

# DIRECTORS REPORT

The title 'DIRECTORS REPORT' is rendered in a vibrant, multi-colored font. 'DIRECTORS' is in blue and 'REPORT' is in green. The letters are stylized with various icons: a laptop for 'D', a gear for 'E', a fountain pen for 'O', a speech bubble for 'R', and a star for 'P'. A green vertical bar on the right side features a silhouette of a person looking through a telescope at the top.

To The Shareholders,

Your Directors have pleasure in presenting their Report along with the Audited Accounts for the year ended on March 31, 2009

## Operating Results

Your Company's financial performance for the year under review has been encouraging and is summarised below:

	This year Rs. Crore	Previous Year Rs. Crore
<b>Sales (net of excise duty)</b>	<b>1084.3</b>	886.7
Processing income	3.7	1.4
Other Income	45.1	9.7
<b>Total Income</b>	<b>1133.1</b>	897.8
Total Expenditure other than Interest and Depreciation	924.0	702.5
Profit before Interest, Depreciation and Tax	209.1	195.3
Depreciation	14.4	15.7
<b>Profit before Interest and Tax</b>	<b>194.7</b>	179.6
Interest and Financial Charges (net)	8.8	10.4
<b>Profit before Tax</b>	<b>185.9</b>	169.2
Provision for tax:		
Current tax	21.1	19.3
Deferred tax	3.2	1.1
Fringe Benefit Tax	0.7	0.7
<b>Profit after tax</b>	<b>160.9</b>	148.1
Tax adjustments in respect of previous years	0.6	
<b>Profit after tax and tax adjustments for previous years</b>	<b>161.5</b>	148.1
Surplus brought forward	73.2	48.5
<b>Amount available for appropriation</b>	<b>234.7</b>	196.6

## Appropriation

Your Directors recommend appropriation as under:

	This Year Rs. Crore	Last Year Rs. Crore
Interim Dividend	83.7	73.4
Proposed Final Dividend	19.3	19.4
Tax on distributed profits	17.5	15.8
Transfer to General Reserve	16.1	14.8
Surplus Carried Forward	98.1	73.2
<b>Total Appropriation</b>	<b>234.7</b>	196.6

## Rights Issue

The rights issue of 32,263,440 equity shares of Re. 1 each at a premium of Rs. 122 per equity share which opened for subscription on March 31, 2008 was closed on April 30, 2008. Against the above issue, the Company received valid subscription for 32,232,316 equity shares aggregating Rs. 396.5 crore. The balance 31,124 equity shares have been kept in abeyance due to various suits filed in courts/forums by third parties for which final order is awaited. The allotment for the shares validly subscribed was made by the Board on May 17, 2008.

## Dividend

For the year 2008-09, three interim dividends were paid on shares of face value Re. 1 each – Rs. 0.75 per share on August 14, 2008, Rs. 0.75 per share on November 14, 2008 and Re. 1 per share on February 16, 2009.

In addition to the above, the Board of Directors has declared a fourth interim dividend on April 30, 2009 at the rate of Rs. 0.75 per share on shares of face value Re.1 each. The record date for the same has been fixed as May 12, 2009.

The Board of Directors has also proposed a final dividend of Rs. 0.75 per share on equity shares of face value Re.1 each. The payment of the final dividend is subject to the approval of the shareholders at the Annual General Meeting.

The total dividend payout for the year ended March 31, 2009 stands at Rs.4.00 per share (400% on the shares of the face value of Re.1 each).

## Review of Operations

During the year under review, your Company earned Profit After Tax (PAT) of Rs.160.9 crore and Net Profit (after tax adjustments) of Rs 161.5 crore.

The comparison of the current year's Sales with last year's is given in Table 1 below.

Sales of Godrej Consumer Products Limited (GCPL) have increased by 22% from Rs. 886.7 crore in 2007-08 to Rs.1084.3 crore in 2008-09.

A detailed analysis of your Company's performance is contained in the Management Discussion and Analysis Report.

Table 1: Comparison of Current year sales with last year  
(in Rs. Crore)

Particulars Sales	Year ended 31-Mar- 2009	Year ended 31-Mar- 2008	% Increase /(decrease)
Soaps	705.6	566.6	25%
Hair Colour	230.4	204.7	13%
Toiletries	62.0	57.5	8%
Liquid Detergents	42.9	38.5	11%
Contract Manufacturing	8.2	-	NA
By-products	35.2	19.4	81%
<b>Total</b>	<b>1084.3</b>	<b>886.7</b>	<b>22%</b>

## Trademarks Adjustment

During the year, your Company undertook financial restructuring in order to achieve right sizing of the balance sheet. Pursuant to the approval by the Honourable High Court of Bombay dated December 19, 2008 to the scheme of Capital Reduction an amount of Rs. 31.3 crore being the written down value of Intangibles – Trademarks and Brands after deferred tax adjustment has been adjusted against the Securities Premium account. The adjustment has streamlined the financial structure by elimination of intangible asset. It will reflect true shareholder value through appropriate future operating profitability and a more realistic determination of key financial ratios like Earnings per share.

## Acquisition

With effect from April 1, 2008, your Company has acquired an 100% stake in Kinky Group (Proprietary) Ltd., South Africa. "Kinky", one of the leaders in the South African Hair Category, is a 36 year old business set up by a family of entrepreneurs in South Africa and has trademarks registered in South Africa. Kinky offers a variety of products which include hair, hair braids, hair pieces, wigs and wefted pieces. Kinky also offers hair accessories like styling gels, hair sprays and oil free shampoo. This acquisition gives your Company an opportunity to enter into a new line of business and diversify its hair product portfolio.

## Subsidiary Companies

Keyline Brands Limited, UK posted a turnover of GBP 25.2 million and a profit after tax of GBP 2.2 million.

Rapidol (Pty.) Limited, South Africa posted a turnover of ZAR 92.0 million and a profit after tax of ZAR 12.2 million.

Godrej Global Mideast FZE posted a turnover of AED 9.7 million and a profit after tax of AED 0.3 million.

Kinky Group (Pty.) Ltd. posted a turnover of ZAR 96.2 million and a profit after tax of ZAR 10.6 million.

Inecto Ltd. a subsidiary of the Company registered in U.K. was wound up with effect from August 20, 2008, pursuant to a resolution passed by the Board of Directors of that Company.

The Company has been granted exemption by the Ministry of Corporate Affairs, from attaching with its accounts the individual accounts of each of the subsidiaries. The accounts of the subsidiary companies and the related detailed information will be made available to any shareholder seeking such information at any point of time. The accounts of the subsidiary companies are also available for inspection by any shareholder at the registered office of the Company or at the registered offices of the subsidiary companies.

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, forms part of the Annual Report and Accounts.

In accordance with the conditions stipulated by the Ministry of Corporate Affairs, while granting exemption from attaching the individual accounts of each of the subsidiaries, a one page financial summary for the above subsidiaries is disclosed in the consolidated balance sheet.

## Joint Venture with SCA Hygiene Products AB

In April 2009, your Company has executed a share purchase agreement with SCA Hygiene Products AB (SCA) for the acquisition of the balance 50% stake in Godrej SCA Hygiene Ltd., the joint venture company between SCA and your Company. Post this transaction, Godrej SCA Hygiene Ltd., will become a 100% subsidiary of GCPL.

## Buyback

The Board of Directors, in their meeting held on November 25, 2008, approved a proposal for buyback of shares through the open market, pursuant to the first proviso to Section 77A(2)(b) i.e. under the authority of the Board, at a maximum price not exceeding Rs. 150/- per share and at an aggregate consideration not exceeding Rs. 14.9 crore. The Public Notice cum Public Announcement as per SEBI Buyback Regulations was made on November 27, 2008. The buyback was completed on February 26, 2009. Under the buyback, the Company bought 1,122,484 shares from the open market at a total consideration of Rs.14.9 crore.

## Employee Stock Option Plan

The shareholders of the Company vide special resolution passed on March 14, 2007 approved the setting up of Godrej Consumer Products Ltd, Employee Stock Option Plan (GCPL ESOP) to be administered by a trust set up for the purpose viz. Godrej Consumer Products Ltd., Employee stock option Trust. Pursuant to the approvals received in the above meeting and in the meeting dated April 24, 2008, the Company can grant loans to the trust to enable the trust to acquire 4,500,000 stock options convertible into 4,500,000 equity shares of the nominal value Re.1 each for the purpose of granting 4,500,000 stock option convertible into 4,500,000 equity shares of the face value of Re. 1 each to the eligible employees/ Directors of the Company and of the Company's subsidiaries.

Against the above shareholders consents, the trust has till March 31, 2009 acquired 2,550,000 equity shares of the Company against loans aggregating Rs. 34.8 crore received from the Company. During the year, out of the shares acquired as aforesaid, the Compensation Committee has granted 1,050,000 options convertible into 1,050,000 shares of nominal value of Re.1 each to certain eligible employees of the Company and of the Company's subsidiaries. As on March 31, 2009, 129 eligible employees of the Company and of the Company's subsidiaries have been granted a total of 2,505,000 options convertible into 2,505,000 shares of nominal value of Re.1 each.

Date of grant of option	No. of options
02-04-07	650,000
12-07-07	110,000
11-12-07	75,000
25-03-08	620,000
05-05-08	150,000
06-06-08	560,000
23-06-08	250,000
05-01-09	90,000
<b>Total</b>	<b>2,505,000</b>

The details of the Options allotted under GCPL ESOP, as also the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in **Annexure A** to this report.

Since the exercise price of GCPL options is the last closing price on the stock exchange, there is no compensation cost in FY 09 based on the intrinsic value of option.

## Ratings

The Company continues to enjoy a Corporate Governance Rating of CGR2+. In July 2008, ICRA has upgraded the Stakeholder Value Creation and Governance Rating from SVG2 + (pronounced as SVG 2 plus) to SVG1 (pronounced as SVG 1). The + sign indicates relatively higher standing within the category indicated by the rating. The above ratings are on a rating scale of 1 to 6, where 1 is the highest rating.

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## Directors

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Mr. Adi Godrej was designated as “Chairman” with effect from April 1, 2009 subject to the approval of the shareholders. He will continue as Whole-Time director for the remainder of the tenure of his current contract with the Company till March 31, 2010. The Board proposes to re-appoint him as a Whole-Time Director designated as “Chairman” for a further period of three years with effect from April 1, 2010 subject to the approval of the shareholders.

Mr. Hoshedar Press was designated as “Vice-Chairman” with effect from April 1, 2009 subject to the approval of the shareholders. He will continue as Whole-Time Director for the remainder of the tenure of his current contract with the Company till April 30, 2010.

In accordance with Article 130 and 131 of the Articles of Association of your Company, Mr. Jamshyd Godrej, Prof. Bala Balachandran and Mr. Aman Mehta retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Dalip Sehgal and Mr. D. Shivakumar who have been appointed as additional directors with effect from April 1, 2009 will hold office upto the date of the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice from a member signifying his intention to propose the candidatures of Mr. Dalip Sehgal and Mr. D. Shivakumar as directors in the ensuing Annual General Meeting.

Mr. Dalip Sehgal has been appointed Managing Director with effect from April 1, 2009, subject to the approval of shareholders.

Accordingly, resolutions for all the aforesaid re-appointments/appointments are included in the notice of the Annual General Meeting.

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## Listing

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The shares of your Company are listed at The Bombay Stock Exchange Limited and The National Stock Exchange of India Ltd. The listing fee for the year 2008-09 has been paid before the due date.

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## Auditors

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The Auditors, Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, retire and offer themselves for re-appointment.

Pursuant to directions from the Department of Company Affairs, P M Nanabhoy & Co. Cost Accountants have been appointed as Cost Auditors for the year 2008-09. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

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## Directors’ Responsibility Statement

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Pursuant to the provisions contained in Section 217 (2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.

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## Additional Information

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**Annexure B** to this Report gives the information in respect of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forms a part of the Directors’ Report.

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 forms part of this Report. As per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the Shareholders of the Company, excluding the statement of particulars of the employee under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy

of the statement may write to the Company Secretary at the Registered Office of the Company.

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

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## Group for Interse Transfer of Shares

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As required under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid Regulations, are given in the **Annexure C** attached herewith and forms part of this Annual Report.

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## Corporate Governance

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Pursuant to Clause 49 of the Listing Agreements, the Management Discussion and Analysis Report and the Report on Corporate Governance are included in the Annual Report. The Auditors Certificate certifying the Company's compliance with the requirements of

Corporate Governance in terms of Clause 49 of the Listing Agreement, is attached as **Annexure D** and forms part of this Annual Report.

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## Acknowledgement

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Your Directors wish to place their sincere thanks to the Union Government and the Governments of Maharashtra, Madhya Pradesh, Assam, Himachal Pradesh and Sikkim, as also to all the Government agencies, banks, financial institutions, customers, shareholders, vendors and other related organisations who, through their continued support and co-operation, have helped, as partners, in your Company's progress.

For and on behalf of the Board of Directors

**Adi Godrej**  
Chairman

Mumbai, April 30, 2009

# Annexure A forming part of the Directors' Report

As per the Securities & Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 following information is disclosed in respect of Godrej Consumer Products Limited Employee Stock Option Plan:

Sr. No.	Heading	Particulars
a	Options granted (net)	2,505,000
b	The pricing formula	Market Price plus Interest at such a rate not being less than the Bank Rate then prevailing compoundable on an annual basis for the period commencing from the date of Grant of the Option and ending on the date of intimating Exercise of the Option to the Company.
c	Options vested	Nil
d	Options exercised	Nil
e	The total number of shares arising as a result of exercise of option	Nil
f	Options lapsed	Nil
g	Variation of terms of options	Nil
h	Money realized by exercise of options	Nil
i	Total number of options in force	25,05,000
j	Employee wise details of options granted to:- i) senior managerial personnel; ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	<p>As per statement attached</p> <p>Nil</p>
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	There is no fresh issue of shares hence, not applicable.
l	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted the employee compensation cost would have been higher by Rs.3.8 crore, Profit after tax lower by Rs.3.8 crore and basic EPS would have been lower by Rs.0.15.
m	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise price Rs.136.5 plus interest as mentioned in pricing formula Fair Value Rs. 46

Sr. No.	Heading	Particulars
n	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value of the options granted has been calculated using Black – Scholes Options pricing formula and the significant assumptions made in this regard are as follows:
	i) risk-free interest rate	5.5%
	ii) expected life	4
	iii) expected volatility	64%
	iv) expected dividends and	2.84% - 3.01%
	v) the price of the underlying share in market at the time of option grant	Rs. 132.75 – Rs. 141.00

Statement attached to Annexure A to the Directors' Report for the year ended March 31, 2009.

Name of senior managerial persons to whom stock options have been granted	No. of options granted
Dr. R. K. Sinha	110,000
Mr. A. Rangarajan	100,000
Mr. B. S. Sodhi	100,000
Mr. Jimmy Anklesaria	100,000
Mr. Rajesh Tiwari	100,000
Mr. Sumit Mitra	100,000
Dr. Sunder Nurani Mahadevan	50,000
Mr. Raj Shahaney	50,000
Mr. V. Suresh	50,000
Ms. Dirga Lowe	50,000
Mr. Keith Harrison	50,000
Mr. Leonard Buhrer	50,000
Mr. P. Ganesh	50,000

# Annexure B forming part of the Directors' Report

INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

## A. Conservation of Energy

### I. (A) Energy Conservation measures undertaken:

1. Provided Variable frequency drive to reduce the inductive load on following equipments.
  - a) Wrapping machines.
  - b) Roll mills.
2. Provided energy efficient pumps for the followings:
  - a) Brine Chilling plant.
  - b) SWEF Cooling towers.
  - c) L.P. Boilers.
3. Provided Energy Efficient Atlas Capco 'GA 45+' compressor.
4. Unification of FADP # 3 and FSP # 3 cooling towers.
5. Provided Oxygen Analyzers in LP Boiler to improve the combustion efficiency.
6. Optimum utilization of pumps in Brine chilling/ water chilling plants and cooling towers.
7. Installation of variable frequency drives wrapping machines.
8. Replacement of lower size motors in cooling tower pump.

### (B) Proposed energy conservation measures:

1. Provision of Air Pre Heaters.
2. Provision of VFD for the FD Fan of 16 TPH L.P. Boiler.
3. Right Sizing of cooling tower pumps.

4. Provision of Energy Efficient motors.
5. Provision of VFD in cooling tower fans.
6. Provision of condensate/waste heat recovery system.

### II. Impact of measures on reduction of energy consumption and consequent impact on the cost of production of goods:-

Saving in energy costs during the period under consideration.

## B. Technology Absorption

### Research and Development (R & D)

Research and Development plays an integral role for GCPL. Your Company has integrated its R & D practices to operate in tandem with the long-term strategy and cater to the demands of the market-place. The focus of the R & D team is to implement knowledge management and drive quality assurance while maintaining customer centricity in the entire process.

### I. Specific areas in which R & D carried out by the Company -

1. Hair Care
2. Skin Care
3. Customer Centricity
4. Packaging Development
5. Fabric care

### II. Benefits derived as a result of the above R & D efforts -

During the financial year, your Company derived several benefits from its R & D operations, resulting in the launch and re-launch of several products.

1. Godrej No.1 with 'Strawberry & Walnut' – New variant.
2. Relaunch of Godrej FairGlow with moisturizing crème and fruit extracts in three variants Floral Essence, Rose Wonder and Lily Sensation.
3. Godrej Expert Hair Colour (Powder & Liquid) New range of ammonia free colours).

4. Ezee Bright & Soft.
5. Cinthol Deo Spray in new packaging.
6. Cinthol Deo Musk Soap and Cinthol Fresh Aqua Soap variants.
7. New products for Rapidol SA.

### III. Future Plan of Action:

1. Focus on new categories.
2. Exploration of new technologies in existing categories.
3. Explore a variety of fashion hair colours with added benefits, hair colour highlights and newer formats for hair colouring.

### IV. Expenditure on R & D

	This Year Rs. Crore	Last Year Rs. Crore
(a) Capital	0.4	1.5
(b) Recurring	2.5	2.8
(c) Total	2.9	4.3
(d) Total R & D expenditure as a percentage of total sales turnover	0.27%	0.48%

### Technology absorption, adaptation and innovation

#### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

Commenced production at the new Chemical and Soap Noodle Plant at Malanpur.

#### 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.:

The above efforts helped in cost reduction, customer satisfaction and top line and bottom line improvements.

#### 3. Imported Technology:

The Company has not imported any technology since incorporation.

## C. Foreign Exchange earnings and outgo:

GCIPL currently exports to 33 countries. Exports to UAE, Sri Lanka, Bangladesh, Thailand, Afghanistan, South Africa and Mauritius have done well. The strengthening rupee to GBP and ZAR has affected fiscal consolidation.

(Rs. in Crore)

	This Year	Last Year
I. Foreign exchange used	216.9	184.6
II. Foreign exchange earned	21.5	17.3

# Annexure C forming part of the Directors' Report

**“Group” for interse transfer of shares under Clause 3(1)(e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.**

1	Godrej & Boyce Mfg. Co. Ltd.	31	Happy Highrises Ltd.
2	Godrej Industries Ltd.	32	Tahir Properties Ltd.
3	Cartini India Ltd.	33	Godrej Agrovet Ltd.
4	Godrej Investments Pvt. Ltd.	34	Bahar Agro Chem & Feeds Pvt. Ltd.
5	Godrej Efacec Automation & Robotics Ltd.	35	Golden Feed Products Ltd.
6	Godrej Holdings Pvt. Ltd.	36	Godrej Oil Palm Ltd.
7	Godrej Infotech Ltd.	37	Cauvery Palmoil Ltd.
8	Geometric Ltd. (formerly Geometric Software Solutions Co. Ltd.)	38	Natures Basket Ltd.
9	Mercury Manufacturing Co. Ltd.	39	Wadala Commodities Ltd. (formerly Godrej Commodities Ltd.)
10	Prashant Metal Forming Industries Pvt. Ltd.	40	Godrej Hicare Ltd.
11	Statomat Special Machines India (Pvt.) Ltd.	41	Godrej Sara Lee Ltd.
12	Godrej (Malaysia) Sdn. Bhd.	42	Mr. Adi B. Godrej
13	Godrej (Singapore) Pte. Ltd.	43	Mrs. Parmeshwar A. Godrej
14	J. T. Dragon Pte. Ltd.	44	Mrs. Tanya A. Dubash
15	Godrej Vietnam Company Ltd.	45	Ms. Nisa A. Godrej
16	Veromatic International BV	46	Mr. Pirojsha A. Godrej
17	Veromatic Services BV	47	Mr. Jamshyd N. Godrej
18	Water Wonder Benelux BV	48	Mrs. Pheroza J. Godrej
19	Build Tough Properties Ltd.	49	Ms. Raika J. Godrej
20	Ensemble Holdings & Finance Ltd.	50	Mr. Navroze J. Godrej
21	Swadeshi Detergents Ltd.	51	Mr. Nadir B. Godrej
22	Vora Soaps Ltd.	52	Mrs. Rati N. Godrej
23	Godrej International Ltd.	53	Master Burjis N. Godrej
24	Godrej Properties Ltd.	54	Master Sohrab N. Godrej
25	Godrej Reality Pvt. Ltd.	55	Master Hormuzd N. Godrej
26	Godrej Waterside Properties Pvt. Ltd.	56	Mr. Vijay M. Crishna
27	Godrej Real Estate Pvt. Ltd.	57	Mrs. Smita V. Crishna
28	Godrej Developers Pvt. Ltd.	58	Ms. Freyan V. Crishna
29	Godrej Seaview Properties Pvt. Ltd.	59	Ms. Nyrika V. Crishna
30	Godrej Estate Developers Pvt. Ltd.	60	Mr. Rishad K. Naoroji

# Annexure D forming part of the Directors' Report

To the Members of  
Godrej Consumer Products Limited,  
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Godrej Consumer Products Limited (the Company) for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of  
**Kalyaniwalla & Mistry**  
Chartered Accountants

**Daraius Z. Fraser**  
Partner  
M. No.: 42454

Mumbai, April 30, 2009