



10 CONSOLIDATED
FINANCIALS

Independent Auditors' Report

To the Board of Directors of

GODREJ CONSUMER PRODUCTS LIMITED

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

Emphasis of Matter

We draw attention to Note 13 to Consolidated Financial Statements regarding the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited with the Company approved by The Hon'ble High Court of Judicature at Bombay whereby an amount of ₹ 52.75 crore for the year ended on March 31, 2013, equivalent to the amortisation of the Goodknight and Hit Brands is directly debited to the General Reserve Account instead of debiting the same to the Statement of Profit and Loss. Had this amount been charged to the Statement of Profit and Loss, the profit for the year ended on March 31, 2013, would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of certain subsidiaries included in the Consolidated Financial Statements whose financial statements reflect the Group's share of total assets of ₹ 4,246.12 crore as at March 31, 2013, the Group's share of total revenues of ₹ 2,933.78 crore and net cash flows amounting to ₹ 53.63 crore for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries is based solely on the report of the other auditors.

Our opinion is not qualified in respect of this matter.

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants
Firm Regn. No.: 104607W

DARAIUS Z. FRASER

Partner
M. No.: 42454
Mumbai: April 30, 2013.

Consolidated Balance Sheet as at March 31, 2013

	Note No.		Current Year	Previous Year
			(₹ Crore)	
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	3	34.03		34.03
(b) Reserves and Surplus	4	3,279.01		2,769.94
			3,313.04	2,803.97
2. Minority Interest			209.51	88.23
3. Non-Current Liabilities				
(a) Long-term Borrowings	5	1,866.15		1,528.12
(b) Deferred Tax Liabilities (Net)	6	5.96		11.05
(c) Other Long-term Liabilities	7	5.14		7.15
(d) Long-term Provisions	8	22.14		22.26
			1,899.39	1,568.58
4. Current Liabilities				
(a) Short-term Borrowings	9	82.44		35.92
(b) Trade Payables	10	1,034.81		770.23
(c) Other Current Liabilities	11	1,103.32		690.19
(d) Short-term Provisions	12	58.52		52.06
			2,279.09	1,548.40
TOTAL			7,701.03	6,009.18
II. ASSETS				
1. Non-Current Assets				
(a) Fixed Assets	13			
(i) Tangible Assets		502.13		394.53
(ii) Intangible Assets		1,085.48		1,151.85
(iii) Capital Work-in-Progress		140.85		37.58
		1,728.46		1,583.96
(b) Goodwill on Consolidation		2,908.45		2,145.41
(c) Deferred Tax Assets (Net)	14	19.98		11.56
(d) Long-term Loans and Advances	15	194.75		246.34
(e) Other Non-Current Assets	16	1.02		2.95
			4,852.66	3,990.22
2. Current Assets				
(a) Inventories	17	1,047.09		783.91
(b) Trade Receivables	18	728.76		472.53
(c) Cash and Bank Balances	19	868.78		639.87
(d) Short-term Loans and Advances	20	200.83		118.13
(e) Other Current Assets	21	2.91		4.52
			2,848.37	2,018.96
TOTAL			7,701.03	6,009.18

Notes to the Financial Statements

1 to 39

The Notes referred to above form an integral part of the Financial Statements

As per our Report attached

Signatures to the Financial Statements and Notes

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

For and on behalf of the Board

Adi Godrej

Chairman

Daraius Z. Fraser

Partner

P. GaneshExecutive Vice-President
(Finance & Commercial)
and Company Secretary**A. Mahendran**

Managing Director

Mumbai: April 30, 2013

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

			(₹ Crore)	
	Note No.		Current Year	Previous Year
I. Revenue from Operations				
Revenue from Operations (Gross)	24	6,615.55		4,986.61
Less: Excise Duty		(208.11)		(120.45)
			6,407.44	4,866.16
II. Other Income				
	25		67.78	52.00
III. Total Revenue (I + II)				
			6,475.22	4,918.16
IV. Expenses				
Cost of Raw Materials including Packing Material Consumed	26	2,655.98		2,171.74
Purchases of Stock-in-Trade		451.03		356.11
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(155.89)		(212.26)
Employee Benefits Expenses	28	590.68		401.48
Finance Costs	29	77.45		65.84
Depreciation and Amortization Expenses		77.00		64.44
Other Expenses	30	1,883.26		1,293.69
Total Expenses			5,579.51	4,141.04
V. Profit Before Exceptional Items and Tax (III - IV)				
			895.71	777.12
VI. Exceptional Items				
	31		128.90	200.17
VII. Profit Before Tax (V + VI)				
			1,024.61	977.29
VIII. Tax Expense				
(1) Current Tax		191.88		227.94
(2) Deferred Tax		(12.70)		(1.89)
			179.18	226.05
IX. Profit for the year Before Minority Interest (VII - VIII)				
			845.43	751.24
X. Minority Interest				
			49.33	24.52
XI. Profit for the Year (IX-X)				
			796.10	726.72
XII. Earnings per Equity Share (Face Value ₹ 1)				
(1) Basic (₹)	32		23.39	22.34
(2) Diluted (₹)			23.39	22.34
Notes to the Financial Statements	1 to 39			

The Notes referred to above form an integral part of the Financial Statements

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Daraius Z. Fraser
Partner

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

Signatures to the Financial Statements and Notes

For and on behalf of the Board
Adi Godrej
Chairman

A. Mahendran
Managing Director

Mumbai: April 30, 2013

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

		(₹ Crore)	
		Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Exceptional Items and Tax		895.71	777.12
Adjustments for:			
Depreciation and Amortization Expenses	77.00		64.44
Foreign Exchange (Gain)/Loss	32.78		20.50
Bad Debts Written off	1.15		1.14
Provision/(Write-back) for Doubtful Debts/Advances	4.64		3.82
Write in of Old Balances	(1.77)		(0.59)
Other Income Outstanding	1.24		11.93
Expenses on ESGS	2.81		1.79
Interest Expense	77.45		65.84
(Profit)/ Loss on Fixed Assets Sold/ Discarded (Net)	(12.16)		0.63
Interest Income	(35.00)		(39.77)
		148.14	129.73
Operating Profit Before Working Capital Changes		1,043.85	906.85
Effect of exchange difference on translation of assets and liabilities		(13.25)	(22.59)
Adjustments for:			
Inventories	(263.18)		(344.50)
Trade Receivables	(217.69)		(93.64)
Loans and Advances	(59.80)		(39.97)
Other Current Assets	1.93		(0.56)
Current Liabilities and Provisions	455.03		702.78
		(83.71)	224.11
Cash Generated from/(used) in Operations		946.89	1,108.37
Adjustment for:			
Direct taxes paid		(206.64)	(210.03)
Net Cash Flow from Operating Activities Before Exceptional Items		740.25	898.34
Exceptional Items :			
Licence Agreement Termination Compensation		-	200.17
Proceeds from divestment of Foods Business		88.02	-
Net Cash Flow from Operating Activities After Exceptional Items		828.27	1,098.51
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase/Sale of Fixed Assets (Net)	(263.58)		(156.50)
Investments in Fixed Deposits (Net)	65.84		(177.60)
Loan Repayment by ESOP Trust (Net)	18.08		17.05
Investment in Subsidiaries	(691.09)		(579.12)
Interest Received	55.10		39.82
Net Cash Flow From Investing Activities		(815.65)	(856.35)
		12.62	242.16

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

		(₹ Crore)	
		Current Year	Previous Year
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Preferential Allotment of Equity Shares (Net)	-		684.71
Proceeds from Allotment of Equity Shares under ESGs*	0.00		-
Borrowing from Banks (Net)	363.16		(139.16)
Issue of Debentures (Net of Expenses)	299.28		224.18
Long-Term Debt/Redemption of Debentures	(104.97)		(559.37)
Cash Credits (Net)	(3.58)		(5.71)
Interest Paid	(84.32)		(42.22)
Dividend Paid	(161.67)		(146.07)
Tax on Distributed Profits	(26.22)		(23.62)
Net Cash Flow from Financing Activities		281.68	(7.26)
Net Increase/(Decrease) in Cash and Cash Equivalents		294.30	234.90
Cash and Cash Equivalents			
As at the beginning		451.34	216.44
As at the ending		745.64	451.34
Net Increase/(Decrease) in Cash and Cash Equivalents		294.30	234.90

*amount less than ₹ 0.01 crore.

Signatures to the Cash Flow Statement

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Darius Z. Fraser
Partner

Mumbai: April 30, 2013

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

For and on behalf of the Board
Adi Godrej
Chairman

A. Mahendran
Managing Director

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and specified in the Companies (Accounting Standard) Rules, pronouncements of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b. Use of Estimates

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

c. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets.

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

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

d. Asset Impairment

Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss, if any, is recognised in the period in which the impairment takes place.

e. Intangible Assets

The cost of acquisition of trademarks is amortised equally over the best estimate of its useful life not exceeding a period of ten years, except in the case of Goodknight, HIT, Kinky and Soft & Gentle brand where the brand is amortised equally over a period of 20 years.

f. Operating Leases

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

g. Investments

Investments are classified into current and long term investments. Long term investments are carried at cost. Cost of acquisition includes all costs directly incurred on the acquisition of the investment. Provision for diminution, if any, in the value of long-term investments is made to recognise a decline, other than of a temporary nature. Current investments are stated at lower of cost and net realisable value.

h. Inventories

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

i. Provisions and Contingent Liabilities

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

No Provision is recognised for –

- A. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- B. Any present obligation that arises from past events but is not recognised because -
 - a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

j. Revenue Recognition

- i) Sales are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates, sales taxes and excise duties.
- ii) Income from processing operations is recognised on completion of production/dispatch of the goods, as per the terms of contract.
- iii) Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Entitlement Pass Book Scheme, Duty Drawback, Focus Product Scheme and Focus Market Scheme.
- iv) Dividend income is recognised when the right to receive the same is established.
- v) Interest income is recognised on a time proportion basis.
- vi) Insurance claims, transport and power subsidies from the Government are accounted on cash basis when received.

k. Expenditure

- i) Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.
- ii) Revenue expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on research and development is shown as addition to fixed assets.

l. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

m. Foreign Currency Transactions

- i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the period end are translated at the period end exchange rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

- ii) Forward exchange contracts, remaining unsettled at the period end, backed by underlying assets or liabilities are also translated at period end exchange rates. Premium or discount on forward foreign exchange contract is amortised over the period of the contract and recognised as income or expense for the period. Realised gain or losses on cancellation of forward exchange contracts are recognised in the Statement of Profit and Loss of the period in which they are cancelled.
- iii) Non-Monetary foreign currency items like investments in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of making the original investment.
- iv) For the purpose of consolidation of non-integral foreign operations, all assets and liabilities, both monetary and non-monetary are translated at the closing rate. Items of income and expenditure are translated at exchange rates at the date of the relevant transactions. All resulting exchange differences are accumulated in a Foreign Currency Translation Reserve until disposal of the net investment.
- v) Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the year in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognising as income or expense in each such periods.

n. Hedging

The Company uses forward exchange contracts to hedge its foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts are recognised in the Statement of Profit and Loss. Gains or losses on the commodity futures contracts are recorded in the Statement of Profit and Loss under Cost of Materials Consumed.

o. Employee Benefits

i) Short-term Employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, performance incentives, etc., are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Post Employment Benefits

a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund maintained with Regional Provident Fund Office and Superannuation Fund are charged as an expense in the Statement of Profit and Loss as they fall due.

b) Defined Benefit Plans

Gratuity Fund

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Provident Fund

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

c) Other Long-Term Employee Benefits

Other Long-Term Employee Benefits viz., leave encashment and long service bonus are recognised as an expense in the Statement of Profit and Loss as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with the actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

p. Incentive Plans

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

Up to March 31, 2009, the EVA awards would flow through a notional bank whereby only the prescribed portion of the bank is distributed each year and the balance is carried forward. The amount distributed out of the notional bank is charged to the Statement of Profit and Loss. The notional bank was held at risk and charged to EVA of future years and was payable at that time, if future performance so warranted. The notional bank balance accumulated till March 31, 2009, as at the beginning of the current year is being paid @ 33% every year on reducing balance. The entire EVA award for the year has been charged to the Statement of Profit and Loss.

q. Depreciation and Amortisation

- i) Leasehold land is amortised equally over the lease period.
- ii) Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- iii) Depreciation is provided, pro rata to the period of use, under the Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956, except:
 - a) In case of computer hardware which is depreciated over 4 years.
 - b) SAP licenses acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company are amortised over a period of 4 years and Trademarks acquired are amortised equally over the best estimate of their useful life not exceeding a period of 10 years, except in the case of Goodknight and Hit brands where the brands are amortised equally over a period of 20 years.
 - c) The Cost of SAP licenses incurred for subsidiaries are being recovered from respective subsidiaries.
 - d) Depreciation in the subsidiary companies is provided under the Straight Line Method over the expected useful lives of the respective assets ranging between three years to ten years except in the case of Kinky, and Soft and Gentle where the brand is amortised equally over a period of 20 years.
 - e) Goodwill is amortised over a period of 5 years.
 - f) Tools, dies and moulds acquired are depreciated over a period of 9 years and 3½ years respectively.
 - g) Technical Knowhow is depreciated over a period of 10 years.
 - h) In accordance with the Court order approving the Scheme of Amalgamation of the erstwhile GHPL with the Company, an amount equivalent to the amortisation of the Goodknight and Hit brands at the end of each financial year is directly debited to the balance in the General Reserve Account.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

- iv) Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.
- v) It is estimated that the impact on depreciation of the difference in expected useful lives between the holding company and subsidiaries is not material.

r. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax subject to consideration of prudence, is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets/liabilities in respect of timing differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets/liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only when there is a virtual certainty of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

s. Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of Personal and Household Care products. The Company has identified business segment as its primary segment. Geographic segments of the Company are 'Within India' and 'Outside India'. Segment revenues and assets have been identified to represent segments on the basis of their relationship to the respective segment.

NOTE 2 : PRINCIPLES OF CONSOLIDATION

- a) The consolidated financial statements relate to Godrej Consumer Products Limited, the Holding Company and its subsidiaries. The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 - Consolidated Financial Statements. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- b) The Audited financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. up to March 31, 2013.
- c) In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.
- d) Minority Interest is the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.

Particulars of Subsidiaries

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

- Godrej Household Products Lanka (Private) Limited (Srilanka)
- Godrej Household Products (Bangladesh) Private Limited (Bangladesh)
- Godrej Consumer Products Bangladesh Limited (Bangladesh)
- Godrej South Africa (Proprietary) Limited (*Earlier Rapidol (Proprietary) Limited*) (South Africa)
- Godrej Global Mid East FZE (UAE)
- Godrej Hygiene Products Limited (India)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Godrej Consumer Products Nepal Private Limited (Nepal)

Godrej Netherlands B.V. (Netherlands)

Godrej Consumer Products (UK) Limited (U.K)

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

Keyline Brands Limited (U.K)

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

Inecto Manufacturing Limited (U.K)

(100% subsidiary of Keyline Brands Limited)

Godrej Consumer Investments (Chile) Spa (Chile)

(100% subsidiary of Godrej Consumer Products (UK) Limited (*Previous Year: Nil*))

Godrej Holding (Chile) Limitada (Chile)

(99.99% held by Godrej Consumer Investments (Chile) Spa and 0.01% held by Godrej Consumer Products (UK) Limited (*Previous Year: Nil*))

Cosmetica Nacional (Chile)

(60% subsidiary of Godrej Holding Chile Limitada (*Previous Year: Nil*))

Plasticos Nacional (Chile)

(98.81% subsidiary of Cosmetica Nacional (*Previous Year: Nil*))

Godrej Consumer Products Mauritius Limited (Mauritius)

Godrej Kinky Holdings Limited (Mauritius)

(100% subsidiary of Godrej Consumer Products Mauritius Limited)

Kinky Group (Proprietary) Limited (South Africa)

(100% subsidiary of Godrej Kinky Holdings Limited)

Godrej Nigeria Holdings Limited (Mauritius) (Merged with Godrej Consumer Products Mauritius Limited w.e.f. April 1, 2012)

Godrej Nigeria Limited (Nigeria)

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

Godrej Argentina Dutch Cooperatief U.A (Netherlands)

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

Godrej Netherlands Argentina Holding B.V. (Netherlands)

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

Godrej Netherlands Argentina B.V. (Netherlands)

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Laboratoria Cuenca S.A (Argentina)
(90% held by Godrej Netherland Argentina B.V. and 10% held by Godrej
Netherland Argentina Holding B.V.)
Deciral S.A (Uruguay)
(99% held by Laboratoria Cuenca S.A. and 1% held by issue Group S.A.)
Issue Group Uruguay S.A (Uruguay)
(99% held by Laboratoria Cuenca S.A. and 1% held by Deciral S.A.)
Issue Group Brazil Limited (Brazil)
(100% held by Laboratoria Cuenca S.A.)
Consell S.A (Argentina)
(97.31% held by Laboratoria Cuenca S.A. and 2.42% held by Godrej
Netherland Argentina B.V. and 0.27% held by Godrej Netherland
Argentina Holding B.V.)
Panamar Producciones S.A. (Argentina)
(90% held by Godrej Netherland Argentina B.V. and 10% held by Godrej
Netherland Argentina Holding B.V.)
Argencos S.A (Argentina)
(85.81% held by Godrej Netherland Argentina B.V. and 14.19% held
by Panamar Producciones S.A.)

Godrej Consumer Products Holding (Mauritius) Limited (Mauritius)
Indovest Capital Limited, Labuan (Malaysia)
(100% subsidiary of Godrej Consumer Products Holding (Mauritius) Limited)
Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands)
(99.99% held by Godrej Consumer Products Holding (Mauritius) Limited, 0.01% held
by Godrej Consumer Products Mauritius Limited)
Godrej Indonesia Netherlands Holding B.V. (Netherlands)
(100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)
Godrej Consumer Products (Netherlands) B.V. (Netherlands)
(100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)
Godrej Consumer Holdings (Netherlands) B.V. (Netherlands)
(100% subsidiary of Godrej Consumer Products Dutch Cooperatief U.A.)
PT Simba Indosnack Makmur (Indonesia) (upto March 21, 2013)
(95% held by Godrej Consumer Holdings (Netherlands) B.V. and 5% held
by Godrej Consumer Products Netherland B.V.)
PT Indomas Susemi Jaya (Indonesia)
(95% held by Godrej Consumer Holdings (Netherlands) B.V. and 5% held
by Godrej Consumer Products Netherland B.V.)
PT Intrasari Raya (Indonesia)
(99% held by Godrej Consumer Holdings (Netherlands) B.V. and 1% held
by Godrej Consumer Products Netherland B.V.)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

PT Megasari Makmur (Indonesia)
(96% held by Godrej Consumer Holdings (Netherlands) B.V. and 4% held by Godrej Consumer Products Netherland B.V.)

PT Ekamas Sarijaya (Indonesia)
(96% held by Godrej Consumer Holdings (Netherlands) B.V. and 4% held by Godrej Consumer Products Netherland B.V.)

PT Sarico Indah (Indonesia)
(96% held by Godrej Consumer Holdings (Netherlands) B.V. and 4% held by Godrej Consumer Products Netherland B.V.)

Godrej Mauritius Africa Holdings Limited (Mauritius)

Godrej Weave Holdings Limited (Mauritius)

(100% subsidiary of Godrej Mauritius Africa Holdings Limited)

DGH Mauritius Private Limited (Mauritius)

(51% subsidiary of Godrej Weave Holdings Limited.)

Weave Business Holding Mauritius Private Limited (Mauritius)

(100% subsidiary of DGH Mauritius Private Limited)

Subinite Pty Limited (South Africa)

(100% subsidiary of Weave Business Holding Mauritius Private Limited)

Lorna Nigeria Limited (Nigeria)

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

Weave IP Holding Mauritius Private Limited (Mauritius)

(100% subsidiary of Weave Business Holding Mauritius Private Limited)

Weave Mozambique Limitada (Mozambique)

(99% held by Weave Business Holding Mauritius Private Limited and 1% by DGH Mauritius Private Limited)

Weave Trading Mauritius Private Limited (Mauritius)

(51% subsidiary of Godrej Weave Holdings Limited.)

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

(99.80% subsidiary of Weave Trading Mauritius Private Limited.)

Godrej East Africa Holdings Limited (Mauritius) (*w.e.f. July 20,2012*)

DGH Phase Two Mauritius Private Limited (Mauritius)

(51% subsidiary of Godrej East Africa Mauritius Limited)

Style Industries Limited (Kenya)

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

Godrej Tanzania Holdings Limited (Mauritius) (*w.e.f. November 30,2012*)

DGH Tanzania Ltd (Mauritius)

(100% subsidiary of Godrej Tanzania Holdings Limited)

Sigma Hair Industries Limited

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 3 : SHARE CAPITAL

	(₹ Crore)	
	Current Year	Previous Year
Authorised		
410,000,000 Equity Shares (<i>previous year 410,000,000</i>) of ₹ 1 each	41.00	41.00
10,000,000 Preference Shares (<i>previous year 10,000,000</i>) of ₹ 1 each	1.00	1.00
Issued		
340,358,049 Equity Shares (<i>previous year 340,328,585</i>) of ₹ 1 each	34.04	34.03
Subscribed and Fully Paid up		
340,326,925 Equity Shares (<i>previous year 340,297,461</i>) of ₹ 1 each fully paid up	34.03	34.03
TOTAL	34.03	34.03

NOTES:

- a) During the year, the Company has issued 29,464 equity shares (*previous year Nil*) under the Employee Stock Grant Scheme.
- b) 31,124 Right Issue Shares (*Previous year 31,124 equity shares*) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order is awaited.

- c) Terms/rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 1 each. Each equity shareholder is entitled to one vote per share.

During the year ended March 31, 2013 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.00 (*previous year: ₹ 4.75*).

- d) The reconciliation of number of equity shares outstanding and the amount of share capital:

	Current Year		Previous Year	
	Number	(₹ Crore)	Number	(₹ Crore)
Shares outstanding at the beginning of the year	340,297,461	34.03	323,590,144	32.36
Add: Shares Issued during the year*	29,464	0.00	16,707,317	1.67
Shares outstanding at the end of the year	340,326,925	34.03	340,297,461	34.03

* amount less than ₹ 0.01 crore.

- e) Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	Current Year		Previous Year	
	No. of Shares	% held	No. of Shares	% held
Godrej & Boyce Manufacturing Co. Ltd.	123,561,815	36.31%	125,231,815	36.80%
Godrej Industries Limited	73,659,620	21.64%	71,989,620	21.15%

- f) Shares Reserved for issue under options

The Company has 126,193 (*previous year 94,966*) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2013. (*as detailed in Note 38*).

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

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

- h) There are no calls unpaid on equity shares.

- i) No equity shares have been forfeited.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 4 : RESERVE AND SURPLUS

	(₹ Crore)	
	Current Year	Previous Year
1. CAPITAL INVESTMENT SUBSIDY RESERVE		
Balance as per last financial statements	0.15	0.15
2. CAPITAL REDEMPTION RESERVE		
Balance as per last financial statements	1.46	1.46
3. SECURITIES PREMIUM ACCOUNT		
Balance as per last financial statements	1,508.08	853.09
(+) Premium Received on Allotment of Shares	1.11	-
(+) Premium Received on Preferential Allotment	-	683.33
(-) Expenses on Preferential Allotment	-	(0.29)
(-) Expenses on Issue of Debentures	(0.72)	(0.82)
(-) Premium on Redemption of Debentures	(24.82)	(27.23)
Closing Balance	1,483.65	1,508.08
4. DEBENTURE REDEMPTION RESERVE		
Balance as per last financial statements	7.13	7.38
(+) Transfer from General Reserve	-	49.75
(+) Transfer from Surplus	21.25	-
(-) Transfer to General Reserve	(7.13)	(50.00)
Closing Balance	21.25	7.13
5. EMPLOYEE SHARE OPTIONS OUTSTANDING		
Gross Employee Compensation for Options granted	6.08	3.59
(-) Deferred Employee Compensation Expense	(2.58)	(1.79)
Closing Balance	3.50	1.80
6. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT	(3.74)	(11.21)
7. FOREIGN CURRENCY TRANSLATION RESERVE	(50.48)	(29.75)
8. GENERAL RESERVE		
Balance as per last financial statements	201.46	231.35
(+) Transfer from Surplus	51.13	60.44
(-) Transfer to Debenture Redemption Reserve	-	(49.75)
(+) Transfer from Debenture Redemption Reserve	7.13	50.00
(-) Trademark and Brands amortisation Pursuant to Scheme of Amalgamation of GHPL (Refer Note 1(q)(iii)(h))	(52.75)	(52.75)
(-) Adjustment Pursuant to Scheme of Amalgamation of Naturesse Consumer Care Products Limited and Essence Consumer Care Products Limited	-	(37.83)
Closing Balance	206.97	201.46
9. SURPLUS		
Balance as per last financial statements	1,090.82	606.58
(+) Net Profit for the Year	796.10	726.72
(-) Dividends - Interim	(170.16)	(156.63)
(-) Tax on Distributed Profit	(28.13)	(25.41)
(-) Transfer to General Reserve	(51.13)	(60.44)
(-) Transfer to Debenture Redemption Reserve	(21.25)	-
Closing Balance	1,616.25	1,090.82
TOTAL	3,279.01	2,769.94

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 5 : LONG-TERM BORROWINGS

	(₹ Crore)	
	Current Year	Previous Year
A. Secured Term Loans		
From Banks (See Note (a) below)	410.55	703.80
Deferred Sales Tax Loan (See Note (b) below)	0.05	0.08
	410.60	703.88
B. Unsecured Debentures		
a) 2,500 Unsecured, Redeemable, Zero Coupon, Non-Convertible Debentures of ₹ 10 lac each	250.00	-
b) 2,250 Unsecured, Redeemable, Zero Coupon, Non-Convertible Debentures of ₹ 10 lac each	-	225.00
c) Premium on Redemption of Debentures (See Note (c) and (d) below)	10.17	10.24
	260.17	235.24
Term loans		
From Banks	1,194.52	588.28
From Other Parties	0.86	0.72
	1,195.38	589.00
TOTAL	1,866.15	1,528.12

NOTES:

- Secured Loans represent borrowings from various financial institutions for the acquisition of Megasari Group and Indovest Capital. The loan is secured by pledge of shares of the Megasari Group and Indovest Capital, repayable quarterly at a floating rate of interest ranging from 2% - 3% p.a.
- Deferred sales tax loan is interest free and will be paid in balance 15 monthly installments. It is secured by Bank Guarantee in favour of Sales Tax authorities.
- During the year, the Company has redeemed 2,250 zero-coupon, unsecured, redeemable, non-convertible debentures on November 14, 2012, at a call option premium of 0.25%.
- During the year, the Company has issued 2,500 zero-coupon, unsecured, redeemable, non-convertible debentures on private placement basis, redeemable at a premium, which will yield 9.40% p.a. at maturity. These debentures are redeemable on October 25, 2014, with call option on October 25, 2013, at a call option premium of 0.50%.
- During the year, the Group has taken loan for the acquisition of Cosmetica Nacional in Chile and Darling Group in Africa.
- The Group does not have any continuing default as on the Balance Sheet date in the repayment of loans and interest.

NOTE 6 : DEFERRED TAX LIABILITIES (NET)

	(₹ Crore)	
	Current Year	Previous Year
1. Deferred Tax Liability		
a) Depreciation	20.00	17.15
2. Deferred Tax Assets		
a) Tax Disallowances	12.64	4.92
b) Provision for Doubtful Debts and Advances	1.40	1.18
	14.04	6.10
TOTAL	5.96	11.05

NOTE 7 : OTHER LONG-TERM LIABILITIES

Security Deposits Received	4.42	6.29
Others	0.72	0.86
TOTAL	5.14	7.15

NOTE 8 : LONG-TERM PROVISIONS

Provision for Employee Benefits		
Leave Encashment	4.90	6.90
Gratuity	17.24	15.36
TOTAL	22.14	22.26

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 9 : SHORT-TERM BORROWINGS

	(₹ Crore)	
	Current Year	Previous Year
A. Secured		
Loans Repayable on Demand		
Cash Credit from Bank (<i>Refer Note (a) below</i>)	0.60	4.04
Other Borrowings	-	0.14
	0.60	4.18
B. Unsecured		
Short-Term Loan from Bank	81.84	31.69
Other Borrowings	-	0.05
	81.84	31.74
TOTAL	82.44	35.92

NOTES:

- Cash Credit from Bank is secured by Hypothecation of Inventories and Book debts.
- The group does not have any default as on the Balance Sheet date in the repayment of any loan and interest.

NOTE 10 : TRADE PAYABLES

	(₹ Crore)	
	Current Year	Previous Year
Due to Micro, Small and Medium Enterprises	-	-
Others	1,034.81	770.23
TOTAL	1,034.81	770.23

NOTE:

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE 11 : OTHER CURRENT LIABILITIES

	(₹ Crore)	
	Current Year	Previous Year
1. Current Maturities of Long-Term Debt (<i>Refer Note below</i>)	507.75	312.87
2. Interest Accrued but not Due on Borrowings	19.17	26.04
3. Security Deposit Received	0.44	0.41
4. Unpaid Dividends	5.76	5.34
5. Taxes, Duties and Other Levies Payable	65.55	39.51
6. Interim Dividend Payable	68.07	59.55
7. Other Payables	436.58	246.47
TOTAL	1,103.32	690.19

NOTE:

Current maturities of Long-term Debt in current year include 500, 9.80% unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each. These debentures are redeemable at par on October 28, 2013.

NOTE 12 : SHORT TERM PROVISIONS

	(₹ Crore)	
	Current Year	Previous Year
1. Provision for Employee Benefits		
Contribution to Provident Fund and Other Funds	1.08	0.95
Gratuity	11.65	5.72
Leave Encashment	3.23	2.55
2. Others		
Provision for Taxes (<i>Net of Advance Tax</i>)	30.99	33.18
Provision for Tax on Distributed Profits	11.57	9.66
TOTAL	58.52	52.06

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 13 : FIXED ASSETS

(₹ Crore)

ASSETS	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK		
	Opening	Additions	Disposals	Acquisitions through Business Combinations	Other Adjustments	Closing	Opening	Depreciation for the Year	On Disposals	On Acquisitions through Business Combinations	Other Adjustments / Impairments	Closing	Current Year	Previous Year	
A. TANGIBLE ASSETS															
Freehold Land	26.53	3.58	4.49	12.09	(5.21)	32.50	-	-	-	-	-	-	32.50	26.53	
Leasehold Land	6.85	10.55	1.87	1.87	-	17.40	0.50	0.07	-	-	-	0.57	16.83	6.35	
Leasehold Improvements	5.20	0.68	0.52	-	0.04	5.40	0.88	0.57	0.06	-	-	1.39	4.01	4.32	
Buildings	159.70	42.52	12.44	32.36	9.00	231.14	40.03	7.04	4.46	5.08	2.20	49.89	181.25	119.67	
Plant and Equipments	428.09	51.20	53.24	24.44	0.30	450.79	237.39	38.97	49.32	11.49	2.00	240.53	210.26	190.70	
Furniture, Fixtures and Fittings	27.57	4.18	0.86	2.84	(8.74)	24.99	14.41	2.33	0.76	2.17	(6.99)	11.16	13.83	13.16	
Office Equipment	21.84	4.42	2.60	-	2.16	25.82	12.04	2.86	2.31	-	1.06	13.65	12.17	9.80	
Vehicles	34.20	10.11	2.11	1.03	(2.13)	41.10	12.94	6.21	1.80	0.59	(1.21)	16.73	24.37	21.26	
Computers	18.00	4.69	0.64	-	(0.29)	21.76	15.26	2.63	0.55	-	(2.49)	14.85	6.91	2.74	
	(A)	727.98	131.93	78.77	74.63	(4.87)	850.90	333.45	60.68	59.26	19.33	(5.43)	348.77	502.13	394.53
B. INTANGIBLE ASSETS															
Goodwill	13.72	-	-	-	(0.14)	13.58	3.60	2.69	-	-	(0.13)	6.16	7.42	10.12	
Trademarks and Brands	1,278.32	73.56	108.33	12.51	(1.18)	1,254.88	145.76	10.17	9.81	0.16	52.41	198.69	1,056.19	1,132.56	
Computer Software	20.01	10.86	0.05	-	4.71	35.53	11.02	3.31	0.05	-	1.75	16.03	19.50	8.99	
Technical Knowhow	0.30	2.34	-	-	-	2.64	0.12	0.15	-	-	-	0.27	2.37	0.18	
	(B)	1,312.35	86.76	108.38	12.51	3.39	1,306.63	160.50	16.32	9.86	0.16	54.03	221.15	1,085.48	1,151.85
	(A+B)	2,040.33	218.69	187.15	87.14	(1.48)	2,157.53	493.95	77.00	69.12	19.49	48.60	569.92	1,587.61	
Previous Year	1,914.75	82.03	(16.38)	18.77	41.16	2,040.33	377.46	64.44	4.72	-	47.32	493.95		1,546.38	
C. CAPITAL WORK-IN-PROGRESS													140.85	37.58	
TOTAL													1,728.46	1,583.96	

NOTES:

- Trademarks and Brands acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company and Soft and Gentle Brand of UK are amortised over a period of 20 years. The major influencing factors behind amortising these brands over a period of 20 years are that Goodknight and HIT brands have been in existence since the last two decades and been growing at a fast pace. Soft and Gentle is the 4th largest by Market Share in the female Deodorant Market in the U.K.
- In accordance with the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited with the Company which was sanctioned by the High Court of Judicature at Bombay, an amount of ₹ 52.75 crore (*previous year ₹ 52.75 crore*), equivalent to the amortisation of the Goodknight and HIT brands is charged directly to the General Reserve.
- During the year, the Company has capitalised the bowrrowing cost amounting to ₹ 4.55 crore (*previous year Nil*).

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 14 : DEFERRED TAX ASSETS (NET)

	(₹ Crore)	
	Current Year	Previous Year
1. Deferred Tax Assets		
a) Tax Disallowances	16.11	12.20
b) Others	4.73	-
	20.84	12.20
2. Deferred Tax Liability		
a) Depreciation	-	0.64
b) Others	0.86	-
	0.86	0.64
TOTAL	19.98	11.56

NOTE 15 : LONG-TERM LOANS AND ADVANCES

	(₹ Crore)	
	Current Year	Previous Year
Unsecured, Considered Good, Unless Otherwise Stated		
1. Capital Advances	2.55	65.41
2. Security Deposits	21.41	21.43
3. Other Loans and Advances		
a) Amount due from ESOP Trust	50.30	87.49
b) Excise and VAT Receivables		
Considered Good	87.21	51.21
Considered Doubtful	11.26	8.22
Less: Provision for Doubtful Receivables	(11.26)	(8.22)
	87.21	51.21
c) Advance Tax (Net of Provisions)	26.82	14.24
d) Miscellaneous Loans and Advances (Refer Note below)	6.46	6.56
	194.75	246.34

NOTE:

Long-Term Loans and Advances include ₹ 0.53 crore (previous year ₹ 1.29 crore) due from a Director.

NOTE 16 : OTHER NON-CURRENT ASSETS

	(₹ Crore)	
	Current Year	Previous Year
Unsecured, Considered Good, Unless Otherwise Stated		
Other Non-current Assets	1.02	2.95
TOTAL	1.02	2.95

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 17 : INVENTORIES

		(₹ Crore)	
		Current Year	Previous Year
<i>(Valued at lower of cost and net realisable value)</i>			
Raw Materials and Packing Materials	430.69		309.29
Goods-in Transit	1.27		14.80
		431.96	324.09
Work-in-Progress		38.24	41.17
Finished Goods		501.60	370.61
Stock-in-Trade		66.98	39.15
Stores and Spares		8.31	8.89
TOTAL		1,047.09	783.91

NOTE 18 : TRADE RECEIVABLES

		(₹ Crore)	
		Current Year	Previous Year
Trade Receivables Outstanding for a Period Exceeding Six Months			
Unsecured : Considered Good		32.96	5.86
Considered Doubtful		7.33	4.52
		40.29	10.38
Less: Provision for Doubtful Debts		(7.33)	(4.52)
		32.96	5.86
Other Trade Receivables			
Secured, Considered Good		37.05	3.18
Unsecured : Considered Good		658.75	463.49
Considered Doubtful		4.54	6.17
		700.34	472.84
Less: Provision for Doubtful Debts		(4.54)	(6.17)
		695.80	466.67
TOTAL		728.76	472.53

NOTE 19 : CASH AND BANK BALANCES

		(₹ Crore)	
		Current Year	Previous Year
1. Cash and Cash Equivalents			
a) Balances with Banks			
On Current Accounts	448.59		121.37
Deposits with less than 3 months maturity	173.96		259.83
		622.55	381.20
b) Cheques, Drafts on Hand		0.56	2.38
c) Cash on Hand		1.35	4.26
d) Investments in Liquid Mutual Funds		121.18	63.50
		745.64	451.34
2. Other Bank Balances			
a) Deposits against Bank Guarantees		8.16	7.32
b) Deposits with more than 3 months but less than 12 months maturity		109.19	175.87
c) For Unpaid Dividend		5.79	5.34
		123.14	188.53
TOTAL		868.78	639.87

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 20 : SHORT-TERM LOANS AND ADVANCES

		(₹ Crore)	
		Current Year	Previous Year
Unsecured, Considered Good, Unless Otherwise Stated			
Other Loans and Advances			
a)	Security Deposits	3.41	3.32
b)	Excise and VAT Receivables	89.08	57.62
c)	Miscellaneous Loans and Advances		
	Considered Good (<i>Refer Note below</i>)	108.34	57.19
	Considered Doubtful	0.58	0.17
	Less: Provision for Doubtful Loans and Advances	(0.58)	(0.17)
		108.34	57.19
TOTAL		200.83	118.13

NOTE:

Short Term Loans and Advances include ₹ 0.26 Crore (*previous year ₹ 0.43 crore*) due from a Director.

NOTE 21 : OTHER CURRENT ASSETS

		(₹ Crore)	
		Current Year	Previous Year
Accrued Interest			
		2.89	3.88
Deferred Premium on Forward Contracts			
		0.02	0.64
TOTAL		2.91	4.52

NOTE 22 : CONTINGENT LIABILITIES

		(₹ Crore)	
		Current Year	Previous Year
a)	Claims for Excise Duties, Taxes and Other Matters		
i)	Excise duty demands aggregating ₹ 11.26 crore (<i>previous year ₹ 3.95 crore</i>) against which the Company has preferred appeals (net of tax)	7.61	2.67
ii)	Customs Duty claims in respect of Classification	-	3.87
iii)	Excise duty claims in respect of non-payment of education cess for the period January 2005 to March 2008 at the Guwahati Factory amounting to Nil (<i>previous year ₹ 1.18 crore</i>) (net of tax).	-	0.80
iv)	Sales tax demands aggregating ₹ 22.68 crore (<i>previous year ₹ 28.07 crore</i>) against which the Company has preferred appeals (net of tax)	15.32	18.96
v)	Income-tax matters		
	Demand notices issued by Income-tax Authorities	7.81	7.83
vi)	Other matters : ₹ 3.00 crore (<i>previous year ₹ 3.00 crore</i>) (net of tax)	2.03	2.03

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 22 : CONTINGENT LIABILITIES (Contd.)

	Current Year	Previous Year
		(₹ Crore)
b) Guarantees		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 8.16 crore (<i>previous year ₹ 7.32 crore</i>)]	10.25	10.21
ii) Guarantee amounting to USD 222 million (<i>previous year USD 297 million</i>) given by the Company against loan provided by banks to Godrej Consumer Products Holding (Mauritius) Limited	1,203.99	1,511.15
iii) Guarantee of AED 1.4 million (<i>previous year AED 1.4 million</i>) given by the Company to guarantee principal amount of credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mid East FZE	2.07	1.94
iv) Guarantee given by the Company to guarantee principal amount of credit facilities extended by the Royal Bank of Scotland to Godrej Hygiene Products Limited.	5.00	5.00
v) Guarantee given by the Company to guarantee principal amount of credit facilities extended by Citibank Sri Lanka and Citibank Bangladesh to Godrej Household Products (Lanka) Private Limited and Godrej Household Products (Bangladesh) Private Limited respectively	7.56	7.56
vi) Guarantee amounting to USD 10 million (<i>previous year USD 10 million</i>) given by the Company to HSBC, Hongkong towards swap/derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Limited	54.29	50.88
vii) Guarantee amounting to USD 121 million (<i>previous year USD 121 million</i>) given by the Company to DBS Bank, Singapore against loan provided to Godrej Mauritius Africa Holdings Limited	656.85	615.59
viii) Guarantee amounting to BDT 245 million (<i>previous year BDT 75 million</i>) given by the Company to HSBC, Bangladesh towards credit facilities provided by the Bank to Godrej Household Products (Bangladesh) Private Ltd.	17.13	4.76
ix) Guarantee amounting to GBP 30 million (<i>previous year Nil</i>) given by the Company to HSBC, Hongkong against loan given to Godrej Netherlands BV.	246.68	-
x) Guarantee amounting to USD 84 million (<i>previous year Nil</i>) given by the Company to HSBC, Hongkong & SCB Mauritius Limited against loan given to Godrej Mauritius Africa Holdings Limited.	455.99	-
xi) Guarantee amounting to USD 5 million (<i>previous year Nil</i>) given by the Company to HSBC, Hongkong towards swap/derivative facilities provided to Godrej Netherlands B.V.	27.14	-
xii) Guarantee amounting to GBP 9.9 million (<i>previous year Nil</i>) given by the Company to HSBC, Hongkong against loan given to Godrej Netherlands B.V.	81.41	-
c) Claims against the Company not acknowledged as debt		
i) Claims by various parties on account of unauthorised, illegal and fraudulent acts by an employee.	24.24	24.24
ii) Claims pertaining to litigations filed against the erstwhile Godrej Household Products Limited.	0.98	0.25
iii) Others	2.59	4.28
NOTE 23 : COMMITMENTS		
i) Estimated amount of contracts remaining to be executed on capital account and not provided (Net of Advances)	41.05	153.55

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 24 : REVENUE FROM OPERATIONS

	(₹ Crore)	
	Current Year	Previous Year
1. Sale of Products	6,598.90	4,971.39
2. Other Operating Revenues		
Miscellaneous Income	16.65	15.22
	6,615.55	4,986.61
3. Less: Excise Duty	(208.11)	(120.45)
TOTAL	6,407.44	4,866.16

NOTE 25 : OTHER INCOME

	(₹ Crore)	
	Current Year	Previous Year
1. Interest Income		
On Advances and Deposits	29.60	26.96
On Loan to ESOP Trust	5.40	12.53
On Income-tax Refund	-	0.28
2. Net Gain on Sale of Investments	8.15	6.16
3. Other Non-Operating Income		
Profit on Sale of Fixed Assets	14.93	-
Claim Received	1.88	3.12
Miscellaneous Non-operating Income	7.82	2.95
TOTAL	67.78	52.00

NOTE 26 : COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

	(₹ Crore)	
	Current Year	Previous Year
Opening Inventory	324.09	192.41
Add: Purchases (Net)	2,763.85	2,303.42
	3,087.94	2,495.83
Less: Closing Inventory	(431.96)	(324.09)
Cost of Raw Materials including Packing Material Consumed	2,655.98	2,171.74

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	(₹ Crore)	
	Current Year	Previous Year
Opening Inventory		
Finished Goods	370.61	181.32
Stock-in-Trade	39.15	35.97
Work-in-Progress	41.17	21.38
	450.93	238.67
Less: Closing Inventory		
Finished Goods	501.60	370.61
Stock-in-Trade	66.98	39.15
Work-in-Progress	38.24	41.17
	606.82	450.93
(Increase)/Decrease in Inventory	(155.89)	(212.26)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 28 : EMPLOYEE BENEFITS EXPENSES

	(₹ Crore)	
	Current Year	Previous Year
1. Salaries and Wages	550.08	375.01
2. Contribution to Provident and Other Funds	13.38	8.15
3. Expense on Employee Stock Grant Scheme (ESGS)	2.81	1.78
4. Staff Welfare Expenses	24.41	16.54
TOTAL	590.68	401.48

NOTE 29 : FINANCE COSTS

	(₹ Crore)	
	Current Year	Previous Year
1. Interest Expense	60.37	52.13
2. Bill Discounting Charges	17.06	11.98
3. Other Borrowing costs	0.02	1.73
TOTAL	77.45	65.84

NOTE 30 : OTHER EXPENSES

	(₹ Crore)	
	Current Year	Previous Year
Consumption of Stores and Spare Parts	20.24	16.38
Power and Fuel	102.56	79.96
Rent	41.63	28.59
Repairs and Maintenance		
Plant and Equipment	6.94	4.59
Buildings	3.02	2.14
Others	26.06	18.87
	36.02	25.60
Insurance	10.44	5.92
Rates and Taxes	15.12	14.06
Miscellaneous Expenses	96.90	69.69
Processing and Other Manufacturing Charges	102.93	72.93
Excise Duty Provision on Inventory	8.36	5.01
Travelling and Conveyance	52.72	43.27
Legal and Professional Charges	47.73	38.12
Donations	0.79	0.44
Advertising, Publicity and Sales Promotion	958.89	590.54
Selling and Distribution Expenses	110.40	81.75
Freight	211.74	155.96
Bank Charges	9.87	6.75
Commission	13.45	23.63
Discount	4.66	12.82
Net Loss on Sale of Fixed Assets	2.77	0.63
Net Loss on Foreign Currency Transactions and Translations	32.78	20.50
Bad Debts Written Off	1.15	1.14
Provision for Doubtful Debts/Advances	2.11	-
TOTAL	1,883.26	1,293.69

NOTE:

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 31 : EXCEPTIONAL ITEMS

	(₹ Crore)	
	Current Year	Previous Year
License Agreement Termination Compensation	-	200.17
Divestment of Foods Business	128.90	-
TOTAL	128.90	200.17

NOTE 32 : EARNINGS PER SHARE

	Current Year	Previous Year
Net Profit After Tax (₹ Crore)	796.10	726.72
Number of Shares outstanding at the beginning of the year	340,297,461	323,590,144
Add: Shares Issued during the year	29,464	16,707,317
Number of Shares outstanding at the end of the year	340,326,925	340,297,461
Weighted Average Number of Equity Shares		
For calculating Basic EPS	340,318,803	325,279,135
For calculating Diluted EPS	340,396,437	325,326,563
Earnings Per Share Before and After Extraordinary Items (Face Value ₹ 1)		
Basic (₹)	23.39	22.34
Diluted (₹)	23.39	22.34

NOTE 33 : LEASES

The Group's significant leasing agreements are in respect of operating lease for Computers and Premises (office, go-down, etc.) and the aggregate lease rentals payable are charged as rent.

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

	(₹ Crore)	
	Current Year	Previous Year
Not later than one year	6.84	7.58
Later than one year and not later than five years	4.06	7.98
Later than five years	0.91	0.82
TOTAL	11.81	16.38

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 34 : HEDGING CONTRACTS

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

a) Forward Contracts outstanding as at March 31, 2013:

	Current Year		Previous Year	
	Avg. Rate	USD Mn	Avg. Rate	USD Mn
Forward Contract to Purchase (USD) [1 contract (<i>previous year 32 contracts</i>)]	58.85	0.83	50.98	22.78

b) The uncovered foreign exchange exposure as at March 31, 2013:

	Currency	Current Year	Previous Year
Payables	USD	393.72	138.87
Payables	SGD	0.20	0.01
Payables	EUR	3.23	2.32
Payables	GBP	0.19	0.01
Payables	JPY	0.08	-
Loan and Interest payable	USD	134.48	240.99
Receivables	USD	106.01	52.77
Receivables	EUR	15.83	-
Receivables	ZAR	0.29	-
Receivables	GBP	0.02	-
Cash and cash equivalents	USD	49.62	35.91
Cash and cash equivalents	EUR	6.10	0.27
Cash and cash equivalents	ZAR	0.01	-
Bank Borrowings	USD	-	4.65

NOTE 35 : INCENTIVE PLAN

The amount carried forward in notional bank after distribution of Performance Linked Variable Remuneration for the financial year 2012-13 is ₹ 1.68 crore as on March 31, 2013 (*previous year ₹ 3.49 crore*). The said amount is not provided for in the books of account and is payable in future, if performance so warrants.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 36 : RELATED PARTY DISCLOSURES

A) Related Parties and their Relationship

a) Enterprise having control over reporting enterprise:

Godrej & Boyce Mfg. Co. Ltd.

b) Enterprises under common control with whom transactions have taken place during the year:

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

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

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

d) Key Management Personnel and Relatives:

- | | |
|---------------------------|----------------------------|
| i) Mr. Adi Godrej | Chairman |
| ii) Ms. Parmeshwar Godrej | Wife of Mr. Adi Godrej |
| iii) Mr. A. Mahendran | Managing Director |
| iv) Ms. Mythili Mahendran | Wife of Mr. A. Mahendran |
| v) Ms. Tanya Dubhash | Daughter of Mr. Adi Godrej |
| vi) Ms. Nisaba Godrej | Daughter of Mr. Adi Godrej |
| vii) Mr. Pirojsha Godrej | Son of Mr. Adi Godrej |
| viii) Mr. Nadir Godrej | Brother of Mr. Adi Godrej |
| ix) Mr. Burjis Godrej | Son of Mr. Nadir Godrej |
| x) Mr. Sohrab Godrej | Son of Mr. Nadir Godrej |
| xi) Master Hormazd Godrej | Son of Mr. Nadir Godrej |

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

B) Transactions with Related Parties

(₹ Crore)

	Enterprise Having Control Over Reporting Enterprise	Enterprises Under Common Control	Enterprise Over Which Key Management Personnel Exercise Significant Influence	Relatives of Key Management Personnel	Key Management Personnel	Total
1. Sale of Goods	0.51 <i>0.35</i>	16.00 <i>10.20</i>	- <i>0.04</i>	- -	- -	16.51 <i>10.59</i>
2. Sale of Capital Asset	- -	- <i>0.02</i>	- -	- -	- -	- <i>0.02</i>
3. Purchase of Materials and Spares	3.06 <i>0.51</i>	32.87 <i>21.87</i>	- -	- -	- -	35.93 <i>22.38</i>
4. Purchase of Capital Asset	1.07 <i>2.97</i>	103.15 -	- -	- -	- -	104.22 <i>2.97</i>
5. Advance Paid	0.09 <i>0.33</i>	- <i>50.79</i>	- -	- -	- -	0.09 <i>51.12</i>
6. Establishment and Other Expenses Paid/(Received)	1.56 <i>0.36</i>	12.57 <i>8.19</i>	(0.03) <i>(0.39)</i>	- -	0.10 <i>0.03</i>	14.20 <i>8.19</i>
7. Security Deposit Given / (Repaid)	- -	- -	(1.50) <i>1.50</i>	- -	- -	(1.50) <i>1.50</i>
8. Repayment of Loan Given	- -	- -	- -	- -	0.92 <i>0.43</i>	0.92 <i>0.43</i>
9. Interest Received on Loans	- -	- -	- -	- -	0.10 <i>0.18</i>	0.10 <i>0.18</i>
10. Dividend Paid	59.15 <i>57.00</i>	34.53 <i>31.75</i>	- -	3.83 <i>3.70</i>	0.05 <i>0.13</i>	97.56 <i>92.58</i>
11. Managerial Remuneration	- -	- -	- -	- -	12.38 <i>13.73</i>	12.38 <i>13.73</i>
12. Commission on Profits and Sitting Fees	- -	- -	- -	0.40 <i>0.38</i>	- -	0.40 <i>0.38</i>
13. Lease Rentals Paid	- -	- -	- -	2.88 <i>2.85</i>	- -	2.88 <i>2.85</i>
Outstanding Balances as at March 31, 2013						
Receivable	0.12 <i>0.03</i>	1.51 <i>7.51</i>	0.17 <i>0.35</i>	- -	0.79 <i>1.71</i>	2.59 <i>9.60</i>
Payable	- <i>0.56</i>	2.81 -	- <i>0.14</i>	- -	- -	2.81 <i>0.70</i>

NOTE : Figures in Italics denote figures for previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

C) The Significant Related Party Transactions are as under:

	(₹ Crore)	
	Current Year	Previous Year
Sale of Goods		
Godrej & Boyce Mfg. Co. Ltd.	0.51	0.35
Godrej Industries Ltd.	15.76	10.02
Godrej Properties Limited	0.03	-
Godrej Agrovvet Ltd.	0.21	0.18
Godrej Tyson Foods Ltd.*	0.00	0.00
Godrej Hershey Ltd.	-	0.04
Sale of Asset		
Godrej Industries Ltd.	-	0.02
Purchase of Materials and Spares		
Godrej & Boyce Mfg. Co. Ltd.	3.06	0.51
Godrej Industries Ltd.	31.67	20.35
Godrej Oil Palm Limited	0.03	1.52
Godrej Agrovvet Limited	1.17	-
Purchase of Capital Asset		
Godrej & Boyce Mfg. Co. Ltd.	1.07	2.97
Godrej Industries Ltd.*	0.00	-
Godrej Vikhroli Properties LLP	103.15	-
Advance Paid		
Godrej & Boyce Mfg. Co. Ltd.	0.09	0.33
Godrej Vikhroli Properties LLP	-	50.79
Establishment and Other Expenses Paid/(Received)		
Godrej & Boyce Mfg. Co. Ltd.	1.56	0.36
Godrej Industries Ltd.	12.71	8.08
Godrej Agrovvet Ltd.	0.56	0.55
Godrej Infotech Ltd.	-	0.01
Godrej Properties Ltd.	(0.51)	(0.39)
Natures Basket Ltd.	(0.08)	(0.06)
Godrej Tyson Foods Ltd.*	(0.11)	(0.00)
Great Lakes Institute of Management	0.01	-
Godrej Hershey Ltd.	(0.04)	(0.39)
Mr. Adi Godrej	0.06	-
Mr. A. Mahendran	0.04	0.03
Security Deposit Given / (Repaid)		
Godrej Hershey Ltd.	(1.50)	1.50
Repayment of Loan Given		
Mr. A. Mahendran	0.92	0.43
Interest Received on Loans		
Mr. A. Mahendran	0.10	0.18
Dividend Paid		
Godrej & Boyce Mfg. Co. Ltd.	59.15	57.00
Godrej Industries Ltd.	34.53	31.75

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

	(₹ Crore)	
	Current Year	Previous Year
Mr. Adi Godrej*	0.00	0.00
Mr. A. Mahendran	0.05	0.13
Ms. Parmeshwar Godrej*	0.00	0.00
Ms. Tanya Dubhash	0.64	0.62
Ms. Nisaba Godrej	0.64	0.62
Mr. Pirojsha Godrej	0.64	0.62
Mr. Nadir Godrej	0.44	0.46
Mr. Burjis Godrej	0.49	0.46
Mr. Sohrab Godrej	0.49	0.46
Master Hormazd Godrej	0.49	0.46
Managerial Remuneration		
Mr. Adi Godrej	6.79	7.43
Mr. A. Mahendran	5.59	6.30
Commission on Profits and Sitting Fees		
Mr. Nadir Godrej	0.13	0.13
Ms. Nisaba Godrej	0.13	0.12
Ms. Tanya Dubash	0.14	0.12
Lease Rentals Paid		
Ms. Parmeshwar Godrej	2.46	2.46
Ms. Mythili Mahendran	0.42	0.39

* amount less than ₹ 0.01 crore.

NOTE 37 : SEGMENT INFORMATION

(₹ Crore)

	Within India		Outside india		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales Revenue by geographical markets	3,587.21	2,852.61	3,011.69	2,118.78	6,598.90	4,971.39
Carrying amount of segment assets	4,068.03	4,103.12	3,633.00	1,906.06	7,701.03	6,009.18
Total cost incurred during the year to acquire assets	160.92	36.53	161.04	75.06	321.96	111.59

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 38 : EMPLOYEE STOCK BENEFIT PLANS

I. EMPLOYEE STOCK OPTION/PURCHASE PLAN

- a) The shareholders of the Company have approved the setting up of the Godrej Consumer Products Ltd. Employee Stock Option Plan (GCPL ESOP) for the benefit of its eligible employees whereby the Company can grant 4,500,000 Stock Options convertible into 4,500,000 equity shares of the nominal value ₹ 1 each to the eligible employees/Directors of the Company and of the Company's subsidiaries.
- b) The ESOP Scheme is administered by an independent ESOP Trust created with IL&FS Trust Company Limited which acquires by subscription/purchase or otherwise, the Company's shares equivalent to the number of Options proposed to be granted by the participating companies, as approved by the Compensation Committee.
- c) The ESOPs authorised for issue are as under:
 - i) 2,000,000 Options in the Extra-ordinary General Meeting on March 14, 2007.
 - ii) 2,500,000 Options in the Extra-ordinary General Meeting on April 28, 2008.
- d) The Options granted shall vest in the eligible employees within such period as may be prescribed by the Compensation Committee, which period shall not be less than one year and may extend up to three years from the date of grant of the Option. Vesting may occur in tranches subject to the terms and conditions of vesting. The Option is exercisable within two years after vesting.
- e) All unvested Options shall vest in the employees on the date of retirement or at an earlier date as may be decided by the Compensation Committee, subject to the requirement of minimum vesting period and all vested Options should be exercised by the Option Grantee immediately on retirement, but in no event later than six months from the date of such Option Grantee's retirement.
- f) The price at which the Option Grantee would convert Options granted into GCPL Shares (i.e. the exercise price) shall be the market price prevailing on the day prior to the day of grant plus interest at such rate not being less than the bank rate then prevailing compoundable on an annual basis for the period commencing from the date of granting of the Option and ending on the date of intimating exercise of the Option to the Company.
- g) The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognised since the market price of the underlying share at the grant date is the same / less than the exercise price of the option, the intrinsic value therefore is *Nil*.
- h) The Board of Directors at its meeting held on January 22, 2011, had approved an Employee Stock Purchase Plan (GCPL ESPL) which is administered by the GCPL ESOP Trust. Under the plan, the Company provides loans to the GCPL ESOP Trust at an interest rate which is not less than the bank rate, to enable the Trust to acquire up to 1,000,000 shares of the Company from the secondary market. The HR and Compensation Committee had resolved that the surplus shares held by the GCPL ESOP Trust at any point of time for grant of Options under GCPL ESOP be utilised for grant of shares to the employees under the GCPL ESPL within the maximum of 1,000,000 equity shares. Under the plan, entire 1,000,000 shares have been granted and vested till March 31, 2013. These shares have to be compulsorily acquired from the GCPL ESOP Trust within the exercise period of two years. The exercise price shall be the market price on the day prior to the date of grant plus interest at a rate not less than the bank rate till the date of exercise.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

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

	As at March 31, 2013	As at March 31, 2012
Options Granted	5,167,000	5,167,000
Options Vested	4,370,000	4,244,000
Options Exercised	3,245,950	2,950,075
Options Lapsed/Forfeited and re-granted	762,000	762,000
Options Lapsed/Forfeited, pending sale	-	35,000
Options Lapsed/Forfeited and sold	85,000	-
Total Number of Options Outstanding	1,074,050	1,419,925

II. EMPLOYEE STOCK OPTION PLAN OF ERSTWHILE GODREJ HOUSEHOLD PRODUCTS LTD.

- a) Under the Scheme of Amalgamation, the Company has obtained the 'Godrej Sara Lee Limited Employees Stock Option Plan' set up for eligible employees of the erstwhile Godrej Household Products Limited. The equity shares of Godrej Industries Limited (GIL) are the underlying equity shares for the stock option plan. The ESOP Scheme is administered by an independent ESOP Trust created with IL&FS Trust Company Limited. The independent ESOP Trust has purchased shares of GIL from the market against which the options have been granted. The purchases have been financed by loans from the erstwhile Godrej Household Products Limited, which together with interest amounted to ₹ 77.43 crore as at beginning of the year. The ESOP Trust has made a net repayment of the loan and interest amounting to ₹ 26.43 crore during the year. The total amount of loans given together with interest thereon as at March 31, 2013 amounts to ₹ 51.00 crore. The repayment of the loans granted to the ESOP Trust and interest thereon is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period.
- b) The status of the above plan (since inception) is as under:

	As at March 31, 2013	As at March 31, 2012
Options Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	-	-
Options Lapsed/Forfeited, pending sale	55,000	667,000
Options Lapsed/Forfeited and sold	954,000	-
Total Number of Options Outstanding	1,120,000	1,462,000

III. EMPLOYEE STOCK GRANT SCHEME

- a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year or as may be decided by the Compensation Committee from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her/his right to acquire the shares vested in her/him all at one time within 1 month from the date on which the shares vested in her/him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as employee compensation cost and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The status of the above plan (since inception) is as under:

	As at March 31, 2013	As at March 31, 2012
Options Granted	184,361	114,102
Options Vested	29,464	-
Options Exercised	29,464	-
Options Lapsed/Forfeited	28,704	19,136
Total Number of Options Outstanding	126,193	94,966

- IV. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.
- V. Had the fair value method of accounting been used, the employee compensation cost for the year ended March 31, 2013 would have been lower by ₹ 1.14 crore (*previous year higher by ₹ 0.67 crore*).

NOTE 39 : GENERAL

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

Details of subsidiaries as required under General Circular No 2/2011 of Government of India, Ministry of Company Affairs, pursuant to Section 212 of the Companies Act, 1956

All figures in Lac

Sl No	Name of The Company	PERIOD	Currency	Exchange Rate	Capital	Reserves & Surplus	Total Assets	Liabilities	Total Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend
1	Argencos SA	01-Apr-2012 To 31-Mar-2013	ARS	10.651	18.50	184.81	360.44	360.44	360.44	685.86	(22.16)	(6.45)	(15.71)	-
2	Consell SA (Argentina)	01-Apr-2012 To 31-Mar-2013	INR	10.651	197.05	1,968.45	3,839.13	3,839.13	3,839.13	7,305.35	(236.01)	(68.66)	(167.35)	-
3	Cosmetica Nacional	01-Apr-2012 To 31-Mar-2013	CPeso	10.651	308.89	(99.44)	157.52	157.52	157.52	14.79	1.39	0.24	1.15	-
4	Decral Uruguay	01-Apr-2012 To 31-Mar-2013	INR	0.115	12,138.69	(304.61)	18,804.47	18,804.47	18,804.47	158,943.22	6,921.91	1,749.48	5,172.45	-
5	DGH Mauritius Pvt. Ltd.	01-Apr-2012 To 31-Mar-2013	INR	10.651	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
6	DGH Phase 2	01-Apr-2012 To 31-Mar-2013	USD	54.505	451.71	13,185.22	250.59	250.59	250.59	518.01	509.77	0.57	509.20	-
7	DGH Tanzania Limited	01-Apr-2012 To 31-Mar-2013	INR	54.505	62.66	25.74	88.83	88.83	88.83	9.01	8.86	0.27	8.59	-
8	Godrej Argentina Dutch Cooperatief U.A. (Netherlands)	01-Apr-2012 To 31-Mar-2013	INR	54.505	0.00	(0.09)	0.00	0.00	0.00	0.00	(0.09)	0.00	(0.09)	-
9	Godrej Consumer Products Mauritius Ltd (Mauritius)	01-Apr-2012 To 31-Mar-2013	USD	54.505	23,916.23	(58.77)	24,114.62	24,114.62	24,114.62	20.51	(20.18)	0.00	(20.18)	-
10	Godrej Consumer Holdings (Netherlands) BV (Netherlands)	01-Apr-2012 To 31-Mar-2013	INR	54.505	20,921.75	28,457.15	49,390.56	49,390.56	49,390.56	365.73	330.04	0.00	330.04	-
11	Godrej Consumer Investments (Chile) Spa	01-Apr-2012 To 31-Mar-2013	USD	82.844	9,389.45	10,078.43	19,472.01	19,472.01	19,472.01	594.80	580.07	0.00	580.07	-
12	Godrej Consumer Products (Netherlands) BV (Netherlands)	01-Apr-2012 To 31-Mar-2013	INR	54.505	5,450.50	(1,040.06)	20,475.80	20,475.80	20,475.80	0.00	(1,040.06)	0.00	(1,040.06)	-
13	Godrej Consumer Products (UK) Ltd. (UK)	01-Apr-2012 To 31-Mar-2013	GBP	54.505	846.79	(60.53)	794.37	794.37	794.37	31.31	13.66	0.00	13.66	-
14	Godrej Consumer Products Bangladesh Limited	01-Apr-2012 To 31-Mar-2013	Taka	0.699	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
15	Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands)	01-Apr-2012 To 31-Mar-2013	INR	54.505	430.54	1.07	612.40	612.40	612.40	20.48	0.27	0.00	0.27	-
16	Godrej Consumer Products Holding (Mauritius) Ltd (Mauritius)	01-Apr-2012 To 31-Mar-2013	INR	54.505	23,466.83	58.48	33,378.75	33,378.75	33,378.75	1,116.15	14.77	0.00	14.77	-
17	Godrej East Africa Holdings Limited	01-Apr-2012 To 31-Mar-2013	INR	54.505	6,540.60	62,554.04	145,204.90	145,204.90	145,204.90	4,533.71	2,364.38	71.53	2,312.85	-
18	Godrej Global Mid East FZE	01-Apr-2012 To 31-Mar-2013	AED	14.839	45.86	(21.51)	74.22	74.22	74.22	209.90	9.25	0.00	9.25	-
19	Godrej Holdings (Chile) Limitada	01-Apr-2012 To 31-Mar-2013	INR	54.505	680.57	(319.24)	1,101.35	1,101.35	1,101.35	3,114.74	137.33	0.00	137.33	-
20	Godrej Household Products (Bangladesh) Pvt. Ltd.	01-Apr-2012 To 31-Mar-2013	Taka	0.699	1,186.41	(911.50)	2,676.47	2,676.47	2,676.47	6,003.28	(328.77)	30.01	(358.78)	-
21	Godrej Household Products (Lanka) Pvt. Ltd.	01-Apr-2012 To 31-Mar-2013	LKR	0.43	985.52	379.72	2,300.55	2,300.55	2,300.55	8,334.80	621.24	236.14	385.10	-
22	Godrej Hygiene Products Ltd.	01-Apr-2012 To 31-Mar-2013	INR	54.505	260.00	(78.15)	560.09	560.09	560.09	3,584.80	267.19	101.56	165.63	-
23	Godrej Indonesia Netherlands Holding BV	01-Apr-2012 To 31-Mar-2013	USD	54.505	50.36	13.42	246.41	246.41	246.41	24.80	4.12	0.00	4.12	-
24	Godrej Kinky Holdings Ltd. (Mauritius)	01-Apr-2012 To 31-Mar-2013	INR	54.505	2,744.87	731.70	13,430.51	13,430.51	13,430.51	1,351.84	224.63	0.00	224.63	-
25	Godrej Mauritius Africa Holdings Ltd	01-Apr-2012 To 31-Mar-2013	USD	54.505	0.00	334.37	334.44	334.44	334.44	0.00	(0.16)	0.00	(0.16)	-
					0.01	18,225.01	18,228.43	18,228.43	18,228.43	4.28	(24.09)	0.00	(24.09)	-
					0.00	210.85	1,313.69	1,313.69	1,313.69	233.51	(1,312.83)	0.00	(1,312.83)	-
					0.00	11,492.39	71,602.63	71,602.63	71,602.63					

Details of subsidiaries as required under General Circular No 2/2011 of Government of India, Ministry of Company Affairs, pursuant to Section 212 of the Companies Act, 1956

Sl No	Name of The Company	PERIOD	Currency	Exchange Rate	Capital	Reserves & Surplus	Total Assets	Liabilities	Total Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend
26	Godrej Netherlands Argentina B.V. (Netherlands)	01-Apr-2012 To 31-Mar-2013	USD	54.505	396.70	(1.55)	464.64	464.64	-	6.49	(0.44)	0.00	(0.44)	-
27	Godrej Netherlands Argentina Holdings B.V. (Netherlands)	01-Apr-2012 To 31-Mar-2013	INR	54.505	21,622.17	(84.40)	25,325.28	25,325.28	-	353.74	(24.15)	0.00	(24.15)	-
28	Godrej Netherlands BV (Netherlands)	01-Apr-2012 To 31-Mar-2013	INR	54.505	2,241.55	(43.46)	2,392.31	2,392.31	-	0.00	(12.96)	0.00	(12.96)	-
29	Godrej Nigeria Ltd.	01-Apr-2012 To 31-Mar-2013	INR	82.844	0.14	98.07	441.20	441.20	-	21.50	12.62	0.65	11.96	-
30	Godrej South Africa Ltd	01-Apr-2012 To 31-Mar-2013	Naira	0.344	150.00	8,597.76	10,568.85	10,568.85	-	14,176.74	709.33	248.54	460.79	-
31	Godrej Tanzania Holdings Ltd	01-Apr-2012 To 31-Mar-2013	ZAR	5.902	180.50	1,037.34	1,589.17	1,589.17	-	1,834.45	419.49	117.46	302.03	-
32	Godrej Weave Holding Ltd.	01-Apr-2012 To 31-Mar-2013	INR	54.505	1,065.31	6,122.38	9,379.27	9,379.27	-	10,826.94	2,475.82	693.23	1,782.59	-
33	Hair Trading (offshore) S. A. L	01-Apr-2012 To 31-Mar-2013	USD	54.505	0.00	(0.10)	1.30	1.30	-	0.00	(0.10)	0.00	(0.10)	-
34	Indovest Capital	01-Apr-2012 To 31-Mar-2013	INR	54.505	108.80	1,130.01	1,238.86	1,238.86	-	4.65	4.49	0.00	4.49	-
35	recto Manufacturing Limited	01-Apr-2012 To 31-Mar-2013	INR	54.505	5,930.15	61,591.21	67,524.25	67,524.25	-	253.37	244.87	0.00	244.87	-
36	Issue Group Uruguay S.A	01-Apr-2012 To 31-Mar-2013	ARS	10.651	456.68	252.47	210.75	252.47	-	254.19	17.74	5.14	12.60	-
37	Issue Group Uruguay S.A	01-Apr-2012 To 31-Mar-2013	INR	10.651	456.68	252.47	210.75	252.47	-	254.19	17.74	5.14	12.60	-
38	Keyline Brands Limited (UK)	01-Apr-2012 To 31-Mar-2013	GBP	82.844	0.29	70.40	267.86	267.86	-	337.16	25.89	7.24	18.65	-
39	Kinky Group (Pty) Ltd	01-Apr-2012 To 31-Mar-2013	ZAR	5.902	0.03	984.79	1,177.70	1,177.70	-	27,931.87	2,145.15	599.95	1,545.20	-
40	Laboratoria Cuenca	01-Apr-2012 To 31-Mar-2013	ARS	10.651	74.92	226.62	1,548.13	1,548.13	-	4,307.23	(842.97)	(171.68)	(671.28)	-
41	Lorra Nigeria Ltd.	01-Apr-2012 To 31-Mar-2013	Naira	0.344	113.90	22,973.96	33,415.17	33,415.17	-	56,576.24	1,004.96	(4,814.01)	5,819.98	-
42	Panamar Producciones S.A.	01-Apr-2012 To 31-Mar-2013	ARS	10.651	39.19	7,905.62	11,498.58	11,498.58	-	19,124.47	345.82	(1,656.56)	2,002.38	-
43	Plasticos Nacional	01-Apr-2012 To 31-Mar-2013	INR	10.651	58.98	817.65	881.69	881.69	-	0.00	(0.34)	0.00	(0.34)	-
44	PT Ekamas Sarijaya	01-Apr-2012 To 31-Mar-2013	IDR	0.115	2,654.59	1,398.70	4,852.60	4,852.60	-	5,030.90	929.61	205.39	724.22	-
45	PT Indomas Susemi Jaya	01-Apr-2012 To 31-Mar-2013	INR	0.006	306.58	161.53	560.42	560.42	-	581.01	107.36	23.72	83.64	-
46	PT Intraseri Raya	01-Apr-2012 To 31-Mar-2013	IDR	0.006	140.35	289.70	432.33	432.33	-	45,120.31	20,044.20	2,345.61	17,698.59	-
47	PT Megasari Makmur	01-Apr-2012 To 31-Mar-2013	IDR	0.006	17,600.00	469,665.03	602,949.34	602,949.34	-	582,842.93	169,667.54	44,886.67	124,780.87	-
48	PT Sarico Indah	01-Apr-2012 To 31-Mar-2013	IDR	0.006	98.25	19,712.83	59,814.86	59,814.86	-	3,272.09	952.52	251.99	700.52	-
49	Sigma Hair Industries Limited	01-Apr-2012 To 31-Mar-2013	TZS	0.033	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	-
50	Style Industries Limited	01-Apr-2012 To 31-Mar-2013	KES	0.638	22.65	8,146.54	19,518.37	19,518.37	-	16,343.14	2,138.41	723.34	1,415.07	-
51	Subinite (Pty) Ltd.	01-Apr-2012 To 31-Mar-2013	ZAR	5.902	0.01	1,051.87	1,884.61	1,884.61	-	10,432.07	1,364.98	461.72	903.26	-
52	Weave Business Holdings Mauritius Pvt. Ltd.	01-Apr-2012 To 31-Mar-2013	USD	54.505	0.06	6,208.13	11,122.95	11,122.95	-	3,469.43	114.64	32.10	82.54	-
53	Weave IP Holdings Mauritius Pvt. Ltd.	01-Apr-2012 To 31-Mar-2013	INR	54.505	52.09	14,588.89	14,696.72	14,696.72	-	20,476.59	676.59	189.44	487.14	-
54	Weave Mozambique Limitada	01-Apr-2012 To 31-Mar-2013	MZN	1.808	1,234.66	2,677.21	5,870.16	5,870.16	-	7,989.22	2,202.66	44.21	2,158.45	-
55	Weave Trading Mauritius Pvt. Ltd.	01-Apr-2012 To 31-Mar-2013	USD	54.505	0.01	(0.19)	0.21	0.21	-	14,442.88	3,981.95	79.92	3,902.04	-
			INR	54.505	0.55	(10.37)	11.46	11.46	-	0.00	(4.48)	0.00	(4.48)	-