

Balance Sheet

Balance Sheet as at March 31, 2002

	Schedule		This Year Rs Lac	Prev. Year Rs Lac
SOURCES OF FUNDS				
1. Shareholders' Funds				
(a) Share capital	1	2364.50		0.01
(b) Reserves & surplus	2	2952.42	5316.92	-
2. Loan Funds				0.01
(a) Secured loans	3	2249.33		-
(b) Unsecured loans	4	-		-
			2249.33	30.46
3. Deferred Tax Liability			259.00	-
TOTAL			7825.25	30.47
APPLICATION OF FUNDS				
4. Fixed Assets	5			
(a) Gross block		14568.33		-
(b) Less: Depreciation		5245.73		-
(c) Net block		9322.60	9351.60	-
(d) Capital work-in-progress		29.00	245.64	-
5. Investments	6			-
6. Current Assets, Loans and Advances				
(a) Inventories	7	3063.60		-
(b) Sundry debtors	8	2180.56		-
(c) Cash and bank balances	9	1074.24		9.84
(d) Loans and advances	10	1824.60		0.55
		8143.00		10.39
Less : Current Liabilities and Provisions				
(a) Liabilities	11	7536.47		0.18
(b) Provisions	12	2378.52		-
		9914.99		0.18
Net Current Assets			(1771.99)	10.21
7. Miscellaneous Expenditure (To the extent not written off or adjusted)	13		-	20.26
TOTAL			7825.25	30.47
Notes to Accounts	19			

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

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry.
Chartered Accountants

V. R. MEHTA
Partner

Mumbai, 29th April, 2002.

Signatures to Balance Sheet and Schedules 1 to 13 and 19

Adi B. Godrej - Chairman and Managing Director
Jamshyd N. Godrej - Director
Nadir B. Godrej - Director
Rama Bijapurkar - Director
Bharat Doshi - Director
Anupam Puri - Director
Hoshedar K. Press - Executive Director and President
Sunil S. Sapre - Vice President (Finance) and Company Secretary

Profit and Loss Account

Profit and Loss Account for the year ended March 31, 2002

	Schedule	This Year Rs Lac	Prev. Year Rs Lac
Income			
Sales		51420.29	-
Processing charges		627.00	-
Other Income	14	162.69	-
		52209.98	-
Expenditure			
Materials consumed and purchase of goods	15	21312.09	-
Expenses	16	22065.81	-
Inventory change	17	1120.76	-
Interest and financial charges (net)	18	449.45	-
Depreciation		939.34	-
		45887.45	-
Profit Before Tax		6322.53	-
Provision for taxation			
- Current Tax		1540.00	-
- Deferred Tax		585.00	-
		4197.53	-
Profit After Tax Available For Appropriation			
Appropriations :			
Dividend on equity shares :			
Interim dividend - Rs. 2 per share declared on 15th October, 2001		1196.58	-
Interim dividend - Rs 3.50 per share declared on 29th April, 2002 (subject to tax at source)		2050.96	-
Tax on distributed profits		122.05	-
Transfer to General Reserve		425.00	-
Surplus carried forward		402.94	-
TOTAL		4197.53	-
Basic and diluted earnings per share of Rs. 4 each (Rs.)		7.02	
Notes to Accounts	19		

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

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry.
Chartered Accountants

V. R. MEHTA
Partner

Mumbai, 29th April, 2002.

Signatures to Profit & Loss Account and Schedules 14 to 19

Adi B. Godrej - Chairman and Managing Director

Jamshyd N. Godrej - Director

Nadir B. Godrej - Director

Rama Bijapurkar - Director

Bharat Doshi - Director

Anupam Puri - Director

Hoshedar K. Press - Executive Director and President

**Sunil S. Sapre - Vice President (Finance) and
Company Secretary**

Schedules

Schedules forming part of the Accounts for the year ended March 31, 2002

		This Year Rs Lac	Prev. Year Rs Lac
Schedule 1 : Share Capital			
Authorised :			
62,500,000 (Previous year 62,500,000) Equity shares of Rs. 4 each		2500.00	2500.00
		2500.00	2500.00
Issued, Subscribed and Paid Up :			
59,112,498 (Previous year 175) Equity shares of Rs. 4 each fully paid		2364.50	0.01
		2364.50	0.01
Of the above			
(i) 59,112,323 shares have been issued for consideration other than cash pursuant to the scheme of arrangement with Godrej Soaps Limited.			
(ii) 39,147,052 shares are held by Godrej & Boyce Manufacturing Company Limited, the holding company.			
Schedule 2 : Reserves and Surplus			
Capital Investment Subsidy Reserve			
Additions pursuant to the scheme of arrangement		15.00	-
Debenture Redemption Reserve			
Additions pursuant to the scheme of arrangement	782.56		
Less : Transferred to General Reserve	782.56	-	-
Capital Redemption Reserve			
Transfer from General Reserve		28.66	-
General Reserve			
Addition pursuant to the scheme of arrangement	1375.97		-
Add : Deferred tax asset as at April 1, 2001	326.00		-
Add : Transfer from Debenture Redemption Reserve	782.56		-
Add : Transfer from Profit and Loss account	425.00		-
	2909.53		-
Less : Transfer to Capital Redemption Reserve on buy back of shares	28.66		
Less : Premium on buy back of shares	375.05	2505.82	-
Profit & Loss Account			
		402.94	-
		2952.42	-

Schedules	
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Schedules forming part of the Accounts for the year ended March 31, 2002

		This Year Rs Lac	Prev. Year Rs Lac
Schedule 3 : Secured Loans			
Sales tax deferment loan from MPSIDC		1673.15	-
Overdrafts from banks		576.18	-
		2249.33	-
Schedule 4 : Unsecured Loans			
Loan from a Director (repayable within one year)		-	30.46
		-	30.46

Schedules

Schedules forming part of the Accounts for the year ended March 31, 2002

Schedule 5 : Fixed Assets

(Rs Lac)

Assets	Gross Block				Depreciation				Net Block	
	Additions pursuant to scheme of arrangement	Additions	Deductions	As at 31.03.2002	Depreciation taken over pursuant to scheme of arrangement	Deductions	For the year	As at 31.03.2002	As at 31.03.2002	As at 31.03.2001
Land	443.73	-	-	443.73	6.98	-	0.59	7.57	436.16	-
Building	2859.80	-	-	2859.8	388.18	-	57.80	445.98	2413.82	-
Plant & Machinery	7331.22	273.76	117.63	7487.35	3345.90	116.16	531.53	3761.27	3726.08	-
Research Centre	298.27	4.50	-	302.77	163.64	-	14.56	178.20	124.57	-
Furniture and Fixtures	147.56	9.62	-	157.18	51.69	-	11.49	63.18	94.00	-
Office & Other										
Equipment	150.43	26.55	13.39	163.59	50.24	11.22	8.53	47.55	116.04	-
Vehicles	185.95	70.94	33.34	223.55	49.78	11.50	21.81	60.09	163.46	-
Trademarks	2930.36	-	-	2930.36	388.86	-	293.03	681.89	2248.47	-
Total										
this year	14347.32	385.37	164.36	14568.33	4445.27	138.88	939.34	5245.73	9322.60	-
Total previous year	-	-	-	-	-	-	-	-	-	-
Capital work in progress									29.00	-
									9351.60	-

Schedules

Schedules forming part of the Accounts for the year ended March 31, 2002

	This Year Rs Lac	Prev. Year Rs Lac
Schedule 6 : Investments		
Current Investments		
Unquoted		
Units of Mutual funds		
24,35,452 Birla Cash Plus scheme of Birla Mutual fund of Rs 10/- each (Repurchase value Rs. 245.64 Lac)	245.64	-
	245.64	-
Schedule 7 : Inventories		
(at lower of cost and net realisable value)		
Stores and spares	100.30	-
Raw materials	1358.38	-
Work-in-progress	288.03	-
Finished goods	1316.89	-
	3063.60	-
Schedule 8 : Sundry debtors		
(Unsecured)		
Debts outstanding for a period exceeding six months Considered doubtful	162.02	-
Debts outstanding for a period less than six months Considered good	2180.56	-
	2342.58	-
Less : Provision for doubtful debts	162.02	-
	2180.56	-
Schedule 9 : Cash and Bank balances		
Cash on hand	10.98	-
Cheques on hand	138.89	-
Balances with scheduled banks		
- on current accounts	924.02	9.84
- on deposit accounts	0.35	-
	1074.24	9.84

Schedules

Schedules forming part of the Accounts for the year ended March 31, 2002

	This Year Rs Lac	Prev. Year Rs Lac
Schedule 10 : Loans and Advances		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (net of advances considered doubtful Rs. 35.78 Lac)	731.53	-
Intercorporate deposits with Godrej Industries Limited, a company under the same management	500.00	-
Deposits and balances with		
- Customs & Excise authorities	431.34	-
- Other deposits	143.08	0.55
Advance payment of Taxes (Net of provision for Taxation)	18.65	-
	1824.60	0.55
Schedule 11 : Current Liabilities		
Sundry creditors	6816.55	0.18
Other liabilities	337.98	-
Advances and deposits	375.32	-
Interest accrued but not due	6.62	-
	7536.47	0.18
Schedule 12 : Provisions		
Interim dividend	2050.96	-
Provision for gratuity	218.58	-
Provision for retirement leave benefits	108.98	-
	2378.52	-

Schedules

Schedules forming part of the Accounts for the year ended March 31, 2002

	This Year Rs Lac	Prev. Year Rs Lac
Schedule 13 : Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary and Pre-operative expenditure		
Balance at the beginning of the year	20.26	-
Incurred during the year	-	20.26
	20.26	20.26
Less : Amount written off during the year	20.26	-
	-	20.26
Schedule 14 : Other Income		
Dividend income	45.11	-
Claims Received	36.42	-
Miscellaneous Income	81.16	-
	162.69	-
Schedule 15 : Materials consumed and purchase of goods		
Raw materials consumed		
Stocks transferred from Godrej Soaps Limited	1689.62	-
on 1.4.2001 pursuant to the scheme of arrangement	15080.04	-
Add : Purchases (net)	16769.66	-
Less : Stocks as at the close of the year	1358.38	-
Raw Material Consumed during the year	15411.28	-
Purchase of goods for resale	5900.81	-
	21312.09	-

Schedules

Schedules forming part of the Accounts for the year ended March 31, 2002

	This Year Rs Lac	Prev. Year Rs Lac
Schedule 16 : Expenses		
Salaries, wages and allowances	2033.43	-
Contribution to provident fund and other funds	84.94	-
Employee welfare expenses	97.84	-
Stores and spares consumed	233.36	-
Power and fuel	1093.26	-
Processing charges	1783.97	-
Excise duties	5556.86	-
Rent	79.48	-
Rates and taxes	447.68	-
Repairs and maintenance		
- Machinery	64.68	-
- Buildings	136.56	-
- Other assets	16.73	-
Insurance	55.95	-
Establishment Expenses	740.29	-
Freight	1120.64	-
Commission	78.06	-
Discount	30.81	-
Advertisement and publicity	5428.86	-
Sales Promotion	1246.35	-
Selling and distribution expenses	590.48	-
Bad debts written off	36.46	-
Loss on sale of fixed assets	0.22	-
Miscellaneous expenses	1108.90	-
	22065.81	-

Schedules

Schedules forming part of the Accounts for the year ended March 31, 2002

		This Year Rs Lac	Prev. Year Rs Lac
Schedule 17 : Inventory Change			
Stocks transferred from Godrej Soaps Limited on April 1, 2001 pursuant to the scheme of arrangement			
Finished goods	2451.59		-
Work-in-progress	274.09		-
		2725.68	-
Less : Stocks at the close of the year			
Finished goods	1316.89		
Work-in-progress	288.03		
		1604.92	-
(Increase) / Decrease in Inventory		1120.76	
Schedule 18 : Interest and financial charges(Net)			
Interest Paid			
- on debentures and fixed loans	92.81		-
- on bank overdrafts	48.13		-
- other interest	109.57		-
		250.51	-
Less : Interest Received			
- on Customer balances, etc	28.96		-
- on deposits	21.37		-
		50.33	-
Net Interest		200.18	-
Brokerage and other financial charges		249.27	-
		449.45	-

Notes to Accounts

Schedule 19 :

1. 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.

2. 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) 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.

c) Investments :

Investments are classified into current and long term investments. Long term investments are carried at cost. Current investments are stated at lower of cost and net realisable values.

d) Inventories :

Inventories are valued at lower of cost and net realisable value. Cost is computed on the weighted average basis and is net of modvat. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

e) Revenue Recognition :

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

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 the time proportion basis.

f) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are stated at the contracted rates, when covered under forward foreign exchange contracts and at year-end rates in other cases. The premium payable on forward foreign exchange contracts is amortised over the period of the contract. Exchange gains/losses are recognised in the Profit and Loss Account.

g) Research and Development Expenditure

Revenue expenditure on Research & 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 & Development is shown as addition to fixed assets.

Notes to Accounts

h) Retirement Benefits

Retirement benefits to employees comprise payments under approved provident fund plans, retirement leave encashment benefit and gratuity to eligible employees. The liability in respect of future payment of gratuity to retiring employees and leave encashment benefit on retirement is provided on the basis of an actuarial valuation at the end of each year.

i) Depreciation

Leasehold land is amortised equally over the lease period.

Trademarks are amortised over a period of ten years.

Depreciation is provided on the Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956, except for computer hardware which are depreciated over 4 years. Depreciation on assets acquired during the year is provided for the full accounting year and no depreciation is charged on the assets sold/discarded during the year, except in case of major additions and sales exceeding rupees one crore, in which case proportionate depreciation is provided.

j) Taxation :

Provision for current income tax is made on the basis of the assessable income under the Income Tax Act, 1961.

Deferred income tax on account of timing differences between taxable income and accounting income for the year is accounted for by applying the tax rates and laws enacted or substantially enacted on the balance sheet date.

3. Scheme of Arrangement :

The scheme of arrangement under sections 391 and 394 of the Companies Act, 1956 between the Company, Godrej Soaps Limited (the demerged Company), and their respective shareholders for vesting of the consumer products business of the demerged company, as a going concern, to and in the Company was approved by the Hon'ble High Court at Mumbai on 14th March, 2001. Accordingly, all the assets and liabilities pertaining to the business of consumer products division of Godrej Soaps Limited were transferred to and vested in the Company with effect from April 1, 2001, the appointed date.

Upon the scheme coming into effect, in consideration of the transfer and vesting of the consumer products business in the Company, 5,98,28,780 equity shares of Rs. 4 each have been issued and allotted to the shareholders of Godrej Soaps Limited in the ratio of one share of Company for every one share in the demerged Company and the assets, liabilities and reserves of the demerged undertaking as at April 1, 2001 have been taken over at their book values and accounted for under the "pooling of interests" method.

The excess of the book value of assets and liabilities of the consumer products business of Godrej Soaps Limited, vested in the Company under the said scheme, over the aggregate face value of the shares issued, amounting to Rs. 1375.97 lac has been credited to General Reserves account in accordance with the Scheme.

In terms of the scheme of Arrangement, the Company has taken over the employees of the demerged Company relating to the business activity taken over on the same terms and conditions on which they were engaged in Godrej Soaps Limited. The accumulated funds in respect of Provident Fund, etc, pertaining to the transferred employees will be transferred to the Company's Funds on completion of legal formalities.

Notes to Accounts

4. Contingent Liabilities :

	This Year Rs. lac	Prev. Year Rs. lac
a) Claims for excise duties, taxes and other matters:		
i) excise duty demands aggregating Rs. 212.89 lac, against which the Company has preferred appeals		
- net of tax	136.89	-
ii) Sales tax demands aggregating Rs. 68.36 lac against which the Company has preferred appeals		
- net of tax	43.95	
iii) Other matters - Rs. 360.81 lac		
- net of tax:	232.00	
b) Excise duty demands and penalties in respect of toilet soaps cleared from Malanpur Factory during the period of joint venture with P&G, confirmed by CEGAT. The amount of duty and penalty which is to be quantified by the Commissioner of Excise in accordance with the findings of CEGAT is estimated at Rs. 1260.92 lac. The company has filed an appeal against the order of CEGAT.		
- net of tax	1034.93	-
c) Guarantees issued by banks, excluding guarantees issued in respect of matters reported in (a) above	24.56	-

5. Capital Commitments :

	This Year Rs. lac	Prev. Year Rs. lac
Estimated value of contracts remaining to be executed on Capital account, to the extent not provided	33.69	-

6. Share Capital :

In terms of the resolution passed by the shareholders at the annual general meeting held on January 9, 2002 authorising the Company to buyback its own equity shares under a buyback programme, the Company has bought back 889,296 equity shares of Rs. 4 each at an average price of Rs. 57.29 per share aggregating Rs.509.51 lac upto March 31, 2002. Of the above, 716,457 equity shares have been extinguished upto March 31, 2002.

The nominal value of the shares bought back and extinguished has been reduced from the paid-up share capital and the premium paid on buyback has been appropriated from the General Reserve account. Consequently, the Issued, Subscribed and Paid-up Capital of the Company has been reduced by Rs. 28.66 lac.

7. Secured Loans :

- a) The Sales tax deferment loan is secured by:
- a first charge by way of equitable mortgage of the immovable properties at Malanpur factory, and
 - 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 bankers for working capital facilities.

Notes to Accounts

b) Bank overdrafts, working capital demand loans and guarantees issued by banks are secured by hypothecation of stocks and book debts.

8. Sundry Debtors :

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

	This Year Rs. lac	Prev. Year Rs. lac
a) Godrej Industries Ltd	255.25	-
b) Godrej Appliances Ltd	0.02	-
c) Godrej Agrovvet Ltd	0.36	-

9. Loans and Advances :

Loans and advances include an amount of Rs.7.23 lac due from an Officer of the Company towards housing loan under the Company's scheme for loans to employees. (Maximum debit balance during the year - Rs.7.73 lac).

10. Liabilities :

a) No amount has been claimed from the Company under the Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993.

b) Sundry Creditors include Rs.7.74 lac (Previous year Rs.Nil) due to small scale industrial undertaking.

The Company did not owe a sum exceeding Rs.1 lac, which is outstanding for more than 30 days at the Balance Sheet date to any small scale industry. The above information regarding small scale industrial undertaking have 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.

11. Profit and Loss Account :

a) The amount of exchange gain / loss on account of fluctuation of the rupee against foreign currencies added to the carrying amount of fixed assets during the year is Rs.Nil.

b) The exchange differences included in the Profit & Loss Account is a loss of Rs.31.42 lac and exchange differences in respect of forward exchange contracts to be recognised in subsequent accounting periods is Rs.6.87 lac.

c) Research & Development Expenditure of revenue nature charged to the Profit and Loss Account amounts to Rs.185.32 lac (Previous Year Rs.162.91 lac)

d) Establishment expenses represents the Company's share of various expenses incurred by Godrej Industries Ltd., a company under the same management for sharing of services and use of common facilities.

Notes to Accounts

12. Sales Turnover :

Item	Unit	This Year		Previous Year	
		Quantity	Value Rs. lac	Quantity	Value Rs. lac
Soaps	MT	47578	32211.80	-	-
Detergents	MT	3121	3106.81	-	-
Cosmetics	MT	2009	14381.31	-	-
Others			1720.37	-	-
TOTAL			51420.29	-	

Note :

Sales Turnover includes :-

- i) Items processed for the Company by third parties and
- ii) Items purchased by the Company for resale.

13. Inventories - Finished Goods :

Item	APRIL 1, 2001		MARCH 31, 2002		MARCH 31, 2001	
	Quantity MT	Value Rs. lac	Quantity MT	Value Rs. lac	Quantity MT	Value Rs. lac
a) Manufactured	(Transferred from Godrej Soaps Ltd., pursuant to scheme of arrangement)					
Soaps	2910	1535.83	1188	598.28	-	-
Cosmetics	42	93.72	82	154.21	-	-
Chemicals	-	-	60	13.87	-	-
b) Purchased						
Soaps	35	34.77	18	17.19	-	-
Detergents	143	57.94	119	55.29	-	-
Cosmetics	406	729.33	194	478.05	-	-
Total		2451.59		1316.89		

Notes to Accounts

14. Raw Material Consumed :

	This Year		Previous Year	
	Quantity MT	Value Rs. lac	Quantity MT	Value Rs. lac
Oils & Fats	47093	7282.71	-	-
Chemicals, Perfumes, Colours and Catalysts	15384	5700.98	-	-
Packing Materials, etc.	-	2427.59	-	-
TOTAL		15411.28		-

15. Purchase of Goods :

	This Year		Previous Year	
	Quantity MT	Value Rs. lac	Quantity MT	Value Rs. lac
Soaps	198	177.48	-	-
Detergents	3114	1505.36	-	-
Cosmetics	1273	4217.97	-	-
TOTAL		5900.81		-

Notes to Accounts

16. Computation of Profits under Section 349 of the Companies Act, 1956 :

	Rs Lac	This Year Rs Lac	Prev. Year Rs Lac
Profit for the year as per Profit & Loss Account		4197.53	-
Add : Depreciation as per accounts	939.34		-
Managerial Remuneration	106.51		-
Provision for depletion in value of investments	49.47		-
Provision for Tax	2125.00		-
		3220.32	-
		7417.85	-
Less : Depreciation under section 350 of the Companies Act, 1956	939.35		-
Provision for doubtful debts and advances written back	23.28		-
		962.63	-
Net profit as per section 349 of the Companies Act, 1956		6455.22	-
Maximum limit for Commission to non-wholetime directors at 1% of above		64.55	-
Maximum limit for Managerial remuneration to wholetime director at 10% of above		645.54	-
Total Managerial remuneration paid		106.51	-

17. Managerial Remuneration :

	This Year Rs Lac	Prev. Year Rs Lac
a) Salaries and allowances	46.60	-
b) Contribution to Provident Fund	4.01	-
c) Estimated monetary value of perquisites	30.25	-
d) Directors' Fees	1.65	-
e) Commission	24.00	-
Total	106.51	-

Notes to Accounts

18. Auditors' Remuneration (excluding service tax)

	This Year Rs Lac	Prev. Year Rs Lac
Audit fees	12.50	-
Tax Audit fees	2.70	-
Taxation matters	1.75	-
Other services	6.50	-
Reimbursement of out of pocket expenses	0.48	-
TOTAL	23.93	-

19. Licensed, Installed and Utilised Capacity :

Item	Unit	Licensed / Registered This Year	Installed capacity This Year	Actual Production This Year
SCHEDULED				
Soaps	MT	45000	45000	36902
Cosmetics	MT	2650	1840	611
Fatty Acids	MT	52500	52500	4074
Glycerine	MT	3000	2300	1686
Synthetic Detergents	MT	30000	-	-

NOTES :

Actual production excludes production for captive consumption.

20. Value of Imports on CIF Basis (includes only imports directly made) :

	This Year Rs Lac	Prev. Year Rs Lac
Raw Materials	3711.95	-
TOTAL	3711.95	-

Notes to Accounts

21. Expenditure in Foreign Currency :

	This Year Rs Lac	Prev. Year Rs Lac
Advertisement & Publicity	31.99	-
Travelling Expenditure	10.62	-
Other Expenditure	12.84	-
TOTAL	55.45	-

22. Value of Consumption of Raw Materials & Spares :

		%
Raw Materials		
Imported (including duty content)	6384.12	41
Indigenous	9027.16	59
	15411.28	100
Spares		
Imported (including duty content)	4.83	2
Indigenous	228.53	98
TOTAL	233.36	100

23. Dividend remitted in Foreign Currency :

	This Year Rs Lac	Prev. Year Rs Lac
Interim Dividend for Financial Year 2001-02 to 141 shareholders on 10026 shares at the rate of Rs.2.00 per share	0.20	-

24. Earnings in Foreign Exchange :

	This Year Rs Lac	Prev. Year Rs Lac
Export of Goods (F.O.B. : Rs.656.25 lac)	680.29	-

Notes to Accounts

25. Deferred tax :

	This Year Rs Lac	Prev. Year Rs Lac
i) The Company has adopted Accounting Standard 22 "Accounting for Taxes on income" with effect from April 1, 2001. The accumulated net deferred tax asset as on April 1, 2001 amounting to Rs.326.00 lac on account of timing differences between book and tax profits, has been credited to General Reserve Account.		
ii) The breakup of net deferred tax liability as on March 31, 2002 is as under :		
Deferred tax liabilities :		
Difference between book and tax depreciation	372.00	
R&D Capital Expenditure	2.00	
	374.00	
Deferred tax assets:		
Expenditure disallowable u/s 43B	26.00	
Provision for Gratuity	78.00	
Provision for doubtful debts	5.00	
Preliminary expenses	6.00	
	115.00	
Net deferred tax liability	259.00	

26. Related Party disclosures

a) List of Related parties

Parties where control exists

Godrej & Boyce Mfg Co Ltd, the holding company

Related Parties with whom transactions have taken place during the year

Fellow subsidiaries

Godrej Industries Limited
 Godrej Appliances Limited
 Godrej Agrovet Limited
 Godrej Global MidEast FZE
 Godrej Capital Limited
 Godrej Foods Limited

Notes to Accounts

Key Management Personnel

Adi B. Godrej
Hoshedar K. Press

Individuals exercising significant influence over the enterprise

Nadir B. Godrej
Jamshyd N. Godrej
Anupam Puri
Rama Bijapurkar
Bala Balachandran
Bharat Doshi

b) Transactions with Related Parties

	This year Rs. Lac
i) Sale of goods	
Holding Company	11.85
Fellow subsidiaries	1,371.53
ii) Purchase of materials, spares and capital equipment	
Holding Company	15.41
Fellow subsidiaries	1,248.92
iii) Processing charges paid	
Fellow subsidiaries	2,961.71
iv) Establishment and other expenses	
Holding Company	3.05
Fellow subsidiaries	830.40
v) Interest paid	
Fellow subsidiary	20.08
vi) Intercompany Deposits placed	
Fellow subsidiary	1,800.00
vii) Dividend remitted	
Holding Company	782.94
Fellow subsidiary	3.83
Key management personnel	0.02
Individuals exercising significant influence	10.62

Notes to Accounts

	This Year Rs Lac
viii) Managerial remuneration	
Key management personnel	80.86
Individuals exercising significant influence	25.65
ix) Outstanding balances as at March 31, 2002	
<u>Receivables</u>	
Holding Company	4.19
Fellow subsidiaries	131.51
<u>Payables</u>	
Fellow subsidiaries	199.64
x) Deposits placed	
Fellow subsidiaries	500.00
xi) Shares issued pursuant to scheme of Arrangement	No. of shares
Holding Company	40,116,502
Key management personnel	80,312
Individuals exercising significant influence	454,990

27. Earnings per share :

	This Year Rs Lac	Prev. Year Rs Lac
a) Calculation of weighted average number of equity shares of Rs. 4 each		
Number of shares at the beginning of the year	59828955	-
Shares bought back and extinguished	716457	-
Number of equity shares outstanding at the end of the year	59112498	-
Weighted average number of equity shares outstanding during the year	59772828	-
b) Net profit after tax available for equity shareholders	4197.53	-
c) Basic and diluted earnings (in Rupees) per share of Rs. 4 each	7.02	-

Notes to Accounts

28. Segmental Reporting :

The Company is a focused FMCG Company operating in Personal and Household products. The product range of the Company is Toilet Soaps (Godrej brands and other brands), Hair Colour, Liquid Detergents and Toiletries. The Company is managed organisationally as a unified entity with various functional heads reporting to the top management and is not organised along product lines. There are therefore, no separate segments within the Company as defined by AS 17 (Segmental Reporting), issued by ICAI. Accordingly, the information given by the Company pertains to Personal and Household segment.

- 29.** The Company had not commenced operations in the Previous Year and the Consumer Products business of Godrej Soaps Limited was vested to and in the Company under the Scheme of Arrangement only from April 1, 2001. In view of the above, the figures of the Current Year are not comparable to those of the Previous Year.

Notes to Accounts

30. Balance Sheet Abstract and Company's General Business Profile :

1. Registration Details	
Registration No	129806
State Code	11
Balance Sheet Date	March 31, 2002
2. Capital raised during the year	(Amounts in Rs. Thousand)
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement - Shares issued pursuant to scheme of arrangement	236449
3. Position of Mobilisation and Deployment of funds	(Amounts in Rs. Thousand)
Total Liabilities	782525
Total Assets	782525
Sources of Funds	
Paid up Share Capital	236450
Reserves & Surplus	295242
Secured Loans	224933
Unsecured Loans	NIL
Deferred Tax Liability	25900
Application of Funds	
Net Fixed Assets	935160
Investments	24564
Net Current Assets	(177199)
Misc Expenses	NIL
Accumulated Losses	NIL
4. Performance of the Company	(Amounts in Rs. Thousand)
Turnover (Income from Operation)	5220998
Total Expenditure	4588745
Profit / (Loss) before tax	632253
Profit / (Loss) after tax	419753
Earnings per share	7.02
Dividend Rate	137.5%
5. Generic Name	
Item Code No.	34.01*
Product Description	Soaps
Item Code No.	33.07*
Product Description	Cosmetics
Item Code No.	34.02*
Product Description	Detergents

(*represents Heading No. of the Harmonised Commodity Description and Coding system)

Cash Flow Statement For the Year Ended March 31, 2002

	This Year Rs Lac	Prev. Year Rs Lac
A. Cash Flow from operating activities :		
Profit before tax	6,322.53	-
Adjustments for :		
Depreciation	939.34	-
Foreign exchange	8.30	-
Loss on sale of fixed assets	0.22	-
Dividend income	(45.11)	-
Interest income	(50.33)	-
Interest expense	499.78	-
Preliminary expenses deferred	-	(20.26)
Deferred expenditure written off	20.26	-
Write off of bad debts	36.46	-
Write in of old balances	(67.35)	-
Others	72.48	-
Operating Profit / (loss) before working capital changes	7,736.58	(20.26)
Adjustments for :		
Inventories	1450.46	-
Trade and other receivables	(670.66)	(0.55)
Trade payables	910.01	0.18
Cash generated / (used) from operations	9,426.39	(20.63)
Direct taxes paid	(1,581.65)	-
Net Cash from operating activities	7,844.74	(20.63)
B. Cash Flow from investing activities :		
Purchase of fixed assets	(374.79)	-
Proceeds from sale of fixed assets	25.12	-
Purchase of investments	(295.11)	-
Intercorporate deposits	(500.00)	-
Interest received	49.67	-
Dividend received	45.11	-
Net Cash used in investing activities	(1,050.00)	-
C. Cash Flow from financing activities :		
Proceeds from issue of share capital	-	0.01
Buyback of equity share capital	(403.71)	-
Proceeds from borrowings	2073.73	30.46
Repayments of borrowings	(5,521.41)	-
Bank overdrafts (net)	(47.42)	-
Interest paid	(512.90)	-
Dividend paid	(1,196.58)	-
Tax on distributed profits	(122.05)	-
Net Cash (used in) / generated from financing activities	(5,730.34)	30.47
Net increase / (decrease) in cash and cash equivalents	1,064.40	9.84
Cash and cash equivalents (Opening Balance)	9.84	-
Cash and cash equivalents (Closing Balance)	1,074.24	9.84

	This year	Prev. year
	Rs. lac	Rs. lac
Notes :		
1. Cash and Cash equivalents		
Cash on hand and balances with banks	1,074.04	9.84
Effect of exchange rate changes	0.20	-
Cash and cash equivalents	1074.24	9.84
2. The vesting of the consumer products business of Godrej Soaps Limited as a going concern to and in the Company with effect from April 1, 2001 pursuant to the scheme of arrangement is cash neutral and does not effect the cash flow. In consideration thereof the shareholders of Godrej Soaps Limited have been issued fully paid equity shares of the Company. (Refer note 3 of Schedule 19)		
3. To finance working capital requirements, the Company's Bankers have sanctioned a total fund-based limit of Rs. 1900 lac. Of this, limits utilised as on March 31, 2002 is Rs. 576.2 lac.		

Adi B. Godrej - Chairman and Managing Director

Jamshyd N. Godrej - Director

Nadir B. Godrej - Director

Rama Bijapurkar - Director

Bharat Doshi - Director

Anupam Puri - Director

Hoshedar K. Press - Executive Director and President

**Sunil S. Sapre - Vice President (Finance)
and Company Secretary**

Mumbai, April 29, 2002

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Godrej Consumer Products Limited derived from the Audited Financial Statements for the year ended March 31, 2002 and found the same to be drawn in accordance herewith and also with the requirements of Clause 32 of the listing agreements with stock exchanges.

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

V. R. MEHTA

Partner

Mumbai, April 29, 2002

Godrej Consumer Products Limited

REGISTERED OFFICE	:	Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079. Phone : 022 - 518 8010, 518 8020, 518 8030 Fax : 022 - 518 8066 website : http://www.godrejcp.com
FACTORIES	:	<p>Malanpur U-30, Industrial Area, Malanpur, Dist. Bhind, Madhya Pradesh 477 116. Phone : 07539 - 83113, 83419 Fax : 07539 - 83421</p> <p>Silvassa Survey No. 906/1/1, Krishna Industrial Estate, Village Amla, Silvassa 396 230, Union Territory of Dadra and Nagar Haveli. Phone : 0260 646854 Fax : 0260 646826</p> <p>Guwahati Shed Nos. 9, 10, 11, 12 By-Lane No. 1, Bamuni Maidan Industrial Estate Guwahati 781 021, Assam Phone : 0361 653 437 Fax : 0361 653 597</p>
BRANCHES	:	<p>Delhi Laxmi Insurance Building, 2/2-A, Asaf Ali Road, New Delhi 110 002. Phone : 011 - 323 3775, 3233777, 3236776 Fax : 011 - 323 3778</p> <p>Kolkata Block GN, Sector-V, Salt Lake City, Kolkata 700 091. Phone : 033 - 357 3555, 3556, 3944 Fax : 033 - 357 3945</p> <p>Chennai 6th floor, Kasi Arcade, 116, Sir Thyagaraya Road, T. Nagar, Chennai 600 017. Phone : 044 - 8155128, 815 4039 Fax : 044 - 815 0725</p> <p>Mumbai Admn Bldg, 3rd floor, Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079 Phone : 022 - 518 8010, 518 8020, 518 8030 Fax : 022 - 518 8069</p>
BANKERS	:	Central Bank of India State Bank of India Citibank N.A. HDFC Bank Ltd. The Hongkong & Shanghai Banking Corporation Ltd.
REGISTRARS	:	Computech Sharecap Ltd. 147, Mahatma Gandhi Road, Fort, Mumbai 400 023. Phone : 022 - 267 1824 to 26 Fax : 022 - 267 0380 E-Mail : helpdesk@computechsharecap.com