

Financials

Auditors' Report

TO THE MEMBERS OF GODREJ CONSUMER PRODUCTS LIMITED

1. We have audited the attached Balance Sheet of GODREJ CONSUMER PRODUCTS LIMITED as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Daraius Z. Fraser
Partner
M. No.: 42454
Mumbai: April 26, 2010.

Annexure to the Auditors' Report

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

1. Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
 - c) In our opinion, there have been no significant disposals of fixed assets during the year which affect the going concern assumption.
2. Inventory:
 - a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records.
3. Loans and Advances:
 - a) The Company has granted unsecured loans to two companies listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1473.93 lac and the closing balance amounted to Rs. 1439.60 lac.
 - b) In our opinion, the rate of interest and other terms and conditions on which the unsecured loans have been granted to companies listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
 - c) The parties to whom the Company had granted loans have repaid the principal amounts as stipulated and have also been regular in the payment of interest.
 - d) There is no overdue amount of loans granted to companies listed in the register maintained under section 301 of the Companies Act, 1956.
 - e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956:
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5.00 lac in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

Annexure to the Auditors' Report

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

Name of Statute	Nature of Dues	Amount (Rs. Lac)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Rate differences on account of soap scrap.	61.54	2000-04	CESTAT
	Cenvat credit availed on input services.	10.81	2009-10	Commissioner of Central Excise (Appeal)
	Excise duty claim in respect of non payment of education cess.	118.27	2004-08	Assistant Commissioner
	Special Rate for value addition.	830.85	2008-10	CESTAT
	Others.	20.73	1996-99 2007-08 2008-09	Assistant Commissioner CESTAT
Sales Tax Act	Interest on sales tax dues.	12.07	2001-02	High Court
	Sales Tax Dues.	106.41	2004-05	Sales Tax Authority
	Sales Tax Dues	17.58	2009-10	Joint Commissioner (A)
	Others.	32.53	2000-01 2002-03 2003-04 2006-08 2009-10	Assistant / Joint/ Deputy Commissioner Sales Tax Authority
Income-tax Act, 1961	Appeal against order of regular assessment u/s 143(3) of the Act.	668.48	Assessment Year 2004-05	CIT(A)
	Appeal against order of regular assessment u/s 143(3) of the Act.	639.82	Assessment Year 2005-06	CIT(A)
	Appeal against order of regular assessment u/s 143(3) of the Act.	322.71	Assessment Year 2006-07	CIT(A)
	Appeal against order of regular assessment u/s 115WE(3) of the Act.	116.89	Assessment Year 2006-07	CIT(A)

Annexure to the Auditors' Report

Name of Statute	Nature of Dues	Amount (Rs. Lac)	Period to which the amount relates	Forum where dispute is pending
	Demand based on the order of regular assessment u/s 143(3) of the Act.	406.10	Assessment Year 2008-09	AO
	Others.	8.95	Assessment Year 2003-04 2006-07 2007-08	CIT (A)

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or 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. The Company does not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and the records examined by us, the terms and conditions of guarantee given by the Company for loans taken by its subsidiary from banks are not prima facie prejudicial to the interest of the Company.
16. According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans, which have been repaid during the year, were applied by the Company for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not issue any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year, except in one case where certain claims amounting to Rs. 2,424.18 lac have been made on the Company on account of the unauthorised, illegal and fraudulent acts of one of its employee whose services have since been terminated. The Company has been legally advised that it has a strong legal case in the matter.

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

Daraius Z. Fraser
Partner
M. No.: 42454
Mumbai: April 26, 2010.

Balance Sheet as at March 31, 2010

	Schedule	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SOURCES OF FUNDS:				
1. Shareholders' Funds				
a) Share Capital	1	3081.90		2569.54
b) Reserves and Surplus	2	<u>79664.63</u>	82746.53	<u>51122.41</u>
				53691.94
2. Loan Funds				
a) Secured Loans	3	1239.80		1489.03
b) Unsecured Loans	4	<u>—</u>	1239.80	<u>4800.00</u>
				6289.03
3. Deferred Tax Liability (Net)	5		632.12	416.32
TOTAL			84618.45	<u>60397.29</u>
APPLICATION OF FUNDS:				
4. Fixed Assets	6			
a) Gross Block		27379.54		26654.29
b) Less: Depreciation		<u>10823.75</u>		<u>9675.20</u>
c) Net Block		16555.79		16979.08
d) Capital Work-in-Progress		<u>83.72</u>	16639.51	<u>249.67</u>
				17228.75
5. Investments	7		52188.17	9788.59
6. Current Assets, Loans and Advances	8			
a) Inventories		16804.82		12667.41
b) Sundry Debtors		3314.95		981.04
c) Cash and Bank Balances		18570.42		34456.81
d) Other Current Assets		604.42		900.64
e) Loans and Advances		<u>15688.35</u>		<u>11483.99</u>
		<u>54982.97</u>		<u>60489.89</u>
7. Less: Current Liabilities and Provisions	9			
a) Current Liabilities		37816.77		23816.19
b) Provisions		<u>1375.43</u>		<u>3293.75</u>
		<u>39192.19</u>		<u>27109.94</u>
8. Net Current Assets			15790.77	33379.96
TOTAL			84618.45	<u>60397.29</u>
Notes to Accounts	15			

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

As per our Report attached

Signatures to the Balance Sheet and Schedules
1 to 9 and 15.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

For and on behalf of the Board
Adi Godrej
Chairman

Darius Z. Fraser
Partner

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

Dalip Sehgal
Managing Director

Mumbai: April 26, 2010.

Profit and Loss Account for the year ended March 31, 2010

	Schedule	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
INCOME:				
1. Sales (Gross)		129433.98		112660.41
Less: Excise Duty		<u>(2645.86)</u>		<u>(4226.17)</u>
			126788.12	108434.23
2. Processing Income			-	367.35
3. Other Income	10		5060.48	4399.23
			131848.60	113200.81
EXPENDITURE:				
4. Materials Consumed and Purchase of Goods	11	57730.62		60117.92
5. Expenses	12	43975.82		30080.28
6. Interest and Financial Charges	13	366.22		882.31
7. Depreciation and Amortisation		<u>1374.94</u>		<u>1436.92</u>
		103447.60		92517.42
8. Inventory Change	14	<u>(1513.21)</u>		<u>2091.01</u>
			101934.38	94608.43
			29914.22	18592.38
Profit Before Tax:				
9. Provision for Taxes				
- Current Taxes		4886.78		2106.67
- Deferred Taxes		215.80		320.74
- Fringe Benefits Tax		-		74.00
			5102.58	2501.41
			24811.64	16090.97
Net Profit After Tax:				
10. Tax Adjustments in Respect of Prior Years			-	63.72
			24811.64	16154.69
Net Profit After Tax:				
11. Surplus Brought Forward			9814.58	7324.05
Profit Available for Appropriation:				
Appropriations:				
1. Dividend on Equity Shares				
- Interim			12585.72	8371.24
- Final (Proposed)			-	1927.15
2. Tax on Distributed Profit			2138.94	1750.17
3. Transfer to General Reserve			2482.00	1615.58
4. Surplus Carried Forward			17419.56	9814.58
TOTAL			34626.22	23478.73
Earnings Per Share (In Rupees) (Face value Re. 1)	15 (25)			
Basic and Diluted			8.28	6.36
Notes to Accounts	15			

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

As per our Report attached

Signatures to the Profit and Loss Account and Schedules 10 and 15.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

For and on behalf of the Board
Adi Godrej
Chairman

Darius Z. Fraser
Partner

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

Dalip Sehgal
Managing Director

Mumbai: April 26, 2010.

Cash Flow Statement for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
Balance brought forward		3997.45	14167.53
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital - Right Issue	–		39645.75
Buyback of Equity Share Capital	–		(1490.00)
Proceeds from Borrowings	1503.28		36054.35
Repayments of Borrowings	(6966.67)		(42993.05)
Cash Credits (net)	414.16		(230.06)
Interest Paid	(148.94)		(739.48)
Dividend Paid	(12562.77)		(10023.69)
Tax on Distributed Profits	(2139.27)		(1711.99)
Rights Issue Expenses	–		(207.18)
Net Cash Flow from Financing Activities		(19900.21)	18304.66
Net Increase/(Decrease) in Cash and Cash Equivalents:		(15902.76)	32472.18
Cash and Cash Equivalents:			
As at The Beginning			
Cash and Bank Balances		34456.81	1984.63
Acquired Pursuant to the Scheme of Amalgamation			
As at the Ending			
Cash and Bank Balances		18570.42	34456.81
Net Increase/(Decrease) in Cash and Cash Equivalents:		(15902.76)	32472.18

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants

Daraius Z. Fraser
Partner

Mumbai: April 26, 2010.

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

For and on behalf of the Board

Adi Godrej
Chairman

Dalip Sehgal
Managing Director

Schedules forming part of the Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 1: SHARE CAPITAL			
1. Authorised:			
410,000,000	Equity shares (previous year		
290,000,000	Equity shares) of Re. 1/- each.	4100.00	2900.00
10,000,000	Preference shares (previous year		
10,000,000	Preference shares) of Re. 1/- each.	100.00	100.00
2. Issued:			
308,221,168	Equity shares (previous year	3082.21	2569.85
256,985,032	Equity shares) of Re. 1/- each fully paid up.		
3. Subscribed and Paid Up:			
308,190,044	Equity shares (previous year	3081.90	2569.54
256,953,908	Equity shares) of Re. 1/- each fully paid up.		
Total		3081.90	2569.54
Note:			
a) Of the above, 51,236,136 equity shares of Rs. 1 each (previous year nil) have been issued pursuant to a Scheme of Amalgamation for a consideration other than cash.			
SCHEDULE 2: RESERVES AND SURPLUS			
1. Capital Investment Subsidy Reserve			
		15.00	15.00
2. Capital Redemption Reserve			
As per last Balance Sheet	145.94		134.72
Add: Transfer from General Reserve	-		11.22
		145.94	145.94
3. Securities Premium Account			
As per last Balance Sheet	35703.58		-
Amount Received During the Year	-		39323.43
Less: Rights Issue Expenses and Trademarks Written off	-		(3619.84)
		35703.58	35703.58
4. General Reserve			
As per last Balance Sheet	5443.30		5317.72
Add : Transfer from Profit and Loss Account	2482.00		1615.58
Add : Transfer on Amalgamation of GCBL & GHCL	18455.25		-
Less : Premium on buy-back of shares	-		(1478.78)
Less : Transfer to Capital Redemption Reserve on buy-back of shares	-		(11.22)
		26380.55	5443.30
5. Profit and Loss Account			
		17419.56	9814.58
Total		79664.63	51122.41

Schedules forming part of the Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 3: SECURED LOANS			
1. Borrowings From Banks			
a) Term Loans	-		666.67
b) Cash Credit	1189.46		775.30
		1189.46	1441.97
2. Sales Tax Deferment Loan		50.34	47.06
Total		1239.80	1489.03
SCHEDULE 4: UNSECURED LOANS			
1. Term Loans and Advances			
a) From Banks		-	4800.00
Total		-	4800.00
Amount repayable within one year		-	4800.00
SCHEDULE 5: DEFERRED TAX LIABILITY (NET)			
1. Deferred Tax Liability			
a) Depreciation		923.98	645.78
2. Deferred Tax Asset			
a) Expenditure Disallowable under Section 43B	(210.09)		(218.28)
b) Provision for Doubtful Debts	(81.78)		(11.18)
		(291.87)	(229.46)
Total		632.12	416.32

SCHEDULE 6: FIXED ASSETS

(Rs. in Lac)

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2009	Additions	Deductions	As on 31-03-2010	Upto 31-03-2009	For the Year	On Deductions	Up to 31-03-2010	As on 31-03-2010	As on 31-03-2009
Tangible Assets:										
Freehold Land	11.43	-	-	11.43	-	-	-	-	11.43	11.43
Leasehold Land	684.71	-	-	684.71	28.61	7.10	-	35.71	649.00	656.10
Leasehold Improvement	-	102.16	-	102.16	-	7.58	-	7.58	94.58	-
Buildings	5702.98	114.92	-	5817.90	783.67	163.64	-	947.31	4870.59	4919.31
Plant and Machinery	18707.72	523.92	139.44	19092.20	8001.07	1046.73	134.06	8913.74	10178.46	10706.65
Furniture, Fixtures and Fittings	180.50	96.15	24.07	252.58	67.36	11.24	7.73	70.87	181.71	113.14
Office Equipment	381.82	61.44	51.17	392.09	145.20	19.06	33.63	130.63	261.46	236.62
Computers	461.35	48.25	26.31	483.30	349.53	64.32	25.72	388.14	95.16	111.82
Vehicles	47.54	63.35	17.92	92.96	37.09	6.70	15.52	28.26	64.70	10.44
Intangibles:										
Computer Software	434.54	-	-	434.54	250.14	45.49	-	295.64	138.90	184.39
Assets Under Finance Lease:										
Leased Vehicles	41.70	-	26.03	15.67	12.52	3.09	9.73	5.88	9.79	29.19
Total	26654.29	1010.19	284.94	27379.54	9675.20	1374.94	226.40	10823.75	16555.79	-
Previous Year	26556.21	6920.92	6822.84	26654.29	11098.27	1436.92	2859.98	9675.20	-	16979.08
Capital Work-in-Progress including Capital Advances									83.72	249.67
Total									16639.51	17228.75

Schedules forming part of the Accounts for the year ended March 31, 2010

SCHEDULE 7: INVESTMENTS

Previous Year Nos.	Current Year Nos.		Face Value	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
Long Term - At Cost - Fully Paid up						
1. IN EQUITY SHARES						
Unquoted:						
-	12,513,375	Godrej Sara Lee Ltd.	Rs. 4	19700.52		-
1,300,000	-	Godrej Hygiene Products Ltd. (formerly Godrej SCA Hygiene Ltd.) (Subsidiary w.e.f. April 1, 2009)	Rs. 10	-		1600.00
					19700.52	1600.00
2. IN EQUITY SHARES OF SUBSIDIARY COMPANIES						
Unquoted:						
200	200	Godrej Netherlands B.V.	€ 100	4912.57		4912.57
18,050,000	18,050,000	Rapidol (PTY) Ltd.	ZAR 1	1266.50		1266.50
5	5	Godrej Global Mideast FZE	USD 250,000	573.80		573.80
-	2,600,000	Godrej Hygiene Products Ltd. (formerly Godrej SCA Hygiene Ltd.) (Joint Venture upto March 31, 2009)	Rs. 10	2087.36		-
3	6	Godrej Consumer Products Mauritius Ltd.	USD 1	15079.45		685.72
-	1	Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	45.58		-
					23965.26	7438.59
3. IN PREFERENCE SHARES OF SUBSIDIARY COMPANIES						
Unquoted:						
-	4,000,000	Godrej Consumer Products Mauritius Ltd.	USD 1		1822.40	-
Current - At Cost - Fully Paid up						
4. IN UNITS OF MUTUAL FUNDS						
Unquoted:						
2,844,202	-	Birla Sunlife Mutual Fund Cash Plus - Instl. Premium - Growth	Rs. 10	-		400.00
90,991,617	128,355,243	- Purchased during the year				
88,147,415	131,199,445	- Sold during the year				

Schedules forming part of the Accounts for the year ended March 31, 2010

SCHEDULE 7: INVESTMENTS (Contd.)

Previous Year Nos.	Current Year Nos.		Face Value	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
1,963,259	18,940,359	Kotak Liquid (Institutional Premium) Plan				
		- Growth Scheme	Rs. 10	3500.00		350.00
26,513,828	121,728,924	- Purchased during the year				
24,550,569	104,751,824	- Sold during the year				
	1,543,853	Prudential ICICI Institutional Liquid Plan				
		- Super Institutional Growth Scheme	Rs. 100	2100.00		-
	6,568,298	- Purchased during the year	Rs. 100			
	5,024,445	- Sold during the year	Rs. 100			
94,897,726	91,672,580	- Purchased during the year	Rs. 10			
94,897,726	91,672,580	- Sold during the year	Rs. 10			
		(During the year the face value of units was changed from Rs. 10 per unit to Rs. 100 per unit.				
	5,965,196	HDFC Liquid Fund - Premium Plan	Rs. 10	1100.00		-
		- Growth Scheme				
	23,902,997	- Purchased during the year				
	17,937,801	- Sold during the year				
		- Reliance Liquid Fund - Treasury Plan	Rs. 10	-		-
		- Institutional Option - Daily Dividend Option				
	3,859,831	- Purchased during the year				
	3,859,831	- Sold during the year				
					6700.00	750.00
Total					52188.17	9788.59
Aggregate Book Value of Investments:						
Quoted						-
Unquoted						52188.17
Total						52188.17

Schedules forming part of the Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 8: CURRENT ASSETS, LOANS AND ADVANCES			
1. Inventories			
(At lower of cost and net realisable value)			
a) Raw Materials	7666.72		5047.55
b) Stores and Spares	394.68		389.64
c) Work-in-Progress	2298.91		1675.12
d) Finished Goods - Manufactured	5845.33		5091.65
- Trading	599.18		463.43
		16804.82	12667.41
2. Sundry Debtors			
(Unsecured - Considered good, unless otherwise stated)			
a) Debts outstanding for a period exceeding six months (Including doubtful debts Rs. 33.83 lac; - previous year Rs. 38.60 lac)	39.61		90.38
b) Other Debts	3309.17		929.26
	3348.78		1019.64
c) Less: Provision for Doubtful Debts	33.83		38.60
		3314.95	981.04
3. Cash and Bank Balances			
a) Cash in Hand	11.90		10.77
b) Cheques on Hand	734.23		975.04
c) Balances with Scheduled Banks			
- In Current Accounts	1316.98		1381.61
- In Deposit Accounts	16507.30		32089.39
(Under lien with the bank: Rs. 106.95 lac; previous year Rs. 105.35 lac)			
		18570.42	34456.81
4. Other Current Assets			
Accrued Interest		604.42	900.64
5. Loans and Advances			
(Unsecured - considered good, unless otherwise stated)			
a) To Subsidiaries	1439.60		-
b) Advances Recoverable in Cash or in Kind or For Value to be Received (Net of advances considered doubtful Rs. 6.86 lac); - previous year Rs. 0.66 lac)	6897.51		5783.55
c) Amount Due from ESOP Trust	5221.07		3843.94
d) Balances with Excise Authorities	1875.06		1584.39
e) Sundry Deposits	261.97		272.77
	15695.21		11484.65
Less: Provision for Doubtful Loans & Advances	6.86		0.66
		15688.35	11483.99
Total		54982.97	60489.89

Schedules forming part of the Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 9: CURRENT LIABILITIES AND PROVISIONS			
1. Current Liabilities			
a) Sundry Creditors			
- Dues to Micro, Small and Medium Enterprises	688.19		926.42
- Others	9381.69		7493.14
b) Advances and Deposits	553.36		504.86
c) Unclaimed Dividends*	433.16		408.28
d) Other Liabilities	22908.00		12545.79
e) Interim Dividend Payable	3852.38		1927.15
f) Interest Accrued but not Due on Loans	-		10.54
	<hr/>	37816.77	<hr/>
2. Provisions			
a) For Taxation (Net of Advance Payment of Taxes)	102.63		120.16
b) For Proposed Dividend	-		1927.15
c) For Tax on Distributed Profits	654.71		655.04
d) For Leave Encashment	618.08		591.39
	<hr/>	1375.43	<hr/>
Total		39192.19	<hr/> 27109.94 <hr/>
*The figure of Unclaimed Dividend reflects the position as at March 31, 2010. During the year, the Company has transferred an amount of Rs. 41.54 lac (previous year Rs. 11.31 lac) to the Investor Education and Protection Fund in accordance with the provisions of section 205C of the Companies Act, 1956.			
SCHEDULE 10: OTHER INCOME			
1. Dividend		1001.07	-
2. Interest Received (Gross)			
a) On Advances and Deposits	94.93		37.31
b) On Rights Issue Proceeds	2005.92		3068.77
c) On ESOP Trust Loan (Tax Deducted at Source Rs. 408.19 lac; previous year Rs. 573.63 lac)	428.69		367.17
d) On Income Tax Refund	0.99		14.48
	<hr/>	2530.53	<hr/>
3. Gain/(Loss) on Exchange Difference (Net)		102.53	(114.02)
4. Profit on Sale of Investments (Net)		207.06	21.56
5. Royalty and Technological Fees		723.58	509.46
6. Claims Received		73.05	60.26
7. Miscellaneous Income		422.66	434.23
Total		5060.48	<hr/> 4399.23 <hr/>
SCHEDULE 11: MATERIALS CONSUMED AND PURCHASE OF GOODS			
1. Raw Materials Consumed			
Opening Inventory	5047.55		6859.02
Add: Purchases (Net)	56731.82		55231.81
	<hr/>		<hr/>
Less: Closing Inventory	61779.37		62090.84
Raw Materials Consumed During the Year	7666.72		5047.55
	<hr/>	54112.65	<hr/>
2. Purchase of Goods for Resale		3617.97	3074.63
Total		57730.62	<hr/> 60117.92 <hr/>

Schedules forming part of the Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 12: EXPENSES			
1. Salaries, Wages and Bonus		11488.07	5340.37
2. Contribution to Provident and Other Funds		497.76	406.83
3. Workmen and Staff Welfare Expenses		108.59	96.40
4. Stores and Spares Consumed		538.13	556.27
5. Processing Charges and Other Manufacturing Charges		1847.81	1638.22
6. Excise Duty Provision on Inventory		92.03	(276.14)
7. Power and Fuel		3289.91	3548.70
8. Repairs and Maintenance			
a) Plant and Machinery	191.42		187.64
b) Buildings	35.38		25.68
c) Others	134.07		81.10
		360.87	294.42
9. Establishment Expenses		366.76	726.63
10. Miscellaneous Expenses		1169.15	850.85
11. Rent		547.22	475.83
12. Rates and Taxes		190.49	225.42
13. Travelling and Conveyance		952.92	849.87
14. Legal and Professional Charges		619.55	653.17
15. Insurance		161.36	112.77
16. Donations		5.63	5.75
17. Selling and Distribution Expenses		1748.27	1504.24
18. Sales Promotion		5319.93	3023.38
19. Freight		4434.87	3671.26
20. Advertising and Publicity		10168.90	6314.86
21. Commission		14.30	23.69
22. Discount		8.71	14.82
23. Loss on Sale of Assets (Net)		41.44	18.68
24. Bad Debts Written Off		1.73	0.80
25. Provision for Doubtful Debts and Advances		1.42	3.19
Total		43975.82	30080.28
SCHEDULE 13: INTEREST AND FINANCIAL CHARGES			
1. Interest Expense:			
a) Interest on Term Loans	94.95		668.56
b) Interest on Other Bank Loans	1.96		30.01
c) Other Interest	41.49		29.66
		138.40	728.24
2. Discounting and Other Finance Charges		227.82	154.07
Total		366.22	882.31
SCHEDULE 14: INVENTORY CHANGE			
1. Opening Inventory			
a) Finished Goods	5091.65		6870.75
b) Traded Goods	463.43		394.76
c) Work-in-Progress	1675.12		2055.71
		7230.21	9321.22
2. Less: Closing Inventory			
a) Finished Goods	5845.33		5091.65
b) Traded Goods	599.18		463.43
c) Work-in-Progress	2298.91		1675.12
		8743.43	7230.21
3. (Increase)/Decrease in Inventory		(1513.21)	2091.01

Schedules forming part of the Accounts for the year ended March 31, 2010

SCHEDULE 15: NOTES TO ACCOUNTS

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 Accounting Standards issued by 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 exceeds its recoverable amount. An impairment loss, if any, is recognized in the period in which the impairment takes place.

e) 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 recognize a decline, other than of a temporary nature. Current investments are stated at lower of cost and net realisable value.

f) Inventories:

Inventories are valued at lower of cost and 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.

g) Provisions and Contingent Liabilities:

Provisions are recognized 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.

Schedules forming part of the Accounts for the year ended March 31, 2010

No Provision is recognized 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 recognized 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 recognized in the financial statements since this may result in the recognition of income that may never be realized.

h) Revenue Recognition:

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

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

Export incentives are accounted on accrual basis and include the estimated value of export incentives receivable under the Duty Entitlement Pass Book Scheme.

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

Interest income is recognised on a time proportion basis.

Insurance claims and transport and power subsidies from the Government are accounted on cash basis when received.

i) 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.

j) 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 Profit and Loss Account.

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 contracts is amortised over the period of the contract and recognised as income or expense

Schedules forming part of the Accounts for the year ended March 31, 2010

for the period. Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account 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.

k) Research and Development Expenditure:

Revenue expenditure on research and development is charged to the Profit and Loss Account 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) Employee Benefits:

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 recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the employee renders the related service.

Post Employment Benefits:

- (i) Defined Contribution Plans:

Payments made to a defined contribution plan such as Provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

- (ii) Defined Benefit Plans:

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 recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account 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.

Other Long Term Employee Benefits:

Other Long Term Employee Benefits viz., leave encashment and long service bonus are recognised as an expense in the Profit and Loss Account 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 Profit and Loss Account.

Schedules forming part of the Accounts for the year ended March 31, 2010

m) 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 the previous year, 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 Profit and Loss Account. 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 opening notional bank balance accumulated till March 31, 2009, is being paid @ 33% every year.

During the year, the entire EVA award for the year has been charged to the Profit and Loss Account and has not been routed through the notional bank.

n) Depreciation:

Leasehold land is amortised equally over the lease period.

Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.

Depreciation is provided pro rata to the period of use, under the Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956, except for computer hardware which is depreciated over 4 years.

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

o) 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 recognized in the profit and loss account. Gains or losses on the commodity futures contracts are recorded in the Profit and Loss Account under Cost of Materials Consumed.

p) 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 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 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.

q) Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of toilet soaps and other toiletries. Consequently, the Company has in its primary segment only one reportable business segment. As per AS-17 'Segment Reporting' if a single financial report contains both consolidated financial statements and the separate financial statement of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, information required to be presented under AS-17 Segment Reporting has been given in the consolidated financial statements.

Schedules forming part of the Accounts for the year ended March 31, 2010

2. BACKGROUND

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over as a going concern the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a scheme of arrangement as approved by the High Court, Mumbai. The Company is a focused fast moving consumer goods company, manufacturing and marketing toilet soaps, hair colour, liquid detergents and other toiletries.

3. SCHEME OF AMALGAMATION

- a) A Scheme of Amalgamation ("the Scheme") for the amalgamation of Godrej ConsumerBiz Ltd. (GCBL) (a 100% subsidiary of Godrej & Boyce Manufacturing Company Ltd. (G&B)) and Godrej Hygiene Care Ltd. (GHCL) (a 100% subsidiary of Godrej Industries Limited (GIL)) together called "the Transferor Companies", with Godrej Consumer Products Limited (the Transferee Company), with effect from June 1, 2009, ("the Appointed Date") was sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated October 8, 2009 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on October 15, 2009 (the "Effective Date").
- b) The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard AS 14 - Accounting for Amalgamations and the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these accounts and all assets and liabilities of the Transferor Companies stand transferred to and vested in the Transferee Company with effect from the Appointed Date and are recorded by the Transferee Company at their book values as appearing in the books of the Transferor Companies.
- c) The value of Net Assets of the Transferor Companies taken over by the Transferee Company on Amalgamation are as under:

(Rupees in lac)

Particulars	GHCL	GCBL	Total
Investments in Godrej Sara Lee Limited	4,741.61	14,958.91	19,700.52
Cash and Bank Balances	1.34	15.02	16.36
Loans and Advances	-	0.30	0.30
Advance Taxes Paid	-	1.03	1.03
Current Liabilities and Provisions	(2.94)	(15.31)	(18.25)
Provision for Taxes	-	(1.20)	(1.20)
Net Assets	4,740.01	14,958.74	19,698.76

- d) GCBL and GHCL held 29% and 20% respectively in Godrej Sara Lee Ltd., which is a 49:51 unlisted joint venture company between the Godrej Group and Saralee Corporation, USA. As a result of the amalgamation, Godrej Sara Lee Limited has become a Joint Venture between the Company and Sara Lee Corporation USA.
- e) In accordance with the Scheme of Amalgamation, the Company has issued and allotted 30,296,727 equity shares having a face value of Re. 1 each to G&B and 20,939,409 equity shares having a face value of Re. 1 each to GIL, being 10 equity shares in the Transferee Company for every 11 equity shares held by them in GCBL and GHCL respectively, as consideration for the transfer. Consequently, the issued, subscribed and paid up equity share capital of the Company stands increased to 308,190,044 equity shares having a face value of Re. 1 each aggregating Rs. 3,081.90 lac.

Schedules forming part of the Accounts for the year ended March 31, 2010

- f) The excess of book value of the net assets of the Transferor Companies taken over, amounting to Rs. 18,455.25 lac, after adjusting the expenses and cost of the Scheme which amounted to Rs. 731.15 lac, over the face value of shares issued as consideration to the Members of the Transferor Companies has been credited to the General Reserve as per the Scheme.
- g) Had the Scheme not prescribed the above treatment, the balance in Security Premium Account would have been higher by Rs. 19,165.65 lac, Investments would have been higher by Rs. 731.15 lac, Capital Reserve would have been higher by Rs. 51.24 lac, the Profit and Loss Account and the General Reserve would have been lower by Rs. 30.50 lac and 18,455.25 lac respectively.
- h) Since the aforesaid Scheme of amalgamation of GCBL and GHCL with the Company, which is effective from June 1, 2009, 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.

4. CONTINGENT LIABILITIES

	Current Year Rs. in Lac	Previous Year Rs. in Lac
a) Claims for excise duties, taxes and other matters:		
i) Excise duty demands aggregating Rs. 93.08 lac (previous year Rs. 78.07 lac) against which the Company has preferred appeals (net of tax).	61.44	51.54
ii) 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 Rs. 118.27 lac (previous year Rs. 118.27 lac) (net of tax).	78.07	78.07
iii) Special Value Addition Rate application for excise purpose at Guwahati claimed at a rate higher than the normal rate as per new notification is yet to be granted. The excess special value addition claimed over and above the normal rate amounting to Rs. 830.86 lac (previous year Rs. 453.65 lac) has been accounted as recoverable and the same is contingent on the higher rate being granted (net of tax).	548.45	299.45
iv) Sales tax demands aggregating Rs. 168.59 lac (previous year Rs. 135.33 lac) against which the Company has preferred appeals (net of tax).	111.29	89.33
v) Income-tax matters: Demand notices issued by Income-tax Authorities.	2162.96	1755.36
vi) Other matters - Rs. 6.62 lac (previous year Rs. 6.62 lac) (net of tax).	4.37	4.37
vii) Entry tax demand by the Government of Assam on materials received at the Guwahati factory for the period December 2006 to May 2008 which is being disputed by the Company. During the previous year, the amount was not quantified. During the current year, the Company has made a provision for the same in the books of account.	-	-
b) Guarantees issued by banks (secured by bank deposits under lien with the bank Rs. 106.95 lac (previous year – Rs. 105.00 lac)	262.75	234.75
c) Guarantees of GBP 3 million (previous year GBP 3 million) given by the Company for securing loan availed by Godrej Netherlands B.V., a wholly owned subsidiary of the Company.	2036.06	2174.70

Schedules forming part of the Accounts for the year ended March 31, 2010

	Current Year Rs. in Lac	Previous Year Rs. in Lac
d) Guarantee of USD Nil (previous year USD 40 million) given by the Company for securing loan given by the Hong Kong and Shanghai Banking Corporation to Godrej Consumer Products Mauritius Limited – a wholly owned subsidiary of the Company.	–	20288.00
e) Guarantee of AED 1.4 million (previous year AED 1.4 million) given by the Company to guarantee principal amount of credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mideast FZE – a wholly owned subsidiary of the Company.	171.69	193.48
f) Guarantee given by the Company to guarantee principal amount of credit facilities extended by the Royal Bank of Scotland to Godrej Hygiene Products Limited – a wholly owned subsidiary of the Company.	300.00	–
g) Claims against the Company not acknowledged as debt: Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	2424.19	–

5. CAPITAL COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for Rs. 42.57 lac (previous year Rs. 88.92 lac)

6. SECURED LOANS

- a) The Sales Tax Deferment Loan is secured by :
- i) Malanpur location:
 - (a) a first charge by way of equitable mortgage of the immovable properties at Malanpur factory, and
 - (b) hypothecation of movable assets at Malanpur factory, save and except, book debts and subject to charges already created by the Company in favour of the banks for working capital facilities.
 - ii) Baddi Location:
Bank guarantee in favour of the sales tax authorities.
- b) Bank cash credit, working capital demand loans and guarantees issued by banks are secured by hypothecation of stocks and book debts.

7. INVESTMENTS

- a) During the year the Company has acquired a 49% stake in Godrej Sara Lee Limited which is a 49:51 unlisted joint venture company between the Godrej Group and Sara Lee Corporation, USA. through the amalgamation of Godrej ConsumerBiz Ltd. (GCBL) and Godrej Hygiene Care Ltd. (GHCL).
- b) During the year the Company completed the acquisition of the balance 50% stake in Godrej SCA Hygiene Ltd. (subsequently renamed Godrej Hygiene Products Ltd.) from SCA Hygiene Products AB, Sweden, in terms of the Share Purchase Agreement between the Company, SCA Hygiene Products AB, Sweden and Godrej SCA Hygiene Ltd. Godrej Hygiene Products Ltd. has become a wholly owned subsidiary of the Company with effect from April 1, 2009.
- c) During the year, the Company has set up Godrej Consumer Products Holding (Mauritius) Limited as a wholly owned subsidiary. Godrej Consumer Products Holding (Mauritius) Limited, in turn has set up Godrej Consumer

Schedules forming part of the Accounts for the year ended March 31, 2010

Products Dutch Cooperatief UA (Netherlands), Godrej Consumer Products (Netherlands) B.V. and Godrej Consumer Holdings (Netherlands) B.V. as further downstream subsidiaries. Subsequent to the year end, the Company has entered into an agreement to acquire P. T. Megasari Makmur Group and its distribution company in Indonesia through Godrej Consumer Products Holding (Mauritius) Limited and its subsidiaries.

- d) The Company has also set up Godrej Nigeria Holdings Limited and its subsidiary Godrej Nigeria Limited as subsidiaries of its 100% subsidiary Godrej Consumer Products Mauritius Limited (Mauritius). The Company has entered into an agreement to acquire worldwide rights of Tura Brand from the Tura Group in Nigeria through the Company's 100% subsidiary Godrej Nigeria Holdings Limited, Mauritius.

8. SUNDRY DEBTORS

Sundry Debtors include amounts due from companies under the same management as under:

Name of the Company	Current Year Rs. in Lac	Previous Year Rs. in Lac
a) Godrej Industries Ltd.	35.16	46.11
b) Godrej Agrovet Ltd.	3.39	1.08

9. LOANS AND ADVANCES

- a) Loans and Advances include loans to subsidiaries as under:

Name of the Company	Current Year Rs. in Lac	Previous Year Rs. in Lac
a) Godrej Hygiene Products Ltd.	1,100.00	-
Accrued Interest Due thereon	57.15	-
Maximum balance during the year	1,157.15	-
b) Godrej Netherlands B.V.	339.60	-
Accrued Interest Due thereon	1.65	-
Maximum balance during the year	380.11	355.63

- b) The Company has granted a loan amounting to Rs. 4,430.84 lac (previous year Rs. 3,480.00 lac) (being the maximum amount of loan outstanding during the year) to The Godrej Consumer Products Limited ESOP Trust, a trust set up for administering the Employee Stock Option Plan of the Company set up for the employees / Directors of the Company and / or of the Company's subsidiaries. The Trust has acquired 3,109,000 (previous year 2,550,000) equity shares amounting to Rs. 4,465.14 lac (previous year Rs. 3,473.87 lac) of the Company as at March 31, 2010, for granting ESOPS for the benefit of its eligible employees. The aforesaid loan is repayable at the end of five years from the date of the loan agreement viz. five years from March 21, 2008. The repayment of the loan by the trust is dependant on the exercise of option by the employees and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period.
- c) The Company has given advances amounting to Rs. Nil (previous year Rs. 6.46 lac) to companies under same management. Maximum debit balance during the year Rs. Nil (previous year Rs. 362.09 lac).

10. RIGHTS ISSUE PROCEEDS

Out of the funds raised from the rights issue in the previous year amounting to Rs. 39,645.75 lac, the Company has as of March 31, 2010, utilised an amount of Rs. 23,245.75 lac for part of the objects mentioned in the Rights Offer letter (as amended till date). The balance unutilized funds amounting to Rs. 16,400.00 lac have been temporarily invested in fixed deposits with banks pending their utilization.

11. LIABILITIES

- a) 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.

Schedules forming part of the Accounts for the year ended March 31, 2010

- b) The Company has acquired a vehicle under a finance lease. The liability for minimum lease payment is secured by hypothecation of the vehicle acquired under the lease. The minimum lease payments outstanding as on March 31, 2010, in respect of vehicle leased are as under:

(Rs. in Lac)

Maturity Profile	Total Future Minimum Lease Payments Outstanding as on March 31, 2010	Unmatured Finance Charges	Present Value of Future Minimum Lease Payments
Not later than one year	3.92 (11.17)	0.03 (0.62)	3.89 (10.55)
Later than one year and not later than five years	- (3.92)	- (0.03)	- (3.89)
Later than five years	- (-)	- (-)	- (-)
Total	3.92 (15.09)	0.03 (0.65)	3.89 (14.44)

(Note: Figures for previous year are given in brackets)

- c) The Company's significant leasing agreements are in respect of operating lease for premises (office, godown, etc.) and the aggregate lease rentals payable, are charged as rent.
- d) Sundry Creditors / Provision for Liabilities – Raw materials include overseas supplier credit amounting to Rs. 8,231.47 lac (previous year Rs. 7,134.32 lac).

12. HEDGING CONTRACTS

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by a Forex Committee. As at March 31, 2010, the Company had 15 (previous year 16) outstanding forward exchange contracts to purchase foreign currency aggregating to US Dollars 112.12 lac (previous year US Dollars 93.58 lac) at an average rate of Rs. 46.44 per US Dollar (previous year Rs. 49.04 per US Dollar). The uncovered foreign exchange exposure as at March 31, 2010, is as under:

(Rs. in Lac)

	Currency	Current Year	Previous Year
Purchase	USD	71.21	113.59
Sale	USD	7.91	3.25
Other Income	ZAR	29.65	-
Loan and Interest Receivable	GBP	5.02	-

13. PROFIT AND LOSS ACCOUNT

- a) Exchange differences (net) recognised in the Profit and Loss Account for the year amounted to a gain of Rs. 102.53 lac (previous year Rs. 114.02 lac loss). The premium in respect of forward exchange contracts to be recognised in subsequent accounting periods is Rs. 38.26 lac (previous year Rs. 25.26 lac).
- b) Research and Development Expenditure of revenue nature charged to the Profit and Loss Account amounts to Rs. 474.76 lac (previous year Rs. 248.98 lac).
- c) Establishment expenses represent the Company's share of various expenses incurred by Godrej Industries Ltd. and other companies under the same management for sharing of services and use of common facilities.

Schedules forming part of the Accounts for the year ended March 31, 2010

- d) Net borrowing cost capitalised under fixed assets amounts to Rs. Nil (previous year Rs. 21.78 lac).
- e) Entry tax demands by the Government of Assam on materials received at the Guwahati factory for the period December 2006 to May 2008 amounting to Rs.100.00 lac has been accounted for during the year and charged to revenue.

14. EMPLOYEE STOCK OPTION 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 where by the Company can grant 45,00,000 stock options convertible into 45,00,000 equity shares of the nominal value Re. 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 limit for ESOPS approved by the shareholders were 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) Up to the previous year, the ESOP Scheme provided that in the case of retiring employees, all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such Option Grantee's Retirement and all Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the Compensation Committee, which determination will be final and binding.

During this year, the Scheme has been modified to provide that all Unvested Options shall vest in the employee 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 status of the ESOP Scheme is as under:

	Current Year	Previous Year
Options Granted	3,828,000	2,755,000
Options Vested	100,000	NIL
Options Exercised	100,000	NIL
Options Lapsed / Forfeited	619,000	205,000
Options Lapsed / Forfeited to be re-granted	275,000	45,000
Total Number of Options Outstanding	2,834,000	2,505,000

Schedules forming part of the Accounts for the year ended March 31, 2010

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

Had the fair value method of accounting been used, the employee compensation cost would have been higher by Rs. 442.75 lac (previous year Rs. 384.26 lac).

15. INCENTIVE PLANS

The amount carried forward in notional bank after distribution of PLVR for the financial year 2009-10 is Rs. 525.00 lac as on March 31, 2010 (previous year Rs. 819.38 lac). The said amount is not provided in the books of account and is payable in future, if performance so warrants.

16. EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

i) Provident Fund:

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

b) DEFINED BENEFIT PLAN

i) Gratuity:

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

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

The expected return on plan assets of 8.25% has been considered based on the current investment pattern in Government securities.

d) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to Rs. 262.70 lac (previous year Rs. 228.85 lac) has been included in Schedule 12 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to Rs. 195.89 lac (previous year Rs. 130.00 lac) has been included in Schedule 12 under Contribution to Provident and Other Funds. The Company had made a short provision amounting to Rs. 4.34 lac in the current year and Rs. 1.90 lac in the previous year for which no adjustment entries have been passed in the books of account.

Schedules forming part of the Accounts for the year ended March 31, 2010

16. EMPLOYEE BENEFITS (Contd.)

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

		Gratuity	
		Current Year	Previous Year
		Rs. in Lac	Rs. in Lac
i) Change in Present Value of Obligation			
	Present value of the obligation at the beginning of the year	743.67	603.02
	Liabilities on transfer of employees from group companies	4.03	–
	Current Service Cost	53.55	47.67
	Interest Cost	59.49	48.24
	Actuarial (Gain) / Loss on Obligation	149.43	98.34
	Benefits Paid	(72.07)	(53.60)
	Present value of the obligation at the end of the year	938.11	743.67
ii) Change in Plan Assets			
	Fair value of Plan Assets at the beginning of the year	748.01	609.26
	Expected return on Plan Assets	59.84	48.74
	Actuarial Gain / (Loss) on Plan Assets	2.40	13.61
	Contributions by the Employer	–	130.00
	Benefits Paid	(72.07)	(53.60)
	Fair value of Plan Assets at the end of the year	738.18	748.01
iii) Amounts Recognised in the Balance Sheet:			
	Present value of Obligation at the end of the year	938.11	743.67
	Fair value of Plan Assets at the end of the year	738.18	748.01
	Net Obligation at the end of the year	199.92	(4.34)
iv) Amounts Recognised in the statement of Profit and Loss:			
	Current Service Cost	53.55	47.67
	Interest Cost on Obligation	59.49	48.24
	Expected return on Plan Assets	(59.84)	(48.74)
	Net Actuarial (Gain) / Loss recognised in the year	147.03	84.73
	Net Cost Included in Personnel Expenses	200.24	131.90
v) Actual Return on Plan Assets		62.24	62.35
vi) Estimated contribution to be made in next financial year		87.12	133.74
vii) Major categories of Plan Assets as a % of total Plan Assets			
i)	Insurer Managed Funds	100%	100%
viii) Actuarial Assumptions			
(i)	Discount Rate	8.25% P.A.	8% P.A.
(ii)	Expected Rate of Return on Plan Assets	8.25% P.A.	8% P.A.
(iii)	Salary Escalation Rate	5% P.A.	5% P.A.
(iv)	Employee Turnover	1% P.A.	2% P.A.
(v)	Mortality		
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
		L.I.C (1994-96) Ultimate	

Schedules forming part of the Accounts for the year ended March 31, 2010

17. ANNUAL CAPACITIES AND PRODUCTION

	Item	Units	Installed Capacity*		Actual Production	
			Current Year	Previous Year	Current Year	Previous Year
1.	Soaps	M.T.	159,000	137,333	92,290	87,335
2.	Hair Colour and Other Toiletries	M.T.	16,080	16,080	1,540	1,203
3.	Fatty Acids	M.T.	97,500	97,500	3,087	4,791
4.	Glycerine	M.T.	2,300	2,300	3,465	1,648
5.	Detergents	M.T.	12,000	12,000	5,134	3,699

* As certified by the management and relied on by the Auditors, being a technical matter.

Notes:

- The licensed capacities are not applicable in view of the exemption from licensing granted under Notification SO 477 (E) dated 25th July, 1991, issued under Industries (Development & Regulation) Act, 1951.
- Actual production excludes production for captive consumption.
- Actual production includes soaps produced by the Company for third parties - Nil MT (previous year 3,860.95 MT).
- Actual production excludes items processed for the Company by third parties, viz., Hair colour and other toiletries 4544 MT (previous year 3,100 MT).

18. INVENTORY OF FINISHED GOODS

	Item	Quantity Units	March 31, 2010		March 31, 2009		March 31, 2008	
			Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac
	Manufactured:							
1.	Soaps	M.T.	7,277	4113.61	7,295	4171.54	9,400	5850.56
2.	Hair Colour and Other Toiletries	M.T.	742	1471.45	418	699.09	656	944.43
3.	Detergents	M.T.	465	260.28	310	212.32	171	75.55
4.	Fatty Acids and Glycerine	M.T.	-	-	21	8.70	1	0.21
	Purchased:							
1.	Soaps	M.T.	12	12.02	11	12.74	10	12.16
2.	Hair Colour and Other Toiletries	M.T.	337	587.16	225	450.70	164	382.60
	Total			6444.51		5555.09		7265.51

19. SALES TURNOVER (Net of Excise Duty)

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac
1.	Soaps	M.T.	92,570	82837.93	85,389	71379.77
2.	Hair Colour and Other Toiletries	M.T.	7,266	35774.50	5,253	29249.84
3.	Detergents	M.T.	4,927	5326.24	3,553	4284.81
4.	Fatty Acids and Glycerine			2849.45		3519.80
	Total			126788.12		108434.23

Schedules forming part of the Accounts for the year ended March 31, 2010

20. RAW MATERIALS CONSUMED

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac
1.	Oils and Fats	M.T.	83,703	26058.46	78,081	31165.47
2.	Chemicals, Perfumes, Colours and Catalysts	M.T.	36,934	17418.01	84,369	16592.67
3.	Packing Materials, etc.	M.T.		10636.17		9285.15
	Total			54112.65		57043.29

21. PURCHASE OF GOODS

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value Rs. in Lac	Quantity	Value Rs. in Lac
1.	Soaps	M.T.	261	215.70	205	211.04
2.	Hair Colour and Other Toiletries	M.T.	1,742	3402.27	1,163	2863.59
	Total			3617.97		3074.63

22. COMPUTATION OF PROFITS UNDER SECTION 349 OF THE COMPANIES ACT, 1956.

Profit for the year as per Profit and Loss Account

Add:

Depreciation as per Accounts	1374.94		1436.92
Managerial Remuneration	1614.18		519.12
Loss on Sale of Assets	41.44		18.68
Provision for Doubtful Debts	1.42		3.19
Provision for Taxation	5102.58		2437.69
			4415.60

Less:

Depreciation under Section 350	1364.93		1444.77
Profit on Sale of Investments as per Accounts	207.06		21.56
Loss on Sale of Assets as per section 349	41.44		18.68
			1485.00

Eligible Net Profit as per Section 349 of the Companies Act, 1956.

Maximum limit of remuneration payable as per section 198 read with Schedule XIII of the Companies Act, 1956:

a) To Wholetime Directors @ 10% of Eligible Profit:		3133.28	1908.52
b) To Non-wholetime Directors @ 1% of Eligible Profit:		313.33	190.85
Managerial Remuneration to Wholetime Directors		1512.58	433.69
Commission to Non-wholetime Directors		90.00	75.73

Schedules forming part of the Accounts for the year ended March 31, 2010

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
23. MANAGERIAL REMUNERATION			
Remuneration to the whole time Directors:			
a) Salary and Allowances	350.27		181.38
b) Contribution to Provident Fund	22.69		13.37
c) Estimated Monetary Value of Perquisites	193.40		169.39
d) Provision for Performance Linked Variable Remuneration	946.23		69.55
		1512.58	433.69
Remuneration to Non-wholetime Directors:			
a) Commission on Profits	90.00		75.73
b) Directors' Sitting Fees	11.60		9.70
		101.60	85.43
Total		1614.18	519.12
Note: The above remuneration does not include contribution to Gratuity Fund and provision for Leave Encashment as separate figures are not available.			
24. AUDITOR'S REMUNERATION			
a) Statutory Audit Fees		50.50	38.00
b) Audit Under Other Statutes		10.00	7.50
c) In Other Capacity:			
Taxation Matters	8.75		6.00
Certification	9.20		11.11
Other Charges	3.65		-
		21.60	17.11
d) Reimbursement of Expenses		3.30	3.91
e) Cost Audit Fees		3.50	2.64
f) Service Tax		9.16	7.08
Total		98.06	76.25
25. EARNINGS PER SHARE			
a) Net Profit After Tax		24811.64	16154.69
b) Number of Equity Shares:			
As at the commencement of the year		256,953,908	225,844,076
Issued during the year / (bought back and extinguished)		51,236,136	31,109,832
As at the end of the year		308,190,044	256,953,908
Weighted average number of equity shares during the year:			
Basic and Diluted		299,627,293	253,811,746
c) Earning per Equity Share of Re. 1/- each.			
Basic and Diluted (In Rupees)		8.28	6.36

Schedules forming part of the Accounts for the year ended March 31, 2010

	Current Year Rs. in Lac	Previous Year Rs. in Lac
26. DIVIDENDS REMITTED IN FOREIGN CURRENCY		
a) 4th Interim Dividend for the year ended March 31, 2009, to 282 non-resident shareholders on 78,352 shares @ Re. 0.75 per share	0.59	
Final Dividend for the year ended March 31, 2009, to 282 non-resident shareholders on 78,352 shares @ Re. 0.75 per share	0.59	
1st Interim Dividend for the year ended March 31, 2010, to 282 non-resident shareholders on 78,352 shares @ Re. 1 per share	0.78	
2nd Interim Dividend for the year ended March 31, 2010, to 278 non-resident shareholders on 78,512 shares @ Re. 1 per share	0.79	
3rd Interim Dividend for the year ended March 31, 2010, to 276 non-resident shareholders on 77,792 shares @ Re. 1 per share	0.78	
b) 4th Interim Dividend for the year ended March 31, 2008, to 279 non-resident shareholders on 76,872 shares @ Re. 0.75 per share		0.58
Final Dividend for the year ended March 31, 2008, to 279 non-resident shareholders on 77,152 shares @ Re. 0.75 per share		0.58
1st Interim Dividend for the year ended March 31, 2009, to 279 non-resident shareholders on 77,152 shares @ Re. 0.75 per share		0.58
2nd Interim Dividend for the year ended March 31, 2009, to 279 non-resident shareholders on 77,152 shares @ Re. 0.75 per share		0.58
3rd Interim Dividend for the year ended March 31, 2009, to 278 non-resident shareholders on 76,912 shares @ Re. 1 per share		0.77
TOTAL	3.52	3.08

27. CONSUMPTION OF RAW MATERIALS AND STORES

	Current Year		Previous Year	
	Rs. in Lac	%	Rs. in Lac	%
a) Raw Materials				
- Imported	18436.58	34.07	29915.98	52.44
- Indigenous	35676.07	65.93	27127.31	47.56
	54112.65	100.00	57043.29	100.00
b) Stores and Spare Parts				
- Imported	10.47	1.94	21.90	3.94
- Indigenous	527.66	98.06	534.37	96.06
Total	538.13	100.00	556.27	100.00

Schedules forming part of the Accounts for the year ended March 31, 2010

	Current Year Rs. in Lac	Previous Year Rs. in Lac
28. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	15075.23	22053.83
Total	15075.23	22053.83
29. EXPENDITURE IN FOREIGN CURRENCY		
a) Travelling Expenses	180.59	159.47
b) Consultancy	228.93	84.61
c) Trade Mark Registration	11.23	21.33
d) Sales Promotion	5.59	12.89
e) Others	18.16	13.37
Total	444.50	291.67
30. EARNINGS IN FOREIGN CURRENCY		
a) F.O.B. Value of Exports	2473.26	1623.28
b) Royalty and Technological Fees	723.58	509.46
c) Interest on Loan to Subsidiary	7.79	19.51
Total	3204.63	2152.25
31. RELATED PARTY TRANSACTIONS		
A) List of Related Parties		
a) Enterprise having control over reporting enterprise:		
i) Godrej & Boyce Mfg. Co. Ltd.		
b) Subsidiaries:		
i) Godrej Netherlands B.V.		
Godrej Consumer Products (UK) Limited (a subsidiary of Godrej Netherlands B.V.)		
Keyline Brands Limited (a subsidiary of Godrej Consumer Products (UK) Limited)		
Inecto Manufacturing Limited (a subsidiary of Keyline Brands Limited)		
ii) Rapidol (Proprietary) Limited		
iii) Godrej Global Mid East FZE		
iv) Godrej Hygiene Products Limited (from April 1, 2009)		
v) Godrej Consumer Products Mauritius Limited		
Godrej Kinky Holdings Limited (a subsidiary of Godrej Consumer Products Mauritius Limited)		
Kinky Group (Proprietary) Limited SA (a subsidiary of Godrej Kinky Holdings Limited)		
Godrej Nigeria Holdings Ltd. (a subsidiary of Godrej Consumer Products Mauritius Ltd. from February 24, 2010)		
Godrej Nigeria Limited (a subsidiary of Godrej Nigeria Holdings Limited from March 26, 2010)		

Schedules forming part of the Accounts for the year ended March 31, 2010

- vi) Godrej Consumer Products Holding (Mauritius) Limited (from February 23, 2010)
 - Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands)
(a subsidiary of Godrej Consumer Products Holding (Mauritius) Limited from March 24, 2010)
 - Godrej Consumer Products (Netherlands) B.V. (Netherlands)
(a subsidiary of Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands) from March 31, 2010)
 - Godrej Consumer Holdings (Netherlands) B.V. (Netherlands)
(a subsidiary of Godrej Consumer Products Dutch Cooperatief U.A. (Netherlands) from March 31, 2010)
- c) Joint Venture:**
 - i) Godrej Sara Lee Limited (from June 1, 2009)
 - ii) Godrej Hygiene Products Ltd. (Formerly Godrej SCA Hygiene Limited) (up to March 31, 2009)
- d) Enterprises under common control with whom transactions have taken place during the year:**
 - i) Godrej Industries Limited
 - ii) Godrej Agrovat Limited
 - iii) Godrej Hershey Limited
 - iv) Godrej Infotech Limited
- e) Enterprise over which Key Management Personnel exercise significant influence:**
 - i) Godrej Investments Private Limited
 - ii) Godrej Sara Lee Limited (up to May 31, 2009)
- f) Key Management Personnel and Relatives:**
 - i) Mr. Adi B. Godrej Chairman
 - ii) Mr. Hoshedar K. Press Vice-Chairman
 - iii) Mr. Dalip Sehgal Managing Director
 - iv) Mrs. Parmeshwar A. Godrej Wife of Mr. Adi B. Godrej

Schedules forming part of the Accounts for the year ended March 31, 2010

B) Transactions with Related Parties

Rs. in Lac

Particulars	Enterprise Having Control Over Reporting Enterprise	Enterprise Under Common Control	Subsidiary Companies	Joint Venture Company	Enterprise over which Key Management Personnel Exercise Significant Influence	Relatives of Key Management Personnel	Key Management Personnel	Total
Sale of Goods	19.88	617.91	1096.01	305.03	-			2038.82
	<i>18.43</i>	<i>595.20</i>	<i>424.65</i>	-	<i>321.25</i>			<i>1359.53</i>
Purchase of Materials, Spares and Capital Equipment	76.11	1178.37	1385.93	-				2640.41
	<i>367.28</i>	<i>1312.49</i>	<i>8.98</i>	<i>1472.48</i>				<i>3161.23</i>
Establishment and Other Expenses	10.64	695.84	(51.16)	70.86	-			726.18
Paid / (Received)	<i>11.81</i>	<i>1152.06</i>	<i>10.66</i>	<i>(141.70)</i>	<i>(1.89)</i>			<i>1030.93</i>
Investments Made			16749.07	19700.52				36449.59
			<i>628.39</i>	<i>600.00</i>				<i>1228.39</i>
Royalty			723.58					723.58
			<i>509.46</i>					<i>509.46</i>
Loan Given		405.00	1806.73					2211.73
		-	<i>355.63</i>					<i>355.63</i>
Loan Repaid		405.00	367.13					772.13
		-	<i>355.63</i>					<i>355.63</i>
Interest Received on Loan		6.12	64.94					71.06
		-	<i>19.51</i>					<i>19.51</i>
Subscription towards Rights Issue								-
		<i>31689.26</i>						<i>31689.26</i>
Issue of Equity Shares	302.97	209.39						512.36
	-	-						-
Guarantees Given			(19988.00)					(19988.00)
			-					-
Dividend Remitted	4976.79	2238.36			-	14.80	0.46	7230.41
	<i>4024.50</i>	<i>1854.93</i>			<i>17.70</i>	<i>13.60</i>	<i>0.41</i>	<i>5911.14</i>
Dividend Received				1001.07				1001.07
				-				-
Managerial Remuneration							1512.58	1512.58
							<i>433.69</i>	<i>433.69</i>
Lease Rentals paid						129.07		129.07
						<i>129.07</i>		<i>129.07</i>
Outstanding Balances as at year end								
Receivable	0.69	45.10	1873.97	9.20	-			1928.96
	-	<i>55.72</i>	<i>233.80</i>	<i>96.45</i>	<i>0.14</i>			<i>386.11</i>
Payable	0.56	42.12	78.20	18.70			-	139.58
	<i>17.54</i>	<i>98.41</i>	<i>10.66</i>	-			<i>69.55</i>	<i>196.15</i>
Guarantees Outstanding			2507.74					2507.74
			<i>22656.18</i>					<i>22656.18</i>

Note: Figures in italics denote figures for previous year.

Schedules forming part of the Accounts for the year ended March 31, 2010

C) The Significant Related Party Transactions are as under:

Nature of Transaction	Enterprises under Common Control	Amount Rs. in lac	Subsidiary Companies	Amount Rs. in lac	Joint Venture Company	Amount (Rs. in lac)	Enterprise over which Key Management Personnel Exercise Significant Influence	Amount Rs. in lac	Key Management Personnel and Relatives	Amount Rs. in lac
Sale of Goods	Godrej Industries Ltd.	575.92	Godrej Global Mideast F.Z.E.	412.40	Godrej Sara Lee Ltd.	305.03	Godrej Sara Lee Ltd.	-		
		<i>583.89</i>		<i>204.13</i>				<i>321.25</i>		
	Godrej Agrovet Ltd.	21.93	Rapidol (Pty) Ltd	321.52						
	Godrej Hershey Ltd.	<i>11.06</i>		<i>220.51</i>						
		20.07	Godrej Hygiene Products Ltd.	362.09						
Purchase of Materials, Spares and Capital Equipment	Godrej Industries Ltd.	1131.68	Godrej Global Mideast F.Z.E.	10.92	Godrej Hygiene Product Ltd.	-				
		<i>1312.49</i>		<i>8.98</i>		<i>1472.48</i>				
	Godrej Hershey Ltd.	46.70	Godrej Hygiene Products Ltd.	1375.01						
Establishment and Other Expenses Paid / (Received)	Godrej Industries Ltd.	696.42	Rapidol (Pty) Ltd	-	Godrej Sara Lee Ltd.	70.86	Godrej Sara Lee Ltd.	-		
		<i>1154.43</i>		<i>10.66</i>			<i>(1.89)</i>			
	Godrej Hershey Ltd.	(23.43)	Godrej Hygiene Products Ltd.	(51.16)	Godrej Hygiene Product Ltd.	-				
		-		-		<i>(141.70)</i>				
	Godrej Agrovet Ltd.	21.50								
		<i>(4.00)</i>								
	Godrej Infotech Ltd.	1.35								
	Godrej HiCare Ltd.	-								
		<i>0.64</i>								
	Godrej Properties Ltd.	-								
		<i>(1.34)</i>								
Investments Made		-	Godrej Consumer Products Mauritius Ltd.	16216.13	Godrej Sara Lee Ltd.	19700.52				
		-	Godrej Hygiene Products Ltd.	<i>628.39</i>	Godrej Hygiene Product Ltd.	-				
		-		487.36		<i>600.00</i>				
		-	Godrej Consumer Products Holdings (Mauritius) Ltd.	45.58						
Royalty		-	Rapidol (Pty) Ltd	723.58						
Loan Given	Godrej Industries Ltd.	405.00	Godrej Netherlands B.V.	706.73						
		-	Godrej Hygiene Products Ltd.	<i>355.63</i>						
		-		1100.00						
Loan Repaid	Godrej Industries Ltd.	405.00	Godrej Netherlands B.V.	367.13						
Interest Received on Loan	Godrej Industries Ltd.	6.12	Godrej Netherlands B.V.	<i>355.63</i>						
		-	Godrej Hygiene Products Ltd.	7.79						
		-		<i>19.51</i>						
		-		57.15						
Subscription towards Rights Issue	Godrej Industries Ltd.	-		-						
Issue of Equity Shares Pursuant to Scheme of Amalgamation Guarantees Given	Godrej Industries Ltd.	<i>31689.26</i>								
		209.39	Godrej Hygiene Products Ltd.	300.00						
		-	Godrej Consumer Products Mauritius Ltd.	(20288.00)						
Dividend Remitted	Godrej Industries Ltd.	2238.36					Godrej Investments Ltd.	-	Mr. Adi B. Godrej	0.00
		<i>1854.93</i>						<i>17.70</i>	Mr. Hoshedar K. Press	0.00
		-							Ms. Parmeshwar A. Godrej	0.40
		-								14.80
Dividend Received		-								<i>13.60</i>
Managerial Remuneration		-			Godrej Sara Lee Ltd.	1001.07				-
		-							Mr. Adi B. Godrej	564.84
		-							Mr. Hoshedar K. Press	<i>271.68</i>
		-								500.17
		-							Mr. Dalip Sehgal	<i>161.32</i>
		-								447.57
Lease Rentals Paid		-							Ms. Parmeshwar A. Godrej	-
		-								129.07
		-								<i>129.07</i>

Note: Figures in italics denote figures for previous year.

Schedules forming part of the Accounts for the year ended March 31, 2010

32. INTEREST IN JOINT VENTURE

The Company's interest, as a venturer, in jointly controlled entities is as under:

Current Year:

- Name of Company: Godrej Sara Lee Ltd. (with effect from June 1, 2009)
- Country of Incorporation: India
- Principal Activities: Manufacture of Personal and Household Care Products.
- Percentage of Ownership Interest as at the year end: 49%

Previous Year:

- Name of Company: Godrej SCA Hygiene Ltd. (up to March 31, 2009)
- Country of Incorporation: India
- Principal Activities: Manufacture of Sanitary Napkins and Baby Diapers
- Percentage of Ownership Interest as at the year end: 50%

The Company's interest in jointly controlled entities is reported as Long-Term Investments in Schedule 7 and stated at cost less provision, if any, for permanent diminution in value of such investments.

The Company's share of each of the assets, liabilities, income and expenses (without elimination of the effect of transactions between the Company and the Joint Venture), related to its interest in the joint venture is as under:

	Current Year Rs. in Lac	Previous Year Rs. in Lac
I. ASSETS		
1. Fixed Assets	3383.19	136.07
2. Current Assets		
Inventories	3954.09	294.17
Sundry Debtors	1888.16	50.97
Cash and Bank Balances	8176.58	72.77
Other Current Assets	30.05	-
Loans and Advances	6030.63	38.92
II. LIABILITIES		
1. Deferred Tax Liability	17.67	-
2. Current Liabilities	9734.77	718.16
3. Provisions	215.07	2.68
III. INCOME		
1. Sales (Net of Excise Duty)	40884.90	720.73
2. Other Income	495.23	5.92
IV. EXPENSES		
1. Materials Consumed and Purchase of Goods	21335.14	646.21
2. Expenses	12458.39	814.84
3. Interest and Finance Charges	30.27	10.74
4. Depreciation	341.52	5.49
5. Inventory Change - (Increase) / Decrease	(466.28)	(86.79)
6. Provision for Taxation	1287.03	1.13
Note: The Company's share in the Income and Expense for the current year related to its interest in the Joint Venture is for the period June 1, 2009 up to March 31, 2010.		

33. GENERAL

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

Schedules forming part of the Accounts for the year ended March 31, 2010

STATEMENT PURSUANT TO PART IV, SCHEDULE VI TO THE COMPANIES ACT, 1956: BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:

Registration No.	:	129806
State Code	:	11
Balance Sheet Date	:	March 31, 2010

II. Capital Raised During the Year: (Amount in Rs. Thousand)

Public Issue	:	-
Right Issue	:	-
Bonus Issue	:	-
Shares Issued Under Scheme of Amalgamation	:	51,236
Private Placement	:	-

III. Position of Mobilisation and Deployment of Funds: (Amount in Rs. Thousand)

Total Liabilities	:	12,381,064
Total Assets	:	12,381,064
Sources of Funds		
Paid-up Capital	:	308,190
Reserves and Surplus	:	7,966,463
Secured Loans	:	123,980
Unsecured Loans	:	-
Deferred Tax Liability	:	63,212
Application of Funds		
Net Fixed Assets	:	1,663,951
Investments	:	5,218,817
Deferred Tax Asset	:	-
Net Current Assets	:	1,579,077
Miscellaneous Expenditure	:	-
Accumulated Losses	:	-

IV. Performance of Company: (Amount in Rs. Thousand)

Turnover	:	13,184,860
Total Expenditure	:	10,193,438
Profit / (Loss) Before Tax	:	2,991,422
Profit / (Loss) After Tax	:	2,481,164
Earning Per Share in Rs.	:	
Basic	:	8.28
Diluted	:	8.28
Dividend Rate %	:	425%

V. Generic Names of 3 Principal Products / Services of Company:

(As per monetary terms)

a) Item Code No. (ITC Code)	:	34.01*
Product Description	:	Soaps
b) Item Code No. (ITC Code)	:	33.07*
Product Description	:	Cosmetics
c) Item Code No. (ITC Code)	:	34.02*
Product Description	:	Detergents

* Represents Heading No. of the Harmonised Commodity Description and Coding System