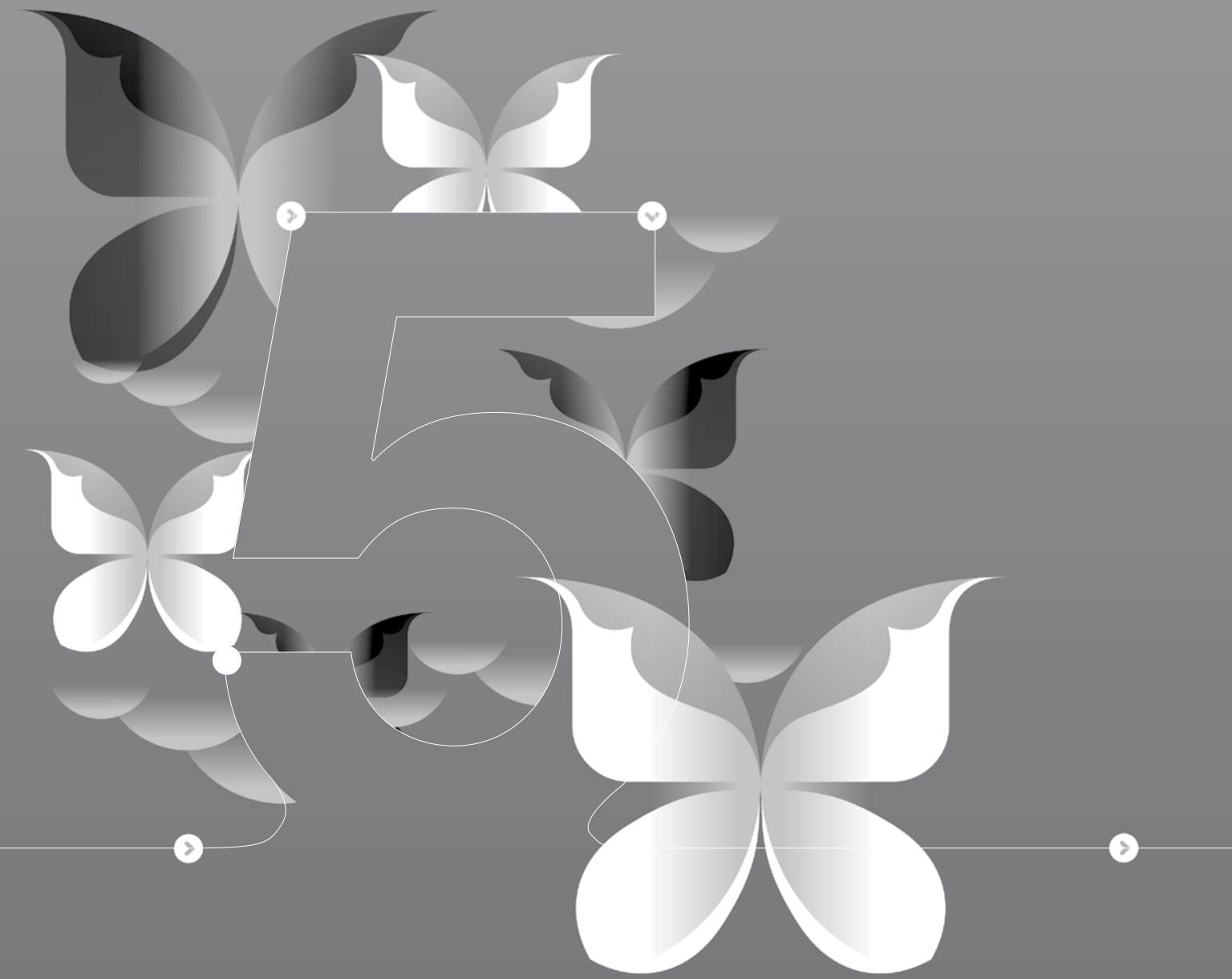


Financials



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, 2011 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. As stated in Note 3, Schedule 16: Notes to Accounts, Godrej Household Products Ltd. (GHPL), an erstwhile 100% subsidiary of Godrej Consumer Products Limited (GCPL) was amalgamated on March 31, 2011, with GCPL with effect from April 1, 2010, in accordance with a Scheme of Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay. These financial statements include the financial statements of the erstwhile GHPL for the year ended March 31, 2011, which have not been audited by us and have been audited by another auditor whose report has been furnished to us. Our opinion on the financial statements, to the extent they have been derived from the financial statements of the erstwhile GHPL, is based solely on the report of the other auditor.
5. Without qualifying our opinion, attention is drawn to Note 3, Schedule 16: Notes to Accounts, regarding the Scheme of Amalgamation approved by The Hon'ble High Court of Judicature at Bombay whereby the assets and liabilities of the erstwhile Godrej Household Products Limited have been taken over and recorded at their fair values as on April 1, 2010, as determined by the Board of Directors of the Company. In accordance with the Scheme of Amalgamation, an amount of ₹ 3776.83 lac on account of fair valuation of loans and advances, an amount of ₹ 5275.00 lac on account of brand amortization and an amount of ₹ 614.42 lac on account of costs and expenses of amalgamation aggregating to ₹ 9666.25 lac has been charged to General Reserve instead of charging the same to the Profit and Loss Account. Had this amount been charged to the Profit and Loss Account, the profit for the year would have been lower by ₹ 9666.25 lac and the General Reserve would have been higher by ₹ 9666.25 lac
6. Further to our comments in the Annexure referred to in para 3 above and our comments in para 4 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.

Auditors' Report

- 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, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
7. On the basis of the written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Regn. No.: 104607W

Daraius Z. Fraser
PARTNER

M. No.: 42454

Mumbai: May 2, 2011.

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 (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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 had 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 ₹ 1586.73 lac and the closing balance amounted to ₹ Nil. The erstwhile Godrej Household Products Limited had granted an unsecured loan, to a party covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 257.14 lac and the year-end balance was ₹ 214.29 lac.
 - b) In our opinion, the rate of interest and other terms and conditions on which the unsecured loans have been granted to companies / parties 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 / are repaying 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 / parties 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

Annexure to the Auditors' Report

Companies Act, 1956 and exceeding the value of ₹ 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 there under. 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.
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 ₹ 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
	Others	21.94	1996-99 2007-08	Assistant Commissioner CESTAT
	Excise duty in dispute pertaining to erstwhile Godrej Household Products Limited.	18.43	2002-03, 2006-07	Commissioner of Central Excise (Appeals), Chennai
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	28.62	2000-01 2002-03 2007-08 2003-04 2005-08 2009-10	Assistant / Joint/ Deputy Commissioner Sales Tax Authority

Annexure to the Auditors' Report

Name of Statute	Nature of Dues	Amount ₹ lac	Period to which the amount relates	Forum where dispute is pending
	Sales tax in dispute pertaining to erstwhile Godrej Household Products Limited.	31.70	Financial Years 2002-03, 2003-04 and 2004-05	Supreme Court of India
		66.00	Financial Year 2004-05	Commercial Tax Officer (West Bengal)
		502.78	Financial Years 1998-99, 1999-00, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08.	Deputy Commissioner Commercial Taxes (Uttar Pradesh) and Deputy Commissioner Appeals (West Bengal, Maharashtra, Uttar Pradesh, Andhra Pradesh, Punjab, Orissa, Haryana, Jammu and Kashmir)
		29.83	Financial Years 2001-02, 2002-03, 2003-04, 2006-07 and 2008-09	Joint Commissioner (Appeals) (Uttar Pradesh, Orissa, Andhra Pradesh and Tamil Nadu)
		89.52	Financial Years 1994-95, 1999-00, 2000-01, 2001-02, 2002-03 and 2003-04	Sales Tax Tribunal (Bihar, Uttar Pradesh, Delhi, West Bengal, Karnataka)
		1044.43	Financial Years 1999-00, 2000-01, 2001-02, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09	High Court (Andhra Pradesh, Madhya Pradesh, Kerala, Rajasthan, Karnataka)
		44.11	Financial Years 2003-04 and 2004-05	Commissioner (Appeals) (Andhra Pradesh, Bihar, Maharashtra)
The Entry Tax Act.	Entry Tax in dispute pertaining to erstwhile Godrej Household Products Limited.	105.95	Financial Years 2006-07 and 2007-08	Supreme Court of India
		22.67	Financial Years 1999-2000 to 2003-04	Commissioner (Appeals) (Madhya Pradesh)
The Finance Act, 1994.	Service Tax in dispute pertaining to erstwhile Godrej Household Products Limited.	16.21	September 2004 to November 2004 and February 2005 to June 2008	Commissioner (Appeals)
Employee's Provident Funds and Miscellaneous Provisions Act, 1952.	Provident Fund in dispute pertaining to erstwhile Godrej Household Products Limited.	252.95	Financial Years 2005-06 to 2009-10	Employees Provident Fund Appellate Tribunal, New Delhi.
Income-tax Act, 1961	Appeal against order of regular assessment u/s 143(3) of the Act.	322.71	Assessment Year 2006-07	CIT(A)
	Demand based on the order of regular assessment u/s 143(3) of the Act.	34.91	Assessment Year 2008-09	AO
	Demand based on the order of regular assessment u/s 143(3) of the Act.	77.56	Assessment Year 2009-10	AO
	Others	402.26	Assessment Year 2003-04 2006-07 2007-08	CIT (A)
	Income-tax in dispute pertaining to erstwhile Godrej Household Products Limited.	60.72	Assessment Year 2003-04	Assessing Officer
		267.63	Assessment Year 2006-07	Income-tax Appellate Tribunal
		106.22	Assessment Year 2007-08	Commissioner of Income-tax (Appeals)

Annexure to the Auditors' Report

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 or debenture holders. There are no dues to financial institutions.
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 guarantees given by the Company for loans taken by its subsidiaries 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 loan obtained by the Company was applied for the purpose for which the loan was 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 used funds raised on short term basis for long term investment. The Company has used short term borrowings to the extent of ₹ 6993.26 lac for the acquisition of long term investments.
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 has issued unsecured redeemable non-convertible debentures during the year in respect of which no security is required to be created.
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.

For and on behalf of

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Regn. No.: 104607W

Daraius Z. Fraser
PARTNER

M. No.: 42454

Mumbai: May 2, 2011.

Balance Sheet as at March 31, 2011

	Schedule	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
SOURCES OF FUNDS:				
1. Shareholders' Funds				
a) Share Capital	1	3235.90		3081.90
b) Reserves and Surplus	2	<u>150131.75</u>	153367.65	<u>79664.63</u>
				82746.53
2. Loan Funds				
a) Secured Loans	3	1005.98		1239.80
b) Unsecured Loans	4	<u>26243.42</u>	27249.40	-
			852.71	1239.80
3. Deferred Tax Liability (Net)	5		<u>852.71</u>	<u>632.12</u>
TOTAL			181469.76	84618.45
APPLICATION OF FUNDS:				
4. Fixed Assets	6			
a) Gross Block		146105.52		27379.54
b) Less: Depreciation		<u>23135.45</u>		<u>10823.75</u>
c) Net Block		122970.07		16555.79
d) Capital Work-in-Progress		<u>1188.16</u>	124158.23	83.72
				16639.51
5. Investments	7		<u>36206.32</u>	52188.17
6. Current Assets, Loans and Advances	8			
a) Inventories		30636.12		16804.82
b) Sundry Debtors		10327.96		3314.95
c) Cash and Bank Balances		8062.71		18570.41
d) Other Current Assets		1206.11		604.42
e) Loans and Advances		<u>25183.18</u>		<u>10554.30</u>
		<u>75416.08</u>		49848.90
7. Less: Current Liabilities and Provisions	9			
a) Current Liabilities		52482.38		32682.72
b) Provisions		<u>1828.49</u>		<u>1375.42</u>
		<u>54310.87</u>		34058.14
8. Net Current Assets			<u>21105.21</u>	<u>15790.77</u>
TOTAL			181469.76	84618.45
Notes to Accounts	16			

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

Daraius Z. Fraser
Partner

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

Signatures to the Balance Sheet and
Schedules 1 to 9 and 16.

For and on behalf of the Board
Adi Godrej
Chairman

A. Mahendran
Managing Director

Mumbai: May 2, 2011.

Profit and Loss Account for the year ended March 31, 2011

	Schedule	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
INCOME:				
1. Sales (Gross)		247746.01		129433.98
Less: Excise Duty		<u>(8229.76)</u>		<u>(2645.86)</u>
			239516.25	126788.12
2. Other Income	10		8068.09	4958.79
			247584.34	131746.91
EXPENDITURE:				
3. Materials Consumed and Purchase of Goods	11	120762.88		57730.62
4. Expenses	12	76427.53		43874.13
5. Interest and Financial Charges	13	877.24		366.22
6. Depreciation and Amortisation		<u>2198.07</u>		<u>1374.94</u>
		200265.72		103345.91
7. Inventory Change	14	<u>(3145.74)</u>		<u>(1513.22)</u>
			197119.98	101832.69
Profit Before Tax:			50464.36	29914.22
8. Provision for Taxes				
- Current Taxes		10086.65		4886.78
- Deferred Taxes		<u>110.02</u>		<u>215.80</u>
			10196.67	5102.58
Net Profit After Tax			40267.69	24811.64
9. Exceptional Items (Net of Tax)	15		3227.62	-
Net Profit After Tax:			43495.31	24811.64
10. Surplus Brought Forward			17419.56	9814.58
Profit Available for Appropriation:			60914.87	34626.22
APPROPRIATIONS:				
1. Dividend on Equity Shares				
- Interim			16319.82	12585.72
2. Tax on Distributed Profit			3338.62	2138.94
3. Transfer to General Reserve			6509.94	2482.00
4. Surplus Carried Forward			34746.49	17419.56
TOTAL			60914.87	34626.22
EARNINGS PER SHARE (In ₹)	16 - (29)			
(Face value ₹ 1)				
Before Extraordinary Items:				
Basic and Diluted			13.62	8.28
Including Extraordinary Items:				
Basic and Diluted			13.62	8.28
Notes to Accounts	16			

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

As per our Report attached

Signatures to the Profit Loss Account and Schedules 10 to 16.

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

A. Mahendran
Managing Director

Mumbai: May 2, 2011.

Cash Flow Statement for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax:		50464.36	29914.21
Adjustments for:			
Depreciation	2198.07		1374.94
Loss/(Profit) on Sale of Fixed Assets (Net)	39.71		41.44
(Profit)/Loss on Sale of Investments (Net)	(133.11)		(207.06)
Interest Expense	620.49		138.40
Interest Income	(3091.06)		(2530.53)
Dividend Income	(98.16)		(1001.07)
Foreign Exchange (Gain)/Loss	118.05		(421.79)
Bad Debts Written Off	3.04		1.73
Provision for Doubtful Debts	55.08		1.42
Provision for Non Moving Inventory	(314.16)		71.13
Write in of Old Balances	(58.64)		(39.49)
Others Income Outstanding	(749.87)		155.15
		(1410.56)	(2415.73)
Operating Cash Flows Before Working Capital Changes		49053.80	27498.48
Adjustments for:			
Inventories	(5769.97)		(4208.55)
Sundry Debtors	(3429.57)		(2343.19)
Loans and Advances	(6932.47)		3394.02
Other Current Assets	54.53		-
Current Liabilities and Provisions	(236.08)		7362.84
		(16313.54)	4205.12
Cash Generated from Operations		32740.26	31703.60
Adjustment for:			
Direct Taxes Paid	(11112.48)		(4904.99)
		(11112.48)	(4904.99)
Net Cash Flow from Operating Activities before Exceptional Item		21627.78	26798.61
Exceptional Items - Termination Compensation		4031.00	-
Net Cash Flow from Operating Activities After Exceptional Items		25658.78	26798.61
Balance carried forward		25658.78	26798.61

Cash Flow Statement for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac 25658.78	Previous Year ₹ in Lac 26798.61
Balance brought forward			
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(110212.32)		(844.25)
Sale of Fixed Assets	26.43		17.11
Investments in Subsidiary	(7330.53)		(16749.07)
Cost and Expenses of Amalgamation	(614.42)		(731.15)
Purchase/Reinvestment of Investments	(28200.00)		(66797.52)
Sale of Investments	35033.11		61054.58
Dividend Received	98.16		1001.07
Loan to ESOP Trust (Net)	(817.71)		(950.84)
Loan to Subsidiaries Repaid/(Given)	1439.60		(1400.14)
Intercompany Deposits Placed	-		(405.00)
Intercompany Deposits Refund Received	-		405.00
Interest Received	2197.14		2826.75
Investment Expenses to be Capitalised	(268.95)		(227.70)
Net Cash Flow From Investing Activities		(108649.49)	(22801.14)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital (Net of exp. on QIP)	52277.85		-
Borrowings from Bank (Net)	5950.00		(5463.39)
Issue of Debentures (Net of expenses and premium paid)	17774.05		-
Cash Credits (Net)	(214.00)		414.16
Interest Paid	(592.12)		(148.94)
Dividend Paid	(15261.46)		(12562.77)
Dividend Tax Paid	(3205.91)		(2139.27)
Net Cash Flow From Financing Activities		56728.41	(19900.21)
Net Increase/(Decrease) in Cash and Cash Equivalents:		(26262.30)	(15902.74)
Cash and Cash Equivalents:			
As at the Beginning			
Cash and Bank Balances		18570.42	34456.81
Acquired Pursuant to the Scheme of Amalgamation		15754.59	16.36
As at the Ending			
Cash and Bank Balances		8062.71	18570.42
Net Increase/(Decrease) in Cash and Cash Equivalents:		(26262.30)	(15902.74)

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Daraius Z. Fraser
Partner

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

For and on behalf of the Board
Adi Godrej
Chairman

A. Mahendran
Managing Director

Mumbai: May 2, 2011.

Schedules forming part of the Accounts for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
SCHEDULE 1: SHARE CAPITAL			
1. Authorised:			
410,000,000 Equity shares (previous year 410,000,000 Equity shares) of ₹ 1/- each.		4100.00	4100.00
10,000,000 Preference shares (previous year 10,000,000 Preference shares) of ₹ 1/- each.		100.00	100.00
2. Issued:			
323,621,268 Equity shares (previous year 308,221,168 Equity shares) of ₹ 1/- each fully paid up.		3236.21	3082.21
3. Subscribed and Paid Up:			
323,590,144 Equity shares (previous year 308,190,044 Equity shares) of ₹ 1/- each fully paid up.		3235.90	3081.90
Total		3235.90	3081.90
Note:			
Of the above, 277,079,512 equity shares of ₹ 1 each have been issued pursuant to schemes of arrangements for consideration other than cash.			
SCHEDULE 2: RESERVES AND SURPLUS			
1. Capital Investment Subsidy Reserve			
i) Central Subsidy			
Balance as per last Balance Sheet		15.00	15.00
2. Capital Redemption Reserve			
Balance as per last Balance Sheet		145.94	145.94
3. Securities Premium Account			
Balance as per last Balance Sheet	35703.58		35703.58
Add: Premium Received on Allotment of QIP	52976.34		-
Less: Expenses on QIP	(852.50)		-
Less: Expenses on Issue of Debentures and Debenture Premium	(2519.37)		-
		85308.06	35703.58
4. Debenture Redemption Reserve			
Transfer from General Reserve		738.43	-
5. General Reserve			
As per last Balance Sheet	26380.55		5443.30
Add: Transfer from Profit and Loss Account	6509.94		2482.00
Less: Transfer to Debenture Redemption Reserve	(738.43)		-
Add: Transfer on Amalgamation of GCBL & GHCL	-		18455.25
Less: Adjustments Pursuant to Scheme of Amalgamation	(9018.45)		-
		23133.61	26380.55
6. Profit & Loss Account			
Balance as per Profit and Loss Account	34746.49		17419.56
Addition on Amalgamation	6044.21		-
		40790.70	17419.56
Total		150131.75	79664.63

Schedules forming part of the Accounts for the year ended March 31, 2011

		Current Year	Previous Year
		₹ in Lac	₹ in Lac
SCHEDULE 3: SECURED LOANS			
1. Borrowings From Banks			
Cash Credit		975.46	1189.46
2. Sales Tax Deferment Loan			
Total		30.52	50.34
		1005.98	1239.80
SCHEDULE 4: UNSECURED LOANS			
1. Debentures			
a) 2,000 Unsecured, Redeemable, Zero Coupon, Non- Convertible Debentures of ₹ 10.00 lac each		20000.00	-
b) Premium on Redemption thereon		293.42	-
		20293.42	-
2. Term Loans and Advances			
a) From Banks		5950.00	-
Total		26243.42	-
Amount repayable within one year		26243.42	-
SCHEDULE 5: DEFERRED TAX LIABILITY (NET)			
1. Deferred Tax Liability			
a) Depreciation		1266.04	923.98
2. Deferred Tax Asset			
a) Expenditure Disallowable under Section 43B		(248.42)	(210.09)
b) Provision for Doubtful Debts		(164.90)	(81.78)
		(413.32)	(291.87)
Total		852.71	632.12
SCHEDULE 6: FIXED ASSETS			

(₹ in Lac)

ASSET	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As on 01-04-2010	Adjustments	Additions	Deductions	As on 31-03-2011	Upto 31-03-2010	Adjustments	For the Year	On Deductions	Upto 31-03-2011	As on 31-03-2011	As on 31-03-2010
Tangible Assets:												
Freehold Land	11.43	39.43	-	-	50.86	-	-	-	-	-	50.86	11.43
Leasehold Land	684.71	-	-	-	684.71	35.71	-	7.10	-	42.81	641.90	649.00
Leasehold Improvement	102.16	779.82	207.66	-	1089.64	7.58	368.14	49.85	-	425.57	664.07	94.58
Buildings	5817.90	876.38	14.13	7.13	6701.29	947.31	302.36	187.41	3.60	1433.48	5267.80	4870.59
Plant and Machinery	19092.20	5874.80	1527.94	63.47	26431.47	8913.74	3072.13	1487.75	52.68	13420.94	13010.53	10178.46
Furniture, Fixtures and Fittings	252.58	1471.06	341.77	285.18	1780.23	70.87	1042.48	238.60	283.56	1068.39	711.84	181.71
Office Equipment	392.09	-	33.32	1.88	423.53	130.63	-	19.02	1.04	148.61	274.92	261.46
Computers	483.30	-	3.92	10.90	476.33	388.14	-	52.38	10.22	430.29	46.03	95.16
Vehicles	92.96	198.49	192.26	95.04	388.66	28.26	93.77	31.43	46.36	107.10	281.57	64.70
Intangibles:												
Computer Software	434.54	795.68	165.19	122.12	1273.28	295.64	453.33	118.54	122.12	745.39	527.90	138.90
Trade Marks and Brands	-	105500.00	-	-	105500.00	-	5274.00	-	-	5274.00	100226.00	-
Technical Knowhow	-	30.00	-	-	30.00	-	6.00	3.00	-	9.00	21.00	-
Goodwill	-	30.00	1229.85	-	1259.85	-	21.00	1.50	-	22.50	1237.35	-
Assets Under Finance Lease:												
Leased Vehicles	15.67	-	-	-	15.67	5.88	-	1.49	-	7.37	8.30	9.79
Total	27379.54	115595.66	3716.04	585.72	146105.52	10823.75	10633.21	2198.07	519.58	23135.45	122970.06	-
Previous Year	26654.29	-	1010.19	284.94	27379.54	9675.20	-	1374.94	226.40	10823.75	-	16555.79
Capital Work-in-Progress including Capital Advances											1188.16	83.72
Total											124158.23	16639.51

Note: Adjustments comprise of assets arising on account of amalgamation.

Schedules forming part of the Accounts for the year ended March 31, 2011

SCHEDULE 7: INVESTMENTS

	Face Value ₹	As At 01-04-10	Number		As At 31-03-11	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
			Acquired during the Year	Sold during the Year				
Long Term - At Cost - Fully Paid up								
1. IN EQUITY SHARES								
<i>Unquoted:</i>								
Godrej Household Products Limited* (Formerly Godrej Sara Lee Ltd.)	₹ 4	12,513,375	-	-	-	-	-	19700.52
								19700.52
2. IN EQUITY SHARES OF SUBSIDIARY COMPANIES								
<i>Unquoted:</i>								
Godrej Netherlands B.V.	€ 100	1,000	-	-	1,000	4912.57		4912.57
Rapidol (PTY) Ltd.	ZAR 1	18,050,000			18,050,000	1266.50		1266.50
	USD							
Godrej Global Mideast FZE	250,000	5	-	-	5	573.80		573.80
Godrej Hygiene Products Ltd.	₹ 10	2,600,000	-	-	2,600,000	2087.36		2087.36
Godrej Consumer Products Mauritius Ltd.	USD 1	6	-	-	6	16501.05		15079.45
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	1	-	-	1	2001.26		45.58
Essence Consumer Care Products Limited	₹ 10	-	1,650,000	-	1,650,000	2168.81		-
Naturesse Consumer Care Products Limited	₹ 10	-	400,000	-	400,000	1784.44		-
Godrej Household Products (Bangladesh) Pvt. Ltd.	BDT 10	-	9,585,481	-	9,585,481	658.06		-
Godrej Household Products (Lanka) Pvt. Ltd.	LKR 10	-	21,501,045	-	21,501,045	2710.54		-
Godrej Consumer Products Bangladesh Ltd.	BDT 10	-	1	1	1	3.65		-
							34668.04	23965.26
3. IN PREFERENCE SHARES OF SUBSIDIARY COMPANIES								
<i>Unquoted:</i>								
Godrej Consumer Products Mauritius Ltd.	USD 1	4,000,000	-	-	4,000,000	-	1822.40	1822.40
Current - At Cost - Fully Paid up								
4. IN UNITS OF MUTUAL FUNDS								
<i>Unquoted:</i>								
Birla Sunlife Mutual Fund	₹ 10	-	55,098,540	55,098,540	-	-		-
Cash Plus - Instl. Premium - Growth								
Kotak Liquid (Institutional Premium) Plan - Growth Scheme	₹ 10	18,940,359	19,455,674	38,396,033	-	-		3500.00
Prudential ICICI Institutional Liquid Plan - Super Institutional Growth Scheme	₹ 100	1,543,853	8,690,045	10,233,898	-	-		2100.00
HDFC Liquid Fund - Premium Plan - Growth Scheme	₹ 10	5,965,196	22,611,231	28,576,427	-	-		1100.00
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Option	₹ 10	-	3,859,831	3,859,831	-	-		-
								6700.00
TOTAL BOOK VALUE OF INVESTMENTS							36490.44	52188.17
PROVISION FOR DEPLETION IN VALUE OF INVESTMENTS							(284.12)	-
Total							36206.32	52188.17
Aggregate Book Value of Investments:								
Quoted							-	-
Unquoted							36490.44	52188.17
Total							36490.44	52188.17

*12,513,375 equity shares at the beginning of the year have been extinguished consequent to the Scheme of Amalgamation.

Schedules forming part of the Accounts for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
SCHEDULE 8: CURRENT ASSETS, LOANS AND ADVANCES			
1. Inventories			
(At lower of cost and net realisable value)			
a) Raw Materials	13108.16		7666.72
b) Stores and Spares	430.00		394.68
c) Work-In-Progress	1966.12		2298.91
d) Finished Goods - Manufactured	11855.76		5845.33
- Trading	3276.08		599.18
		30636.12	16804.82
2. Sundry Debtors			
(Unsecured - Considered good, unless otherwise stated)			
a) Debts outstanding for a period exceeding six months (Including doubtful debts ₹ 472.97 lac; - previous year ₹ 33.83 lac)	614.36		39.61
b) Other Debts	10186.57		3309.17
	10800.93		3348.78
c) Less: Provision for Doubtful Debts	472.97		33.83
		10327.96	3314.95
3. Cash and Bank Balances			
a) Cash in Hand	22.15		11.90
b) Cheques on Hand	573.33		734.23
c) Balances with Scheduled Banks			
- In Current Accounts	2105.45		1316.98
- In Deposit Accounts	5358.56		16507.30
(Under lien with the bank: ₹ 106.95 lac; previous year ₹ 106.95 lac)			
d) Balances with Non-Scheduled Banks	3.23		-
		8062.72	18570.41
4. Other Current Assets			
a) Accrued Interest		1206.11	604.42
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	7031.67		1763.46
(Net of advances considered doubtful ₹ 36.89 lac; - previous year ₹ 6.86 lac)			
c) Amount Due from ESOP Trust	9290.88		5221.07
d) Balances with Excise Authorities	6766.59		1875.06
e) Sundry Deposits	1776.38		261.97
f) Advance Payment of Taxes (Net of Provision for Taxes)	354.56		-
	25220.07		10561.16
Less: Provision for Doubtful Loans and Advances	36.89		6.86
		25183.18	10554.30
Total		75416.08	49848.90

Schedules forming part of the Accounts for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
SCHEDULE 9: CURRENT LIABILITIES AND PROVISIONS			
1. Current Liabilities			
a) Sundry Creditors			
- Dues to Micro, Small and Medium Enterprises	-		688.19
- Others	26026.50		9381.69
b) Advances and Deposits	1018.37		553.36
c) Unclaimed Dividends*	490.05		433.16
d) Other Liabilities	20065.24		17773.94
e) Interim Dividend Payable	4853.85		3852.38
f) Interest Accrued but not Due on Loans	28.37		-
		52482.38	32682.72
2. Provisions			
a) For Taxation (Net of Advance Payment of Taxes)	-		102.63
c) For Tax on Distributed Profits	787.42		654.71
d) For Leave Encashment	1041.07		618.08
		1828.49	1375.42
Total		54310.87	34058.14
*The figure of Unclaimed Dividend reflects the position as at March 31, 2011. During the year, the Company has transferred an amount of ₹ 31.16 lac (previous year ₹ 41.54 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		98.16	1001.07
2. Interest Received (Gross)			
a) On Investments	640.53		-
b) On Advances and Deposits	1831.93		94.93
c) On Rights Issue Proceeds	138.65		2005.92
d) On ESOP Trust Loan	438.71		428.69
(Tax Deducted at Source ₹ 110.46 lac; previous year ₹ 408.19 lac)			
e) On Income Tax Refund	41.24		0.99
		3091.06	2530.53
3. Profit on Sale of Investments (Net)		133.11	207.06
4. Business Support Fees		853.28	-
5. Royalty and Technological Fees		2837.73	723.58
6. Claims Received		48.99	73.05
7. Miscellaneous Income		1005.75	423.50
Total		8068.08	4958.79
SCHEDULE 11: MATERIALS CONSUMED AND PURCHASE OF GOODS			
1. Raw Materials Consumed			
Opening Inventory	7666.72		5047.55
Add: Purchases (Net)	108433.44		56731.82
	116100.16		61779.37
Less: Closing Inventory	13108.16		7666.72
Raw Materials Consumed During the Year		102992.00	54112.65
2. Purchase of Goods for Resale		17770.88	3617.97
Total		120762.88	57730.62

Schedules forming part of the Accounts for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
SCHEDULE 12: EXPENSES			
1. Salaries, Wages and Bonus		12152.43	11488.07
2. Contribution to Provident Fund and Other Funds		848.42	497.76
3. Workmen and Staff Welfare Expenses		357.07	108.59
4. Stores and Spares Consumed		858.64	538.13
5. Processing Charges and Other Manufacturing Charges		6203.53	1847.81
6. Excise Duty Provision on Inventory		84.99	92.03
7. Power and Fuel		5115.45	3289.91
8. Repairs and Maintenance			
a) Plant and Machinery	227.82		191.42
b) Buildings	100.30		35.38
c) Others	154.43		134.07
		482.56	360.87
9. Establishment Expenses		170.69	366.76
10. Miscellaneous Expenses		2478.19	1169.99
11. Rent		1512.58	547.22
12. Rates and Taxes		704.58	190.49
13. Travelling and Conveyance		1885.48	952.92
14. Legal and Professional Charges		1333.78	619.55
15. Insurance		243.84	161.36
16. Donations		91.86	5.63
17. Selling and Distribution Expenses		5135.67	1748.27
18. Sales Promotion		7871.32	5319.93
19. Freight		8256.81	4434.87
20. Advertising and Publicity		19854.39	10168.90
21. Royalty Expense		503.57	-
22. Commission		65.09	14.30
23. Discount		0.71	8.71
24. Loss on Sale of Assets (Net)		39.71	41.44
25. Loss/(Gain) on Exchange Difference (Net)		118.05	(102.53)
26. Bad Debts Written Off		3.04	1.73
27. Provision for Doubtful Debts/Advances		55.08	1.42
Total		76427.53	43874.13
SCHEDULE 13: INTEREST AND FINANCIAL CHARGES			
1. Interest Expense:			
a) Interest on Term Loans	395.55		94.95
b) Interest on Other Bank Loans	196.97		1.96
c) Other Interest	27.97		41.49
		620.49	138.40
2. Discounting and Other Finance Charges		256.75	227.82
Total		877.24	366.22

Schedules forming part of the Accounts for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
SCHEDULE 14: INVENTORY CHANGE			
1. Opening Inventory			
a) Finished Goods	5845.33		5091.65
b) Traded Goods	599.18		463.43
c) Work-In-Progress	2298.91		1675.12
		8743.42	7230.20
2. Add: Stock taken over on Amalgamation			
a) Finished Goods	1940.56		-
b) Traded Goods	2829.23		-
c) Work-In-Progress	439.01		-
		5208.80	-
3. Less: Closing Inventory			
a) Finished Goods	11855.76		5845.33
b) Traded Goods	3276.08		599.18
c) Work-In-Progress	1966.12		2298.91
		17097.96	8743.42
4. (Increase)/Decrease in Inventory		(3145.74)	(1513.22)
SCHEDULE 15: EXCEPTIONAL ITEMS (NET OF TAX)			
1. License Agreement Termination Compensation		4031.00	-
Less: Tax Thereon		(803.38)	-
Total		3227.62	-

SCHEDULE 16: 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.

Schedules forming part of the Accounts for the year ended March 31, 2011

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 recognised in the period in which the impairment takes place.

e) **Leases:**

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

f) **Investments:**

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

g) **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.

h) **Provisions and Contingent Liabilities:**

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

No Provision is recognised for –

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

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

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

i) **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.

Schedules forming part of the Accounts for the year ended March 31, 2011

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.

j) 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.

k) 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 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.

l) 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.

m) 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:

Defined Contribution Plans:

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

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

Schedules forming part of the Accounts for the year ended March 31, 2011

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.

n) Incentive Plans:

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

Up to March 31, 2009 the EVA awards would flow through a notional bank whereby only the prescribed portion of the bank is distributed each year and the balance is carried forward. The amount distributed out of the notional bank is charged to 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 on reducing balance.

The entire EVA award for the year has been charged to the Profit and Loss Account.

o) 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 four years.

Pursuant to the Scheme of Amalgamation, the Company has acquired certain SAP licenses and Trademarks. These SAP licenses acquired are amortised over a period of four years. Trademarks acquired are amortised equally over the best estimate of their useful life not exceeding a period of ten years, except in the case of Goodknight and Hit brands where the brands are amortised equally over a period of twenty years. The major influencing factors behind amortising these brands over a period of twenty years are that Goodknight has been in existence since the last twenty seven years and been growing at a fast pace. Goodknight has grown by 29% and HIT by 35% during the period under review. Goodwill is amortised over a period of five years. Tools, dies and moulds acquired are depreciated over a period of three and half years. Technical Knowhow is depreciated over a period of ten years.

In accordance with the Court order approving the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited, an amount equivalent to the amortisation of the Goodknight and Hit brands at the end of each financial year is directly debited to the balance in the General Reserve Account.

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

p) Hedging:

The Company uses forward exchange contracts to hedge it's foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts are recognised in the 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.

q) 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.

Schedules forming part of the Accounts for the year ended March 31, 2011

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.

r) Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of Personal and Household Care products. 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.

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, household insecticides, liquid detergents, toiletries and others.

3. SCHEME OF AMALGAMATION

- a) A Scheme of Amalgamation (“the Scheme”), for the amalgamation of Godrej Household Products Ltd. (GHPL) (a wholly owned subsidiary of Godrej Consumer Products Ltd. (GCPL) called “the Transferor Company” with Godrej Consumer Products Limited (the Transferee Company) with effect from April 1, 2010, (“the Appointed Date”), was sanctioned by the Hon’ble High Court of Judicature at Bombay (“the Court”), vide its Order dated February 28, 2011 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on March 31, 2011 (the “Effective Date”). Accordingly, the standalone results of the Company for the year ended March 31, 2011, include the results of the erstwhile GHPL for the financial year ended March 31, 2011.
- 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 Company stands transferred to and vested in the Transferee Company with effect from the Appointed Date. In accordance with the Scheme of Amalgamation, the assets and liabilities of GHPL have been taken over and recorded at their fair values as on April 1, 2010, as determined by the Board of Directors of GCPL.
- c) The book value of net assets of GHPL taken over by the Company on Amalgamation and recorded at fair value are as under:

Particulars	(₹ Lac)	
	Book Value	Fair Value
Fixed Assets	4844.61	4844.61
Trademark	-	105500.00
Investments	3084.50	3084.50
Current Assets, Loans and Advances	39172.75	35398.06
Current Liabilities and Provisions	(19411.95)	(19411.95)
Net Assets	27689.91	129415.22

Schedules forming part of the Accounts for the year ended March 31, 2011

- d) In arriving at the fair value of the net assets of GHPL taken over by the Company:
- i) Loans and Advances have been reduced by ₹ 3776.83 lac on account of:
 - a) Restatement of loans given by the erstwhile GHPL to the GHPL ESOP Trust for acquiring shares of Godrej Industries Limited (GIL) granted under an ESOP Scheme to the employees of GHPL. The loans have been restated at the market value of the underlying GIL shares as on April 1, 2010, resulting in a reduction of Loans and Advances by ₹ 2955.14 lac and
 - b) Reduction in the excise duty refund receivable by GHPL by ₹ 821.69 lac on account of uncertainty of recoverability.
 - ii) Trademarks have increased by ₹ 105500.00 lac on account of fair valuation of the Goodknight and Hit brands of the erstwhile GHPL as on April 1, 2010. Amortisation of these brands for the year amounting to ₹ 5275.00 lac has been charged directly to General Reserves as per the Scheme.
- e) Costs and expenses of amalgamation amounting to ₹ 614.42 lac have been directly debited to General Reserves.
- f) Consequently, the following amounts have been adjusted in General Reserve as under:

(₹ in Lac)

i) General Reserve Account of GHPL	647.80
ii) Adjustment on account of difference between book value and fair value of assets / liabilities taken over	(3776.83)
iii) Brand Amortisation for the year	(5275.00)
iv) Costs and Expenses of Amalgamation	(614.42)
Total Adjustments Pursuant to Scheme of Amalgamation	(9018.45)

- g) At the end of each financial year an amount equivalent to ₹ 5275.00 lac being the amortization of brands (recorded pursuant to the amalgamation), is to be directly debited to General Reserves.
- h) Since the entire issued, subscribed and paid-up share capital of GHPL was held by the Company, upon the Scheme of Amalgamation becoming effective, no shares of the Company have been allotted in lieu or exchange of its holding in GHPL and the share capital of GHPL stands cancelled.
- i) Had the Scheme not prescribed the above accounting treatment, the balance in Goodwill would have been higher by ₹ 105500.00 lac Trademarks would have been lower by ₹ 105500.00 lac, expenses and provisions would have been higher by ₹ 4391.25 lac Depreciation would have been higher by ₹ 5275.00 lac General Reserve would have been higher by ₹ 9666.25 lac and profit for the year would have been lower by ₹ 9666.25 lac.
- j) Since the aforesaid Scheme of amalgamation of GHPL with the Company, which is effective from April 1, 2010, 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.
- k) Fair valuation of Trademarks - Goodknight & HIT, ESOP Loan and Excise Receivable has been done to reflect the true and fair value of these assets. Since the amortisation of trademark is on account of fair valuation, hence it has been charged to General Reserve. Since the amalgamation expenses are not incurred in the normal course of business and incurred only on account of amalgamation, hence charged to General Reserve.

Schedules forming part of the Accounts for the year ended March 31, 2011

4. CONTINGENT LIABILITIES

	Current Year ₹ Lac	Previous Year ₹ Lac
a) Claims for excise duties, taxes and other matters:		
i) Excise duty demands aggregating ₹ 184.56 lac (previous year ₹ 93.08 lac) against which the Company has preferred appeals (net of tax).	123.26	61.44
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 ₹ 118.26 lac (previous year ₹ 118.26 lac) (net of tax).	78.98	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 ₹ Nil (previous year ₹ 830.86 lac) has been accounted as recoverable and the same is contingent on the higher rate being granted (net of tax).	-	548.45
iv) Sales tax demands aggregating ₹ 2079.93 lac (previous year ₹ 168.59 lac) against which the Company has preferred appeals (net of tax).	1389.03	111.29
v) Income-tax matters: Demand notices issued by Income-tax Authorities.	837.43	2162.96
vi) Other matters - ₹ 300.05 lac (previous year ₹ 6.62 lac) (net of tax).	200.38	4.37
b) Guarantees issued by banks (secured by bank deposits under lien with the bank ₹ 106.95 lac (previous year – ₹ 106.95 lac).	865.02	262.74
c) Guarantees amounting to \$ 95 million given by the Company towards loans provided by HSBC, to Godrej Consumer Products Mauritius Ltd.	43021.13	-
d) Guarantee amounting to \$ 365 million given by the Company towards loan provided by Banks to Godrej Consumer Products Holding (Mauritius) Ltd.	164159.57	-
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.	172.59	171.69
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.	500.00	300.00
g) Guarantees of GBP Nil (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.	-	2036.05
h) Guarantee given by the Company to guarantee principal amount of credit facilities extended by Citibank Sri Lanka and Citibank Bangladesh to Godrej Household Products (Lanka) Private Limited and Godrej Household Products (Bangladesh) Private Limited respectively - wholly owned subsidiaries of the Company.	756.36	-
i) Claims against the Company not acknowledged as debt: Claims by various parties on account of unauthorised, illegal and fraudulent acts by an employee.	2424.19	2424.19
Claims pertaining to litigations filed against the erstwhile Godrej Household Products Limited.	25.02	-

Schedules forming part of the Accounts for the year ended March 31, 2011

5. CAPITAL COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for – ₹ 725.47 lac (previous year ₹ 42.57 lac), net of advances amounting to ₹ 670.61 lac (previous year ₹ 28.52 lac).

6. SHARE CAPITAL

During the year, the Company issued 15,400,100 equity shares of face value ₹ 1 each at a premium of ₹ 344 per equity share to Qualified Institutional Buyers. The pricing was equal to the floor price of ₹ 345 per equity share calculated in accordance with SEBI guidelines. The issue proceeds aggregating to ₹ 53130.35 lac has been utilized to retire debt and for general corporate purpose.

7. 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.

8. UNSECURED LOANS

a) During the year, the Company had issued 11000 and redeemed 9000 zero coupon, unsecured, redeemable, non-convertible debentures on private placement basis. The debentures were redeemed at a premium of ₹ 2013.00 lac at maturity.

b) Unsecured Loans include 2,000 zero coupon, unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each, aggregating to ₹ 20000.00 lac, issued on a Private Placement basis, redeemable in two tranches at a premium, which will yield 10.50% p.a. at maturity. Debentures amounting to ₹ 4500.00 lac are redeemable in December 2011 and the balance, amounting to ₹ 15500.00 lac are redeemable in January 2012.

9. INVESTMENTS

a) During the year the Company completed the acquisition of PT. Megasari Makmur Group in Indonesia with effect from May 17, 2010 and also incorporated Godrej Indonesia Netherlands Holding BV, Netherlands with effect from May 7, 2010 under Godrej Consumer Products Dutch Cooperatief U.A., Netherlands.

b) During the year, the Company completed the acquisition of the balance 51% stake in Godrej Sara Lee Ltd. (subsequently renamed as Godrej Household Products Ltd.). Consequently Godrej Household Products Ltd. became a wholly owned subsidiary of Godrej Consumer Products Limited (GCPL) with effect from May 28, 2010. Subsequently, pursuant to a Scheme of Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay, Godrej Household Products Ltd. was amalgamated with Godrej Consumer Products Ltd. on March 31, 2011 (the "Effective Date") with effect from April 1, 2010, ("the Appointed Date").

Godrej Household Products (Lanka) Private Limited and Godrej Household Products (Bangladesh) Private Limited, subsidiaries of the erstwhile Godrej Household Products Ltd., have consequently become subsidiaries of GCPL.

c) During the year the Company acquired 100% stake in Laboratoria Cuenca, Consell SA, Issue Uruguay and Issue Brazil (collectively referred to as 'Issue Group') with effect from June 1, 2010 and acquired a 100% stake in Argencos, a mid-sized Argentine hair care company & Panamar Produccioness Srl with effect from July

Schedules forming part of the Accounts for the year ended March 31, 2011

8, 2010 through its newly incorporated subsidiaries Godrej Netherlands Argentina Holding B.V., Netherlands and Godrej Netherlands Argentina B.V., Netherlands which were incorporated under Godrej Argentina Dutch Cooperatief UA, Netherlands.

- d) The Company completed the acquisition of the worldwide rights of Tura from the Tura Group, Nigeria with effect from June 16, 2010.
- e) During the year, the Company acquired a 100% stake in Naturese Consumer Care Products Limited (NCCPL) and Essence Consumer Care Products Limited (ECCPL) which own the "Swastik" and "Genteel" brand respectively. The Board of Directors of the Company has approved a Scheme of Amalgamation of these Companies with GCPL subject to the consent of the Hon'ble High Court of Judicature at Bombay and such other necessary approvals and consents. The Appointed Date for the amalgamation is December 3, 2010. NCCPL and ECCPL have filed separate petitions with the Hon'ble High Court of Judicature at Bombay for sanction of the said Scheme. The approval of the Hon'ble High Court is awaited.

As the Appointed Date for the said Scheme is December 3, 2010, on receipt of the approval of the Hon'ble High Court and filing of the same with the Registrar of Companies, the financial statements of GCPL for the year ended March 31, 2011, would be impacted. Fixed Assets (net of depreciation) will increase by ₹ 15.00 lac representing the book value of "Swastik" and "Genteel" brands, the Net Current Assets will increase by ₹ 172.00 lac. The General Reserve will reduce by ₹ 3766.00 lac being the difference between book value of assets and liabilities taken over after giving effect to the adjustments proposed in the said scheme of Amalgamation.

- f) During the year the Company incorporated Godrej Mauritius Africa Holdings Limited (w.e.f. March 14, 2011) as its 100% subsidiary which in turn acquired Godrej Weave Holdings Limited on March 14, 2011, as its 100% subsidiary.

10. SUNDRY DEBTORS

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

(₹ in Lac)

Name of the Company	Current Year	Previous Year
a) Godrej Industries Ltd.	78.82	35.16
b) Godrej Agrovvet Limited	4.74	3.39

11. LOANS AND ADVANCES

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

(₹ in Lac)

Name of the Company	Current Year	Previous Year
a) Godrej Hygiene Products Ltd.	-	1100.00
Accrued Interest Due thereon	-	57.15
Maximum balance during the year	1206.25	1157.15
b) Godrej Netherlands B.V.	-	339.60
Accrued Interest Due thereon	-	1.65
Maximum balance during the year	380.49	380.11

- b) The Company has granted a loan amounting to ₹ 5223.56 lac (previous year ₹ 4430.84 lac) (being the maximum amount of loan outstanding during the year) to The Godrej Consumer Products Limited ESOP Trust, set up for administering the Employee Stock Option Plan of the Company for the employees/directors of the Company and/or of the Company's subsidiaries. Out of the above loans, loans aggregating ₹ 2923.56 lac for ESOP is repayable at the end of five years from the date of the loan agreement viz. five years

Schedules forming part of the Accounts for the year ended March 31, 2011

from March 21, 2008. The repayment of the loan by the Trust is dependant on the exercise of options by the employees and/or the market price of the underlying equity shares of the unexercised options at the end of the exercise period.

In respect of the balance loans amounting to ₹ 2300.00 lac which have been granted for for the Employee Stock Purchase Plan (GCPL ESPL), the repayment will commence from the date on which the employee exercises the stock grant or after 2 years from the date of vesting whichever is earlier. In the event the price of the underlying GCPL shares fall below the exercise price during/on conclusion of the exercise period, the employee shall compulsorily exercise the shares at cost plus interest.

Under the Scheme of Amalgamation, the Company has obtained a new employees stock option scheme viz. 'Godrej Sara Lee Limited stock option plan' to eligible employees of the merged Company. on the terms and conditions as specified in the scheme. The equity shares of 'Godrej Industries Limited' are the underlying equity shares for the stock option scheme. In order to execute the Scheme, an independent trust has been created with ILFS Trust Company Limited and the erstwhile GHPL has given an interest bearing loan which together with interest amount to ₹ 5940.00 lac to the trust to execute the scheme. Based on Market conditions the same has been fair valued at ₹ 2984.86 lac shown under the head "loans and advances". The impaired amount of ₹ 2955.14 lac has been adjusted to general reserve.

12. RIGHTS ISSUE PROCEEDS

Out of the funds raised from the rights issue in 2008-09 amounting to ₹ 39645.75 lac, the Company has, as of March 31, 2011, utilised the entire proceeds towards the objects mentioned in the Rights Offer letter (as amended till date).

13. LIABILITIES

- 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.
- 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, 2011, in respect of vehicle leased are as under:

(₹ in Lac)

Maturity Profile	Total Future Minimum Lease Payments Outstanding as on March 31, 2011	Unmatured Finance Charges	Present Value of Future Minimum Lease Payments
Not later than one year	- (3.92)	- (0.03)	- (3.89)
Later than one year and not later than five years	- (-)	- (-)	- (-)
Later than five years	- (-)	- (-)	- (-)
Total	- (3.92)	- (0.03)	- (3.89)

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

- The Company has acquired assets under non cancellable operating leases arising out of Scheme of Amalgamation of the Company with erstwhile Godrej Household Products Limited. The liability for minimum lease payment is secured by hypothecation of the assets acquired under the lease. The future minimum lease payments outstanding as on March 31, 2011, in respect of assets leased are as under:

Schedules forming part of the Accounts for the year ended March 31, 2011

(₹ in Lac)

Maturity Profile	Total Future Minimum Lease Payments Outstanding as on March 31, 2011	Unmatured Finance Charges	Present Value of Future Minimum Lease Payments
Not later than one year	64.79 (-)	- (-)	64.79 (-)
Later than one year and not later than five years	101.82 (-)	- (-)	101.82 (-)
Later than five years	- (-)	- (-)	- (-)
Total	166.61 (-)	- (-)	166.61 (-)

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

- d) The Company's significant leasing agreements are in respect of operating lease for premises (office godown) Computers and the aggregate lease rentals payable, are charged as rent.
- e) Sundry Creditors / Provision for Liabilities – Raw materials include overseas supplier credit amounting to ₹ 7743.49 lac (previous year ₹ 8231.47 lac).

14. 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. The Company does not use foreign exchange forward contracts or commodity futures contracts for trading or speculation purpose. As at March 31, 2011, the Company had 6 (previous year 15) outstanding forward exchange contracts to purchase foreign currency aggregating, to US Dollars 66.10 lac (previous year US Dollars 112.12 lac) at an average rate of ₹ 45.91 per US Dollar (previous year ₹ 46.44 per US Dollar). Pursuant to the Scheme of Amalgamation the Company has obtained 3 outstanding forward exchange contracts to sell foreign currency aggregating to US Dollar 0.5 lac at an average rate of ₹ 45.28 per US Dollar and EURO 9.25 lac at an average rate of ₹ 63.84 per EURO. The uncovered foreign exchange exposure as at March 31, 2011, is as under:

(₹ in Lac)

	Currency exposure	Current Year	Previous Year
Payable	USD	157.98	71.22
Payable	EURO	376.88	-
Payable	GBP	2.27	-
Receivable	USD	1623.71	7.91
Receivable	EURO	1170.24	-
Receivable	ZAR	84.38	29.65
Loan and Interest Receivable	GBP	-	5.02

15. PROFIT AND LOSS ACCOUNT

- a) Exchange differences (net) recognised in the Profit and Loss Account for the year amounted to a gain of ₹ 118.05 lac (previous year ₹ 102.53 lac). The premium in respect of forward exchange contracts to be recognised in subsequent accounting periods is ₹ 35.16 lac (previous year ₹ 38.26 lac).
- b) Research and Development Expenditure of revenue nature charged to the Profit and Loss Account amounts to ₹ 793.96 lac (previous year ₹ 474.76 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, 2011

16. EXCEPTIONAL ITEMS

- a) Pursuant to Ambipur Manufacturing and Distribution License Termination and Amendment Agreement dated May 28, 2010, entered into between Kiwi European Holdings B.V., Saralee Household & Body Care International B.V. and Godrej Household Products Limited (formerly known as Godrej Sara Lee Limited), the erstwhile Godrej Household Products Ltd. received termination compensation of Euro 7,000,000 (equivalent to ₹ 4030.99 lac) disclosed as an "Exceptional Item" in the Profit and Loss Account.
- b) Pursuant to the 'Kiwi Manufacturing and Distribution License (excluding Sri Lanka) – Confirmation and Amendment Agreement dated May 28, 2010, entered into between Kiwi European Holdings B.V., Saralee Household & Body Care International B.V. and Godrej Household Products Limited (formerly known as Godrej Sara Lee Limited), and further pursuant to the letters dated February 9, 2011 and March 24, 2011, the 'Kiwi Manufacturing and Distribution License (excluding Sri Lanka) Agreement has been terminated effective April 3, 2011 and termination compensation of ₹ 15619.38 lac has been received subsequent to the year end.

17. 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 whereby the Company can grant 45,00,000 stock options convertible into 45,00,000 equity shares of the nominal value ₹ 1 each to the eligible employees/Directors of the Company and of the Company's subsidiaries.
- b) The ESOP Scheme is administered by an independent ESOP trust created with IL&FS Trust Company Limited which acquires by subscription/purchase or otherwise, the Company's shares equivalent to the number of options proposed to be granted by the participating companies, as approved by the Compensation Committee.
- c) The ESOPS authorised for issue are as under:
 - i) 2,000,000 options in the Extra-ordinary General Meeting on March 14, 2007.
 - ii) 2,500,000 options in the Extra-ordinary General Meeting on April 28, 2008.
- d) The options granted shall vest in the eligible employees within such period as may be prescribed by the Compensation Committee, which period shall not be less than one year and may extend up to three years from the date of grant of the option. Vesting may occur in tranches subject to the terms and conditions of vesting. The option is exercisable within two years after vesting.
- e) All unvested Options shall vest in the employees on the date of retirement or at an earlier date as may be decided by the Compensation Committee, subject to the requirement of minimum vesting period and all vested Options should be exercised by the Option Grantee immediately on retirement, but in no event later than six months from the date of such Options Grantee's retirement.
- f) The price at which the Option Grantee would convert Options granted into GCPL Shares (i.e. the exercise price) shall be the market price prevailing on the day prior to the day of grant plus interest at such rate not being less than the bank rate then prevailing compoundable on an annual basis for the period commencing from the date of granting of the Option and ending on the date of intimating exercise of the Option to the Company.
- g) The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been 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 ₹ 1132.64 lac (previous year ₹ 442.75 lac).

- h) The Board of Directors at its meeting held on January 22, 2011 has approved an Employee Stock Purchase Plan (GCPL ESPL) which is administered by the GCPL ESOP Trust. Under the plan, the Company provides loan to the GCPL ESOP Trust at an interest rate which is not less than the bank rate, to enable the GCPL ESOP trust to acquire upto 1,000,000 shares of the Company from the secondary market.

Schedules forming part of the Accounts for the year ended March 31, 2011

The HR & Compensation committee had resolved that the surplus shares held by GCPL ESOP Trust at any point of time for grant of options under GCPL ESOP be utilised for grant of shares to the employees under the GCPL ESPL within the maximum of 10,00,000 equity shares.

Under the plan, 9,80,000 shares have been granted till March 31, 2011.

The shares granted shall vest on March 30, 2012. Thereafter within the exercise period of two years, these shares shall have to be compulsorily acquired from the GCPL ESOP Trust. The exercise price shall be the market price on the day prior to the date of grant plus interest at a rate not less than the bank rate till the date of exercise.

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

	Current Year	Previous Year
Options/shares Granted	4,647,000	3,828,000
Options Vested	2,810,000	100,000
Options Exercised	1,001,500	100,000
Options Lapsed/Forfeited	762,000	619,000
Options Lapsed/Forfeited to be re-granted	20,000	275,000
Total Number of Options/shares Outstanding	2,883,500	2,834,000

- j) Under the Scheme of Amalgamation, the Company has obtained 'Godrej Sara Lee Limited Employees Stock Option Plan' set up for eligible employees of the erstwhile Godrej Household Products Limited. The equity shares of Godrej Industries Limited (GIL) are the underlying equity shares for the stock option plan. The ESOP Scheme is administered by an independent ESOP trust created with IL&FS Trust Company Limited. The independent ESOP trust has purchased shares of GIL from the market against which options have been granted. The purchases have been financed by loans from the erstwhile Godrej Household Products Limited which together with interest amounts to ₹ 5940.00 lac. The repayment of the loans granted to the ESOP trust and the interest thereon is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period.

- k) The status of the above plan is as under

	Current Year	Previous Year
Options Granted	2,129,000	-
Options Vested	-	-
Options Exercised	-	-
Options Lapsed/Forfeited	205,000	-
Options Lapsed / Forfeited to be re-granted	-	-
Total Number of Options Outstanding	1,924,000	-

18. INCENTIVE PLANS

The amount carried forward in notional bank after distribution of PLVR for the financial year 2010-11 is ₹ 667.18 lac as on March 31, 2011 (previous year ₹ 525.00 lac). The said amount is not provided in the books of account and is payable in future, if performance so warrants.

19. PROVISION FOR CONTINGENCIES

(₹ in Lac)

Particulars	Current Year	Previous Year
Provision as on April 1, 2010	113.50	-
Additional Provision made	420.98	-
Provision Amount Utilised / Reversed	-	-
Provision as on March 31, 2011	534.48	-

Note:

- a) The above provision has come in the books pursuant to the Scheme of Amalgamation with GHPL.
- b) The above provision represents estimates made for probable liabilities arising out of pending disputes / litigation with the Sales Tax / Service Tax Authorities. The outflow with regard to the said matters depends on exhaustion of remedies available to the Unit under the law and hence, the Unit is not able to reasonably ascertain the timing of the outflow.

20. EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

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.

The post employment benefits of the erstwhile Godrej Household Products Ltd., which was acquired pursuant to the Scheme of Amalgamation, include contributions to the Provident Fund and Superannuation Fund. The contributions to the Provident Fund are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

b) Defined Benefit Plan

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.

The gratuity scheme of the erstwhile Godrej Household Products Ltd., which was acquired pursuant to the Scheme of Amalgamation, is funded through a Unit Linked Gratuity Plus Scheme with Life Insurance Corporation of India ('LIC') and HDFC Standard Life Insurance Company Limited. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

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 ₹ 533.73 lac (previous year ₹ 262.70 lac) has been included in Schedule 12 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 215.20 lac (previous year ₹ 195.89 lac) has been included in Schedule 12 under Contribution to provident and Other Funds. The Company had made a short provision amounting to ₹ 0.43 lac in the current year and ₹ 4.34 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, 2011

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

		Gratuity	
		Current Year	Previous Year
		₹ in Lac	₹ in Lac
i) Change in Present Value of Obligation			
	Present value of the obligation at the beginning of the year	938.11	743.67
	Liability on transfer of employees from group companies	-	4.03
	Obligation on Transfer of Employees pursuant to Scheme of Amalgamation	598.73	-
	Current Service Cost	136.24	53.55
	Interest Cost	126.61	59.49
	Actuarial (Gain)/Loss on Obligation	24.52	149.43
	Benefits Paid	(198.35)	(72.07)
	Present value of the obligation at the end of the year	1625.86	938.11
ii) Change in Plan Assets			
	Fair value of Plan Assets at the beginning of the year	738.18	748.01
	Plan Assets taken over pursuant to Scheme of Amalgamation	603.34	-
	Expected return on Plan Assets	110.67	59.84
	Actuarial Gain/(Loss) on Plan Assets	(36.80)	2.40
	Contributions by the Employer	50.00	-
	Benefits Paid	(198.35)	(72.07)
	Fair value of Plan Assets at the end of the year	1267.04	738.18
iii) Amounts Recognised in the Balance Sheet:			
	Present value of Obligation at the end of the year	1625.86	938.11
	Fair value of Plan Assets at the end of the year	1267.04	738.18
	Net Obligation at the end of the year	358.82	199.92
iv) Amounts Recognised in the statement of Profit and Loss:			
	Current Service Cost	136.24	53.55
	Interest Cost on Obligation	126.61	59.49
	Expected return on Plan Assets	(110.67)	(59.84)
	Net Actuarial (Gain)/Loss recognised in the year	63.45	147.03
	Net Cost included in Personnel Expenses	215.63	200.24
v) Actual Return on Plan Assets		73.87	62.24
vi) Estimated contribution to be made in next financial year		136.03	87.12
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.	8.25% P.A.
ii) Expected Rate of Return on Plan Assets		8.25% P.A.	8.25% P.A.
iii) Salary Escalation Rate		5% P.A.	5% P.A.
iv) Employee Turnover		1% P.A.	1% P.A.
v) Mortality		L.I.C (1994-96) Ultimate	
	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.		

EXPERIENCE ADJUSTMENT*

	Apr 10 - Mar 11	Apr 09 - Mar 10	Apr 08 - Mar 09	Apr 07 - Mar 08
Experience adjustments on Plan Liabilities (Gain)/Loss	26.67	186.15	29.66	89.41
Experience adjustments on Plan Assets Gain/(Loss)	36.80	(68.24)	3.74	(11.50)

Schedules forming part of the Accounts for the year ended March 31, 2011

21. ANNUAL CAPACITIES AND PRODUCTION

	Item	Units	Installed Capacity*		Actual Production	
			Current Year	Previous Year	Current Year	Previous Year
1.	Soaps	M.T.	159,000	159,000	88,872	92,290
2.	Hair Colour and Other Toiletries	M.T.	17,880	16,080	1,763	1,540
3.	Fatty Acids	M.T.	97,500	97,500	5,189	3,087
4.	Glycerine	M.T.	2,300	2,300	4,726	3,465
5.	Detergents	M.T.	12,000	12,000	5,410	5,134
6.	Repellents	Nos. (Million)	342	-	235	-

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

Notes :

1. The licensed capacities are not applicable in view of the exemption from licensing granted under Notification SO 477 (E) dated July 25, 1991, issued under Industries (Development & Regulation) Act, 1951.
2. Actual production excludes production for captive consumption.
3. Actual production excludes items processed for the Company by third parties, viz. Hair colour and other toiletries 5,075 MT (previous year 4,544 MT).

22. INVENTORY OF FINISHED GOODS

	Item	Quantity Units	March 31, 2011		March 31, 2010		March 31, 2009	
			Quantity	Value ₹ in Lac	Quantity	Value ₹ in Lac	Quantity	Value ₹ in Lac
	Manufactured:							
1.	Soaps	M.T.	7,860	6655.77	7,277	4113.61	7,295	4171.54
2.	Hair Colour and Other Toiletries	M.T.	773	945.35	742	1471.45	418	699.09
3.	Detergents	M.T.	312	188.71	465	260.28	310	212.32
4.	Fatty Acids and Glycerine		-	-	-	-	21	8.70
5.	Repellents	Nos. (Million)	14	2026.08	-	-	-	-
6.	Others			1854.66	-	-	-	-
	Purchased:							
1.	Soaps	M.T.	105	78.09	12	12.02	11	12.74
2.	Hair Colour and Other Toiletries	M.T.	433	823.96	337	587.16	225	450.70
3.	Detergents	M.T.	258	165.13				
4.	Repellents	Nos. (Million)	9	1198.78				
5.	Others			1195.30		-		-
	Total			15131.84		6444.51		5555.09

Schedules forming part of the Accounts for the year ended March 31, 2011

23. SALES TURNOVER (Net of Excise Duty)

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value ₹ in Lac	Quantity	Value ₹ in Lac
1.	Soaps	M.T.	88,547	79586.31	92,570	82837.93
2.	Hair Colour and Other Toiletries	M.T.	7,597	38821.81	7,266	35774.50
3.	Detergents	M.T.	5,850	6437.05	4,927	5326.24
4.	Fatty Acids and Glycerine	M.T.	-	4401.77		2849.45
5.	Repellents	Nos. (Million)	309	62382.52		-
6.	Others			47886.79		-
	Total			239516.25		126788.12

24. RAW MATERIALS CONSUMED

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value ₹ in Lac	Quantity	Value ₹ in Lac
1.	Oils and Fats	M.T.	77,092	31735.79	83,703	26058.46
2.	Chemicals, Perfumes, Colours and Catalysts	M.T.	38,731	26686.00	36,934	17418.01
3.	Packing Materials etc.			44042.36		10636.17
4.	Paper	Nos	2,304,154	527.85		-
	Total			102992.00		54112.65

25. PURCHASE OF GOODS

	Item	Quantity Units	Current Year		Previous Year	
			Quantity	Value ₹ in Lac	Quantity	Value ₹ in Lac
1.	Soaps	M.T.	585	473.63	261	215.70
2.	Hair Colour and Other Toiletries	M.T.	1,717	3650.60	1,742	3402.27
3.	Detergents	M.T.	710	448.55		-
4.	Repellents	Nos. (Million)	74	7941.32		-
5.	Others			5256.79		-
	Total			17770.88		3617.97

Schedules forming part of the Accounts for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
26. COMPUTATION OF PROFITS UNDER SECTION 349 OF THE COMPANIES ACT, 1956.			
Profit for the year as per Profit and Loss Account		40267.69	24811.64
Add:			
Depreciation as per Accounts	2198.07		1374.94
Managerial Remuneration	1143.99		1614.18
Loss on Sale of Assets as per books	39.71		41.44
Provision for Doubtful Debts	51.96		(4.78)
Bad Debts Written Off	3.04		1.73
Provision for Doubtful Advances	3.12		6.20
Provision for Taxation	10196.67		5102.58
		13636.56	8136.29
		53904.25	32947.93
Less:			
Depreciation under Section 350	2059.82		1364.93
Profit on Sale of Investments as per Accounts	133.11		207.06
Loss on Sale of Assets as per Section 349	39.71		41.44
		2232.64	1613.43
Eligible Net Profit as per Section 349 of the Companies Act, 1956.		51671.61	31334.51
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:		5167.16	3133.45
b) To Non-wholetime Directors @ 1% of Eligible Profit:		516.72	313.35
Managerial Remuneration to Wholetime Directors		1056.80	1512.58
Commission to Non-wholetime Directors		78.34	90.00
27. MANAGERIAL REMUNERATION			
Remuneration to the Chairman, Vice Chairman and Managing Director:			
a) Salary and Allowances	529.12		350.27
b) Contribution to Provident Fund	24.49		22.69
c) Estimated Monetary Value of Perquisites	333.79		193.40
d) Provision for Performance Linked Variable Remuneration	169.40		946.23
		1056.80	1512.58
Remuneration to Non-wholetime Directors:			
a) Commission on Profits	78.34		90.00
b) Directors' Sitting Fees	8.85		11.60
		87.19	101.60
Total		1143.99	1614.18

Note: The above remuneration does not include contribution to Gratuity Fund and provision for Leave Encashment as separate figures are not available. The above remuneration includes remuneration amounting to ₹ 312.11 lac drawn during the year by the managing director during his tenure as managing director in the erstwhile GHPL before he was appointed as managing director of the company.

Schedules forming part of the Accounts for the year ended March 31, 2011

	₹ in Lac	Current Year ₹ in Lac	Previous Year ₹ in Lac
28. AUDITOR'S REMUNERATION			
a) Statutory Audit Fees		75.75	50.50
b) Audit Under Other Statutes		14.00	10.00
c) In Other Capacity:			
Taxation Matters	11.36		8.75
Certification	10.73		9.20
Other Charges	3.00		3.65
		25.09	21.60
d) QIP Issue Audit Fees		15.00	-
e) Reimbursement of Expenses		3.71	3.30
f) Cost Audit Fees		3.00	3.50
g) Service Tax		10.47	9.16
Total		147.02	98.06
29. EARNINGS PER SHARE			
a) Net Profit After Tax		43495.31	24811.64
b) Number of Equity Shares:			
As at the commencement of the year		308,190,044	256,953,908
Issued during the year		15,400,100	51,236,136
As at the end of the year		323,590,144	308,190,044
Weighted average number of equity shares during the year:			
Basic and Diluted		319,466,620	299,627,293
Before Extraordinary Items:			
Basic and Diluted		13.62	8.28
Including Extraordinary Items:			
Basic and Diluted		13.62	8.28

Schedules forming part of the Accounts for the year ended March 31, 2011

		Current Year ₹ in Lac	Previous Year ₹ in Lac
30. DIVIDENDS REMITTED IN FOREIGN CURRENCY			
a)	4th Interim Dividend for the year ended March 31, 2010, to 273 non-resident shareholders on 77,212 shares @ ₹ 1.25 per share	0.97	
	1st Interim Dividend for the year ended March 31, 2011, paid to 286 non-resident shareholders on 79,260 shares @ ₹ 1 per share	0.79	
	Paid to 1 non-resident shareholder of erstwhile Godrej SaraLee Ltd. on 13,024,125 shares @ ₹ 13.50 per share	1758.26	
	2nd Interim Dividend for the year ended March 31, 2011, to 272 non-resident shareholders on 76,712 shares @ ₹ 1 per share	0.77	
	3rd Interim Dividend for the year ended March 31, 2011, to 270 non-resident shareholders on 75,832 shares @ ₹ 1 per share	0.76	
b)	Final Dividend for the year ended March 31, 2010, to 282 non-resident shareholders on 78,352 shares @ ₹ 0.75 per share		0.59
	4th Interim Dividend for the year ended March 31, 2009, to 282 non-resident shareholders on 78,352 shares @ ₹ 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 @ ₹ 1 per share		0.78
	2nd Interim Dividend for the year ended March 31, 2010, to 278 non-resident shareholders on 78,512 shares @ ₹ 1 per share		0.79
	3rd Interim Dividend for the year ended March 31, 2010, to 276 non-resident shareholders on 77,792 shares @ ₹ 1 per share		0.78
	Total	1761.54	3.52

31. CONSUMPTION OF RAW MATERIALS AND STORES

		Current Year		Previous Year	
		₹ in Lac	%	₹ in Lac	%
a)	Raw Materials				
	- Imported	16661.97	16.18	18436.58	34.07
	- Indigenous	86330.03	83.82	35676.07	65.93
		102992.00	100.00	54112.65	100.00
b)	Stores and Spare Parts				
	- Imported	-	-	10.47	1.94
	- Indigenous	858.64	100.00	527.66	98.06
	Total	858.64	100.00	538.13	100.00

Schedules forming part of the Accounts for the year ended March 31, 2011

	Current Year ₹ in Lac	Previous Year ₹ in Lac
32. VALUE OF IMPORTS ON C.I.F. BASIS		
a) Raw Materials	14556.06	15075.23
b) Spare parts & Components	-	11.73
c) Capital Goods	22.01	11.59
d) Goods for resale	-	368.03
Total	14578.07	15466.59
33. EXPENDITURE IN FOREIGN CURRENCY		
a) Travelling Expenses	7.38	180.59
b) Consultancy Fees	580.69	228.93
c) Trade Mark Registration	-	11.23
d) Sales Promotion	125.08	5.59
e) Freight	134.47	-
f) Royalty	497.68	-
g) Others	46.98	18.16
Total	1392.29	444.50
34. EARNINGS IN FOREIGN CURRENCY		
a) F.O.B. Value of Exports	13242.49	2473.26
b) Royalty & Technological Fees	2805.73	723.58
c) Interest on Loan to Subsidiary	-	7.79
d) Dividend received from Subsidiary	98.16	-
e) Guarantee Commission from Subsidiary	13.38	-
Total	16159.76	3204.63
35. Related Party Disclosures		
A) Related Parties and their Relationship		
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		
Keyline Brands Limited		
Inecto Manufacturing Limited		
ii) Rapidol (Proprietary) Limited		
iii) Godrej Global Mid East FZE		
iv) Godrej Hygiene Products Limited		
v) Godrej Consumer Products Mauritius Limited		
Godrej Kinky Holdings Limited		
Kinky Group (Proprietary) Limited		

Schedules forming part of the Accounts for the year ended March 31, 2011

- Godrej Nigeria Holdings Ltd.
 - Godrej Nigeria Limited
- Godrej Argentina Dutch Cooperatief U.A.
 - Godrej Netherlands Argentina Holding B.V
 - Godrej Netherlands Argentina B.V
 - Laboratoria Cuenca S.A
 - Deciral S.A
 - Issue Group Uruguay S.A
 - Issue Group Brazil Limited
 - Consell S.A
 - Argencos S.A
 - Panamar Produccioness Srl
- vi) Godrej Consumer Products Holding (Mauritius) Limited
 - Indovest Capital Limited, Labuan
 - Godrej Consumer Products Dutch Cooperatief U.A.
 - Godrej Indonesia Netherlands Holding B.V
 - Godrej Consumer Products (Netherlands) B.V.
 - Godrej Consumer Holdings (Netherlands) B.V.
 - PT Simba Indosnack Makmur
 - PT Indomas Susemi Jaya
 - PT Intrasari Raya
 - PT Megasari Makmur
 - PT Ekamas Sarijaya
 - PT Sarico Indah
- vii) Godrej Household Products (Lanka) Private Limited
- viii) Godrej Household Products (Bangladesh) Private Limited
- ix) Godrej Consumer Products Bangladesh Limited
- x) Essence Consumer Care Products Private Limited
- xi) Naturesse Consumer Care Products Private Limited
- xii) Godrej Mauritius Africa Holdings Limited
- xiii) Godrej Weave Holdings Limited

c) Joint Ventures:

- i) Godrej Household Products Ltd. (Formerly Godrej Sara Lee Limited)
(Joint Venture from June 1, 2009 up to May 27, 2010. Became a subsidiary of the Company on May 28, 2010 and subsequently was pursuant to the Scheme of Amalgamation with effect from April 1, 2010)

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

- i) Godrej Industries Limited
- ii) Godrej Agrovet Limited
- iii) Godrej Hershey Limited
- iv) Godrej Infotech Limited
- v) Godrej Properties Limited
- vi) Godrej International Limited
- vii) Wadala Commodities Ltd.
- viii) Godrej Oil Palm Limited
- ix) Natures Basket Limited

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

- i) Godrej Investments Private Limited

f) Key Management Personnel and Relatives:

- | | | |
|-------|------------------------|--|
| i) | Mr. Adi Godrej | Chairman |
| ii) | Mr. Hoshedar Press | Vice-Chairman (retired w.e.f. close of April 30, 2010) |
| iii) | Mr. Dalip Sehgal | Managing Director (up to June 30, 2010) |
| iv) | Mrs. Parmeshwar Godrej | Wife of Mr. Adi Godrej |
| v) | Mr. A. Mahendran | Managing Director (w.e.f. from July 1, 2010) |
| vi) | Mrs. Mythili Mahendran | Wife of Mr. A. Mahendran |
| vii) | Mrs. Tanya Dubhash | Daughter of Mr. Adi Godrej |
| viii) | Ms. Nisaba Godrej | Daughter of Mr. Adi Godrej |
| ix) | Mr. Pirojsha Godrej | Son of Mr. Adi Godrej |
| x) | Mr. Nadir Godrej | Brother of Mr. Adi Godrej |
| xi) | Mrs. Rati Godrej | Wife of Mr. Nadir Godrej |
| xii) | Mr. Burjis Godrej | Son of Mr. Nadir Godrej |
| xiii) | Mr. Sohrab Godrej | Son of Mr. Nadir Godrej |
| (xiv) | Mr. Hormazd Godrej | Son of Mr. Nadir Godrej |

Schedules forming part of the Accounts for the year ended March 31, 2011

g) Transactions with Related Parties

(₹ 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	30.91 <i>19.88</i>	886.30 <i>617.91</i>	1707.14 <i>1096.01</i>	- <i>305.03</i>	- -	- -	- -	2624.35 <i>2038.82</i>
Purchase of Materials, Spares and Capital Equipment	714.11 <i>76.11</i>	1645.79 <i>1178.37</i>	1529.25 <i>1385.93</i>	- -	- -	- -	- -	3889.15 <i>2640.41</i>
Establishment and Other Expenses Paid/(Received)	14.21 <i>10.64</i>	805.19 <i>695.84</i>	(14.74) <i>(51.16)</i>	- <i>70.86</i>	- -	- -	- -	804.66 <i>726.18</i>
Investments Made	- -	- -	2453.42 <i>16749.07</i>	- <i>19700.52</i>	- -	- -	- -	2453.42 <i>36449.59</i>
Royalty Received	- -	- -	2974.16 <i>723.58</i>	- -	- -	- -	- -	2974.16 <i>723.58</i>
Loan Given	- -	- <i>405.00</i>	- <i>1806.73</i>	- -	- -	- -	- -	- <i>2211.73</i>
Loan Repaid	- -	- <i>405.00</i>	1439.60 <i>367.13</i>	- -	- -	- -	42.86 -	1482.46 <i>772.13</i>
Interest Received on Loan	- -	- <i>6.12</i>	54.85 <i>64.94</i>	- -	- -	- -	24.97 -	79.82 <i>71.06</i>
Issue of Equity Shares pursuant to scheme of arrangement	- <i>302.97</i>	- <i>209.39</i>	- -	- -	- -	- -	- -	- <i>512.36</i>
Guarantees Given/(Cancelled)	- -	- -	205344.65 <i>(19988.00)</i>	- -	- -	- -	- -	205344.65 <i>(19988.00)</i>
Dividend Remitted	5415.64 <i>4976.79</i>	3039.40 <i>2238.36</i>	- -	- -	- -	353.61 <i>470.66</i>	6.45 <i>0.46</i>	8815.10 <i>7686.27</i>
Dividend Received	- -	- -	98.16 -	- <i>1001.07</i>	- -	- -	- -	98.16 <i>1001.07</i>
Managerial Remuneration	- -	- -	- -	- -	- -	- -	1056.80 <i>1512.58</i>	1056.80 <i>1512.58</i>
Lease Rentals paid	- -	- -	- -	- -	- -	195.44 <i>129.07</i>	- -	195.44 <i>129.07</i>
Outstanding Balances as at year end								
Receivable	80.47 <i>0.69</i>	299.45 <i>45.10</i>	4286.94 <i>1873.97</i>	- <i>9.20</i>	- -	- -	- -	4666.86 <i>1928.96</i>
Payable	84.35 <i>0.56</i>	149.78 <i>42.12</i>	1.57 <i>78.20</i>	- <i>18.70</i>	- -	- -	1.26 -	236.97 <i>139.58</i>
Guarantees Outstanding	- -	- -	208609.65 <i>2507.74</i>	- -	- -	- -	- -	208609.65 <i>2507.74</i>

Note: Figures in italics denote figures for previous year.

Schedules forming part of the Accounts for the year ended March 31, 2011

C) The Significant Related Party Transactions are as under :

Nature of Transaction	Name of Party	Current Year (₹ in lac)	Previous Year (₹ in lac)
Sale of Goods	Godrej & Boyce Mfg. Co. Ltd.	30.91	19.88
	Godrej Industries Ltd.	856.94	575.92
	Godrej Agrovvet Ltd.	12.12	21.93
	Godrej Hershey Ltd.	17.24	20.07
	Godrej Global Mideast F.Z.E.	432.54	412.40
	Rapidol (Pty) Ltd	281.37	321.52
	Godrej Hygiene Products Ltd.	-	362.09
	Godrej Nigeria Ltd.	2.93	
	Godrej Household Products (Lanka) Private Limited	405.08	
	Godrej Household Products (Bangladesh) Private Limited	577.63	
	PT Megasari Makmur	7.60	
	Godrej Household Products Limited (now merged with GCPL)	-	305.03
Purchase of Materials, Spares and Capital Equipment	Godrej & Boyce Mfg. Co. Ltd.	714.11	76.11
	Godrej Industries Ltd.	1636.96	1131.68
	Godrej Hershey Ltd.	-	46.70
	Godrej Oil Palm Limited	8.83	-
	Godrej Global Mideast F.Z.E.	-	10.92
	Godrej Hygiene Products Ltd.	1529.25	1375.01
Establishment and Other Expenses Paid/ (Received)	Godrej & Boyce Mfg. Co. Ltd.	14.21	10.64
	Godrej Industries Ltd.	548.60	696.42
	Godrej Hershey Ltd.	42.03	(23.43)
	Godrej Agrovvet Ltd.	91.46	21.50
	Godrej Infotech Limited	2.22	1.35
	Godrej Properties Limited	120.79	-
	Natures Basket Limited	0.10	-
	Godrej Hygiene Products Ltd.	-	(51.16)
	Godrej Household Products (Lanka) Private Limited	(9.32)	-
	Godrej Household Products (Bangladesh) Private Limited	(11.86)	-
	Rapidol (Proprietary) Limited	6.44	-
Godrej Household Products Limited (now merged with GCPL)	-	70.86	

Schedules forming part of the Accounts for the year ended March 31, 2011

Nature of Transaction	Name of Party	Current Year (₹ in lac)	Previous Year (₹ in lac)
Investments Made	Godrej Consumer Products Mauritius Ltd.	497.74	16216.13
	Godrej Hygiene Products Ltd.	-	487.36
	Godrej Consumer Products Holdings (Mauritius) Ltd.	1955.68	45.58
	Godrej Household Products Limited (now merged with GCPL)	-	19700.52
Royalty Received	Rapidol (Pty) Ltd	804.52	723.58
	Godrej Household Products (Lanka) Private Limited	16.68	-
	Godrej Household Products (Bangladesh) Private Limited	97.73	-
	Megasari Group	2055.23	-
Loan Given	Godrej Industries Ltd.	-	405.00
	Godrej Netherlands B.V.	-	706.73
	Godrej Hygiene Products Ltd.	-	1100.00
Loan Repaid	Godrej Industries Ltd.	-	405.00
	Godrej Netherlands B.V.	339.60	367.13
	Godrej Hygiene Products Limited	1100.00	-
	A. Mahendran	42.86	-
Interest Received on Loan	Godrej Industries Ltd.	-	6.12
	Godrej Netherlands B.V.	2.03	7.79
	Godrej Hygiene Products Ltd.	52.82	57.15
	A. Mahendran	24.97	-
Issue of Equity Shares Pursuant to Scheme of Amalgamation	Godrej & Boyce Mfg. Co. Ltd.	-	302.97
	Godrej Industries Ltd.	-	209.39
Guarantees Given/ (Cancelled)	Godrej Hygiene Products Ltd.	200.00	300.00
	Godrej Consumer Products Holding (Mauritius) Ltd	164159.58	-
	Godrej Consumer Products Mauritius Limited	43021.13	(20288.00)
	Godrej Netherlands B.V.	(2036.06)	-

Schedules forming part of the Accounts for the year ended March 31, 2011

Nature of Transaction	Name of Party	Current Year (₹ in lac)	Previous Year (₹ in lac)
Dividend Remitted	Godrej & Boyce Mfg. Co. Ltd.	5415.64	4976.79
	Godrej Industries Ltd.	3039.40	2238.36
	Mr. Adi Godrej	0.00	0.00
	Mr. Hoshedar Press	-	0.45
	A. Mahendran	6.45	-
	Mrs. Parmeshwar A Godrej	-	14.80
	Mrs. Tanya Dubhash	58.93	74.56
	Ms. Nisa Godrej	58.93	74.56
	Mr. Pirojsha Godrej	58.93	74.56
	Mr. Nadir Godrej	89.37	139.60
	Mrs. Rati Godrej	43.72	46.29
	Mr. Hormazd Godrej	43.72	46.29
Dividend Received	Godrej Household Products (Lanka) Private Limited	98.16	-
	Godrej Household Products Limited (now merged with GCPL)	-	1001.07
Managerial Remuneration	Mr. Adi B. Godrej	319.63	564.84
	Mr. Hoshedar K. Press	184.38	500.17
	Mr. Dalip Sehgal	76.02	447.57
	Mr. A. Mahendran	476.77	-
Lease Rentals Paid	Mrs. Parmeshwar A. Godrej	159.44	129.07
	Ms. Mythili Mahendran	36.00	-
Guarantees Outstanding	Godrej Netherlands B.V.	-	2036.06
	Godrej Global Mideast F.Z.E.	172.59	171.69
	Godrej Hygiene Products Ltd.	500.00	300.00
	Godrej Consumer Products Mauritius Limited	43021.13	-
	Godrej Consumer Products Holding (Mauritius) Ltd	164159.58	-
	Godrej Household Products (Lanka) Private Limited and Godrej Household Products (Bangladesh) Pvt. Ltd.	756.36	-

Schedules forming part of the Accounts for the year ended March 31, 2011

36. INTEREST IN JOINT VENTURE

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

Current Year : Nil

Previous Year :

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

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 ₹ in Lac	Previous Year ₹ in Lac
I ASSETS		
1. Fixed Assets	-	3383.19
2. Current Assets		
Inventories	-	3954.09
Sundry Debtors	-	1888.16
Cash and Bank Balances	-	8176.58
Other Current Assets	-	30.05
Loans and Advances	-	6030.63
II LIABILITIES		
1. Deferred Tax Liability	-	17.67
2. Current Liabilities	-	9734.77
3. Provisions	-	215.07
III INCOME		
1. Sales (Net of Excise Duty)	-	40884.90
2. Other Income	-	495.23
IV EXPENSES		
1. Materials Consumed and Purchase of Goods	-	21335.14
2. Expenses	-	12458.39
3. Interest and Finance Charges	-	30.27
4. Depreciation	-	341.52
5. Inventory Change - (Increase)/Decrease	-	(466.28)
6. Provision for Taxation	-	1287.03

Note: The Company's share in the Income and Expense for the previous year related to its interest in the Joint Venture is for the period June 1, 2009 upto March 31, 2010.

37. 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.

**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, 2011

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

Public Issue	:	-
Bonus Issue	:	-
Qualified Institutional Placement	:	15,400
Private Placement	:	-

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

Total Liabilities	:	23,578,064
Total Assets	:	23,578,064
Sources of Funds		
Paid-up Capital	:	323,590
Reserves and Surplus	:	15,013,175
Secured Loans	:	100,598
Unsecured Loans	:	2,624,342
Deferred Tax Liability	:	85,271
Application of Funds		
Net Fixed Assets	:	12,415,822
Investments	:	3,620,634
Deferred Tax Asset	:	-
Net Current Assets	:	2,110,523
Miscellaneous Expenditure	:	-
Accumulated Losses	:	-

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

Turnover	:	24,758,434
Total Expenditure	:	19,711,998
Net Profit / (Loss) Before Tax	:	5,046,437
Net Profit / (Loss) After Tax	:	4,349,531
Earning Per Share in ₹	:	
Basic		13.62
Diluted		13.62
Dividend Rate %	:	450%

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)	:	3808.1*
Product Description	:	Insecticides

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