.

We have a program called 'Bedhadak Bolo' whereby every employee can express his/ her ideas and suggestions without any hesitation and fear. We also conduct open houses, high tea with Directors and small group discussions where employees can share their concerns, ideas and suggestions.

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

For all projects launched in or after April 2011, Godrej Properties has had an internal mandate to reach a Silver rating at the least, under the relevant IGBC Green Building Rating system. The policy for sustainable ratings extends to all business, design and construction partners – including JVs, suppliers and contractors.

Godrej Properties' current projects are assessed for their energy performance through energy modeling tools and sun path analysis to create buildings that have lower operational energy costs. Similarly, a water balance chart for each of the projects helps determine the demand-supply strategy, to reduce or nullify dependence on groundwater or municipal water sources.

To encourage use of cleaner sources of energy GPL has installed or will be installing street lamps powered by Solar Photovoltaic (PV) panels in the following projects:

- Godrej Woodsmen Estate, Bengaluru
- Godrej Platinum, Bengaluru
- Godrej Prakriti, Kolkata

- Godrej Frontier, Gurgaon
- Godrej Palm Grove, Chennai

In addition, a large commercial building (grade AAA office) in Mumbai will be installing rooftop Solar PV panels to meet ~1% of the buildings' annual energy demand

- Godrej One, Vikhroli



Solar Water Heater for each Villa in Godrej Gold County, Bangalore



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

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

The Business is currently not engaged in influencing public and regulatory policy. However, Godrej Industries, our parent Company, ensures that it does so with the highest degree of responsible and ethical behaviour and also works with collective platforms such as trade and industry chambers and associations.

## Principle 8: Businesses should support inclusive growth and equitable development

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

Employability has to do with knowledge and skills, be they in terms of basic skills (e.g. numeracy, literacy etc.) or subject and occupation specific knowledge at different levels. These skills alone however do not result in an increase in employability. Personal attributes and attitudes, ranging from



basic levels of reliability, common sense, attitude to work and integrity etc. are just as important to seek employment, maintain such employment and upgrade oneself while in a job. At the Godrej Group, we have started with the assumption that employability of an individual can be captured through improvement in skill level and his / her earning potential and these metrics are being used to measure the impact of our skilling interventions.

In line with the Good & Green vision of Employability, Godrej Properties has initiated training of construction workers during this year. It has signed an MOU with a National Skills Development Corporation partner, to conduct a pilot on the site of Godrej Anandam in Nagpur. This training will enable unskilled workers to improve their skill level and the ability to improve their livelihood. Around 300 workers were trained during the year and we plan to extend this initiative to newer sites to train around 4,000 workers by the end of next financial year.



Nipun Training



Nipun Training

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

At Godrej Properties, the sales team starts selling the project only post receipt of all statutory approvals. The copies of all the approvals are presented if asked by the customer. Comprehensive information about the product is displayed in all the marketing collaterals, so that customers are aware of it. All the terms and conditions are listed in the application form. A legal agreement is entered into with the customers regarding the sale of property which carries all information about the development scheme. The Company is a part of Real estate trade bodies like Maharashtra Chamber of Housing Industry (MCHI) and Confederation of Real Estate Developers Association of India (CREDAI).



# FINANCIALS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GODREJ PROPERTIES LIMITED,

#### Report on the Financial Statements

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

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

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

#### Auditor's Responsibility

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

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

#### Opinion

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

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

#### Emphasis of Matter

- a) We draw attention to Note 1(g) to the financial statements, 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.
- b) We also draw attention to Note 27 to the Financial Statements, regarding the Scheme of Amalgamation of the wholly owned subsidiary of the Company viz. Godrej Waterside Properties Private Limited (GWPPL), with the Company approved by The Honorable High Court of Judicature at Bombay, whereby all the assets and liabilities of GWPPL have been taken over at their respective fair values as on April 1, 2012.

In accordance with the Scheme of Amalgamation, an amount of ₹ 1,228,652,637/- on account of Goodwill on merger has been charged to General Reserve and opening balance of surplus in the Statement of Profit & Loss instead of amortising the same in the Statement of Profit & Loss over a period of five years. The Cost and expenses arise out of or incurred in carrying out and implementing the scheme amounting to ₹ 5,300,000/- has also been directly charged against the

opening balance of surplus in Statement of Profit & Loss of the Company. Had these amounts been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 251,030.527/-, Goodwill would have been higher by ₹ 982,922,110/- (net written down value), General Reserve Account would have been higher by ₹ 462,000,000/- and the surplus in Statement of Profit & Loss would have been higher by ₹ 520,922,110/-.

- c) We also draw attention to Note 32 to the financial statements, regarding a loan of ₹ 443,402,597/- to the GPL ESOP Trust for purchase of the Company's shares from Godrej Industries Limited equivalent to options granted under an Employee Stock Option Plan. As at 31<sup>st</sup> March, 2013, the market value of the shares held by the GPL ESOP Trust is lower than the cost of acquisition of the shares by ₹ 123,999,119/- (net of provision of ₹ 58,923,028/- on account of options lapsed). The repayment of the loans granted to the GPL ESOP Trust is dependent 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.

Our opinion is not qualified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **KALYANIWALLA & MISTRY**  
CHARTERED ACCOUNTANTS  
Firm Registration Number 104607W

**ERMIN K. IRANI**  
PARTNER  
Membership Number: 35646

Place: Mumbai  
Date: May 9, 2013

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' 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 others 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 and services. 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 there under, 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) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209 (1)(d) of the Act, and are of the opinion that prima facie the prescribed accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.
- 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, 2013 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	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	₹ 2,203,685/-	2009-10	Commissioner of Income Tax (Appeals)
2	KVAT Act, 2003	₹ 12,130,007/-	2009-10	Joint Commissioner of Commercial Taxes (Appeals)
3	Finance Act, 1994	₹ 316,499,606/-	2005-2011	Customs, Excise & Service Tax Appellate Tribunal

- 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 have outstanding debentures during the year.
- 20) We have verified the end use of money raised by Initial Public Offer (IPO) as disclosed in Note 29(a) and Institutional Placement Programme (IPP) as disclosed in Note 29(b) forming an integral part of financial statements. Pending utilization of the funds raised through these public issues, a sum of ₹ 92,311,157/- has been temporarily invested in Mutual Funds.
- 21) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given and representations made by the Management, no major fraud on or by the Company, has been noticed or reported during the year.

For **KALYANIWALLA & MISTRY**  
 CHARTERED ACCOUNTANTS  
 Firm Registration Number 104607W

**ERMIN K. IRANI**  
 PARTNER  
 Membership Number: 35646

Place: Mumbai  
 Date: May 9, 2013

## BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As At 31.03.2013 ₹	As At 31.03.2012 ₹
<b>I EQUITY AND LIABILITIES</b>			
1) <b>Shareholders Fund</b>			
a) Share Capital	2	780,461,030	780,368,190
b) Reserves & Surplus	3	12,862,476,771	13,215,463,829
<b>Total Shareholders' Funds</b>		<b>13,642,937,801</b>	<b>13,995,832,019</b>
2) <b>Non-Current Liabilities</b>			
a) Long Term Borrowing	4	3,460,925,000	1,602,104,000
b) Other Long Term Liabilities	5	2,768,009	120,000
c) Long Term Provisions	6	27,817,241	22,955,760
<b>Total Non Current Liabilities</b>		<b>3,491,510,250</b>	<b>1,625,179,760</b>
3) <b>Current Liabilities</b>			
a) Short Term Borrowing	7	4,256,146,862	9,586,646,757
b) Trade Payables (Refer Note 30)		1,088,099,338	1,438,354,184
c) Other Current Liabilities	8	4,773,535,976	1,829,546,496
d) Short Term Provisions	9	420,129,027	319,772,771
<b>Total Current Liabilities</b>		<b>10,537,911,203</b>	<b>13,174,320,208</b>
<b>Total Equity And Liabilities</b>		<b>27,672,359,254</b>	<b>28,795,331,987</b>
<b>II ASSETS</b>			
1) <b>Non-Current Assets</b>			
a) Fixed Assets	10		
(i) Tangible Assets		83,476,528	89,679,197
(ii) Intangible Assets		37,015,782	22,840,864
(iii) Capital work-in-progress		440,978,662	222,133,587
(iv) Intangible Assets under Development		19,402,827	16,911,132
<b>Total Fixed Assets</b>		<b>580,873,799</b>	<b>351,564,780</b>
b) Non-Current Investments	11	1,700,318,306	995,243,978
c) Deferred Tax Asset (Net)	12	40,579,000	29,860,000
d) Long Term Loans & Advances	13	763,037,702	655,683,426
e) Other Non Current Assets	14	108,192,216	9,052,104
<b>Total Non Current Assets</b>		<b>3,193,001,023</b>	<b>2,041,404,288</b>
2) <b>Current Assets</b>			
a) Current Investment	15	-	58,650,000
b) Inventories	16	6,506,111,576	2,573,566,712
c) Trade Receivables	17	631,584,122	1,063,779,424
d) Cash & Bank Balances	18	474,535,569	4,414,529,918
e) Short Term Loans & Advances	19	15,393,894,181	16,758,369,526
f) Other Current Assets	20	1,473,232,783	1,885,032,119
<b>Total Current Assets</b>		<b>24,479,358,231</b>	<b>26,753,927,699</b>
<b>Total Assets</b>		<b>27,672,359,254</b>	<b>28,795,331,987</b>
<b>ACCOUNTING POLICIES</b>	1		

The accompanying notes 1 to 43 form an integral part of financial statements

As per our Report of even date.

Signatures to the Balance Sheet and Notes to Financial Statements

For and on behalf of Board

For **KALYANIWALLA & MISTRY**  
Chartered Accountants

**ERMIN K. IRANI**  
Partner

Mumbai, Dated : May 9, 2013

**A. B. GODREJ**  
Chairman

**PIROJSHA GODREJ**  
Managing Director & CEO

**SHODHAN A. KEMBHAVI**  
Company Secretary

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	For the Year Ended 31.03.2013 ₹	For the Year Ended 31.03.2012 ₹
<b>INCOME</b>			
Revenue from Operations	21	<b>4,267,099,719</b>	3,689,406,161
Other Income	22	<b>627,851,964</b>	949,270,944
<b>TOTAL REVENUE</b>		<b>4,894,951,683</b>	4,638,677,105
<b>EXPENDITURE</b>			
Cost of Sales	23	<b>2,287,491,765</b>	2,541,297,007
Employee Benefits Expense	24	<b>175,140,882</b>	60,209,729
Finance Costs	25	<b>598,193,373</b>	688,430,901
Depreciation		<b>35,376,369</b>	31,805,549
Other Expenses	26	<b>402,697,561</b>	272,938,670
<b>TOTAL EXPENSE</b>		<b>3,498,899,950</b>	3,594,681,856
<b>PROFIT BEFORE TAX</b>		<b>1,396,051,733</b>	1,043,995,249
<b>Tax Expense</b>			
Current Tax		<b>175,000,000</b>	251,290,000
Deferred Tax		<b>(10,650,000)</b>	(21,670,000)
Adjustment for Tax of Previous Years (net)		<b>5,024,255</b>	727,993
		<b>169,374,255</b>	230,347,993
<b>PROFIT AFTER TAX</b>		<b>1,226,677,478</b>	813,647,256
<b>Earnings Per Share (Refer Note 40)</b>			
Basic		<b>15.72</b>	11.63
Diluted		<b>15.71</b>	11.63
ACCOUNTING POLICIES	1		

The accompanying notes 1 to 43 form an integral part of financial statements  
As per our Report of even date.

For **KALYANIWALLA & MISTRY**  
*Chartered Accountants*

**ERMIN K. IRANI**  
*Partner*

Mumbai, Dated : May 9, 2013

Signatures to the Profit & Loss and Notes to Financial Statements

For and on behalf of Board

**A. B. GODREJ**  
*Chairman*

**PIROJSHA GODREJ**  
*Managing Director & CEO*

**SHODHAN A. KEMBHAVI**  
*Company Secretary*

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the Year Ended 31.03.2013 ₹	For the Year Ended 31.03.2012 ₹
<b>Cash Flow from Operating Activities</b>		
Profit for the Year before Taxation	1,396,051,733	1,043,995,249
<b>Adjustment for:</b>		
Depreciation	35,376,369	31,805,549
Interest Paid	598,193,373	688,430,901
(Profit)/Loss on sale of Fixed Asset	(749)	102,815
Provision for Doubtful Advances	-	63,558,848
ESGS Compensation	20,549,623	10,455,958
Interest Income	(601,492,711)	(751,507,406)
Dividend Received	(15,467,944)	(10,821,453)
Profit on Sale of Long Term Investment	-	(182,755,000)
<b>Operating Profit before working capital changes</b>	<b>1,433,209,694</b>	<b>893,265,462</b>
<b>Adjustment for:</b>		
Increase/(decrease) in Non Current Liabilities	7,509,490	(3,201,525)
Increase/(decrease) in Current Liabilities	2,819,818,671	150,146,791
(Increase)/decrease in Non Current Assets	(182,241,957)	(135,125,243)
(Increase)/decrease in Current Assets	(2,665,674,827)	(5,100,117,106)
	<b>1,412,621,072</b>	<b>(4,195,031,621)</b>
Taxes Paid (Net)	(206,588,651)	(333,078,519)
<b>Net Cash Flow from Operating activities</b>	<b>1,206,032,421</b>	<b>(4,528,110,140)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(264,359,445)	(248,998,971)
Sale of Fixed Assets	1,256,500	3,215,819
Purchase of Investments	(55,029,275)	-
Sale of Investments	46,609,050	-
Sale of Investment in Subsidiary	-	183,000,000
Investments in Limited Liability Partnership	(795,916,353)	(406,728,571)
Expenses of Amalgamation	(2,900,410)	-
Interest Received	655,448,334	758,134,129
Dividend Received	15,467,944	10,821,453
<b>Net Cash Flow from Investing Activities</b>	<b>(399,423,654)</b>	<b>299,443,859</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the Year Ended 31.03.2013 ₹	For the Year Ended 31.03.2012 ₹
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Share Capital (net of issue expenses)	92,840	4,593,415,750
Proceeds from Long Term Borrowings (net)	1,858,821,000	791,898,000
(Repayment of)/Proceeds from Short Term Borrowings (net)	(5,866,509,895)	2,920,221,264
Issue related expenses	(884,627)	-
Interest Paid	(625,476,859)	(661,165,147)
Payment of Dividend	(234,064,314)	(314,325,041)
Tax on Distributed Profits	(37,982,783)	(50,991,380)
<b>Net Cash Flow from Financing Activities</b>	<b>(4,906,004,638)</b>	7,279,053,446
<b>Net Increase in Cash &amp; Cash Equivalent</b>	<b>(4,099,395,871)</b>	3,050,387,165
<b>Cash &amp; Cash Equivalent -Opening Balance</b>	<b>4,351,149,918</b>	1,300,762,753
Acquired Pursuant to the Scheme of Amalgamation	195,438,328	-
<b>Cash &amp; Cash Equivalent -Closing Balance</b>	<b>447,192,375</b>	4,351,149,918
<b>Notes :</b>		
<b>1. Cash and Cash Equivalents.</b>		
Cash & Cheques on Hand and Balances with Banks	378,742,251	2,633,290,778
Investments in Liquid Mutual Funds	95,793,318	1,781,239,140
Less: Other Bank Balances	(27,343,194)	(63,380,000)
<b>Cash and Cash Equivalents.</b>	<b>447,192,375</b>	4,351,149,918

- 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.
- 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 Board

For **KALYANIWALLA & MISTRY**  
Chartered Accountants

**A. B. GODREJ**  
Chairman

**PIROJSHA GODREJ**  
Managing Director & CEO

**ERMIN K. IRANI**  
Partner

**SHODHAN A. KEMBHAVI**  
Company Secretary

Mumbai, Dated : May 9, 2013

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Note 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) Operating Cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly Assets & Liabilities have been classified into current & non-current based on operating cycle of respective projects.

##### 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

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 Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer. Up to 31st March 2012 revenue was recognized only if the actual project cost incurred is 20% or more of the total estimated project cost.

Effective 1<sup>st</sup> April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance Note), all projects commencing on or after the said date or projects which have already commenced, but where the revenue is recognized for the first time on or after the above date, Construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

## NOTES FORMING PART OF FINANCIAL STATEMENTS

- (a) All critical approvals necessary for the commencement have been obtained;
- (b) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;
- (c) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and
- (d) At least 10 percent of the agreement value is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is 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 annually as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit & Loss.

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 Statement of Profit and Loss 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 Statement of Profit and Loss.

### **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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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 amortised over the period of the contract. Exchange gains / losses are recognised in the Statement of Profit and Loss.

### 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.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 2

#### SHARE CAPITAL

##### AUTHORISED

117,000,000 Equity Shares of ₹ 10/- each

##### ISSUED, SUBSCRIBED & PAID UP

78,046,103 (Previous Year 78,036,819) Equity Shares of ₹ 10/- each fully paid up.

As at 31.03.2013 ₹	As at 31.03.2012 ₹
1,170,000,000	1,000,000,000
1,170,000,000	1,000,000,000
780,461,030	780,368,190
780,461,030	780,368,190

#### (a) Reconciliation of number of shares:

	31.03.2013		31.03.2012	
	No. of Shares	₹	No. of Shares	₹
Number of Shares outstanding at the beginning of the year	78,036,819	780,368,190	69,850,009	698,500,090
Movement during the year	9,284	92,840	8,186,810	81,868,100
Number of Shares outstanding at the end of the year	78,046,103	780,461,030	78,036,819	780,368,190

#### (b) Shareholding information:

Equity Shares are held by:

Godrej Industries Limited (Holding Company) 47,965,209

Godrej & Boyce Manufacturing Company Limited (Ultimate Holding Company) 1,270,000

Ensemble Holdings & Finance Limited (Subsidiary of Holding Company) 691,155

47,965,209

1,270,000

691,155

#### (c) Shareholders holding more than 5% of Equity Shares:

	31.03.2013		31.03.2012	
	No. of Shares	%	No. of Shares	%
Godrej Industries Limited	47,965,209	61.46%	47,965,209	61.46%

#### (d) Rights, preferences and restrictions attached to shares:

The company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

**(e) Equity Shares allotted as fully paid up Bonus shares by capitalising Securities Premium, General Reserve & Profit & Loss Account during the last five years**

	31.03.2013	31.03.2012
	No. of Shares	No. of Shares
31-3-2013	-	-
31-3-2012	-	-
31-3-2011	-	-
31-3-2010	-	-
31-3-2009	-	-
31-3-2008	51,556,360	51,556,360

	31.03.2013		31.03.2012	
(f) Equity Shares Reserved for Issue Under Options	No. of Shares	₹	No. of Shares	₹
i) 14,928 Employee Stock Grants eligible for 14,928 equity shares of ₹ 10/-each. Out of which 7,464 is vesting on 06/05/2013 and 7,464 is vesting on 06/05/2014	14,928	149,280	27,765	277,650
ii) 1,252 Employee Stock Grants eligible for 1,252 equity shares of ₹ 10/-each. Out of which 626 is vesting on 30/09/2013 and 626 is vesting on 30/09/2014	1,252	12,520	1,878	18,780
iii) 36,208 Employee Stock Grants eligible for 36,208 equity shares of ₹ 10/-each. Out of which 12,070 is vesting on 31/05/2013, 12,070 is vesting on 31/05/2014 and 12,068 is vesting on 31/05/2015	36,208	362,080	-	-
iv) 11,020 Employee Stock Grants eligible for 11,020 equity shares of ₹ 10/-each. Out of which 11,020 is vesting on 31/05/2013	11,020	110,200	-	-
v) 2,218 Employee Stock Grants eligible for 2,218 equity shares of ₹ 10/-each. Out of which 1109 is vesting on 31/07/2013 and 1109 is vesting on 31/05/2014	2,218	22,180	-	-
vi) 345 Employee Stock Grants eligible for 345 equity shares of ₹ 10/-each. Out of which 115 is vesting on 31/10/2013, 115 is vesting on 31/10/2014 and 115 is vesting on 31/10/2015	345	3,450	-	-
vii) 360 Employee Stock Grants eligible for 360 equity shares of ₹ 10/-each. Out of which 120 is vesting on 31/01/2014, 120 is vesting on 31/01/2015 and 120 is vesting on 31/01/2016	360	3,600	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 3

#### RESERVES & SURPLUS

##### Securities Premium

As per last Balance Sheet	<b>10,174,727,390</b>	5,663,179,740
Addition during the year	<b>6,107,017</b>	4,625,547,650
Utilisation during the year (Refer Note 3 (a))	<b>884,627</b>	114,000,000
Closing Balance	<b>10,179,949,780</b>	10,174,727,390

##### General Reserve

As per last Balance Sheet	<b>462,000,000</b>	380,000,000
Utilisation during the year (Refer Note (27))	<b>462,000,000</b>	-
Addition during the year	<b>123,000,000</b>	82,000,000
Closing Balance	<b>123,000,000</b>	462,000,000

##### Employee Stock Grant Scheme Reserve

As per last Balance Sheet	<b>10,455,958</b>	-
Addition during the year	<b>20,549,623</b>	10,455,958
Utilisation during the year	<b>6,107,017</b>	-
Closing Balance	<b>24,898,564</b>	10,455,958

##### Surplus in Statement of Profit and Loss

As per last Balance Sheet	<b>2,568,280,481</b>	2,108,758,684
Utilisation during the year (Refer Note (27))	<b>771,952,637</b>	-
Profit for the year	<b>1,226,677,478</b>	813,647,256
Appropriations during the year		
- Proposed Dividend - Final (Refer Note 3(b))	<b>312,301,255</b>	234,141,804
- Tax on Distributed Profit	<b>53,075,640</b>	37,983,655
- Transfer to General Reserve	<b>123,000,000</b>	82,000,000
Closing Balance	<b>2,534,628,427</b>	2,568,280,481

##### Total Reserves & Surplus

<b>12,862,476,771</b>	13,215,463,829
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- a) Securities Premium amount has been utilised towards the share issue expenses incurred for the purpose of Institutional Placement Programme.
- b) The Board of Directors of the company has proposed dividend of ₹ 4 /- (40 %) per equity share for the year 2012-13 amounting to ₹ 312,306,628 /- (Previous Year ₹ 3 /- (30%) amounting to ₹ 234,141,804/-).

### NOTE 4

#### LONG TERM BORROWINGS

##### Deposits (Unsecured) (Refer Note 4(a))

From Directors	<b>5,200,000</b>	-
From Shareholders	<b>298,155,000</b>	71,858,000
From Public	<b>3,157,570,000</b>	1,530,246,000
	<b>3,460,925,000</b>	1,602,104,000

- a) Deposits (Unsecured) having maturity of two years amounting to ₹ 1,469,009,000/- and three years amounting to ₹ 1,991,916,000/- bearing interest rate @ 8.50 % to 10.50% payable half yearly.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE 5****OTHER LONG TERM LIABILITIES**

Deposits - Lease

Trade Payable (Refer Note 30)

As at 31.03.2013 ₹	As at 31.03.2012 ₹
120,000	120,000
2,648,009	-
2,768,009	120,000

**NOTE 6****LONG TERM PROVISIONS**

Provision for Employee Benefits

Gratuity (Refer Note 36 (b))

Unavailed Leave

19,062,544	12,666,226
8,754,697	10,289,534
27,817,241	22,955,760

**a) Movement in Unavailed Leave**

Opening Provision - Unavailed Leave (Current+ Non Current)

Add: Addition during the Year

Less: Paid during the Year

Closing Provision

Less : Short term Provision of Unavailed Leave

Long term Provision of Unavailed Leave

11,163,760	15,591,803
15,596,895	8,166,271
(10,091,811)	(12,594,314)
16,668,844	11,163,760
(7,914,147)	(874,226)
8,754,697	10,289,534

**NOTE 7****SHORT TERM BORROWINGS**

From Banks

Secured Loan (Refer Note 7 (a))

Cash Credit

Working Capital Demand Loan

Unsecured Loan

Cash Credit (Refer Note 7(b))

Other Loans (Refer Note 7(c))

2,249,081,691	447,348,798
-	3,100,000,000
7,065,171	39,297,959
2,000,000,000	6,000,000,000
4,256,146,862	9,586,646,757

- a) Secured Loans availed from State Bank of India is secured by Equitable Mortgage of immovable property of the Company's Project at Juhu, Mumbai and by exclusive first charge by way of hypothecation of the current assets of Company. Current Assets of Godrej Real Estate Private Limited (wholly owned subsidiary) has been hypothecated as collateral security and carries interest at Base Rate + 0.5% p.a. effective rate 10.20%
- b) Unsecured -Over Draft facility availed from IDBI Bank Ltd. carries interest at Base Rate + 350 basis point
- c) Other loans include:
- ₹ 1,000,000,000/- availed from Axis Bank carrying interest at Base Rate + 90 basis point p.a. Repayable on 5th October 2013
  - ₹ 1,000,000,000/- availed from Commercial Papers carrying interest at 9.75% p.a. Repayable in 162 days from the date of issue.





## NOTES FORMING PART OF FINANCIAL STATEMENTS

## NOTE 10

## FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 <sup>st</sup> April	Additions/ *Taken Over	Deductions	As at 31 <sup>st</sup> March	Upto 1 <sup>st</sup> April	For the Year	Deductions	Upto 31 <sup>st</sup> March	As at 31 <sup>st</sup> March	As at 31 <sup>st</sup> March
	2012			2013	2012			2013	2013	2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>										
Land	-	356,380	-	356,380	-	-	-	-	356,380	-
Building	17,031,600	-	-	17,031,600	1,660,581	768,551	-	2,429,132	14,602,468	15,371,019
Leasehold Improvement	44,994,152	-	-	44,994,152	33,456,225	6,212,298	-	39,668,523	5,325,629	11,537,927
Office Equipment	27,000,766	3,176,327	1,720,360	28,456,733	9,629,872	3,235,445	820,936	12,044,381	16,412,352	17,370,894
Site Equipments	244,203	-	-	244,203	19,769	31,219	-	50,988	193,215	224,434
Furniture & Fixtures	31,294,376	1,437,041	488,889	32,242,528	13,627,065	3,607,010	365,310	16,868,765	15,373,763	17,667,311
Computer	35,297,099	12,464,494	912,221	46,849,372	24,935,175	6,763,423	806,084	30,892,514	15,956,858	10,361,924
Motor Vehicle	29,239,303	3,299,968	403,649	32,135,622	12,093,615	5,063,181	277,037	16,879,759	15,255,863	17,145,688
<b>Intangible Assets</b>										
Licenses & Software	49,365,733	23,870,160	-	73,235,893	26,524,869	9,695,242	-	36,220,111	37,015,782	22,840,864
<b>Total</b>	234,467,232	44,604,370	3,525,119	275,546,483	121,947,171	35,376,369	2,269,367	155,054,173	120,492,310	112,520,061
Previous Year	215,781,020	23,763,146	5,076,934	234,467,232	91,899,923	31,805,549	1,758,300	121,947,171		
Capital Work-in-progress									440,978,662	222,133,587
Intangible Assets under Development									19,402,827	16,911,132
							<b>TOTAL</b>		<b>580,873,799</b>	351,564,780

\* Taken over relates to Assets taken over by the Company as per the scheme of Amalgamation (Refer Note 27 ). The Value of the Assets taken over is stated here under:

Land	₹ 356,380/-
Office Equipment	₹ 375,334/-
Furniture & Fixture	₹ 367,462/-
Computers	₹ 289,985/-
Motor Vehicle	₹ 192,535/-

## NOTE 11

## NON-CURRENT INVESTMENTS

## I Trade Investments

## Investments in Subsidiary Companies

## Unquoted Investments

884,850 (Previous Year 510,000) Equity Shares of ₹ 10/- each of

**Godrej Realty Private Limited**

Nil (Previous Year 510,000) Equity Shares of ₹ 10/- each of

**Godrej Waterside Properties Private Limited**

250,500 Equity Shares of ₹ 1/- each of

**Godrej Seaview Properties Private Limited**

**As at  
31.03.2013**  
₹

**55,217,025**

-

**250,500**

As at  
31.03.2012  
₹

5,100,000

5,100,000

250,500

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
50,000 Equity Shares of ₹ 10/- each of <b>Godrej Real Estate Private Limited</b>	500,000	500,000
34,032 Equity Shares of ₹ 10/- each of <b>Godrej Developers Private Limited</b>	340,320	340,320
103,592 Equity Shares of ₹ 10/- each of <b>Happy Highrises Limited</b>	163,568,489	163,568,489
255,500 Equity Shares of ₹ 1/- each of <b>Godrej Estate Developers Private Limited</b>	255,000	255,000
24,500 Equity Shares (Class-A) of ₹ 10/- each of <b>Godrej Buildwell Private Limited</b>	245,000	245,000
1,000 Equity Shares (Class-D) of ₹ 10/- each of <b>Godrej Buildwell Private Limited</b>	10,000	10,000
50,000 Equity Shares of ₹ 10/- each of <b>Godrej Buildcon Private Limited</b>	500,000	500,000
50,000 Equity Shares of ₹ 10/- each of <b>Godrej Projects Development Private Limited</b>	500,000	500,000
25,500 Equity Shares of ₹ 10/- each of <b>Godrej Premium Builders Private Limited</b>	255,000	255,000
50,000 Equity Shares of ₹ 10/- each of <b>Godrej Garden City Properties Private Limited</b>	500,000	500,000
100,000 Equity Shares of ₹ 10/- each of <b>Godrej Nandhi Hills Project Private Limited</b>	245,612,510	245,612,510
	<b>467,753,844</b>	<b>422,736,819</b>
<b>II Investment in Debentures (Fully paid)</b>		
<b>Investments in Subsidiary Companies</b>		
2,989,095 (Previous Year 1,785,000) 1% Secured Redeemable Optionally Convertible Debentures of ₹ 10 each of <b>Godrej Realty Private Limited</b>	29,890,950	17,850,000
Nil (Previous Year 14,790,000) 1% Secured Redeemable Optionally Convertible Debentures of ₹ 10 each of <b>Godrej Waterside Properties Private Limited</b>	-	147,900,000
	<b>29,890,950</b>	<b>165,750,000</b>
<b>III Investments In Limited Liability Partnership</b>		
<b>Unquoted Investments</b>		
Mosiatic Landmarks LLP	1,100,000	1,100,000
Godrej Vikhroli Properties LLP	1,201,544,924	405,628,571
	<b>1,202,644,924</b>	<b>406,728,571</b>
<b>At Cost</b>		
<b>IV Non trade Investments</b>		
<b>(a) Investment in Fully paid up Equity Instruments</b>		
<b>Quoted Investments</b>		
100 Equity Shares of ₹ 10/- each of Alacrity Housing Limited	742	742

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
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
100 Equity Shares of ₹ 10/- each of Premier Energy & Infrastructure 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
Cost of Quoted Investments	23,652	23,652
Less : Provision for Diminution in Value	7,564	7,564
	16,088	16,088
<b>Unquoted Investments</b>		
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
<b>Total Non Current Investments</b>	1,700,318,306	995,243,978
1. Cost of Quoted Investments	23,652	23,652
2. Market Value of Quoted Investments	418,093	494,071



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 12

#### DEFERRED TAX ASSET (NET)

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
On Fixed Asset	2,209,000	1,431,000
On Others	38,370,000	28,429,000
	<b>40,579,000</b>	<b>29,860,000</b>

### NOTE 13

#### LONG TERM LOANS & ADVANCES

Secured & considered good

Deposits - Projects (Refer Note 13 (a))	655,398,291	582,554,389
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Unsecured Considered good

Deposits	33,359,499	23,027,178
Advance Tax & Tax deducted at source	74,279,912	50,101,859

(Net of Provision for tax ₹ 1,126,312,712/- (Previous Year ₹ 933,049,657/- )

	<b>763,037,702</b>	<b>655,683,426</b>
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a) Secured Deposits - Projects are Secured against Terms of Development Agreement.

### NOTE 14

#### OTHER NON CURRENT ASSETS

Expenses Recoverable	5,517,838	4,452,104
Interest Accrued	74,378	-
Others - Deposit with Banks	102,600,000	4,600,000
(Deposit with Bank is held as Margin Money)		
	<b>108,192,216</b>	<b>9,052,104</b>

### NOTE 15

#### CURRENT INVESTMENTS

##### Investments in Subsidiary Companies

Nil, (Previous Year 5,865,000) 1% Secured Redeemable optionally Convertible Debentures of ₹ 10 each of	-	58,650,000
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##### Godrej Realty Private Limited

	<b>-</b>	<b>58,650,000</b>
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### NOTE 16

#### INVENTORIES

Finished Goods (Refer Note 16(a))	2,864,043	1,964,441
Construction Work in progress	6,503,247,533	2,571,602,271
	<b>6,506,111,576</b>	<b>2,573,566,712</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
a) Finished goods includes shares of Tahir Properties Limited - at cost or market value (whichever is lower):		
i) 70 Equity shares of ₹ 100/- each, ₹ 20/- paid up		
ii) 75 Redeemable Preference Class A shares of ₹ 100/- each, ₹ 70/- paid		
<b>NOTE 17</b>		
<b>TRADE RECEIVABLES</b>		
Unsecured Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	272,737,050	139,920,941
Others	358,847,072	923,858,483
	<b>631,584,122</b>	<b>1,063,779,424</b>
<b>NOTE 18</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash & Cash Equivalents		
Cash-on-Hand	165,078	167,732
Cheques-on-Hand	193,633,832	518,419
Balance with Banks		
on Current Accounts (Refer Note 18 (a))	132,567,528	37,074,047
on Fixed Deposit Accounts (Refer Note 18 (b))	25,032,619	2,532,150,580
Investments in Mutual Funds (Refer Note 18 (c))	95,793,318	1,781,239,140
Other Bank Balances		
on Fixed Deposit Accounts (Long term deposits with maturity more than 3 months but less than 12 months)	27,343,194	63,380,000
(Refer Note 18 (b))		
	<b>474,535,569</b>	<b>4,414,529,918</b>
a) Current account balance of ₹ 285,838/- (Previous Year ₹ 213,721/-) is earmarked balance for unclaimed dividend.		
b) i) Fixed Deposit of ₹ 6,065,003/- (Previous Year ₹ 6,065,003/-) held as margin money.		
ii) Balances with scheduled banks on deposit accounts include ₹ 31,063,882/- (Previous year ₹ 26,069,837/-) received from flat buyers and held in trust on their behalf in a corpus fund.		
c) Investment in Mutual Funds :		
i) (In Debt Mutual Funds)		
Kotak Floater - LT - Daily Dividend Reinvest	29,171,784	27,225,782
ICICI Prudential Floating Rate Plan D - Daily Dividend Reinvest	3,241,534	3,031,437

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
SBI Premier Liquid Fund Super IP Daily Dividend - Reinvest	-	250,168,657
Birla Sun Life Cash Plus-Instl Prem - Daily Dividend	-	250,116,915
J P Morgan India Liquid Fund-Super IP - Daily Dividend	-	250,108,254
ICICI Prudential Liquid - Super IP - Daily Dividend	-	250,110,919
Religare Liquid Fund - Super IP - Daily Dividend	-	250,117,631
HDFC Cash Management Fund - Saving Plan-Daily Dividend	-	250,181,016
JM High Liquidity Super IP - Daily Dividend - Reinvest	-	250,178,529
JM High Liquidity Fund - Growth	63,380,000	-
	<b>95,793,318</b>	1,781,239,140
ii) Unutilised IPO Proceeds temporary invested in Mutual Fund of ₹ 92,311,157/- (Invested in Fixed Deposit Previous Year ₹ 63,380,000/-)		
<b>NOTE 19</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
Secured Advances		
Secured Deposits - Projects (Refer Note 19 (a))	3,309,637,643	3,915,191,927
Other Advances (Refer Note 19 (b))	49,200,481	59,822,521
Unsecured Considered good		
Loan to GIL ESOP Trust (Refer Note 32 (b))	70,684,600	85,167,769
(Net of provision for doubtful loan of ₹ 4,635,820/- Previous Year ₹ 4,635,820/-)		
Loan to GPL ESOP Trust (Refer Note 32 (a))	384,479,569	344,731,305
(Net of provision for doubtful loan of ₹ 58,923,028/- Previous Year ₹ 58,923,028/-)		
Advances to Related Parties (Refer Note 19 (c))	10,636,001,869	11,560,860,536
Loans And Advances to Others	379,107,844	253,462,077
Due on Management Projects (Refer Note 19 (d))	504,562,959	482,103,042
Development Management Fees Accrued but not due (Refer Note 19 (e))	44,456,901	44,456,901
Deposits - Others	15,762,315	12,573,448
	<b>15,393,894,181</b>	16,758,369,526
a) Secured Deposits - Projects are Secured against Terms of Development Agreement.		
b) Secured Loan & Advances Others are secured against Bank Guarantee received from Vendors		
c) <b>Advances to Related Parties:</b>		
<i>To Ultimate Holding Company:</i>		
Godrej & Boyce Manufacturing Company Limited	656,277	622,136

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<i>To Holding Company:</i>		
Godrej Industries Ltd.	24,136	24,136
<i>To Subsidiaries Company, Sub Subsidiary and Fellow Subsidiary</i>		
Godrej Waterside Properties Private Limited.	-	3,355,134,462
Godrej Real Estate Private Limited.	1,385,918,311	1,308,581,817
Godrej Sea View Properties Private Limited.	806,567,863	519,919,812
Happy Highrises Limited	1,787,259,117	1,628,445,874
Godrej Developers Private Limited.	1,380,921,045	601,956,129
Godrej Estate Developers Private Limited.	1,783,399,828	1,309,540,733
Godrej Buildwell Private Limited.	1,192,884,693	879,613,626
Godrej Buildcon Private Limited.	966,075,529	4,849,785
Godrej Projects Development Private Limited.	503,213,799	25,981,555
Godrej Premium Builders Private Limited.	591,510,000	610,900,000
Godrej Garden City Properties Private Limited.	51,790	49,442
Godrej Nandhi Hills Project Private Limited.	7,637,675	6,525,843
Godrej Landmark Redevelopers Private Limited	-	1,500,180
<i>To Limited Liability Partnership</i>		
Godrej Buildcorp LLP	-	1,374,381
Godrej Property Developers LLP	215,282	130,590
Mosiac Landmarks LLP	229,570,401	150,676,723
Godrej Vikhroli Properties LLP	-	1,155,033,312
<i>From Company under same Management:</i>		
Godrej Consumer Products Limited	96,123	-
	<b>10,636,001,869</b>	<b>11,560,860,536</b>
d) Due on Management Projects include a sum of ₹ 21,565,250/- (Previous Year ₹ 21,565,250/-) on account of a project, where the matter is sub-judice with arbitrators.		
e) The Company has entered into Development Agreement with landlords. Development Management Fee amounting to ₹ 44,456,901/- (Previous Year ₹ 44,456,901/- ) accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Management Fee accrued but not due.		
<b>NOTE 20</b>		
<b>OTHER CURRENT ASSETS</b>		
Unbilled Revenue	1,436,979,399	1,794,748,733
Interest Accrued	36,253,384	90,283,386
	<b>1,473,232,783</b>	<b>1,885,032,119</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE 21

#### REVENUE FROM OPERATIONS

	For the Year Ended 31.03.2013 ₹	For the Year Ended 31.03.2012 ₹
Sale of Products	2,711,829,359	3,135,635,289
Other Operating Revenues		
Sale of Services	607,112,111	201,711,994
Compensation Received from Project	163,980,934	-
Other Income from Customers	23,104,908	24,721,939
Share of Profit in Limited Liability Partnership	761,046,007	327,310,539
Lease Rent	14,400	14,400
License Fees	12,000	12,000
	<b>4,267,099,719</b>	<b>3,689,406,161</b>

### NOTE 22

#### OTHER INCOME

Interest Income		
Projects and landlords	552,885,830	665,328,326
Others	48,606,881	86,179,080
Dividends	15,467,944	10,821,453
Profit on sale of Fixed Assets (Net)	749	-
Profit on sale of Long Term Investments	-	182,755,000
Miscellaneous Income	10,890,560	4,187,085
	<b>627,851,964</b>	<b>949,270,944</b>

### NOTE 23

#### COST OF SALES

Opening Stock:	2,573,566,712	1,924,303,584
<b>Add : Expenditure/ Transfers from Advances during the year</b>		
Stock-In Trade Acquired on Amalgamation	1,993,777,081	-
Stock-In-Trade Acquired during the year	382,375,500	-
Development Rights	59,571,108	-
Construction, Material & Labour	2,468,035,911	3,428,346,328
Architect Fees	57,460,014	97,722,068
Advertisement Expenses	73,531,741	151,356,977
Overheads	839,082,277	857,892,919
Interest (Net of Recovery from Landlord ₹ 53,651,359/- (Previous Year ₹ 66,192,304/-))	346,202,997	424,347,683
	<b>6,220,036,629</b>	<b>4,959,665,975</b>
Less : Project transferred to Subsidiaries	-	1,769,105,840
Less : Closing Stock:	6,506,111,576	2,573,566,712
	<b>2,287,491,765</b>	<b>2,541,297,007</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE 24****EMPLOYEE BENEFIT EXPENSES**

	For the Year Ended 31.03.2013 ₹	For the Year Ended 31.03.2012 ₹
Salaries, Bonus, Gratuity & Allowances	114,386,835	34,144,356
Contribution to Provident & other funds	20,168,785	15,609,415
Other Employee Benefits	20,035,639	-
Expense on Employee Stock Option Scheme (Refer Note 32)	20,549,623	10,455,958
	<b>175,140,882</b>	<b>60,209,729</b>

**NOTE 25****FINANCE COST**

Interest Expense		
Banks	608,212,579	962,253,128
Inter Corporate Deposits	1,082,535	36,809,369
Projects and landlords	36,023,942	10,335,084
Others	306,939,122	143,781,152
Interest on Income Tax	2,378,843	-
Total Interest Expenses	<b>954,637,021</b>	<b>1,153,178,733</b>
Other Borrowing cost	<b>53,299,351</b>	<b>35,344,513</b>
<b>Total Finance Cost</b>	<b>1,007,936,372</b>	<b>1,188,523,246</b>
Less: Capitalised to Projects	<b>402,323,159</b>	<b>500,092,345</b>
Less: Capitalised to Capital WIP	<b>7,419,840</b>	<b>-</b>
<b>NET FINANCE COST</b>	<b>598,193,373</b>	<b>688,430,901</b>

**NOTE 26****OTHER EXPENSES**

Consultancy Charges	26,006,048	2,461,896
Rent	37,558,608	27,106,174
Insurance	3,752,588	1,612,557
Rates & Taxes	611,343	586,494
Service Charges	-	57,907
Loss on sale of Fixed Assets (Net)	-	102,815
Advertisement & Marketing Expense	90,866,379	39,198,896
Provision for Doubtful Advances	-	63,558,848
Other Expenses	243,902,595	138,253,083
	<b>402,697,561</b>	<b>272,938,670</b>

**Note 27**

- (a) A Scheme of Amalgamation ("the Scheme") for the amalgamation of Godrej Waterside Properties Private Limited ("GWPPPL" or "the Transferor Company") (a wholly owned subsidiary) with Godrej Properties Limited ("GPL" or "the Transferee Company"), with effect from April 1, 2012, ("the Appointed date") was sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated April 12, 2013 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on April 29, 2013 (the "Effective Date"). Accordingly the standalone results of the Company for the year ended March 31, 2013, include the results of the erstwhile GWPPPL for the financial year ended March 31, 2013.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

- (b) The amalgamation has been accounted for under the "Purchase method" as prescribed by Accounting Standard (AS-14) on "Accounting for Amalgamation" notified under the Companies (Accounting Standards) Rules, 2006. The Company has carried out the accounting treatment prescribed in the Scheme as sanctioned by the Hon'ble High Court of Judicature at Bombay. The required disclosures as per paragraph 42 of Accounting Standard 14 (AS-14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 has been provided. Accordingly, the Scheme has been given effect to in these accounts and all the assets and liabilities of GWPPPL stands transferred to and vested in the Transferee Company with effect from the Appointed Date. In accordance with the Scheme, the assets and liabilities of GWPPPL have been taken over and recorded at their fair values as determined by the Board of Directors of GPL.
- (c) The value of the Net Assets of the Transferor Company taken over by the Transferee Company on Amalgamation is as under:

Particulars	(Amount in ₹)
Fixed Assets	1,581,696
Cash & Bank Balances	195,438,328
Inventories	1,993,777,081
Debtors and other Receivables	437,819,630
Less: Creditors and other Payables	322,984,659
Net Assets taken over	2,305,632,076
Less: Cancellation of inter-company investments, loans and advances	3,534,284,713
Difference arising pursuant to the Scheme of Amalgamation	1,228,652,637

- (d) To give effect to the Honorable Bombay High Court's order dated April 12, 2013 regarding scheme of Amalgamation, the following actions have been performed:
- The Cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting ₹ 5,300,000/- have been directly adjusted against the opening balance of Surplus in Statement of Profit & Loss of the Transferee Company.
  - The amount of ₹ 1,228,652,637/- arising out of the difference between the fair value of the net assets of the Transferor Company taken over and cancellation of intercompany investments loans and advances between the Transferor Company and the Transferee Company has been adjusted from the opening balance of General Reserve and opening balance of Surplus in the Statement of Profit & Loss as per the Scheme.
- (e) The following amounts have been adjusted from the opening balance of General Reserve and Opening balance in the Statement of Profit & Loss.

Particulars	(Amount in ₹)
Difference arising pursuant to Scheme of Amalgamation	1,228,652,637
Cost and Expenses of Amalgamation	5,300,000
<b>TOTAL</b>	<b>1,233,952,637</b>
Less: Adjustment against opening balance of General Reserve	462,000,000
Less: Adjustment against Opening balance in the Statement of Profit & Loss	771,952,637
Balance	<b>NIL</b>

- (f) In accordance with the scheme of Amalgamation, an amount of ₹ 1,228,652,637/- on account of Goodwill on merger has been adjusted from the opening balance in the General Reserve and Opening balance of Surplus in the Statement of Profit & Loss instead of amortising the same in the Statement of Profit & Loss over a period of five years. The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 5,300,000/- have

## NOTES FORMING PART OF FINANCIAL STATEMENTS

been directly adjusted from the Opening balance of Surplus in the Statement of Profit & Loss of the Company. Had the scheme not prescribed the above treatment, the profit for the year would have been lower by ₹ 251,030,527/-, the Goodwill would have been higher by ₹ 982,922,110/- (net written down value), the General Reserve Account would have been higher by ₹ 462,000,000/- and the surplus in the Statement of Profit & Loss would have been higher by ₹ 520,922,110/-

Since the entire issued, subscribed and paid-up capital of the Transferor Company was held by the Transferee Company, upon the Scheme becoming effective, no shares of the Transferee Company have been allotted in lieu or exchange of its holding in GWPL and the share capital of GWPL stands cancelled.

- (g) Since the aforesaid Scheme of amalgamation of the above mentioned Company with the Company, which is effective from April 1, 2012, has been given effect to in these accounts, the figures for the current year to that extent are not comparable with those of the previous year.

### Note 28

#### a) Contingent Liabilities:

Matters	Current year ₹	Previous Year ₹
<b>I) Claims against Company not Acknowledged as debts;</b>		
i) Claims against the Company not acknowledged as debts represent 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.	<b>82,999,992</b>	30,144,189
ii) Claims against the Company under the Labour Laws for disputed cases	<b>1,989,240</b>	1,989,240
iii) Claims against the Company under Bombay Stamp Act, 1958	<b>14,850,000</b>	14,850,000
iv) Other Claims against the Company not acknowledged as debts	<b>3,925,000</b>	3,925,000
v) Claims against the Company under Income Tax Act, Appeal preferred to Commissioner of Income Tax (Appeals)	<b>2,203,685</b>	14,825,232
vi) Claims against the Company under Sales Tax Act, Appeal preferred to The Joint Commissioner of Commercial Taxes (Appeals)	<b>12,130,007</b>	12,130,007
vii) Appeal preferred to Customs, Excise and Service Tax Appellate tribunal at Bangalore	<b>316,499,606</b>	-
<b>II) Guarantees;</b>		
i) Guarantees given by Bank, counter guaranteed by the Company	<b>174,168,003</b>	260,237,003
<b>III) Other Money for which Company is contingently liable</b>		
i) Letter of credit opened by Bank on behalf of the Company	<b>113,425,102</b>	49,330,213

#### b) Commitments

Particulars	Current year ₹	Previous Year ₹
I) Capital Commitment	<b>116,457,776</b>	349,488,678
II) Uncalled amount of partly paid shares of Tahir Properties Limited	<b>7,850</b>	7,850
III) Major Contracts Commitment Outstanding for Civil, Elevator, External Development, MEP work etc	<b>3,307,928,955</b>	4,965,971,805



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Note 29

- a) **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 ₹) March 31, 2013
Amount Received from IPO	4,688,471,300
* Utilization of Funds up to the reporting date :	
Funding to part finance the acquisition of land developments rights and construction costs	2,179,110,000
Repayment of Loans	2,011,700,000
Issue Expenses	405,350,143
Balance unutilized amount temporarily invested in	
Mutual Funds	92,311,157
<b>TOTAL</b>	<b>4,688,471,300</b>

As on 31<sup>st</sup> March, 2013, unutilized funds have been temporarily invested in mutual funds schemes as mentioned in the prospectus of the Company.

\* Revised Amount Proposed to be utilized as approved by shareholders in AGM held on July 22, 2011

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

Particulars	(Amount in ₹) March 31, 2013
Amount Received from IPP	4,707,415,750
Utilization of Funds up to the reporting date :	
Repayment of Loans	4,593,415,750
Issue Expenses	114,000,000
<b>TOTAL</b>	<b>4,707,415,750</b>

IPP proceeds have been utilized as per the offer document of the Company.

### Note 30

#### Dues to Micro and Small Enterprise

Disclosure of trade payables and other 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 31<sup>st</sup> March, 2013 to Micro & Small Enterprises on account of principal amount together with interest and also during the previous year.

### Note 31

#### Amounts paid to Auditors:

Particulars	Current year ₹	Previous Year ₹
Audit Fees	5,618,000	5,365,190
Audit Under Other Statues	1,926,974	3,958,816
Consultancy Charges	1,431,887	1,389,780
Other Certificates	240,453	296,320
Reimbursement of Expenses	7,198	4,060
	<b>9,224,512</b>	<b>11,014,166</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### Note 32

#### Employee Stock Option Plan:

- a) During the financial year ended 31<sup>st</sup> 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 28<sup>th</sup> 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 (₹)
	As on March 31, 2013	As on March 31, 2012	
Options Outstanding at the beginning of the year	317,700	372,700	620.00 (plus interest) till March 31, 2012
Options granted	-	-	
Options exercised	-	-	
Less : Forfeited / Lapsed / Idle / Available for Reissue	37,000	55,000	
Options Outstanding at the year end	280,700	317,700	620.00 (plus interest) (till March 31, 2012)

All the Options Outstanding as on March 31, 2013 are vested.

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 ₹ 443,402,597/- (Previous Year ₹ 443,911,462/-) 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 Market Value as on March 31, 2013, of the shares held by the ESOP trust is lower than the holding cost of these shares by ₹ 123,999,119/- (Net of Provision of ₹ 58,923,028/-), Previous year ₹ 82,347,882/- (Net of Provision ₹ 58,923,028). 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.

- b) The Company has provided loan of ₹ 75,320,420/- (Previous Year ₹ 89,803,589/-) 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.

### Note 33

#### Employee Stock Grant Scheme

- a) During the period April 1, 2011 to March 31, 2013, the Company instituted an Employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 93,232 options convertible into 93,232 Equity Shares of ₹ 10/- each to eligible employees of Godrej Properties Limited, its Holding and its Subsidiary Companies (the Participating Companies) 41,203 options with effect from 7<sup>th</sup> May, 2011, 1,878 options w.e.f. 1<sup>st</sup> October 2011, 36,208 w.e.f. 1<sup>st</sup> June 2012, 11,020 w.e.f. 1<sup>st</sup> June 2012, 2,218 w.e.f. 1<sup>st</sup> August 2012, 345 w.e.f. 1<sup>st</sup> November 2012 and 360 w.e.f. 1<sup>st</sup> February 2013. Out of the total 93,232 stock grants

## NOTES FORMING PART OF FINANCIAL STATEMENTS

17,617 stock grants have lapsed on account of employees leaving the service of the company before the vesting date, 9,284 stock grants have vested and hence 66,331 stock grants are outstanding as at March 31, 2013.

Particulars	No. of Options		Exercise Price (₹)
	As on March 31, 2013	As on March 31, 2012	
Options Outstanding at the beginning of the year	29,643	-	10.00
Options granted	50,151	43,081	
Options exercised	9,284	NIL	
Less : Option lapsed	4,179	13,438	
Options Outstanding at the year end	66,331	29,643	10.00

Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option is ₹ 15.71 per share as on March 31, 2013.

- b) Employee compensation cost using the intrinsic value method recognized by the company in the Statement of Profit & Loss as on March 31, 2013 is ₹ 20,549,623/-
- c) The Fair Value of the share options has been determined using the Black – Scholes Option Pricing Model. Had the fair value method of accounting been used, the net profit earnings per share would have been as per the pro forma amounts indicated below.

(Amount in ₹)		
Particulars	Current Year	Previous Year
Net Profit ( as reported)	1,226,677,478	813,647,256
Add: Stock based compensation expense determined under Intrinsic Value method recognized in Statement of Profit & Loss	20,549,623	10,455,958
Less: Stock based compensation expense determined under fair value based method (Pro Forma)	20,385,936	10,396,846
Net Profit (Pro Forma)	1,226,841,165	813,706,368
Basic Earnings per share (as reported)	15.72	11.63
Diluted Earnings per share (as reported)	15.71	11.63
Basic Earnings per share (Pro Forma)	15.72	11.63
Diluted Earnings per share (Pro Forma)	15.71	11.63

### Note 34

The amount of exchange difference included in the Statement of Profit and Loss, is ₹ 60,385/- (net gain) under the head Other Income (Previous Year ₹ 640,397/- (net loss)).

### Note 35

#### i) Expenditure in Foreign Currency

(Amount in ₹)		
Particulars	Current Year	Previous Year
Architect Fees	1,788,830	35,553,102
Advertisement & Brokerage Expenses	7,647,731	14,791,634
Consultancy Fees	4,820,620	40,613,505
Other Expense	11,049,025	3,372,226
<b>Total</b>	<b>25,306,206</b>	<b>94,330,467</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## ii) Un-hedged Foreign Currency Exposures

Particulars	Current Year		Previous Year	
	Foreign Currency	Amount in ₹	Foreign Currency	Amount in ₹
Uncovered Foreign currency exposure as at the year end				
US Dollar	40,150	2,183,730	200,687	10,266,428
Euro	4,800	333,810	-	-
Australian Dollar	11,073	625,938	-	-
Kuwait Dinar	-	-	362	66,263
GBP	-	-	15,505	1,268,318

## Note 36

## Employee Benefits

## (a) Defined Contribution Plans:

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

(Amount in ₹)

Particulars	Current Year	Previous Year
Employers' Contribution to Provident Fund	20,052,100	15,492,339
Employers' Contribution to ESIC	116,685	117,076

## (b) Defined Benefit Plans:

## 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.

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

(Amount in ₹)

Particulars	Current Year	Previous Year
Change in present value of obligation		
Present value of obligation as at beginning of the year	12,894,825	12,341,062
Interest Cost	1,096,060	1,018,138
Service Cost	3,339,378	2,324,546
Benefits Paid	(1,861,974)	(9,739,104)
Effect of Liability Transfer in	3,972,250	329,724
Effect of Liability Transfer out	-	(40,803)
Actuarial (gain)/loss on obligation	(83,241)	6,661,262
Present value of obligation, as at end of the year	19,357,297	12,894,825
<b>Amount recognized in the Balance Sheet</b>		
Present value of obligation, as at end of the year	19,357,297	12,894,825



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Current Year	Previous Year
Fair value of plan assets as at end of the year	-	-
Net obligation as at end of the year	19,357,297	12,894,825
<b>Net gratuity cost for the year ended</b>		
Current Service Cost	3,339,378	2,324,546
Interest Cost	1,096,060	1,018,138
Expected return on plan assets	-	-
Past Service Cost (Vested Benefit)	-	-
Net Actuarial (gain)/loss to be recognized	(83,241)	6,661,262
Net gratuity cost	4,352,197	10,003,946
<b>Assumptions used in accounting for the gratuity plan</b>		
	(In %)	(In %)
Discount Rate	8.00	8.50
Salary escalation rate	5.00	5.00
Attrition Rate	1.00	1.00

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.

### Note 37

#### 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.

### Note 38

#### Related Party Disclosures:

Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below:	
<b>(i)</b>	<b>Relationships:</b>
	Shareholders (Holding Company) Godrej Industries Limited (GIL) holds 61.46% (Previous Year – 61.46%) shares in the Company. GIL is the subsidiary of Godrej & Boyce Mfg. Co. Limited, the Ultimate Holding Company.
<b>(ii)</b>	<b>Subsidiaries :</b>
	Godrej Realty Private Limited (51%) Godrej Waterside Properties Private Limited (Till March 31,2012) Godrej Real Estate Private Limited (100%) Godrej Developers Private Limited (51%) Godrej Sea View Properties Private Limited (50.10%) Happy Highrises Limited (51%)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	<p>Godrej Estate Developers Private Limited (51%)</p> <p>Godrej Buildwell Private Limited (49%) (Subsidiary due to control over composition of Board of Directors)</p> <p>Godrej Buildcon Private Limited (100%)</p> <p>Godrej Projects Development Private Limited (100%)</p> <p>Godrej Premium Builders Private Limited (51%)</p> <p>Godrej Garden City Properties Private Limited (100%)</p> <p>Godrej Nandhi Hills Project Private Limited (100%)</p> <p>Godrej Landmark Redevelopers Private Limited (51%) (Sub Subsidiary)</p> <p>Godrej Redevelopers (Mumbai) Private Limited (100%) (Sub Subsidiary)</p>
<b>(iii)</b>	<b>Limited Liability Partnership :</b>
	<p>Godrej Buildcorp LLP</p> <p>Godrej Property Developers LLP</p> <p>Godrej Vikhroli Properties LLP</p> <p>Mosiac Landmarks LLP</p> <p>Dream World Landmarks LLP</p>
<b>(iv)</b>	<b>Other Related Parties in Godrej Group, where common control exists :</b>
	<p>Godrej Investments Private Ltd.</p> <p>Godrej Infotech Ltd.</p> <p>Wadala Commodities Ltd.</p> <p>Vora Soaps Limited</p> <p>Cartini India Limited</p> <p>Bahar Agrochem &amp; Feeds Private Limited</p> <p>Godrej (Malaysia) Sdn. Bhd. (incorporated in Malaysia)</p> <p>Godrej (Singapore) Pte. Ltd. (incorporated in Singapore)</p> <p>Veromatic International BV (incorporated in the Netherlands)</p> <p>Busbar Systems (India) Ltd (formerly, Busbar Systems (India) Private Limited), (a Wholly-owned subsidiary w.e.f. 1<sup>st</sup> February, 2013)(name changed w. e. f. 15<sup>th</sup> March, 2013)</p>
	<p><b>A. Subsidiaries of Godrej Industries Ltd.:</b></p> <ol style="list-style-type: none"> <li>1. Godrej Agrovet Ltd. (GAVL)</li> <li>2. Ensemble Holdings &amp; Finance Ltd.</li> <li>3. Godrej International Ltd. (incorporated in the Isle of Man)</li> <li>4. Natures Basket Ltd.</li> <li>5. Godrej International Trading &amp; Investments Pte Ltd. (Incorporated in Singapore) (a subsidiary of Godrej Industries Ltd w.e.f. 1<sup>st</sup> August, 2011)</li> <li>6. Swadeshi Detergents Limited (a subsidiary of Godrej Industries Ltd w.e.f. 20<sup>th</sup> March, 2013)</li> </ol>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>B. Subsidiaries of GAVL:</b>
<ol style="list-style-type: none"> <li>1. Golden Feed Products Ltd.</li> <li>2. Godrej Seeds &amp; Genetics Limited</li> <li>3. Goldmuhor Agrochem Feeds Limited (w.e.f. 2<sup>nd</sup> January, 2013)</li> </ol>
<b>C. Subsidiary of Godrej (Malaysia) Sdn. Bhd.:</b>
<ol style="list-style-type: none"> <li>1. G&amp;B Enterprises (Mauritius) Pvt. Ltd. (incorporated in Mauritius) (a wholly-owned subsidiary of Godrej (Malaysia) Sdn. Bhd.)</li> </ol>
<b>D. Subsidiaries of Godrej (Singapore) Pvt. Ltd.:</b>
<ol style="list-style-type: none"> <li>1. JT Dragon Pte. Ltd. (Incorporated in Singapore)</li> <li>2. Godrej (Vietnam) Co. Ltd. (Incorporated in Vietnam) (a wholly owned subsidiary of JT Dragon Pte. Ltd.)</li> </ol>
<b>E. Subsidiaries of Veromatic International BV:</b>
<ol style="list-style-type: none"> <li>1. Veromatic Services BV (incorporated in the Netherlands)</li> <li>2. Water Wonder Benelux BV (incorporated in the Netherlands)</li> </ol>
<b>F. Other Subsidiaries (where the Group Company owns directly and/or indirectly through one or more subsidiaries, more than one half of the equity share capital)</b>
<ol style="list-style-type: none"> <li>1. Mercury Mfg. Co. Ltd.</li> <li>2. Godrej Consumer Products Ltd. (GCPL)</li> </ol>
<b>G. Subsidiaries and Sub-subsidiaries of GCPL:</b>
<ol style="list-style-type: none"> <li>1. Rapidol (Pty) Ltd. (incorporated in South Africa)</li> <li>2. Godrej Netherlands BV (incorporated in th Netherlands)</li> <li>3. Godrej Global MidEast FZE (incorporated in Sharjah, U.A.E.)</li> <li>4. Godrej Consumer Products Mauritius Ltd.</li> <li>5. Godrej Hygiene Products Ltd.</li> <li>6. Godrej Consumer Products Holding (Mauritius) Ltd. (incorporated in Mauritius)</li> <li>7. Godrej Household Products Lanka Pvt. Ltd. (incorporated in Sri Lanka)</li> <li>8. Godrej Household Products Bangladesh Pvt. Ltd. (incorporated in Bangladesh)</li> <li>9. Godrej Consumer Products Bangladesh Ltd. (incorporated in Bangladesh)</li> <li>10. Godrej Mauritius Africa Holdings Ltd.(incorporated in Mauritius)</li> <li>11. Godrej Weave Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)</li> <li>12. Godrej Consumer Products (UK) Ltd. (incorporated in the United Kingdom) (a subsidiary of Godrej Netherlands BV)</li> <li>13. Keyline Brands Ltd.(a subsidiary of Godrej Consumer Products (UK) Ltd)</li> <li>14. Inecto Manufacturing Ltd. (a subsidiary of Keyline Brands Ltd.)</li> <li>15. Godrej Kinky Holdings Ltd.(a subsidiary of Godrej Consumer Products Mauritius Ltd)</li> <li>16. Kinky Group Pty Ltd.(a subsidiary of Godrej Kinky Holdings Ltd)</li> <li>17. Godrej Nigeria Ltd. (incorporated in Nigeria) (a subsidiary of Godrej Nigeria Holdings Ltd)</li> <li>18. Indovest Capital Ltd. (incorporated in Malaysia) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)</li> <li>19. Godrej Consumer Products Dutch Cooperatief UA, (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd)</li> </ol>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

- |  |   |
|--|---|
|  | <p>20. Godrej Consumer Holdings (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)</p> <p>21. Godrej Consumer Products (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA )</p> <p>22. Godrej Indonesia Netherlands Holding BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)</p> <p>23. PT Megasari Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)</p> <p>24. PT Intrasari Raya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)</p> <p>25. PT Simba Indosnack Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)</p> <p>26. PT Ekamas Sarijaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)</p> <p>27. PT Indomas Susemi Jaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)</p> <p>28. PT Sarico Indah (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)</p> <p>29. Godrej Argentina Dutch Cooperatief UA (incorporated in Netherlands) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)</p> <p>30. Godrej Netherlands Argentina Holding BV. (incorporated in Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)</p> <p>31. Godrej Netherlands Argentina BV (incorporated in the Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)</p> <p>32. Panamar Procuccioness Srl (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)</p> <p>33. Argencos S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)</p> <p>34. Laboratoria Cuenca S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)</p> <p>35. Issue Group Uruguay S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)</p> <p>36. Deciral S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)</p> <p>37. Issue Group Brazil Ltd. (incorporated in Brazil) (a subsidiary of Laboratoria Cuenca S.A.)</p> <p>38. Consell S.A . (incorporated in Argentina) (a subsidiary of Laboratoria Cuenca S.A.)</p> <p>39. Godrej Consumer Products Nepal Pvt. Ltd.</p> <p>40. Subinite Pty Ltd. (incorporated in South Africa) (a subsidiary of Weave Business Holdings Mauritius Pvt. Ltd.)</p> <p>41. Lorna Nigeria Ltd (incorporated in Nigeria) (a subsidiary of Weave Business Holdings Mauritius Pvt. Ltd.)</p> <p>42. Weave IP Holding Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Weave Business Holdings Mauritius Pvt. Ltd. w.e.f. 1<sup>st</sup> September, 2011)</p> <p>43. DGH Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd.)</p> <p>44. Weave Business Holdings Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of DGH Mauritius Pvt. Ltd. w.e.f. 1<sup>st</sup> September, 2011)</p> <p>45. Weave Trading Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd. w.e.f. 1<sup>st</sup> September, 2011)</p> <p>46. Hair Trading (offshore) S.A.L. (incorporated in Lebanon) (a wholly-owned subsidiary of Weave Trading Mauritius Pvt Ltd w.e.f. 1<sup>st</sup> October, 2011)</p> |
|--|---|

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	<p>47. Weave Mozambique Limitada (incorporated in Mozambique) (a subsidiary of Weave Business Holdings Mauritius Pvt Ltd w.e.f. 13<sup>th</sup> October, 2011)</p> <p>48. Godrej Consumer Investments (Chile) Spa, (incorporated in Chile) (a subsidiary of Godrej Netherlands BV w.e.f. 5<sup>th</sup> April, 2012)</p> <p>49. Godrej Holdings (Chile) Limitada, (incorporated in Chile) (a subsidiary of Godrej Consumer Investments Spa w.e.f. 5<sup>th</sup> April, 2012)</p> <p>50. Cosmetica Nacional, (incorporated in Chile) (a subsidiary of Godrej Holdings (Chile) Limitada w.e.f. 20<sup>th</sup> April, 2012)</p> <p>51. Plasticos Nacional, (incorporated in Chile) (a subsidiary of Cosmetica Nacional w.e.f. 20<sup>th</sup> April, 2012)</p> <p>52. Godrej East Africa Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd. w.e.f. 20<sup>th</sup> July, 2012)</p> <p>53. Style Industries Ltd. (incorporated in Kenya) (a subsidiary of DGH Phase 2 w.e.f. 1<sup>st</sup> November, 2012)</p> <p>54. DGH Phase 2 (incorporated in Mauritius) (a subsidiary Godrej East Africa Holdings Limited w.e.f. 1<sup>st</sup> November, 2012)</p> <p>55. Godrej Tanzania Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd. w.e.f. 30<sup>th</sup> November, 2012)</p> <p>56. DGH Tanzania Ltd (incorporated in Tanzania) (a subsidiary of Godrej Tanzania Holdings Ltd. w.e.f. 6<sup>th</sup> December, 2012)</p> <p>57. Sigma Hair Ind Ltd (incorporated in Tanzania) (a subsidiary of DGH Tanzania Ltd w.e.f. 19<sup>th</sup> December, 2012)</p>
<b>(v)</b>	<b>Key Management Personnel :</b>
	<p>Mr. Pirojsha Godrej</p> <p>Mr. V. Srinivasan</p> <p>Mr. K.T. Jithendran</p>
<b>(vi)</b>	<b>Individuals exercising Significant Influence :</b>
	<p>Mr. A. B. Godrej</p> <p>Mr. N. B. Godrej</p>

### 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) (iii) & (iv) above

(Amount in ₹)

Sr. No	Description	Godrej & Boyce Mfg Co Ltd ( i )	Godrej Industries Ltd ( i )	Subsidiaries & Limited Liability Partnership ( ii ) & (iii)	Other Related Parties In Godrej Group ( iv )
1.	Investment in Equity Share / Capital Account	- -	- -	- 13,100,000	- -
2.	Purchase of fixed assets	1,054,188 2,647,514	- -	- -	- -
3.	Purchase of Units	- -	- -	147,726,786 232,915,782	- -
4.	Loans & Advances given	- -	- -	10,057,523,366 6,763,516,842	- -



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹)

Sr. No	Description	Godrej & Boyce Mfg Co Ltd ( i )	Godrej Industries Ltd ( i )	Subsidiaries & Limited Liability Partnership ( ii ) & (iii)	Other Related Parties In Godrej Group ( iv )
5.	Amount paid against Purchase of Unit	- -	- -	240,472,655 <i>238,913,364</i>	- -
6.	Advances repaid	- -	- -	11,306,890,075 <i>4,472,010,203</i>	- -
7.	Deposit given	- -	1,315,000 <i>2,700,000</i>	- -	- -
8.	Deposit repaid	- -	1,600,000 <i>800,000</i>	- -	- -
9.	Income Received from other Companies	444,387,093 <i>45,916,073</i>	26,400 <i>26,400</i>	34,349,040 <i>9,528,213</i>	137,900 -
10.	Expenses charged by other Companies	52,885,030 <i>148,747,119</i>	65,644,822 <i>55,190,404</i>	36,023,942 <i>10,335,084</i>	7,330,086 <i>4,975,031</i>
11.	Expenses charged to other Companies	- -	- -	1,210,410,370 <i>1,156,347,181</i>	- -
12.	Share of Profit in LLP	- -	- -	761,046,007 <i>327,310,539</i>	- -
13.	Amount received on transfer of Employee (Net)	- -	11,579,502 <i>83,631</i>	- -	1,510,228 -
14.	Dividend Paid / (Received)	3,810,000 <i>3,105,000</i>	143,895,627 <i>222,008,441</i>	- <i>(10,163)</i>	5,753,550 <i>8,630,326</i>
16.	Outstanding receivables, net of (payables)	(8,450,801) <i>2,144,778</i>	(17,934,629) <i>(9,088,025)</i>	8,504,203,767 <i>11,553,365,219</i>	50,406 -
17.	Deposits Receivable	- -	5,940,000 <i>6,225,000</i>	- -	- -
18.	Project taken over	- -	- -	1,771,547 -	- -
19.	Redemption of Debentures	- -	- -	46,609,050 -	- -

Figures in italics are for previous year

## (ii) Details relating to persons referred to in items 1 (v) &amp; (vi) above

(Amount in ₹)

Sr. No.	Key Management Personnel (KMP)	Current Year	Previous Year
1.	Remuneration	<b>67,809,114</b>	75,312,539
2.	Dividend Paid	<b>1,573,440</b>	2,390,364
3.	Deposit accepted from KMP & their relative	-	1,000,000
4.	Repayment of Deposit	-	1,500,000

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹)

Sr. No.	Key Management Personnel (KMP)	Current Year	Previous Year
5.	Interest paid on Deposit	20,636	209,004
6.	Deposit Outstanding	-	2,250,000
7.	Amount received from Sale of Flats/ Units to KMP & their relative	8,594,520	5,909,278
	Individuals exercising significant Influence :		
	Dividend paid – Mr. N.B.Godrej	4,686,750	7,030,125
	Amount received from Sale of Flats/ Units - Mr. N.B.Godrej	1,447,411	1,234,629

### 3. Significant Related Party Transactions.

Nature of Transactions	Subsidiaries & Other Related Parties in the Godrej Group	Amount in (₹)
Investment in Equity Share Capital/ Capital Account	Mosiac Landmarks LLP	-
		1,100,000
	Godrej Vikhroli Properties LLP	-
		12,000,000
Purchase of fixed assets	Godrej & Boyce Mfg Co. Limited	1,054,188
		2,647,514
Purchase of Units	Godrej Vikhroli Properties LLP	147,726,786
		232,915,782
Advances given	Godrej Waterside Properties Private Limited	-
		681,895,250
	Godrej Developers Private Limited	1,307,192,100
		1,391,831,619
	Godrej Estate Developers Private Limited	561,513,178
		513,154,169
	Godrej Buildwell Private Limited	527,897,800
		166,541,000
	Godrej Buildcon Private Limited	1,683,087,690
		568,764,392
	Happy Highrises Limited	1,031,900,080
		499,325,000
	Godrej Vikhroli Properties LLP	3,470,884,805
		1,870,335,382
Amount paid against Purchase of Unit	Godrej Vikhroli Properties LLP	240,472,655
		238,913,364

## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>Nature of Transactions</b>	<b>Subsidiaries &amp; Other Related Parties in the Godrej Group</b>	<b>Amount in (₹)</b>
Advances Repaid	Godrej Waterside Properties Private Limited	-
		<b>348,152,000</b>
	Godrej Developers Private Limited	604,996,359
		<b>1,267,995,495</b>
	Godrej Estate Developers Private Limited	291,814,000
		<b>473,369,198</b>
	Godrej Buildcon Private Limited	793,535,000
Deposit Given		<b>818,491,250</b>
	Happy Highrises Limited	122,765,566
		<b>554,540,000</b>
	Godrej Vikhroli Properties LLP	7,508,779,616
		<b>715,213,000</b>
Deposit Repaid	Godrej Industries Limited	1,315,000
		<b>2,700,000</b>
Income Received from other Companies	Godrej & Boyce Mfg. Co. Limited	444,387,093
		<b>45,916,073</b>
Expenses charged by other companies.	Godrej & Boyce Mfg. Co. Limited	52,885,030
		<b>148,747,119</b>
	Godrej Industries Limited	65,644,822
		<b>55,190,404</b>
	Godrej Realty Private Limited	6,877,525
Expenses charged to other companies		<b>10,335,084</b>
	Godrej Vikhroli Properties LLP	29,146,417
		-
	Happy Highrises Limited	191,858,154
		<b>171,275,359</b>
	Godrej Waterside Properties Private Limited	-
		<b>274,204,376</b>
	Godrej Real Estate Private Limited	54,850,098
		<b>129,133,844</b>
	Godrej Developers Private Limited	84,920,382
		<b>48,884,605</b>
	Godrej Estate Developers Private Limited	214,521,741
		<b>129,076,305</b>
	Godrej Buildcon Private Limited	75,939,169
		<b>254,761,105</b>
	Godrej Sea View Properties Pvt Ltd	183,496,182
		<b>87,036,781</b>
	Godrej Vikhroli Properties LLP	234,634,352
		-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Nature of Transactions	Subsidiaries & Other Related Parties in the Godrej Group	Amount in (₹)
Share in Profit of LLP	Godrej Vikhroli Properties LLP	761,046,007 <b>327,310,539</b>
Amount received on transfer of Employee (Net)	Godrej Industries Limited Godrej Consumer Products Ltd	1,579,502 <b>83,631</b> 1,510,228 -
Dividend Paid	Godrej Industries Limited	143,895,627 <b>222,008,441</b>
Outstanding receivables, net of (payables)	Godrej Real Estate Private Limited Happy Highrises Limited Godrej Developers Private Limited Godrej Waterside Properties Private Ltd Godrej Estate Developers Private Limited	1,385,918,311 <b>1,308,581,817</b> 1,787,259,118 <b>1,628,445,874</b> 1,380,921,044 <b>601,956,129</b> - <b>3,376,152,634</b> 1,783,399,829 <b>1,309,540,733</b>
Deposit Receivable	Godrej Industries Limited	5,940,000 <b>6,225,000</b>
Project taken over	Godrej Buildcorp LLP	1,771,547 -
Redemption of Debentures	Godrej Realty Private Limited	46,609,050 -

### Note 39

#### 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:

(Amount in ₹)		
Particulars	Current Year	Previous Year
Future minimum lease receipts under non-cancellable operating leases		
➤ Not later than 1 year	<b>26,400</b>	26,400
➤ Later than 1 year and not later than 5 years	<b>105,600</b>	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. These Leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms. The particulars of the premises taken on operating leases are as under:

(Amount in ₹)

Particulars	Current Year	Previous Year
Future minimum lease payments under operating leases		
➤ Not later than 1 year	<b>62,490,927</b>	34,965,146
➤ Later than 1 year and not later than 5 years	<b>38,691,549</b>	58,710,582
➤ Later than 5 years	-	1,203,149

**Note 40****Earnings Per Share**

Particulars	Current Year	Previous Year
Profit after tax and prior year's tax adjustments as per Statement of Profit & Loss. (₹)	<b>1,226,677,478</b>	813,647,256
Number of Shares at the beginning of the year	<b>78,036,819</b>	69,850,009
Number of Equity shares outstanding at the end of the year	<b>78,046,103</b>	78,036,819
Weighted average no. of equity shares outstanding	<b>78,044,133</b>	69,961,851
Add: Weighted average number of potential equity shares on account of employee stock options	<b>26,615</b>	12,780
Weighted average no. of common & dilutive common equity shares outstanding (Numbers)	<b>78,070,748</b>	69,974,631
Basic earnings per share	<b>₹ 15.72</b>	₹ 11.63
Diluted earnings per share	<b>₹ 15.71</b>	₹ 11.63
Nominal value of shares	<b>₹ 10 /-</b>	₹ 10 /-

**Note 41****Interest in Joint Ventures**

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

Name	Countries of Incorporation	Principal activities	Percentage of Ownership interest as at March 31, 2013	Percentage of Ownership interest as at March 31, 2012
Godrej Buildcorp LLP	India	Real Estate	<b>35%</b>	35%
Godrej Property Developers LLP	India	Real Estate	<b>32%</b>	32%

The Company's interests in Joint Ventures are reported as Short term Loans & Advances. The Company's share of each of Assets, liabilities, income and expenses, etc related to interest in these Joint Ventures are:

(Amount in ₹)

Particulars	Current Year	Previous Year
Liabilities	<b>89,850</b>	694,514
Assets	<b>89,850</b>	694,514
Income	-	-
Expenditure	<b>5,844</b>	1,367



**Note 42****Information in respect of Joint Ventures.**

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

Godrej Woodsman Estate, Bangalore	-	Revenue Sharing
Godrej Gold County, Bangalore	-	Revenue Sharing
Edenwoods, Mumbai	-	Revenue / Profit Sharing
Shivajinagar, Pune	-	Profit Sharing
Bhugaon, Pune	-	Profit Sharing
Godrej Alpine, Manglore	-	Area Sharing / Revenue Sharing
Sanjay Khan, Bangalore	-	Revenue Sharing
Grenville Park, Mumbai	-	Profit Sharing
Godrej Garden City, Ahmedabad	-	Area Sharing / Revenue Sharing
Godrej Crest, Bangalore	-	Area Sharing / Revenue Sharing
Kochi	-	Revenue Sharing
Umbarde, Kalyan	-	Revenue Sharing
Frontier, Gurgaon	-	Area Sharing / Revenue Sharing
Godrej Palms, Mumbai	-	Revenue Sharing
Godrej Anandam , Nagpur	-	Revenue Sharing
Godrej Platinum , Mumbai	-	Revenue Sharing
Godrej Serenity, Mumbai	-	Revenue Sharing
Electronic City, Bangalore	-	Revenue Sharing
Godrej Panvel	-	Profit Sharing
Godrej Platinum, Kolkota	-	Revenue Sharing
Godrej Waterside, Kolkata	-	Area Sharing
G&B Moosapet, Hyderabad	-	Revenue Sharing

**Note 43**

Previous year figures have been regrouped wherever necessary to confirm to current year's classification.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## STATEMENT REGARDING SUBSIDIARY COMPANY 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 Redevelopers (Mumbai) Private Limited
2. The Company's interest in the subsidiaries as on 31 <sup>st</sup> March, 2013 a. Number of Equity Shares Total Number of Shares b. Face Value (₹) c. Extent of Holding	34,032 66,730 10 51.00%	255,000 500,000 1 51.00%	50,000 50,000 10 100.00%	884,850 1,735,000 10 51.00%	250,500 500,000 1 50.10%	50,000 50,000 10 100.00%
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 <sup>st</sup> March, 2013 i. Not dealt with in the books of Accounts of the Company 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 ii. Dealt with in the books of account of the Company	(21,182,926)  -  20,815,564  -	(29,934,917)  -  8,882,845  -	(270,566)  -  (1,130,888)  -	1,968,129  -  8,543,564  -	12,773,767  -  (1,789,854)  -	455,130  -  -  -

1. Name of the Subsidiary Company	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
2. The Company's interest in the subsidiaries as on 31 <sup>st</sup> March, 2013 a. Number of Equity Shares Total Number of Shares b. Face Value (₹) c. Extent of Holding	103,592 203,120 10 51.00%	25,500 53,222 10 49.00% & Control over composition of BOD	50,000 50,000 10 100.00%	50,000 50,000 10 100.00%	50,000 50,000 10 100.00%	25,500 50,000 10 51.00%
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 <sup>st</sup> March, 2013 i. Not dealt with in the books of Accounts of the Company 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 ii. Dealt with in the books of account of the Company	111,502,296  -  207,155,266  -	132,300  -  (17,085)  -	(690,682)  -  (161,918)  -	86,566,794  -  124,044,918  -	(235,820)  -  (366,124)  -	2,718,837  -  (156,188)  -

## NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Name of the Subsidiary Company	Godrej Nandi Hills Private Limited	Godrej Landmark Redevelopers Private Limited	Godrej Vikhroli Property LLP	Dream World Landmarks LLP	Mosaic Landmarks LLP
2. The Company's interest in the subsidiaries as on 31 <sup>st</sup> March, 2013					
a. Number of Equity Shares	100,000	25,500	NA	NA	NA
b. Total Number of Shares	100,000	50,000	NA	NA	NA
c. Face Value (₹)	10	10	NA	NA	NA
c. Extent of Holding	100.00%	51.00%	Control over LLP	Control over LLP	Control over LLP
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 <sup>st</sup> March, 2013					
i. Not dealt with in the books of Accounts of the Company	2,062,561	(8,491)	795,916,353	(500)	(79,423)
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	127,490,613	(944)	393,618,571	-	-
ii. Dealt with in the books of account of the Company	-	-	-	-	-

## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF GODREJ PROPERTIES LIMITED,

#### Report on the Financial Statements

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

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

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Emphasis of Matter

- a) We draw attention to Note 1(h) to the consolidated financial statements, 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.
- b) We also draw attention to Note 27 to the consolidated financial statements, regarding the Scheme of Amalgamation of the wholly owned subsidiary of the Company viz. Godrej Waterside Properties Private Limited (GWPPPL), with the Company approved by The Honorable High Court of Judicature at Bombay, whereby all the assets and liabilities of GWPPPL have been taken over at their respective fair values as on April 1, 2012.

In accordance with the Scheme of Amalgamation, an amount of ₹ 1,228,652,637/- on account of Goodwill on merger has been charged to General Reserve and opening balance of surplus in the Statement of Profit & Loss instead of amortising the same in the Statement of Profit & Loss over a period of five years. The Cost and expenses arise out of or incurred in carrying out and implementing the scheme amounting to ₹ 5,300,000/- has also been directly charged against the opening balance of surplus in Statement of Profit & Loss of the Company. Had these amounts been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 251,030,527/-, Goodwill would have been higher by ₹ 982,922,110/- (net written down value), General Reserve Account would have been higher by ₹ 462,000,000/- and the surplus in Statement of Profit & Loss would have been higher by ₹ 520,922,110/-.

- c) We also draw attention to Note 32 (a) to the consolidated financial statements, regarding a loan of ₹ 443,402,597/- to the GPL ESOP Trust for purchase of the Company's shares from Godrej Industries Limited equivalent to options granted under an Employee Stock Option Plan. As at 31<sup>st</sup> March, 2013, the market value of the shares held by the GPL ESOP Trust is lower than the cost of acquisition of the shares by ₹123,999,119/- (net of provision of ₹ 58,923,028/- on account of options lapsed). The repayment of the loans granted to the GPL ESOP Trust is dependent 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 consolidated financial statements.

Our opinion is not qualified in respect of these matters.

### **Opinion**

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

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

For **KALYANIWALLA & MISTRY**  
CHARTERED ACCOUNTANTS  
Firm Registration Number 104607W

**ERMIN K. IRANI**  
PARTNER  
Membership Number: 35646

Place: Mumbai  
Date: May 9, 2013



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>I EQUITY AND LIABILITIES</b>			
1) <b>SHAREHOLDERS FUND</b>			
a) Share Capital	2	780,461,030	780,368,190
b) Reserves & Surplus	3	13,509,041,212	13,646,058,130
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>14,289,502,242</b>	<b>14,426,426,320</b>
2) <b>MINORITY INTEREST</b>		<b>1,059,188,918</b>	<b>466,983,853</b>
3) <b>NON-CURRENT LIABILITIES</b>			
a) Long Term Borrowing	4	3,756,643,760	1,886,254,000
b) Other Long Term Liabilities	5	2,847,410	12,566,301
c) Long Term Provisions	6	27,952,386	23,049,040
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>3,787,443,556</b>	<b>1,921,869,341</b>
4) <b>CURRENT LIABILITIES</b>			
a) Short Term Borrowing	7	12,876,246,862	18,246,246,757
b) Trade Payables (Refer Note 31)		8,200,072,800	9,442,438,840
c) Other Current Liabilities	8	6,091,131,461	2,129,754,100
d) Short Term Provisions	9	484,859,367	458,435,077
<b>Total Current Liabilities</b>		<b>27,652,310,490</b>	<b>30,276,874,774</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>46,788,445,206</b>	<b>47,092,154,288</b>
<b>II ASSETS</b>			
1) <b>NON-CURRENT ASSETS</b>			
a) Fixed Assets	10		
Tangible Assets		106,963,131	117,265,044
Intangible Assets		398,555,721	337,747,444
Capital work-in-progress		336,369,612	177,921,566
Intangible Assets under Development		19,402,827	16,911,132
<b>TOTAL FIXED ASSETS</b>		<b>861,291,291</b>	<b>649,845,186</b>
b) Non-Current Investments	11	28,588	28,588
c) Deferred Tax Asset	12	42,792,800	30,999,700
d) Long Term Loans & Advances	13	800,997,491	682,379,405
e) Other Non Current Assets	14	108,117,838	30,378,310
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,813,228,008</b>	<b>1,393,631,189</b>
2) <b>CURRENT ASSETS</b>			
a) Inventories	15	32,351,927,984	27,383,969,034
b) Trade Receivables	16	1,070,202,137	2,486,279,547
c) Cash & Bank Balances	17	1,707,151,185	5,322,696,128
d) Short Term Loans & Advances	18	7,439,345,445	7,218,761,838
e) Other Current Assets	19	2,406,590,447	3,286,816,552
<b>TOTAL CURRENT ASSETS</b>		<b>44,975,217,198</b>	<b>45,698,523,099</b>
<b>TOTAL ASSETS</b>		<b>46,788,445,206</b>	<b>47,092,154,288</b>
<b>ACCOUNTING POLICIES</b>	1		

The accompanying notes 1 to 41 form an integral part of financial statements

As per our Report of even date.

Signatures to the Balance Sheet and Notes to Financial Statements

For and on behalf of Board

For **KALYANIWALLA & MISTRY**  
Chartered Accountants

**ERMIN K. IRANI**  
Partner

Mumbai, Dated : May 9, 2013

**A. B. GODREJ**  
Chairman

**PIROJSHA GODREJ**  
Managing Director & CEO

**SHODHAN A. KEMHAVI**  
Company Secretary

## CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>INCOME</b>			
Revenue from Operations	20	<b>10,371,228,832</b>	7,700,523,230
Other Income	21	<b>104,473,769</b>	497,555,220
<b>TOTAL REVENUE</b>		<b>10,475,702,601</b>	8,198,078,450
<b>EXPENDITURE</b>			
Cost of Sales	22	<b>6,915,655,330</b>	5,783,259,832
Employee Benefits Expense	23	<b>176,877,333</b>	61,909,072
Finance Costs	24	<b>30,012,153</b>	53,087,961
Depreciation		<b>43,883,267</b>	38,801,516
Other Expenses	25	<b>420,706,729</b>	275,490,288
<b>TOTAL EXPENSE</b>		<b>7,587,134,812</b>	6,212,548,669
<b>PROFIT BEFORE TAX</b>		<b>2,888,567,789</b>	1,985,529,781
<b>Tax Expense</b>			
Current Tax		<b>928,809,510</b>	717,626,000
Deferred Tax		<b>(11,793,100)</b>	(22,596,200)
Adjustment for Tax of Previous Years (net)		<b>(1,338,677)</b>	2,600,146
		<b>915,677,733</b>	697,629,946
<b>PROFIT AFTER TAX BEFORE MINORITY INTEREST</b>		<b>1,972,890,056</b>	1,287,899,835
Share of Minority Interest		<b>(588,540,741)</b>	(308,640,526)
<b>PROFIT AFTER MINORITY INTEREST</b>		<b>1,384,349,315</b>	979,259,309
<b>Earnings Per Share (Refer Note 38)</b>			
Basic		<b>17.74</b>	14.00
Diluted		<b>17.73</b>	13.99
<b>ACCOUNTING POLICIES</b>	1		

The accompanying notes 1 to 41 form an integral part of financial statements

As per our Report of even date.

Signatures to the Profit & Loss and Notes to Financial Statements

For and on behalf of Board

For **KALYANIWALLA & MISTRY**  
Chartered Accountants

**ERMIN K. IRANI**  
Partner

Mumbai, Dated : May 9, 2013

**A. B. GODREJ**  
Chairman

**PIROJSHA GODREJ**  
Managing Director & CEO

**SHODHAN A. KEMBHAVI**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the Year Ended 31.03.2013 ₹	For the Year Ended 31.03.2012 ₹
<b>Cash Flow from Operating Activities</b>		
Profit before taxation	2,888,567,790	1,985,529,781
<b>Adjustment for:</b>		
Depreciation	43,883,267	38,801,516
Interest Paid	30,012,154	53,087,961
(Profit)/Loss on sale of Fixed Asset	(749)	102,815
Provision for Doubtful Advances	-	63,558,848
ESGS Compensation	20,549,623	10,455,958
Preliminary Expenses Written Off	134,371	19,639
Interest Income	(73,807,559)	(99,801,708)
Dividend Received	(16,001,618)	(10,811,290)
Profit on sale of Long Term & Current Investment	-	(382,755,000)
<b>Operating Profit before working capital changes</b>	<b>2,893,337,279</b>	<b>1,658,188,520</b>
<b>Adjustment for:</b>		
Increase/(decrease) in Non Current Liabilities	(1,979,510)	6,422,620
Increase/(decrease) in Current Liabilities	3,355,841,999	7,879,752,860
(Increase)/decrease in Non Current Assets	(182,208,946)	443,514,146
(Increase)/decrease in Current Assets	(3,808,323,121)	(21,543,854,379)
	<b>2,256,667,701</b>	<b>(11,555,976,233)</b>
Taxes Paid (Net)	(1,042,906,634)	(707,696,824)
<b>Net Cash Flow from Operating activities</b>	<b>1,213,761,067</b>	<b>(12,263,673,057)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(210,216,600)	(217,355,711)
Sale of Fixed Assets	1,256,501	3,225,944
Sale of stake in Subsidiaries	-	383,245,000
Purchase of Shares in Subsidiaries	(55,029,275)	-
Expenses of Amalgamation	(2,900,410)	-
Interest Received	103,168,641	100,694,549
Dividend Received	16,001,618	10,811,290
Preliminary Expenses	(30,530)	(32,168)
<b>Net Cash Flow from Investing Activities</b>	<b>(147,750,055)</b>	<b>280,588,904</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the Year Ended 31.03.2013 ₹	For the Year Ended 31.03.2012 ₹
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Share Capital (net of issue expenses)	92,840	4,593,415,750
Capital Contribution in Limited Liability Partnership	-	9,000,000
Proceeds from Long Term Borrowings (net)	1,877,739,760	7,896,648,000
(Repayment of)/Proceeds from Short Term Borrowings (net)	(5,962,359,895)	3,526,571,264
Issue related expenses	(884,627)	-
Interest Paid	(66,630,029)	(19,413,741)
Payment of Dividend	(234,064,314)	(314,325,041)
Tax on Distributed Profits	(37,982,783)	(50,993,029)
<b>Net Cash Flow from Financing Activities</b>	<b>(4,424,089,048)</b>	15,640,903,203
<b>Net Increase in Cash &amp; Cash Equivalent</b>	<b>(3,358,078,036)</b>	3,657,819,050
<b>Cash &amp; Cash Equivalent -Opening Balance</b>	<b>5,034,824,128</b>	1,377,005,078
Acquisition of 40% share in Dream World Landmark LLP	19,898	-
<b>Cash &amp; Cash Equivalent -Closing Balance</b>	<b>1,676,765,990</b>	5,034,824,128
<b>Notes :</b>		
<b>1. Cash and Cash Equivalents.</b>		
Cash & Cheques on Hand and Balances with Banks	651,953,911	3,541,456,988
Investments in Liquid Mutual Funds	1,055,197,274	1,781,239,140
Less: Other Bank Balances	(30,385,195)	(287,872,000)
<b>Cash and Cash Equivalents.</b>	<b>1,676,765,990</b>	5,034,824,128

- 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.
- Figures for the previous year have been regrouped/restated wherever necessary to conform to this period/year's classification.

As per our Report of even date.

For and on behalf of Board

For **KALYANIWALLA & MISTRY**  
Chartered Accountants

**A. B. GODREJ**  
Chairman

**PIROJSHA GODREJ**  
Managing Director & CEO

**ERMIN K. IRANI**  
Partner

**SHODHAN A. KEMHAVI**  
Company Secretary

Mumbai, Dated : May 9, 2013

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Note 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 & Limited Liability Partnership, which are more than 50 percent owned or controlled and Joint Ventures whose financial statement are drawn up to the same reporting date as of the Company i.e. 31<sup>st</sup> March 2013.

The Consolidated Financial Statements for Subsidiaries & Limited Liability Partnership 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.

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

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) Operating Cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly Assets & Liabilities have been classified into current & non-current based on operating cycle of respective projects.

##### d) 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.

##### e) 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

Intangible Assets are amortized over a period of six years.

##### f) 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.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

### g) 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.

### h) 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 Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer. Up to 31<sup>st</sup> March 2012 revenue was recognized only if the actual project cost incurred is 20% or more of the total estimated project cost.

Effective 1<sup>st</sup> April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance Note), all projects commencing on or after the said date or projects which have already commenced, but where the revenue is recognized for the first time on or after the above date, Construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

- (a) All critical approvals necessary for the commencement have been obtained;
- (b) The expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;
- (c) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and
- (d) At least 10 percent of the agreement value is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is 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

### i) 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.

### j) 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### (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 annually as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit & Loss.

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 Statement of Profit and Loss 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 Statement of Profit and Loss.

### k) **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.

### l) **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.

### m) **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.

### n) **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.

### o) **Allocation of Expenses**

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

### p) **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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2

#### SHARE CAPITAL

##### AUTHORISED

117,000,000 Equity Shares of ₹ 10/- each

##### ISSUED, SUBSCRIBED & PAID UP

78,046,103 (Previous Year 78,036,819) Equity Shares of ₹ 10/- each fully paid up.

As at 31.03.2013 ₹	As at 31.03.2012 ₹
1,170,000,000	1,000,000,000
1,170,000,000	1,000,000,000
780,461,030	780,368,190
780,461,030	780,368,190

#### (a) Reconciliation of number of shares:

	31.03.2013		31.03.2012	
	No. of Shares	₹	No. of Shares	₹
Number of Shares outstanding at the beginning of the year	78,036,819	780,368,190	69,850,009	698,500,090
Movement during the year	9,284	92,840	8,186,810	81,868,100
Number of Shares outstanding at the end of the year	78,046,103	780,461,030	78,036,819	780,368,190

#### (b) Shareholding information:

Equity Shares are held by:

Godrej Industries Limited (Holding Company)

47,965,209

47,965,209

Godrej & Boyce Manufacturing Company Limited (Ultimate Holding Company)

1,270,000

1,270,000

Ensemble Holdings & Finance Limited (Subsidiary of Holding Company)

691,155

691,155

#### (c) Shareholders holding more than 5% of Equity Shares:

	31.03.2013		31.03.2012	
	No. of Shares	%	No. of Shares	%
Godrej Industries Limited	47,965,209	61.46%	47,965,209	61.46%

#### (d) Rights, preferences and restrictions attached to shares:

The company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**(e) Equity Shares allotted as fully paid up Bonus shares by capitalising Securities Premium, General Reserve & Profit & Loss Account during the last five years**

	31.03.2013	31.03.2012
	No. of Shares	No. of Shares
31-3-2013	-	-
31-3-2012	-	-
31-3-2011	-	-
31-3-2010	-	-
31-3-2009	-	-
31-3-2008	<b>51,556,360</b>	51,556,360

**(f) Equity Shares Reserved for Issue Under Options**

	31.03.2013		31.03.2012	
	No. of Shares	₹	No. of Shares	₹
<b>i)</b> 14,928 Employee Stock Grants eligible for 14,928 equity shares of ₹ 10/-each. Out of which 7,464 is vesting on 06/05/2013 and 7,464 is vesting on 06/05/2014	<b>14,928</b>	<b>149,280</b>	27,765	277,650
<b>ii)</b> 1,252 Employee Stock Grants eligible for 1,252 equity shares of ₹ 10/- each. Out of which 626 is vesting on 30/09/2013 and 626 is vesting on 30/09/2014	<b>1,252</b>	<b>12,520</b>	1,878	18,780
<b>iii)</b> 36,208 Employee Stock Grants eligible for 36,208 equity shares of ₹ 10/-each. Out of which 12,070 is vesting on 31/05/2013, 12,070 is vesting on 31/05/2014 and 12,068 is vesting on 31/05/2015	<b>36,208</b>	<b>362,080</b>	-	-
<b>iv)</b> 11,020 Employee Stock Grants eligible for 11,020 equity shares of ₹ 10/-each. Out of which 11,020 is vesting on 31/05/2013	<b>11,020</b>	<b>110,200</b>	-	-
<b>v)</b> 2,218 Employee Stock Grants eligible for 2,218 equity shares of ₹ 10/- each. Out of which 1109 is vesting on 31/07/2013 and 1109 is vesting on 31/05/2014	<b>2,218</b>	<b>22,180</b>	-	-
<b>vi)</b> 345 Employee Stock Grants eligible for 345 equity shares of ₹ 10/- each. Out of which 115 is vesting on 31/10/2013, 115 is vesting on 31/10/2014 and 115 is vesting on 31/10/2015	<b>345</b>	<b>3,450</b>	-	-
<b>vii)</b> 360 Employee Stock Grants eligible for 360 equity shares of ₹ 10/- each. Out of which 120 is vesting on 31/01/2014, 120 is vesting on 31/01/2015 and 120 is vesting on 31/01/2016	<b>360</b>	<b>3,600</b>	-	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3

#### RESERVES & SURPLUS

##### Securities Premium

As per last Balance Sheet	<b>10,174,727,390</b>	5,663,179,740
Addition during the year	<b>6,107,017</b>	4,625,547,650
Utilisation during the year (Refer Note 3 (a))	<b>884,627</b>	114,000,000
Closing Balance	<b>10,179,949,780</b>	10,174,727,390

##### General Reserve

As per last Balance Sheet	<b>496,391,577</b>	414,391,577
Utilisation during the year (Refer Note (27))	<b>462,000,000</b>	-
Addition during the year	<b>123,000,000</b>	82,000,000
Closing Balance	<b>157,391,577</b>	496,391,577

##### Employee Stock Grant Scheme Reserve

As per last Balance Sheet	<b>10,455,958</b>	-
Addition during the year	<b>20,549,623</b>	10,455,958
Utilisation during the year	<b>6,107,017</b>	-
Closing Balance	<b>24,898,564</b>	10,455,958

##### Surplus in Statement of Profit and Loss

As per last Balance Sheet	<b>2,964,483,205</b>	2,339,863,105
Utilisation during the year (Refer Note (27))	<b>771,952,637</b>	-
Profit for the year	<b>1,384,349,316</b>	979,259,309
Appropriation during the year		
- Proposed Dividend - Final (Refer Note 3(b))	<b>312,301,255</b>	234,141,804
- Tax on Distributed Profit	<b>53,075,640</b>	37,983,655
- Transfer to General Reserve	<b>123,000,000</b>	82,000,000
Adjustment of opening profit/(loss) of subsidiaries	<b>(58,298,302)</b>	513,750
Closing Balance	<b>3,146,801,291</b>	2,964,483,205

##### Total Reserves & Surplus

<b>13,509,041,212</b>	13,646,058,130
-----------------------	----------------

- a) Securities Premium amount has been utilised towards the share issue expenses incurred for the purpose of Institutional Placement Programme.
- b) The Board of Directors of the company has proposed dividend of ₹ 4 /- (40 %) per equity share for the year 2012-13 amounting to ₹ 312,306,628 /- (Previous Year ₹ 3.00/- (30%) amounting to ₹ 234,141,804/-)

### NOTE 4

#### LONG TERM BORROWINGS

##### Debentures

2,871,876, 1% Secured Redeemable optionally Convertible Debentures (Refer Note 4(a) & Note 30 (a))	<b>28,718,760</b>	17,150,000
267,000, 12% Compulsorily Convertible Debentures (Refer Note 4(b) & Note 30 (b))	<b>267,000,000</b>	267,000,000

##### Deposits (Unsecured)

Fixed Deposit (Refer Note 4(c))		
From Directors	<b>5,200,000</b>	-
From Shareholders	<b>298,155,000</b>	71,858,000
From Public	<b>3,157,570,000</b>	1,530,246,000
	<b>3,756,643,760</b>	1,886,254,000



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- a) 2,871,876, 1% secured optionally convertible debentures of ₹ 10/- each are redeemable on 10<sup>th</sup> April, 2015 and are secured to the extent of specific immovable assets of the Company disclosed under the head "Fixed Assets" (Refer Note 10).
- b) 267,000, 12% Compulsorily Convertible Debentures of face value of ₹ 1,000/- each were allotted on December 29, 2011. Maximum term of these compulsorily convertible debentures is 10 years from the date of allotment. These debentures are convertible into 50,000 Equity Shares of ₹ 10 each in accordance with the terms of the issue. The interest shall be accrued on a quarterly basis.
- c) Deposits (Unsecured) having maturity of two years amounting to ₹ 1,469,009,000/- and three years amounting to ₹ 1,991,916,000/- bearing interest rate @ 8.50 % to 10.50% payable half yearly.

**NOTE 5****OTHER LONG TERM LIABILITIES**

	<b>As at 31.03.2013 ₹</b>	<b>As at 31.03.2012 ₹</b>
Deposit	<b>120,000</b>	9,650,865
Trade Payables (Refer Note 31)	<b>2,648,009</b>	-
Interest Accrued but not due	<b>79,401</b>	2,915,436
	<b>2,847,410</b>	12,566,301

**NOTE 6****LONG TERM PROVISIONS**

Provision for Employee Benefits		
Gratuity (Refer Note 35 (b))	<b>19,139,125</b>	12,700,942
Unavailed Leave	<b>8,813,261</b>	10,348,098
	<b>27,952,386</b>	23,049,040
<b>a) Movement in Unavailed Leave</b>		
Opening Provision - Unavailed Leave (Current+ Non Current)	<b>11,461,448</b>	15,591,803
Add: Addition during the Year	<b>15,596,895</b>	8,463,959
Less: Paid during the Year	<b>(10,116,937)</b>	(12,594,314)
Closing Provision	<b>16,941,406</b>	11,461,448
Less : Short term Provision of Unavailed Leave	<b>(8,128,145)</b>	(1,113,350)
Long term Provision of Unavailed Leave	<b>8,813,261</b>	10,348,098

**NOTE 7****SHORT TERM BORROWINGS**

Debentures		
4,226,000, 10% Secured Cumulative Optionally Convertible Debentures Class B (Refer Note 7 (a) & 30(c))	<b>422,600,000</b>	-
1% Secured Redeemable optionally Convertible Debentures	-	142,100,000
From Banks		
Secured		
Term Loan (Refer Note 7 (b))	<b>697,500,000</b>	1,497,500,000
Cash Credit (Refer Note 7 (c))	<b>2,249,081,691</b>	447,348,798
Working Capital Demand Loan	-	3,100,000,000

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Unsecured Loan		
Cash Credit (Refer Note 7(d))	7,065,171	39,297,959
Other Loan (Refer Note 7(e))	2,000,000,000	6,000,000,000
From Others		
Secured Loan (Refer Note 7 (f))	7,500,000,000	7,020,000,000
	<b>12,876,246,862</b>	18,246,246,757

- a) 4,226,000, 10% Cumulative Optionally Convertible Debentures of face value of ₹ 100/- each are secured by way of mortgage over the development rights of Project Godrej Central. The debentures are redeemable out of Remainder Amounts as defined in Share Purchase, Subscription and Shareholders Agreement dated 31st March, 2012 after the completion of the project. The interest shall be accrued on an annual basis.
- b) The Term Loan taken from State Bank of India is secured against Company's share of undivided interest in the project Godrej Genesis at Kolkata. Repayable in two installments ₹ 35.00 crores on June 2013 and ₹ 34.75 crores on September 2013. Interest rate is Base Rate + 3.60% payable monthly. Effective Rate of Interest as on 31.03.2013 is 13.30% p.a.
- c) Secured Loans availed from State Bank of India is secured by Equitable Mortgage of immovable property of the Company's Project at Juhu, Mumbai and by exclusive first charge by way of hypothecation of the current assets of Company. Current Assets of Godrej Real Estate Private Limited (wholly owned subsidiary) has been hypothecated as collateral security and carries interest at Base Rate + 0.5% p.a. effective rate 10.20%.
- d) Unsecured -Over Draft facility availed from IDBI Bank Ltd. carries interest at Base Rate + 350 basis point.
- e) Other loans include: i) ₹ 1,000,000,000/- availed from Axis Bank carrying interest at Base Rate + 90 basis point p.a. Repayable on 5th October 2013.  
ii) ₹ 1,000,000,000/- availed from Commercial Papers carrying interest at 9.75% p.a. Repayable in 162 days from the date of issue.
- f) Secured term loan from HDFC Ltd: Total Sanction amount ₹ 750.00 crores bearing interest @ HDFC BPLR – 485 BPS and secured by way of exclusive/ mortgage and charge of movable and immovable property of the project at Bandra Kurla Complex at Mumbai. Repayment from 6th month from the date of disbursement. However maximum principal outstanding shall not exceed as below from the date of first disbursement :

	₹ in crores
At the end of 53 <sup>rd</sup> Month	650
At the end of 54 <sup>th</sup> Month	550
At the end of 55 <sup>th</sup> Month	450
At the end of 56 <sup>th</sup> Month	350
At the end of 57 <sup>th</sup> Month	250
At the end of 58 <sup>th</sup> Month	150
At the end of 59 <sup>th</sup> Month	50
At the end of 60 <sup>th</sup> Month	NIL

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 8****OTHER CURRENT LIABILITIES****Current Maturities of Long Term Debt**

Secured Loan

1% Secured Redeemable optionally Convertible Debentures

Unsecured Deposit (Refer Note 4(c))

From - Directors

From - Shareholders

From - Public

Investor Education and Protection Fund

Advances received against sale of flats

Other Deposits

Unclaimed Fixed Deposits &amp; Interest

Unclaimed Dividend

Statutory Dues

Other liabilities

Due to Management Projects

Interest Accrued but not due

Debenture Application Money

As at  
31.03.2013  
₹As at  
31.03.2012  
₹

-

56,350,000

-

4,700,000

683,000

12,172,000

146,267,000

666,088,000

-

-

5,003,487,398

581,234,428

-

5,130,590

5,494,864

475,166

285,838

213,721

213,142,595

167,270,992

622,105,887

369,572,485

58,474,630

67,801,470

41,190,249

81,145,248

-

117,600,000

6,091,131,461

2,129,754,100

**NOTE 9****SHORT TERM PROVISIONS****Provision for Employee Benefits**

Gratuity (Refer Note 35 (b))

Unavailed Leave (Refer Note 6 (a))

295,001

322,410

8,128,145

1,113,350

**Other Provision**

For Taxation

(Net of Advance Tax & Tax deducted at source ₹ 1,472,821,052/-  
(Previous Year ₹ 848,460,714/-))

Proposed Dividend - Final

Tax on Dividend

111,053,081

184,873,858

312,306,628

234,141,804

53,076,512

37,983,655

484,859,367

458,435,077

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 10

#### FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 <sup>st</sup> April	Additions	Deductions	As at 31 <sup>st</sup> March	Upto 1 <sup>st</sup> April	For the Year	Deductions/ Adjustments	Upto 31 <sup>st</sup> March	As at 31 <sup>st</sup> March	As at 31 <sup>st</sup> March
	2012			2013	2012			2013	2013	2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>										
Land (Refer Note 30(a))	868,555	356,380	356,380	<b>868,555</b>	-	-	-	-	<b>868,555</b>	868,555
Building	17,031,600	-	-	<b>17,031,600</b>	1,660,581	768,551	-	<b>2,429,132</b>	<b>14,602,468</b>	15,371,019
Leasehold Improvement	59,078,496	-	-	<b>59,078,496</b>	38,092,572	10,307,341	-	<b>48,399,913</b>	<b>10,678,583</b>	20,985,924
Office Equipment	32,716,772	4,665,803	2,395,946	<b>34,986,629</b>	10,847,058	3,949,824	1,121,187	<b>13,675,695</b>	<b>21,310,934</b>	21,869,714
Site Equipments	244,203	4,250	-	<b>248,453</b>	19,769	35,468	-	<b>55,237</b>	<b>193,216</b>	224,434
Furniture & Fixtures	43,088,286	3,795,776	1,478,842	<b>45,405,220</b>	17,096,631	5,383,536	987,801	<b>21,492,366</b>	<b>23,912,854</b>	25,991,655
Computer	41,253,559	14,583,932	2,607,348	<b>53,230,143</b>	28,324,465	8,226,056	2,211,226	<b>34,339,295</b>	<b>18,890,848</b>	12,929,094
Motor Vehicle	32,730,205	3,299,968	1,240,141	<b>34,790,032</b>	13,705,556	5,499,797	920,994	<b>18,284,359</b>	<b>16,505,673</b>	19,024,649
<b>Intangible Assets</b>										
Goodwill	314,906,581	46,368,525	-	<b>361,275,106</b>	-	-	-	-	<b>361,275,106</b>	314,906,581
Licenses & Software	49,365,732	24,152,446	-	<b>73,518,178</b>	26,524,869	9,712,694	-	<b>36,237,563</b>	<b>37,280,615</b>	22,840,863
<b>Total</b>	<b>591,283,989</b>	<b>97,227,080</b>	<b>8,078,657</b>	<b>680,432,412</b>	<b>136,271,501</b>	<b>43,883,267</b>	<b>5,241,208</b>	<b>174,913,560</b>	<b>505,518,852</b>	<b>455,012,488</b>
Previous Year	560,039,142	36,331,906	5,087,059	<b>591,283,989</b>	99,228,285	38,801,516	1,758,300	<b>136,271,501</b>		
Capital Work-in-progress									<b>336,369,612</b>	177,921,566
Intangible Assets under Development									<b>19,402,827</b>	16,911,132
							<b>TOTAL</b>		<b>861,291,291</b>	649,845,186

### NOTE 11

#### NON-CURRENT INVESTMENTS (at cost)

##### (a) Investment in Fully paid up Equity Instruments

##### 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

**As at  
31.03.2013**

₹

**As at  
31.03.2012**

₹

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
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
100 Equity Shares of ₹ 10/- each of Premier Energy & Infrastructure 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
<b>Cost of Quoted Investments</b>	<b>23,652</b>	23,652
Less : Provision for Diminution in Value	7,564	7,564
	<b>16,088</b>	16,088
<b>Unquoted Investments</b>		
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
	<b>12,500</b>	12,500
<b>Total Non Current Investments</b>	<b>28,588</b>	28,588
1. Cost of Quoted Investments	<b>23,652</b>	23,652
2. Market Value of Quoted Investments	<b>418,093</b>	494,071



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 12

#### DEFERRED TAX ASSET (NET)

On Fixed Asset

On Others

As at  
31.03.2013  
₹

4,378,952

38,413,848

42,792,800

As at  
31.03.2012  
₹

2,570,700

28,429,000

30,999,700

### NOTE 13

#### LONG TERM LOANS & ADVANCES

Secured & considered good

Deposits - Projects (Refer Note 13 (a))

Unsecured Considered good

Deposits

Advance Tax & Tax deducted at source (Net of Provision for Tax  
₹ 1,467,591,600/- (Previous Year ₹ 949,327,018/-))

660,398,291

587,554,389

40,111,989

29,779,668

100,487,211

65,045,348

800,997,491

682,379,405

a) Secured Deposits - Projects are Secured against Terms of  
Development Agreement.

### NOTE 14

#### OTHER NON CURRENT ASSETS

Unamortised Preliminary Expenses

Expenses Recoverable

Interest Accrued

Others - Deposit with Banks

(Deposit with Bank is held as Margin Money)

-

88,205

5,517,838

4,452,104

-

21,238,001

102,600,000

4,600,000

108,117,838

30,378,310

### NOTE 15

#### INVENTORIES

Finished Goods (Refer Note 15(a))

Construction Work in progress

2,864,043

1,964,441

32,349,063,941

27,382,004,593

32,351,927,984

27,383,969,034

a) Finished goods includes shares of Tahir Properties Limited - at  
cost or market value (whichever is lower):

i) 70 Equity shares of ₹ 100/- each, ₹ 20/- paid up

ii) 75 Redeemable Preference Class A shares of ₹ 100/-  
each, ₹ 70/- paid

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 16****TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)**

Outstanding for a period exceeding 6 months from the date they are due for payment

Others

**NOTE 17****CASH & BANK BALANCES**

Cash & Cash Equivalents

Cash-on-Hand

Cheques-on-Hand

Balance with Banks

on Current Accounts (Refer Note 17 (a))

on Fixed Deposit Accounts (Refer Note 17 (b))

Investments in Mutual Funds (Refer Note 17 (c))

Other Bank Balances

on Fixed Deposit Accounts ( Long term deposits with maturity more than 3 months but less than 12 months)

(Refer Note 17 (b))

a) Current account balance of ₹ 285,838/- (Previous Year ₹ 213,721/-) is earmarked balance for unclaimed dividend.

b) i) Fixed Deposit of ₹ 9,107,003/- (Previous Year

₹ 9,107,003/-) held as margin money.

ii) Balances with scheduled banks on deposit accounts include ₹ 31,063,882/-(Previous year ₹ 26,069,837/-) received from flat buyers and held in trust on their behalf in a corpus fund.

c) Investment in Mutual Funds :

i) (In Debt Mutual Funds)

Kotak Floater - LT - Daily Dividend Reinvest

ICICI Prudential Floating Rate Plan D - Daily Dividend Reinvest

SBI Premier Liquid Fund Super IP Daily Dividend-Reinvest

Birla Sun Life Cash Plus-Instl Prem-Daily Dividend

J P Morgan India Liquid Fund-Super IP-Daily Dividend

ICICI Prudential Liquid - Super IP-Daily Dividend

Religare Liquid Fund - Super IP - Daily Dividend-Reinvest

HDFC Cash Management Fund -Saving Plan-Daily Dividend

JM High Liquidity Super IP - Daily Dividend - Reinvest

JM High Liquidity Fund - Growth

Taurus - Liquid Fund Super Insti Growth

Kotak Floater Short Term Growth

JM High Liquidity Fund - Growth

ii) Unutilised IPO Proceeds temporary invested in Mutual Fund of ₹ 92,311,157/- (Invested in Fixed Deposit Previous Year ₹ 63,380,000/-)

As at 31.03.2013 ₹	As at 31.03.2012 ₹
319,199,292	160,870,751
751,002,846	2,325,408,796
1,070,202,138	2,486,279,547
471,114	385,927
343,611,479	20,518,419
229,356,967	700,530,062
48,129,156	2,532,150,580
1,055,197,274	1,781,239,140
30,385,195	287,872,000
1,707,151,185	5,322,696,128
29,171,784	27,225,782
3,241,534	3,031,437
-	250,168,657
-	250,116,915
-	250,108,254
-	250,110,919
-	250,117,631
-	250,181,016
-	250,178,529
63,380,000	-
515,515,675	-
13,800,000	-
430,088,281	-
1,055,197,274	1,781,239,140

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 18

#### SHORT TERM LOANS & ADVANCES

##### Secured Advances

Secured Deposits - Projects (Refer Note 18 (a))

**4,845,019,205**

5,338,664,454

Loans and Advances to Others (Refer Note 18 (b))

**685,285,585**

375,784,602

##### Unsecured Considered good

Loan to GIL ESOP Trust (Refer Note 32 (b))

**70,684,600**

85,167,769

(Net of provision for doubtful loan of ₹ 4,635,820/- Previous Year ₹ 4,635,820/-)

Loan to GPL ESOP Trust (Refer Note 32 (a))

**384,479,569**

344,731,305

(Net of provision for doubtful loan of ₹ 58,923,028/- Previous Year ₹ 58,923,028/-)

Advances to Related Parties (Refer Note 18 (c))

**56,962,422**

45,339,644

Loans And Advances to Others

**800,928,292**

477,646,711

Due on Management Projects (Refer Note 18 (d))

**504,562,959**

482,103,042

Development Manager Fees Accrued but not due (Refer Note 18 (e))

**44,456,901**

44,456,901

Deposits - Others

**46,965,912**

24,867,409

**7,439,345,445**

7,218,761,838

a) Secured Deposits - Projects are Secured against Terms of Development Agreement.

b) Secured Loan & Advances Others are secured against Bank Guarantee received from Vendors.

c) Loans And Advances to Related Parties:

##### *To Holding Company:*

Godrej & Boyce Manufacturing Company Limited

**7,411,804**

622,136

Godrej Industries Ltd.

**1,042,983**

24,136

##### *To Company under same Management:*

Godrej Consumer Products Limited

**96,123**

-

##### *To Limited Liability Partnership:*

Godrej Buildcorp LLP

-

893,348

Godrej Property Developers LLP

**146,392**

88,801

##### *To Joint Venture & Associates:*

Ramesh P Bhatia (Partner)

**6,419,061**

5,742,187

Repton Landmarks LLP (Partner)

**41,846,059**

37,969,036

**56,962,422**

45,339,644

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- e) The Company has entered into Development Agreement with landlords. Development Management Fee amounting to ₹ 44,456,901/- (Previous Year ₹ 44,456,901/- ) accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Management Fee accrued but not due.

**NOTE 19****OTHER CURRENT ASSETS**

Unbilled Revenue

Interest Accrued

Unamortised Preliminary Expenses

**As at**  
**31.03.2013**  
₹

As at  
31.03.2012  
₹

**2,361,439,783**

3,233,527,644

**45,150,664**

53,273,745

**-**

15,163

**2,406,590,447****3,286,816,552**

**For the Year**  
**ended**  
**31.03.2013**  
₹

For the Year  
ended  
31.03.2012  
₹

**9,399,663,779**

7,473,669,754

Sale of Products

Other Operating Revenues

Sale of Services

Compensation Received from Project

Other Income from Customers

Lease Rent

License Fees

**745,112,111**

201,711,994

**163,980,934****-****51,564,367**

25,115,082

**10,895,641**

14,400

**12,000**

12,000

**10,371,228,832****7,700,523,230****NOTE 21****OTHER INCOME**

Interest Income

Dividends

Profit on sale of Fixed Assets (Net)

Profit on Sale of Long Term Investments

Miscellaneous Income

**73,807,559**

99,801,708

**16,001,618**

10,811,290

**749****-****-**

382,755,000

**14,663,843**

4,187,222

**104,473,769****497,555,220**

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 22

#### COST OF SALES

Opening Stock:

Less : Adjustment of Fair Value on Amalgamation

#### Add : Expenditure/ Transfers from Advances during the year

Stock-In-Trade Acquired during the year

Development Rights

Land

Construction, Material & Labour

Architect Fees

Advertisement Expenses

Overheads

Interest (Net of Recovery from Landlord ₹ 53,651,359/- (Previous Year ₹ 66,192,304/-))

Less : Project taken over by Partner

Less : Transferred to Capital WIP

Less : Closing Stock

### NOTE 23

#### EMPLOYEE BENEFIT EXPENSES

Salaries, Bonus, Gratuity & Allowances

Contribution to Provident & other funds

Other Employee Benefits

Expense on Employee Stock Option Scheme (Refer Note 33)

### NOTE 24

#### FINANCE COST

Interest Expense

Banks/Financial Institution

Inter Corporate Deposits

Others

Interest on Income Tax

Total Interest Expenses

Other Borrowing cost

#### Total Finance Cost

Less: Capitalised to Projects

Less: Capitalised to Capital WIP

#### NET FINANCE COST

	For the Year ended 31.03.2013 ₹	For the Year ended 31.03.2012 ₹
Opening Stock:	27,383,969,034	10,154,493,284
Less : Adjustment of Fair Value on Amalgamation	1,165,432,640	-
<b>Add : Expenditure/ Transfers from Advances during the year</b>		
Stock-In-Trade Acquired during the year	382,375,500	-
Development Rights	59,629,926	6,491,492,804
Land	814,772,095	7,387,260,000
Construction, Material & Labour	6,678,701,664	5,571,991,857
Architect Fees	253,395,560	144,494,930
Advertisement Expenses	123,224,401	225,344,964
Overheads	2,654,619,033	1,839,326,897
Interest (Net of Recovery from Landlord ₹ 53,651,359/- (Previous Year ₹ 66,192,304/-))	2,172,558,325	1,523,248,280
	<b>13,139,276,504</b>	<b>23,183,159,732</b>
Less : Project taken over by Partner	620,041	-
Less : Transferred to Capital WIP	89,609,543	170,424,150
Less : Closing Stock	32,351,927,984	27,383,969,034
	<b>6,915,655,330</b>	<b>5,783,259,832</b>
Salaries, Bonus, Gratuity & Allowances	115,755,447	35,677,351
Contribution to Provident & other funds	20,536,624	15,775,763
Other Employee Benefits	20,035,639	-
Expense on Employee Stock Option Scheme (Refer Note 33)	20,549,623	10,455,958
	<b>176,877,333</b>	<b>61,909,072</b>
Interest Expense		
Banks/Financial Institution	1,703,614,962	1,361,644,541
Inter Corporate Deposits	1,082,535	36,809,369
Others	374,967,553	152,772,019
Interest on Income Tax	6,173,160	21,850,544
Total Interest Expenses	<b>2,085,838,210</b>	<b>1,573,076,473</b>
Other Borrowing cost	<b>180,272,270</b>	<b>76,035,779</b>
<b>Total Finance Cost</b>	<b>2,266,110,480</b>	<b>1,649,112,252</b>
Less: Capitalised to Projects	<b>2,228,678,487</b>	<b>1,596,024,291</b>
Less: Capitalised to Capital WIP	<b>7,419,840</b>	<b>-</b>
<b>NET FINANCE COST</b>	<b>30,012,153</b>	<b>53,087,961</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 25****OTHER EXPENSES**

	For the Year ended 31.03.2013 ₹	For the Year ended 31.03.2012 ₹
Consultancy Charges	26,077,805	2,808,976
Rent	37,558,608	27,106,174
Insurance	3,752,588	1,612,557
Rates & Taxes	611,343	586,494
Service Charges	-	57,907
Loss on sale of Fixed Assets (Net)	-	102,815
Advertisement & Marketing Expense	90,866,379	39,198,895
Provision for Doubtful Advances	-	63,558,848
Other Expenses	261,840,006	140,457,622
	<b>420,706,729</b>	<b>275,490,288</b>

**Note 26****a) Information on subsidiaries:**

The Subsidiaries and Sub 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 (till March 31, 2012)	India	-	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	India	50.10%	50.10%
6.	Happy Highrises Limited	India	51%	51%
7.	Godrej Estate Developers Private Limited	India	51%	51%
8.	Godrej Buildwell Private Limited (Subsidiary due to control over composition of Board of Directors)	India	49%	49%
9.	Godrej Buildcon Private Limited	India	100%	100%
10.	Godrej Projects Development Private Limited	India	100%	100%
11.	Godrej Premium Builders Private Limited	India	51%	51%
12.	Godrej Garden City Properties Private Limited	India	100%	100%
13.	Godrej Nandhi Hills Projects Private Limited	India	100%	100%
14.	Godrej Landmark Redevelopers Private Limited (Sub Subsidiary w.e.f March 14, 2012)	India	51%	51%
15.	Godrej Redevelopers (Mumbai) Private Limited (Sub Subsidiary w.e.f February 8, 2013)	India	100 %	-

**b) Information on Limited Liability Partnership**

Sr. No	Name of the Company	Country of Incorporation	Percentage of Holding	
			Current Year	Previous Year
1.	Godrej Buildcorp LLP	India	35%	35%
2.	Godrej Property Developers LLP	India	32%	32%
3.	Godrej Vikhroli Properties LLP	India	60%	60%
4.	Mosaic Landmarks LLP	India	51%	51%
5.	Dream World Landmarks LLP (Control through Majority Voting Rights)	India	40%	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Note 27

- (a) A Scheme of Amalgamation ("the Scheme") for the amalgamation of Godrej Waterside Properties Private Limited ("GWPPL" or "the Transferor Company") (a wholly owned subsidiary) with Godrej Properties Limited ("GPL" or "the Transferee Company"), with effect from April 1, 2012, ("the Appointed date") was sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated April 12, 2013 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on April 29, 2013 (the "Effective Date"). Accordingly the standalone results of the Company for the year ended March 31, 2013, include the results of the erstwhile GWPPL for the financial year ended March 31, 2013.
- (b) The amalgamation has been accounted for under the "Purchase method" as prescribed by Accounting Standard (AS-14) on "Accounting for Amalgamation" notified under the Companies (Accounting Standards) Rules, 2006. The Company has carried out the accounting treatment prescribed in the Scheme as sanctioned by the Hon'ble High Court of Judicature at Bombay. The required disclosures as per paragraph 42 of Accounting Standard 14 (AS-14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 has been provided. Accordingly, the Scheme has been given effect to in these accounts and all the assets and liabilities of GWPPL stands transferred to and vested in the Transferee Company with effect from the Appointed Date. In accordance with the Scheme, the assets and liabilities of GWPPL have been taken over and recorded at their fair values as determined by the Board of Directors of GPL.
- (c) The value of the Net Assets of the Transferor Company taken over by the Transferee Company on Amalgamation is as under:

Particulars	(Amount in ₹)
Fixed Assets	1,581,696
Cash & Bank Balances	195,438,328
Inventories	1,993,777,081
Debtors and other Receivables	437,819,630
Less: Creditors and other Payables	322,984,659
Net Assets taken over	2,305,632,076
Less: Cancellation of inter-company investments, loans and advances	3,534,284,713
Difference arising pursuant to the Scheme of Amalgamation	1,228,652,637

- (d) To give effect to the Honorable Bombay High Court's order dated April 12, 2013 regarding scheme of Amalgamation, the following actions have been performed:
- (i) The Cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting ₹ 5,300,000/- have been directly adjusted against the opening balance of Surplus in Statement of Profit & Loss of the Transferee Company.
- (ii) The amount of ₹ 1,228,652,637/- arising out of the difference between the fair value of the net assets of the Transferor Company taken over and cancellation of intercompany investments loans and advances between the Transferor Company and the Transferee Company has been adjusted from the opening balance of General Reserve and opening balance of Surplus in the Statement of Profit & Loss as per the Scheme.
- (e) The following amounts have been adjusted from the opening balance of General Reserve and Opening balance in the Statement of Profit & Loss.

Particulars	(Amount in ₹)
Difference arising pursuant to Scheme of Amalgamation	1,228,652,637
Cost and Expenses of Amalgamation	5,300,000
<b>TOTAL</b>	<b>1,233,952,637</b>
Less: Adjustment against opening balance of General Reserve	462,000,000
Less: Adjustment against Opening balance in the Statement of Profit & Loss	771,952,637
Balance	NIL

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (f) In accordance with the scheme of Amalgamation, an amount of ₹ 1,228,652,637/- on account of Goodwill on merger has been adjusted from the opening balance in the General Reserve and Opening balance of Surplus in the Statement of Profit & Loss instead of amortising the same in the Statement of Profit & Loss over a period of five years. The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 5,300,000/- have been directly adjusted from the Opening balance of Surplus in the Statement of Profit & Loss of the Company. Had the scheme not prescribed the above treatment, the profit for the year would have been lower by ₹ 251,030,527/-, the Goodwill would have been higher by ₹ 982,922,110/- (net written down value), the General Reserve Account would have been higher by ₹ 462,000,000/- and the surplus in the Statement of Profit & Loss would have been higher by ₹ 520,922,110/-

Since the entire issued, subscribed and paid-up capital of the Transferor Company was held by the Transferee Company, upon the Scheme becoming effective, no shares of the Transferee Company have been allotted in lieu or exchange of its holding in GWPL and the share capital of GWPL stands cancelled.

- (g) Since the aforesaid Scheme of amalgamation of the above mentioned Company with the Company, which is effective from April 1, 2012, has been given effect to in these accounts, the figures for the current year to that extent are not comparable with those of the previous year.

**Note 28****a) Contingent Liabilities:**

<b>Matters</b>	<b>Current year ₹</b>	<b>Previous Year ₹</b>
<b>I) Claims against Company not Acknowledged as debts;</b>		
i) 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.	<b>83,499,992</b>	30,644,189
ii) Claims against the Company under the Labour Laws for disputed cases	<b>1,989,240</b>	1,989,240
iii) Claims against the Company under Bombay Stamp Act, 1958	<b>14,850,000</b>	14,850,000
iv) Other Claims against the Company not acknowledged as debts	<b>3,925,000</b>	3,925,000
v) Claims against the Company under Income Tax Act, Appeal preferred to Commissioner of Income Tax (Appeals)	<b>15,552,749</b>	24,381,128
vi) Claims against the Company under Sales Tax Act, Appeal preferred to The Joint Commissioner of Commercial Taxes (Appeals)	<b>12,130,007</b>	12,130,007
vii) Appeal preferred to Customs, Excise and Service Tax Appellate tribunal at Bangalore	<b>316,499,606</b>	-
<b>II) Guarantees;</b>		
i) Guarantees given by Bank, counter guaranteed by the Company	<b>177,210,003</b>	263,279,003
<b>III) Other Money for which Company is contingently liable</b>		
i) Letter of credit opened by Bank on behalf of the Company	<b>113,425,102</b>	49,330,213

**b) Commitments**

<b>Particulars</b>	<b>Current year ₹</b>	<b>Previous Year ₹</b>
I) Capital Commitment	-	200,197
II) Uncalled amount of partly paid shares of Tahir Properties Limited	<b>7,850</b>	7,850
III) Major Contracts Commitment Outstanding for Civil, Elevator, External Development, MEP work etc	<b>12,400,655,385</b>	11,138,319,391

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Note 29

- a) **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 ₹) March 31, 2013
Amount Received from IPO	4,688,471,300
* Utilization of Funds up to the reporting date :	
Funding to part finance the acquisition of land developments rights and construction costs	2,179,110,000
Repayment of Loans	2,011,700,000
Issue Expenses	405,350,143
Balance unutilized amount temporarily invested in Mutual Funds	92,311,157
<b>TOTAL</b>	<b>4,688,471,300</b>
Amount Received from IPO	4,688,471,300

As on 31<sup>st</sup> March 2013, unutilized funds have been temporarily invested in mutual funds schemes as mentioned in the prospectus of the Company.

\*Revised Amount Proposed to be utilized as approved by shareholders in AGM held on July 22, 2011

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

Particulars	(Amount in ₹) March 31, 2013
Amount Received from IPP	4,707,415,750
Utilization of Funds up to the reporting date :	
Repayment of Loans	4,593,415,750
Issue Expenses	114,000,000
<b>TOTAL</b>	<b>4,707,415,750</b>

IPP proceeds have been utilized as per the offer document of the Company.

### Note 30

- a) **Outstanding Secured 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 <sup>th</sup> March 2006	1,156,876	11,568,760
			12 <sup>th</sup> March 2007	1,715,000	17,150,000
	<b>Total</b>			<b>2,871,876</b>	<b>28,718,760</b>

\*The subsidiary companies ("the Issuer company") had issued debentures to HDFC Venture Trustee Company Limited, which are redeemable on April 10, 2015 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.

- b) **Outstanding Unsecured Debentures to Madhavi Ventures Limited:**

Sr. No.	Particulars	Issuer	Date of Allotment	Units	Amount (₹)
1.	12% Compulsorily Convertible Debenture	Godrej Premium Builders Private Limited	29 <sup>th</sup> December, 2011	267,000	267,000,000

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The subsidiary company ("the Issuer company") had issued debentures to Madhavi Ventures Limited, maximum term of these compulsorily convertible debentures is 10 years.

### c) Outstanding Secured Debentures to ASK Property Investment Advisor & Group

Sr. No.	Particulars	Issuer	Date of Allotment	Units	Amount (₹)
1.	10% Secured	Godrej	1 <sup>st</sup> April 2012	1,176,000	117,600,000
	Cumulative	Landmark	30 <sup>th</sup> April 2012	350,000	35,000,000
	Optionally	Redevelopers	28 <sup>th</sup> May 2012	2,230,000	223,000,000
	Convertible Class B	Private Limited	9 <sup>th</sup> November 2012	200,000	20,000,000
	Debenture		21 <sup>st</sup> March 2013	270,000	27,000,000
	<b>TOTAL</b>			<b>4,226,000</b>	<b>422,600,000</b>

### Note 31

#### Dues to Micro and Small Enterprises

Disclosure of trade payables and other 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 31<sup>st</sup> March, 2013 to Micro & Small Enterprises on account of principal amount together with interest and also during the previous year.

### Note 32

#### Employee Stock Option Plan:

- a) During the financial year ended 31<sup>st</sup> 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 28<sup>th</sup> 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 (₹)
	As on March 31, 2013	As on March 31, 2012	
Options Outstanding at the beginning of the year	317,700	372,700	620.00 (plus interest) till March 31, 2012
Options granted	-	-	
Options exercised	-	-	
Less : Forfeited / Lapsed / Idle / Available for Reissue	37,000	55,000	
Options Outstanding at the year end	280,700	317,700	620.00 (plus interest) (till March 31, 2012)

All the Options Outstanding as on March 31, 2013 are vested.

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 ₹ 443,402,597/- (Previous Year ₹ 443,911,462/-) 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 Market Value as on March 31, 2013, of the shares held by the ESOP trust is lower than the holding cost of these shares by ₹ 123,999,119/- (Net of Provision of ₹ 58,923,028/-), Previous year ₹ 82,347,882/- (Net of Provision ₹ 58,923,028/-). 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.

- b) The Company has provided loan of ₹ 75,320,420/- (Previous Year ₹ 89,803,589/-) to Godrej Industries Limited Employee Stock Option Scheme (GIL ESOP), which is administered by an independent ESOP Trust which purchases shares of



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

### Note 33

#### Employee Stock Grant Scheme

- a) During the period April 1, 2011 to March 31, 2013, the Company instituted an Employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 93,232 options convertible into 93,232 Equity Shares of ₹ 10/- each to eligible employees of Godrej Properties Limited, its Holding and its Subsidiary Companies (the Participating Companies) 41,203 options with effect from 7<sup>th</sup> May, 2011, 1,878 options w.e.f. 1<sup>st</sup> October 2011, 36,208 w.e.f. 1<sup>st</sup> June 2012, 11,020 w.e.f. 1<sup>st</sup> June 2012, 2,218 w.e.f. 1<sup>st</sup> August 2012, 345 w.e.f. 1<sup>st</sup> November 2012 and 360 w.e.f. 1<sup>st</sup> February 2013. Out of the total 93,232 stock grants 17,617 stock grants have lapsed on account of employees leaving the service of the company before the vesting date, 9,284 stock grants have vested and hence 66,331 stock grants are outstanding as at March 31, 2013.

Particulars	No. of Options		Exercise Price (₹)
	As on March 31, 2013	As on March 31, 2012	
Options Outstanding at the beginning of the year	29,643	-	10.00
Options granted	50,151	43,081	
Options exercised	9,284	NIL	
Less : Option lapsed	4,179	13,438	
Options Outstanding at the year end	66,331	29,643	10.00

Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option is ₹ 17.73 per share as on March 31, 2013.

- b) Employee compensation cost using the intrinsic value method recognized by the company in the Statement of Profit & Loss as on March 31, 2013 is ₹ 20,549,623/-
- c) The Fair Value of the share options has been determined using the Black – Scholes Option Pricing Model. Had the fair value method of accounting been used, the net profit earnings per share would have been as per the pro forma amounts indicated below.

(Amount in ₹)

Particulars	Current Year	Previous Year
Net Profit ( as reported)	1,384,349,315	979,259,309
Add: Stock based compensation expense determined under Intrinsic Value method recognized in Statement of Profit & Loss	20,549,623	10,455,958
Less: Stock based compensation expense determined under fair value based method (Pro Forma)	20,385,936	10,396,846
Net Profit (Pro Forma)	1,384,513,002	979,318,421
Basic Earnings per share (as reported)	17.74	14.00
Diluted Earnings per share (as reported)	17.73	13.99
Basic Earnings per share (Pro Forma)	17.74	14.00
Diluted Earnings per share (Pro Forma)	17.73	14.00

### Note 34

#### 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:

(Amount in ₹)

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 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. These Leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms. The particulars of the premises taken on operating leases are as under:

(Amount in ₹)

Particulars	Current Year	Previous Year
Future minimum lease payments under operating leases		
➤ Not later than 1 year	72,052,021	45,965,474
➤ Later than 1 year and not later than 5 years	43,824,355	73,440,470
➤ Later than 5 years	-	1,203,149

### Note 35

#### Employee Benefits

##### (a) Defined Contribution Plans:

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

(Amount in ₹)

Particulars	Current Year	Previous Year
Employers' Contribution to Provident Fund	20,419,939	15,658,687
Employers' Contribution to ESIC	116,685	117,076

##### (b) Defined Benefit Plans:

#### 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 recognized in the Group's financial statements as at 31 March 2013:

(Amount in ₹)

Particulars	Current Year	Previous Year
<b>Change in present value of obligation</b>		
Present value of obligation as at beginning of the year	13,023,352	12,341,062
Interest Cost	1,106,985	1,018,138
Service Cost	3,473,662	2,453,073
Benefits Paid	(1,861,974)	(9,739,104)
Effect of Liability Transfer in	3,972,250	329,724
Effect of Liability Transfer out	-	(40,803)
Actuarial (gain)/loss on obligation	(280,148)	6,661,262
Present value of obligation, as at end of the year	19,434,127	13,023,352
<b>Amount recognized in the Balance Sheet</b>		
Present value of obligation, as at end of the year	19,434,127	13,023,352
Fair value of plan assets as at end of the year	-	-
Net obligation as at end of the year	19,434,127	13,023,352
<b>Net gratuity cost for the year ended</b>		
Current Service Cost	3,473,662	2,453,073
Interest Cost	1,106,985	1,018,138
Expected return on plan assets	-	-
Past Service Cost (Vested Benefit)	-	-
Net Actuarial (gain)/loss to be recognized	(280,148)	6,661,262

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Current Year	Previous Year
Net gratuity cost	4,300,499	10,132,473
<b>Assumptions used in accounting for the gratuity plan</b>		
	(In %)	(In %)
Discount Rate	8.00	8.50
Salary escalation rate	5.00	5.00
Attrition Rate	1.00	1.00

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.

### Note 36

#### 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.

### Note 37

#### Related Party Disclosures:

Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below:	
<b>(i)</b>	<b>Relationships:</b>
	Shareholders (Holding Company)  Godrej Industries Limited (GIL) holds 61.46% (Previous Year 61.46%) shares in the Company. GIL is the subsidiary of Godrej & Boyce Mfg. Co. Limited, the Ultimate Holding Company.
<b>(ii)</b>	<b>Other Related Parties in Godrej Group, where common control exists :</b>
	Godrej Investments Private Ltd. Godrej Infotech Ltd. Wadala Commodities Ltd. Vora Soaps Limited Cartini India Limited Bahar Agrochem & Feeds Private Limited Godrej (Malaysia) Sdn. Bhd. (incorporated in Malaysia) Godrej (Singapore) Pte. Ltd. (incorporated in Singapore) Veromatic International BV (incorporated in the Netherlands) Busbar Systems (India) Ltd (formerly, Busbar Systems (India) Private Limited), (a Wholly-owned subsidiary w.e.f. 1st February, 2013)(name changed w. e. f. 15th March, 2013)
	<b>A. Subsidiaries of Godrej Industries Ltd.:</b>
	1. Godrej Agrovet Ltd. (GAVL) 2. Ensemble Holdings & Finance Ltd. 3. Godrej International Ltd. (incorporated in the Isle of Man) 4. Natures Basket Ltd. 5. Godrej International Trading & Investments Pte Ltd. (Incorporated in Singapore) (a subsidiary of Godrej Industries Ltd w.e.f. 1 <sup>st</sup> August, 2011) 6. Swadeshi Detergents Limited (a subsidiary of Godrej Industries Ltd w.e.f. 20 <sup>th</sup> March, 2013)
	<b>B. Subsidiaries of GAVL:</b>
	1. Golden Feed Products Ltd. 2. Godrej Seeds & Genetics Limited 3. Goldmuhor Agrochem Feeds Limited (w.e.f. 2 <sup>nd</sup> January, 2013)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	<p><b>C. Subsidiary of Godrej (Malaysia) Sdn. Bhd.:</b></p> <ol style="list-style-type: none"> <li>1. G&amp;B Enterprises (Mauritius) Pvt. Ltd. (incorporated in Mauritius) (a wholly-owned subsidiary of Godrej (Malaysia) Sdn. Bhd.)</li> </ol> <p><b>D. Subsidiaries of Godrej (Singapore) Pvt. Ltd.:</b></p> <ol style="list-style-type: none"> <li>1. JT Dragon Pte. Ltd. (Incorporated in Singapore)</li> <li>2. Godrej (Vietnam) Co. Ltd. (Incorporated in Vietnam) (a wholly owned subsidiary of JT Dragon Pte. Ltd.)</li> </ol> <p><b>E. Subsidiaries of Veromatic International BV:</b></p> <ol style="list-style-type: none"> <li>1. Veromatic Services BV (incorporated in the Netherlands)</li> <li>2. Water Wonder Benelux BV (incorporated in the Netherlands)</li> </ol> <p><b>F. Other Subsidiaries (where the Group Company owns directly and/or indirectly through one or more subsidiaries, more than one half of the equity share capital)</b></p> <ol style="list-style-type: none"> <li>1. Mercury Mfg. Co. Ltd.</li> <li>2. Godrej Consumer Products Ltd. (GCPL)</li> </ol> <p><b>G. Subsidiaries and Sub-subsidiaries of GCPL:</b></p> <ol style="list-style-type: none"> <li>1. Rapidol (Pty) Ltd. (incorporated in South Africa)</li> <li>2. Godrej Netherlands BV (incorporated in the Netherlands)</li> <li>3. Godrej Global MidEast FZE (incorporated in Sharjah, U.A.E.)</li> <li>4. Godrej Consumer Products Mauritius Ltd.</li> <li>5. Godrej Hygiene Products Ltd.</li> <li>6. Godrej Consumer Products Holding( Mauritius) Ltd. (incorporated in Mauritius)</li> <li>7. Godrej Household Products Lanka Pvt. Ltd. (incorporated in Sri Lanka)</li> <li>8. Godrej Household Products Bangladesh Pvt. Ltd. (incorporated in Bangladesh)</li> <li>9. Godrej Consumer Products Bangladesh Ltd. (incorporated in Bangladesh)</li> <li>10. Godrej Mauritius Africa Holdings Ltd.(incorporated in Mauritius)</li> <li>11. Godrej Weave Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)</li> <li>12. Godrej Consumer Products (UK) Ltd. (incorporated in the United Kingdom) (a subsidiary of Godrej Netherlands BV)</li> <li>13. Keyline Brands Ltd. (a subsidiary of Godrej Consumer Products (UK) Ltd)</li> <li>14. Inecto Manufacturing Ltd. (a subsidiary of Keyline Brands Ltd.)</li> <li>15. Godrej Kinky Holdings Ltd. (a subsidiary of Godrej Consumer Products Mauritius Ltd)</li> <li>16. Kinky Group Pty Ltd. (a subsidiary of Godrej Kinky Holdings Ltd.)</li> <li>17. Godrej Nigeria Ltd. (incorporated in Nigeria) (a subsidiary of Godrej Nigeria Holdings Ltd)</li> <li>18. Indovest Capital Ltd. (incorporated in Malaysia) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)</li> <li>19. Godrej Consumer Products Dutch Cooperatief UA, (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd)</li> <li>20. Godrej Consumer Holdings (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)</li> <li>21. Godrej Consumer Products (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA )</li> <li>22. Godrej Indonesia Netherlands Holding BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)</li> <li>23. PT Megasari Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)</li> <li>24. PT Intrasari Raya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) B)</li> <li>25. PT Simba Indosnack Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)</li> </ol>
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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

26. PT Ekamas Sarijaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
27. PT Indomas Susemi Jaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
28. PT Sarico Indah (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
29. Godrej Argentina Dutch Cooperatief UA (incorporated in Netherlands) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
30. Godrej Netherlands Argentina Holding BV. (incorporated in Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)
31. Godrej Netherlands Argentina BV (incorporated in the Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)
32. Panamar Procuccioness Srl (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
33. Argencos S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
34. Laboratoria Cuenca S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
35. Issue Group Uruguay S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)
36. Deciral S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)
37. Issue Group Brazil Ltd. (incorporated in Brazil) (a subsidiary of Laboratoria Cuenca S.A.)
38. Consell S.A. (incorporated in Argentina) (a subsidiary of Laboratoria Cuenca S.A.)
39. Godrej Consumer Products Nepal Pvt. Ltd.
40. Subinite Pty Ltd. (incorporated in South Africa) (a subsidiary of Weave Business Holdings Mauritius Pvt. Ltd.)
41. Lorna Nigeria Ltd (incorporated in Nigeria) (a subsidiary of Weave Business Holdings Mauritius Pvt. Ltd.)
42. Weave IP Holding Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Weave Business Holdings Mauritius Pvt. Ltd. w.e.f. 1<sup>st</sup> September, 2011)
43. DGH Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd.)
44. Weave Business Holdings Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of DGH Mauritius Pvt. Ltd. w.e.f. 1<sup>st</sup> September, 2011)
45. Weave Trading Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd. w.e.f. 1<sup>st</sup> September, 2011)
46. Hair Trading (offshore) S. A. L. (incorporated in Lebanon) (a wholly-owned subsidiary of Weave Trading Mauritius Pvt Ltd w.e.f. 1<sup>st</sup> October, 2011)
47. Weave Mozambique Limitada (incorporated in Mozambique) (a subsidiary of Weave Business Holdings Mauritius Pvt Ltd w.e.f. 13<sup>th</sup> October, 2011)
48. Godrej Consumer Investments (Chile) Spa, (incorporated in Chile) (a subsidiary of Godrej Netherlands BV w.e.f. 5<sup>th</sup> April, 2012)
49. Godrej Holdings (Chile) Limitada, (incorporated in Chile) (a subsidiary of Godrej Consumer Investments Spa w.e.f. 5<sup>th</sup> April, 2012)
50. Cosmetica Nacional, (incorporated in Chile) (a subsidiary of Godrej Holdings (Chile) Limitada w.e.f. 20<sup>th</sup> April, 2012)
51. Plasticos Nacional, (incorporated in Chile) (a subsidiary of Cosmetica Nacional w.e.f. 20<sup>th</sup> April, 2012)
52. Godrej East Africa Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd. w.e.f. 20<sup>th</sup> July, 2012)
53. Style Industries Ltd. (incorporated in Kenya) (a subsidiary of DGH Phase 2 w.e.f. 1<sup>st</sup> November, 2012)
54. DGH Phase 2 (incorporated in Mauritius) (a subsidiary Godrej East Africa Holdings Limited w.e.f. 1<sup>st</sup> November, 2012)
55. Godrej Tanzania Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd. w.e.f. 30<sup>th</sup> November, 2012)
56. DGH Tanzania Ltd (incorporated in Tanzania) (a subsidiary of Godrej Tanzania Holdings Ltd. w.e.f. 6<sup>th</sup> December, 2012)
57. Sigma Hair Ind Ltd (incorporated in Tanzania)(a subsidiary of DGH Tanzania Ltd w.e.f. 19<sup>th</sup> December, 2012)



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

<b>(iii)</b>	<b>Joint Ventures and Associates :</b>
	HDFC Venture Trustee Company Limited Red Fort India Real Estate Babur Milestone Real Estate Fund HDFC PMS India Realty Excellence Fund Madhavi SA Investments LLC Madhavi Ventures Limited Ramesh P. Bhatia Repton Landmarks LLP ASK Property Investment Advisor & Group
<b>(iv)</b>	<b>Key Management Personnel :</b>
	Mr. Pirojsha Godrej Mr. K.T. Jithendran Mr. V. Srinivasan
<b>(v)</b>	<b>Individuals exercising Significant Influence :</b>
	Mr. A. B. Godrej Mr. N. B. Godrej

**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) & (iii) above**

(Amount in ₹)					
Sr. No	Description	Godrej & Boyce Mfg Co Ltd	Godrej Industries Ltd	Joint Ventures and Associates	Other Related Parties In Godrej Group
		( i )	( i )	(iii)	( ii )
1	Issue/ Conversion of equity share capital/ capital account	- -	- 8,000,000	7,371,521 1,000,000	- -
2	(Purchase)/ Sale of equity share	- -	- -	(49,992,025) 383,245,000	- -
3.	Purchase of fixed assets	1,305,146 4,435,307	- -	- -	45,717 -
4.	Advances given/(taken)	6,755,527 -	- -	- 24,760,000	- -
5.	Advances repaid	- -	- -	- 18,100,000	- -
6.	Amount received against Sale of Units	1,016,648,787 -	2,718,730,307 -	- -	919,240,802 778,560,317
7.	Deposits given	- -	1,315,000 2,700,000	- -	- -
8.	Deposit repaid	- -	1,600,000 800,000	- -	- -
10	Income Received from other Companies	444,387,093 45,916,073	12,252,562 26,400	4,984,677 1,066,610	137,900 7,426,854

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

Sr. No	Description	Godrej & Boyce Mfg Co Ltd	Godrej Industries Ltd	Joint Ventures and Associates	Other Related Parties In Godrej Group
		( i )	( i )	(iii)	( ii )
11.	Expenses charged by other companies	481,244,302 <i>7,333,324,214</i>	65,648,785 <i>60,544,544</i>	- <i>124,623</i>	7,338,626 <i>4,975,031</i>
12.	Share of Profit in LLP	- -	530,610,902 <i>262,419,048</i>	- -	- -
13.	Amount received on transfer of Employee (Net)	- -	11,579,502 <i>83,631</i>	- -	1,510,228 -
14.	Sale of Units	797,827,182 -	670,407,355 <i>1,057,008,011</i>	- -	481,405,717 <i>759,015,664</i>
15.	Dividend Paid	3,810,000 <i>3,105,000</i>	143,895,627 <i>222,008,441</i>	- -	5,753,550 <i>8,630,326</i>
16.	Debentures Interest	- -	- -	68,408,171 <i>10,384,852</i>	- -
17.	Debenture Application Money received	- -	- -	- <i>94,080,000</i>	- -
18.	Investment in Debenture	- -	- -	422,600,000 <i>267,000,000</i>	- -
19.	Redemption of Debenture	- -	- -	179,531,240 -	- -
20.	Debentures Outstanding	- -	- -	718,318,760 <i>482,600,000</i>	- -
21.	Outstanding receivables, net of (payables)	(5,997,268,230) <i>(7,166,869,059)</i>	(16,919,665) <i>1,075,137,943</i>	41,075,471 <i>(88,841,892)</i>	(45,717) -
22.	Deposits Receivable	- -	5,940,000 <i>6,225,000</i>	- -	- -

*Figures in italics are for previous year*

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

(Amount in ₹)

Sr. No.	Key Management Personnel (KMP)	Current Year	Previous Year
1.	Remuneration	<b>67,809,114</b>	75,312,539
2.	Dividend Paid	<b>1,573,440</b>	2,390,364
3.	Deposit accepted from KMP & their relative	-	1,000,000
4.	Repayment of Deposit	-	1,500,000
5.	Interest paid on Deposit	<b>20,636</b>	209,004
6.	Deposit Outstanding	-	2,250,000
7.	Amount received from Sale of Flats/ Units to KMP & their relative	<b>10,826,300</b>	5,909,278
	Individuals exercising significant Influence :		
	Dividend paid – Mr. N.B.Godrej	<b>4,686,750</b>	7,030,125
	Amount received from Sale of Flats/ Units - Mr. N.B.Godrej	<b>1,447,411</b>	1,234,629

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 3. Significant Related Party Transactions.

Nature of Transactions	Other Related Parties in the Godrej Group	Amount in (₹)
Issue of equity share capital/ Capital Account	HDFC Venture Trustee Company Limited	7,350,000 -
	Ramesh P. Bhatia	21,408 500,000
	Repton Landmarks LLP	- 500,000
(Purchase) Sale of equity share	HDFC Venture Trustee Company Limited	(49,992,025) -
	Madhavi SA Investments LLC	- 183,000,000
	ASK Property Investment Advisor	- 200,245,000
Purchase of fixed assets	Godrej & Boyce Mfg Co. Limited	1,305,146 4,435,307
Advances given/ (taken)	Godrej & Boyce Mfg Co. Limited	6,755,527 -
	Ramesh P. Bhatia	- (12,280,000)
	Repton Landmarks LLP	- 37,040,000
Advances repaid	Ramesh P. Bhatia	- 18,100,000
Deposit Given	Godrej Industries Limited	1,315,000 2,700,000
Deposit Repaid	Godrej Industries Limited	1,600,000 800,000
Income Received from other Companies	Godrej Industries Limited	12,252,562 26,400
	Godrej Consumer Products Ltd	137,900 7,426,854
	Godrej & Boyce Mfg. Co. Limited	444,387,093 45,916,073
	Repton Landmarks LLP	4,307,803 1,032,262
Amount received against sale of Units	Godrej Industries Limited	2,718,730,307 -
	Godrej & Boyce Mfg. Co. Limited	1,016,648,787 -
	Godrej Consumer Products Ltd	511,221,269 -

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Nature of Transactions	Other Related Parties in the Godrej Group	Amount in (₹)
Expenses charged by other Companies.	Godrej & Boyce Mfg. Co. Limited	481,244,302 <b>7,333,324,214</b>
	Godrej Industries Limited	65,648,785 <b>60,544,544</b>
Amount received on transfer of Employee (Net)	Godrej Industries Limited	11,579,502 <b>83,631</b>
	Godrej Consumer Products Ltd.	1,510,228 -
Sale of Units	Godrej & Boyce Mfg. Co. Limited	797,827,182 -
	Godrej Industries Limited	670,407,355 <b>1,057,008,011</b>
	Godrej Consumer Products Ltd	314,052,650 <b>495,155,910</b>
Dividend Paid	Godrej Industries Limited	143,895,627 <b>222,008,441</b>
Debenture Interest	HDFC Venture Trustee Company Limited	1,703,785 <b>2,156,000</b>
	Madhavi SA Investments LLC	32,040,000 <b>8,228,852</b>
	Ask PMS & Others	34,664,386 -
Debenture Application Money received	ASK Property Investment Advisor	- <b>94,080,000</b>
Investment in Debenture	ASK Property Investment Advisor & Group	422,600,000 -
Redemption of Debenture	HDFC Venture Trustee Company Limited	179,531,240 -
Debentures Outstanding	HDFC Venture Trustee Company Limited	28,718,760 <b>215,600,000</b>
	Madhavi SA Investments LLC	267,000,000 <b>267,000,000</b>
	ASK Property Investment Advisor & Group	422,600,000 -
Outstanding receivables, net of (payables)	HDFC Venture Trustee Company Limited	(79,402) <b>(38,473,115)</b>
	Godrej Industries Limited	(16,919,665) <b>1,075,137,943</b>
	Godrej & Boyce Mfg Co. Limited	(5,997,268,230) <b>(7,166,869,059)</b>
Deposit Receivable	Godrej Industries Limited	5,940,000 <b>6,225,000</b>

*Figures in italics are for previous year.*

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**Note 38****Earnings Per Share**

Particulars	Current Year	Previous Year
Profit after tax (Including prior year's tax adjustments, Prior Period Income and excluding Minority Interest as per Statement of Profit & Loss)	₹ 1,384,349,315	₹ 979,259,309
Number of Shares at the beginning of the year	78,036,819	69,850,009
Number of Equity shares outstanding at the end of the year	78,046,103	78,036,819
Weighted average no. of equity shares outstanding	78,044,133	69,961,851
Add: Weighted average number of potential equity shares on account of employee stock options	26,615	12,780
Weighted average no. of common & dilutive common equity shares outstanding (Numbers)	78,070,748	69,974,631
Basic earnings per share	₹ 17.74	₹ 14.00
Diluted earnings per share	₹ 17.73	₹ 13.99
Nominal value of shares	₹ 10 /-	₹ 10 /-

**Note 39****i) Un-hedged Foreign Currency Exposures**

	Current Year		Previous Year	
Uncovered Foreign currency exposure as at the year end	Foreign Currency	Amount in ₹	Foreign Currency	Amount in ₹
US Dollar	67,093	3,649,127	200,687	10,266,428
Euro	4,800	333,810	-	-
Australian Dollar	11,073	625,938	-	-
Kuwait Dinar	-	-	362	66,263
GBP	-	-	15,505	1,268,318

**Note 40****Information in respect of Joint Ventures.****Jointly Controlled Operations - Development of the following Residential / Commercial Projects:**

Godrej Woodsman Estate, Bangalore	- Area Sharing
Godrej Gold County, Bangalore	- Revenue Sharing
Edenwoods, Mumbai	- Revenue / Profit Sharing
Shivajinagar, Pune	- Profit Sharing
Bhugaon, Pune	- Profit Sharing
Godrej Alpine, Mangalore	- Area Sharing / Revenue Sharing
Sanjay Khan, Bangalore	- Revenue Sharing
Grenville Park, Mumbai	- Profit Sharing
Godrej Garden City, Ahmedabad	- Area Sharing / Revenue Sharing
Godrej Crest, Bangalore	- Area Sharing / Revenue Sharing
Kochi	- Revenue Sharing
Umbarde, Kalyan	- Revenue Sharing
Godrej Frontier, Gurgaon	- Area Sharing / Revenue Sharing
Godrej Serenity, Mumbai	- Revenue Sharing



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Waterside IT Park, Kolkata	- Area Sharing
Godrej Prakriti, Kolkata	- Area Sharing
Godrej Genesis, Kolkata	- Area Sharing
Godrej Eternia, Chandigarh	- Revenue Sharing
Godrej Palm Grove, Chennai	- Revenue Sharing
Nandhi Hills, Bangalore	- Revenue Sharing
Godrej Anandam , Nagpur	- Revenue Sharing
Godrej Platinum, Mumbai	- Revenue Sharing
Godrej Palm, Mumbai	- Area Sharing
GPL Jet Airways, Mumbai	- Profit Sharing
Electronic City, Bangalore	- Revenue Sharing
Godrej Summit, Gurgaon	- Area Sharing
Godrej Horizon, Undri	- Profit Sharing
The Trees, Vikhroli	- Profit Sharing
Lawkim, Thane	- Profit Sharing
Moosapet, Hyderabad	- Revenue Sharing
Sahakar Nagar, Mumbai	- Revenue Sharing
Godrej Panvel	- Profit Sharing
Godrej Platinum, Kolkata	- Revenue Sharing
Sundar Sangam Redevelopment, Mumbai	- Area Sharing
Undri II	- Profit Sharing
Sahakar Nagar II, Mumbai	- Revenue Sharing

### **Note 41**

Previous year figures have been regrouped wherever necessary to conform to current year's classification.

## STATEMENT REGARDING SUBSIDIARY &amp; LIMITED LIABILITY PARTNERSHIP PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Sr. No.	Name of Subsidiary Company	Accounting Period		Capital	Reserves		Total Assets		Total Liabilities		Turnover		Profit before taxation		Provision for taxation		Profit after taxation		Proposed / Interim Dividend		Country
		Current Period	Previous Period		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	
1	Godrej Realty Pvt. Ltd.	2012-13	2011-12	17,350,000	20,611,164	16,752,887	97,400,514	215,085,787	97,400,514	215,085,787	6,877,525	10,335,064	5,894,922	8,731,556	1,225,845	2,808,112	3,859,077	5,923,483	-	-	INDIA
2	Godrej Developers Private Limited	2012-13	2011-12	667,300	(694,490)	40,840,660	2,431,737,321	2,286,634,805	2,431,737,321	2,286,634,805	293,603,474	434,368,236	(41,556,102)	47,779,956	(20,952)	15,875,302	(41,335,150)	31,904,688	-	-	INDIA
3	Godrej Real Estate Private Limited	2012-13	2011-12	500,000	(1,401,454)	(1,130,888)	1,389,746,814	1,316,825,310	1,389,746,814	1,316,825,310	-	-	(284,660)	(349,514)	(14,000)	(22,000)	(270,566)	(327,514)	-	-	INDIA
4	Godrej Sea View Properties Private Limited	2012-13	2011-12	500,000	22,083,899	(3,402,731)	1,000,745,288	646,793,375	1,000,745,288	646,793,375	415,521,749	10,426	36,634,540	(1,914,312)	11,138,000	(214,000)	25,406,540	(1,700,312)	-	-	INDIA
5	Happy Highrises Limited	2012-13	2011-12	2,031,200	618,415,658	399,783,706	2,900,515,248	2,274,753,106	2,900,515,248	2,274,753,106	1,890,283,316	893,946,590	325,110,352	239,623,754	106,478,400	79,486,557	218,631,952	160,135,197	-	-	INDIA
6	Godrej Estate Developer Pvt. Ltd.	2012-13	2011-12	500,000	(41,207,483)	17,488,432	2,141,429,638	1,559,703,405	2,141,429,638	1,559,703,405	169,845,620	176,291,743	(59,954,882)	19,396,882	(238,466)	6,416,228	(58,695,916)	12,970,634	-	-	INDIA
7	Godrej Bulkwell Pvt. Ltd.	2012-13	2011-12	532,220	235,134	(34,867)	1,682,176,802	1,219,852,371	1,682,176,802	1,219,852,371	557,887	3,450,030	387,221	(37,977)	117,220	(5,000)	270,001	(32,977)	-	-	INDIA
8	Godrej Bulkcon Pvt. Ltd.	2012-13	2011-12	500,000	(882,600)	(161,918)	8,798,798,322	7,057,606,797	8,798,798,322	7,057,606,797	-	-	(608,682)	(1,890)	82,000	-	(690,682)	(1,890)	-	-	INDIA
9	Godrej Projects Development Pvt. Ltd.	2012-13	2011-12	500,000	210,611,712	124,044,918	729,704,281	228,132,521	723,704,281	228,132,521	174,673,099	200,000,000	123,973,778	187,757,238	37,406,984	62,282,000	86,566,794	125,475,238	-	-	INDIA
10	Godrej Premium Builders Pvt. Ltd.	2012-13	2011-12	500,000	2,948,450	(157,047)	1,754,509,585	880,684,667	1,754,509,585	880,684,667	11,952,491	5,788,108	4,267,487	(1,754)	1,161,990	-	3,105,497	(1,754)	-	-	INDIA
11	Godrej Garden City Properties Pvt. Ltd.	2012-13	2011-12	500,000	(607,943)	(366,123)	90,297	323,769	90,297	323,769	-	-	(235,820)	(210,830)	-	-	(235,820)	(210,830)	-	-	INDIA
12	Godrej Nandhi Hills Project Pvt. Ltd.	2012-13	2011-12	1,000,000	221,882,980	219,820,421	231,664,955	227,896,331	231,664,955	227,896,331	3,085,565	1,683,283	2,986,461	1,683,283	933,900	212,657	2,062,561	1,470,626	-	-	INDIA
13	Godrej Landmark Redevelopers Pvt. Ltd.*	2012-13	14/03/12 to 31/03/12	500,000	(18,500)	(1,850)	934,044,642	244,701,100	934,044,642	244,701,100	11,545,402	-	(16,650)	(1,850)	-	-	(16,650)	(1,850)	-	-	INDIA
14	Godrej Waterside Properties Pvt. Ltd.	NA	2011-12	NA	NA	(63,207,747)	NA	3,794,049,375	NA	3,794,049,375	NA	646,887,493	NA	(79,550,292)	NA	(2,903)	NA	(79,547,389)	-	-	INDIA
15	Godrej Redevelopers (Mumbai) Pvt. Ltd.*	08/02/13 to 31/03/13	NA	500,000	455,130	NA	136,186,415	NA	136,186,415	NA	1,183,562	NA	688,430	NA	213,300	NA	455,130	NA	-	-	INDIA
16	Mosaic Landmarks LLP #	01/08/11 to 31/03/12	2012-13	2,100,000	(155,732)	-	367,114,456	154,206,060	367,114,456	154,206,060	4,984,677	1,287,492	(135,732)	-	20,000	-	(155,732)	-	-	-	INDIA
17	Godrej Vikrol Properties LLP #	2012-13	18/04/11 to 31/03/12	676,047,619	-	-	10,093,315,972	9,077,543,872	10,093,315,972	9,077,543,872	4,441,524,335	2,471,533,235	(913,846,512)	995,490,619	587,319,257	300,443,000	1,326,527,255	656,047,619	-	-	INDIA
18	Dream World Landmarks LLP #	2012-13	NA	21,251	NA	(1,251)	NA	48,090	NA	48,090	-	NA	(1,251)	NA	-	NA	(1,251)	NA	-	-	INDIA

\* Subsidiary of Godrej Projects Developments Pvt. Ltd.

# Limited Liability Partnership by virtue of control

**A. B. GODREJ**  
Chairman

**PIROJSHA GODREJ**  
Managing Director & CEO

**SHODHAN A. KEMBHAVI**  
Company Secretary

Mumbai, Dated : May 9, 2013

## GODREJ PROPERTIES LIMITED

### NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Godrej Properties Limited will be held on Saturday, July 27, 2013, at 2.00 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 consider and adopt the Audited Profit and Loss Account and the Cash Flow Statement of the Company for the financial year ended March 31, 2013, the Balance Sheet as at that date 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, 2013.
3. To appoint a Director in place of Mr. Adi B. Godrej, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jamshyd N. Godrej, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Amitava Mukherjee, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mrs. Parmeshwar A. Godrej, who retires by rotation and being eligible, offers herself for re-appointment.
7. To appoint M/s. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration No. 104607W), the retiring Auditors as the Auditors of the Company 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 as may be mutually agreed with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses incurred in connection with the audit of accounts of the Company.

#### SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 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) (the “**Companies Act**”) and pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals as may be required, consent of the Members of the Company be and is hereby accorded for payment of revised remuneration to Mr. K. T. Jithendran – Executive Director, as provided herein after, with effect from April 1, 2013 and his re-appointment as a Whole-time Director, designated as Executive Director of the Company, for a further period of three years with effect from May 17, 2013, on the terms and conditions as mentioned herein below.

##### 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 payable to Mr. K. T. Jithendran is ₹ 5,65,125 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 year 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 Mr. K. T. Jithendran for each financial year.

The collective target component is ₹ 46,00,000.

### III. Flexible Compensation:

In addition to the fixed compensation and the performance bonus mentioned above, 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 (collectively, the “**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/the Board of Directors may decide.

- i. Housing i.e. unfurnished residential accommodation or house rent allowance as per the Company’s rules;
- ii. Furnishing at residence;
- iii. Supplementary allowance;
- iv. Leave travel assistance for self and family;
- 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 and/or contingency loan as per rules of the Company. These loans shall be subject to Central Government’s approval, if required;
- 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. Sick leave as per the rules of the Company; and
- 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 to Mr. K. T. Jithendran as an Executive Director of the Company is ₹ 1,07,78,530. 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 and 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 the 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 the applicable 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 an Executive Director of the Company, 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.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby jointly and severally authorized to execute the agreement with Mr. K. T. Jithendran for the revised remuneration with effect from April 1, 2013 and for his re-appointment with effect from May 17, 2013 on the 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.”

9. To consider and, if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 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) (the “**Companies Act**”) and pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals as may be required, consent of the Members of the Company be and is hereby accorded for payment of revised remuneration to Mr. Pirojsha Godrej, Managing Director & Chief Executive Officer (MD & CEO), as provided herein, with effect from April 1, 2013.

#### **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 payable to Mr. Pirojsha Godrej is ₹ 4,48,000 per month. The annual basic salary and increments will be decided by the Remuneration Committee / the Board of Directors depending on the performance of Mr. Pirojsha Godrej as MD & CEO, 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 year 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 Mr. Pirojsha Godrej as MD & CEO for each financial year.

The collective target component of performance bonus is ₹ 42,00,000.

#### **III. Flexible Compensation:**

In addition to the fixed compensation and the performance bonus mentioned above, 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 (collectively, the “**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 / the Board of Directors 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 for self and family;
- iv. Payment/reimbursement of medical expenses for self and family;
- v. Payment/reimbursement of food vouchers;
- vi. Housing loan and/or contingency loan as per the rules of the Company. These loans shall be subject to Central Government’s approval, if required;
- 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. Sick leave as per the rules of the Company; and
- 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 of Directors from time to time.

The maximum cost to the Company per annum for the grant of the perquisites and allowances listed above to Mr. Pirojsha Godrej as MD & CEO is ₹ 1,44,56,000. In addition to the above, Mr. Pirojsha Godrej 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 the applicable 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 MD & CEO, 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.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby jointly and severally authorised to execute the agreement with Mr. Pirojsha Godrej for payment of revised remuneration with effect from April 1, 2013, on the 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(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 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) (the **"Companies Act"**) and pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals as may be required, consent of the Members of the Company be and is hereby accorded for payment of revised remuneration to Mr. V. Srinivasan, Executive Director, as provided herein, with effect from April 1, 2013.

**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 payable to Mr. V. Srinivasan is ₹ 3,19,200 per month. The annual basic salary and increments will be decided by the Remuneration Committee/ the Board of Directors depending on the performance of Mr. V. Srinivasan, 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 Mr. V. Srinivasan for each financial year.

The collective target component is ₹ 28,00,000.

**III. Flexible Compensation:**

In addition to the fixed compensation and the performance bonus mentioned above, Mr. V. Srinivasan 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 (collectively, the **"perquisites and allowances"**).



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

- i. House rent allowance as per the Company's rules;
- ii. Supplementary allowance;
- iii. Leave travel assistance for self and family;
- iv. Payment/reimbursement of medical expenses for self and family;
- v. Payment/reimbursement of food vouchers, petrol reimbursement;
- vi. Company cars with driver for official use, provision of telephone(s) at residence;
- vii. Payment/reimbursement of telephone expenses;
- viii. Housing loan and/or contingency loan as per rules of the Company. These loans shall be subject to Central Government's approval, if required;
- ix. 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. Sick leave as per the rules of the Company; and
- x. 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 to Mr. V. Srinivasan as an Executive Director of the Company is ₹ 65,25,710. In addition to the above, Mr. V. Srinivasan 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. V. Srinivasan will also be entitled to the stock options / stock grants as per the 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 the applicable income tax rules.

**IV. Other Reimbursements:**

Mr. V. Srinivasan 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. V. Srinivasan as an Executive Director, the Company has no profits or its profits are inadequate, Mr. V. Srinivasan shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby jointly and severally authorised to execute the agreement with Mr. V. Srinivasan for payment of revised remuneration with effect from April 1, 2013, on the 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."

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 the 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 modification of the ordinary resolution (Item no. 12) passed in the Annual General Meeting held on July 28, 2012, consent of the Members of the Company be and is hereby accorded to amend the schedule of deployment and utilisation of the net proceeds, arising out of the issue of equity shares pursuant to the prospectus (on page 43) dated December 16, 2009 (the **"Prospectus"**) filed by the Company with the Registrar of Companies, Mumbai, Maharashtra as under:

(₹ in crores)

Sr. No.	Expenditure Items	Total Estimated Cost (as mentioned in the Prospectus)	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	FY 2013	FY 2014
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	142.91	25.00	52.00	65.91	0.00	—
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	172.00	Nil	172.00	Nil	210.26	150.17	0.00	51.00	—	9.09
	<b>Total</b>	<b>717.66</b>	<b>175.32</b>	<b>542.34</b>	<b>Nil</b>	<b>428.17</b>	<b>175.17</b>	<b>114.3</b>	<b>129.61</b>	<b>0.00</b>	<b>9.09</b>

In addition to the repayment of the loans specified on page 46 of the Prospectus under the heading “Repayment of loans taken from various lenders” and the ordinary resolution (at Item No. 11) passed by the Members at the Annual General Meeting held on July 22, 2011, the consent of the Members is hereby accorded to repay ₹ 9.09 crores to State Bank of India under the Facility Agreement dated March 16, 2011, from the net proceeds of the issue.

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

(₹ in crores)

Sr. No	Objects	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1.	Acquisition of land development rights for our Forthcoming Projects	25.00	52.00	65.91	0.00	—
2.	Construction of our Forthcoming project	0.00	62.30	12.70	—	—
3.	Repayment of loans	150.17	0.00	51.00	—	9.09
	<b>Total</b>	<b>175.17</b>	<b>114.3</b>	<b>129.61</b>	<b>0.00</b>	<b>9.09</b>

**RESOLVED FURTHER THAT** consent of the Members of the Company be and is hereby accorded to utilize the amount of ₹ 0.14 crore earmarked as a part of the issue related expenses on Pages 43 and 48 of the Prospectus towards part repayment of loan taken by the Company from State Bank of India under the Facility Agreement dated March 16, 2011.

**RESOLVED FURTHER THAT** Mr. Pirojsha Godrej, Managing Director & Chief Executive Officer, Mr. K. T. Jithendran, Executive Director, Mr. V. Srinivasan, Executive Director and Mr. Shodhan Kembhavi – Vice President (Legal) and Company Secretary be and are hereby jointly and severally authorised 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 Limited**

**Sd/-  
Shodhan A. Kembhavi  
Vice President (Legal) & Company Secretary**

Place : Mumbai

Dated : May 9, 2013

**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 COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**

2. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting.
3. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting and also their copy of the Annual Report.
4. The explanatory statements pursuant to Section 173 of the Companies Act, 1956, as amended **(the “Companies Act”)**, with respect to Item Nos. 8 to 11 of the notice set out above are annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will be closed from July 4, 2013 to July 5, 2013 (both days inclusive) for ascertaining the names of the Members to whom the dividend, if declared at the Annual General Meeting, is payable.
6. The dividend, if declared at the Annual General Meeting, will be payable on and from August 2, 2013 as follows:
  - a. For shares held in physical form – to those shareholders whose names appear in the Register of Members on the close of the day on July 5, 2013; and
  - b. For shares held in dematerialised form – to those beneficiaries, whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on July 3, 2013.
7. The Securities and Exchange Board of India (SEBI) has made it mandatory (by a circular dated March 21, 2013) for all listed companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the members with bank details printed thereon as available in the Company's records.
8. Details of the directors seeking re-appointment, as stipulated under Clause 49 of the Listing Agreement is annexed hereto.
9. Corporate Members intending to send their authorised representatives to attend the 28<sup>th</sup> 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.
10. Members desirous of asking any questions at the 28<sup>th</sup> 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 28<sup>th</sup> Annual General Meeting, so that the same can be suitably replied to.
11. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081.
12. Members wishing to claim dividends, which remain unpaid are requested to contact the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081. Members are requested to note that the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration will be transferred to the Investor Education and Protection Fund as per Section 205A of the Companies Act.
13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs, Government of India, has permitted companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circulars issued by the Ministry of Corporate Affairs, we are sending documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc, to the email address provided by you with your Depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email account.

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

### **ITEM NO. 8**

The Board of Directors of the Company in its meeting held on May 17, 2010 and the members of the Company at Annual General Meeting held on July 17, 2010 appointed Mr. K. T. Jithendran as an Executive Director of the Company for a period of three years with effect from May 17, 2010.

The Board of Directors of the Company in its meeting held on May 9, 2013 has subject to the approval of the member of the company, approved:

- a) the revision in remuneration of Mr. K. T. Jithendran as mentioned in the Resolution at Item No. 8 of this Notice with effect from April 1, 2013; and
- b) re-appointment of Mr. K. T. Jithendran as a Whole-time Director, designated as Executive Director of the Company, for a further period of three years with effect from May 17, 2013 on the terms and conditions as mentioned in the Resolution at Item No. 8. and in the Agreement to be entered in to between the Company and Mr. K. T. Jithendran.

The proposed appointment of Mr. K. T. Jithendran as a Whole-time Director designated as Executive Director as stated in Item no. 8 of the Notice is within the limits provided in terms of Schedule XIII of the Companies Act, 1956, as amended (the "**Companies Act**"). In the event of absence or inadequacy of profits in any financial year during the tenure of Mr. K. T. Jithendran as an Executive Director, salary and perquisites subject to the limits stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, are payable.

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.

#### **Nature of concern or interest of Directors:**

None of the directors of the Company, except Mr. K. T. Jithendran, are concerned or interested in the above Resolution.

### **ITEM NO. 9:**

The Members at their meeting held on July 28, 2012, appointed Mr. Pirojsha Godrej as the Managing Director & Chief Executive Officer (MD & CEO) of the Company for a period of three years with effect from April 1, 2012.

In the meeting of the Board of Directors held on May 9, 2013, the remuneration payable to Mr. Pirojsha Godrej has been revised with effect from April 1, 2013, subject to the approval of the Members of the Company. The Members are informed that the proposed remuneration of Mr. Pirojsha Godrej is within the limits provided in Schedule XIII of the Companies Act, 1956, as amended (the "**Companies Act**"). In the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Pirojsha Godrej as MD & CEO of the Company, salary and perquisites subject to the limits stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, are payable.

Accordingly, the approval of the Members of the Company is sought for revision in the terms and conditions of the remuneration payable to Mr. Pirojsha Godrej as MD & CEO, as mentioned in the Resolution at Item No. 9 of this Notice, with effect from April 1, 2013.

The Board of Directors recommends the passing of the Resolution set out at Item No. 9 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.

#### **Nature of concern or interest of Directors:**

None of the directors of the Company, except Mr. Adi B. Godrej, Mrs. Parmeshwar A. Godrej and Mr. Pirojsha Godrej, are concerned or interested in the Resolution.

### **ITEM NO. 10:**

The Members at their meeting held on July 28, 2012, appointed Mr. V. Srinivasan as Executive Director of the Company for a period of 3 years with effect from April 1, 2012.

In the meeting of the Board of Directors held on May 9, 2013, the remuneration payable to Mr. V. Srinivasan has been revised with effect from April 1, 2013, subject to the approval of the Members of the Company. The Members are informed that the proposed remuneration of Mr. V. Srinivasan is within the limits provided in Schedule XIII of the Companies Act, 1956, as amended (the “**Companies Act**”). In the event of absence or inadequacy of profits in any financial year during the tenure of Mr. V. Srinivasan as an Executive Director of the Company, salary and perquisites subject to the limits stipulated under Schedule XIII read with Section 269 and 309 of the Companies Act, are payable.

Accordingly, the approval of the Members of the Company is sought for revision in the terms and conditions of the remuneration payable to Mr. V. Srinivasan, Executive Director, as mentioned in the Resolution at Item No. 10 of this Notice, with effect from April 1, 2013.

The Board of Directors recommends the passing of the Resolution 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.

**Nature of concern or interest of Directors:**

None of the directors of the Company, except Mr. V. Srinivasan, are concerned or interested in the Resolution.

**ITEM NO. 11:**

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

The Members of the Company approved certain amendments to the schedule of utilisation of the Net Proceeds in the Annual General Meetings held on July 17, 2010, July 22, 2011. Further, in the last Annual General Meeting held on July 28, 2012, the Members of the Company approved the 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 (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	FY 2013
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	152.00*	25.00	52.00	65.91*	9.09**
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	-
	<b>Total</b>	<b>746.83</b>	<b>175.32</b>	<b>542.34</b>	<b>Nil</b>	<b>428.17</b>	<b>175.17</b>	<b>114.3</b>	<b>129.61</b>	<b>9.09</b>

\* It was stated that an amount of ₹ 75.00 crores shall be utilised in the fiscal year 2012. Now amended to state that ₹ 65.91 crores was utilised in fiscal year 2012.

\*\* The amount of ₹ 9.09 crores, which was not utilised in the fiscal year 2012, is proposed to be utilised during the fiscal year 2013.

Since there are further deviations in the utilisation and deployment of the Net Proceeds due to the following reasons, the approval of the Members of the Company is sought for the proposed amendments in the schedule of deployment and utilisation of the Net Proceeds and the schedule of implementation of the Net Proceeds as disclosed on page 43 of the Prospectus:

**a. Acquisition of land development rights for our forthcoming projects:**

As per the approval received from the Members in the Annual General Meeting held on July 28, 2012, your Company was required to utilise ₹ 9.09 crores in the financial year 2012-2013 for its project located at Kalyan, subject to the aggregation of the balance land area. However, the said aggregation has not been completed during the financial year 2012-2013 and therefore, it is proposed that the said amount of ₹ 9.09 crores be utilized for the purpose of repayment of loans. Consequently, the total amount of ₹ 152 crores out of Net Proceeds which was proposed to be utilized for acquisition of land development rights for our forthcoming projects will be revised to ₹ 142.91 crores.

**b. Repayment of Loans**

As per the approval of the members in the Annual General Meeting held on July 22, 2011, an amount of ₹ 201.17 crores was to be utilised by the Company for repayment of loans, which was fully utilised by the Company in the financial years 2010 and 2012. 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 utilize a further amount of ₹ 9.09 crores, which was earlier earmarked towards utilisation for the Kalyan project (as stated in para (a) above), for repayment of loan taken from State Bank of India under the Facility Agreement dated March 16, 2011.

In light of above mentioned reasons, the approval of the Members of the Company is sought for amending the schedule of deployment and utilisation of the Net proceeds of the issue as provided hereunder :

(₹ in crores)

Sr. No.	Expenditure Items	Total Estimated Cost (as mentioned in the Prospectus)	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	FY 2013	FY 2014
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	142.91*	25.00	52.00	65.91	—**	—
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	172.00	Nil	172.00	Nil	210.26#	150.17	0.00	51.00	—	9.09
	<b>Total</b>	<b>717.66</b>	<b>175.32</b>	<b>542.34</b>	<b>Nil</b>	<b>428.17</b>	<b>175.17</b>	<b>114.3</b>	<b>129.61</b>	<b>—</b>	<b>9.09</b>

\* It was stated that an amount of ₹ 152.00 crores shall be utilised from the Net Proceeds for acquisition of land development rights for our forthcoming projects. Now amended such amount to ₹ 142.91 crores, as ₹ 9.09 crores shall be utilised for repayment of loans.

\*\* It was stated that an amount of ₹ 9.09 crores shall be utilised in the fiscal year 2013. Now amended to state that no amount utilised in fiscal year 2013.

# 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 utilization of ₹ 9.09 crores originally proposed to be utilized for the Kalyan project towards part repayment of loan taken from State Bank of India under the Facility Agreement dated March 16, 2011.

It was also stated in the Prospectus that out of the gross Issue Proceeds of ₹ 468.85 crores, an amount of ₹ 40.68 crores relates to issue expenses. The Company has spent ₹ 40.54 crores towards issue expenses, leaving a balance of ₹ 0.14 crore.



It is therefore proposed to utilize the said amount of ₹ 0.14 crore towards part repayment of loan taken from State Bank of India under the Facility Agreement dated March 16, 2011.

The Company shall comply with the applicable provisions of the Listing Agreements entered into with BSE Limited and the National Stock Exchange of India Limited in relation to the amendments in the use of proceeds of the Issue. The Company has also informed the Monitoring Agency, appointed for the Issue, and the Audit Committee of these proposed amendments in the use of proceeds of the Issue.

In terms of Section 61 of the Companies Act, 1956, the Company is required to obtain approval of the Members for any variation/ deviation in the use of Issue Proceeds as referred to in the Prospectus.

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

**Nature of concern or interest of Directors:**

None of the Directors of the Company is interested in this Resolution.

**By Order of the Board of Directors  
For Godrej Properties Limited**

**Sd/-  
Shodhan A. Kembhavi  
Vice President (Legal) & Company Secretary**

Place : Mumbai

Dated : May 9, 2013

**Registered Office :** Godrej Bhavan,  
4th Floor, 4A Home Street,  
Fort, Mumbai 400 001

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

**Brief Resume of the Directors**

<b>Name of the Director</b>	<b>Mr. Adi B. Godrej</b>	<b>Mr. Jamshyd N. Godrej</b>	<b>Mr. Amitava Mukherjee</b>	<b>Mrs. Parmeshwar A. Godrej</b>	<b>Mr. K. T. Jithendran</b>
<b>Particulars</b>					
<b>Age</b>	71	64	59	68	46
<b>Nationality</b>	Indian	Indian	Indian	Indian	Indian
<b>Date of Appointment</b>	April 25, 1990	April 25, 1990	May 17, 2010	November 30, 1989	As the Executive Director – May 17, 2010
<b>Shares held in the Company</b>	NIL	NIL	NIL	NIL	5,383
<b>Qualification</b>	Mr. Godrej holds a Bachelor and Masters degree from the Massachusetts Institute of Technology, U.S.A.	Mr. Jamshyd N. Godrej holds a Bachelor of Science from the Illinois Institute of Technology, U.S.A.	Mr. Amitava Mukherjee holds a Masters Degree in Management from Asian Institute of Management, Manila, a Masters Degree in Business Economics from Delhi School of Economics, New Delhi, Post Graduation in Foreign Trade from Indian Institute of Foreign Trade, New Delhi.	Ms. Parmeshwar A. Godrej has completed her Senior Cambridge and studied Fine Arts and Commercial Art at J. J. School of Arts, Mumbai	Mr. K.T. Jithendran is a civil engineer from the Indian Institute of Technology and has a Post Graduate Diploma in Management from the Indian Institute of Management (IIM)
<b>Expertise in specific functional area</b>	Engineering and Management	Engineering and Management	Investment Banking	Design	Engineering and Management
<b>Directorships held in other companies</b>	<ol style="list-style-type: none"> <li>Godrej Consumer Products Limited</li> <li>Godrej Industries Limited</li> <li>Swadeshi Detergents Limited</li> <li>Vora Soaps Limited</li> <li>Godrej Hygiene Products Limited</li> <li>Godrej &amp; Boyce Mfg. Co. Ltd.</li> <li>Godrej Agrovet Limited</li> <li>Godrej Investments Private Limited</li> <li>Godrej Consumer Products (UK) Limited</li> <li>Keyline Brands Ltd.</li> <li>Rapidol (Pty) Ltd.</li> <li>Godrej Global Middle East FZE</li> </ol>	<ol style="list-style-type: none"> <li>Geometric Limited</li> <li>Godrej Consumer Products Limited</li> <li>Godrej Industries Limited</li> <li>Bajaj Auto Limited</li> <li>Godrej Agrovet Limited</li> <li>Godrej &amp; Boyce Mfg. Co. Ltd.</li> <li>Haldia Petrochemicals Limited</li> <li>Godrej Investments Private Ltd.</li> <li>Antrix Corporation Limited</li> <li>Illinois Institute of Technology (India) Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>Saksoft Ltd.</li> <li>Modest Infrastructure Limited</li> <li>Aquatar Securities Pvt. Ltd.</li> <li>Dystar Global Private Limited</li> <li>Impact Foundation (India)</li> </ol>	<ol style="list-style-type: none"> <li>Heroes Aids Project</li> <li>Gates Foundation (Avahan)</li> <li>The Gere Foundation</li> <li>Cine Blitz Publications</li> <li>The American India Foundation</li> <li>The Palace School in Jaipur</li> </ol>	<ol style="list-style-type: none"> <li>Godrej Sea View Properties Pvt. Ltd</li> <li>Godrej Real Estate Pvt. Ltd.</li> <li>Godrej Developers Pvt. Ltd.</li> <li>Happy Highrises Ltd</li> <li>Godrej Estate Developers Pvt. Ltd</li> <li>Godrej Buildcon Pvt. Ltd</li> <li>Godrej Buildwell Pvt. Ltd</li> <li>Godrej Projects Development Pvt. Ltd</li> <li>Godrej Premium Builders Pvt. Ltd</li> </ol>

Name of the Director	Mr. Adi B. Godrej	Mr. Jamshyd N. Godrej	Mr. Amitava Mukherjee	Mrs. Parmeshwar A. Godrej	Mr. K. T. Jithendran
Particulars					
<b>Directorships held in other companies</b>	13. Kinky Group Pty Ltd. 14. Godrej Nigeria Ltd. 15. PT Megasari Makmur 16. PT Ekamas Sarijaya 17. PT Sarico Indah 18. PT Indomas Susemi Jaya 19. PT Intrasari Raya 20. Laboratoria Cuenca S.A. 21. Consell S.A. 22. Argencos S.A. 23. Panamar Producciones Sri, Argentina 24. Godrej International Ltd. 25. Godrej Consumer Products Mauritius Ltd. 26. Godrej Kinky Holdings Ltd. 27. Godrej Consumer Products Holding (Mauritius) Ltd. 28. Godrej Consumer Products Dutch Cooperatief U.A. 29. Godrej Consumer Products (Netherlands) B.V. 30. Godrej Consumer Holdings (Netherlands) B.V. 31. Godrej Indonesia Netherlands Holding B.V. 32. Godrej Argentina Dutch Cooperatief U.A. 33. Godrej Netherlands Argentina Holding B.V. 34. Godrej Netherlands Argentina B.V. 35. DGH Mauritius Private Limited 36. Indian School of Business	11. Godrej (Malaysia) Sdn. Bhd. 12. Godrej (Singapore) Ptd. Ltd. 13. Godrej (Vietnam) Company Ltd. 14. Godrej & Khimji (Middle East) LLC 15. Singapore-India Partnership Foundation, Singapore 16. Climate Works Foundation, USA 17. World Resources Institute, USA 18. Global Footprint Network, USA 19. Breach Candy Hospital Trust 20. Singapore-India Partnership Foundation (India) 21. Indian Institute for Human Settlements 22. Shakti Sustainable Energy Foundation 23. Raptor Research and Conservation Foundation 24. WWF India Foundation 25. Indian Machine Tool Manufacturers Association 26. IMTMA Machine Tool Industry Park			10. Godrej Garden City Properties Pvt. Ltd 11. Godrej Nandhi Hills Project Pvt. Ltd 12. Godrej Landmark Redevelopers Pvt. Ltd 13. Godrej Realty Pvt. Ltd

Name of the Director	Mr. Adi B. Godrej	Mr. Jamshyd N. Godrej	Mr. Amitava Mukherjee	Mrs. Parmeshwar A. Godrej	Mr. K. T. Jithendran
Particulars					
<b>Chairmanships/ Memberships of Committees in other companies as per Clause 49 of the Listing Agreement</b>	Member of Shareholders Committee of Godrej Consumer Products Limited, Chairman of Shareholders Committee of Godrej Industries Limited, Chairman of Investors' Grievance cum Share Transfer Committee of Godrej Properties Limited	Chairman of Investor Grievances Redressal Committee of Geometric Limited, Member of Shareholders Committee of Godrej Consumer Products Limited, Member of Shareholders/Inventors Grievances Committee of Bajaj Auto Ltd.	Member of Audit Committee of Saksoft Limited, Member of Audit Committee of Dystar Global Private Limited, Member of Audit Committee of Godrej Properties Limited	-	-
<b>Inter-se relationship with other directors</b>	Spouse of Mrs. Parmeshwar A. Godrej, Father of Mr. Pirojsha Godrej, Brother of Mr. Nadir B. Godrej	None	None	Spouse of Mr. Adi. B. Godrej and Mother of Mr. Pirojsha Godrej	None

## NOTES

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## NOTES

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings present.



## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## NOTES

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## GODREJ PROPERTIES LIMITED

Regd. Office: Godrej Bhavan, 4<sup>th</sup> Floor, 4A Home Street, Fort, Mumbai – 400 001.

Phone: 91-22-6651 0200, Fax: 91-22-2207 2044

### 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/her Mr./Ms \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 28<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Saturday, 27<sup>th</sup> July, 2013, at 2.00 p.m. at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021 and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013

Signature

Revenue  
Stamp of  
30 Paisa

\* 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.

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## GODREJ PROPERTIES LIMITED

Regd. Office: Godrej Bhavan, 4<sup>th</sup> Floor, 4A Home Street, Fort, Mumbai – 400 001.

Phone: 91-22-6651 0200, Fax: 91-22-2207 2044

### ATTENDANCE SLIP

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

#### 28<sup>th</sup> ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 28<sup>th</sup> Annual General Meeting of Godrej Properties Limited held on Saturday, 27<sup>th</sup> July, 2013, at 2.00 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, 4<sup>th</sup> Floor, 4A, Home Street,  
Fort, Mumbai 400 001, India.

Phone: + 91 - 22 - 6651 0200

Fax: + 91 - 22 - 2207 2044

## Regional Office

AHMEDABAD 2 <sup>nd</sup> Floor, RUDRAPATH Near Rajpath Club S. G. Highway Ahmedabad - 380059.	BENGALURU No.80, Hulkul Ascent, 2nd Cross, Lavelle Road, Bengaluru 560001.	CHANDIGARH SCO - 153-155, First Floor Madhya Marg, Sector-9C Chandigarh - 160009.	CHENNAI No. 70, Lancor West Minstar, R. K. Salai, Mylapoor, Chennai - 600004.	GURGAON Unit No 215, Time Tower Mehrauli Gurgaon Road, Gurgaon - 122002, Haryana.	HYDERABAD 302, Sapphire Square, MCH No.6-3-885/7, Rajiv Gandhi Chowk, Somajiguda, Hyderabad - 500082.	KOLKATA No. 23, The Legacy 25A, Shakeshpore Sarani, Kolkata - 700017.	PUNE Godrej Eternia C, Office A, 10 <sup>th</sup> Floor, 3 Old Mumbai Pune Highway, Wakdevadi Shivaji Nagar, Pune - 411005
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## Site Addresses

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

Godrej Gold County  
Chikkabidarakallu Village,  
Dasanpura Hobli,  
Bengaluru North

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

Godrej Serenity,  
Deonar Village Rd,  
Off Sion Trombay Road  
(V. N. Purav Marg),  
Mumbai - 400 088

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

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

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

Godrej Summit,  
Sector-104,  
Dwarka Expressway,  
Gurgaon, Haryana

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

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

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

Godrej E-City,  
Doddathogur,  
Near Crowne Plaza,  
Electronic City,  
Bengaluru 560100

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

Godrej Alpine  
Faya Enclave,  
Airport Road, Yeyyadi,  
Mangalore - 575008

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

Godrej Horizon,  
S No 2 (p) & 3 (p)  
Behind Corinthians Club  
NIBM Annexe  
Undri, Pune 411048,

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

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

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

Godrej Crest,  
International Airport Road,  
Hebbal,  
Bengaluru - 560024

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

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

Godrej Frontier  
Sector 80,  
Gurgaon,Haryana

Godrej Platinum  
International Airport Road,  
Hebbal,  
Bengaluru - 560024

Godrej Anandam,  
Model Mill Compound,  
Ganeshpeth, Nagpur - 440018

Godrej Platinum,  
At Godrej Garden Enclave,  
Pirojshanagar, Vikhroli (East),  
Mumbai - 400 079





## FORM A

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

1.	Name of the Company	Godrej Properties Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable

<p>For Godrej Properties Limited</p>  <p>Rajendra Khetawat Chief Financial Officer</p>	<p>For Kalyaniwalla &amp; Mistry Firm registration number : 104607W Chartered Accountants</p>  <p>Ermin K Irani Partner Membership No. 35646</p>
<p>For Godrej Properties Limited</p>  <p>Pirojsha Godrej Managing Director &amp; CEO</p>	<p>For Godrej Properties Limited</p>  <p>Keki B Dadiseth Chairman of the Audit Committee</p>