

Auditors' Report

TO THE BOARD OF DIRECTORS OF GODREJ CONSUMER PRODUCTS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of **Godrej Consumer Products Limited** and its subsidiaries as at March 31, 2007 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, annexed thereto. These consolidated financial statements are the responsibility of Godrej Consumer Products Limited'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 the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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. We did not audit the financial statements of Keyline Brands Limited, UK, Inecto Manufacturing Limited, UK and Rapidol (Proprietary) Limited SA, the subsidiaries whose financial statements reflect the Group's share of total assets of Rs. 5,305 lacs (*previous year Rs. 2,834 lacs*) as at March 31, 2007 and the Group's share of total revenues of Rs. 21,260 lacs (*previous year Rs. 4,251 lacs*) and net cash flows amounting to Rs. 992 lacs (*previous year Rs. 3,469 lacs*) for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
4. As stated in Note 2(b) of Schedule 16 to the Consolidated Financial Statements, certain subsidiaries whose financial statements reflect the Group's share of total assets of Rs. 21,832 lacs (*previous year Rs. 8,213 lacs*) as at March 31, 2007 and the Group's share of total revenues of Rs. 22,565 lacs (*previous year Rs. Nil*) and net cash flows amounting to Rs. 19 lacs (*previous year Rs. 198 lacs*) for the year ended on that date have not been audited and have been considered in the consolidated financial statements based solely on the unaudited separate financial statements certified by the management.
5. We report that the consolidated financial statements have been prepared by the management of Godrej Consumer Products Limited in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
6. Based on our audit and on consideration of the reports of other auditors on separate financial statements and the management's certification of the unaudited financial statements, in our opinion, the consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Godrej Consumer Products Limited Group as at March 31, 2007;
 - b) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations for the year ended on that date; and
 - c) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Daraius Z. Fraser
Partner
Membership No.: 42454
Mumbai, April 25, 2007