

Consolidated Financials

Consolidated Balance Sheet as at March 31, 2008

	Schedule	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SOURCES OF FUNDS				
1. Shareholders' Funds				
(a) Share capital	1	2258.44		2258.44
(b) Reserves & Surplus	2	<u>14898.01</u>	17156.45	<u>9941.48</u>
				12199.92
2. Loan Funds				
(a) Secured loans	3	9209.95		10860.91
(b) Unsecured loans	4	<u>9500.00</u>	18709.95	<u>6500.00</u>
			890.51	17360.91
3. Deferred Tax Liability (net)	5			<u>798.02</u>
TOTAL			<u>36756.91</u>	<u>30358.85</u>
APPLICATION OF FUNDS				
4. Fixed Assets	6			
(a) Gross block		29368.16		26991.29
(b) Less: Depreciation		<u>12534.79</u>		<u>11051.76</u>
(c) Net block		16833.37		15939.53
(d) Capital work-in-progress		<u>7158.07</u>	23991.44	<u>3981.35</u>
				19920.88
5. Goodwill on Consolidation			9560.17	8856.74
6. Investments	7		0.60	0.64
7. Current Assets, Loans and Advances	8			
(a) Inventories		19155.77		13523.43
(b) Sundry debtors		5095.74		4832.20
(c) Cash and bank balances		4258.86		4749.46
(d) Loans and advances		<u>6676.68</u>		<u>4647.91</u>
		<u>35187.05</u>		<u>27753.00</u>
8. Less : Current Liabilities and Provisions	9			
(a) Current Liabilities		29044.72		25199.63
(b) Provisions		<u>3224.16</u>		<u>972.78</u>
		<u>32268.88</u>		<u>26172.41</u>
9. Net Current Assets			2918.17	1580.59
10. Miscellaneous Expenditure (To the extent not written off or adjusted)			286.53	–
TOTAL			<u>36756.91</u>	<u>30358.85</u>
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

Darius Z. Fraser
Partner

Mumbai, April 28, 2008

Signatures to Balance Sheet and Schedules 1 to 9, and 16

For and on behalf of the Board

Adi Godrej - Chairman and Managing Director
Jamshyd Godrej - Director
Nadir Godrej - Director
Bala Balachandran - Director
Rama Bijapurkar - Director
Bharat Doshi - Director
Aman Mehta - Director
Hoshedar Press - Executive Director and President
Sunil Sapre - Executive Vice President (Finance & Commercial) and Company Secretary

Consolidated Profit & Loss Account for the year ended March 31, 2008

	Schedule	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
INCOME				
1. Sales (Gross)		113301.92		98966.25
Less : Excise duty		<u>(3045.02)</u>		<u>(3814.04)</u>
			110256.90	95152.21
2. Processing income			141.14	-
3. Other income	10		262.64	264.81
			110660.68	<u>95417.02</u>
EXPENDITURE				
4. Materials consumed and purchase of goods	11	54140.08		48768.11
5. Expenses	12	37010.41		30966.08
6. Interest and Financial Charges (Net)	13	1286.57		962.85
7. Depreciation		<u>1816.95</u>		<u>1420.50</u>
		94254.01		82117.54
8. Inventory change	14	<u>(2342.53)</u>		<u>(2550.88)</u>
			91911.48	79566.66
Profit Before Tax, Extraordinary and Prior Period Items:			18749.20	15850.36
9. Provision For Taxes				
- Current tax		2659.85		2227.16
- Deferred tax		92.49		131.25
- Fringe Benefit Tax		<u>73.20</u>		<u>76.00</u>
			2825.54	2434.41
Net Profit after Tax			15923.66	13415.95
10. Tax adjustments in respect of previous years			-	480.71
Net Profit after tax and before exceptional items:			15923.66	13896.66
11. Exceptional Items (Net of tax)	15		-	506.47
Net Profit:			15923.66	14403.12
12. Surplus brought forward			6046.87	2706.53
Profit available for appropriation			21970.53	17109.65
Appropriation :				
1. Dividend on Equity Shares				
- Interim			7339.93	8469.15
- Final (Proposed)			1935.81	-
2. Tax on Distributed Profit			1576.41	1271.63
3. Transfer to General Reserve			1485.00	1322.00
4. Surplus carried forward			9633.38	6046.87
TOTAL			21970.53	17109.65
Earnings per share (in Rupees)	16(13)			
(Face value Re. 1)				
Basic and Diluted Before Extraordinary Items:			7.05	6.15
Basic and Diluted Including Extraordinary Items:			7.05	6.38
Notes to Accounts	16			

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

As per our Report attached

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

For and on behalf of

For and on behalf of the Board

Kalyaniwalla & Mistry

Adi Godrej - Chairman and Managing Director

Chartered Accountants

Jamshyd Godrej - Director

Nadir Godrej - Director

Bala Balachandran - Director

Rama Bijapurkar - Director

Bharat Doshi - Director

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Hoshedar Press - Executive Director and President

Sunil Sapre - Executive Vice President (Finance & Commercial) and Company Secretary

Darius Z. Fraser

Partner

Mumbai, April 28, 2008

Consolidated Cash Flow Statement for the year ended March 31, 2008

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
A. Cash Flow from operating activities:			
Profit Before Tax and Extraordinary Items:		18749.20	15850.36
Adjustments for :			
Depreciation	1816.95		1420.50
Foreign exchange (Gain)/Loss	(118.03)		67.08
(Profit)/Loss on Fixed Assets Sold/Discarded	8.27		19.39
Profit on sale of investment	(20.25)		(22.73)
Interest income	(225.43)		(392.05)
Interest expense	1483.27		1354.90
Bad debts written off	4.51		0.64
Provision for doubtful debts and advances	1.59		(6.39)
Write in of old balances	-		(34.42)
Others	27.05		(59.94)
		2977.94	2346.98
Operating profit before working capital changes		21727.13	18197.34
Adjustments for :			
Inventories	(5632.34)		(3476.73)
Trade and other receivables	(2298.42)		(4530.75)
Trade payables	5149.98		4330.16
		(2780.78)	(3677.32)
Cash generated from/(used) in Operations		18946.36	14520.02
Adjustment for:			
Direct taxes paid		(2722.24)	(2481.35)
Net Cash flow from operating activities		16224.12	12038.67
B. Cash Flow from investing activities:			
Purchase of fixed assets	(6478.12)		(11277.88)
Sale of fixed assets	67.10		148.46
Purchase of investments	(24746.86)		(25299.03)
Sale of investments	24185.25		25222.98
Preliminary expenses incurred	-		(1.33)
Adjustment for goodwill on consolidation	369.28		-
Interest received	225.43		281.76
Sale Proceeds of "Snuggly" trademark - an exceptional item	-		1500.00
Net Cash Flow from investing activities		(6377.92)	(9425.04)
Balance carried forward		9846.20	2613.63

Consolidated Cash Flow Statement for the year ended March 31, 2008

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
Balance brought forward		9846.20	2613.63
C. Cash Flow from financing activities:			
Proceeds from borrowing	1349.04		10010.18
Cash Credits (net)	-		472.79
Interest Paid	(1552.70)		(1370.35)
Dividend Paid	(8407.28)		(8423.25)
Tax on Distributed Profits	(1439.34)		(1187.80)
Rights Issue Expenses not written off	(286.53)		-
Net Cash Flow From Financing Activities		(10336.80)	(498.43)
Net Increase/(Decrease) in Cash and Cash Equivalents:		(490.61)	2115.20
Cash and Cash Equivalents:			
As at the beginning			
Cash and Bank Balances		4749.46	2634.26
As at the ending			
Cash and Bank Balances		4258.30	4748.93
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		0.56	0.53
		4258.86	4749.46
Net Increase/(Decrease) in Cash and Cash Equivalents:		(490.61)	2115.20

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Daraius Z. Fraser
Partner

Mumbai, April 28, 2008

For and on behalf of the Board

Adi Godrej - Chairman and Managing Director
Jamshyd Godrej - Director
Nadir Godrej - Director
Bala Balachandran - Director
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Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 1 : SHARE CAPITAL			
1. AUTHORISED :			
290,000,000 Equity shares (previous year		2900.00	2500.00
250,000,000 equity shares) of Re. 1/- each.)			
10,000,000 Preference shares		100.00	–
(Previous year Nil preference shares) of Re. 1/- each			
2. ISSUED, SUBSCRIBED AND PAID UP:			
225,844,076 Equity shares of Re. 1/- each (previous year		2258.44	2258.44
225,844,076 equity shares of Re. 1/- each) fully paid up.			
TOTAL		2258.44	2258.44
SCHEDULE 2 : RESERVES AND SURPLUS			
1. CAPITAL INVESTMENT SUBSIDY RESERVE			
i) Central Subsidy			
As per last Balance Sheet		15.00	15.00
2. CAPITAL REDEMPTION RESERVE			
As per last Balance Sheet		134.72	134.72
3. FOREIGN CURRENCY TRANSLATION RESERVE			
As per last Balance Sheet		(202.81)	(84.78)
4. GENERAL RESERVE			
As per last Balance Sheet	3832.72		2510.72
Add : Transfer from Profit and Loss Account	1485.00		1322.00
		5317.72	3832.72
5. PROFIT AND LOSS ACCOUNT			
Balance as per Profit and Loss Account	9633.38		6046.87
Less : Share in Jointly Controlled Entity	(329.06)		(3.03)
		9962.44	6046.85
6. SHARE IN JOINTLY CONTROLLED ENTITY			
		(329.06)	(3.03)
TOTAL		14898.01	9941.48
SCHEDULE 3 : SECURED LOANS			
1. BORROWINGS FROM BANKS			
a) Term Loans	7596.90		9407.77
b) Cash Credit	1005.36		905.28
c) Working Capital Demand Loans	553.77		500.00
		9156.03	10813.05
2. SALES TAX DEFERMENT LOAN			
		53.92	47.86
TOTAL		9209.95	10860.91

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 4 : UNSECURED LOANS			
1. Term Loans and Advances			
a) From Banks	9400.00		5500.00
a) From Other	—		1000.00
		9400.00	6500.00
2. Share in Jointly controlled entity		100.00	—
Total		9500.00	6500.00
SCHEDULE 5: DEFERRED TAX LIABILITY (NET)			
1. Deferred Tax Liability			
a) Difference Between Book and Tax Depreciation		1073.51	934.89
2. Deferred Tax Asset			
a) Expenditure Disallowable under Section 43B	(173.00)		(119.00)
b) Provision for Doubtful Debts	(10.00)		(18.07)
		(183.00)	(136.87)
Total		890.51	798.02

SCHEDULE 6 : FIXED ASSETS

Rs. in Lac

Asset	Gross Block				Depreciation				Net Block	
	As on 01.04.2007	Additions	Deductions	As on 31.03.2008	Upto 31.03.2007	For the Year	On Deductions	Upto 31.03.2008	As on 31.03.2008	As on 31.03.2007
Tangible Assets:										
Freehold Land	370.09	—	62.86	307.23	—	—	—	—	307.23	370.09
Leasehold Land	773.43	11.76	9.13	776.06	114.92	7.07	9.13	112.86	663.20	658.50
Buildings	3261.64	1187.16	—	4448.80	513.77	114.44	0.03	628.17	3820.62	2747.87
Plant and Machinery	12731.05	968.55	332.23	13367.37	6445.84	851.30	243.33	7053.81	6313.56	6285.21
Furniture, Fixtures and Fittings	183.37	43.96	4.56	222.77	81.78	12.92	(8.55)	103.25	119.52	101.59
Office Equipment	293.94	42.89	6.49	330.34	140.85	14.58	3.06	152.36	177.97	153.09
Computers	500.09	70.15	18.24	552.01	269.88	86.76	(8.78)	365.42	186.58	230.21
Vehicles	84.14	—	11.55	72.59	48.71	6.47	2.11	53.06	19.53	35.43
Intangibles:										
Computer Software	372.41	29.26	—	401.66	149.32	52.16	—	201.48	200.18	223.08
Trade Marks and Brands	8081.67	668.86	55.98	8694.56	3274.55	604.69	30.54	3848.70	4845.86	4807.13
Assets Under Finance Lease:										
Leased Vehicles	65.94	—	8.02	57.92	11.51	5.74	2.73	14.52	43.40	54.43
Share In Jointly Controlled Entity	273.53	151.11	287.78	136.86	.64	60.83	60.32	1.15	135.71	272.89
Total	26991.29	3173.70	796.83	29368.16	11051.76	1816.95	333.92	12534.79	16833.37	—
Previous Year	17707.93	10076.70	793.34	26991.29	9918.11	1420.50	286.85	11051.76	—	15939.53
Capital Work-in-Progress including Capital Advances									7158.07	3981.35
Total									23991.44	19920.88

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 7 : INVESTMENTS			
Previous Year	Current Year		
No.	No.		
(Fully paid unless otherwise stated)			
Long Term - At Cost			
1. In Equity Shares			
Quoted :			
2500	2500 Creightons plc	0.60	0.64
Total		0.60	.064
Aggregate Book Value of Investments :			
Quoted		0.60	0.64
Total		0.60	0.64
Aggregate Market Value of Quoted Investments			
		0.60	0.60
SCHEDULE 8: CURRENT ASSETS, LOANS AND ADVANCES			
1. Inventories			
(At lower of cost and net realisable value)			
a) Raw Materials	7082.64		3818.60
b) Stores and spares	339.38		384.72
c) Work-in-Progress	2087.94		2171.97
d) Finished Goods	9450.38		7148.14
e) Share in Jointly Controlled Entity	195.43		-
		19155.77	13523.43
2. Sundry Debtors			
(Unsecured - Considered good, unless otherwise stated)			
a) Debts outstanding for a period exceeding six months	77.01		59.72
(Including doubtful debts Rs. 39.90 lac; previous year Rs. 29.86 lac)			
b) Other Debts	4981.23		4802.34
	5058.24		4862.06
c) Less: Provision For Doubtful Debts	39.90		29.86
	5018.34		4832.20
d) Share in Jointly Controlled Entity	77.40		-
		5095.74	4832.20
3. Cash and Bank Balances			
a) Cash in Hand	19.34		27.58
b) Cheques on Hand	323.49		321.95
c) Balances with Scheduled Banks			
- In Current Accounts	3745.73		4002.42
- In Deposit Accounts	115.31		178.85
(Under Lien with the Bank)			
d) Share in Jointly Controlled Entity	54.98		218.66
Total		4258.86	4749.46

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES (Contd.)			
4. Loans and Advances (Unsecured - considered good, unless otherwise stated)			
a) Advances Recoverable in Cash or in Kind or For Value to be Received	4690.22		3764.87
b) Balances with Excise Authorities	1288.30		680.48
c) Sundry Deposits	692.29		202.56
	<u>6670.80</u>		<u>4647.91</u>
d) Share in Jointly Controlled Entity	5.88		—
		6676.68	<u>4647.91</u>
Total		<u>35187.05</u>	<u>27753.00</u>
SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS			
1. Current Liabilities			
a) Sundry Creditors			
- Small Scale Industrial Undertakings	755.27		530.42
- Others	14159.53		10409.32
b) Advances and Deposits	437.19		373.55
c) Unclaimed Dividends	358.24		296.37
d) Other Liabilities	11155.33		10641.46
e) Interim Dividend Payable	1693.83		2823.05
f) Interest Accrued but not Due on Loans	54.55		124.41
g) Share in Jointly Controlled Entity	430.77		1.05
	<u>430.77</u>	29044.72	<u>25199.63</u>
2. Provisions			
a) For Taxation (Net of Advance Payment of Taxes)	162.27		151.46
b) For Proposed Dividend	1935.81		—
c) For Tax on Distributed Profits	616.86		479.78
d) For Leave Encashment	507.60		341.55
e) Share in Jointly Controlled Entity	1.63		—
	<u>1.63</u>	3224.16	<u>972.78</u>
Total		<u>32268.88</u>	<u>26172.41</u>
SCHEDULE 10 : OTHER INCOME			
1. Interest Received (Gross)			
a) On Investments	27.98		—
b) On Advances and Deposits	0.74		—
	<u>0.74</u>	28.73	<u>—</u>
2. Profit on Sale of Assets (Net)		0.62	—
3. Profit on Sale of Investments (Net)		20.25	22.73
4. Claims Received		75.21	76.83
5. Miscellaneous Income		130.22	165.25
6. Share in Jointly Controlled Entity		7.61	—
Total		<u>262.64</u>	<u>264.81</u>

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 11 : MATERIALS CONSUMED AND PURCHASE OF GOODS			
1. Raw Materials Consumed			
Opening Inventory	3818.60		3312.45
Add : Purchases (net)	48745.07		40778.88
	<u>52563.67</u>		<u>44091.33</u>
Less : Closing Inventory	7082.64		3818.60
		45481.03	40272.73
2. Purchase of Goods for Resale		8129.25	8495.38
3. Share in Jointly Controlled Entity		529.79	–
Total		<u>54140.80</u>	<u>48768.11</u>
SCHEDULE 12 : EXPENSES			
1. Salaries, Wages and Bonus		6714.57	4874.38
2. Contribution to Provident and Other Funds		395.95	319.83
3. Workmen and Staff Welfare Expenses		140.03	244.10
4. Stores and Spare Consumed		521.84	500.68
5. Processing Charges and Other Manufacturing Expenses		1429.81	1246.40
6. Excise Duty Provision on Inventory		40.99	42.35
7. Power and Fuel		2502.76	2443.93
8. Repairs and Maintenance			
a) Plant and Machinery	213.61		138.72
b) Buildings	51.12		49.70
c) Others	<u>111.32</u>		<u>113.18</u>
		376.05	301.60
9. Establishment Expenses		723.99	692.38
10. Miscellaneous Expenses		1133.72	973.15
11. Rent		680.92	623.08
12. Rates and Taxes		381.17	884.44
13. Telephone Expenses		14.86	81.95
14. Travelling and Conveyance		981.02	934.65
15. Legal and Professional Charges		503.66	393.77
16. Insurance		196.60	206.88
17. Donations		16.34	1.41
18. Selling and Distribution Expenses		2187.85	1583.63
19. Sales Promotion		3950.96	3105.89
20. Freight		3283.02	3243.96
21. Advertising and Publicity		9151.78	7707.93
22. Commission		201.26	234.01
23. Discount		138.92	115.36
24. Loss on Sale of Assets (Net)		8.89	15.80
25. Loss on Exchange Difference (Net)		928.00	191.49
26. Bad Debts Written Off		4.51	0.64
27. Provision for Doubtful Debts and Advances		10.04	–
28. Share in Jointly Controlled Entity		390.90	2.39
Total		<u>37010.41</u>	<u>30966.08</u>

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

	Rs. in Lac	Current Year Rs. in Lac	Previous Year Rs. in Lac
SCHEDULE 13 : INTEREST AND FINANCIAL CHARGES (NET)			
1. Interest Expense :			
i) Interest on Bank Loans	1153.28		876.04
ii) Other Interest	76.35		305.24
		1229.63	<u>1181.28</u>
2. Interest Income :			
i) On Customer Balances	-		(10.38)
ii) On Income Tax Refund	(0.14)		(156.91)
iii) Other Interest	(196.56)		(224.76)
		(196.70)	<u>(392.05)</u>
Net Interest Expense		1032.93	789.23
3. Discounting and Other Finance Charges		250.64	173.62
4. Share in Jointly Controlled Entity		3.00	-
Total		<u>1286.57</u>	<u>962.85</u>
SCHEDULE 14 : INVENTORY CHANGE			
1. Opening Inventory			
a) Finished Goods	7148.14		5683.41
b) Work-in-Progress	2171.97		1085.82
c) Share in Jointly Controlled Entity	-		-
		9320.11	<u>6769.23</u>
2. Less : Closing Inventory			
a) Finished Goods	9450.38		7148.14
b) Work-in-Progress	2087.94		2171.97
c) Share in Jointly Controlled Entity	124.31		-
		11662.64	<u>9320.11</u>
3. (Increase)/Decrease in Inventory		<u>(2342.53)</u>	<u>(2550.88)</u>
SCHEDULE 15 : EXCEPTIONAL ITEMS (NET OF TAX)			
1. Profit on Sale of Trademark - "Snuggly"		-	570.47
Less : Tax Thereon		-	(64.01)
Total		<u>-</u>	<u>506.47</u>

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

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) 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. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of fixed assets is adjusted to the carrying cost of the respective assets.

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

c) Intangible Assets

The cost of acquisition of trade marks is amortised equally over the best estimate of its useful life not exceeding a period of ten years, except in the case of 'Rapidol' brand which was acquired during the last year and where the brand is amortised equally over a period of twenty years.

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 the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

e) Investments

Investments are classified into current and long term investments. Long term investments are carried at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary. Current investments are stated at lower of cost and net realisable value.

f) Inventories

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

g) Provisions and Contingent Liabilities

As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it 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 recognized for –

- A. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

B. Any present obligation that arises from past events but is not recognized because-

- a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- b) A reliable estimate of the amount of obligation cannot be made.

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

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

h) Revenue Recognition

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

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.

i) Borrowing Costs

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

j) Foreign Currency Transactions

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 are translated at the period end exchange rates. 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. Exchange gains/losses are recognised in the Profit and Loss Account. For the purpose of Consolidation of Non-integral Foreign Operations, all assets and liabilities, both monetary and non-monetary are translated at the closing rate. Items of income and expenditure are translated at exchange rates at the date of the relevant transactions. All resulting exchange differences are accumulated in a Foreign Currency Translation Reserve until disposal of the net investment.

k) Research and Development Expenditure

Revenue expenditure on research and development is charged to the Profit and Loss Account of the year in which it is incurred. Capital expenditure incurred during the year on research and development is shown as addition to fixed assets.

l) Employee Benefits

Short-term Employee benefits:

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

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

Post Employment Benefits:

Defined Contribution Plans:

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

Defined Benefit Plans:

Company's liability towards gratuity to past employees is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations. During the current year end, the accrued liability towards such pension is provided on actuarial basis as on the Balance Sheet date as per revised Accounting Standard AS-15 'Employee Benefits' as issued by the Institute of Chartered Accountants of India.

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.

m) Depreciation

Leasehold land is amortised equally over the lease period.

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

Depreciation in the subsidiary companies is provided on the Straight line method over the expected useful lives of the respective assets ranging between 3 years to 10 years. The impact on depreciation of the difference in expected useful lives between the holding company and subsidiaries is not material.

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

n) Taxes on Income

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

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only when there is a virtual certainty of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rates and laws enacted or substantially enacted on the Balance Sheet date.

o) 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. The EVA awards flow through a notional bank whereby only pre-specified portion of the bank is distributed each year and balance is carried forward.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

Only the amount distributed out of notional bank is charged to Profit and Loss Account. The notional bank is held at risk and charged to EVA of future years and payable at that time if future performance so warrants.

p) **Segment Reporting**

Based on a reconsideration of relevant factors – especially the nature of risks and returns, the Company is considered to be a single segment company – engaged in the manufacture of toilet soaps and other toiletries. Segment revenue, results, assets and liabilities have been identified to represent segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under “Unallocated Expenses”. Unallocated assets mainly relate to fixed assets at corporate and regional offices not directly identifiable to any segment.

2. Principles of Consolidation

- a) The consolidated financial statements relate to Godrej Consumer Products Limited, the Holding Company, its majority owned subsidiaries and its interest in jointly controlled entities (collectively referred to as the Group). The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting for Investments in Subsidiaries in Separate Financial Statements. The consolidation of its interest in joint ventures has been prepared in accordance with Accounting Standard (AS) 27 ‘Financial Reporting of Interests in Joint Ventures’. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated. The Company uses the proportionate consolidation method for reporting its interest in the assets, liabilities, income and expenses of the jointly controlled entities. Separate line items are included to disclose its share in the assets, liabilities, income and expenses of the jointly controlled entity.
- b) The financial statements of the subsidiaries and joint venture used in the consolidation are drawn up to the same reporting date as of the Company i.e. up to March 31, 2008. The financial statements of Keyline Brands Limited, Inecto Manufacturing Limited, Rapidol (Proprietary) Limited, Godrej SCA Hygiene Limited, Godrej Global Mideast F.Z.E., Godrej Consumer Products (Mauritius) Limited and Godrej Kinky Holding Limited have been audited for the year/period ended March 31, 2008. The financial statements of Godrej Netherlands, B.V. and Godrej Consumer Products (UK) Ltd. (the investment companies) and Inecto Limited (the dormant subsidiary company) for the year ended March 31, 2008, have not been audited and have been consolidated on the basis of accounts certified by the Management. Cuticura Labs Limited and Cosmetics That Care Limited, subsidiaries of Keyline Brands Limited have been wound up during the year w.e.f. May 21, 2007 and July 23, 2007, respectively.
- c) Accordingly, the consolidated financial statements include the results of the subsidiaries for the year ended March 31, 2008 and their assets and liabilities as on the Balance Sheet date and in the case of the joint venture, to the extent of its interest, for the year and its share in the assets and liabilities as on the Balance Sheet date.
- d) In the consolidated financial statements, ‘Goodwill’ represents the excess of the cost to the Company of its investment in the subsidiaries and/or joint ventures over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as ‘Capital Reserve’ in the consolidated financial statements.

3. Investments

- a) In October 2007, the Company acquired Godrej Global Mid East F.Z.E. (GGME). GGME was a 100% subsidiary of Godrej International Limited. Incorporated on November 1, 1997, in the Sharjah Airport Free Zone, Sharjah, UAE, as a Free Zone Establishment, its principal activity consists of trading in soaps and toiletries in the UAE and other AGCC countries.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

- b) In February 2008, the Company set up a wholly owned subsidiary Godrej Consumer Products Mauritius Limited in Mauritius to act as an investment holding company. The company would be investing in the FMCG sector, manufacturing cosmetics or other personal care products.
- c) In March 2008, the Company set up Godrej Kinky Holdings Limited in Mauritius as a wholly owned subsidiary of Godrej Consumer Products Mauritius Limited to act as an investment holding company. The Company would be investing in the FMCG sector, manufacturing cosmetics, other personal care products or other investments.

4. Particulars of Subsidiaries and joint ventures

- a) The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding
1.	Godrej Netherlands B.V.	Netherlands	100%
2.	Godrej Consumer Products (UK) Limited (100% subsidiary of Godrej Netherlands B.V.)	UK	100%
3.	Keyline Brands Limited (100% subsidiary of Godrej Consumer Products (UK) Limited)	UK	100%
4.	Inecto Manufacturing Limited (100% subsidiary of Keyline Brands Limited)	UK	100%
6.	Inecto Limited (100% subsidiary of Keyline Brands Limited)	UK	100%
8.	Rapidol (Proprietary) Limited	South Africa	100%
7.	Godrej Global Mideast FZE	UAE	100%
8.	Godrej Consumer Products Mauritius Limited	Mauritius	100%
9.	Godrej Kinky Holdings Limited (100% subsidiary of Godrej Consumer Products Mauritius Limited)	Mauritius	100%

- b) Interest in Joint Ventures:

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Ownership
1.	Godrej SCA Hygiene Limited	India	50%

5. Contingent Liabilities

- a) Claims for excise duties, taxes and other matters:

- i) Excise duty demands aggregating Rs. 77.80 lac (previous year Rs. 31.77 lac) against which the Company has preferred appeals (net of tax).
- ii) Excise duty demands and penalties in respect of toilet soaps cleared from Malanpur Factory during the period of joint venture with Procter & Gamble, confirmed by CESTAT vide its order dated February 2002. The amount of duty and penalty which is to be quantified by the Commissioner of Excise in accordance with the findings of CESTAT is estimated at Rs. 1212.82 lac (previous year Rs. 1212.82 lac). The Company has filed an appeal against the order of CESTAT before the Supreme Court of India. By a subsequent CESTAT order passed in September 2004, all the assessments for the period April 1993 to March 1996 have been held to be provisional, thus negating the earlier stand of CESTAT (net of tax).

**Current Year
Rs. Lac**

Previous Year
Rs. Lac

51.36

21.08

1006.70

1008.70

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

	Current Year Rs. Lac	Previous Year Rs. Lac
iii) Excise duty claims in respect of non-payment of education cess for the period October 2004 to March 2005 at the Guwahati Factory.	114.41	97.72
iv) Entry tax levied by the state of Assam on the Guwahati factory which is being disputed by the Company. The amount has not been quantified.		
v) Sales tax demands aggregating Rs. 135.33 lac (previous year Rs. 35.88 lac) against which the Company has preferred appeals (net of tax).	89.33	23.80
vi) Income-tax matters:		
a) Demand notice issued by Additional Commissioner of Income-tax for assessment year 2004-2005 for disallowances of certain expenses and tax benefits. Against the above mentioned order of the Additional Commissioner of Income-tax, the Company has filed an appeal with CIT (Appeals) who has allowed the deductions claimed by the Company except an amount of Rs. 59 lac.	-	668.48
b) Demand notice issued by Additional Commissioner of Income-tax for assessment year 2005-2006 for disallowances of certain expenses and tax benefits.	639.82	-
vii) Other matters - Rs. 6.62 lac (previous year Rs. 6.62 lac) (net of tax).	4.39	4.39
b) Guarantees issued by banks, excluding guarantees issued in respect of matters reported in (a) above.	432.84	212.26
c) Guarantees of GBP 3 million given by the Company for securing loan availed by Godrej Netherlands B.V., a wholly owned subsidiary of the Company.	2387.40	2556.00
d) Guarantee of USD 40 million given by the Company for securing loan given by the Hong Kong and Shanghai Banking Corporation to Godrej Consumer Products Mauritius Limited – a wholly owned subsidiary of the Company.	16048.00	-
e) Guarantee of 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 F.Z.E. – a wholly owned subsidiary of the Company.	152.14	--
6. Capital Commitments		
Estimated value of contracts remaining to be executed on Capital account, to the extent not provided for.	599.50	2516.10
7. Employee Stock Option Plan		

In March 2007, the Company had instituted an Employee Stock Option Plan (GCPL ESOP) approved by the Board of Directors and shareholders, which provides for the allotment of 20,00,000 options convertible into 20,00,000 equity shares of Re.1 each to eligible employees of participating companies.

The scheme is administered by an independent ESOP Trust which purchases from the market, the Company's shares equivalent to the number of options proposed to be granted by the participating companies. Initially the Company had offered stock options to the members of the senior management cadre and other identified

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

employees in the middle management cadre. Subsequently stock options have also been offered/proposed to be offered to all the other employees in middle management cadre as approved by the Compensation Committee.

In March 2007, 850,000 shares of the Company were purchased from the secondary market against finance provided by the Company. The options against these shares purchased were given during the year. Additionally 792,420 shares of the Company has been purchased from the secondary market during the year against finance provided by the Company. Thus against the total of 1,642,420 shares purchased by the trust since the setting of the GCPL ESOP, 16,00,000 options have been granted and outstanding as at the end of the year. The balance 42,420 shares are proposed to be granted as options to more employees in due course.

	No of Options	Weighted Average Exercise Price (Rs. in lacs)
Options outstanding at the beginning of the year	Nil	N.A
Options Granted	1,615,000	138.69 plus interest
Less: Exercised	Nil	
Less: Forfeited / Expired	15,000	
Options outstanding at the year end	1,600,000	138.69 plus interest

The options shall vest after three years from the date of grant of options, provided the employee continues to be in employment and the option is exercisable within two years after vesting.

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 being Nil.

Had the fair value method of accounting been used, the employee compensation cost would have been higher by Rs. 237 lac.

8. Fixed Assets

- Trademarks represent the cost of acquisition of certain Godrej soaps, toiletries and detergent brands acquired in pursuance of a scheme of demerger. The remaining amortisation period of the trademarks is between four to six years. The brands acquired during the year from Rapidol (Proprietary) Limited are amortised over a period of twenty years.
- The brands acquired from Rapidol (Proprietary) Limited are being amortised over a period of twenty years. The major influencing factor behind amortising over period of twenty years is that the Rapidol brand viz. Inecto has market share of about 80% in South African markets in respective category. It has been in existence for more than 80 years.
- Net borrowing cost capitalised under fixed assets amounts to Rs. 277.70 lac (previous year Rs. 134.66 lac).

9. Hedging Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure in accordance with its forex policy as determined by a Forex Committee. As at March 31, 2008, the Company had 38 outstanding forward exchange contracts to purchase foreign currency aggregating to US Dollars 221.43 lac at an average rate of Rs. 39.96 per US Dollar. The uncovered foreign exchange exposure as at March 31, 2008 is US Dollars 245.86 lac.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

10. Leases

- a) The Company has acquired some vehicles under finance leases. The liability for minimum lease payment is secured by hypothecation of the vehicles acquired under the lease. The minimum lease payments outstanding as on March 31, 2008 in respect of vehicles leased are as under:

(Rs. in Lac)

Maturity Profile	Total of future minimum lease payments outstanding as on March 31, 2008	Unmatured finance charges	Present value of future minimum lease payments
Not later than one year	11.72	1.16	10.56
Later than one year and not later than five years	15.09	0.65	14.44
Later than five years	–	–	–
Total	26.81	1.81	25.00

- b) The Company has also acquired assets under operating leases. The liability for minimum lease payment is secured by hypothecation of the assets acquired under the lease. The minimum lease payments outstanding as on March 31, 2008, in respect of assets leased are as under:

(Rs. in Lac)

Maturity Profile	Total of future minimum lease payments outstanding as on March 31, 2008	Unmatured finance charges	Present value of future minimum lease payments
Not later than one year	30.00	–	30.00
Later than one year and not later than five years	350.97	–	350.97
Later than five years	–	–	–
Total	380.97	–	380.97

- c) The Company's significant leasing agreements are in respect of operating lease for premises (office, godown etc.) and the aggregate lease rentals payable, are charged as rent.

11. Profit and Loss Account

- a) Sales include share in sales of Jointly Controlled Entity Rs. 557.78 lac (previous year Rs. nil).
- b) The premium in respect of forward exchange contracts to be recognised in subsequent accounting periods is Rs. 48.53 lac (previous year Rs. 154.94 lac).
- c) Establishment expenses represent the Company's share of various expenses incurred by Godrej Industries Ltd., a company under the same management for sharing of services and use of common facilities.

12. Incentive Plans

The amount carried forward in notional bank after distribution of PLVR for the financial year 2007-08 is Rs. 1777 lac (previous year Rs. 1530 lac) as on March 31, 2008. The said amount is not provided in the books of account and is payable in future, if performance so warrants.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

13. Earnings Per Share

	Current Year Rs. in Lac	Previous Year Rs. in Lac
a) Net Profit After Tax (Before Extraordinary Items)	15923.66	13896.66
Net Profit After Tax (Including Extraordinary Items)	15923.66	14403.12
b) Number of Equity Shares:		
As at the commencement of the year	225844076	225844076
As at the end of the year	225844076	225844076
Weighted Average Number of Equity Shares during the year:		
Basic	225844076	225844076
Diluted	225844076	225844076
c) Earning per Equity Share of Re. 1/- each		
Before Extraordinary Items:		
Basic and Diluted	7.05	6.15
Including Extraordinary Items:		
Basic and Diluted	7.05	6.38

14. Related Party Transactions

- A) List of Related Parties
- a) Enterprise having control over reporting enterprise:
- i) Godrej & Boyce Mfg. Co. Ltd.
- b) Subsidiaries:
- i) Godrej Netherlands B.V
 - ii) Godrej Consumer Products (UK) Limited (a subsidiary of Godrej Netherlands B.V.)
 - iii) Keyline Brands Limited (a subsidiary of Godrej Consumer Products (UK) Limited)
 - iv) Inecto Manufacturing Limited (a subsidiary of Keyline Brands Limited)
 - v) Rapidol (Pty) Limited
 - vi) Godrej Global Mideast FZE (from October 1, 2007)
 - vii) Godrej Consumer Products Mauritius Limited (from February 15, 2008)
 - viii) Godrej Kinky Holdings Ltd. (a subsidiary of Godrej Consumer Products Mauritius Limited - from March 7, 2008)

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

- ix) Inecto Limited (a subsidiary of Keyline Brands Limited - wound up w.e.f. May 23, 2007)
- x) Cosmetics That Care Limited (a subsidiary of Keyline Brands Limited - wound up w.e.f. May 21, 2007)
- xi) Cuticura Laboratories Limited (a subsidiary of Keyline Brands Limited - wound up w.e.f. July 23, 2007)
- c) Joint Venture:
 - i) Godrej SCA Hygiene Limited
- d) Enterprises under common control with whom transactions have taken place during the year:
 - i) Godrej Industries Limited
 - ii) Godrej HiCare Limited
 - iii) Godrej Agrovet Limited
 - iv) Godrej Global Mideast F.Z.E. (upto September 30, 2007)
 - v) Godrej Properties Limited
 - vi) Godrej Hershey Limited
 - vii) Godrej International Limited
 - viii) Godrej Infotech Limited
- e) Enterprise over which Key Management Personnel exercise significant influence:
 - i) Godrej Investments Private Limited
 - ii) Godrej Sara Lee Limited
- f) Key Management Personnel and Relatives:
 - i) Mr. Adi B. Godrej, Chairman and Managing Director
 - ii) Mr. Hoshedar K. Press, Executive Director and President
 - iii) Mrs. Parmeshwar A. Godrej, Wife of Dr. Adi B. Godrej

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

B) Transactions with Related Parties

(Rs. in Lacs)

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	16.48	811.81	361.44		469.95			1659.68
	<i>12.24</i>	<i>1075.26</i>	<i>37.32</i>		–			<i>1124.82</i>
Purchase of Materials, Spares and Capital Equipment	122.96	803.06	114.05	1286.19				2326.26
Establishment and Other Expenses	<i>757.70</i>	<i>1185.63</i>		–				<i>1943.33</i>
Paid / (Received)	49.45	1203.65		(178.04)	(3.97)			1071.10
Investments Made	<i>38.46</i>	<i>1108.47</i>	8.07	<i>(3.03)</i>				<i>1143.90</i>
Sale of Brand		–	1200.33	1000.00				2200.33
Gain on Forex			–	–				–
Royalty			10.54					10.54
Loan Given			473.79					473.79
Loan Repaid			<i>275.85</i>					<i>275.85</i>
Interest Received on Loan			–					–
Guarantees Given			365.48					365.48
Dividend Remitted			–					–
Managerial Remuneration	3786.38	867.60						4755.61
Lease Rentals paid	<i>3786.38</i>	<i>1587.78</i>			88.50	12.75	0.38	4755.61
Outstanding Balances as at year end					<i>88.50</i>	<i>12.75</i>	<i>0.38</i>	<i>5475.79</i>
Receivable							426.04	426.04
Payable							<i>381.50</i>	<i>381.50</i>
Guarantees Outstanding						129.07		129.07
						<i>129.07</i>		<i>129.07</i>
Receivable	0.01	–	264.97		2.52			267.50
Payable	–	99.96	<i>131.48</i>		–			<i>133.46</i>
Guarantees Outstanding				57.90				57.90
	<i>8.92</i>	–		–			101.12	258.97
			18587.54				<i>92.60</i>	<i>101.52</i>
			<i>2556.00</i>					<i>2556.00</i>

Note: Figures in italics denote figures for previous year.

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

C) The significant related party transactions are as under:

Nature of Transaction	Enterprises under Common Control	Amount Rs. in lac	Subsidiary Companies	Amount Rs. in lacs	Enterprise over which Key Management Personnel Exercise Significant Influence	Amount Rs. in lac	Key Management Personnel and Relatives	Amount Rs. in lac
Sale of Goods	Godrej Industries Ltd.	719.12	Keyline Brands Ltd.	4.81	Godrej Sara Lee Limited	469.95		
			Rapidol (Pty) Ltd.	99.15				
Purchase of Materials, Spares and Capital Equipment	Godrej Agrovet Ltd.	92.69	Godrej Global Mideast F.Z.E.	257.46				
			Godrej Global Mideast F.Z.E.	114.05				
Establishment and Other Expenses	Godrej Industries Ltd.	1205.33						
Investments Made	Godrej International Ltd.	573.74	Godrej Consumer Products Mauritius Ltd.	8.07				
Royalty			Rapidol (Pty) Ltd.	473.79				
Dividend Paid	Godrej Industries Ltd.	867.60			Godrej Investments Ltd.	88.50	Mr. Adi B. Godrej	
Managerial Remuneration							Mr. Hoshedar K. Press	0.38
							Mrs. Parmeshwar A. Godrej	12.75
Lease Rentals							Mr. Adi B. Godrej	274.21
							Mr. Hoshedar K. Press	151.83
							Mrs. Parmeshwar A. Godrej	129.07

15. Segmental Information Information about Business Segments

(Rs. in Lac)

	Within India		Outside India		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales revenue by geographical markets	87211.46	74389.13	23045.45	20934.08	110256.90	95323.21
Carrying amount of segment assets	29129.68	23664.90	7358.70	6693.95	36488.38	30358.85
Total cost incurred during the year to acquire assets	2453.72	9498.63	771.65	31.41	3225.36	9530.04

16. Miscellaneous Expenditure

Miscellaneous Expenditure (to the extent not written off) comprises of share issue expenses incurred in connection with the proposed rights issue of the Company.

17. General

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

Schedules forming part of Consolidated Accounts for the year ended March 31, 2008

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956

Name of the Company	Godrej Netherlands B.V.	Godrej Consumer Products (UK) Limited	Keyline Brands Limited	Inecto Manufacturing Limited	Inecto Limited	Godrej Consumer Products Mauritius Limited	Godrej Kinky Holdings Limited	Rapidol Pty Limited	Godrej Global Mideast FZE
1 The Company's interest in the subsidiaries as on March 31, 2008									
a. Number of Equity Shares	200	5000000	29156	100000	2	1	1	18050000	5
Total Number of Shares	200	5000000	29156	100000	2	1	1	18050000	5
b. Face Value	Euro 100	£1	£1	£1	£1	US\$ 1	US\$ 1	ZAR 1	US \$ 250000
c. Extent of Holding	100%	100%	100%	100%	100%	100%	100%	100%	100%
2 Net aggregate Profit/(Loss) of the subsidiary company so far it concerns the members of the Company	GBP	GBP	GBP	GBP	GBP	USD	USD	ZAR	AED
A. For the financial year ended on March 31, 2008									
i. Not dealt with in the books of Account of the Company	6,115	(363,825)	1,548,707	88,956	-	(10,143)	(9,445)	9,356,179	162,558
B. For the subsidiary company's previous financial years since it became a subsidiary									
i. Not dealt with in the books of account of the Company	(138,846)	(565,355)	2,229,773	21,989	-	-	-	4,874,198	-
ii. Dealt with in the books of account of the Company									

Notes

- The Financial Year of all subsidiary companies have ended on March 31, 2008.
- 5000000 equity shares of GBP 1 each are held in Godrej Consumer Products (UK) Ltd by Godrej Netherlands BV, a subsidiary of the Company.
- 29156 equity shares of GBP 1 each are held in Keyline Brands Ltd. by Godrej Consumer Products (UK) Ltd., a subsidiary of Godrej Netherlands B.V.
- 100000 equity shares of GBP 1 each are held in Inecto Manufacturing Ltd. by Keyline Brands Ltd. a subsidiary of Godrej Consumer Products (UK) Limited.
- 2 equity shares of GBP 1 each are held in Inecto Ltd. by Keyline Brands Ltd., a subsidiary of Godrej Consumer Products (UK) Limited.
- 18050000 shares of ZAR 1 each are held in Rapidol Pty Ltd., by Godrej Consumer Products Limited.
- 5 shares of USD 250,000 each are held in Godrej Global Mideast FZE, by Godrej Consumer Products Limited.
- 1 shares of USD 1 each are held in Godrej Kinky Holdings Limited, by Godrej Consumer Products Mauritius Limited a subsidiary of the Company.
- The above statement does not include GBP 1631278 in point 3A & GBP 3154679 in point 3B on account of dividend paid by Keyline Brands Limited to Godrej Consumer Products (UK) Limited.

A. B. Godrej
Jamshyd Godrej
Nadir Godrej
Rama Bijapurkar
Bala Balachandran
Bharat Doshi
Aman Mehta
H.K. Press
Sunil Sapre

Chairman & Managing Director
Director
Director
Director
Director
Director
Director
Executive Director & President
Executive Vice President
(Finance & Commercial) &
Company Secretary

Mumbai, April 28, 2008

Information of Subsidiaries companies for the year ended March 31, 2008 as required by terms of exemption under Section 212(8) of the Companies Act, 1956 granted by the Central Government

All figures in Lacs

Sr. No.	Information	Name of Subsidiaries																	
		Godrej Netherlands BV		Godrej Consumer Products (UK) Limited		Keyline Brands Limited		Inecto Manufacturing Limited		Inecto Limited (*)		Rapidol (Pty) Limited		Godrej Global Mideast FZE (****)		Godrej Consumer Products Mauritius Limited (*****)		Godrej Kinky Holdings Limited (*****)	
		GBP	INR	GBP	INR	GBP	INR	GBP	INR	GBP	INR	ZAR	INR	AED	INR	USD	INR	USD	INR
	Period	1.4.07-31.3.08		1.4.07-31.3.08		1.4.07-31.3.08		1.4.07-31.3.08		1.4.07-31.3.08		1.4.07-31.3.08		1.10.07-31.3.08		15.2.08-31.3.08		7.3.08-31.3.08	
(a)	Capital	0.14	10.89	50.00	3,980.24	0.29	23.21	1.00	79.60	(**)	(**)	180.50	889.79	45.86	498.40	(**)	(**)	(**)	(**)
(b)	Reserves	54.61	4,347.02	60.62	4,825.87	36.16	2,878.39	3.26	259.73	-	-	142.30	701.50	(38.11)	(414.17)	(**)	(**)	(**)	(**)
(c)	Total assets	82.69	6,582.23	173.67	13,825.06	92.49	7,362.46	4.23	336.64	(**)	(**)	460.67	2,270.91	41.28	448.57	0.14	5.67	(**)	(**)
(d)	Total liabilities	82.69	6,582.23	173.67	13,825.06	92.49	7,362.46	4.23	336.64	(**)	(**)	460.67	2,270.91	41.28	448.57	0.14	5.67	(**)	(**)
(e)	Investments (*) (Excepting in Subsidiaries)	-	-	-	-	0.01	0.60	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Turnover	-	-	-	-	205.96	16,395.48	23.47	1,868.13	-	-	824.64	4,065.17	45.21	491.30	-	-	-	-
(g)	Profit Before Taxes	0.06	4.87	(****) 11.12	884.83	22.77	1,812.59	1.27	100.83	-	-	132.12	651.28	1.63	17.67	(0.10)	(4.05)	(0.09)	(3.77)
(h)	Provision for Taxes	-	-	(1.56)	(124.12)	7.28	579.74	0.38	30.01	-	-	38.55	190.06	-	-	-	-	-	-
(i)	Profit after Taxation	0.06	4.87	(****) 12.68	1,008.95	15.49	1,232.85	0.89	70.81	-	-	93.56	461.22	1.63	17.67	(0.10)	(4.05)	(0.09)	(3.77)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- (*) - The companies have not carried out any transactions during the year
(**) - The investment is of 2500 ordinary shares in Creightons plc of 1 pence each
(****) - The values have not been mentioned as same are less than 500 GBP / INR, 500 ZAR / INR, 500 USD / INR and 500 AED / INR
(*****) - The Profit Before Taxes of Godrej Consumer Products (UK) Limited includes Dividend income of GBP 16.32 lac
(*****) - Godrej Global Mideast FZE financials are given for six months as GCPCL has acquired shares in GGME on 1st October, 2007
(*****) - Godrej Consumer Products Mauritius Limited & Godrej Kinky Holdings Limited are incorporated on 15th February, 2008 & 7th March, 2008 respectively
The values in Indian Rupees are converted at exchange rate as on 31.03.2008 1 GBP = 79.60 INR, 1 ZAR = 4.93 INR, 1 AED = 10.87 INR and 1 USD = 39.90 INR