





**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

|   |  |   |
|---|--|---|
| 1 | Name of the Company                            | Godrej Industries Limited   |
| 2 | Annual financial statements for the year ended | March 31, 2015  |
| 3 | Type of Audit observation                      | Emphasis Matter   |
| 4 | Frequency of observation                       | Quarterly   |
| 5 | To be signed by                                | For Godrej Industries Limited<br><br><br>_____<br>Managing Director<br><br>For Godrej Industries Limited<br><br><br>_____<br>CFO<br><br><br>_____<br>Auditor of the Company<br><br>For Godrej Industries Limited<br><br><br>_____<br>Audit Committee Chairman |

Date: 14-7-2015

Nurturing **growth**,  
Creating **value**

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ANNUAL REPORT  
2014-2015

## **Nurturing Growth, Creating Value**

Godrej is progressing well in the 10 x 10 journey and has achieved the set targets until now. There is now a need to consolidate value and move forward. Brighter ideas to create a brighter living for all our stakeholders is the genesis behind nurturing ideas, creating value.

# Contents

|                                   |     |
|-----------------------------------|-----|
| Board of Directors                | 02  |
| Corporate Information             | 04  |
| Chairman's Statement              | 07  |
| Financial Highlights              | 11  |
| Notice & Explanatory Statement    | 13  |
| Directors' Report                 | 27  |
| Report on Corporate Governance    | 91  |
| Auditor's Report (Consolidated)   | 113 |
| Consolidated Accounts             | 122 |
| Auditors' Report (Standalone)     | 187 |
| Standalone Accounts               | 192 |
| Statement Pursuant to Section 129 | 242 |

# Board of Directors



**A.B. Godrej**  
Chairman



**N.B. Godrej**  
Managing Director



**J.N. Godrej**



**V.M. Crishna**



**A.B. Choudhury**



**S.A. Ahmadullah**



**T.A. Dubash**  
Executive Director &  
Chief Brand Officer



**N.S. Nabar**  
Executive Director &  
President (Chemicals)



**K.K. Dastur**



**K.M. Elavia**



**N.D. Forbes**



**K.N. Petigara**

# Corporate Information

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**AUDITORS** : Kalyaniwalla & Mistry, Chartered Accountants

**BOARD COMMITTEES**

Audit Committee : K. K. Dastur (Chairman)  
S. A. Ahmadullah  
K. N. Petigara  
A. B. Choudhury

Nomination & Compensation Committee : S. A. Ahmadullah (Chairman)  
A. B. Choudhury  
K. N. Petigara  
N. B. Godrej

Stakeholders Relationship/ Shareholders Committee : A. B. Godrej (Chairman)  
N. B. Godrej  
T. A. Dubash  
N. S. Nabar

Corporate Social Responsibility Committee: : N. B. Godrej (Chairman)  
T. A. Dubash  
K. N. Petigara  
A. B. Choudhury

Risk Management Committee : N.B. Godrej (Chairman)  
T. A. Dubash  
N. S. Nabar

Management Committee : A. B. Godrej (Chairman)  
N. B. Godrej  
T. A. Dubash  
N. S. Nabar

**CHIEF FINANCIAL OFFICER & COMPANY SECRETARY** : P. Ganesh

**REGISTRARS & TRANSFER AGENT** : Computech Sharecap Ltd.  
147, Mahatma Gandhi Road,  
Opp. Jehangir Art Gallery, Fort,  
Mumbai 400 001.  
Phone: 022 - 2263 5000 to 2263 5002  
Fax: 022 - 2263 5001  
e-Mail: helpdesk@computechsharecap.com

**REGISTERED OFFICE** : Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai 400 079.  
Phone: 022-2518 8010, 2518 8020, 2518 8030  
Fax: 022-2518 8066  
website: www.godrejinds.com  
CIN No.: L24241MH1988PLC097781

## FACTORIES

- Ambernath : Plot No.N-73, Additional Ambernath Industrial Area, Anand Nagar, Village Jambivali, Taluka Ambernath (East), District Thane, Maharashtra. Pin - 421 506  
Phone: 0251 - 2624000
- Valia (DTA & EOU) : Burjorjinagar, Plot No. 3, Village Kanerao, Taluka - Valia, District Bharuch, Gujarat 393 135.  
Phone: 02643 - 270756 to 270760  
Fax: 02643 - 270018
- Wadala : L.M. Nadkarni Marg, Near M.P.T. Hospital, Wadala (East), Mumbai 400 037.  
Phone: 022 - 2415 4816, 2414 8770  
Fax: 022 - 2414 6204

## BRANCHES

- Delhi : 6th floor, Hanslaya Bldg, 15, Barakhamba Road, New Delhi 110 002.  
Phone: 011 - 2332 34860
- Kolkata : Block GN, Sector - V, Salt Lake City, Kolkata 700 091.  
Phone: 033 - 2357 3555  
Fax: 033 - 2357 3945
- London : Block B, 2nd Floor, 284A, Chase Road, Southgate, London N14 - 6HF., UK.  
Phone: (004420) - 88860145  
Fax: (004420) - 88869424

## BANKERS

Central Bank of India  
State Bank of India  
Bank of India  
HDFC Bank Ltd.  
Citibank N.A.  
HSBC Ltd.  
DBS Bank Ltd.  
Kotak Mahindra Bank Ltd.



The background is a dark grey gradient with faint, light grey abstract lines and shapes. In the bottom right corner, there is a faint bar chart with five bars of increasing height, topped with a large upward-pointing arrow. A solid blue horizontal bar is located at the very bottom of the page.

# CHAIRMAN'S STATEMENT

# Chairman's Statement



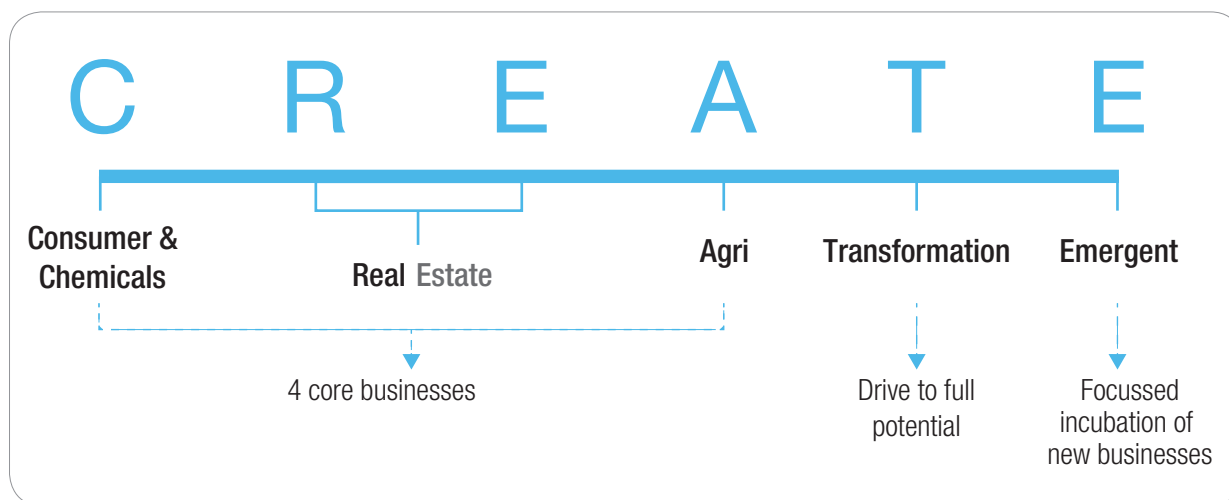
**Adi Godrej**  
Chairman

Dear Shareholders,

I am pleased to share with you the events, developments and the progress that your Company has made during the year ended March 2015. Your Company delivered healthy financial performance in FY15 on the back of sustained contribution from core businesses. Given our presence in some of the key growth sectors of the economy, we are well positioned to deliver strong performance in the coming years on the back of strong GDP growth anticipated, going forward.

As a conglomerate with interest in diverse businesses, growth at the consolidated level is pursued by competitively growing your Company's core businesses, building an environment to achieve transformation while also nurturing and investing in emergent businesses of the future. I am pleased to share with you that in the recently published Brand Trust Report, 2015 Godrej's all India rank for the Most Trusted Brand stood at 9th - a testimony to the strong equity enjoyed by the brand.

The essence of your Company's business strategy is captured in the approach called CREATE which stands for:



I would like to summarize the performance for each dimension of your Company's CREATE strategy:

### C – Consumer and Chemicals Consumer (GCPL)

FY2015 proved to be another year of good performance in domestic and international operations for Godrej Consumer Products. In spite of macroeconomic challenges of currency devaluation and slowdown in FMCG sector, we continued to grow ahead of the overall FMCG sector, as well as the home and personal care categories that we participate in.

GCPL's endeavour has been on sustaining leadership position in its core categories, strengthening presence in emerging categories, driving growth in international business, accelerating the pace of innovation, strengthening its brand portfolio, building a global best-in-class supply chain and continuing to execute different initiatives to foster an agile and high performance culture. I am pleased to share that GCPL is the highest ranked Indian company (at number 24) on Forbes' list of the 'World's 100 Most Innovative Growth Companies 2015, for the second year in a row.

GCPL remains focused on its 3x3 strategy as it believes that the opportunities across all its geographies and categories are immense. With strategic foundation in place, GCPL is confident of sustaining its growth, going forward.

#### Chemicals

Our Chemicals business had a tough year due to the global macro-economic environment and raw material price fluctuations. The chemicals business continued its strong focus on cost control and operational efficiencies. With stabilizing raw material prices, we anticipate better performance from the chemical business in the coming financial year.

I am also happy to share that our Valia factory in Gujarat attained the distinction of being the first oleo chemical company to have been awarded the prestigious GreenCo Silver under the Green Company Rating System by CII. The award recognizes your Company's green vision of creating a more inclusive and greener India

### RE – Real Estate (GPL)

Your Company's real estate subsidiary, Godrej Properties, reported healthy financial and operational performance during the year. Total income for the year grew by 54% and Net Profit increased by 20%. The performance demonstrates GPL's ability to maintain growth in difficult market conditions. I am happy to share that despite a weak market for residential real estate, GPL registered its best ever year for residential sales with a growth of 69% in volume and 58% in value term as compared to the previous year. On the business development front, GPL added 5 new projects to its development portfolio during the year with a saleable area of ~8 million sq. ft. With regards to our operations, we successfully delivered 3.5 million sq. ft. in FY15 which includes 2.7 million sq. ft. of residential and 0.8 million sq. ft. of commercial space across five cities. The real estate sector in India holds huge potential and given our national presence, strong brand and large number of new projects, we believe we are well-positioned to fully capitalize on this opportunity.

### A – Agri Business (GAVL)

Godrej Agrovet continues to deliver a strong performance with Consolidated Net Profit growing by 29% and the business growing across verticals. GAVL continues its focus on operational efficiencies, R&D initiatives and building a strong relationship with the

customers especially the farmers. I am happy to share that we have commissioned the Nadir Godrej Centre for Animal Research and Development to create what is possibly a one-of-its-kind animal husbandry research centre in the private sector in India.

The Animal Feeds vertical, which is the largest agri vertical, continues to do well. Cattle feed, layer feed and shrimp feed delivered a strong performance with a growth of 19%, 25% and 23% respectively. This vertical has invested in additional capacities across the country, in line with our focus of building quality manufacturing capacity in Animal Feeds. The Agri-inputs vertical too performed well, recording a growth of 19% in revenues and 22% in profitability, despite adverse environmental conditions. In the Oil Palm vertical, we continue our focus on developing additional revenue streams by enhancing the value of Biomass generated in the business and on increasing the acreage under Oil Palm Plantation. In the Poultry segment, our strategy is to focus on building a brand based business and we launched several innovative products under the 'Real Good Chicken' and 'Yummiez' brands during the year. Overall, the future prospect of GAVL remains robust and I am confident that we will continue to deliver industry outperforming results in the coming years.

## **T – Transformation**

As a Group, your Company believes in inclusive growth that aims at enhancing the competitiveness of the businesses while simultaneously advancing the economic and social conditions of the communities in which it operates. This is implemented Group wide through the 'Godrej Good and Green' initiative.

As part of Good & Green, the Group, by 2020, aspires to create a more employable Indian workforce, a greener India and innovate for products that are greener or cater to the bottom of the income pyramid. The Group has made good progress on each of these objectives during the last fiscal year. Through employability programs in beautician training, channel sales, rural entrepreneurship and animal husbandry, the Group has been able to train and empower thousands of unemployed or underemployed youth in the last year.

## **E – Emergent Businesses**

Over the last few years, your Company has incubated new businesses and grown them successfully. The emergent businesses added to your Company's portfolio viz. Nature's Basket and Godrej Seeds are evolving fast.

Natures Basket (NBL), the gourmet food retailing business, is one such business where your Company sees immense growth potential given low penetration levels and a growing addressable market. This business is ramping up well with healthy increase in same store sales and a good response to our private label portfolio. NBL is now spread across 5 key metros in India through 33 outlets. NBL has leveraged technology to build a web portal for a best in class user experience and has also strengthened its backend ecommerce functionality. I am pleased to share that NBL continues to be the most awarded gourmet business brand and has won several awards during the year.

Godrej Seeds, our emerging business in the agri space, reported an impressive growth of 23% during the year. Despite a subdued Rabi crop and unattractive commodity prices, the new vertical delivered healthy performance. This gives us confidence that we will be able to do well in a steady environment and significantly scale-up the business going forward. The initial focus will be on maize and paddy crops, supported by a strong R&D.

To conclude, your Company has performed well in spite of a challenging macro-economic environment. With recovery underway, we believe your Company is well positioned to deliver sustainable and profitable growth in the coming years. I am confident that our disciplined strategy, prudent approach, agile execution, and committed team will enable us to improve performance and create value for all stakeholders.

I would like to take this opportunity to thank all our employees for their contribution in the continued success of Godrej Industries. I would also like to extend my gratitude towards our business partners, associates, vendors and also the Central, State governments and government agencies for their sustained support. I would also like to express my sincere appreciation to all of our shareholders for your continued faith, trust, encouragement and support.

Yours sincerely,

**Adi Godrej**  
Chairman



# FINANCIAL HIGHLIGHTS

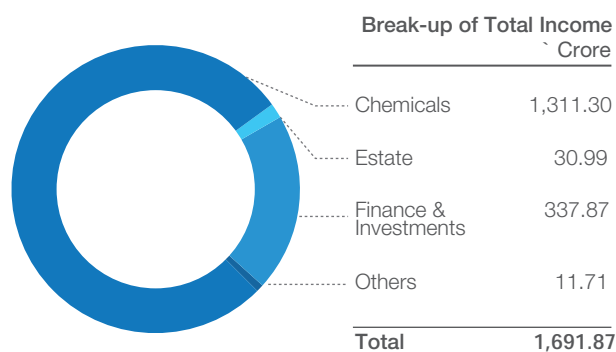
# Financial Highlights

All figures in ₹ crore

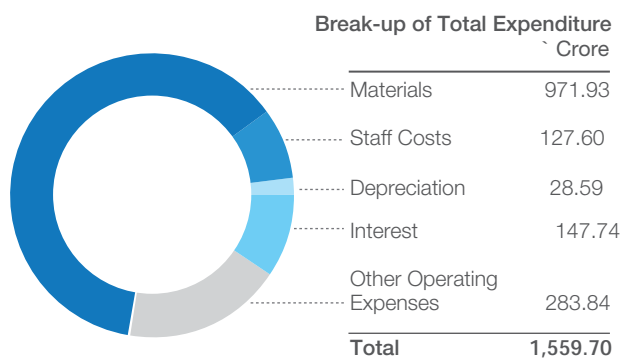
|  | 2014-15*        | 2013-14         | 2012-13         | 2011-12         | 2010-11         |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>BALANCE SHEET</b>                             |                 |                 |                 |                 |                 |
| <b>SOURCE OF FUNDS:</b>                          |                 |                 |                 |                 |                 |
| Shareholders' Funds                              |                 |                 |                 |                 |                 |
| Share Capital                                    | 33.59           | 33.55           | 33.52           | 31.76           | 31.76           |
| Reserve & Surplus                                | 1,624.69        | 1,538.91        | 1,590.60        | 1,200.79        | 1,058.38        |
| Secured Loans                                    | 1.93            | 7.00            | 70.26           | 17.49           | 83.23           |
| Unsecured Loans                                  | 2,020.45        | 1,320.05        | 855.95          | 489.23          | 470.99          |
| Deferred Tax Liability                           | 17.02           | 39.48           | 34.38           | 35.76           | 35.92           |
|  | <b>3,697.68</b> | <b>2,938.99</b> | <b>2,584.71</b> | <b>1,775.03</b> | <b>1,680.28</b> |
| <b>APPLICATION OF FUNDS :</b>                    |                 |                 |                 |                 |                 |
| Fixed Assets                                     | 1,314.76        | 996.63          | 810.40          | 473.29          | 318.52          |
| Investments                                      | 2,377.78        | 2,048.26        | 1,339.25        | 1,353.81        | 1,233.74        |
| Surplus Deployed                                 | -               | -               | 412.20          | -               | -               |
| Net Working Capital                              | 5.14            | (105.90)        | 22.86           | (52.07)         | 128.02          |
|  | <b>3,697.68</b> | <b>2,938.99</b> | <b>2,584.71</b> | <b>1,775.03</b> | <b>1,680.28</b> |
| <b>INCOME &amp; PROFIT</b>                       |                 |                 |                 |                 |                 |
| Total Income                                     | 1,691.87        | 1,598.53        | 1,573.07        | 1,563.13        | 1,254.54        |
| Expenditure other than Interest and Depreciation | 1,383.37        | 1,354.20        | 1,387.97        | 1,264.36        | 1,026.56        |
| Profit before Interest, Depreciation and Tax     | 308.50          | 244.33          | 185.10          | 298.77          | 227.98          |
| Interest (net)                                   | 147.74          | 94.84           | 64.82           | 70.53           | 63.12           |
| Profit before Depreciation and Tax               | 160.76          | 149.49          | 120.28          | 228.24          | 164.86          |
| Depreciation                                     | 28.59           | 24.61           | 23.12           | 27.19           | 28.85           |
| Profit before Tax and exceptional items          | 132.17          | 124.88          | 97.16           | 201.05          | 136.01          |
| Provision for Current Tax                        | 4.23            | 0.09            | 1.79            | (0.34)          | (1.36)          |
| Net Profit after Tax                             | 127.94          | 124.79          | 95.37           | 201.39          | 137.37          |
| Provision for Deferred Tax                       | (20.87)         | 5.10            | (1.37)          | (0.17)          | 3.94            |
| <b>Net Profit after taxes and adjustments</b>    | <b>148.81</b>   | <b>119.69</b>   | <b>96.74</b>    | <b>201.56</b>   | <b>133.43</b>   |

\* The above figures are without consolidation of ESOP Trust.

## Total Income 2014-15



## Total Expenditure 2014-15





NOTICE TO  
SHAREHOLDERS

# Notice to Shareholders

NOTICE is hereby given that the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the members of GODREJ INDUSTRIES LIMITED will be held on Tuesday, August 11, 2015 at 3.30 P.M. at the Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079, to transact the following business :-

## Ordinary Business:

1. To consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the year ended March 31, 2015 which includes the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2015, the Balance Sheet as at that date, the Auditor's Report thereon and the Directors' Report.
2. To declare dividend for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mr. A. B. Godrej (DIN 00065964), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. M. Krishna (DIN 00066267), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company:

RESOLVED THAT pursuant to section 139 of the Companies Act, 2013 and the Rules made thereunder, the company hereby ratifies the appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants (Firm Registration No. 104607W), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.

## Special Business:

To consider and if thought fit, to pass with or without modification(s), the following resolutions:-

### 6. Reappointment of and remuneration payable to Ms. T. A. Dubash as Whole-time Director (Special Resolution):

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the reappointment of and terms of remuneration payable to, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Ms. T. A. Dubash (DIN: 00026028), as a Whole time Director of the Company, designated as Executive Director & Chief Brand Officer, for a period of three years from April 1, 2016 to March 31, 2019 on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors / Nomination and Compensation Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Ms. T. A. Dubash.

### 7. Reappointment of and remuneration payable to Mr. N. S. Nabar as Whole-time Director (Special Resolution):

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the reappointment of and terms of remuneration payable to, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial



year during the tenure of appointment of Mr. N. S. Nabar (DIN: 06521655), as a Whole time Director of the Company, designated as Executive Director & President (Chemicals), for a period of three years from April 1, 2016 to March 31, 2019 on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors / Nomination and Compensation Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Mr. N. S. Nabar.

**8. Remuneration of R. Nanabhoy & Co., as Cost Auditors of the Company (Ordinary Resolution):**

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, M/s. R. Nanabhoy & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, for the financial year ending March 31, 2016 for the conduct of the audit of the cost records of the Company be paid a remuneration of ₹ 2.20 lac per annum exclusive of service tax and out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board of Directors

P. Ganesh  
Chief Financial Officer &  
Company Secretary

Mumbai, May 27, 2015

**Registered Office:**

Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai 400 079.  
Tel. +91 22 25188010/20/30,  
Fax: +91 22 25188066,  
Website: www.godrejinds.com,  
e-mail: investor@godrejinds.com  
CIN: L24241MH1988PLC097781

**NOTES:**

1. The relative Explanatory Statement in respect of business under Item Nos. 6 to 8 as set out in the Notice is annexed hereto.
2. Brief resume of Directors/persons proposed to be appointed / re-appointed, as stipulated under clause 49 of the listing agreement with the stock exchanges, are provided after the explanatory statement to this notice.
3. A Member entitled to attend and vote is entitled to appoint a proxy to attend and on poll, to vote instead of himself. Such a proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy so appointed shall not have any right to speak at the meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person / shareholder.
4. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from August 4, 2015 to August 11, 2015 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which

if declared at the Annual General Meeting is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.

6. The dividend, if declared at the Annual General Meeting, will be payable by September 7, 2015 as follows:
  - (a) For shares held in physical form – to those shareholders whose names appear in the Register of Members on the close of the day on August 3, 2015; and
  - (b) For shares held in dematerialised form to those beneficiaries, whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on August 3, 2015.
7. The Securities and Exchange Board of India (“SEBI”) has made it mandatory (by a circular dated March 21, 2013) for all listed companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members’ bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the members with bank details printed thereon as available in the Company’s records.
8. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
9. The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs, Government of India, has permitted companies to send official documents to their shareholders electronically as part of their green initiatives in corporate governance. Recognizing the spirit of the circulars issued

by the Ministry of Corporate Affairs, we are sending documents like the Notice convening the General Meetings, Financial Statements, Directors’ Report, Auditors’ Report, etc, by electronic mode to those Members whose email addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. **Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

10. Those Members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the ‘Investor Education and Protection Fund’ established by the Central Government, on the respective dates mentioned there against. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 9, 2014 (date of last Annual General Meeting) on the website of the Company.

| Dividend for the Financial Year ended | Due Date for Transfer |
|---------------------------------------|-----------------------|
| 31.03.2008                            | 03.09.2015            |
| 31.03.2009                            | 03.09.2016            |
| 31.03.2010                            | 01.09.2017            |
| 31.03.2011                            | 03.09.2018            |
| 31.03.2012                            | 16.09.2019            |
| 31.03.2013                            | 15.09.2020            |
| 31.03.2014                            | 16.09.2021            |

11. Members/Proxies are requested to bring the Attendance Slip duly filled in for attending the Annual General Meeting.

12. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
13. **E-voting:** In compliance with the provisions of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members the facility to exercise their vote for business to be transacted in this notice of Annual General Meeting by electronic means through e-voting facility provided by Central Depository Services Limited. Members who are holding shares in physical or dematerialized form as on August 4, 2015 shall exercise their vote by electronic means.

**The e-voting instructions for members receiving an e-mail or a physical copy of this notice of Annual General Meeting are as under:**

- (i) The voting period begins on August 8, 2015 at 00:01 hrs. and ends on August 10, 2015 at 23:59 hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 4, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user then follow the steps given below.

| <b>For Members holding shares in Demat / Physical Form</b>   |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to enter the first five letters NPGIL and the 5 digits of the sequence number printed on the label.</li> </ul> |
| DOB*   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.<br><br>OR   |
| Dividend Bank Details*   | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  |
| * Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |   |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xi) Click on the EVSN for Godrej Industries Limited, on which you choose to vote.
  - (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
  - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xviii) Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
14. In case of members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. For clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off/ record date i.e. August 4, 2015. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
15. Mr. Kalidas Vanjpe, Practising Company Secretary, (Membership No. FCS 7132) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the voting by way of poll, to be conducted at the Annual General Meeting, in a fair and transparent manner.

16. The Scrutinizer, after scrutinising the votes cast at the meeting and through voting, will, not later than three days of conclusion of the Meeting, make the scrutinizer's report and submit the same to the Chairman. The results declared along with the scrutinizer's report shall be placed on the website of the Company [www.godrejinds.com](http://www.godrejinds.com). The results shall simultaneously be communicated to the Stock Exchanges.

17. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 11, 2015.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

### **Item No. 6 and 7**

The tenure of Ms. T. A. Dubash and Mr. N. S. Nabar, both Whole time Directors will expire on March 31, 2016. It is proposed to reappoint them for a period of 3 years, from April 1, 2016 to March 31, 2019.

Subject to the approval of the Shareholders of the Company, the Nomination and Compensation Committee and the Board of Directors of the Company had, vide resolutions passed on May 27, 2015, approved reappointment of Ms. T. A. Dubash and Mr. N. S. Nabar as Whole-time Directors of the Company, designated as Executive Director & Chief Brand Officer and Executive Director & President (Chemicals) respectively with effect from April 1, 2016, for the period from April 1, 2016 to March 31, 2019. It is proposed to appoint them and approve their remuneration as Whole-time Directors. A brief profile of Ms. T. A. Dubash and Mr. N. S. Nabar, in terms of the Listing Agreement, is provided elsewhere in the Notice.

The proposed remuneration and terms and conditions of appointment of Ms. T. A. Dubash and Mr. N. S. Nabar (hereinafter referred to as the Whole-time Directors) are as given below:

- a. The Whole-time Directors shall perform their duties subject to the superintendence, control and direction of the Board of Directors of the Company.
- b. In consideration of the performance of their duties, the Whole-time Directors shall be entitled to receive remuneration as stated herein below:-

These resolutions do not constitute related party transactions under the provisions of Section 188 of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014. These resolutions, though related party transactions under Clause 49 (VII) (A) of the Listing Agreement, under the applicable accounting standards, are not material related party transactions.

The remuneration payable to the above mentioned Directors is given below:

### **(i) Fixed Compensation:**

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund. The Basic Salary shall be in the following range:

(a) Ms. T. A. Dubash ` 1,38,20,363/- p.a. to ` 1,86,89,600/- p.a., payable monthly and (b) Mr. N. S. Nabar ` 53,73,260/- p.a. to ` 71,25,410/- p.a., payable monthly. The Basic Salary as approved by the Nomination and Compensation Committee to the above mentioned Directors for the financial year 2015-16 is ` 1,18,85,418/- p.a. and ` 46,72,400/- p.a., respectively. The Annual Basic Salary and increments will be decided by the Nomination and Compensation Committee/Board of Directors depending on the performance of the Directors, the profitability of the Company and other relevant factors.

### **(ii) Performance Linked Variable Remuneration (PLVR):**

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Nomination and Compensation

Committee / Board of Directors of the Company based on Economic Value Added (EVA) in the business and other relevant factors and having regard to the performance of the above mentioned Directors for each year.

### **(iii) Flexible Compensation:**

In addition to the Fixed Compensation and PLVR, the abovementioned Directors shall be entitled to the following allowances, perquisites, benefits, facilities and amenities as per the Policy / Rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called “perquisites and allowances”).

These perquisites and allowances may be granted to the above mentioned Directors in the manner as the Board may decide as per the Policy/Rules of the Company.

- Housing (i.e. Unfurnished residential accommodation OR House Rent Allowance at 85% of Basic Salary)
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of food vouchers, fuel reimbursement;
- Company cars with drivers for official use, provision of telephone(s) at residence; payment/reimbursement of expenses thereof;
- Housing Loan and contingency loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/ accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company for the aggregate of the allowances listed above for the abovementioned Directors shall be (a) Ms. T. A. Dubash ` 6,14,01,047/- p.a., payable monthly and (b) Mr. N. S. Nabar ` 3,52,23,202/- p.a., payable monthly, plus cars (including drivers salary, fuel, maintenance and other incidental expenses) plus housing (i.e. unfurnished residential accommodation OR House Rent Allowance at 85% of Basic Salary). In addition to the above, the above mentioned directors shall be eligible for club facilities, group insurance cover, group hospitalization cover, and/or any other allowances, perquisites and facilities as per the Rules of the Company.

#### **Explanation:**

- a) For Leave Travel Assistance and reimbursement of medical and hospitalization expenses, ‘family’ means spouse, dependent children and dependent parents;
- b) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

### **(iv) Overall Remuneration:**

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the abovementioned Directors from time to time, shall not exceed the limits prescribed from time to time under Sections 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), unless approved by the Central Government.

### **(v) Loans:**

- (a) Granting of loans according to Company’s Scheme subject to Central Government’s approval, if applicable.
- (b) Continuation of Loans, if already availed.



**Notes:**

- I. Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- II. Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the abovementioned directors, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V to the Companies Act, 2013, except with the approval of the Central Government.
- III. The limits specified above are the maximum limits and the Nomination and Compensation Committee / Board may in its absolute discretion pay to the abovementioned Directors lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- IV. In the event of any re-enactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 2013 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.
- V. If at any time the above mentioned Directors cease to be in the employment of the Company for any cause whatsoever, he/she shall cease to be the Whole-time Director of the Company.
- VI. The Whole-time Directors are appointed by virtue of their employment in the Company and their appointment is subject to the provisions of Section 167 of the Companies Act, 2013 while at the same time Whole-time directors are liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.

The Board recommends the resolutions as set out at item numbers 6 and 7. Ms. T. A. Dubash and

Mr. N. S. Nabar may be deemed to be interested in the resolutions at item No. 6 and 7, respectively. Ms. T. A. Dubash is the daughter of Mr. A. B. Godrej, accordingly Mr. A. B. Godrej may be deemed to be interested in the resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said resolutions.

The following additional information as required under Schedule V of the Companies Act, 2013 is given below:

**I. General Information:****1. Nature of Industry**

The Company is engaged in the business of manufacture and marketing of oleochemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities.

**2. Date or expected date of commencement of commercial production:** March, 1988.**3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

**4. Financial Performance based on given indicators:**

Amount in ` crore

| Particulars                                      | Current Year | Previous Year |
|--|--------------|---------------|
| Total Income                                     | 1,691.87     | 1,598.53      |
| Expenditure other than Interest and Depreciation | 1,383.37     | 1,354.20      |
| Profit before Interest, Depreciation and Tax     | 308.50       | 244.33        |
| Interest (net)                                   | 147.74       | 94.84         |
| Profit before Depreciation and Tax               | 160.76       | 149.49        |
| Depreciation                                     | 28.59        | 24.61         |
| Profit before Tax and Exceptional Items          | 132.17       | 124.88        |
| Provision for Current Tax                        | 4.23         | 0.09          |
| Provision for Deferred Tax                       | (20.87)      | 5.10          |
| Net Profit                                       | 148.81       | 119.69        |

## 5. Foreign Investments and Collaborations:

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

## II. Information about the Appointees:

### 1. Background Details:

(a) **Ms. T. A. Dubash:** She is designated as the Executive Director & Chief Brand Officer of the Company. She is an Indian national and has been a Director since 1996. Ms. T. A. Dubash has a degree in Economics & Political Science from Brown University, USA and has done the Advanced Management Program from the Harvard Business School. She has been with the Company for over 24 years.

(b) **Mr. N. S. Nabar:** He began his career in Godrej as an Executive Trainee in 1989 at the erstwhile Godrej Soaps Limited. Before becoming the Business Head, he has shown his leadership qualities in the areas of Sales, Marketing, Commodities, Exports, Imports and Purchase.

Mr. N. S. Nabar has been instrumental in implementing various initiatives which has helped the Chemicals Business grow. He is B. Sc. (Tech.) from the University of Mumbai, Department of Chemical Technology (UDCT; now ICT) and a Management Graduate from Welingkar Institute of Management Development and Research, Mumbai. Mr. N. S. Nabar is currently the Chairman, cosmetics panel (General Category) of Chemexcil (an export promotion council for the chemicals industry)..

### 2. Past remuneration:

During the financial year ended March 31, 2015, ₹ 3,10,40,228/- and ₹ 1,36,96,526/- was paid as remuneration to Ms. T. A. Dubash and Mr. N. S. Nabar respectively.

### 3. Recognition and Awards:

Ms. T. A. Dubash was recognized by the World Economic Forum as a Young Global Leader in 2008.

Mr. N. S. Nabar is currently the Chairman, cosmetics panel (General Category) of Chemexcil (an export promotion council for the chemicals industry).

### 4. Job profile Suitability:

**Ms. T. A. Dubash:** She is on the board of several Godrej Group companies including Godrej Consumer Products Limited and Godrej Agrovet Limited. As an Executive Director & Chief Brand Officer, she is charged with the responsibility of enhancing the value of the Godrej Brand and evolving the Group to a more Brand driven organization. She heads the Strategic Marketing Group (SMG) that guides the Godrej Masterbrand and portfolio strategy, and chairs a Marketing Council comprising of Group Marketing Heads and oversees Godrej Nature's Basket, a gourmet food retailing chain. She is a Trustee of the Brown University and a member of the Brown - India Advisory Council. She is also on the Boards of Bhartiya Mahila Bank and Association internationale des étudiants en sciences économiques et commerciales (AIESEC).

**Mr. N. S. Nabar:** Before becoming the Business Head, Mr. N. S. Nabar was responsible for Sales, Marketing, Commodities, Exports, Imports and Purchase. He is a B. Sc. (Tech) from the University of Mumbai, Department of Chemical Technology (UDCT; now ICT) and a Management Graduate from Welingkar Institute of Management Development and Research, Mumbai.

### 5. Remuneration proposed:

Ms. T. A. Dubash: Salary proposed to Ms. T. A. Dubash in the basic scale of ₹ 1,38,20,363/-



p.a. to ` 1,86,89,600/- p.a., payable monthly and other perquisites, allowances, other benefits etc. respectively, as fully set out herein above.

Mr. N. S. Nabar: Salary proposed to Mr. N. S. Nabar in the basic scale of ` 53,73,260/- p.a. to ` 71,25,410/-p.a., payable monthly and other perquisites, allowances, other benefits etc. respectively, as fully set out herein above.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Ms. T. A. Dubash and Mr. N. S. Nabar, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:**

Besides the remuneration proposed to be paid to Ms. T. A. Dubash and Mr. N. S. Nabar, they do not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors except that Ms. T. A. Dubash is the daughter of Mr. A. B. Godrej.

**III. Other Information:**

**1. Reasons of loss or inadequate profits:**

Godrej Industries Limited (GIL) has interest in various businesses directly and through its subsidiaries and associates. GIL including its subsidiaries and associates has presence in oleochemicals, property development, oil palm plantation, animal feeds and agroproducts, poultry, personal care and household care, etc.

While GIL's investments in Group Companies are strategic investments, GIL does encash some of the value created from time to time by sale of such investments resulting in profits on sale of investments. This profit is to be necessarily excluded from the calculations for determining the net profits under section 198 of the Companies Act, 2013 in order to ascertain the limit for overall maximum managerial remuneration. If GIL was allowed to consider such profits (e.g. profit on sale of investments), the Company may be well within its limit.

**2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

As explained in the above point, if the profits on sale of investments are added then the Company may be well within the limits of Section 198, of the Companies Act, 2013.

**IV. Disclosures:**

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2015.



## Item No. 8

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on May 27, 2015, the Board considered and approved appointment of M/s. R. Nanabhoy & Co., Cost Accountants, for the conduct of the audit of the cost records of the Company at a remuneration of ` 2.20 lac per annum exclusive of service tax and out of pocket expenses for the financial year ending March 31, 2016.

The Board recommends passing of the resolution as set out at item no. 8 of the Notice.

None of the directors / key managerial personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

By Order of the Board of Directors

P. Ganesh  
Chief Financial Officer &  
Company Secretary

Mumbai, May 27, 2015

### **Registered Office:**

Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai 400 079.  
Tel. +91 22 25188010/20/30,  
Fax: +91 22 25188066,  
Website: [www.godrejinds.com](http://www.godrejinds.com),  
e-mail: [investor@godrejinds.com](mailto:investor@godrejinds.com)  
CIN: L24241MH1988PLC097781

**Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)**

| <b>Name of the Director</b>           | <b>A. B. Godrej</b>  | <b>V. M. Crishna</b>  | <b>T. A. Dubash</b>  | <b>N. S. Nabar</b>   |
|---------------------------------------|--|---|--|--|
| Age                                   | 73   | 70  | 46   | 51   |
| Nationality                           | Indian   | Indian  | Indian   | Indian   |
| Date of appointment                   | March 7, 1988  | January 3, 1995   | August 1, 1996   | May 1, 2013  |
| Shareholding in the Company           | Nil  | Nil   | 42,68,783  | 1,665  |
| Qualification                         | B.S., M.S. from Massachusetts Institute of Technology, U.S.A.  | B.A. (Eco.)   | AB, Economics & Political Science, Brown University, USA., Advanced Management Program, Harvard Business School  | B.Sc (Tech) University of Mumbai and Management Graduate, Welingkar Institute of Management Development and Research, Mumbai |
| Expertise in specific functional area | Engineering and Management   | Economics   | Marketing  | Sales, Marketing, Commodities, Exports, Imports and Purchase   |
| Directorships held in other companies | Godrej Consumer Products Ltd.,<br>Vora Soaps Ltd.<br>Godrej Properties Ltd.,<br>Swaddle Projects Pvt. Ltd.,<br>Godrej & Boyce Mfg. Co. Ltd.,<br>Godrej Agrovat Ltd.,<br>Godrej Investments Pvt. Ltd.,<br>Godrej UK Ltd.,<br>DGH Phase 2<br>Godrej International Ltd.,<br>Godrej Consumer Products Mauritius Ltd.,<br>Godrej Consumer Investments Holdings Ltd.,<br>Godrej Consumer Products Holding (Mauritius) Ltd.,<br>Godrej Mauritius Africa Holdings Ltd.,<br>Godrej Weave Holding Ltd.,<br>Godrej East Africa Holdings Ltd.,<br>PT Megasari Makmur,<br>PT Ekamas Sarijaya, | Godrej Agrovat Ltd.,<br>Godrej & Boyce Mfg. Co. Ltd.,<br>Precision Wires India Ltd.,<br>Naoroji Godrej Centre for Plant Research.,<br>SVC Enterprise LLP. | Godrej Consumer Products Ltd.,<br>Ensemble Holdings & Finance Ltd.,<br>Godrej Agrovat Ltd.,<br>Natures Basket Ltd.,<br>Bharatiya Mahila Bank Ltd.,<br>Godrej Holdings Pvt. Ltd.,<br>Godrej Consumer Products (UK) Ltd.,<br>Anamudi Real Estates LLP. | Ensemble Holdings & Finance Ltd.   |

| Name of the Director  | A. B. Godrej  | V. M. Crishna | T. A. Dubash | N. S. Nabar |
|---|---|---------------|--------------|-------------|
| Directorships held in other companies (Contd.)              | PT Sarico Indah,<br>PT Indomas Susemi Jaya,<br>PT Intrasari Raya,<br>Laboratoria Cuenca S.A,<br>Consell S.A,<br>Argencos S.A,<br>Panamar Producciones<br>Sri Argentina,<br>Godrej Kinky Holdings Ltd.,<br>Godrej Consumer Products Dutch Coperatief U.A.,<br>Godrej Consumer Products (Netherland) B.V.,<br>Godrej Consumer Holdings (Netherland) B.V.,<br>Godrej Argentina Dutch Coperatief U.A.,<br>Godrej Netherland Argentina Holding B.V.,<br>Godrej Netherland B.V.,<br>Godrej Netherland Argentina B.V.,<br>DGH Mauritius Pvt. Ltd.,<br>Indian School of Business,<br>ABG Venture LLP.,<br>NBG Enterprise LLP. |               |              |             |
| Chairmanships/ Memberships of Committees in other companies | <b>Godrej Consumer Products Ltd.:</b><br>Member of Stakeholder's Relationship Committee<br><b>Godrej Properties Ltd.:</b><br>Chairman of Stakeholder's Relationship Committee   | Nil           | Nil          | Nil         |



# DIRECTORS' REPORT

# Directors' Report

To the Members,

Your Directors have pleasure in presenting the Annual Report along with the Audited Accounts for the Financial Year ended March 31, 2015.

## Review of Operations

Your Company's performance during the year as compared with that during the previous year is summarized below.

|  | (` Crore)<br>Year Ended March 31 | (` Crore)<br>Year Ended March 31 |
|--|----------------------------------|----------------------------------|
| <b>Particulars</b>   | <b>2015</b>                      | <b>2014</b>                      |
| Sales of products and services   | 1,454.64                         | 1,453.55                         |
| Other Income   | 237.23                           | 144.98                           |
| <b>Total Income</b>  | <b>1,691.87</b>                  | <b>1,598.53</b>                  |
| Total Expenditure other than Finance Costs and Depreciation and Amortisation | 1,383.37                         | 1,354.20                         |
| Profit before Finance Costs, Depreciation and Amortisation and Tax           | 308.50                           | 244.33                           |
| Depreciation and Amortisation Expenses                                       | 28.59                            | 24.61                            |
| Profit before Finance Costs and Tax  | 279.91                           | 219.72                           |
| Finance Costs (net)  | 147.74                           | 94.84                            |
| Profit before Tax  | 132.17                           | 124.88                           |
| Provision for Current Tax  | 4.23                             | 0.09                             |
| Provision for Deferred Tax   | (20.87)                          | 5.10                             |
| <b>Net Profit</b>  | <b>148.81</b>                    | <b>119.69</b>                    |
| Surplus brought forward  | 526.88                           | 482.06                           |
| <b>Profit after Tax available for appropriation</b>                          | <b>675.69</b>                    | <b>601.75</b>                    |
| <b>Appropriation</b>   |                                  |                                  |
| Your Directors recommend appropriation as under:                             |                                  |                                  |
| Dividend on Equity Shares  | 58.80                            | 58.70                            |
| Tax on distributed profits   | 11.97                            | 9.98                             |
| Proposed Dividend for on additional shares issued during the year            | -                                | 0.01                             |
| Credit for Dividend Distribution Tax on Dividend Received from Subsidiaries  | (7.96)                           | (5.79)                           |
| Depreciation (in transition to New Companies Act)                            | 3.02                             | -                                |
| Transfer to General Reserve  | 14.88                            | 11.97                            |
| Surplus Carried Forward  | 594.98                           | 526.88                           |
| <b>Total Appropriation</b>   | <b>675.69</b>                    | <b>601.75</b>                    |

## Dividend

The Board of Directors of your Company recommends a final dividend of ` 1.75 per equity share of Re. 1/- each, aggregating ` 58.80 crore (previous year ` 1.75 per equity share).

## Management Discussion and Analysis

There is a separate section on Management Discussion and Analysis appended as Annexure A to this Report, which includes the following:

- Industry Structure and Developments
- Discussion on financial performance with respect to operational performance
- Segment wise performance
- Human Resources and Industrial Relations
- Opportunities and Threats
- Internal Control Systems and their adequacy
- Risks and Concerns
- Outlook

## Subsidiary and Associate Companies

Your Company has interests in several industries including animal feeds, poultry and agro-products, oil palm plantation, property development, personal and home care, etc. through its subsidiary and associate companies.

### Godrej Agrovet Limited (GAVL)

Godrej Agrovet Limited (GAVL), a subsidiary of your company is a diversified agribusiness company dedicated to improving the productivity of Indian farmers by innovating products and services that sustainably increase crop and livestock yields.

GAVL's consolidated Total Income grew by 7% from ` 3590 crore to ` 3843 crore during the financial year 2014-15. The Net Profit grew by 29% at ` 214 crore as compared to ` 166 crore during the previous financial year 2013-14.

The Animal Feeds vertical, which is our largest agri vertical, continues to do well. Cattle feed, layer feed and shrimp feed delivered a strong performance with a growth of 19%, 25% and 23% respectively despite adverse environmental

conditions in the form of erratic and deficient monsoon.

In line with the focus on building quality manufacturing capacity in Animal Feed, GAVL invested in additional capacity at Baramati (Maharashtra), Hanuman Junction (AP), Tumkur (Karnataka) and Ikolaha (Punjab) during the year under review.

GAVL also continues to invest in sustained research and development efforts. During the year under review, it had launched Nadir Godrej Centre for Animal Research & Development (R & D), a state of the art R&D facility situated near Nashik, the R&D Centre is one of the first private sector investments in the space of improving yield of Livestock in India. The Centre



is spread across 9 acres of land with separate facilities for trials on broiler, layer and cattle. GAVL also proposes to invest in a state of the art manufacturing facility to manufacture crop protection chemicals and other products at Dahej, Gujarat.

GAVL continued its customer relationship building activities and organized various events such as healthy calf competitions and Godrej Knowledge series lectures to educate its end customers i.e. the farmers.

In the Oil Palm vertical GAVL continues to focus on developing additional revenue stream by enhancing the value of Biomass generated in the business and on increasing the acreage under oil palm plantations. GAVL established a new plant at Kolasib, Mizoram during the year under review. It is possibly the highest investment made by any private company in the State of Mizoram.

During the year under review the performance of GAVL's joint ventures, Godrej Tyson Foods Limited (GTFL) and ACI Godrej Agrovvet Private Limited, Bangladesh (ACI Godrej) was good.

ACI Godrej registered an excellent growth of 48% in profit before tax over previous year on account of favourable input costs and improved production efficiencies. GTFL has successfully evolved the business model by reducing its dependency on volatile Live Business. Going forward GTFL will focus on strengthening its Yummiez and Real Good Chicken brands. GTFL has successfully mitigated the risk of flat to low live price and increase / enhanced inputs price by remaining profitable.

### Godrej Properties Limited (GPL)

Despite the challenging macroeconomic and real estate sector environment, GPL demonstrated strong results. For the full year, GPL's total consolidated income increased by 54% to INR 1,927 crore and net profit increased by 20% to INR 191 crore. From a business development perspective, GPL added 5 new projects with a saleable area of ~8 million square feet during the year. For new projects added to the portfolio, the focus has been entirely on residential projects in target cities with favourable deal structures.





Ranked # 1 “Great Places to Work” in the Real Estate & Construction Sector

Won 59 Prestigious Awards in the year at the entity and project levels including the:

- # ‘Innovation Leader in Real Estate’
- # ‘Brand Excellence in Real Estate Sector’
- # ‘India’s Top 5 Most Admired Builders’
- # “Asia’s most promising brand”



Despite a very weak market for residential real estate GPL registered its best ever year for residential sales with a growth of 69% in volume terms and 58% in value terms as compared to FY14. GPL also had the best ever year for project deliveries with 3.5 million sq. ft. of space delivered during the year. One critical project delivery was the 760,000 sq. ft. of commercial space at Godrej One in Vikhroli, which will be the new headquarters of the Godrej Group. GPL also opened its first international sales office in Dubai to further expand its sales reach.

Despite very weak market conditions, sales in Gurgaon increased by over 500%. GPL has emerged as the largest developer in Gurgaon by sales volume in 2014. Four years ago GPL had no presence in NCR. In a short period of time, it added 5 projects in NCR and has already launched 4 of these projects with tremendous success. GPL’s cumulative sales in Gurgaon now stands at more than 3 million sq. ft.

Sustainability is one of the key principles underscoring GPL’s design led approach and GPL witnessed another year with its multiple projects receiving green building certifications. This included IGBC Platinum precertification for Godrej Platinum in Delhi and IGBC Gold precertification for Godrej Park, Godrej Anandam and Godrej United.

GPL received significant external recognition with a total of 59 awards being received in FY15. It has been ranked 1st in the real estate sector for the fifth consecutive year in the ‘Best Companies to Work For’ study by the Great Places to Work Institute in partnership with the Economic Times. Attracting the best management talent and creating an environment that allows this talent to flourish is the most important priority for the company.

## Natures Basket Limited (NBL)

Godrej Nature's Basket is the retail venture of Godrej Group and is today India's foremost retail destination for fine foods from across the world.

Nature's Basket continued on its growth path, much above industry standards. NBL's total income grew by 20% year-on-year from ₹ 174 crore during the financial year 2013-14 to ₹ 209 crore during the financial year 2014-15.

NBL continued to be the most awarded gourmet business brand winning several awards in forums like India Retail Forum, Asia Retail Congress Awards, CMO Asia Congress many of which have been received for the 3rd year in a row.

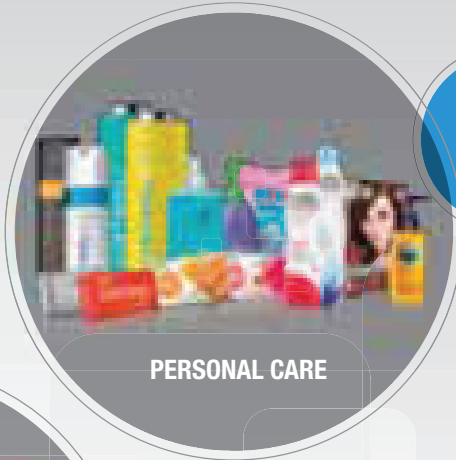
The in-store consumer experience and brand imagery was maintained at highest levels to ensure that business continues to be seen aspirational and connects instantly with discerning consumers. Much of the growth and margin can be attributed to the increase in sales in our gifting and private label business.

NBL's private label brands, L'Exclusif and Healthy Alternatives, continued to be growth drivers with sales growing nearly 6 times over previous year and the further introduction of 150+ distinctive SKUs in 2014-15 taking the total range to 306 SKUs. NBL has expanded its range significantly and it is increasing in popularity. Sales from this segment contributed to nearly 6% of its overall sales. Private label will continue to be a key driver of growth in sales and margin.

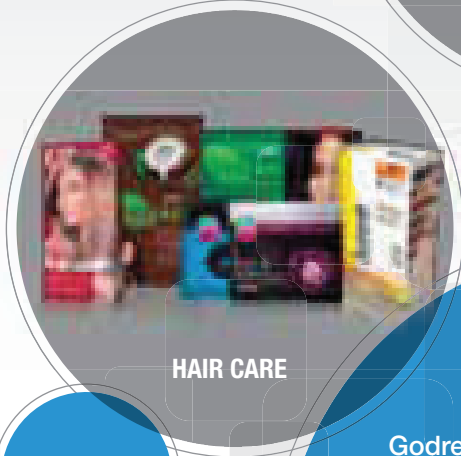
NBL has revamped its web portal with a best in class user experience and strengthened backend ecommerce functionality. With the integration of robust technology platform and experts of ekstop.com with our existing online business, E-commerce business is poised to growth exponentially in 2015-16. The loyalty program base was further increased to cross 3 lac customers and contributed 57% of the sales.



NBL continued to be the most awarded gourmet business brand winning several awards in forums like India Retail Forum, Asia Retail Congress Awards, Asia Retail Congress Awards, CMO Asia Congress many of which have been received for the 3rd year in a row.



PERSONAL CARE



HAIR CARE

Godrej Consumer Products Limited  
is the highest ranked indian  
company on forbes' list of the  
world's 100 most innovative growth  
companies 2015



HOME CARE

## Godrej Consumer Products Limited (GCPL)

GCPL, an associate of your Company, has continued to grow ahead of the overall FMCG sector, as well as home and personal care categories that it participates in, despite a challenging macro environment.

On a consolidated basis, GCPL reported a total income of ₹ 8,351 crore during the financial year 2014-15 compared to ₹ 7,665 crore for the previous year 2013-14. The Net Profit grew by 19% at ₹ 907 crore as compared to ₹ 760 crore during the financial year 2013-14.

GCPL's expanding footprint is driven by a focused 3x3 strategy – a presence in three business categories (personal care, hair care and home care) in three geographies (Asia, Africa and Latin America) – to become an emerging markets FMCG leader. Despite challenges across geographies, its businesses have performed well, with the company's salience of international revenues at 47%.

GCPL's focus has been to accelerate innovation and back new products with strong marketing investments. In the past year, GCPL made several new launches in the domestic and international businesses, expected to further enhance the company's competitiveness, improve the equity of its brands and drive increased penetration and consumption. Over 40% of GCPL's growth now comes from new products and renovations. It was also the highest ranked Indian company (at number 24) on Forbes' list of the 'World's 100 Most Innovative Growth Companies 2015', for the second year in a row.

Today, GCPL is one of the largest household and personal care companies in India; the leader in hair colour, household insecticides and liquid detergents, the number two player in toilet soaps and a fast-growing new entrant in air care. Significant marketing investments have driven higher consumption and penetration across the board. GCPL's superior global supply chain and future-ready sales organisation leverage the latest technology for sharper execution and better decision making, thus strengthening market positions.

It was ranked the number 1 FMCG Company to work for in the 'Great Place to Work – Best Workplaces in India 2014' list; its eleventh consecutive year on the list. It was also ranked number 14 on the 'Great Place to Work – Best Workplaces in Asia 2014' list and ranked among the 'Aon Hewitt Best Employers in India - 2015' survey

## Other Subsidiaries

Godrej International Limited (GINL) is a wholly owned subsidiary of Godrej Industries Ltd. and trades worldwide in vegetable oils. The year under review was marked with greater than normal volatility brought about by the sharp drop in mineral oil prices, thus affecting the usage of veg oils in bio diesel.

Godrej International Trading & Investments Pte. Limited (GITI) is also a wholly owned subsidiary of the Company and is incorporated in Singapore. The company continued to trade profitably and maintained its presence in key veg oil markets.

Godrej International Limited (Labuan) has been incorporated in the Malaysian Financial Centre of Labuan in February 2015. It is a wholly owned subsidiary of the Company and commenced its trading since April 2015. Being at the heart of the palm oil industry, it is likely to encompass the major portion of our trading activity in the near future.

Ensemble Holding and Finance Limited (EHFL), a wholly owned subsidiary of your Company, is a Non-Banking Finance Company. The total income of EHFL for the financial year 2014-15 was ` 0.97 crore as against that of ` 0.99 crore last year. The Net Profit before Tax of EHFL during the financial year ended March 31, 2015 was ` 0.95 crore as against that of ` 0.97 crore last year.


Pursuant to clause 49 of the listing agreement, your Company has formulated a policy for determining its 'material subsidiaries'. The said policy has been uploaded on the Company's website [http://www.godrej.com/godrej/GodrejIndustries/pdf/material\\_subsidaries.pdf](http://www.godrej.com/godrej/GodrejIndustries/pdf/material_subsidaries.pdf)

## Amalgamation

During the year under review, Wadala Commodities Limited (WCL) has amalgamated with your Company in terms of the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble Bombay High Court vide its order dated September 5, 2014 and by the Hon'ble High Court of Madhya Pradesh, Indore Bench on October 28, 2014. The appointed date of the Scheme was April 1, 2014 and the effective date of the Scheme was November 21, 2014 i.e. the date on which your Company and WCL filed the certified copy of the respective High Court order with the Registrar of Companies, Mumbai, Maharashtra and Registrar of Companies, Gwalior, Madhya Pradesh. Thereafter, between January and March 2015, your Company allotted equity shares to the shareholders of WCL and GIL pursuant to the scheme. Your Company has received all the necessary regulatory approvals and has also completed requisite filings.

## Financial Position

The loan funds at the end of the year stand at ` 2,022 crore as compared to ` 1,327 crore for the previous year. The debt equity ratio is 1.16 as compared to 0.79 last year. Your Company continues to hold the topmost rating of [ICRA]A1+ from ICRA for its commercial paper program (` 700 crore) (previous year ` 600 crore). ICRA has reaffirmed an [ICRA]A1+ rating for its short term debt instruments/other banking facilities (` 800 crore) (previous year ` 900 crore). This rating of ICRA represents highest-credit quality carrying lowest-credit risk. ICRA also reaffirmed [ICRA] AA rating with stable outlook for long-term debt, Non-convertible Debentures, working capital and other banking facilities (` 940 crore) (previous year ` 940 crore). This rating represents high-credit quality carrying low-credit risk. ICRA has also assigned a rating of MAA+ with stable outlook for



our Public Deposit scheme. The Public Deposit scheme under the Companies Act, 1956 has been discontinued. Instruments with this rating are considered to have the high-credit quality and low credit risk.

### **Manufacturing Facilities**

The chemicals division of your Company has manufacturing units at Ambernath and Valia.

The Ambernath factory which commenced manufacturing during the previous financial year is now fully operational. The Ambernath factory is ISO-9001:2008 and ISO 14001:2004 certified.

The Valia factory is ISO-9001:2008 and ISO 14001:2004 certified. The Valia factory won the FICCI award for Efficiency in Energy Usage in Chemical Sector.

The Vegoils Division (Wadala) continues to operate as a contract processor of edible oils and vanaspati. The division recorded a turnover of ` 6 crore.

### **Research and Development (R&D)**

In the year under consideration our R&D activities have resulted in the launch of few new products, each of them being high value derivatives of fatty alcohols, having specialty applications in personal care products and textile auxiliaries. Innovation in existing processes and the endeavour to develop new processes and technologies will be an ongoing activity. We continue to focus our attention on high value fractionated fatty acids and fatty alcohols for the polymer, oilfield, lubricant and paper industries. We continue our efforts in developing improved and customized specialty surfactants and bio surfactants through in house development and external consultation.

### **Human Resource Development and Industrial Relations**

During the year under review, industrial relations at all plant locations remained harmonious.

Your Company emphasizes on the safety of people working in its premises. Structured safety meetings were held and safety programmes were organized for them throughout the year.

### **Business Responsibility Report**

SEBI, vide its circular CIR/CFD/DIL/8/2012 dated August 13, 2012 had proposed to mandate inclusion of Business Responsibility Reports as part of the Annual Reports for listed entities. According to the proposal, the report should describe measures taken by the listed companies along with key principles enunciated in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' framed by the Ministry of Corporate Affairs. This is intended to be adopted by companies in India to report their Corporate Social Responsibility (CSR) activities and initiatives.

A detailed report on your Company's sustainability initiatives is published in the Business Responsibility Report, as 'Annexure B' and forms a part of this report.

## Information Systems

Your Company has automated Export Benefit related Processes using SAP System. It helped the organization for managing better control on application, status of benefits, receipt of benefits and utilization of benefits. The system has helped business to have online tracking & monitoring of entire process of export benefit utilization and available for utilization.

We will continue to leverage technology and setup “Green Initiatives” through use of technology..

## Employee Stock Grant Scheme 2011 (ESGS) and Employee Stock Option Plan (ESOP)

On February 11, 2015, the Nomination and Compensation Committee approved a total of 1,12,747 stock grants equivalent to 1,12,747 equity shares of the Company to eligible employees in terms of the ESGS 2011 Scheme. The exercise price is Re. 1/- per equity share. As on March 31, 2015 and in terms of the ESGS Scheme, 2011, a total of 1,58,957 grants were vested, exercised and allotted.

During the current year, The Securities and Exchange Board of India(SEBI) has issued the SEBI (Share Based Employee Benefits) Regulation, 2014, which requires that the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employees Share-Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, the Company has not included the Financial Statements of the Godrej Industries Limited Employees Stock Option Trust (ESOP Trust) in the preparation of the Standalone financial statements of the Company for the year ended March 31, 2015, as compared to the previous year where the same were consolidated. Consequently, these financial statements do not include the assets, liabilities, income and expenditure of the ESOP Trust and to that extent, the figures for the previous year are not comparable.

Disclosure in compliance with Companies (Share Capital and Debentures) Rules, 2014 and clause 12 of the Securities and Exchange Board of India (Employees Stock Purchase Scheme) Guidelines, 1999 is given in Annexure C attached and forms a part of this report.

## Fixed Deposits

Your Company is currently not accepting public deposits. The management of the Company is thankful to all the investors for their continued trust in the Company. During the year ended March 31, 2015, deposits aggregating to ` 18.75 Crore have been repaid on maturity. The Company has no overdue deposits other than unclaimed deposits.

## Depository System

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2015, 99.74% of the equity shares of your Company were held in demat form.

## Directors

In accordance with the Articles of Association of the Company, the following directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment;

- Mr. A. B. Godrej (DIN 00065964)
- Mr. V. M. Crishna (DIN 00066267)

Your Company had appointed following Non-Executive (Independent) Directors pursuant to clause 49 of the listing agreement and they are liable to retire by rotation as per Companies Act, 2013;

- Mr. S. A. Ahmadullah (DIN 00037137)
- Mr. A. B. Choudhury (DIN 00557547)
- Mr. K. K. Dastur (DIN 00050199)
- Mr. K. M. Elavia (DIN 00003940)
- Dr. N. D. Forbes (DIN 00630825)
- Mr. K. N. Petigara (DIN 00066162)

Provisions of Section 149 of the Companies Act, 2013 provides that every listed public company is required to have at least one-third of the total number of directors as Independent Directors who shall hold office for a term of consecutive five years. No Independent Director shall be eligible for more than two consecutive terms of five years and such Independent Director shall not be liable to retire by rotation. Consequent upon applicability of the Companies Act, 2013 w.e.f. April 1, 2014, all the above Non-Executive Directors were appointed as Independent Directors of your Company, not liable to retire by rotation, for a period of five consecutive years w.e.f. the date of last Annual General Meeting i.e. August 9, 2014.

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Company has conducted a formal Board Effectiveness Review as part of its efforts to evaluate, identify improvements and thus enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements mentioned in the Companies Act, 2013 and the listing agreement.

The HR team of the Company worked directly with the Chairman and the Nomination and Remuneration Committee of the Board, to design and execute this process which was adopted by the Board. Each Board Member completed a confidential online questionnaire, providing vital feedback on how the Board currently operates and how it might improve its effectiveness.

The survey comprised four sections and compiled feedback and suggestions on:

- Board Processes (including Board composition, strategic orientation and team dynamics);
- Individual Committees;
- Individual Board Members; and
- the Chairman

The following reports were created, as part of the evaluation:

- Board Feedback Report;
- Individual Board Member Feedback Report; and
- Chairman's Feedback Report



The overall Board Feedback Report was facilitated by Mr. K. M. Elavia, an independent director. The Directors shared their feedback about the Board functioning and also identified areas which have scope for improvement. The Individual Committees and Board Members' feedback was shared with the Chairman. Following his evaluation, a Chairman's Feedback Report was also compiled.

On the recommendation of the Nomination & Compensation Committee, the Board had framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the Remuneration Policy are stated below:

#### **Board Appointment Policy - Godrej Industries Limited (the "Company")**

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status.

The Company recognises merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for effective corporate governance, it is important that the Board has the appropriate balance of skills, experience and diversity of perspectives.

Board appointments will be made on merit basis and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders.

The Board will review this Policy on a regular basis to ensure its effectiveness.

Pursuant to clause 49 of the listing agreement, a familiarisation program has been conducted for the independent directors of the Company. Under this program a visit to the Ambernath factory was arranged for the independent directors of the Company. The details of Directors familiarisation program are uploaded on the Company's website.

<http://www.godrej.com/godrej/GodrejIndustries/pdf/LtdDirectorsFamiliarisationPrg.pdf>

#### **Key Managerial Personnel**

Mr. P. Ganesh has been appointed as the Chief Financial Officer and Company Secretary with effect from April 1, 2015. He shall be the compliance officer and shall ensure compliances with effect from April 1, 2015. Mr. Clement Pinto and Mr. K. R. Rajput, stepped down from their positions as Chief Financial Officer and Company Secretary respectively, with effect from March 31, 2015.

#### **Statutory Auditors**

Pursuant to section 139 of the Companies Act, 2013, your Company has appointed M/s. Kalyaniwalla and Mistry, Chartered Accountants (Firm Regn. No. 104607W) as Auditors of the Company to hold office from the conclusion of the previous annual general meeting until the conclusion of fourth consecutive annual general meeting (AGM), subject to the ratification of re-appointment by the members at every AGM.

You are requested to ratify the re-appointment of Auditors and to authorise the Board to fix their remuneration. The auditors M/s. Kalyaniwalla and Mistry, Chartered Accountants, are eligible



for reappointment. A certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the prescribed limits.

### **Cost Auditors**

Pursuant to directions from the Department of Company Affairs, M/s. R. Nanabhoy & Co., Cost Accountants have been appointed as Cost Auditors for the applicable products of the Company for the year 2014-15. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

### **Secretarial Auditors**

The Board has appointed M/s A. N. Ramani & Co., Company Secretaries, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure 'G' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **Audit Committee**

The Audit Committee, constituted pursuant to the provisions of the Companies Act and the listing agreement, has reviewed the Accounts for the year ended March 31, 2015. The members of the Audit Committee are Mr. K. K. Dastur, Mr. S. A. Ahmadullah, Mr. K. N. Petigara and Mr. A. B. Choudhury, all Independent Directors.

### **Policy to Prevent Sexual Harassment at Work Place**

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Áct'), your Company has constituted an Internal Complaints Committee. No complaints were received by the committee during the year under review. Since the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with section 22 of the Act.

### **Directors' Responsibility Statement**

Pursuant to the provisions contained in Section 134 of the Companies Act, 2013, the Directors of your Company confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies have been selected and applied consistently, and such judgments and estimates have been made 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 or loss of the Company for that period;
- c) that proper and sufficient care has been taken 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 the annual accounts have been prepared on a going concern basis.
- e) that the proper policies and procedures have been adopted for ensuring the orderly and efficient conduct of its business, including adherence to code of conduct and policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information and that such policies and procedures are adequate and were operating effectively.
- f) that proper systems are in place to ensure compliance of all laws applicable to the Company and that such systems are adequate and operating effectively.

## **Corporate Governance**

As required by the existing clause 49 of the Listing Agreements with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. The Auditors have certified the Company's compliance of the requirements of Corporate Governance in terms of clause 49 of the Listing Agreement and the same is annexed to the Report on Corporate Governance.

## **Disclosures and Information under the Companies Act, 2013**

Pursuant to section 134 and any other applicable section of the Companies Act, 2013 (the Act), following disclosures and information is furnished to the shareholders:

### **(a) Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo**

'Annexure D' to this Report gives information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo, required under Section 134(3)(m) of the Companies Act, 2013, and forms a part of the Directors' Report.

### **(b) Annual return**

The extracts of the annual return as provided under sub section (3) of Section 92 of the Act is given in Form No. MGT 9 as 'Annexure E', attached and forms a part of this report.

### **(c) Board meetings**


The Board of Directors of your Company met 6 (six) times during the year under review. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### **(d) Loans, Guarantees & Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **(e) Related Party Transactions**

All related party transactions entered into by your Company during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key



Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. Prior approval of the Audit Committee was obtained for those transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable. Attention of members is also drawn to the disclosure of transactions with related parties set out in Note No. 45 of Standalone Financial Statements, forming part of the Annual Report. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The policy on Related Party Transactions is uploaded on the Company's website <http://www.godrej.com/godrej/GodrejIndustries/pdf/Policy-on-Related-Party-Transaction.pdf>.

**(f) Particulars of Employees:**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure 'F' to this Report. The information required pursuant to Section 197 of the Companies Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

**(g) Risk Management**

Your Company had formed a Risk Management Committee consisting of the Managing Director and the Whole time Directors. The Committee identifies, evaluate business risks and opportunities. This Committee has formulated and implemented a policy on risk management to ensure that the company's reporting system is reliable and that the company complies with relevant laws and regulations. The Board of Directors of your Company are of the opinion that, at present, there are no elements of risks which may threaten the existence of the Company.

Your Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

**(h) Nomination & Remuneration Policy for Senior Management**

The details relating to ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15 is given in 'Annexure F' attached and forms part of this Report.

The policy of your Company on director's appointment and remuneration of the directors, key managerial personnel and other employees including criteria for determining qualifications, positive attributes, independence of a director, is stated below:

**TOTAL REWARDS PHILOSOPHY  
GODREJ INDUSTRIES LIMITED (the “Company”)**

Our Total Rewards Framework aims at holistically utilising elements such as fixed and variable compensation, long-term incentives, benefits and perquisites and non-compensation elements (career development, work life balance and recognition).

**Highlights**

The rewards framework offers you the flexibility to customise different elements, basis need. It is also integrated with our performance and talent management processes and designed to ensure sharply differentiated rewards for our best performers.

The total compensation for a given position is influenced by three factors: position, performance and potential. As a broad principle, for our high performers and potential employees, we strive to deliver total compensation at the 90th percentile of the market.

**Total Compensation**

The total compensation has three components:

1. ‘Fixed Compensation’ comprises of basic salary and retirement benefits, like provident fund and gratuity
2. ‘Flexible Compensation’ is a fixed pre-determined component of the compensation.
3. ‘Variable Compensation (Performance Linked Variable Remuneration)’ rewards one for delivering superior business results and individual performance. It is designed to provide a significant upside earning potential without cap for over achieving business results. It has a ‘Collective’ component, which is linked to the achievement of specified business results, measured by Economic Value Added or other related metrics, relative to the target set for a given financial year and an ‘Individual’ component, based on the performance, as measured by the performance management process.

**Long Term Incentives (Employee Stock Grant Scheme)**

This scheme aims at driving a culture of ownership and focus on long-term results. It is applicable to senior managers. Under this scheme, performance based stock grants are awarded on the basis of performance.

**(i) Financials**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

There are no qualifications, reservations or adverse remarks in the Auditors Report and the Secretarial Audit Report for the financial year 2014-15.

## **(j) Share Capital**

During the year under review your company allotted 2,67,757 equity shares of Re.1 each pursuant to the scheme of amalgamation of Wadala Commodities Limited with Godrej Industries Limited and 1,58,957 equity shares of Re.1 each upon exercise of stock option under Company's Employee Stock Grants Scheme. Consequently, the paid up share capital of your Company has increased from ` 33,54,55,260/- divided into 33,54,55,260 equity shares of Re.1 each to ` 33,58,81,974 divided into 33,58,81,974 equity shares of Re.1 each.

## **(k) Significant Court Order received**

During the year under review the Hon'ble High Court of judicature at Bombay had, on September 5, 2014, passed an order approving the scheme of amalgamation of Wadala Commodities Limited with Godrej Industries Limited.

## **Additional Information**

The consolidated financial statements of the Company forms a part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the financial statements of its subsidiaries. The Audited Annual Accounts and related information of the Company's subsidiaries will be made available upon request. These documents will also be available for inspection during business hours at the Company's registered office in Mumbai, India. The subsidiary companies' documents will also be available for inspection at the respective registered offices of the subsidiary companies during business hours.

## **Acknowledgement**

Your Directors thank the Union Government, the Governments of Maharashtra and Gujarat as also all the Government agencies, banks, financial institutions, shareholders, customers, employees, fixed deposit holders, vendors and other business associates, 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

**A. B. Godrej**  
Chairman

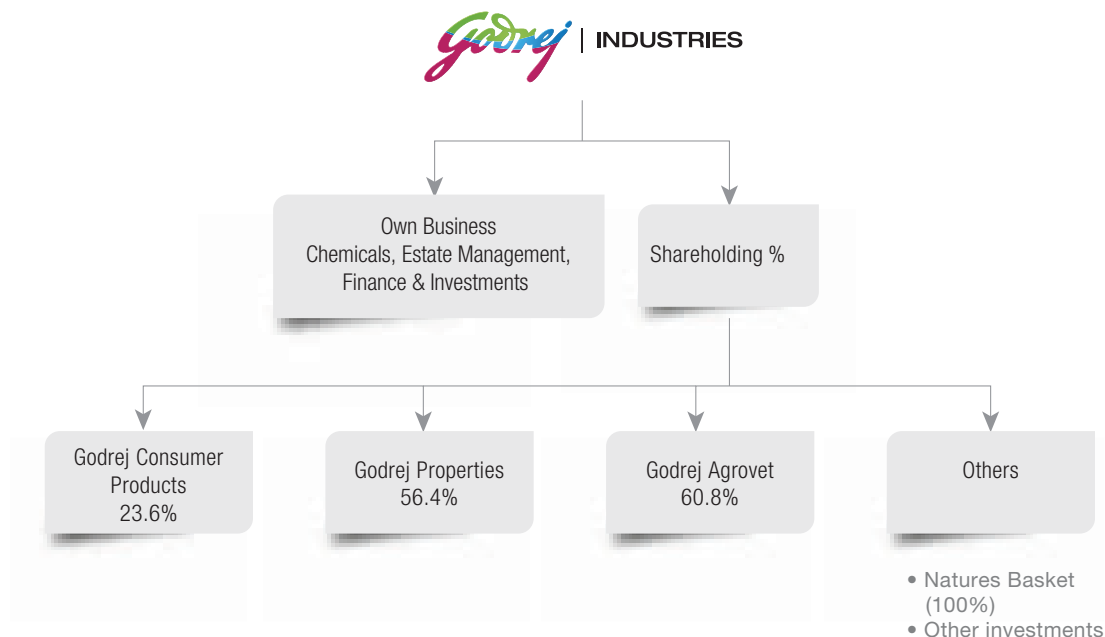
Mumbai, May 27, 2015.

# Annexure “A”

Forming Part of the Directors’ Report

## Management Discussion and Analysis

### Business Structure



### INDUSTRY STRUCTURE AND DEVELOPMENTS

The global economy continued to grow in FY15 at a steady pace, but growth was unevenly distributed, as some nations were still grappling with post global financial crisis adjustments. There were additional global shocks due to volatile geopolitical environments in various parts of the world like Africa, Middle-East and the CIS. The UN/DESA estimates the growth of the World Gross Product (WGP) to be 2.6% in 2014, marginally better than 2013 where it grew at 2.5%. However this is lesser than the mid-year estimate of 2.9%, given by the same organization. While most of the developing economies including the US, Japan and the EU have recovered from the depths of the 2008-2012 period, developing economies like Africa, China and South East Asia are still far away from reverting to the pre 2011 GDP growth.

Going forward, the UN/DESA estimates the world economy (WGP) is to grow at 3.1% and 3.3% respectively in 2015 and 2016. This is contingent

on the expectation that the Federal Reserve will gradually normalize its stance on monetary policy and start to increase rates by Q2 FY16, while the ECB will keep its interest rates at the current levels throughout the financial year. Fiscal policy is expected to remain restrictive in the US, but with lesser intensity than past years. For some of the major EU economies, the focus will continue to be on fiscal prudence, albeit with a more moderate fiscal policy.

India experienced a better financial year than FY 14, with advance GDP estimates pegging the growth at 7.4%, compared to 6.9% last year (like for like comparison). Latest available IIP data also shows significant growth compared to FY 14. The majority secured by the NDA in the Parliament boosted market and consumer sentiment significantly in FY15, with the Sensex P/E multiples reaching 18.8 in Q3 and the consumer confidence index also improving significantly compared to FY14. Some reform measures like deregulation of diesel prices, and the introduction of the GST bill have been initiated by the government in the last 12 months.

The continued success of the economy will depend on how well some of these planned reform measures are executed. In summary, the outlook on the economy remains bullish, with most global forums expecting India's GDP growth to rise by 0.4-0.5% in the coming year.

FY15 was a challenging year for Indian farmers and Indian agriculture with the growth of agri GDP slowing down from 5% in FY14 to ~3% this year. El Nino during southwest monsoons, and unseasonal rain in the Rabi season significantly impacted crops across the country. Commodity prices remained volatile throughout the year with crude palm oil prices correcting 25% during the year. Farmers also suffered due to poor realizations for broiler and fish and subdued realizations in milk, eggs in FY15.

The prices of agri-produce are expected to remain moderate for the year ahead and will depend on the intensity of El Nino effect on the monsoon. As protein and milk demand increases in the country on the back of population growth and enhanced per capita consumption – demand for compound feed will be on the rise. Another factor that should aid the increase in compound feed sales, is the shift in feeding practices of Indian farmers. Having one of the largest livestock population in the world, the potential for compound feed in India is huge, as currently only a small fraction of this livestock is on compound feed.

India has immense room for growth in palm oil production and in agri-chemicals. Our agri -chemical consumption per hectare is much lower than peer countries. As the MSP growth in grains moderates,

farmers are likely to switch to horticulture crops where consumption of agri- chemicals is much higher, hence providing significant head room for growth to agri-chemical companies in India.

Volatility in commodity prices, especially the downward trends in the second half of the year affected the oleo-chemicals business significantly. Oleo-chemicals are used in a variety of applications including personal care (hair care, skin care, oral care, cosmetics), home care (laundry detergents), and pharmaceuticals. While the demand for oleo-chemicals is set to grow moderately well in India and globally, driven by growth in end-use industries, there is expected to be downward price pressures owing to overcapacity in the market, especially in South East Asia.

Growth in the real estate sector continued to be lukewarm during FY15 with residential absorption rates picking up from FY14 levels, but a simultaneous increase in the overhang implying new supplies coming into the market. The RBI's consecutive rate cuts came in too late in the year to substantially benefit the borrowers and affect the sales numbers for FY15 but will stand the sector in good stead for FY16. Office space absorption levels have risen marginally from FY14, particularly in the second half of the year. Costs of key input materials such as cement and steel have moved downward throughout FY15, reversing the trend seen during FY14. The prospects look good for the sector in FY16 as buyer sentiment improves, while urbanization and migration continue to fuel demand. The domestic manufacturing policy of the government should positively impact the commercial transactions space as well.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The highlights of overall performance are as follows:

| Particulars                              | ` Crore  |          |
|--|----------|----------|
|  | 2014-15  | 2013-14  |
| Sales                                    | 1,454.64 | 1,453.55 |
| Total Income                             | 1,691.87 | 1,598.53 |
| Profit Before Taxation                   | 132.17   | 124.88   |
| Profit After Current Taxation            | 127.94   | 124.79   |
| Profit After Current & Deferred Taxation | 148.81   | 119.69   |
| Earnings per Equity Share (`) - Basic    | 4.4352   | 3.5693   |
| Earnings per Equity Share (`) - Diluted  | 4.4302   | 3.5643   |



| Particulars                                      | ` Crore |         |
|--|---------|---------|
|  | 2014-15 | 2013-14 |
| <b>Profitability ratios are as follows:</b>      |         |         |
| PBDIT/Total Income                               | 18.23%  | 15.28%  |
| PBT/Total Income                                 | 7.81%   | 7.81%   |
| PAT/Total Income                                 | 8.80%   | 7.49%   |
| Return on Capital Employed *                     | 8.44%   | 7.96%   |
| Return on Net Worth *                            | 9.05%   | 7.32%   |
| Basic EPS (`)                                    | 4.4352  | 3.5693  |
| Diluted EPS (`)                                  | 4.4302  | 3.5643  |
| <b>The Financial risk ratios are as follows:</b> |         |         |
| Debt/Equity *                                    | 1.16    | 0.79    |
| Interest coverage *                              | 1.89    | 2.32    |

\* The above figures are without consolidation of ESOP Trust.

| Segment Performance                |                 | ` Crore         |  |
|------------------------------------|-----------------|-----------------|--|
| <b>1. Segment Revenue</b>          |                 |                 |  |
| Chemicals                          | 1,311.30        | 1,294.54        |  |
| Estate                             | 30.99           | 63.22           |  |
| Finance & Investments              | 337.87          | 228.25          |  |
| Others                             | 11.71           | 12.52           |  |
| <b>Total</b>                       | <b>1,691.87</b> | <b>1,598.53</b> |  |
| <b>2. Segment Results (PBIT)</b>   |                 |                 |  |
| Chemicals                          | 42.23           | 36.00           |  |
| Estate                             | 6.23            | 49.30           |  |
| Finance & Investments              | 331.54          | 228.09          |  |
| Others                             | (3.88)          | (4.53)          |  |
| <b>Total</b>                       | <b>376.12</b>   | <b>308.86</b>   |  |
| Less: Finance Costs (Net)          | (147.74)        | (94.84)         |  |
| Less: Unallocated expenses (Net)   | (96.21)         | (89.14)         |  |
| <b>Profit Before Tax</b>           | <b>132.17</b>   | <b>124.88</b>   |  |
| <b>3. Segment Capital Employed</b> |                 |                 |  |
| Chemicals                          | 692.23          | 410.67          |  |
| Estate                             | 664.17          | 488.01          |  |
| Finance & Investments              | 2,277.33        | 1,989.94        |  |
| Others                             | 14.43           | 14.63           |  |
| Unallocated                        | (1,989.88)      | (1,468.32)      |  |
| <b>Total</b>                       | <b>1,658.28</b> | <b>1,434.93</b> |  |

## CHEMICALS DIVISION

The Chemicals division operates in the oleo-chemical and surfactant industries. The division has a blend of domestic and international operations and continued its leading position in the Indian market. The division achieved export turnover of ₹ 514 crore in this fiscal, accounting for about 37% of its turnover.

The recovery of the global economy leading to a robust increase in demand helped the growth in this division. The product category-wise review follows:



# EXPORT TO OVER **65** COUNTRIES ACROSS **THE WORLD**



PORTFOLIO COMPRISES A WIDE RANGE OF PRODUCTS, INCLUDING FATTY ALCOHOL, FATTY ACIDS, SURFACTANTS AND GLYCERIN.

## Fatty Acids

The Fatty Acids portfolio, comprising stearic acid, oleic acid, as well as specialty fatty acids, accounted for about 32% of the turnover of the division. The division plans to enhance the sales of its specialty fatty acids in the domestic as well as export markets by adding new improved products in the portfolio.

## Fatty Alcohol

Fatty alcohol contributed 37% to turnover of this division. Our GINOL grades have been approved internationally by leading multinational corporations. With growth in specialty fatty alcohol and customer centric business strategies, it is expected that the revenues and margins from this segment will be maintained and improved.

## Surfactants

Surfactants contributed about 20% to the turnover of the division.

The demand for Sodium Lauryl Sulphate (SLS) continued to grow in the domestic as well as international markets.

Sales of SLS grew by 35% in value terms as compared to the previous year. Our products have been approved by several multi-national companies and we are strongly positioned in their global sourcing programs. Effective sourcing of raw material and increasing customer base are important for improving margins and we have done fairly well on both counts.

## Glycerin

Glycerin accounted for about 6% of the turnover of this division. Being largely a byproduct, additional sales are mostly opportunistic, depending on market conditions.

## Other Initiatives

Your company continued its strong focus on cost reduction and operational efficiency improvement initiatives. Biomass boiler - a Green initiative - commissioned at the beginning of the year has given good alternative energy in the scenario where conventional fuel prices have touched the roof before easing a bit towards the end of the year. Various other initiatives in term of energy conservation, new product development, new technology and better yields were in pipeline during the year which are likely to come on stream next year.



## Outlook

The outlook for the coming year 2015-16 looks promising for the Chemicals business at this point in time. Demand is showing signs of improvement and with a price advantage on raw material we are likely to perform well. Change in season pattern may impact oil seeds crop which in turn can have bearing on profitability.

Your company is also focusing on specialty fatty acids, fatty alcohol and esters by strengthening its R&D capabilities and investing in newer technologies. These are building blocks to foray into newer and greener technologies which will not only improve our leadership position in terms of market share but also profitability.

## Finance and Investments

During the year, your company continued to earn return from its investments in the form of Dividend of ₹ 108 crore (previous year ₹ 86 crore) and realised capital appreciation of ₹ 200 crore (previous year ₹ 75 crore).

Your company acquired an additional stake in Godrej Consumer Products Limited by investing ₹ 317 crore. The stake of your company in Godrej Consumer Products Limited now stands at 23.6%. Your company also invested ₹ 54 crore in Natures Basket Limited to support their growth plans. Your company sold its part stake through inter-se amongst promoters in Godrej Properties Limited. Post the sale, the stake of your company in Godrej Properties Limited now stands at 56.4%.

## Estate Management

During the year, Your Company earned a revenue of ₹ 31 crore (previous year ₹ 63 crore) and Profit Before Interest & Tax of ₹ 6 crore (previous year ₹ 49 crore) from license fees and share of profit from Godrej Vikhroli Factory LLP.

## Human Resource Development and Industrial Relations

Industrial relations at all plant locations remained harmonious.

Your Company emphasises on the safety of people working in its premises. Structured safety meetings were held and safety programmes were organized for them throughout the year.

The total number of persons employed in your Company as on March 31, 2015 were 1,275 of which 15.33% are from affirmative category.

## Policy to Prevent Sexual Harassment at the work place

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. Your Company has strengthened its existing Policy on Prevention of Sexual Harassment at the workplace. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by the law and the Group. Structured sessions on prevention of sexual harassment at workplace were organized at all locations to spread awareness on security & safety of women employees as well as to apprise all employees of the legislative updates on prevention of sexual harassment at workplace.

A Complaints Committee as required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, headed by Tanya Dubash, Executive Director & Chief Brand Officer, exists to redress any complaints of sexual harassment. While the Act is applicable only to women employees, our Company policy would be covering all employees and all premises of the Company in India.

## **Internal Control Systems and Their Adequacy**

Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that transactions are authorized, recorded and reported correctly. Your Company's Corporate Audit and Assurance Department which is ISO 9001 certified, issues well documented operating procedures and authorities with adequate built-in controls at the beginning of any activity and revised procedures if there is any major change. The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

Corporate Audit & Assurance Department during the year, facilitated a review of your company's risk management programme. The risks and mitigation measures were reviewed by your company's Risk Committee and corrective measures initiated.

During the year the Corporate Audit & Assurance Department carried out various reviews and provided assurance on compliances to lay down policies, processes and internal controls.

## **Information Security**

Your Company accords great importance to the security of its information assets. To ensure that this gets desired focus and attention, a Chief Information Security Officer, who is attached to the Corporate Audit and Assurance Department, is entrusted with the task of ensuring that your Company has the requisite security posture.

Your Company has in place, all the procedures and practices that are in line with the ISO Security Standards. Your company is ISO 27001:2005 certified.

## **Opportunities and Threats**

The improvement in the global economic and liquidity situation, the stimulus/incentives package by the Indian Government and various Governments globally, provides an opportunity for growth for the Chemicals division. At the same time, if new capacity additions announced earlier go on stream, there could be an over-supply situation in the market which can put pressure on margins. Specialty products are expected to improve margin and strengthen your company's position in the oleo chemicals space.

## **Risks and Concerns**

Your Company had put a risk management framework in place post a comprehensive review of its risk management process. Your Company has taken a fresh look at the risk management framework. The review involved understanding the existing risk management initiatives, zero-based identification and assessment of risks in the various businesses as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization. The Risk Committee has periodically reviewed the risks in the various businesses and recommended appropriate risk mitigating actions.

The Commodity based businesses are likely to be affected by vagaries of the weather, demand for edible oil, oilseed production, etc. The business is exposed to commodity price risks relating to raw materials which account for the largest portion of the costs of both the Chemicals and Vegoils businesses. The Chemicals business growth will also depend on the growth of end user industries like polymer, detergent, cosmetic and personal care.

As a significant employer and chemicals producer, to ensure occupational safety, employment standards, production safety, and environmental protection, your Company maintains strict safety, health, environmental protection and quality control programs to monitor and control these operational risks.

Macro economic factors including economic and political developments, natural calamities which affect the industrial sector generally would also affect the businesses of your Company. Legislative changes resulting in a change in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of the businesses.

### **Cautionary Statement**

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.



*Panorama View of Valia Factory*



We make a LIVING  
by what we get,  
We make a LIFE  
by what WE GIVE  
- Sir Winston Churchill



## Annexure “B”

Forming Part of the Directors’ Report

### BUSINESS RESPONSIBILITY REPORT FOR GODREJ INDUSTRIES LIMITED

#### PART A: GODREJ INDUSTRIES LIMITED OVERVIEW

The Godrej Group, is one of the India’s foremost business groups which began almost 118 years ago. Godrej Industries Limited [GIL], is a part of the diversified conglomerate and is in the businesses of Oleo-chemicals, surfactants, finance & investments and estate management.

The Company operates from its factories at the following locations.

#### Locations of Operations :

- Ambernath, Maharashtra
- Valia, Gujarat
- Wadala, Maharashtra

Godrej & Boyce Manufacturing Company Limited

and Godrej Family members are the Promoters of the Company and the shareholding of promoter/ promoter group constitutes 74.83% of the paid up capital of the Company as at March 31, 2015.

#### Financial data for GIL Standalone:

| <b>FY 2014-15</b>                               | <b>₹ Crore</b> |
|---|----------------|
| Total Income                                    | 1691.87        |
| Net Profit after taxes                          | 148.81         |
| Total assets                                    | 4270.77        |
| Paid up Capital                                 | 33.59          |
| Market capitalization<br>(as on March 31, 2015) | 11601.36       |

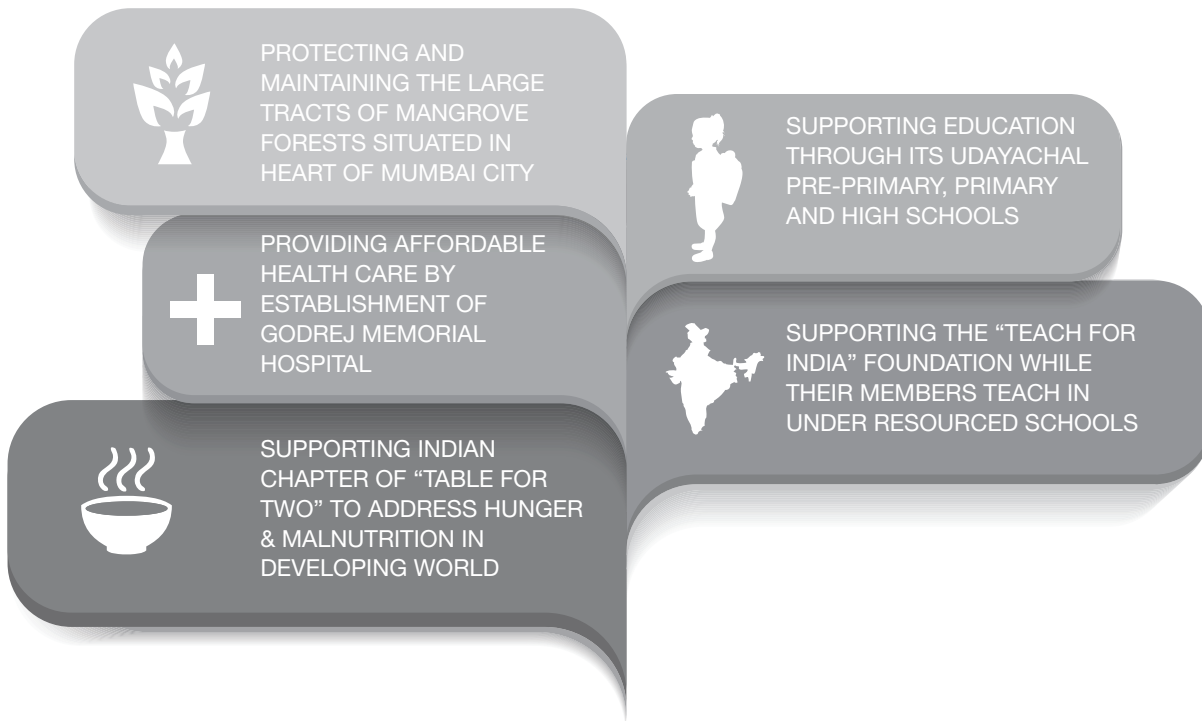
## SUSTAINABILITY EFFORTS BY THE GODREJ GROUP

*“We make a LIVING by what we get, We make a LIFE by what WE GIVE.”*

- Sir Winston Churchill

The Godrej Group has always been at the forefront of philanthropic and social activities for several decades. At Godrej, the belief is that as organization grows in size and scale they must play an active role in public welfare and look beyond business interests and support the well-being of the society at large. 25% of the shares of the Godrej Group’s holding company Godrej & Boyce are held in a trust that invests back in initiatives that support the environment, and improves the quality and availability of healthcare and education.

We are proud to be part of the Godrej group which strongly believes in sustainability and social initiatives. We take this opportunity to pen down a few of the Group’s achievements as they continue to take considerable efforts in





Godrej Industries Limited, part of the larger Godrej Group shares the group's environmental, philanthropic and social ideologies and has been successfully able to *VISUALIZE, STRATEGISE AND ACTUALIZE* its sustainability and social initiative.

## VISUALIZING & STRATEGISING SUSTAINABILITY IN ITS CORE VISION



The Groups desire and commitment to subserve the social and environmental needs of the country made them go a step ahead in the year 2011 when they embedded the “Godrej Good & Green Initiative” as a part of group’s 2020 Vision and Strategy. This vision is founded on shared value initiatives and aims to create societal value by



Train 1 million rural and urban youth in skilled employment to increase their wage earning potential



To become carbon neutral and water positive, achieve zero waste to landfill, reduce specific energy consumption and increase our renewable energy sources



To have a third of the company's portfolio revenues comprise good and/or green products and services – defined as products that are environmentally superior or address a critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid.

## Our journey

**2011**  
We articulated our commitment towards building a more inclusive and greener India - Godrej Good & Green

**2015**  
We are furthering this commitment through 'shared value' initiatives that create both social and business benefits

**2020**  
We aspire to create a more employable Indian workforce, build a greener India, and innovate for 'good and green' products

We are proud to share that Godrej Industries was appreciated for its varied initiatives on creating shared value by being awarded the Porter Prize in October 2013. The Porter Prize named after the renowned thinker and Father of the modern strategic field Professor Michael E. Porter recognizes the strategic acumen of corporates and leaders who have epitomized the spirit of corporate governance, and stood apart by creating value.

The central premise behind creating shared value is that the competitiveness of a company and the health of the communities around it are mutually dependent. Recognizing and capitalizing on these connections between societal and economic progress has the power to unleash the next wave of global growth and to redefine capitalism.

## ACTUALIZING THE VISION

With utmost humility and continued desire to tread on the same path, we pen down a few of our social and environmental achievements for the year that helped us actualize our good and green vision

**Commissioned two biomass boilers at Valia targeting to reduce our GHG emissions by 24K tons per annum**

**Sponsored India's First Environment Based Reality Show Godrej Green Champion in association with NDTV**



**Valia Factory achieved CII GreenCo- Silver Rating**

**Won the FICCI Award for Efficiency in Energy Usage in Chemicals Sector - 2014**



**Won the CII Mission Energy Challenge Award 2014**

**Celebrated Energy Conservation week across company's premises**

**Employees of GIL planted around 4000 trees on the World Environment Day**

**GILAC has so far trained more than 1 lakh youth in varied skills to increase their wage and earning potential.**

## Part B: BUSINESS RESPONSIBILITY INITIATIVES BY GODREJ INDUSTRIES LIMITED

As per the Business Responsibility guidelines established by the Ministry of Corporate Affairs and SEBI, following are updates for Godrej Industries Limited on each of the Principles as stated in the Guidelines.

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company pursues good Corporate Governance by ensuring regulatory compliance, transparency in disclosures, efficient operational practices, strong internal controls, risk management systems, and by engaging and operating with fairness and integrity with all its stakeholders namely shareholders, customers, employees, suppliers, regulatory authorities and general public.

### Organization Structure

At the Apex is the Board of Directors headed by a non-executive Chairman. The Board provides guidance and support to the management in terms of broad strategy, direction, governance and compliance.

The Company's Board of Directors has six committees of which the first five are statutory

- Audit Committee
- Nomination & Compensation Committee
- Stakeholders Relationship / Shareholders Committee
- CSR Committee
- Risk Management Committee
- Management Committee

They monitor and provide direction to the senior leadership team. This ensures greater focus on specific aspects of Corporate Governance and expeditious resolution of issues of governance as and when they arise.

These Committees have clearly defined areas of

operation and they operate as empowered by the Board.

### CSR Committee

At Godrej we have established a CSR Committee in accordance with Section 135 of the Companies Act 2013 which is spearheaded by Mr. N. B. Godrej as its Chairman. The CSR committee of the Board of Directors is responsible for the CSR projects undertaken. The committee will report to the Board of Directors.

The CSR Committee comprises of the following members:

1. Mr. N. B. Godrej
2. Ms. T. A. Dubash
3. Mr. K. N. Petigara
4. Mr. A. B. Choudhury

The CSR Policy made in accordance with the CSR guidelines focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the Godrej group's Good & Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

CSR Requirements as per Section 135 is NIL for the current year. Consequently, no spends have been tagged and reported as CSR spends.

### Code of Conduct

The Board of Directors and Senior Management of the Company comply with the Code of Conduct. An annual confirmation affirming compliance with the code of conduct is obtained from Board Members and senior management every year and the same has been obtained for the year ended March 2015.

The Company also has a code of conduct which is applicable to all individuals working in the company. The Company encourages its Business Partners also to follow the code.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Godrej Group's Good & Green vision supports the development of goods which are environmentally sustainable. As part of the vision, the Company aspires to develop products which consume fewer resources (energy, water), emit fewer greenhouse gases and include a hundred percent of recyclable, renewable, and/or natural materials.

### Sustainable Sourcing

GIL's Chemicals is the first Indian entity to become a member of the Roundtable on Sustainable Palm Oil (RSPO), a worldwide alliance of stake holders in the palm oil industry. Its aim is to prevent deforestation and to encourage sustainable oil palm plantations. Godrej Industries participates actively at the RSPO and sources palm products from suppliers who are themselves active members of the Roundtable. Additionally, biodegradable vegetable oils are used as the raw material for the manufacture of fatty acids, glycerin, fatty alcohols and surfactants.

### Ensuring Better Yields

The Research & Development team at Godrej's agricultural business has worked towards enhancing the agricultural productivity by focusing on improving fresh fruit bunch yields on per seed and per hectare basis. The R&D Team also provides customized suggestions to try to improve farmer's fresh fruit bunch yields by analysing soil and leaf samples from farmers' crops.

### Principle 3: Promoting the well-being of all employees

Your Company has made concerted efforts towards creating learning and development opportunities that continually enhance the employee value in line with the organizational objectives.

Your Company focuses on ensuring well-being of all its employees. Safety and health of employees is extremely important to the Company and we are committed to building and maintaining a safe and healthy workplace. The following are essential parts of the Code of Conduct

## Diversity & Zero discrimination - Health & Safety - Good working environment

All employees who join the company demonstrate their commitment to follow the code of ethics by signing in their acceptance to adhere to the same. Examples of a few of the principles of this code of conduct are listed below.

### Diversity and equal opportunities:

We value diversity within the Godrej Group and are committed to offering equal opportunities in employment. We do not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, gender, gender identity/ expression, sexual orientation, disability, age, or marital status and always allow for equal opportunities for all team members.

Diversity & Inclusion initiatives are taken care of at the Corporate level by the Diversity & Inclusion Department, and is supported by the Diversity Council comprising of business leaders and HR representatives from across businesses in the GILAC group.

Some of the initiatives taken by our Diversity & Inclusion Team includes the following;

- Godrej Women's Leadership Network

A special group named Godrej Women's Leadership Network was created to give an opportunity to women across different group companies to discuss various women related issues ranging from career growth to maternity leaves and voice their views on the same. The object is to provide a platform where new issues and ideas can be discussed and wherever appropriate pragmatic solutions are incorporated as part of HR Strategies.

- Godrej Alliance for Parents [GAP]

GAP is a platform to discuss issues that matter to working mothers and fathers to discuss parenting issues at Godrej ranging from child care to children education and their own work life balance. It is also a great place to interact with other parents in the Group and share the experiences.

GAP successfully organized the first ever parenting workshop at Godrej - "**Quality Time with Children**" which was conducted by Anupama Easwaran- a psychologist and counsellor from In Harmony.

- Policy for prevention of sexual harassment:  
The Company is committed to creating and maintaining an atmosphere in which all employees can work together, without fear of sexual harassment, exploitation or intimidation. A gender- neutral policy on prevention of sexual harassment has been in place for years. The existing policy was further strengthened by adoption of the Policy on Sexual Harassment of Women at Workplace Act, 2013 (also known as the Vishaka Guidelines).  
A Complaints Committee has been formed to redress any complaints of sexual harassment, This committee is headed by Tanya Dubash, Executive Director.

### Health & Safety

- On-campus Facilities:

We have a canteen facility at all company premises, where food and refreshments are provided to ensure that hygienic and healthy food is available at the premises.

We also have an onsite medical center, hospital and children's day care facility within the Godrej Vikhroli campus.

All company premises are non-smoking zones. Smoking is strictly prohibited in the campus.

- Health Check-up

The Company has initiated a policy for health check up of employees who are above the age of 40 years, wherein they can have the health checkup done at designated hospitals, once in two years.

- Self-defence workshop for Women Employees

A self-defence workshop for women employees was organized at the Godrej Campus on 13th and 14th November 2014. The workshop was conducted by **Invictus**

## Survival Sciences.

This workshop focused on mental conditioning, physical training and character discipline making it a transformational experience. Following were the areas that were covered at the workshop:

- Threat Detection & Prevention
- Principle of Defense & Attack
- Defense Against Unarmed Attacks
- Defense Against Armed Attacks
- Defense Against Sexual Assaults

We are proud to share that a total of 19 GIL women employees underwent the training.

## Good Working Environment

- Progressive Human Resource policies

Your Company prides itself as a great place to work, a fact recognized and acknowledged externally as well. HR policies like flexible working hours, work from home arrangements, part-time work, leave and benefits, adoption leave and benefits, extended maternity leave and benefits, paternity leave and benefits – to name a few – go a long way in ensuring that the employees successfully strike a work-life balance.

- Engagement Forums

There are multiple touch points for leadership team to interact with employees through forums like open houses, town halls, the long range plan and annual operating plan cascades, focus groups around engagement surveys, HR connect sessions, skip level meetings by senior leadership etc. The organization invests in functional training for all employees in line with their current and future career aspirations.

The learning suite encompasses functional training, leadership development programs and behavioral training geared towards leading self, leading others and leading business. The company also nominates managers for MDP

programs at premier Business Schools like ISB, IIMC, IIMA, IIMI etc.

- Whistle Blower Policy

The purpose of the Whistleblower Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their supervisors. A Whistleblowing Officer has been designated for the purpose of receiving and recording any complaints under this policy.

## Principle 4: Businesses should respect the interests of, and be responsive, towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Godrej Industries continues its engagement with various stakeholders through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, investor forums etc.

- COMMUNITY DEVELOPMENT

We have directed our special efforts towards the less privileged in the society through various ways. Recruitment of candidates from the Scheduled Caste/Scheduled Tribe and Physically Challenged categories has been taken up as one of the major performance measures of the central recruitment process owner.

- Your Company participates in government fairs for recruiting candidates from the categories of Scheduled Caste/Scheduled Tribe and Physically Challenged. We have also partnered with NGOs to provide employment opportunities and counselling to people that fall in one of these categories.
- As part of the employee referral policy, referrals of Scheduled Class/Scheduled Tribe/Physically Challenged candidates are offered higher referral amounts than that offered to the general category candidates.

- We have interactions with NGO's like NSAEOH, ADAPT who work for the differently abled people.
- Godrej Industries also provides apprentice opportunities to students who have completed some form of technical education. In the past fiscal year, it offered job specific training to 36 Scheduled Caste/ Scheduled Tribe trainees making them employable. Industrial visits and training of ITI students to the Valia factory also helped them understand the chemical industry. Our employees – experts in fields like electrical, mechanical and safety deliver lectures at local ITI institutes.

The Valia factory in Gujarat is located in Kanerao village which has population predominantly from the underprivileged section. We have been contributing towards the development of the village by donating funds for repair of schools, digging wells and certain other needs of the village.

### Donations & Sponsorship

- During the year 2014-15 the company made donations to several organizations. Our charitable donations span a wide range of good causes. The company also sponsors a lot of events to promote social causes.
- Employees at Godrej Industries and its associated companies have also taken various initiatives to provide support to the disadvantaged in the society.
- 7 employees of the company ran the Standard Chartered Mumbai Marathon in January 2015 in support of Teach for India by spreading awareness about the movement and also raising funds.

### Principle 5: Businesses should respect and promote human rights

Godrej Industries respects and promotes human rights for all individuals. No violations in this regard have occurred.

Our Code of Conduct covers aspects like Diversity, Anti-Discrimination, equal opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights. We also have policies like Whistleblower, Prevention of Sexual Harassment that encourage respect and promotion of human rights. Any violation of the Code of Conduct can result in stern disciplinary action including termination of employment and / or other appropriate actions as permissible under the law.

The Company has a policy which is applicable to all employees. The Company encourages its Business Partners to follow the policy.

We have an initiative called 'Bedhadak Bolo' whereby any employee can express his/her ideas and suggestions without any hesitation and fear. Another initiative called "Ask HR" is being practiced where an HR member meets employees on 1 to 1 basis to understand their concerns, ideas and suggestions.

### Principle 6: Businesses should respect, protect and make efforts to restore the environment

*A society is defined not only by what it CREATES, But also by what it refuses to DESTROY*

Godrej as a group believes in conserving the various resources of the mother earth. As part of its Good & Green vision there is a specific commitment at Godrej to create a "Greener India".

Our business is striving towards

- Reducing specific energy consumption,
- Utilizing a higher proportion of renewable energy sources,
- Becoming carbon neutral and water positive and
- Eliminating solid waste sent to landfills.

Our efforts for energy conservation in all our units have resulted in reduction of specific energy and reduction in specific water consumption and Green House Gas (GHG) emissions.



## Reducing specific energy consumption

### • Signatory to CII

Godrej Industries is a signatory to the Confederation of Indian Industry's (CII) Mission of Sustainable Growth, which proposes to promote and champion conservation of natural resources in Indian industry without compromising on high and accelerated growth. Godrej Industries has put initiatives in place at its factories in order to meet the codes.

### • Specific Efforts Energy Conservation

The specific energy consumption is on a decreasing trend since FY 10-11. Both Valia and Ambarnath Plants have considerably implemented energy conservation projects through the following activities;

- Using energy efficient equipment and replacing less efficient equipment with more efficient equipment.
- Installation of variable frequency drives
- Optimization of Pumping System
- Natural gas conservation activities in boilers
- Optimization of compressed air network
- Optimization of cooling tower operations
- Minimizing the losses in blowers
- Use of heat Pump to preheat boiler water.
- Use of LED lighting and Astronomical timers

### • Energy Conservation Week Celebration:

This year, on the occasion of Energy Conservation Day (14th December) and Energy Conservation Week (11th to 16th December), we have initiated our awareness campaign of energy conservation/efficiency. We started this activity with "Train the trainer" activity.

Besides these trainings, various other programs like "Energy pledge", "Steam leakage identification", "Fuel leakage identification", "Energy efficiency quiz", "Posters and slogans completions" etc. were organized seeking maximum participation of Company Employees.

### • Mission Energy:

Mission energy is collective efforts by CII along with Grundfos towards creating energy awareness and challenge for period of 2 month in which industries have to implement the various energy initiatives and saving to be published as a result of activity done for 2 months.

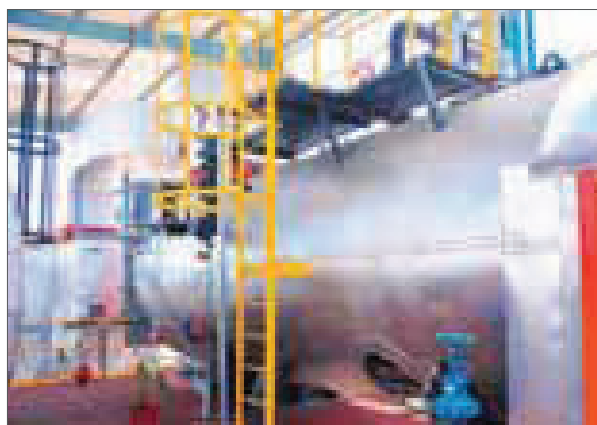
Your Company has saved substantial energy by implementing the various innovative projects at site during this mission energy challenge. We received the appreciation certificate for the efforts taken towards such energy saving.

### Utilizing a higher proportion of renewable energy sources

- Implementation of biomass briquette base boiler

**Renewable Energy used as a percentage of Overall Energy used, has increased substantially over the years and was more than 15% of the total energy consumed in FY 2014-15.**

This was achieved through installation of two biomass briquette based boilers at our Valia factory. These initiatives reduce the dependency on Natural gas substantially and also results in reduction of Greenhouse gas emissions as Biomass is a carbon neutral fuel.



## Becoming carbon neutral and water positive

- Reducing Carbon footprint through Manufacturing Processes (Valia and Ambernath)

The specific GHG emission has been reduced substantially. This was achieved through various environment friendly project like replacing fossil fuel from biomass fuel for boilers, various energy conservation projects, LED lights, astronomical timers etc.

- Reducing carbon footprint through other initiatives (Valia Plant)

We have reduced our GHG emission by shifting our transport from road to rail and minimizing the distance of travel. We continue to focus on optimizing the distance travel, increasing loading ability of our products and improve truck utilization to reduce GHG emission.

- Water Conservation through Wastewater treatment plant

Specific water consumption of the company has reduced significantly over the years. Moreover, the Valia factory in Gujarat implemented Wastewater treatment RO plant with a capacity of 500 m<sup>3</sup>/day. This plant treats the ETP wastewater into fresh water and reduces dependency on fresh water consumption.

## Reducing Waste to Landfill

We segregate Biological and Chemical waste from ETP which has reduced amount of waste going to landfill substantially.

## Awards & Accolades

- **FICCI Award for Efficiency in Energy Usage in chemical sector**

We are proud to share that the Valia Plant was recognized for its effort toward energy efficiency and received “FICCI award for efficiency in energy usage in chemical sector 2014”. FICCI chemical and petro chemical

awards, scheme was introduced to encourage sustainability in industry and recognize companies with commendable achievement in the fields of chemicals and petrochemicals.

- **Green Co: Green Company Rating System**

This year CII- Godrej GBC certified the Valia Unit with “GreenCo Silver” under the Green Company Rating System.

Valia Plant is the first Oleochemical manufacturer to receive this rating. The rating is based on nine parameters of energy efficiency, water conservation, renewable energy, greenhouse gas emissions, waste management, material conservation, green supply chain, product stewardship and lifecycle assessment.

## **Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

For any policy advocacy, Godrej Industries ensures that it does so with the highest degree of responsible and ethical behaviour and also works with collective platforms such as trade and industry chambers and associations.

As mentioned in Principles 6 in the report, Godrej Industries is a signatory to the Confederation of Indian Industry’s (CII) Mission of Sustainable Growth and the CII-ASSOCHAM Code of Conduct for Affirmative Action respectively.

## **Principle 8: Businesses should support inclusive growth and equitable development**

Our “Good & Green” vision inspires each one of us at Godrej to continue to work towards building a brighter, greener and more inclusive India.

## **Godrej Saksham Program**

Your Company has partnered with institutes such as the Industrial Training Institutes (ITI), which focus on skills based education in order to improve overall levels of employability.



In January 2013 the Chemicals division launched **Saksham**, its skill development program for students of Industrial Training Institutes (ITI). The program aims to teach relevant skills to students in Attendant Operator Chemical Plant (AOCP) and Maintenance Mechanic Chemical Plant trades (MMCP). The program gives an industry perspective to the ITI student. Till now, 135 students have been successfully trained in Ankaleshwar area.

### Godrej Kushal

GOI Skill India Mission have recently launched a Technical Training program under GOI Reward Scheme for the benefit of masses. The said courses is as per the National Occupation Standards (NOS) as defined by FICCI in association with Department of Heavy Industries GOI. The program targets skill building in Fitter, welder, Machinist & Plumber trade, and in turn creates employability.

So far 500 trainees have been trained across three trades – Fitter, Welder and Machinist. We have supported this trainings by sponsoring part payment of their fees.

### **Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

We are a customer centric company and greatly value the trust, satisfaction and loyalty of our customers across the world. Our primary focus is delighting our customers, both external and internal. Customer centricity is part of our 'Code of Conduct'. We strive to ensure that customer needs are satisfied and that our products and services offer value to the customer.

Our customer focus does not only extend to external customers alone, but includes internal customers as well.

We continue to invest significantly in R&D to develop newer products or variants to suit the needs of the customers.

The Valia factory which operates on Distributed Control System is ISO 9001 & ISO 14001 certified

and has been Kosher certified for manufacturing Fatty Acids, Fatty Alcohols and Glycerin and is well equipped to deliver the products of superior quality, in time and at competitive price.

### Product Safety:

Godrej is a member of fatty alcohol consortium which was formed as per ECHA/REACH guidelines. REACH stands for Regulation for Evaluation, Authorization & Registration of all substances entering into Europe. As per REACH and GHS requirement we have developed MSDS where all the characteristics of the product are clearly stated with instructions how to handle and use the product safely.



# Annexure “C”

## Forming Part of the Directors’ Report

As per Companies (Share Capital and Debentures) Rules, 2014 and the Securities & Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 following information is disclosed for financial year 2014-15 in respect of Godrej Industries Limited Employee Stock Option Plan I and II and Employee Stock Grant Scheme:

| Sr. No. | Heading  | Particulars (ESOP)   | Particulars (ESGS)   |
|---------|--|--|----------------------|
| A       | Options granted during the year                                      | Nil  | 1,12,747             |
| B       | The pricing formula  | <p>ESOP I :<br/>Market Price plus Interest at such a rate not being less than the Bank Rate then prevailing compound-able 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 or March 31, 2012, whichever is earlier.</p> <p>ESOP II :<br/>Grant Price* plus Interest at such a rate as may be decided from time to time compoundable on an annual basis for the period commencing from the date of Granting of the Options and ending on the date of intimating Exercise of the Option to the Company or March 31, 2012, whichever is earlier.</p> <p><i>* Grant Price means higher of market price or average cost of shares purchased by the Trust for that specific grant, including any unallotted shares lying with the Trust if utilized for that specific grant, plus interest on the loan taken to purchase the said shares at such rate as may be decided from time to time and compoundable on annual basis till the date of grant or March 31, 2012, whichever is earlier.</i></p> | ₹ 1 per equity share |
| C       | Options vested during the year                                       | ESOP I : Nil<br>ESOP II : 297,250  | 1,58,957             |
| D       | Options exercised during the year                                    | ESOP I : 2,14,000<br>ESOP II : 7,500   | 1,58,957             |
| E       | The total number of shares arising as a result of exercise of option | Nil.<br>As shares purchased from secondary market, there is no further issue of shares as a result of exercise of options.   | 1,58,957             |

| Sr. No. | Heading   | Particulars (ESOP)   | Particulars (ESGS)  |
|---------|---|--|---|
| F       | Options lapsed/revoked during the year  | ESOP I : 2,62,450<br>ESOP II: 1,05,000   | 52,641  |
| G       | Variation of terms of options   | None   | Refer table under ESGS  |
| H       | Money realized by exercise of options   | ESOP I : ` 5,35,11,300/-<br>ESOP II : ` 17,39,475/-  | ` 1,58,957  |
| I       | Total number of options in force  | ESOP I : 24,47,000 equity shares of nominal value of ` 1/- each<br>ESOP II : 3,98,750 equity shares of nominal value of ` 1/- each.  | 2,71,760  |
| J       | Employee wise details of options granted to;-<br>i) senior managerial personnel;<br>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.<br>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; | Nil<br><br>Nil<br><br>Nil  | Annexure 1<br><br>Annexure 1<br><br>Nil   |
| 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.   | Basic EPS : ` 4.4352<br>Diluted EPS : ` 4.4302  |
| 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 ` 0.64 crore, profit after tax would be lower by ` 0.64 crore and basic EPS would have been lower by 0.02. | 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 lower by ` 0.57 crore, Profit after tax higher by ` 0.57 crore and basic EPS would have been higher by ` 0.017. |

| Sr. No. | Heading   | Particulars (ESOP)  | Particulars (ESGS)  |
|---------|---|---|---|
| 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.   | No options were granted during the year hence the Weighted average exercise price and Weighted average fair value has not been computed | Weighted average exercise price of the options granted during the year is Re.1/-.<br><br>Weighted Average fair value of the option granted during the year is ` 12.88 per option.   |
| 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:<br>i) risk-free interest rate,<br>ii) expected life,<br>iii) expected volatility,<br>iv) expected dividends, and<br>v) the price of the underlying share in market at the time of option grant | No options granted during the year.   | 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:<br>7.93% - 8.01%<br>1 - 2 years<br>31% - 33%<br>0.57 %<br>` 1.75 per share<br>Weighted average market price at the time of grant of option ` 308.30 per option. |

## Annexure 1 (ESGS)

### Senior Managerial Personnel

| Sr. No | Name               | Options granted |
|--------|--------------------|-----------------|
| 1      | Shireesh Joshi*    | 7,006           |
| 2      | Sumit Mitra*       | 7,006           |
| 3      | V Swaminathan      | 3,892           |
| 4      | V Chakradhar       | 3,892           |
| 5      | Robert Menzies     | 3,892           |
| 6      | V Ravi             | 2,596           |
| 7      | Shailesh Deshpande | 2,596           |
| 8      | Sujit Patil        | 3,114           |
| 9      | Parmesh Shahani    | 3,114           |
| 10     | Dharm Rakshit      | 2,162           |
| 11     | B S Yadav*         | 16,348          |
| 12     | P N Narkhede       | 3,892           |
| 13     | S. Varadaraj       | 3,892           |
| 14     | Praful Bhat        | 3,892           |

| Sr. No       | Name              | Options granted |
|--------------|-------------------|-----------------|
| 15           | Mangesh Wange     | 3,892           |
| 16           | V V Mishra        | 2,596           |
| 17           | Puneet Pokhriyal  | 2,596           |
| 18           | Rakesh Dogra      | 2,596           |
| 19           | N S Nabar*        | 11,676          |
| 20           | D E Mistry        | 5,060           |
| 21           | Atul Prakash      | 2,596           |
| 22           | N D Elavia        | 1,297           |
| 23           | A. S. Tuteja      | 2,596           |
| 24           | Clement Pinto     | 2,596           |
| 25           | Rohinton Khajotia | 3,114           |
| 26           | Mohit Khattar     | 4,838           |
| <b>Total</b> |                   | <b>1,12,747</b> |

\* In excess of 5% of the total options granted during the year.

## ESGS

### Vesting of stock grants, granted under Employees Stock Grant Scheme 2011 (ESGS)

Nomination & Compensation Committee approved deferment of vesting and exercise of grants given in earlier years for following employees:

| Sr. No | Name               | Options granted |
|--------|--------------------|-----------------|
| 1      | N.S. Nabar         | 11,537          |
| 2      | A. D. Padhye       | 6,805           |
| 3      | A. S. Tuteja       | 4,537           |
| 4      | N. D. Elavia       | 4,537           |
| 5      | Atul Prakash       | 4,537           |
| 6      | Clement Pinto      | 4,537           |
| 7      | Sumit Mitra        | 9,973           |
| 8      | V. Swaminathan     | 8,216           |
| 9      | V. Ravi            | 4,480           |
| 10     | Shireesh Joshi     | 7,070           |
| 11     | V. Chakradhar      | 1,988           |
| 12     | Sujit Patil        | 1,525           |
| 13     | Shailesh Deshpande | 1,325           |

| Sr. No | Name              | Options granted |
|--------|-------------------|-----------------|
| 14     | B. S. Yadav       | 33,094          |
| 15     | S. Varadaraj      | 7,620           |
| 16     | Praful Bhat       | 7,620           |
| 17     | P. N. Narkhede    | 6,519           |
| 18     | R. R. Govindan    | 6,519           |
| 19     | Mangesh Wange     | 1,988           |
| 20     | V. V. Mishra      | 2,877           |
| 21     | Puneet Pokhriyal  | 2,877           |
| 22     | Rohinton Khajotia | 4,804           |
| 23     | D. E. Mistry      | 6,520           |
| 24     | Mohit Khattar     | 7,452           |
|        | <b>Total</b>      | <b>1,58,957</b> |

Note: In current year, as per the scheme of Amalgamation of Wadala Comomodities Limited with the Company, 303 bonus shares on ESGS were granted. 127 bonus shares were vested and exercised.

# Annexure “D”

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## Forming part of the Directors’ Report

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

### A. Conservation of Energy

#### I. Steps taken or impact on conservation of energy:

##### Valia:

1. Use of VFD at appropriate places.
2. Installation of renewable briquette fired boilers in place of NG fired boilers..
3. Installation of LED lighting for the plant.
4. Installation of heat pumps for hot water generation boiler feed water.

##### Ambernath:

1. Installation of water jet vacuum system for steam reduction.
2. Installation of hybrid vacuum system in place of steam ejectors.
3. Use of VFD at appropriate places.
4. Installation of LED lighting for street lights and the plant.

#### II. Steps taken by company to utilise alternate sources of energy

Use of briquette (renewable resource) as fuel in place of natural gas.

#### III. Your company made capital investments amounting to ` 11.42 Crores during the financial year 2014-15 on the energy conservation equipments.

### B. Technology Absorption

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

During the year under review, Research & Development efforts in the following areas strengthened our Company’s operations through technology absorption, adaptation and innovation.

- Oils
- Fatty Acids
- Fatty Alcohols
- Surfactants
- Glycerin
- Derivatives of Fatty acids and Fatty alcohols, designed for Personal and Home care industries
- Customer centric support for Home, Personal and Oral Care Products, as well as Oilfield Chemicals

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

- Premium quality fatty acids and fatty alcohols from alternate raw materials.
- Understanding the impact of raw material quality and manufacturing process on the quality of the finished goods.
- Manufacture of high value, fractionated fatty acids and fatty alcohols, specifically for the polymer, oil field, lubricant, photography and paper industries.
- Value added fatty alcohol and fatty acid derivatives, so as to enter niche markets.

## III. Future Plan of Action:

- Tailor-made specialty fatty alcohols and fatty acids for low volume, high value markets.
- Specialty chemicals, derived from Glycerin, Fatty Acids and Fatty Alcohols so as to enter niche markets in the field of Pharmaceuticals, Personal Care and Industrial Lubricants.
- Enhancing our knowledge base of product applications and formulations, through customer engagement.

## IV. Expenditure on R&D:

|  | ` In Crore |         |
|--|------------|---------|
|  | 2014-15    | 2013-14 |
| (a) Capital  | 0.01       | 0.02    |
| (b) Recurring  | 1.53       | 3.23    |
| (c) Total  | 1.54       | 3.25    |
| (d) Total R & D expenditure as a percentage of total sales turn over | 0.10       | 0.25    |

## C. Foreign Exchange earnings and outgo

The Chemicals Division's exports were ` 513.85 crore in the current year as compared to ` 521.21 crore in the previous year. The Company continues to export refined glycerin, fatty alcohol and other chemicals to over 65 countries including Brazil, Mexico, South Korea, U.S.A., Japan, Russia, Belgium, China, U.A.E.

|                         | ` In Crore |         |
|-------------------------|------------|---------|
| Particulars             | 2014-15    | 2013-14 |
| Foreign exchange used   | 345.20     | 428.70  |
| Foreign exchange earned | 493.04     | 513.19  |



# Annexure “E”

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

|   |  |
|---|--|
| CIN   | L24241MH1988PLC097781  |
| Registration Date   | March 7, 1988  |
| Name of the Company   | Godrej Industries Limited  |
| Category / Sub-Category of the Company                                    | Public Company limited by shares   |
| Address of the Registered Office and contact details                      | Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079<br>Tel: +91-022-2518 8010/20/30        |
| Whether listed company  | Yes  |
| Name, address and contact details of Registrar and Transfer Agent, if any | Computech Sharecap Limited<br>147 Mahatma Gandhi Road, Fort, Mumbai 400 001<br>Tel: 91-22-2519 4392/ 2263-5000 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | Fatty Acid                                       | 24118                            | 32                                 |
| 2       | Fatty Alcohol                                    | 24118                            | 37                                 |
| 3       | Surfactant                                       | 24243                            | 20                                 |

### II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1       | Godrej and Boyce Manufacturing Company Ltd.<br>Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079 | U28993MH1932PLC001828 | Holding                        | 57.73            | 2(46)              |

|    |   |                       |                   |       |       |
|----|---|-----------------------|-------------------|-------|-------|
| 2  | Godrej Properties Ltd. [GPL]<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                               | L74120MH1985PLC035308 | Subsidiary        | 56.41 | 2(87) |
| 3  | Godrej Agrovet Ltd. [GAVL]<br>Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079                          | U15410MH1991PLC135359 | Subsidiary        | 60.81 | 2(87) |
| 4  | Natures Basket Ltd.<br>Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079                                 | U15310MH2008PLC182816 | Subsidiary        | 100   | 2(87) |
| 5  | Ensemble Holdings & Finance Ltd.<br>Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079                    | U67120MH1992PLC065457 | Subsidiary        | 100   | 2(87) |
| 6  | Godrej International Ltd.<br>Kensington Gardens, No. U1317, Lot 7616, Jalan Jumidar Buyong ,87000 Labuan F.T            | NA                    | Subsidiary        | 100   | 2(87) |
| 7  | Godrej International Ltd.<br>284A Chase Road, Southgate, London- N14 6HF  | NA                    | Subsidiary        | 100   | 2(87) |
| 8  | Godrej International Trading & Investments Pte. Ltd.<br>111 North Bridge Road, #16-04 Peninsula Plaza, Singapore 179098 | NA                    | Subsidiary        | 100   | 2(87) |
| 9  | Godrej Consumer Products Ltd. [GCP]<br>Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079                 | L24246MH2000PLC129806 | Associate         | 22.58 | 2(6)  |
| 10 | Godrej Realty Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                                 | U70100MH2005PTC154268 | Subsidiary of GPL | 0.00  | 2(87) |
| 11 | Godrej Real Estates Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                           | U45200MH2007PTC168818 | Subsidiary of GPL | 0.00  | 2(87) |
| 12 | Happy Highrises Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                                       | U51909MH1993PLC180464 | Subsidiary of GPL | 0.00  | 2(87) |
| 13 | Godrej Buildcon Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                               | U70102MH2010PTC207957 | Subsidiary of GPL | 0.00  | 2(87) |
| 14 | Godrej Garden City Properties Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                 | U74900MH2011PTC213782 | Subsidiary of GPL | 0.00  | 2(87) |
| 15 | Godrej Premium Builders Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                       | U70102MH2011PTC213784 | Subsidiary of GPL | 0.00  | 2(87) |
| 16 | Godrej Projects Development Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                   | U70102MH2010PTC210227 | Subsidiary of GPL | 0.00  | 2(87) |
| 17 | Godrej Landmark Redevelopers Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                  | U70102MH2012PTC228114 | Subsidiary of GPL | 0.00  | 2(87) |
| 18 | Godrej Redevelopers (Mumbai) Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                  | U70102MH2013PTC240297 | Subsidiary of GPL | 0.00  | 2(87) |

|    |   |                       |                      |      |       |
|----|---|-----------------------|----------------------|------|-------|
| 19 | Godrej Green Homes Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001  | U70200MH2013PLC251378 | Subsidiary of GPL    | 0.00 | 2(87) |
| 20 | Godrej Property Developers LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001   | AAA-4369              | Joint Venture of GPL | 0.00 | 2(87) |
| 21 | Godrej Vikhroli Properties LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001   | AAA-4517              | Subsidiary of GPL    | 40   | 2(87) |
| 22 | Mosaic Landmark LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001  | AAA-5797              | Subsidiary of GPL    | 0.00 | 2(87) |
| 23 | Dream World Landmarks LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001  | AAA-8207              | Subsidiary of GPL    | 0.00 | 2(87) |
| 24 | Oxford Realty LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001  | AAC-1059              | Subsidiary of GPL    | 0.00 | 2(87) |
| 25 | SSPDL Green Acres LLP<br>8-2-595/3/6, Eden Gardens, Road No. 10, Banjara Hills, Hyderabad-500034  | AAA-5137              | Subsidiary of GPL    | 0.00 | 2(87) |
| 26 | Oasis Landmark LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001   | AAC-4016              | Subsidiary of GPL    | 0.00 | 2(87) |
| 27 | Godrej Housing Projects LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001  | AAD-0883              | Subsidiary of GPL    | 0.00 | 2(87) |
| 28 | Godrej Construction Projects LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001   | AAD-0882              | Subsidiary of GPL    | 0.00 | 2(87) |
| 29 | Godrej Home Developers Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001  | U70102MH2015PTC263223 | Subsidiary of GPL    | 0.00 | 2(87) |
| 30 | Godrej Hillside Properties Private Ltd.<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                                    | U70102MH2015PTC263237 | Subsidiary of GPL    | 0.00 | 2(87) |
| 31 | M.S. Ramaiah Ventures LLP<br>80, Hulkul Ascent, 2nd Cross, Lavelle Road, Bangalore, Karnataka   | AAC-2431              | Subsidiary of GPL    | 0.00 | 2(87) |
| 32 | Caroa Properties LLP<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001   | AAA-8234              | Subsidiary of GPL    | 0.00 | 2(87) |
| 33 | Amitis Developers Llp<br>10/1C, Diamond Harbour Road, Kolkata, West Bengal.   | AAD-1617              | Subsidiary of GPL    | 0.00 | 2(87) |
| 34 | Wonder Space Properties Private Limited<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                                    | U70102MH2013PTC242495 | Joint Venture of GPL | 0.00 | 2(87) |
| 35 | Wonder City Buildcon Private Limited<br>Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001                                       | U70100MH2013PTC247696 | Joint Venture of GPL | 0.00 | 2(87) |
| 36 | Godrej Seeds And Genetics Ltd.<br>Godrej Agrovet Building, Gate No. 2, Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079 | U01403MH2011PLC218351 | Subsidiary of GAVL   | 0.00 | 2(87) |

|    |   |                       |                    |      |       |
|----|---|-----------------------|--------------------|------|-------|
| 37 | Godvet Agrochem Ltd.<br>Godrej Agrovet Building, Gate No. 2, Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079             | U01400MH2014PLC252382 | Subsidiary of GAVL | 0.00 | 2(87) |
| 38 | Godrej Tyson Foods Ltd.<br>Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079   | U15122MH2008PLC177741 | JV of GAVL         | 0.00 | 2(87) |
| 39 | Creamline Dairy Products Ltd.<br>H.No.6-3-1238/B/21, Asif Avenue, Rajbhavan Road, Hyderabad-500082  | U15201TG1986PLC006912 | Associate of GAVL  | 0.00 | 2(6)  |
| 40 | Polchem Hygiene laboratories Private Ltd.<br>Flat No. 5, Gandharva Apartments, Near Mehendale Garage, S No. 28, Erandawane, Pune – 411004 | U24231PN2002PTC016825 | Associate of GAVL  | 0.00 | 2(6)  |
| 41 | ACI Godrej Agrovet Private Ltd.<br>Kaderia Tower, 9th Floor, JA 28/8-B, Mohakhali, C/A , Dhaka- 1212, Bangladesh                          | NA                    | JV of GAVL         | 0.00 | 2(87) |
| 42 | AL Rahba International Trading LLC<br>Abu Dhabi, PO Box – 47214, UAE  | NA                    | Associate of GAVL  | 0.00 | 2(6)  |
| 43 | Personalitree Academy Limited<br>H-17/201, Main Vikas Marg, Laxmi Nagar, Delhi - 110092   | U72900DL2000PLC104639 | Associate of EHFL  | 0.00 | 2(6)  |

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

| Category of Shareholders   | No. of Shares held at the beginning of the year |          |                     |                   | No. of Shares held at the end of the year |          |                     |                   | % Change during the year |
|----------------------------|---|----------|---------------------|-------------------|---|----------|---------------------|-------------------|--------------------------|
|                            | Demat   | Physical | Total               | % of Total Shares | Demat                                     | Physical | Total               | % of Total Shares |                          |
| <b>A. Promoters</b>        |   |          |                     |                   |   |          |                     |                   |                          |
| <b>(1) Indian</b>          |   |          |                     |                   |   |          |                     |                   |                          |
| a) Individual/ HUF         | 6,40,31,786                                     | 0        | 6,40,31,786         | 19.09             | 5,74,31,786                               | 0        | 5,74,31,786         | 17.10             | 1.99                     |
| b) Central Govt            | 0   | 0        | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| c) State Govt(s)           | 0   | 0        | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| d) Bodies Corp.            | 18,72,02,388                                    | 0        | 18,72,02,388        | 55.81             | 19,39,04,681                              | 0        | 19,39,04,681        | 57.73             | 1.92                     |
| e) Banks / FI              | 0   | 0        | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| f) Any Other               | 0   | 0        | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| <b>Sub-total (A) (1):-</b> | <b>25,12,34,174</b>                             | <b>0</b> | <b>25,12,34,174</b> | <b>74.89</b>      | <b>25,13,36,467</b>                       | <b>0</b> | <b>25,13,36,467</b> | <b>74.83</b>      | <b>0.06</b>              |
| <b>(2) Foreign</b>         |   |          |                     |                   |   |          |                     |                   |                          |
| a) NRIs - Individuals      | 0   | 0        | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| b) Other – Individuals     | 0   | 0        | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| c) Bodies Corp.            | 0   | 0        | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |

|  |                     |                 |                     |              |                     |                 |                     |              |             |
|--|---------------------|-----------------|---------------------|--------------|---------------------|-----------------|---------------------|--------------|-------------|
| d) Banks / FI  | 0                   | 0               | 0                   | 0            | 0                   | 0               | 0                   | 0            | 0           |
| e) Any Other....   | 0                   | 0               | 0                   | 0            | 0                   | 0               | 0                   | 0            | 0           |
| <b>Sub-total (A) (2):-</b>   | <b>0</b>            | <b>0</b>        | <b>0</b>            | <b>0</b>     | <b>0</b>            | <b>0</b>        | <b>0</b>            | <b>0</b>     | <b>0</b>    |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>  | <b>25,12,34,174</b> | <b>0</b>        | <b>25,12,34,174</b> | <b>74.89</b> | <b>25,13,36,467</b> | <b>0</b>        | <b>25,13,36,467</b> | <b>74.83</b> | <b>0.06</b> |
| <b>B. Public shareholding</b>  |                     |                 |                     |              |                     |                 |                     |              |             |
| <b>1. Institutions:</b>  |                     |                 |                     |              |                     |                 |                     |              |             |
| a) Mutual Funds  | 14,28,013           | 0               | 14,28,013           | 0.43         | 11,35,280           | 0               | 11,35,280           | 0.34         | 0.09        |
| b) Banks / FI  | 36,205              | 5,070           | 41,275              | 0.01         | 22,732              | 5,072           | 27,804              | 0.01         | 0           |
| c) Central Govt  | 0                   | 0               | 0                   | 0            | 0                   | 0               | 0                   | 0            | 0           |
| d) State Govt(s)   | 0                   | 0               | 0                   | 0            | 0                   | 0               | 0                   | 0            | 0           |
| e) Venture Capital Funds   | 0                   | 0               | 0                   | 0            | 0                   | 0               | 0                   | 0            | 0           |
| f) Insurance Companies   | 1,06,14,412         | 0               | 1,06,14,412         | 3.16         | 1,01,52,831         | 0               | 1,01,52,831         | 3.02         | 0.14        |
| g) FIs   | 3,75,69,423         | 4,800           | 3,75,74,223         | 11.20        | 4,16,49,498         | 4,802           | 4,16,54,300         | 12.40        | 1.2         |
| h) Foreign Venture Capital Funds   | 0                   | 0               | 0                   | 0            | 0                   | 0               | 0                   | 0            | 0           |
| i) Others (specify)  | 0                   | 0               | 0                   | 0            | 0                   | 0               | 0                   | 0            | 0           |
| <b>Sub-total (B) (1):-</b>   | <b>4,96,48,053</b>  | <b>9,870</b>    | <b>4,96,57,923</b>  | <b>14.80</b> | <b>5,29,60,341</b>  | <b>9,874</b>    | <b>5,29,70,215</b>  | <b>15.77</b> | <b>0.97</b> |
| <b>2. Non-Institutions:</b>  |                     |                 |                     |              |                     |                 |                     |              |             |
| a) Bodies Corp.  | 1,38,11,072         | 7,845           | 1,38,18,917         | 4.12         | 1,13,37,660         | 7,842           | 1,13,45,502         | 3.38         | 0.74        |
| b) Individuals   |                     |                 |                     |              |                     |                 |                     |              |             |
| i) Individual shareholders holding nominal share capital upto ` 1 lakh                               | 1,25,70,923         | 6,86,911        | 1,32,57,834         | 3.95         | 1,18,58,000         | 807,360         | 1,26,65,360         | 3.77         | 0.18        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh c) Others (specify) | 67,91,502           | 0               | 67,91,502           | 2.02         | 63,33,480           | 0               | 63,33,480           | 1.89         | 0.13        |
| iii) Any others (NRIs)   | 6,59,984            | 34,926          | 6,94,910            | 0.21         | 11,97,014           | 33,936          | 1,23,09,50          | 0.37         | 0.16        |
| <b>Sub-total (B) (2):-</b>   | <b>3,38,33,481</b>  | <b>7,29,682</b> | <b>3,45,63,163</b>  | <b>10.30</b> | <b>3,07,26,154</b>  | <b>8,49,138</b> | <b>3,15,75,292</b>  | <b>9.40</b>  | <b>0.9</b>  |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>   | <b>8,34,81,534</b>  | <b>7,39,522</b> | <b>8,42,21,086</b>  | <b>25.11</b> | <b>8,36,86,495</b>  | <b>8,59,012</b> | <b>8,45,45,507</b>  | <b>25.17</b> | <b>0.06</b> |

|   |              |          |              |     |              |          |              |     |   |
|---|--------------|----------|--------------|-----|--------------|----------|--------------|-----|---|
| C. Shares held by Custodian for GDRs & ADRs | 0            | 0        | 0            | 0   | 0            | 0        | 0            | 0   | 0 |
| Grand Total (A+B+C)                         | 33,47,15,708 | 7,39,552 | 33,54,55,260 | 100 | 33,50,22,962 | 8,59,012 | 33,58,81,974 | 100 | 0 |

## ii) Shareholding of Promoters

| Sl No. | Shareholder's Name           | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % change in share holding during the year |
|--------|------------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
|        |                              | No. of Shares                             | % of total Shares of the company | %of Shares Pledged/ Encumbered to total shares | No. of Shares                        | % of total Shares of the company | %of Shares Pledged/ Encumbered to total shares |   |
| 1      | Burjis Nadir Godrej          | 54,46,740                                 | 1.62                             | 0.00   | 54,46,740                            | 1.62                             | 0.00   | 0.00                                      |
| 2      | Freyan Vijay Crishna         | 64,03,175                                 | 1.91                             | 0.00   | 31,03,175                            | 0.92                             | 0.00   | 0.99                                      |
| 3      | Godrej & Boyce Mfg. Co. Ltd. | 18,72,02,388                              | 55.81                            | 0.00   | 19,39,04,681                         | 57.73                            | 0.00   | 1.92                                      |
| 4      | Jamshyd Naoroji Godrej       | 0   | 0.00                             | 0.00   | 64,03,169                            | 1.91                             | 0.00   | 100.00                                    |
| 5      | Nadir Burjorji Godrej        | 12,20,572                                 | 0.36                             | 0.00   | 12,20,572                            | 0.36                             | 0.00   | 0.00                                      |
| 6      | Navroze Jamshyd Godrej       | 64,03,181                                 | 1.91                             | 0.00   | 64,03,181                            | 1.91                             | 0.00   | 0.00                                      |
| 7      | Nisaba Adi Godrej            | 42,68,781                                 | 1.27                             | 0.00   | 42,68,781                            | 1.27                             | 0.00   | 0.00                                      |
| 8      | Nyrika Vijay Crishna         | 64,03,175                                 | 1.91                             | 0.00   | 31,03,175                            | 0.92                             | 0.00   | 0.99                                      |
| 9      | Pirojsha Adi Godrej          | 42,68,786                                 | 1.27                             | 0.00   | 42,68,786                            | 1.27                             | 0.00   | 0.00                                      |
| 10     | Raika Jamshyd Godrej         | 64,03,169                                 | 1.91                             | 0.00   | 0                                    | 0.00                             | 0.00   | 100.00                                    |
| 11     | Rati Nadir Godrej            | 6,00,000                                  | 0.18                             | 0.00   | 6,00,000                             | 0.18                             | 0.00   | 0.00                                      |
| 12     | Rishad Kaikhushru Naoroji    | 1,28,06,350                               | 3.82                             | 0.00   | 1,28,06,350                          | 3.81                             | 0.00   | 0.01                                      |
| 13     | Sorabh Nadir Godrej          | 55,39,074                                 | 1.65                             | 0.00   | 55,39,074                            | 1.65                             | 0.00   | 0.00                                      |
| 14     | Tanya Arvind Dubash          | 42,68,783                                 | 1.27                             | 0.00   | 42,68,783                            | 1.27                             | 0.00   | 0.00                                      |
|        | <b>Total</b>                 | <b>25,12,34,174</b>                       | <b>74.89</b>                     | <b>0.00</b>                                    | <b>25,13,36,467</b>                  | <b>74.83</b>                     | <b>0.00</b>                                    | <b>0.06</b>                               |

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl No. | Name of Promoter                     | Shareholding  |                   | Cumulative Shareholding during the year |                   |
|--------|--------------------------------------|---------------|-------------------|---|-------------------|
|        |                                      | No. of Shares | % of Total Shares | No. of Shares                           | % of Total Shares |
| 1      | <b>Godrej &amp; Boyce Mfg Co Ltd</b> |               |                   |   |                   |
|        | At the beginning of the year         | 187,202,388   | 55.81             | 187,202,388                             | 55.81             |
|        | Bought during the year               |               |                   |   |                   |
|        | 30th June 2014                       | 1,000,000     | 0.29              | 188,202,388                             | 56.1              |
|        | 30th Sept 2014                       | 5,600,000     | 1.67              | 193,802,388                             | 57.77             |
|        | At the end of the year               | 193,904,681   | 57.73             | 193,904,681                             | 57.73             |
| 2      | <b>Freyan Vijay Crishna</b>          |               |                   |   |                   |
|        | At the beginning of the year         | 6,403,175     | 1.91              | 6,403,175                               | 1.91              |
|        | Sold during the year                 |               |                   |   |                   |

|   |                               |             |        |           |      |
|---|-------------------------------|-------------|--------|-----------|------|
|   | 30th June 2014                | (5,00,000)  | (0.15) | 5,903,175 | 1.76 |
|   | 30th Sept 2014                | (2,800,000) | (0.84) | 3,103,175 | 0.92 |
|   | At the end of the year        | 3,103,175   | 0.92   | 3,103,175 | 0.92 |
| 3 | <b>Raika Jamshyd Godrej</b>   |             |        |           | 0    |
|   | At the beginning of the year  | 6,403,169   | 1.91   | 6,403,169 | 0    |
|   | Sold during the year          |             |        |           | 0    |
|   | 6th June 2014                 | 6,403,169   | (1.91) | -         | 0    |
|   | At the end of the year        | -           | 0      | -         |      |
| 4 | <b>Jamshyd Naoroji Godrej</b> |             |        |           |      |
|   | At the beginning of the year  | -           | 0      | -         | 0    |
|   | Bought during the year        |             |        |           |      |
|   | 6th June 2014                 | 6,403,169   | 1.91   | 6,403,169 | 1.91 |
|   | At the end of the year        | 6,403,169   | 1.91   | 6,403,169 | 1.91 |
| 5 | <b>Nyrika Vijay Crishna</b>   |             |        |           |      |
|   | At the beginning of the year  | 6,403,175   | 1.91   | 6,403,175 | 1.91 |
|   | Sold during the year          |             |        |           |      |
|   | 30th June 2014                | (5,00,000)  | (0.15) | 5,903,175 | 1.76 |
|   | 30th Sept 2014                | (2,800,000) | (0.84) | 3,103,175 | 0.92 |
|   | At the end of the year        | 3,103,175   | 0.92   | 3,103,175 | 0.92 |

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl No. | Name of Shareholder's                               | Shareholding  |                   | Cumulative Shareholding during the year |                   |
|--------|---|---------------|-------------------|---|-------------------|
|        |   | No. of Shares | % of Total Shares | No. of Shares                           | % of Total Shares |
| 1      | <b>Life Insurance Corporation Of India</b>          |               |                   |   |                   |
|        | At the beginning of the year                        | 10,144,716    | 3.02              | 10,144,716                              | 3.02              |
|        | Bonus Shares issued                                 |               |                   |   |                   |
|        | 6th Feb 2015  | 8,115         | -                 | 10,152,831                              | 3.02              |
|        | At the end of the year                              | 10,152,831    | 3.02              | 10,152,831                              | 3.02              |
| 2      | <b>HDFC Standard Life Insurance Company Limited</b> |               |                   |   |                   |
|        | At the beginning of the year                        | 8,391,688     | 2.50              | 8,391,688                               | 2.50              |
|        | Bought / Sold during the year/<br>Bonus             |               |                   |   |                   |
|        | 4th April 2014                                      | 49,004        | 0.02              | 8,440,692                               | 2.52              |
|        | 25th April 2014                                     | (21,798)      | (0.01)            | 8,418,894                               | 2.51              |
|        | 2nd May 2014  | 3,494         | -                 | 8,422,388                               | 2.51              |
|        | 9th May 2014  | 8,227         | -                 | 8,430,615                               | 2.51              |
|        | 16th May 2014                                       | (4,000)       | -                 | 8,426,615                               | 2.51              |
|        | 13th June 2014                                      | (104,497)     | (0.03)            | 8,322,118                               | 2.48              |
|        | 20th June 2014                                      | (23,119)      | (0.01)            | 8,298,999                               | 2.47              |
|        | 30th June 2014                                      | (87,214)      | (0.02)            | 8,211,785                               | 2.45              |

|   |                                       |             |        |           |      |
|---|---------------------------------------|-------------|--------|-----------|------|
|   | 11th July 2014                        | (61,000)    | (0.02) | 8,150,785 | 2.43 |
|   | 18th July 2014                        | (4,299)     | -      | 8,146,486 | 2.43 |
|   | 1st Aug 2014                          | 10,619      | -      | 8,157,105 | 2.43 |
|   | 14th Aug,2014                         | (2,656)     | -      | 8,154,449 | 2.43 |
|   | 22nd Aug 2014                         | 100,000     | 0.03   | 8,254,449 | 2.46 |
|   | 12th Sept 2014                        | (100,000)   | (0.03) | 8,154,449 | 2.43 |
|   | 14th Nov 2014                         | (205,200)   | (0.06) | 7,949,249 | 2.37 |
|   | 21st Nov 2014                         | (39,063)    | (0.01) | 7,910,186 | 2.36 |
|   | 5th Dec 2014                          | 78          | -      | 7,910,264 | 2.36 |
|   | 12th Dec 2014                         | 16          | -      | 7,910,280 | 2.36 |
|   | 19th Dec 2014                         | 14          | -      | 7,910,294 | 2.36 |
|   | 31st Dec 2014                         | 4,683       | -      | 7,914,977 | 2.36 |
|   | 2nd Jan 2015                          | 1,540       | -      | 7,916,517 | 2.36 |
|   | 16th Jan 2015                         | 18          | -      | 7,916,535 | 2.36 |
|   | 30th Jan 2015                         | 2,375       | -      | 7,918,910 | 2.36 |
|   | 6th Feb 2015                          | 6,333       | -      | 7,925,243 | 2.36 |
|   | 6th Feb 2015                          | 25,639      | 0.01   | 7,950,882 | 2.37 |
|   | 13th Feb 2015                         | (339,950)   | (0.10) | 7,610,932 | 2.27 |
|   | 20th Feb 2015                         | (146,295)   | (0.05) | 7,464,637 | 2.22 |
|   | 27th Feb 2015                         | (98,932)    | (0.03) | 7,365,705 | 2.19 |
|   | 13th Mar 2015                         | 121         | -      | 7,365,826 | 2.19 |
|   | At the end of the year                | 7,365,826   | 2.19   | 7,365,826 | 2.19 |
| 3 | <b>Government Pension Fund Global</b> |             |        |           |      |
|   | At the beginning of the year          | 4,586,186   | 1.37   | 4,586,186 | 1.37 |
|   | Sold / Bonus during the year          |             |        |           |      |
|   | 4th April 2014                        | (100,890)   | (0.03) | 4,485,296 | 1.34 |
|   | 11th April 2014                       | (119,392)   | (0.04) | 4,365,904 | 1.30 |
|   | 18th April 2014                       | (116,039)   | (0.03) | 4,249,865 | 1.27 |
|   | 25th April 2014                       | (47,171)    | (0.02) | 4,202,694 | 1.25 |
|   | 2nd May 2014                          | (118,007)   | (0.03) | 4,084,687 | 1.22 |
|   | 9th May 2014                          | (80,815)    | (0.03) | 4,003,872 | 1.19 |
|   | 16th May 2014                         | (15,486)    | 0      | 3,988,386 | 1.19 |
|   | 30th May 2014                         | (23,101)    | (0.01) | 3,965,285 | 1.18 |
|   | 6th June 2014                         | (97,833)    | (0.03) | 3,867,452 | 1.15 |
|   | 13th June 2014                        | (108,831)   | (0.03) | 3,758,621 | 1.12 |
|   | 20th June 2014                        | (93,051)    | (0.03) | 3,665,570 | 1.09 |
|   | 30th June 2014                        | (92,101)    | (0.02) | 3,573,469 | 1.07 |
|   | 5th Sept 2014                         | (284,292)   | (0.09) | 3,289,177 | 0.98 |
|   | 12th Sept 2014                        | (176,164)   | (0.05) | 3,113,013 | 0.93 |
|   | 19th Sept 2014                        | (30,000)    | (0.01) | 3,083,013 | 0.92 |
|   | 30th Sept 2014                        | (922,877)   | (0.28) | 2,160,136 | 0.64 |
|   | 10th Oct 2014                         | (514,604)   | (0.16) | 1,645,532 | 0.80 |
|   | 21st Nov 2014                         | (1,645,532) | (0.48) | -         | 1.29 |
|   | At the end of the year                | -           | 0.00   | -         | 0.00 |



|                        |   |             |           |           |      |
|------------------------|---|-------------|-----------|-----------|------|
| 4                      | <b>Acacia Partners, LP</b>              |             |           |           |      |
|                        | At the beginning of the year            | 3,770,201   | 1.12      | 3,770,201 | 1.12 |
|                        | Bought / Bonus during the year          |             |           |           |      |
|                        | 11th April 2014                         | 135,768     | 0.04      | 3,905,969 | 1.16 |
|                        | 9th May 2014                            | 33,691      | 0.01      | 3,939,660 | 1.17 |
|                        | 6th Feb 2015                            | 3,151       | 0         | 3,942,811 | 1.17 |
|                        | At the end of the year                  | 3,942,811   | 1.17      | 3,942,811 | 1.17 |
| 5                      | <b>IL and FS Trust Company Limited</b>  |             |           |           |      |
|                        | At the beginning of the year            | 5,660,389   | 1.69      | 5,660,389 | 1.69 |
|                        | Sold / Bonus during the year            |             |           |           |      |
|                        | 25th April 2014                         | (9,000)     | (0.01)    | 5,651,389 | 1.68 |
|                        | 16th May 2014                           | (7,759)     | 0         | 5,643,630 | 1.68 |
|                        | 23rd May 2014                           | (47,241)    | (0.01)    | 5,596,389 | 1.67 |
|                        | 6th June 2014                           | (32,500)    | (0.01)    | 5,563,889 | 1.66 |
|                        | 13th June 2014                          | (1,075,000) | (0.32)    | 4,488,889 | 1.34 |
|                        | 12th Sept 2014                          | (20,000)    | (0.01)    | 4,468,889 | 1.33 |
|                        | 6th Feb 2015                            | 3,574       | 0         | 4,472,463 | 1.33 |
|                        | 20th Feb 2015                           | (10,000)    | 0         | 4,462,463 | 1.33 |
|                        | 27th Feb 2015                           | (10,000)    | 0         | 4,452,463 | 1.33 |
|                        | 6th Mar 2015                            | (25,000)    | (0.01)    | 4,427,463 | 1.32 |
|                        | 20th Mar 2015                           | (30,000)    | (0.01)    | 4,397,463 | 1.31 |
|                        | At the end of the year                  | 4,397,463   | 1.31      | 4,397,463 | 1.31 |
| 6                      | <b>JP Morgan India Fund</b>             |             |           |           |      |
|                        | At the beginning of the year            | 2,610,556   | 0.78      | 2,610,556 | 0.78 |
|                        | Bought / Sold during the year/<br>Bonus |             |           |           |      |
|                        | 4th April 2014                          | (350,000)   | (0.11)    | 2,260,556 | 0.67 |
|                        | 30th May 2014                           | (161,100)   | (0.04)    | 2,099,456 | 0.63 |
|                        | 18th July 2014                          | (250,000)   | (0.08)    | 1,849,456 | 0.55 |
|                        | 8th Aug 2014                            | (20,000)    | 0         | 1,829,456 | 0.55 |
|                        | 14th Aug 2014                           | (40,000)    | (0.02)    | 1,789,456 | 0.53 |
|                        | 30th Sep 2014                           | (48,997)    | (0.01)    | 1,740,459 | 0.52 |
|                        | 6th Feb 2015                            | 1,392       | 0         | 1,741,851 | 0.52 |
|                        | 13th Feb 2015                           | 129,032     | 0.04      | 1,870,883 | 0.56 |
|                        | 20th Feb 2015                           | 107,058     | 0.03      | 1,977,941 | 0.59 |
|                        | 27th Feb 2015                           | 172,303     | 0.05      | 2,150,244 | 0.64 |
|                        | 6th Mar 2015                            | 111,533     | 0.03      | 2,261,777 | 0.67 |
|                        | 13th Mar 2015                           | 62,126      | 0.02      | 2,323,903 | 0.69 |
|                        | 20th Mar 2015                           | 105,920     | 0.03      | 2,429,823 | 0.72 |
|                        | 27th Mar 2015                           | 198,981     | 0.06      | 2,628,804 | 0.78 |
| 31st Mar 2015          | 64,721                                  | 0.02        | 2,693,525 | 0.8       |      |
| At the end of the year | 2,693,525                               | 0.8         | 2,693,525 | 0.8       |      |

|    |   |           |        |           |      |
|----|---|-----------|--------|-----------|------|
| 7  | <b>JP Morgan SICAV Investment Company (Mauritius) Limited</b> |           |        |           |      |
|    | At the beginning of the year                                  | 2,536,666 | 0.76   | 2,536,666 | 0.76 |
|    | Bought / Sold during the year/<br>Bonus                       |           |        |           |      |
|    | 20th June 2014  | (127,437) | (0.04) | 2,409,229 | 0.72 |
|    | 18th July 2014  | (67,297)  | (0.02) | 2,341,932 | 0.7  |
|    | 8th Aug 2014  | (25,921)  | (0.01) | 2,316,011 | 0.69 |
|    | 6th Feb 2015  | 1,852     | 0      | 2,317,863 | 0.69 |
|    | 13th Feb 2015   | 193,548   | 0.06   | 2,511,411 | 0.75 |
|    | 20th Feb 2015   | 160,588   | 0.05   | 2,671,999 | 0.8  |
|    | 27th Feb 2015   | 310,388   | 0.09   | 2,982,387 | 0.89 |
|    | 6th Mar 2015  | 143,835   | 0.04   | 3,126,222 | 0.93 |
|    | 13th Mar 2015   | 61,459    | 0.02   | 3,187,681 | 0.95 |
|    | 20th Mar 2015   | 104,770   | 0.03   | 3,292,451 | 0.98 |
|    | 27th Mar 2015   | 139,489   | 0.04   | 3,431,940 | 1.02 |
|    | 31st Mar 2015   | 43,749    | 0.01   | 3,475,689 | 1.03 |
|    | At the end of the year  | 3,475,689 | 1.03   | 3,475,689 | 1.03 |
| 8  | <b>Acacia Institutional Partners, LP</b>                      |           |        |           |      |
|    | At the beginning of the year                                  | 2,465,810 | 0.74   | 2,465,810 | 0.74 |
|    | Bought / Bonus during the year                                |           |        |           |      |
|    | 11th Apr 2014   | 102,280   | 0.03   | 2,568,090 | 0.77 |
|    | 9th May 2014  | 25,381    | 0      | 2,593,471 | 0.77 |
|    | 6th Feb 2015  | 2,074     | 0      | 2,595,545 | 0.77 |
|    | At the end of the year  | 2,595,545 | 0.77   | 2,595,545 | 0.77 |
| 9  | <b>Acacia Conservation Fund LP</b>                            |           |        |           |      |
|    | At the beginning of the year                                  | 2,236,227 | 0.67   | 2,236,227 | 0.67 |
|    | Bought / Bonus during the year                                |           |        |           |      |
|    | 11th Apr 2014   | 99,708    | 0.03   | 2,335,935 | 0.7  |
|    | 9th May 2014  | 24,743    | 0      | 2,360,678 | 0.7  |
|    | 6th Feb 2015  | 1,888     | 0      | 2,362,566 | 0.7  |
|    | At the end of the year  | 2,362,566 | 0.7    | 2,362,566 | 0.7  |
| 10 | <b>Blackrock Global Funds Asian Dragon Fund</b>               |           |        |           |      |
|    | At the beginning of the year                                  | 1,671,114 | 0.5    | 1,671,114 | 0.5  |
|    | Bought / Sold during the year/<br>Bonus                       |           |        |           |      |
|    | 16th May 2014   | 58,337    | 0.02   | 1,729,451 | 0.52 |
|    | 13th June 2014  | 58,178    | 0.01   | 1,787,629 | 0.53 |
|    | 20th June 2014  | 49,731    | 0.02   | 1,837,360 | 0.55 |
|    | 18th July 2014  | 122,199   | 0.03   | 1,959,559 | 0.58 |
|    | 8th Aug 2014  | 192,172   | 0.06   | 2,151,731 | 0.64 |

|                        |           |        |           |      |
|------------------------|-----------|--------|-----------|------|
| 14th Aug 2014          | 132,989   | 0.04   | 2,284,720 | 0.68 |
| 22nd Aug 2014          | 82,412    | 0.03   | 2,367,132 | 0.71 |
| 29th Aug 2014          | 98,932    | 0.03   | 2,466,064 | 0.74 |
| 5th Sep 2014           | 130,062   | 0.03   | 2,596,126 | 0.77 |
| 30th Sep 2014          | 147,674   | 0.05   | 2,743,800 | 0.82 |
| 10th Oct 2014          | 98,341    | 0.03   | 2,842,141 | 0.85 |
| 5th Dec 2014           | (55,870)  | (0.02) | 2,786,271 | 0.83 |
| 12th Dec 2014          | 37,759    | 0.01   | 2,824,030 | 0.84 |
| 19th Dec 2014          | 231,232   | 0.07   | 3,055,262 | 0.91 |
| 31st Dec 2014          | 202,783   | 0.06   | 3,258,045 | 0.97 |
| 16th Jan 2015          | 160,271   | 0.05   | 3,418,316 | 1.02 |
| 6th Feb 2015           | 2,606     | 0      | 3,420,922 | 1.02 |
| 13th Feb 2015          | 236,344   | 0.07   | 3,657,266 | 1.09 |
| 20th Feb 2015          | 107,633   | 0.03   | 3,764,899 | 1.12 |
| 27th Feb 2015          | 136,969   | 0.04   | 3,901,868 | 1.16 |
| 6th Mar 2015           | 303       | 0      | 3,902,171 | 1.16 |
| 20th Mar 2015          | 146,910   | 0.05   | 4,049,081 | 1.21 |
| 27th Mar 2015          | 139,542   | 0.04   | 4,188,623 | 1.25 |
| At the end of the year | 4,188,623 | 1.25   | 4,188,623 | 1.25 |

**v) Shareholding of Directors:**

| Sr. No.                | Name of Directors            | Shareholding  |                   | Cumulative Shareholding during the year |                   |
|------------------------|------------------------------|---------------|-------------------|---|-------------------|
|                        |                              | No. of Shares | % of Total Shares | No. of Shares                           | % of Total Shares |
| 1                      | <b>A.B. Godrej</b>           |               |                   |   |                   |
|                        | At the beginning of the year | -             | -                 | -                                       | -                 |
|                        | At the end of the year       | -             | -                 | -                                       | -                 |
| 2                      | <b>J. N. Godrej</b>          |               |                   |   |                   |
|                        | At the beginning of the year | 0             | 0.00              | 0                                       | 0.00              |
|                        | Bought during the year       |               |                   |   |                   |
|                        | 6th June 2014                | 6,403,169     | 1.91              | 6,403,169                               | 1.91              |
| At the end of the year | 6,403,169                    | 1.91          | 6,403,169         | 1.91                                    |                   |
| 3                      | <b>N.B. Godrej</b>           |               |                   |   |                   |
|                        | At the beginning of the year | 1,220,572     | 0.36              | 1,220,572                               | 0.36              |
|                        | At the end of the year       | 1,220,572     | 0.36              | 1,220,572                               | 0.36              |
| 4                      | <b>S. A. Ahmadullah</b>      |               |                   |   |                   |
|                        | At the beginning of the year | 6,000         | 0.00              | 6,000                                   | 0.00              |
|                        | Bonus during the year        |               |                   |   |                   |
|                        | 6th Feb 2015                 | 4             | 0.00              | 6,004                                   | 0.00              |
| At the end of the year | 6,004                        | 0.00          | 6,004             | 0.00                                    |                   |

|    |   |           |      |           |      |
|----|---|-----------|------|-----------|------|
| 5  | <b>A.B. Choudhury</b>                   |           |      |           |      |
|    | At the beginning of the year            | -         | -    | -         | -    |
|    | At the end of the year                  | -         | -    | -         | -    |
| 6  | <b>V.M. Krishna</b>                     |           |      |           |      |
|    | At the beginning of the year            | -         | -    | -         | -    |
|    | At the end of the year                  | -         | -    | -         | -    |
| 7  | <b>K. K. Dastur</b>                     |           |      |           |      |
|    | At the beginning of the year            | 3,606     | 0.00 | 3,606     | 0.00 |
|    | Bonus during the year                   |           |      |           |      |
|    | 6th Feb 2015                            | 2         | 0.00 | 3,608     | 0.00 |
|    | At the end of the year                  | 3,608     | 0.00 | 3,608     | 0.00 |
| 8  | <b>N. D. Forbes</b>                     |           |      |           |      |
|    | At the beginning of the year            | 5,000     | 0.00 | 5,000     | 0.00 |
|    | Bonus during the year                   |           |      |           |      |
|    | 6th Feb 2015                            | 4         | 0.00 | 5,004     | 0.00 |
|    | At the end of the year                  | 5,004     | 0.00 | 5,004     | 0.00 |
| 9  | <b>K.N.Petigara</b>                     |           |      |           |      |
|    | At the beginning of the year            | -         | -    | -         | -    |
|    | At the end of the year                  | -         | -    | -         | -    |
| 10 | <b>K.M.Elavia</b>                       |           |      |           |      |
|    | At the beginning of the year            | -         | -    | -         | -    |
|    | At the end of the year                  | -         | -    | -         | -    |
| 11 | <b>T.A.Dubash</b>                       |           |      |           |      |
|    | At the beginning of the year            | 4,268,783 | 1.27 | 4,268,783 | 1.27 |
|    | At the end of the year                  | 4,268,783 | 1.27 | 4,268,783 | 1.27 |
| 12 | <b>N. S. Nabar</b>                      |           |      |           |      |
|    | At the beginning of the year            | 21,663    | 0.00 | 21,663    | 0.00 |
|    | Bought / Sold during the year/<br>Bonus |           |      |           |      |
|    | 6th June 2014                           | (10,000)  | 0.00 | 11,663    | 0.00 |
|    | 13th June 2014                          | (10,000)  | 0.00 | 1,663     | 0.00 |
|    | 6th Feb 2015                            | 2         | 0.00 | 1,665     | 0.00 |
|    | At the end of the year                  | 1,665     | 0.00 | 1,665     | 0.00 |

**vi) Shareholding of Key Managerial Personnel:**

| Sr. No. | Name of Key Managerial Personnel | Shareholding  |                   | Cumulative Shareholding during the year |                   |
|---------|----------------------------------|---------------|-------------------|---|-------------------|
|         |                                  | No. of Shares | % of Total Shares | No. of Shares                           | % of Total Shares |
| 1       | <b>Clement Pinto</b>             |               |                   |   |                   |
|         | At the beginning of the year     | 16,415        | 0.00              | 16,415                                  | 0.00              |
|         | Bonus issued                     |               |                   |   |                   |
|         | 6th Feb 2015                     | 13            | 0.00              | 16,428                                  | 0.00              |
|         | At the end of the year           | 16,428        | 0.00              | 16,428                                  | 0.00              |
| 2       | <b>Kiran Rajput</b>              |               |                   |   |                   |
|         | At the beginning of the year     | 50            | 0.00              | 50                                      | 0.00              |
|         | At the end of the year           | 50            | 0.00              | 50                                      | 0.00              |

**vii) INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

in Crore

| Sr. No. | Particulars   | Secured Loans | Unsecured Loans | Deposits  | Total        |
|---------|---|---------------|-----------------|-----------|--------------|
|         | Indebtedness at the beginning of the financial year |               |                 |           |              |
| i       | Principal amount                                    | -             | 1,247           | 80        | 1,327        |
| ii      | Interest due but not paid                           | -             | -               | -         | -            |
| iii     | Interest accrued but not due                        | -             | 5               | 4         | 9            |
|         | <b>Total ( i+ii+iii)</b>                            | -             | <b>1,252</b>    | <b>84</b> | <b>1,336</b> |
|         | Change in Indebtedness during the financial year    |               |                 |           |              |
|         | Addition  | -             | 1,292           | -         | 1,292        |
|         | Reduction   | -             | -571            | -26       | -597         |
|         | Net Change  | -             | 721             | -26       | 695          |
|         | Indebtedness at the end of the financial year       |               |                 |           |              |
| i       | Principal amount                                    | -             | 1,968           | 55        | 2,022        |
| ii      | Interest due but not paid                           | -             | -               | -         | -            |
| iii     | Interest accrued but not due                        | -             | 7               | 4         | 11           |
|         | <b>Total ( i+ii+iii)</b>                            | -             | <b>1,974</b>    | <b>59</b> | <b>2,033</b> |

**viii) Remuneration of Directors and Key Managerial Personnel:**

**A. Remuneration to MD/WTD/Manager and Remuneration to KMP other than MD/Manager/WTD (CEO, CS & CFO)** ` Crore

| Sl. no.                | Particulars of Remuneration  | Name of Managing Director and Whole-time Directors   |              |             | Total  | KMP other than MD/Manager/WTD |              |
|------------------------|--|--|--------------|-------------|--------|-------------------------------|--------------|
|                        |  | N. B. Godrej   | T. A. Dubash | N. S. Nabar | Amount | CG Pinto                      | Kiran Rajput |
| 1                      | Gross salary:  |  |              |             |        |                               |              |
|                        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961* | 2.60   | 2.82         | 1.18        | 6.60   | 0.53                          | 0.26         |
|                        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                              | 1.12   | 0.28         | 0.04        | 1.44   | -                             | -            |
|                        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961               | -  | -            | -           | -      | -                             | -            |
| 2                      | Stock Option   | -  | -            | 0.15        | 0.15   | 0.06                          | -            |
| 3                      | Sweat Equity   | -  | -            | -           | -      | -                             | -            |
| 4                      | Commission - as a % of profit - others, specify                                      | -  | -            | -           | -      | -                             | -            |
| 5                      | Others   | -  | -            | -           | -      | -                             | -            |
|                        | Total(A)   | 3.72   | 3.10         | 1.37        | 8.19   | 0.59                          | 0.26         |
| Ceiling as per the Act |  | Remuneration paid to the Managing Director and the Whole time Directors is as per approval received from the Ministry of Corporate Affairs (MCA) and / or Circular no. 07/2015 dated 10th April, 2015 issued by MCA. |              |             |        |                               |              |

\* including amount payable

**B. Remuneration to other directors:**

` Crore

| Sr. No.            | Particulars of Remuneration                | Non Executive  |             |              | Independent Directors |                |             |             |             |               | Total  |
|--------------------|--|--|-------------|--------------|-----------------------|----------------|-------------|-------------|-------------|---------------|--------|
|                    |  | A.B. Godrej  | J.N. Godrej | V.M. Krishna | S.A. Ahmadullah       | A.B. Choudhury | K.K. Dastur | K.M. Elavia | N.D. Forbes | K.N. Petigara | Amount |
| 1                  | Fee for attending Board/Committee Meetings | 0.11   | 0.03        | 0.04         | 0.07                  | 0.08           | 0.07        | 0.05        | 0.01        | 0.08          | 0.54   |
| 2                  | Commission                                 | -  | -           | -            | -                     | -              | -           | -           | -           | -             | -      |
| 3                  | Others, please specify                     | -  | -           | -            | -                     | -              | -           | -           | -           | -             | -      |
|                    | Total                                      | 0.11   | 0.03        | 0.04         | 0.07                  | 0.08           | 0.07        | 0.05        | 0.01        | 0.08          | 0.54   |
| Ceiling as per Act |  | Sitting Fees paid to all the Non Executive Directors was within the limits as prescribed under the Act |             |              |                       |                |             |             |             |               |        |

**viii). Penalties / punishment/ compounding of offences:**

| Type                      | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| Penalty                   | None                         |                   |   |                              |                                    |
| Punishment                |                              |                   |   |                              |                                    |
| Compounding               |                              |                   |   |                              |                                    |
| OTHER OFFICERS IN DEFAULT |                              |                   |   |                              |                                    |
| Penalty                   | None                         |                   |   |                              |                                    |
| Punishment                |                              |                   |   |                              |                                    |
| Compounding               |                              |                   |   |                              |                                    |

# Annexure “F”

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## Forming Part of the Directors’ Report

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note: The information provided below is on standalone basis for Indian Listed entity.

**(1) Ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year;**

| Sr. No. | Name of Director | Ratio of remuneration to median remuneration of all employees |
|---------|------------------|---|
| 1       | Nadir Godrej     | 68 :1   |
| 2       | Tanya Dubash     | 59 :1   |
| 3       | Nitin S Nabar    | 27 :1   |

**(2) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

The percentage increase in the remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary ranges between 9 % to 17 % except that of Mr. N S Nabar, the whole time director whose remuneration increased by 35 %.The exceptional increase was on account of appointment of the latter as director effective 1st, May 2013.

(3) The percentage increase in the median remuneration of employees in the financial year was 15%

(4) The number of permanent employees on the rolls of company as on 31st March, 2015: 1,275.

(5) The Net Profit of the company grew by 24% year- on- year and the average increase in remuneration of the employees was 14% year-on-year. Average increase in remuneration is guided by factors like economic growth, inflation, mandatory increases, external competitiveness and talent retention. On the other hand, the overall wage bill is impacted by the increase in remuneration as well as inorganic changes such as mergers, restructuring, VRS, attrition, and other structural changes in manufacturing processes, etc.

Whilst the Company has a strong cost focus, employee cost being one of the key areas for cost monitoring and control, the results of any structural initiatives needs to be measured over a long term horizon and cannot be strictly compared with annual performance indicators.

(6) The increase in remuneration of the Key Managerial Personnel is 9% compared to an increase in profits of current year over previous year by 24%.

(7) The market capitalization of the company and the price earnings ratio as at the closing date of the current financial year and previous financial year is tabled below;

|                       | As at<br>March 31, 2014 | As at<br>March 31, 2015 | Percentage increase/<br>(decrease) |
|-----------------------|-------------------------|-------------------------|------------------------------------|
| Market capitalization | ₹ 10571.87 Cr.          | ₹ 11601.36 Cr.          | 9.74                               |
| Price earnings ratio  | 89.29                   | 77.87                   | (13.10)                            |
| Current Market Price  | 315.15                  | 345.40                  | 9.60                               |

- (8) The closing market price of the shares of the Company as at March 31, 2015 was Rs 345.40 (BSE and NSE) and as at March 31, 2014 was Rs 315.15. The Company came out with the Last Public Offer in the year 1993 at an issue price of Rs 24 per share. The increase/ decrease in the market quotations of the shares of the company is as tabled below;

| Date                    | Last Public Offer (LPO) | March 31, 2014 | March 31, 2015 |
|-------------------------|-------------------------|----------------|----------------|
| Market price as on      | ₹ 10                    | ₹ 315.15       | ₹ 345.4        |
| Increase from LPO Price | -                       | 1869%          | 2059%          |

However, these prices are strictly not comparable since there have been many corporate actions, acquisitions and disposals since last public offer of Gujrat Godrej Innovative Chemicals Ltd. in 1993.

- (9) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average increase in salary of Company's employees other than the managerial personnel was 6% in the last financial year. On the other hand, managerial remuneration increased by 17% year-on-year. The total managerial remuneration comprises of remuneration of the Managing Director, Executive Director, Chief Financial Officer and Company Secretary. The remuneration to Managerial personnel is as approved by the shareholders under the provisions of Companies Act, 2013.

- (10) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company :

Remuneration of all Key Managerial Personnel of the Company is indicated at point (2) above. Remuneration to Key Managerial Personnel comprises of fixed and variable components.

The Variable pay is based on

- Individual performance
- Leadership assessment, and
- Company's performance.

The Fixed component of the remuneration is attributable to employee skills and experience.

- (11) There is no employee drawing remuneration more than the highest paid director.

- (12) Remuneration is as per the remuneration policy of the company.



# Annexure “G”

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## Form No MR – 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2015

[ Pursuant to section 204(1) of the Companies Act 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]


To,  
The Members,  
Godrej Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Godrej Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Godrej Industries Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- 
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The following laws are specifically applicable to the Company, as per the representation given by the company :
- (a) The Petroleum Act, 1934 and The Petroleum Rules, 2002;
  - (b) The Explosives Act, 1884 and The Static and Mobile Pressure Vessels (Unfired) Rules, 1981;
  - (c) The Food Safety And Standards Act, 2006 & Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
  - (d) The Boilers Act, 1923 & The Boiler Attendant's Rules, 2011.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - NOT APPLICABLE
- (ii) The Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the nature of appointment of independent directors and Managing Director in terms in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were passed unanimously in the meetings of the Board.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has :

- i. issued shares on exercising ESGS & amalgamation of Wadala Commodities Ltd. with the company.
- ii. passed a special resolution under section 186(2) for making investment upto ` 15 crore in securities of Verseon Corporation, USA
- iii. Passed a special resolution under Section 186 to invest upto ` 250 crore in the securities of Godrej Consumer Products Ltd.
- iv. Passed a special resolution to borrow upto 1500 crore over and above the Paid up Capital and Free Reserve of the Company.
- v. Amalgamation of Wadala Commodities Limited with the Company.
- vi. Issued Commercial papers

For A. N. Ramani & Co.,  
Company Secretaries  
Unique Identification code - P2003MH000900

Place:- Thane  
Date:- 20th May 2015

Ashok N. Ramani  
Partner  
FCS – 6808, COP - 5342

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## **'Annexure A'**

To,  
The members  
Godrej Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company. We have relied on the report of the statutory auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Company was following system of obtaining reports from various departments to ensure compliance with applicable laws and now is in the process of implementing electronic system for compliance management to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For A. N. Ramani & Co.,  
Company Secretaries  
Unique Identification code - P2003MH000900

Place:- Thane  
Date:- 20th May 2015

Ashok N. Ramani  
Partner  
FCS – 6808, COP - 5342

The background of the cover is a dark grey gradient. It features several large, overlapping, light grey circular arcs that create a sense of motion and depth. In the bottom right corner, there is a faint, stylized bar chart with five bars of increasing height, topped with an upward-pointing arrow. A solid blue horizontal bar runs across the bottom of the page.

# REPORT ON CORPORATE GOVERNANCE

Clause 49 of the listing agreement with the Indian Stock Exchanges stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by listed Indian companies.

## 1. THE COMPANY'S PHILOSOPHY

The Company is a part of the Godrej Group which has established a reputation for honesty and integrity. The Company's philosophy of corporate governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. The Company believes that corporate governance is about creating organisations that succeed in the marketplace with the right approach and values. This will enhance the value for all its stakeholders.

## THE GOVERNANCE STRUCTURE

### 2. BOARD OF DIRECTORS

#### a) Board Structure

The Board of Directors of the Company comprises twelve Directors, which includes a Managing Director i.e. Mr. N. B. Godrej and two Whole-time Executive Directors, i.e.

Ms. T. A. Dubash and Mr. N.S. Nabar. The remaining nine are Non-Executive Directors, with six of them being Independent Directors. No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 2013, except (1) Mr. A. B. Godrej and Mr. N. B. Godrej, who are brothers, (2) Ms. T. A. Dubash who is the daughter of Mr. A. B. Godrej. The details are given in Table 1 and 2 respectively:

#### b) Board meetings held and Directors' attendance record

The Board meets atleast once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. During the year Six Board meetings were held on May 28, 2014, August 9, 2014, October 6, 2014 November 10, 2014, December 12, 2014 and February 11, 2015. The details are given in Table 1:

**Table 1: Details about the Company's Board of Directors & meetings attended by the Directors during the year:**

| Name of Director | Category                           | Board meetings held during the year | Board meetings attended during the year | Whether attended last AGM | Directorships held in other public companies incorporated in India as at year- end \$ | Number of Chairmanship/ membership in Board Committees in other companies as at the year-end@ |            |
|------------------|------------------------------------|-------------------------------------|---|---------------------------|---|---|------------|
|                  |                                    |                                     |   |                           |   | Chairmanship (excluding membership of committees )  | Membership |
| A. B. Godrej     | Chairman , Non-Executive, Promoter | 6                                   | 6                                       | Yes                       | 5(2)  | 1   | 1          |
| J. N. Godrej     | Non-Executive, Promoter            | 6                                   | 3                                       | Yes                       | 6(4)  | 1   | 2          |
| N. B. Godrej     | Managing Director, Promoter        | 6                                   | 6                                       | Yes                       | 9(5)  | 2   | 1          |
| S. A. Ahmadullah | Non-Executive-Independent          | 6                                   | 6                                       | Yes                       | -   | -   | -          |
| V. M. Crishna    | Non-Executive , Promoter           | 6                                   | 4                                       | Yes                       | 3(1)  | -   | -          |
| K. K. Dastur     | Non-Executive-Independent          | 6                                   | 6                                       | Yes                       | 1   | -   | -          |
| N. D. Forbes     | Non-Executive-Independent          | 6                                   | 1                                       | Yes                       | 1(1)  | -   | -          |
| A. B. Choudhury  | Non-Executive-Independent          | 6                                   | 6                                       | Yes                       | 3(1)  | -   | 3          |
| K. N. Petigara   | Non-Executive - Independent        | 6                                   | 6                                       | Yes                       | 3   | -   | 2          |
| K.M. Elavia      | Non-Executive - Independent        | 6                                   | 5                                       | Yes                       | 9(6)  | 5   | 4          |
| T. A. Dubash     | Whole-time, Promoter               | 6                                   | 5                                       | Yes                       | 5(1)  | -   | -          |
| N.S. Nabar       | Whole-time                         | 6                                   | 6                                       | Yes                       | 1   | -   | -          |

**Note:**

- (i) \$ Alternate Directorships and Directorships in private companies, Section 8 companies, foreign companies are excluded.
- (ii) Figures in ( ) denote listed companies.
- (iii) Board Meetings held during the year represent the number of meetings held during the tenure of that director.
- (iv) @ In accordance with Clause 49, Membership / Chairmanship of only the Audit Committees and Shareholders Committee in all public limited companies (except Godrej Industries Limited) have been considered.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

## c) Information supplied to the Board

Among others, this includes:

- Annual operating plans and budgets, capital budgets, and any updates thereon,
- Quarterly results of the Company,
- Minutes of meetings of audit committee and other committees,
- Information on recruitment and remuneration of senior officers just below the Board level,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially significant effluent or pollution problems,
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions,
- Significant development in the human resources and industrial relations front,

- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business,
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement,
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of the Company is presented with all information under the above heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board meeting or are tabled in the course of the Board meeting.

## d) Directors with materially significant related party transactions, pecuniary or business relationship with the Company

Except for drawing remuneration, none of the Independent Directors have any other materially significant related party transactions, pecuniary or business relationship with the Company. Attention of Members is drawn to the disclosures of transactions with related parties set out in note no. 46, to the Standalone Financial Statements forming part of the Annual Report.

## e) Remuneration of Directors: sitting fees, salary, perquisites and commissions and Number of Shares held by Non-Executive Directors

The details of remuneration package of Directors and their relationships with each other are given in Table 2. The number of shares held and dividend paid are given in Table 3.



**Table 2 : Details of Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2015**

(Amount in ` )

| Name of Director | Relationship with Directors                      | Sitting fees | Salary and Allowances | Perquisites | Provident Fund | Total       |
|------------------|--|--------------|-----------------------|-------------|----------------|-------------|
| A. B. Godrej     | Brother of N. B. Godrej & Father of T. A. Dubash | 10,80,000    | Nil                   | Nil         | Nil            | 10,80,000   |
| J. N. Godrej     | None   | 3,00,000     | Nil                   | Nil         | Nil            | 3,00,000    |
| N. B. Godrej     | Brother of A. B. Godrej                          | Nil          | 2,43,88,153           | 1,12,47,046 | 15,73,200      | 3,72,08,399 |
| S. A. Ahmadullah | None   | 7,40,000     | Nil                   | Nil         | Nil            | 7,40,000    |
| A.B. Choudhury   | None   | 7,60,000     | Nil                   | Nil         | Nil            | 7,60,000    |
| V. M. Crishna    | None   | 4,00,000     | Nil                   | Nil         | Nil            | 4,00,000    |
| K. K. Dastur     | None   | 6,80,000     | Nil                   | Nil         | Nil            | 6,80,000    |
| N. D. Forbes     | None   | 1,00,000     | Nil                   | Nil         | Nil            | 1,00,000    |
| K. N. Petigara   | None   | 7,60,000     | Nil                   | Nil         | Nil            | 7,60,000    |
| K. M. Elavia     | None   | 5,00,000     | Nil                   | Nil         | Nil            | 5,00,000    |
| T. A. Dubash     | Daughter of A. B. Godrej                         | Nil          | 2,70,54,947           | 28,48,881   | 11,36,400      | 3,10,40,228 |
| N. S. Nabar      | None   | Nil          | 1,29,12,518           | 3,52,008    | 4,32,000       | 1,36,96,526 |

**Notes:**

1. Remuneration to Mr. N.B. Godrej and Ms. T.A. Dubash includes a performance linked variable remuneration (PLVR) of ` 41,44,500 each for the year ended March 31, 2015 payable in 2015-16.
2. The service contract of Mr. N. B. Godrej is for a period of three years beginning from April 1, 2014. The service contract of Ms. T. A. Dubash is for a period of three years beginning from April 1, 2013. The service contract of Mr. N.S. Nabar is from May 1, 2013 for a period upto March 31, 2016.

**Table 3: Number of shares held by Non-Executive Directors and dividend paid**

| Name of Non-Executive Director | Shares held as on March 31, 2015 | Dividend paid during the year (₹) |
|--------------------------------|----------------------------------|-----------------------------------|
| A. B. Godrej *                 | 1,121,226                        | Nil                               |
| J N Godrej                     | 6,403,169                        | 11,205,546                        |
| J. N. Godrej *                 | 3,221,472                        | Nil                               |
| S. A. Ahmadullah               | 6,004                            | 10,500                            |
| S. A. Ahmadullah *             | 11,708                           | Nil                               |
| V. M. Crishna                  | 0                                | Nil                               |
| N.D. Forbes                    | 5,004                            | 8,750                             |
| A .B. Choudhury                | 0                                | Nil                               |
| K. N. Petigara                 | 0                                | Nil                               |
| K. K. Dastur                   | 3,608                            | 6,311                             |
| K. K. Dastur *                 | 27,421                           | Nil                               |
| K. K. Dastur **                | 10677                            | Nil                               |
| K.M. Elavia                    | 0                                | Nil                               |

\* Shares held as second holder

\*\* Shares held as third holder

#### f) Stock Options

The Company has not granted any Stock Options to any of its Promoter Directors and Independent Directors. Mr. N.S. Nabar, Executive Director & President (Chemicals) was allotted 11,537 equity shares under the Employee Stock Grant Scheme.

### 3. COMMITTEES OF THE BOARD

The Company has set up an Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Stakeholder's Relationship / Shareholders Committee and Nomination and Compensation Committee are formed in accordance with Section 178 of the Companies Act, 2013 and clause 49 of Listing Agreement. The Company also introduced Risk Management Committee which is in accordance with provisions of Clause 49 of Listing Agreement.

(a) The Composition of the Committees is as below:

| Name of Director | Independent/ Non-Independent | Position in the Committee |                                       |   |                           |
|------------------|------------------------------|---------------------------|---------------------------------------|---|---------------------------|
|                  |                              | Audit Committee           | Nomination and Compensation Committee | Stakeholders' Relationship / Shareholders Committee | Risk Management Committee |
| A.B.Godrej       | Non-Independent              | N.A                       | N.A                                   | Chairman  | N.A                       |
| N.B.Godrej       | Non-Independent              | N.A                       | Member                                | Member  | Chairman                  |

|                |                 |          |          |        |        |
|----------------|-----------------|----------|----------|--------|--------|
| T.A.Dubash     | Non-Independent | N.A      | N.A      | Member | Member |
| N.S.Nabar      | Non-Independent | N.A      | N.A      | Member | Member |
| K.K.Dastur     | Independent     | Chairman | N.A      | N.A    | N.A    |
| S.A Ahmadullah | Independent     | Member   | Chairman | N.A    | N.A    |
| A.B.Choudhury  | Independent     | Member   | Member   | N.A    | N.A    |
| K.N.Petigara   | Independent     | Member   | Member   | N.A    | N.A    |

Mr. Kiran Rajput, Company Secretary was the Secretary for all the Board Committees during FY 2014-15. He has resigned from his position with effect from close of business hours on March 31, 2015. Mr. P. Ganesh has joined as the Chief Financial Officer & Company Secretary from April 1, 2015 and is Secretary to the Committee w.e.f. April 1, 2015.

(b) Attendance details for Board Committee meetings

| Name of Meeting                | Audit Committee | Nomination and Compensation Committee | Stakeholders' Relationship / Share holders Committee | Risk Management Committee* |
|--------------------------------|-----------------|---------------------------------------|--|----------------------------|
| <b>Meetings held</b>           | 4               | 3                                     | 12   | 1                          |
| <b>Attendance of Directors</b> |                 |                                       |  |                            |
| A.B.Godrej                     | N.A             | N.A                                   | 12   | N.A                        |
| N.B.Godrej                     | N.A             | 3                                     | 10   | 1                          |
| T.A.Dubash                     | N.A             | N.A                                   | 9  | 1                          |
| N.S.Nabar                      | N.A             | N.A                                   | 11   | 1                          |
| K.K.Dastur                     | 4               | N.A                                   | N.A  | N.A                        |
| S.A Ahmadullah                 | 4               | 3                                     | N.A  | N.A                        |
| A.B.Choudhury                  | 4               | 3                                     | N.A  | N.A                        |
| K.N.Petigara                   | 4               | 3                                     | N.A  | N.A                        |

\*constituted on November 11, 2014 in accordance to provision of clause 49 of the listing agreement

**Notes:**

- Audit Committee meetings were held on May 28, 2014, August 9, 2014, November 10, 2014 and February 11, 2015.
- Nomination and Compensation Committee meetings were held on May 28, 2014, October 6, 2014 and February 11, 2015.
- Stakeholders' Relationship / Shareholders Committee meetings were held on April 16, 2014, May 29, 2014, June 30, 2014, July 15, 2014, August 12, 2014, September 12, 2014, October 14, 2014, November 18, 2014, December 19, 2014, January 09, 2015, February 17, 2015, and March 5, 2015.
- Risk Management Committee meeting was held on January 27, 2015.
- Leave of absence was granted to the Directors whenever they could not be physically present for the Committee meetings.
- NA indicates not a member of the Committee.

## (C) Terms of reference of Board Committees

The terms of reference for Audit Committee include the matters specified in Section 177 of the Companies Act, 2013 as well as clause 49 of Listing Agreement as follows:

### (1) Audit Committee

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/removal of external auditor, fixation of audit fees and approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board for approval with particular reference to:
  - » Matters that needs to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134 of the Companies Act, 2013.
  - » Change, if any, in accounting policies and practices and reasons for the same.
  - » Major accounting entries involving estimates based on exercise of judgement by the management.
  - » Significant adjustments made in the financial statements arising out of audit findings.
  - » Compliance with listing and other requirements relating to financial statements.
  - » Disclosure of any related party transactions.
  - » Any qualification in the draft audit report.
- Reviewing with the management, the quarterly/annual financial statement before submission to the Board for approval.
- Reviewing with the management, performance of the statutory and internal

auditors, and adequacy of the internal control system.

- Reviewing the adequacy of internal audit function, if any, including the structure of Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- Evaluation of internal financial controls and risk management systems.
- Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- Reviewing the functioning of Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

### (2) Nomination and Compensation Committee

The terms of reference of Nomination and Compensation Committee are as below.

- review the human resources policies and practices of the Company and in particular, policies regarding remuneration of Whole-Time Directors.

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to Board their appointment and removal, and evaluate every Director's performance.
- Formulate the criteria in determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to remuneration of Directors, key management personnel and other employees.
- Matters required under Securities and Exchange Board (SEBI) of India (Share Based Employee Benefits) Regulations.
- Such other matters as may be required under Companies Act, 2013/SEBI Regulations/ Listing Agreement.

#### Remuneration Policy

The remuneration Policy of the company has been provided in the Directors' Report section of the Annual Report as 'Nomination & Remuneration Policy for Senior Management'.

#### (3) Stakeholders Relationship / Shareholders Committee

This committee looks into redressal of shareholder complaints regarding transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, as required in Clause 49 of the Listing Agreement as well as those required under Companies Act, 2013.

#### Name and designation of Compliance Officer:

Kiran Rajput, Company Secretary during FY 2014-15. He has stepped down from his position with effect from close of business hours on March 31, 2015. P. Ganesh has joined as the Chief Financial Officer & Company Secretary with effect from April 1, 2015.

|  |     |
|--|-----|
| Complaints outstanding as on April 1, 2014               | Nil |
| Complaints received during the year ended March 31, 2015 | 60  |
| Complaints resolved during the year ended March 31, 2015 | 60  |
| Complaints outstanding as on March 31, 2015              | Nil |

Number of complaints regarding shares for the year ended March 31, 2015

There are no pending share transfers as on March 31, 2015.

#### (4) Risk Management Committee

The Risk Management Committee was constituted by the Board on November 11, 2014 adhering to the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee shall have the following role, duties, responsibilities and authority:

This Committee shall be responsible to monitor and review the risk management plan of the Company and the existing Forex Committee and the Business Risk Committee of the Company shall report to this Committee.

- a) Risk Policy and its periodic review
- b) Ensuring appropriate risk management systems and controls are in place and its evaluation and review
- c) Risk assessment and risk minimisation procedures.

#### 4. GENERAL BODY MEETINGS

##### a) Details of last three Annual General Meetings (AGMs)

| Year    | Venue   | Date            | Time      |
|---------|---|-----------------|-----------|
| 2011-12 | Y. B. Chavan Centre, Nariman Point, Mumbai 400 021. | August 11, 2012 | 3.00 P.M. |
| 2012-13 | - do -  | August 10, 2013 | 3.30 P.M. |
| 2013-14 | - do -  | August 9, 2014  | 3.30 P.M. |

## b) Details of Special Resolutions Passed in previous three Annual General Meetings

| Date of AGM     | Number of Special Resolutions passed | Details of Special Resolutions Passed  |
|-----------------|--------------------------------------|--|
| August 11, 2012 | 4                                    | <ol style="list-style-type: none"> <li>1) Re-appointment of and remuneration payable to Ms. T. A. Dubash, as a Whole-time Director.</li> <li>2) Re-appointment of and remuneration payable to Mr. M. Eipe, as a Whole-time Director.</li> <li>3) Modification of Godrej Industries Limited Employee Stock Option Plan I.</li> <li>4) Modification of Godrej Industries Limited Employee Stock Option Plan II.</li> </ol> |
| August 10, 2013 | 4                                    | <ol style="list-style-type: none"> <li>1) Appointment of and remuneration payable to Mr. N. S. Nabar as a Whole-time Director.</li> <li>2) Reappointment of and remuneration payable to Mr. N. B. Godrej, Managing Director.</li> <li>3) Modification of Godrej Industries Limited Employee Stock Option Plan I.</li> <li>4) Modification of Godrej Industries Limited Employee Stock Option Plan II</li> </ol>          |
| August 09, 2014 | 1                                    | <ol style="list-style-type: none"> <li>1) Investment in Verseon Corporation u/s 186 of the Companies Act, 2013</li> </ol>  |

## c) Details of Special Resolutions passed at the Extraordinary General Meetings (EGM) in the last three years

| Date of EGM  | Number of Special Resolutions passed | Details of Special Resolutions Passed                                    |
|--------------|--------------------------------------|--|
| July 7, 2012 | 1                                    | Approved issue of equity shares under Institutional Placement Programme. |

## d) Postal Ballot


During the year, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, certain resolutions were passed by shareholders by postal ballot. The Notice of postal ballot was mailed to all shareholders along with postage prepaid envelopes. E-voting facility was also offered to eligible shareholders to enable them to cast their votes electronically. Mr. Bharat Shemlani, Chartered Accountant, had been appointed as scrutinizer for the postal ballots, who submitted his reports to the Chairman, Mr. A.B. Godrej. The details of the postal ballots are given below:-

| Sr. No. | Date of announcement of results | Nature of resolution | Item   | Total no. of votes polled | No. of votes in favour % | No. of votes against % |
|---------|---------------------------------|----------------------|--|---------------------------|--------------------------|------------------------|
| 1       | June 3, 2014                    | Ordinary             | To approve the Scheme of Amalgamation of Wadala Commodities Limited ("WCL") with Godrej Industries Limited ("GIL") and their respective shareholders | 28,32,29,353              | 96.53                    | 2.51                   |

| Sr. No. | Date of announcement of results | Nature of resolution | Item   | Total no. of votes polled | No. of votes in favour % | No. of votes against % |
|---------|---------------------------------|----------------------|--|---------------------------|--------------------------|------------------------|
| 2       | June 3, 2014                    | Special              | To invest / acquire the securities of Godrej Consumer Products Limited upto a sum of ` 250 crore u/s 186 of the Companies Act, 2013  | 28,32,29,348              | 96.48                    | 2.55                   |
| 3       |                                 | Special              | To borrow upto a limit of ` 1,500 crore over and above the paid-up capital and free reserves of the Company u/s 180(c) of the Companies Act, 2013  | 28,32,29,348              | 99.03                    | 0.00                   |
| 1       | December 1, 2014                | Special              | Adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013.  | 28,08,99,241              | 99.95                    | 0.05                   |
| 2       |                                 | Special              | Remuneration payable to Mr. N. B. Godrej, Managing Director, in conformity with the Companies Act, 2013.   | 27,97,95,800              | 99.89                    | 0.11                   |
| 3       |                                 | Special              | Remuneration payable to Ms. T. A. Dubash, Whole-time Director, in conformity with the Companies Act, 2013.   | 27,67,47,589              | 99.89                    | 0.11                   |
| 4       |                                 | Special              | Remuneration payable to Mr. N. S. Nabar, Whole-time Director, in conformity with the Companies Act, 2013.  | 28,10,14,709              | 99.89                    | 0.11                   |
| 1       | January 30, 2015                | Special              | To invest / acquire the securities of Godrej Consumer Products Limited upto a sum of ` 400 crore u/s 186 of the Companies Act, 2013.   | 29,61,22,335              | 96.45                    | 3.55                   |
| 2       |                                 | Special              | To invest / acquire the securities, of Godrej International Limited or name as may be approved by the regulatory authority(ies), to be formed or incorporated in Labuan (the Malaysian Offshore Federal Territory), upto a sum of ` 10 crore u/s 186 of the Companies Act, 2013. | 29,71,19,335              | 96.51                    | 3.49                   |

#### e) Procedure adopted for Postal Ballot

- (i) The Board at its meeting approves the items to be passed through postal ballot and authorizes one of the functional Directors and the Company Secretary to be responsible for the entire process of postal ballot.

- 
- (ii) A professional such as a Chartered Accountant/ Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
  - (iii) Notice of postal ballot along with the ballot papers are sent to the shareholders along with a self-addressed envelope addressed to the Scrutinizer. E-voting facility is also offered to eligible shareholders to enable them to cast their votes electronically.
  - (iv) An advertisement is published in a National newspaper and a vernacular news paper about the dispatch of ballot papers and notice of postal ballot.
  - (v) The duly completed postal ballot papers are received by the Scrutinizer.
  - (vi) Scrutinizer gives his report to the Chairman.
  - (vii) The Chairman announces the results of the postal ballot in a meeting convened for the same.
  - (viii) Results are intimated to the Stock Exchange and are put up on the Notice Board of the Company as well as on the Company's Website.

## 5. DISCLOSURES

### a) **Materially significant related party transactions that may have potential conflict of interests of Company at large**

During the year 2014-15, there were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Financial Statements, forming part of the Annual Report.

### b) **Whistle Blower Policy**

With a view to establish a mechanism for protecting the employees reporting unethical behaviour, fraud, violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy. During the year 2014-15, no personnel has been denied access to the Audit Committee.

### c) **Policy to Prevent Sexual Harassment at the work place**

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Godrej group. The Company has formed an Internal Complaints Committee headed by Ms. T.A. Dubash, Executive Director & Chief Brand Officer, pursuant to the provisions of Sexual Harassment of Women at Workplace (prevention, Prohibition and Redressal) Act, 2013. While the Act is applicable only to the women employees, our company policy covers all employees.



#### d) Details of compliance with mandatory requirement

| Particulars  | Clause of Listing Agreement | Compliance Status Yes / No |
|--|-----------------------------|----------------------------|
| <b>II. Board of Directors</b>                                      | <b>49 (II)</b>              |                            |
| (A) Composition of Board   | 49 (II A)                   | Yes                        |
| (B) Independent Directors  | 49 (II B)                   | Yes                        |
| (C) Non-executive Directors' compensation & disclosures            | 49 (II C)                   | Yes                        |
| (D) Other provisions as to Board and Committees                    | 49 (II D)                   | Yes                        |
| (E) Code of Conduct  | 49 (II E)                   | Yes                        |
| (F) Whistle Blower Policy  | 49 (II F)                   | Yes                        |
| <b>III. Audit Committee</b>  | <b>49 (III)</b>             |                            |
| (A) Qualified & Independent Audit Committee                        | 49 (III A)                  | Yes                        |
| (B) Meeting of Audit Committee                                     | 49 (III B)                  | Yes                        |
| (C) Powers of Audit Committee                                      | 49 (III C)                  | Yes                        |
| (D) Role of Audit Committee  | 49 (III D)                  | Yes                        |
| (E) Review of Information by Audit Committee                       | 49 (III E)                  | Yes                        |
| <b>IV. Nomination and Remuneration Committee</b>                   | <b>49 (IV)</b>              | <b>Yes</b>                 |
| <b>V. Subsidiary Companies</b>                                     | <b>49 (V)</b>               | <b>Yes</b>                 |
| <b>VI. Risk Management</b>   | <b>49 (VI)</b>              | <b>Yes</b>                 |
| <b>VII. Related Party Transaction</b>                              | <b>49 (VII)</b>             | <b>Yes</b>                 |
| <b>VIII. Disclosures</b>   | <b>49 (VIII)</b>            |                            |
| (A) Related party transactions                                     | 49 (VIII A)                 | Yes                        |
| (B) Disclosure of Accounting Treatment                             | 49 (VIII B)                 | Yes                        |
| (C) Remuneration of Directors                                      | 49 (VIII C)                 | Yes                        |
| (D) Management   | 49 (VIII D)                 | Yes                        |
| (E) Shareholders   | 49 (VIII E)                 | Yes                        |
| (F) Proceeds from public issues, rights issue, preferential issues | 49 (VIII I)                 | NA                         |
| <b>IX. CEO/CFO Certification</b>                                   | <b>49 (IX)</b>              | <b>Yes</b>                 |
| <b>X. Report on Corporate Governance</b>                           | <b>49 (X)</b>               | <b>Yes</b>                 |
| <b>XI. Compliance</b>  | <b>49 (XI)</b>              | <b>Yes</b>                 |

### **e) Details of Non-compliance**

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

### **f) Declaration by Managing Director**

The declaration by the Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the laid down code of conduct for the year ended March 31, 2015, is annexed to the Corporate Governance Report.

## **Shareholders and Means of communication**

### **a) Disclosures regarding appointment or reappointment of Directors**

Mr. A.B. Godrej and Mr. V.M. Crishna both Directors, retire by rotation at the Annual General Meeting and being eligible offer themselves for reappointment. Information about the Directors who are being appointed/are eligible for reappointment is given as an annexure to the Notice of the AGM.

### **b) Communication to shareholders**

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the website of the Company. The Company's web-site address is [www.godrejinds.com](http://www.godrejinds.com). The quarterly and annual results of the Company's performance are published in leading English dailies like Economic Times, Business Line, etc. and regional language daily, Maharashtra Times. The quarterly results of the Company are also available on the websites of BSE Ltd. and National Stock Exchange of India Ltd viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

The Company files electronically the quarterly results, Corporate Governance report, Share holding pattern, etc in the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

## **6. MANAGEMENT**

### **a) Management discussion and analysis**

This annual report has a detailed chapter on Management Discussion and Analysis.

### **b) Disclosures by management to the Board**

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

### **c) The Code of Conduct for the Board of**

directors and the senior management has been disclosed on the website of the company

## 7. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES – 2009

Your Company is committed to maintaining highest standards of Corporate Governance by adhering to the requirements set out by SEBI.

With a view to strengthening the Corporate Governance framework, the Ministry of Corporate Affairs has issued voluntary guidelines in December 2009 for adoption by the companies. These guidelines are intended to serve as a benchmark for Corporates to help them to adopt the highest standards. Corporate Governance guidelines do not substitute any extant law or regulation but are essentially for voluntary adoption by Corporates.

Your Company is already in compliance with most of these requirements and continually reviews for enhancements as appropriate.

## 8. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

As stipulated in Clause 49 of the Listing Agreement, the auditor's certificate regarding compliance of conditions of corporate governance is annexed to the Directors' Report.

## 9. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

Date : August 11, 2015  
Time : 3.30 p.m.  
Venue : Auditorium, Godrej One, Pirojshanangar, Vikhroli (East), Mumbai – 400079.

### ii. Financial Calendar :

Financial year: April 1 to March 31  
For the Year Ended March 31, 2015, results announced on:

- August 9, 2014 : First quarter
- November 10, 2014 : Half year
- February 11, 2015 : Third quarter
- May 27, 2015 : Annual

### iii. Record Date/Book Closure

A dividend of ₹ 1.75 per equity share of ₹ 1 each has been recommended by the Board of Directors of the Company. For payment of dividend, the book closure is from August 4, 2015 to August 11, 2015 (both days inclusive).

### iv. Listing information

The Company's equity shares are listed on The Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd. The ISIN Number of the Company for both NSDL and CDSL is INE233A01035.

### v. Stock Data

Tables 1 and 2 respectively give the monthly high and low prices and volumes of equity

| Name of the Stock Exchange                  | Stock code |
|---|------------|
| BSE Ltd. (BSE)                              | 500164     |
| National Stock Exchange of India Ltd. (NSE) | GODREJIND  |

shares of the Company at BSE and the NSE for the year ended March 31, 2015. Chart A compares the Company's share price at the BSE versus the Sensex.

**Table 1: Monthly high and low prices and trading volumes of equity shares of the Company at BSE for the year ended March 31, 2015**

| Month          | High<br>(₹) | Low<br>(₹) | Volume<br>(No. of Shares) |
|----------------|-------------|------------|---------------------------|
| April 2014     | 334.80      | 297.80     | 5,08,736                  |
| May 2014       | 322.50      | 282.90     | 9,24,649                  |
| June 2014      | 367.00      | 298.00     | 37,68,483                 |
| July 2014      | 372.45      | 324.05     | 15,54,735                 |
| August 2014    | 348.55      | 321.25     | 9,50,073                  |
| September 2014 | 359.00      | 298.15     | 72,00,043                 |
| October 2014   | 311.50      | 274.95     | 8,14,847                  |
| November 2014  | 311.90      | 278.05     | 7,46,173                  |
| December 2014  | 303.60      | 261.60     | 7,48,943                  |
| January 2015   | 321.90      | 273.90     | 8,74,581                  |
| February 2015  | 336.95      | 286.20     | 15,95,607                 |
| March 2015     | 351.00      | 324.00     | 6,49,805                  |

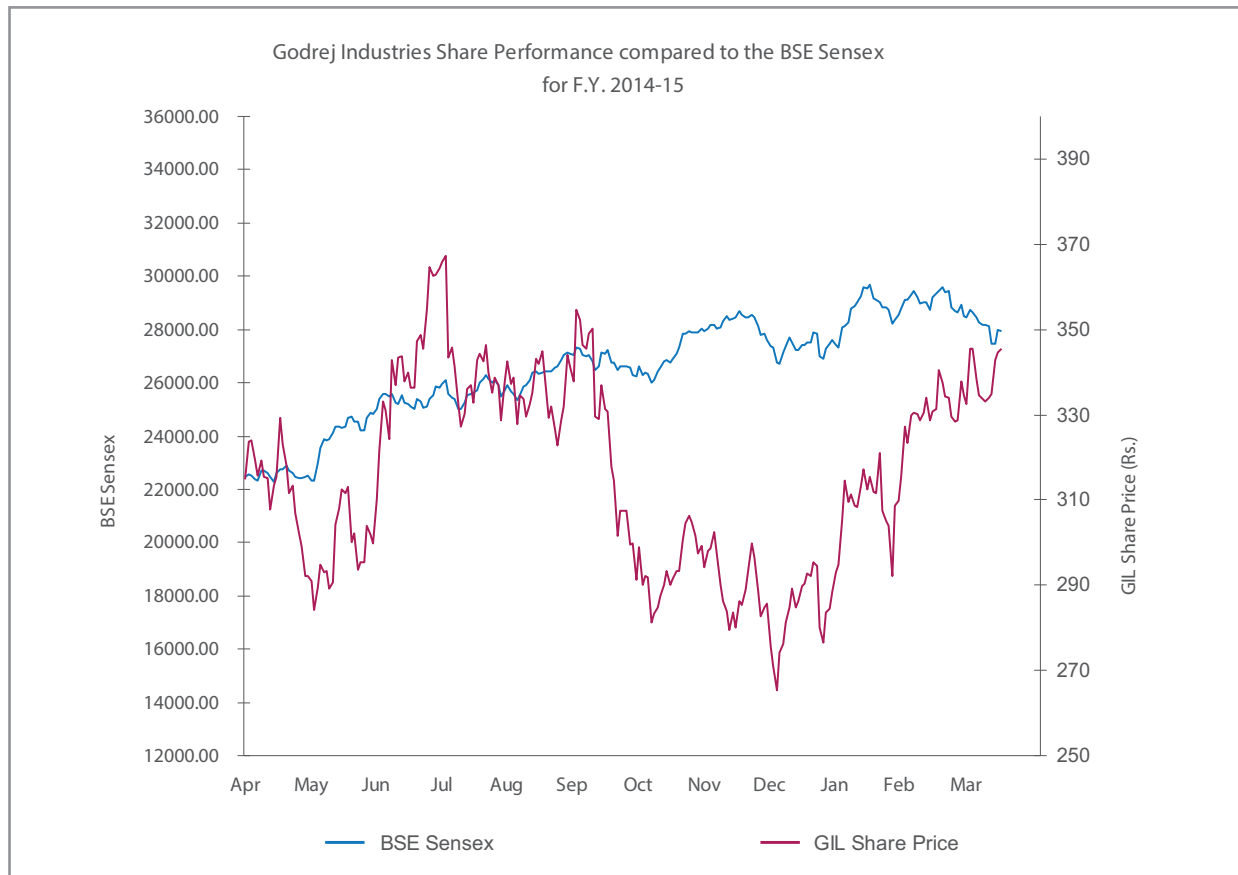
**Note:** High and low are in Rupees per traded share. Volume is the total monthly volume of trade (in numbers) in equity shares of the Company on the BSE.

**Monthly high and low prices and trading volumes of equity shares of the Company at NSE for the year ended March 31, 2015**

| Month          | High<br>(₹) | Low<br>(₹) | Volume<br>(No. of Shares) |
|----------------|-------------|------------|---------------------------|
| April 2014     | 334.80      | 297.60     | 46,34,150                 |
| May 2014       | 322.45      | 282.00     | 73,09,780                 |
| June 2014      | 368.00      | 297.55     | 1,79,54,677               |
| July 2014      | 372.80      | 323.80     | 86,69,701                 |
| August 2014    | 349.00      | 321.10     | 73,62,360                 |
| September 2014 | 359.65      | 298.00     | 1,13,40,393               |
| October 2014   | 309.70      | 274.20     | 71,58,031                 |
| November 2014  | 313.00      | 278.05     | 80,90,513                 |
| December 2014  | 303.55      | 261.50     | 85,17,974                 |
| January 2015   | 322.45      | 272.95     | 67,62,904                 |
| February 2015  | 340.00      | 285.15     | 1,15,91,416               |
| March 2015     | 350.90      | 327.05     | 58,85,124                 |

**Note:** High and low are in Rupees per traded share. Volume is the total monthly volume of trade (in numbers) in equity shares of the Company on the NSE.

**Chart A – The Company’s share performance compared to the BSE Sensex for FY 2014-2015**



**Distribution of shareholding:**

Tables 3 and 4 give the distribution pattern of shareholding of the Company by size and ownership respectively as on March 31, 2015.

**Table 3: Distribution of shareholding by size as on March 31, 2015**

| Number of shares | Number of share-holders | Shareholders % | Number of shares held | Shareholding % |
|------------------|-------------------------|----------------|-----------------------|----------------|
| 1 - 500          | 44,391                  | 90.13          | 41,23,891             | 1.23           |
| 501 - 1000       | 2,627                   | 5.33           | 20,34,557             | 0.61           |
| 1001 - 2000      | 952                     | 1.93           | 13,40,299             | 0.40           |
| 2001 - 3000      | 430                     | 0.87           | 9,84,693              | 0.29           |
| 3001 - 4000      | 199                     | 0.40           | 6,53,550              | 0.19           |
| 4001 - 5000      | 110                     | 0.22           | 4,75,363              | 0.14           |
| 5001 - 10000     | 255                     | 0.52           | 16,95,937             | 0.50           |
| 10001 & above    | 298                     | 0.60           | 32,45,73,684          | 96.64          |
| <b>Total</b>     | <b>49,262</b>           | <b>100.00</b>  | <b>33,58,81,974</b>   | <b>100.00</b>  |

**Table 4: Distribution of shareholding by ownership as on March 31, 2015**

| Category (as being reported to Stock Exchanges)       | No. of shares       | % of share holding |
|---|---------------------|--------------------|
| <b>Promoter's holding</b>                             |                     |                    |
| -Indian Promoters                                     | 25,13,36,467        | 74.83%             |
| -Foreign Promoters                                    | 0                   | 0.00%              |
| Persons deemed to act in concert with promoters       | 0                   | 0.00%              |
| <b>Institutional Investors</b>                        |                     |                    |
| Mutual Funds & UTI                                    | 11,35,280           | 0.34%              |
| Banks, Financial Institutions and Insurance Companies | 1,01,80,635         | 3.03%              |
| Foreign Institutional Investors                       | 4,16,54,300         | 12.40%             |
| <b>Others</b>   |                     |                    |
| Private Corporate Bodies                              | 1,13,45,502         | 3.38%              |
| Indian Public   | 1,89,98,840         | 5.65%              |
| NRIs/OCBs   | 12,30,950           | 0.37%              |
| Others  | 0                   | 0.00%              |
| <b>Total</b>  | <b>33,58,81,974</b> | <b>100.00%</b>     |

**vi. Shares held in physical and dematerialized form**

As on March 31, 2015, 99.74 percent of the Company's shares were held in dematerialized form and the remaining 0.26 percent in physical form. The break up is listed below:

| Category     | Number of shareholders | Shareholders % | Number of shares held | Shareholding % |
|--------------|------------------------|----------------|-----------------------|----------------|
| Physical     | 2,336                  | 4.74%          | 859,012               | 0.26           |
| Electronic   | 46,926                 | 95.26%         | 33,50,22,962          | 99.74          |
| <b>Total</b> | <b>49,262</b>          | <b>100.00%</b> | <b>33,58,81,974</b>   | <b>100.00</b>  |

**vii. Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on equity**

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments.

**vii. Share Transfer**

Share transfers and related operations for the Company are conducted by Computech Sharecap Limited, which is registered with the SEBI as a Category 1 Registrar. Share transfer is normally effected within the maximum period of 30 days from the date of receipt, if all the required documentation is submitted.

**ix. Plant locations**

| <b>Location</b> | <b>Address</b>   |
|-----------------|--|
| Ambernath       | Plot No. N - 73, Additional Ambernath Industrial Area, Village Jambivali, Taluka Ambernath East, District Thane, Maharashtra. 421 506. |
| Valia           | Burjorjinagar, (DTA & EOU) Plot No. 3, Village Kanerao, Taluka - Valia, District Bharuch, Gujarat 393 135.                             |
| Wadala          | L.M. Nadkarni Marg, Near M.P.T. Hospital, Wadala (East), Mumbai 400 037.   |

**xi. Investor correspondence should be addressed to:**

**Computech Sharecap Limited**  
147, M.G. Road,  
Opp. Jehangir Art Gallery, Fort,  
Mumbai 400 001.  
Tel: 022-22635000 to 22635002;  
Fax: 022-22635001  
Email: [helpdesk@computechsharecap.com](mailto:helpdesk@computechsharecap.com)



## Declaration by Managing Director

I, N. B. Godrej, Managing Director of Godrej Industries Limited (GIL), hereby confirm pursuant to clause 49(II) (E) of the listing agreement that:

The Board of Directors of GIL has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website viz. [www.godrejinds.com](http://www.godrejinds.com). All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2015.

Mumbai, May 27, 2015

**N. B. Godrej**  
Managing Director



## Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Godrej Industries Limited (the Company) for the year ended on March 31, 2015, 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.

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**  
Firm Regn. No.: 104607 W

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

Place : Mumbai  
Date : May 27, 2015.



The background is a dark gray gradient with faint, light gray geometric patterns. In the bottom right corner, there is a stylized bar chart with six bars of increasing height, topped with a large upward-pointing arrow. The text is centered in a white, rounded rectangular box.

# CONSOLIDATED FINANCIAL STATEMENTS

## Independent Auditor's Report

### TO THE MEMBERS OF GODREJ INDUSTRIES LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **GODREJ INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matters

We draw attention to the following Notes to the Consolidated Financial Statements for the year ended on March 31, 2015, in respect of various Schemes of Amalgamation approved by The Honourable High Court of Judicature at Bombay:

- a) Sub-note (2) of Note 4 : Reserves and Surplus, regarding the Scheme of Arrangement between Godrej Agrovet Ltd., (GAVL) a subsidiary of the Company and Goldmuhor Agrochem and Feeds Limited (GAFL) (a subsidiary of GAVL)

## Independent Auditor's Report

whereby the assets and liabilities of GAFL have been taken over by GAVL and recorded at their book values as on October 1, 2013.

- i) In accordance with the Scheme of Arrangement, an amount of ₹ 0.71 crores on account of Goodwill on Merger has been charged to the General Reserve instead of amortising the same in the Statement of Profit and Loss over a period of ten years. Had the Scheme not prescribed this treatment, the profit for the year would have been lower by ₹ 0.07 crores, the Goodwill would have been higher by ₹ 0.60 crores (net written down value) and the General Reserve would have been higher by ₹ 0.71 crores.
  - ii) The cost and expenses arising out of or incurred in carrying out and implementing the Scheme amounting to ₹ 0.41 crores have been directly charged against the balance in the General Reserve. Had this amount been charged to the Statement of Profit and Loss, the Surplus would have been lower and the General Reserve would have been higher by ₹ 0.41 crores.
  - iii) An amount of ₹ 20 crores has been transferred from the General Reserve and used to increase the Reserve for Employee Compensation Expenses. Had the Scheme not prescribed this treatment, the balance in the General Reserve would have been higher and the balance in the Reserve for Employee Compensation Expenses would have been lower by ₹ 20 crores.
- b) Sub-note (3) of Note 4 : Reserves and Surplus, regarding the Scheme of Arrangement whereby the assets and liabilities of Golden Feed Products Limited have been taken over by GAVL and recorded at their book values as on March 31, 2014. In accordance with the Scheme of Arrangement, an amount of ₹ 0.97 crores on account of Goodwill on Merger has been charged against the balance in the Surplus instead of amortising the same in the Statement of Profit and Loss over a period of ten years. Had the Scheme not prescribed this treatment, the profit for the year would have been lower by ₹ 0.10 crores, the Goodwill would have been higher by ₹ 0.87 crores (net written down value) and the balance in the Surplus would have been higher by ₹ 0.87 crores.
- c) Sub-note (4) of Note 4 : Reserves and Surplus, regarding the Scheme of Arrangement whereby the assets and liabilities of certain subsidiary companies viz. Godrej Oil Palm Ltd., Godrej Gokarna Oil Palm Ltd. and Cauvery Palm Oil Ltd. have been taken over by GAVL and recorded at their book values as on April 1, 2011.
- i) In accordance with the Scheme of Arrangement, amortisation amounting to ₹ 4.25 crores on Intangible Assets taken over as per the Scheme is charged against the balance in the General Reserve of GAVL in the current year and ₹ 12.75 crores in the previous years. Had this amount been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 4.25 crores, the opening balance in the Surplus would have been lower by ₹ 12.75 crores and the balance in the General Reserve would have been higher by ₹ 17 crores.
  - ii) An amount of ₹ 60.55 crores on account of Goodwill on Merger has been charged to the Securities Premium Account instead of amortising the same in the Statement of Profit and Loss over a period of ten years. Had the Scheme not prescribed this treatment, the profit for the year would have been lower by ₹ 6.06 crores, the opening balance in the Surplus would have been lower by ₹ 18.17 crores, Goodwill would have been higher by ₹ 36.33 crores (net written down value) and the Securities Premium Account would have been higher by ₹ 60.55 crores.
- d) Sub-note (5) of Note 4 : Reserves and Surplus, regarding the Scheme of Arrangement whereby the assets and liabilities of Godrej Gold Coin Aquafeed Ltd., a subsidiary of GAVL, have been taken over and recorded at their book values as on April 1, 2010. In accordance with the Scheme of Arrangement, an amount of ₹ 16.69 crores on account of book values of Intangible Assets and an amount of ₹ 25.06 crores on account of Goodwill on Merger, aggregating to ₹ 41.75 crores has been charged to the Securities Premium Account instead of amortising the same in the Statement of Profit and Loss, in case of Intangibles over a period of balance useful life of seven years and in case of Goodwill over a period of ten years. Had these amounts been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 5.03 crores, the opening balance in the Surplus would have been lower by ₹ 20.10 crores, Intangibles would have been higher by ₹ 4.09 crores (net written down value), Goodwill would have been higher by ₹ 12.53 crores (net written down value) and the Securities Premium Account would have been higher by ₹ 41.75 crores.
- e) Sub-note (10) of Note 4 : Reserves and Surplus, regarding a Scheme for the Reduction of Capital (Securities Premium Account), in accordance with which, an amount of ₹ 110.04 crores has been transferred from the Securities Premium Account and used to create the Reserve for Employee Compensation Expenses, of which ₹ 11.35 crores for Employee Compensation Expenses incurred during the current year and ₹ 83.39 crores for previous year has been adjusted. Had the Scheme not prescribed this treatment, the Profit for the year would have been lower by ₹ 11.35 crores, the opening balance in the Surplus would have been lower by ₹ 83.39 crores, the Reserve for Employee Compensation Expenses would have been lower by ₹ 15.30 crores and the Securities Premium Account would have been higher by ₹ 110.04 crores.
- f) Sub-note (6) of Note 4 : Reserves and Surplus, regarding a Scheme of Amalgamation of two subsidiaries of Godrej Properties Ltd. (GPL) (a subsidiary of the Company), viz. Godrej Buildwell Private Limited with Godrej Projects Development Private Limited ('Scheme III').

## Independent Auditor's Report

- i) In accordance with which, an amount of ₹ 137.05 crores arising on account of Goodwill on amalgamation has been adjusted from the General Reserve and from the Surplus instead of amortising the same in the Statement of Profit and Loss over a period of five years.
- ii) The cost and expenses incurred in carrying out and implementing the Scheme amounting to ₹ 0.38 crores have been directly adjusted from the Surplus of the Transferee Company. Had this amount been charged to the Statement of Profit and Loss, the profit for the year would have been lower by ₹ 27.79 crores, the Goodwill would have been higher by ₹ 109.64 crores (net written down value), the balance in General Reserve would have been higher by ₹ 9.80 crores and Surplus in the Statement of Profit and Loss would have been higher by ₹ 127.64 crores.

The above treatment prescribed under the respective Court Schemes differs from the treatment prescribed under the Accounting Standards according to which, the said amounts should have been debited to Goodwill, Intangibles or the Statement of Profit and Loss, as the case may be. Had the Schemes not prescribed this accounting treatment, the Group's share in the profit for the year ended March 31, 2015, would have been lower by ₹ 32.45 crores, the Surplus would have been lower by ₹ 8.33 crores, Employee Compensation Reserve would have been lower by ₹ 21.46 crores, the General Reserve would have been higher by ₹ 17.58 crores, the Securities Premium would have been higher by ₹ 129.10 crores, Goodwill would have been higher by ₹ 93.20 crores and Intangibles would have been higher by ₹ 2.49 crores.

- g) Sub-note (1 b) Note 39 : Employee Stock Benefit Plans, where a subsidiary has instituted an Employee Stock Option Plan for the benefit of its eligible employees which is administered by an independent trust. The ESOP Trust has been advanced loans which along with interest thereon and net of provision of ₹ 5.89 crores, amounts to ₹ 38.13 crores. As at March 31, 2015, the market value of the equity shares of the subsidiary Company held by the ESOP Trust is lower than the holding cost of these equity shares by ₹ 13.33 crores, (net of provision of ₹ 5.89 crores). The repayment of the loans granted to the ESOP Trust is dependent on the exercise of options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. In the opinion of the Management, the fall in the value of the underlying equity shares is on account of current market volatility and the loss, if any, can be determined only at the end of the exercise period. In view of which, provision for diminution is not considered necessary in the financial statements.
- h) Note 2.9 under Significant Accounting Policies, in respect of projects under long term contracts undertaken and / or financed by certain subsidiaries, we have relied upon the Management's estimates of the percentage of completion, costs to completion and on the projections of revenues expected from projects owing to the technical nature of such estimates, on the basis of which profits / losses have been accounted, interest income accrued and realizability of the construction work in progress and project advances determined.
- i) Sub-note (9) of Note 4 : Reserves and Surplus, where during the current year, The Securities and Exchange Board of India (SEBI) has issued the SEBI (Share Based Employee Benefits) Regulation, 2014, which requires that the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employees Share-Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, various Companies in the Group have not included the financial statements of their respective ESOP Trusts in the preparation of their respective Standalone Financial Statements for the year ended March 31, 2015, as compared to the previous year where the same were consolidated. Consequently, these Consolidated Financials Statements do not include the assets, liabilities, income and expenditure of the respective ESOP Trusts and to that extent, the figures for the previous year are not comparable.

Our opinion is not modified in respect of these matters.

### Other Matters

- a) We did not audit the financial statements / financial information of two subsidiaries and one jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 150.08 crores as at March 31, 2015, total revenues of ₹ 2,141.71 crores and net cash flows amounting to ₹ 3.42 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and the jointly controlled entity, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements / financial information of a subsidiary whose financial statements / financial information reflect total assets of ₹ 18.68 crores as at March 31, 2015, total revenues of ₹ 70.41 crores and net cash flows amounting to ₹ 1.88 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 1.73 crores for the year ended March 31, 2015, as considered in the Consolidated Financial Statements, in respect of three associates,

## Independent Auditor's Report

whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and associates and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India ("the Covered Entities"), we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements of certain subsidiaries and a jointly controlled entity, as noted in sub-paragraph (a) of the Other Matters paragraph above, we report, to the extent applicable, that :
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the Covered Entities, none of the Directors of the Covered Entities are disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the separate financial statements of certain subsidiaries and a jointly controlled entity, as noted in sub-paragraph (a) of the Other Matters paragraph above:
    - i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities. Refer Note 24 to the Consolidated Financial Statements.
    - ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable laws or Accounting Standards for material foreseeable losses, if any, on long term contracts, including derivative contracts. Refer Notes 2.13 and 43 to the Consolidated Financial Statements.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Covered Entities.

### For KALYANIWALLA & MISTRY

Chartered Accountants  
Firm Regn. No.: 104607W

### Darius Z. Fraser

Partner  
M. No.: 42454

Mumbai: May 27, 2015.



## Annexure to the Independent Auditor's Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the Members of the Company on the Consolidated Financial Statements for the year ended March 31, 2015 :

1. Fixed Assets :

- a) The Covered Entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Except in the case of a subsidiary company whose fixed asset register is not complete in respect of the quantitative details and situation of fixed assets acquired / purchased prior to April 1, 2009.
- b) The Covered Entities have 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 Covered Entities and the nature of their assets. The discrepancies, if any, noticed on such verification were not material and have been properly dealt with in the books of account, except in the case of a subsidiary company, in respect of assets acquired / purchased prior to April 1, 2009, in the absence of proper details of assets, the Company is unable to conduct physical verification in order to ascertain if there are material discrepancies in relation to such assets. Further, in respect of a jointly controlled company, physical verification of fixed assets has not been conducted during the year. In the absence of physical verification it is not possible to state if there are any discrepancies between book records and physical verification.

2. Inventory :

- a) The Management of the Covered Entities have conducted physical verification of inventory at reasonable intervals.
- b) The procedures of physical verification of inventories followed by the Management of the Covered Entities are reasonable and adequate in relation to their size and the nature of their respective businesses.
- c) The Covered Entities are maintaining proper records of inventory. The discrepancies noticed on physical verification were not material in relation to their operations and the same have been properly dealt with in their respective books of account.

3. The Covered Entities have granted unsecured loans to companies and firms covered in the register maintained under section 189 of the Companies Act. There are no fixed terms of repayment of principal and interest; hence the question of commenting on the regular receipt of principal and interest, or any overdue amount does not arise.

4. In our opinion and according to the information and explanations given to us and the auditor of a subsidiary company, there are adequate internal control systems commensurate with the size of the Covered Entities and the nature of their respective businesses, for the purchase of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us and according to the auditor of a subsidiary company, there is no continuing failure to correct major weaknesses in internal control systems.

5. In our opinion and according to the information and explanations given to us and the auditor of a subsidiary company, the Covered Entities have complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76, or any other relevant provisions of the Companies Act and the Rules framed thereunder in respect of the deposits accepted from the public, if any. 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.

6. We have broadly reviewed the books of account maintained by the Covered Entities, pursuant to the Rules made by the Central Government of India for maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have generally been made and maintained, wherever applicable. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.



## Annexure to the Independent Auditor's Report

### 7. Statutory Dues :

- a) According to the information and explanations given to us and on the basis of the records examined by us and the auditor of a subsidiary company, the Covered Entities are generally regular in depositing undisputed statutory dues, including dues pertaining to Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Value Added Tax, 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 last day 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 and on the basis of the records examined by us and the auditor of a subsidiary company, there are no dues of Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value Added Tax or Cess outstanding on account of any dispute, other than the following in respect of the Covered Entities :

| Name of Statute          | Nature of Dues  | Amount (₹ crores) | Period to which the amount relates  | Forum where dispute is pending |
|--------------------------|---|-------------------|---|--------------------------------|
| The Customs Act, 1962    | Custom Duty demands relating to lower charge, differential duty, classifications, etc.                                      | 2.63              | 2010-11   | Commissioner (Appeals)         |
|                          |   | 0.26              | 2003-04   | Deputy Commissioner            |
|                          |   | 1.32              | 1978-93   | High Court                     |
|                          |   | 0.13              | 1997-98   | Tribunal                       |
| Central Excise Act, 1944 | Excise Duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. | 0.59              | 2002-03, 2004-07, 2005-08, 2007-12, 2008-09, 2009-10, 2009-11, 2009-14, 2010-11, 2011-12, 2011-13, 2012-13, 2012-14, 2013-14, 2013-15 | Assistant Commissioner         |
|                          |   | 0.86              | 1993-97, 2009-13, 2012-14, 2013-14  | Joint Commissioner             |
|                          |   | 1.05              | 2008-09, 2009-15, 2013-15   | Additional Commissioner        |
|                          |   | 0.01              | 2006-10, 2009-10  | Deputy Commissioner            |
|                          |   | 1.02              | 2010-11, 2005-07, 2008-13   | Commissioner                   |
|                          |   | 13.46             | 1993-96, 2005-06, 2002-03, 2003-04, 2004-08, 2006-08, 2007-12, 2008-09, 2008-13, 2009-10, 2012-14                                     | Commissioner (Appeals)         |
|                          |   | 0.00*             | 2009-10, 2012-13, 2013-14, 2013-15  | Superintendent                 |
|                          |   | 13.18             | 2008-11, 2009-13, 2010-11, 2008-12, 2006-07, 2007-08, 2008-09, 2011-13  | GESTAT                         |
|                          |   | 73.53             | 1997-98, 2006-07, 2006-08, 2006-12, 2005-2011   | Tribunal                       |

## Annexure to the Independent Auditor's Report

| Name of Statute            | Nature of Dues  | Amount (₹ crores) | Period to which the amount relates  | Forum where dispute is pending    |
|----------------------------|---|-------------------|---|-----------------------------------|
| Central Excise Act, 1944   |   | 0.77              | 1995-96, 2001-06  | High Court                        |
|                            |   | 7.27              | 1993-97, 2001-06, 2002-04, 2000-03, 1993-96   | The Supreme Court                 |
|                            |   | 4.47              | 2007-11, 2009-11, 2011-12, 2012-13  | Adjudicating Authority            |
|                            |   | 0.06              | 2006-08, 2007-08  | Assessing Authority               |
| VAT Acts of various States | Sales Tax demands relating to purchase tax on Branch Transfer / Disallowance of high sea sales. | 0.07              | 1996-97, 1997-98  | Sales Tax Officer                 |
|                            |   | 0.07              | 2000-01   | Commissioner (Appeals)            |
|                            |   | 13.14             | 2003-04, 2005-06, 2010-11, 2006-07, 2011-12, 2012-13  | Deputy Commissioner               |
|                            |   | 1.50              | 2008-09, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2011-12, 2012-13  | Deputy Commissioner (Appeals)     |
|                            |   | 28.27             | 2000-01, 2002-03, 2003-04, 2008-09, 2012-13   | Joint Commissioner                |
|                            |   | 0.08              | 2005-06, 2006-07  | Joint Commissioner (Appeals)      |
|                            |   | 0.05              | 2002-03, 2010-11  | Additional Commissioner (Appeals) |
|                            |   | 13.55             | 2003-04, 2004-05, 2005-06, 2006-07, 2013-14, 2000-01, 2002-03, 2005-08, 2010-11, 2011-12, 2012-13, 1999-00, 2001-02 | Tribunal                          |
|                            |   | 6.43              | 2009-10, 2001-02, 2006-07, 2007-08, 2008-09, 2010-11, 2011-12, 2012-13, 1999-00, 2005-06                            | High Court                        |
|                            |   | 0.15              | 2003-04, 2004-05, 2005-06   | The Supreme Court                 |
|                            |   | 0.36              | 2005-06, 2006-07, 2008-09, 2009-10, 2010-11, 2012-13, 2002-13   | Assessing Authority               |

## Annexure to the Independent Auditor's Report

| Name of Statute      | Nature of Dues  | Amount (₹ crores) | Period to which the amount relates  | Forum where dispute is pending   |
|----------------------|---|-------------------|---|----------------------------------|
| Income-tax Act, 1961 | Income-tax demands against which the Covered Entities have preferred appeals.                   | 2.96              | A.Y. 2007-08, 2010-11   | Assessing Officer                |
|                      |   | 32.93             | A.Y. 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 2004-05, 2012-13, 2011-12, 2005-06  | CIT                              |
|                      |   | 9.18              | A.Y. 2012-13  | CIT (Appeals)                    |
|                      |   | 6.21              | A.Y. 2006-07, 2011-12   | Deputy Commissioner              |
|                      |   | 23.96             | A.Y. 1986-87, 1988-89, 1990-91, 1991-92, 1996-97, 1998-99, 2000-01, 2001-02, 2002-03, 2003-04, 2006-07, 2007-08, 2009-10, 2010-11 | ITAT                             |
|                      |   | 17.86             | A.Y. 1989-90, 1993-94, 1997-98, 2000-01, 2001-02, 2002-03, 2007-08  | High Court                       |
| Octroi Rules         | Octroi demand relating to classification issue on import of Palm Stearine and interest thereon. | 0.03              | 1997-98   | Deputy Commissioner              |
|                      |   | 0.24              | 1997-03   | Tribunal                         |
|                      |   | 0.02              | 1998-99, 2000-01  | The Supreme Court                |
| Stamp Duty           | Stamp Duties claimed on certain properties which are under appeal by the Covered Entities.      | 1.82              | 2000-01   | Controlling Revenue Authority    |
| Property Tax         | Disputed Property taxes.  | 5.59              | 2010-11, 2011-12, 2012-13, 2013-14  | Assistant Assessor and Collector |

\* Amount less than ₹ 0.01 crore.

- c) According to the information and explanations given to us and on the basis of the records examined by us and the auditor of a subsidiary company, the amount required to be transferred to the Investor Education and Protection Fund, if any, in accordance with relevant provisions of the Companies Act, 1956 (I of 1956) and the Rules made thereunder has been transferred to such fund within time.
8. The Group, its associates and its jointly controlled entities do not have accumulated losses as at the end of the financial year, nor have they incurred cash losses in the current financial year or in the immediately preceding financial year on a consolidated basis. However, in respect of the Covered Entities on a Standalone basis :
- a) Two subsidiary companies incorporated in India have accumulated losses at the end of the financial year exceeding fifty percent of their respective net worth. However, they have not incurred cash losses during the current or immediately preceding financial year.

## Annexure to the Independent Auditor's Report

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- b) Two subsidiary companies incorporated in India have accumulated losses at the end of the financial year exceeding fifty percent of their respective net worth and have also incurred cash losses in the current and immediately preceding financial year.
  - c) One subsidiary company incorporated in India does not have accumulated losses at the end of the year, but has incurred cash losses in the current and immediately preceding financial year.
9. According to the information and explanations given to us and based on the documents and records produced before us and the auditor of a subsidiary company, there has been no default by the Covered Entities in repayment of dues to banks, financial institutions or debenture holders.
10. According to the information and explanations given to us and on the basis of the records examined by us and the auditor of a subsidiary company, the Covered Entities have not given any guarantee for loans taken by others from banks or financial institutions except in the case of a subsidiary company and an associate who have given guarantees for loans taken by others from banks, the terms and conditions of which, are not prima facie prejudicial to their interest.
11. According to the information and explanations given and the records examined by us, the term loans obtained by the Covered Entities, wherever applicable, were applied for the purpose for which the loans were obtained.
12. Based upon the audit procedures performed by us and the auditor of a subsidiary company, to the best of our knowledge and belief and according to the information and explanations given by the Management, no fraud on, or by the Covered Entities, has been noticed or reported during the year.

**For KALYANIWALLA & MISTRY**

Chartered Accountants  
Firm Regn. No.: 104607W

**Daraius Z. Fraser**

Partner  
M. No.: 42454

Mumbai: May 27, 2015.

## Consolidated Balance Sheet as at March 31, 2015

Amount ₹ in Crore

|  | Note No. | Current Year     | Previous Year |
|--|----------|------------------|---------------|
| <b>Equity and Liabilities</b>            |          |                  |               |
| <b>Shareholders' Funds</b>               |          |                  |               |
| (a) Share Capital                        | 3        | 33.59            | 33.12         |
| (b) Reserves and Surplus                 | 4        | 3,193.66         | 2,700.95      |
|  |          | <b>3,227.25</b>  | 2,734.07      |
| <b>Minority Interest</b>                 |          |                  |               |
|  |          | <b>1,148.53</b>  | 1,051.90      |
| <b>Non-Current Liabilities</b>           |          |                  |               |
| (a) Long Term Borrowings                 | 5        | 1,728.16         | 1,160.44      |
| (b) Deferred Tax Liabilities (Net)       | 6        | 72.96            | 86.56         |
| (c) Other Long Term Liabilities          | 7        | 1.42             | 2.20          |
| (d) Long Term Provisions                 | 8        | 15.11            | 12.26         |
|  |          | <b>1,817.65</b>  | 1,261.46      |
| <b>Current Liabilities</b>               |          |                  |               |
| (a) Short Term Borrowings                | 9        | 3,723.60         | 2,781.00      |
| (b) Trade Payables                       | 10       | 1,786.08         | 1,973.04      |
| (c) Other Current Liabilities            | 11       | 1,699.21         | 1,311.04      |
| (d) Short Term Provisions                | 12       | 100.31           | 97.88         |
|  |          | <b>7,309.20</b>  | 6,162.96      |
| <b>TOTAL</b>                             |          | <b>13,502.63</b> | 11,210.39     |
| <b>Assets</b>                            |          |                  |               |
| <b>Non Current Assets</b>                |          |                  |               |
| (a) Fixed Assets                         | 13       |                  |               |
| (i) Tangible Assets                      |          | 1,284.28         | 1,172.74      |
| (ii) Intangible Assets                   |          | 35.74            | 33.20         |
| (iii) Capital Work in Progress           |          | 774.01           | 463.56        |
| (iv) Intangible Assets Under Development |          | 0.67             | 2.02          |
|  |          | <b>2,094.70</b>  | 1,671.52      |
| (b) Goodwill on Consolidation            |          | 517.09           | 444.00        |
| (c) Non Current Investments              | 14       | 2,004.13         | 1,550.64      |
| (d) Deferred Tax Assets (Net)            | 15       | 4.48             | 2.15          |
| (e) Long Term Loans and Advances         | 16       | 285.33           | 248.01        |
| (f) Other Non Current Assets             | 17       | 32.00            | 5.43          |
|  |          | <b>4,937.73</b>  | 3,921.75      |
| <b>Current Assets</b>                    |          |                  |               |
| (a) Current Investments                  | 18       | 686.70           | 785.41        |
| (b) Inventories                          | 19       | 5,355.05         | 4,354.39      |
| (c) Trade Receivables                    | 20       | 626.58           | 543.18        |
| (d) Cash and Bank Balances               | 21       | 242.13           | 306.00        |
| (e) Short Term Loans and Advances        | 22       | 1,081.98         | 978.43        |
| (f) Other Current Assets                 | 23       | 572.46           | 321.23        |
|  |          | <b>8,564.90</b>  | 7,288.64      |
| <b>TOTAL</b>                             |          | <b>13,502.63</b> | 11,210.39     |
| Notes to the Financial Statements        | 1 to 48  |                  |               |

As per our Report attached

**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

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

Mumbai, May 27, 2015.

For and on behalf of the Board

**A. B. Godrej**  
Chairman

**N. S. Nabar**  
Executive Director  
& President (Chemicals)

**N. B. Godrej**  
Managing Director

**P. Ganesh**  
Chief Financial Officer &  
Company Secretary

## Statement of Consolidated Profit and Loss for the year ended March 31, 2015

Amount ₹ in Crore

| Particulars  | Note No. | Current Year    | Previous Year |
|--|----------|-----------------|---------------|
| <b>Revenue from Operations (Gross)</b>   | 26       | <b>9,323.66</b> | 8,008.17      |
| Less : Excise Duty   |          | <b>93.15</b>    | 90.24         |
|  |          | <b>9,230.51</b> | 7,917.93      |
| <b>Other Income</b>  | 27       | <b>129.28</b>   | 128.96        |
| <b>Total Revenue</b>   |          | <b>9,359.79</b> | 8,046.89      |
| <b>Expenses</b>  |          |                 |               |
| (a) Cost of Materials Consumed   | 28       | <b>3,646.61</b> | 3,538.62      |
| (b) Purchases of Stock in Trade  |          | <b>2,393.39</b> | 2,057.42      |
| (c) Cost of Sales - Property Development   | 29       | <b>1,466.94</b> | 806.63        |
| (d) Changes in Inventory of Finished Goods,<br>Work in Progress and Stock in Trade | 30       | <b>(17.49)</b>  | (83.57)       |
| (e) Employee Benefits Expense  | 31       | <b>323.18</b>   | 294.24        |
| (f) Finance Costs  | 32       | <b>191.29</b>   | 118.88        |
| (g) Depreciation and Amortisation Expense  |          | <b>93.23</b>    | 70.44         |
| (h) Other Expenses   | 33       | <b>936.26</b>   | 846.89        |
| <b>Total Expenses</b>  |          | <b>9,033.41</b> | 7,649.55      |
| <b>Profit Before Exceptional Items and Tax</b>                                     |          | <b>326.38</b>   | 397.34        |
| <b>Exceptional Items</b>   | 34       | <b>192.41</b>   | 69.38         |
| <b>Profit Before Tax</b>   |          | <b>518.79</b>   | 466.72        |
| <b>Tax Expense</b>   |          |                 |               |
| (a) Current Tax  |          | <b>160.08</b>   | 160.66        |
| (b) MAT Credit Entitlement   |          | <b>(9.61)</b>   | (4.14)        |
| (c) Deferred Tax   |          | <b>(13.89)</b>  | 18.45         |
| (d) Adjustment for Tax of Previous Years (net)                                     |          | <b>(0.03)</b>   | (3.77)        |
| <b>Total Tax</b>   |          | <b>136.55</b>   | 171.20        |
| <b>Profit After Taxation</b>   |          | <b>382.24</b>   | 295.52        |
| <b>Share of Profit in Associates</b>   |          | <b>206.58</b>   | 173.85        |
| <b>Profit Before Minority Interest</b>   |          | <b>588.82</b>   | 469.37        |
| <b>Minority Interest</b>   |          | <b>(186.35)</b> | (143.00)      |
| <b>Profit for the Year</b>   |          | <b>402.47</b>   | 326.37        |
| Earnings Per Share (Face Value ₹ 1 per share)                                      | 35       |                 |               |
| (a) Basic  |          | <b>12.00</b>    | 9.73          |
| (b) Diluted  |          | <b>11.98</b>    | 9.72          |
| Notes to the Financial Statements  | 1 to 48  |                 |               |

As per our Report attached

**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

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

Mumbai, May 27, 2015.

For and on behalf of the Board

**A. B. Godrej**  
Chairman

**N. S. Nabar**  
Executive Director  
& President (Chemicals)

**N. B. Godrej**  
Managing Director

**P. Ganesh**  
Chief Financial Officer &  
Company Secretary

## Consolidated Cash Flow Statement for the year ended March 31, 2015

|   | Amount ₹ in Crore |                 |
|---|-------------------|-----------------|
|   | Current year      | Previous year   |
| <b>A. Cash Flow from Operating Activities :</b>                 |                   |                 |
| Profit Before Tax   | 518.79            | 466.72          |
| Adjustments for :   |                   |                 |
| Depreciation  | 93.23             | 70.44           |
| Unrealised Foreign Exchange revaluation                         | 1.90              | 0.67            |
| Profit on Sale of Investments (net)                             | (261.01)          | (129.80)        |
| Profit on Sale of Fixed Assets (net)                            | (3.44)            | (1.49)          |
| Dividend Income   | (0.07)            | (0.11)          |
| Interest Income   | (36.54)           | (43.48)         |
| Interest & Finance Charges                                      | 191.29            | 118.88          |
| Employee Stock Option Compensation                              | 7.12              | 7.29            |
| Provision / (Write back) for Diminution in Value of Investments | 8.12              | (4.50)          |
| Provision / (Write back) for Doubtful Debts / Advances (net)    | 10.08             | (7.29)          |
| Others  | (0.90)            | (0.95)          |
| <b>Operating Profit Before Working Capital Changes</b>          | <b>528.57</b>     | <b>476.38</b>   |
| Adjustments for :   |                   |                 |
| Inventories   | (1,050.21)        | (822.79)        |
| Trade Receivables   | (70.64)           | (68.70)         |
| Other Current Assets  | (219.07)          | (390.22)        |
| Non Current Assets  | (24.72)           | 93.22           |
| Trade Payables  | (196.78)          | 235.37          |
| Other Current Liabilities                                       | 158.62            | 261.18          |
| Non Current Liabilities   | 3.18              | (6.32)          |
| <b>Cash Used in Operations</b>                                  | <b>(871.05)</b>   | <b>(221.88)</b> |
| Direct Taxes Paid   | (178.51)          | (171.97)        |
| <b>Net Cash Used in Operating Activities</b>                    | <b>(1,049.56)</b> | <b>(393.85)</b> |
| <b>B. Cash Flow from Investing Activities :</b>                 |                   |                 |
| Purchase of Fixed Assets  | (495.52)          | (427.18)        |
| Proceeds from Sale of Fixed Assets                              | 11.92             | 13.75           |
| Purchase of Investments   | (1,286.75)        | (2,051.73)      |
| Refund of Fixed Deposits  | -                 | 413.03          |
| Proceeds from Sale of Investments - Long term                   | 256.78            | 126.58          |
| Proceeds from Sale of Investments - Others                      | 1,025.14          | 985.48          |
| Intercompany Deposits / Loans (net)                             | 4.91              | 7.14            |
| Interest Received   | 25.35             | 30.98           |
| Dividend Received   | 0.06              | 0.31            |
| <b>Net Cash Used in Investing Activities</b>                    | <b>(458.11)</b>   | <b>(901.64)</b> |

## Consolidated Cash Flow Statement for the year ended March 31, 2015 (Contd.)

|   | Amount ₹ in Crore |                 |
|---|-------------------|-----------------|
|   | Current year      | Previous year   |
| <b>C. Cash Flow from Financing Activities :</b>   |                   |                 |
| Proceeds from Issue of Equity Shares  | 0.40              | 258.49          |
| Capital contribution into Limited Liability Partnership   | 1.30              | 17.45           |
| Proceeds from Borrowings  | 2,419.03          | 2,499.42        |
| Repayment of Borrowings   | (733.11)          | (1,163.40)      |
| Bank Overdrafts (net)   | (5.06)            | (23.26)         |
| Interest & Finance Charges Paid   | (189.34)          | (113.97)        |
| Dividend Paid   | (60.86)           | (42.97)         |
| Tax on Distributed Profits  | (22.89)           | (11.54)         |
| <b>Net Cash Generated from Financing Activities</b>   | <b>1,409.47</b>   | <b>1,420.22</b> |
| Net (Decrease) / Increase in Cash and Cash Equivalents  | (98.20)           | 124.73          |
| Cash and Cash Equivalents (Opening Balance)   | 286.67            | 161.16          |
| Add : Cash and Cash Equivalents taken over pursuant to Business Acquisition   | 0.18              | 0.58            |
| Add / (Less) : Cash and Cash Equivalents on consolidation of ESOP Trusts<br>(refer sub note 9 of Note 4 Reserves and Surplus) | (0.74)            | 0.74            |
| Less : Cash and Cash Equivalents on Demerger  | -                 | (0.54)          |
| Cash and Cash Equivalents (Closing Balance)   | 187.91            | 286.67          |
| (including share in jointly controlled entities - ₹ 3.16 crore; previous year - ₹ 7.15 crore)                                 |                   |                 |
| <b>Notes :</b>  |                   |                 |
| <b>1. Cash and Cash Equivalents</b>   |                   |                 |
| Cash on Hand and Balances with Banks  | 242.13            | 306.00          |
| Closing balances of Fixed deposit (more than 3 months but less than 12 months)  | (53.87)           | (19.00)         |
| Other bank balances   | (0.35)            | (0.33)          |
| <b>Cash and Cash Equivalents</b>  | <b>187.91</b>     | <b>286.67</b>   |
| 2. The figures of previous year have been regrouped / restated wherever necessary to conform to current year's presentation.  |                   |                 |

As per our Report attached

**For Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Regn. No. 104607W

**Darius Z. Fraser**  
Partner  
M. No. 42454

Mumbai, May 27, 2015.

For and on behalf of the Board

**A. B. Godrej**  
Chairman

**N. S. Nabar**  
Executive Director  
& President (Chemicals)

**N. B. Godrej**  
Managing Director

**P. Ganesh**  
Chief Financial Officer &  
Company Secretary



## Notes to the Consolidated Financial Statements

### Note 1 : Principles of Consolidation :

1.1 The consolidated financial statements relate to Godrej Industries Limited, the Holding Company, its majority owned subsidiaries (collectively referred to as the Group) and its Joint Ventures and Associates. The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. 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.

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.

Minority interest in net income of the consolidated subsidiaries is adjusted against the income of the group in order to arrive at the net income attributable to shareholder's of the Company. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.

Investments in Joint Ventures are dealt with in accordance with Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures'. The Company's interest in jointly controlled entities are reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items.

Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements'. Effect has been given to the carrying amount of investments in associates using the 'Equity method'. The Company's share of the post acquisition profits or losses is included in the carrying cost of investments.

1.2 The financial statements of the subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting date as of the Company i.e. March 31, 2015.

The accounts of Godrej International Trading & Investments Pte. Ltd., Singapore (Subsidiary of Godrej Industries Limited), Creamline Dairy Products Ltd, Polchem Hygiene Laboratories Pvt. Ltd. and Al Rahaba International Trading Ltd. (Associates of Godrej Agrovet Ltd.) have not been audited for the year ended March 31, 2015, as of the Balance Sheet date and have been consolidated on the basis of the accounts as certified by their respective Management.

### Note 2 : Significant Accounting Policies

#### 2.1 Accounting Convention

The financial statements of the Group have been prepared on accrual basis under the historical cost convention and on going concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the Act'), as applicable. The accounting policies have been consistently applied by the Group.

#### 2.2 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.

## Notes to the Consolidated Financial Statements

### 2.3 Fixed Assets

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation and impairment, if any. Cost includes expenses related to acquisition and any directly attributable cost of bringing the assets to its intended working condition and excludes any duties / taxes recoverable. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying asset are capitalised as a part of the cost of such asset, upto the date of acquisition / completion of construction.

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

### 2.4 Asset Impairment

The Group reviews the carrying amounts of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment loss, if any, is recognised in the period in which impairment takes place.

### 2.5 Operating 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.

### 2.6 Investments

Investments are classified into current and non current investments. Investments intended to be held for a period less than twelve months or those maturing within twelve months from the balance sheet date are classified as 'Current Investments'. Current Investments are stated at lower of cost and fair value.

Investments other than Current Investments are classified as 'Non current Investments'. Non Current Investments are carried at cost of acquisition which includes all costs directly incurred on the acquisition of the investment. Provision for diminution, if any, in the value of each Non Current investments is made to recognise a decline, other than of a temporary nature. The fair value of a Non Current investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

### 2.7 Inventories

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

Construction work in progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Group.

### 2.8 Provisions and Contingent Liabilities

Provisions are recognized when the Group 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 :

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 Group; or

## Notes to the Consolidated Financial Statements

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.

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

### 2.9 Revenue Recognition

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer. Sales 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.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on a time proportion basis.

Income on assets given on operating lease is recognised on a straight line basis over the lease term.

The "Percentage of Completion Method" of accounting is followed where revenue from sale of properties is recognized in Statement of Profit & Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer. Up to March 31, 2012 revenue was recognised only if the actual project cost incurred is 20% or more of the total estimated project cost.

Effective April 1, 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance Note), all projects commencing on or after the said date or projects which have already commenced, but where the revenue is recognised for the first time on or after the above date, Construction revenue on such projects have been recognised on percentage of completion method provided the following thresholds have been met: (a) All critical approvals necessary for the commencement have been obtained; (b) The expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs; (c) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and (d) At least 10 percent of the agreement value is realized at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately.

Revenue on bulk deals on sale of its properties is recognised on execution of documents.

Income from operation of commercial complexes is recognised over the tenure of the lease / service agreement.

### 2.10 Research and Development Expenditure

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research and Development is included under additions to fixed assets.

## Notes to the Consolidated Financial Statements

### 2.11 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. Borrowing costs incurred for the development of long term projects are included under Construction work in progress / Due on Management Project at weighted average of the borrowing cost / rates as per agreement respectively. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 2.12 Foreign Exchange Transactions

- (i) Transactions in foreign currency are recorded at exchange rates prevailing on the day of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.
- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Statement of Profit and Loss of the period in which they are cancelled.
- (iv) Exchange differences in respect of other unexpired foreign currency derivative contracts, which have been entered into to hedge foreign currency risks are marked to market and losses, if any, are recognised in the Statement of Profit and Loss.
- (v) Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the year in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognising as income or expense in each such period.

### 2.13 Hedging

The Group uses forward exchange contracts to hedge its foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts is recognized in the Statement of profit and loss. Futures contracts not settled as on the Balance Sheet date are marked to market and losses, if any, are recognized in the Statement of Profit and Loss, whereas, the unrealised profit is ignored. Gains or losses on the commodity futures contracts is recorded in the Statement of Profit and Loss under cost of materials consumed.

### 2.14 Employee Benefits

#### (i) 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 recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

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

## Notes to the Consolidated Financial Statements

### (ii) Post Employment Benefits

#### (a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

#### (b) Defined Benefit Plans

##### Gratuity Fund

The Group'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 recognized immediately in the Statement of Profit and Loss 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.

##### Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Group are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group.

##### Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet.

### (iii) Other Long Term Employee Benefits

Long-term Compensated Absences and Long Service Awards are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss.

## 2.15 Depreciation and Amortisation

### Tangible Assets

- (i) Leasehold land and Leasehold improvements are amortised equally over the lease period.
- (ii) Depreciation is provided, pro rata to the period of use, based on the estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013, except in the case of Plant and Machinery where the Company, based on the condition of the plants, regular maintenance schedule, material of construction and past experience, has considered useful life of Plant and Machinery as 30 years instead of 20 years useful life as prescribed in Schedule II of the Act.

Depreciation is charged on the Straight Line or the Written Down Value based on the method consistently followed by the respective entities in the Group.

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

### Intangible Assets

The group has evaluated the useful lives of the Intangible Assets - Goodwill, Trademarks, Non-compete fees, Acquisition value of contracts, etc based on the nature of business, growth rates and estimated discounted cash flows. The intangible assets are amortised over the estimated useful lives as given below :

## Notes to the Consolidated Financial Statements

| Particulars        | Estimated useful lives |
|--------------------|------------------------|
| Goodwill           | 6-10 years             |
| Trade Marks        | 10-20 years            |
| Technical Know How | 6 years                |
| Computer Software  | 3-6 years              |
| Website Platform   | 10 years               |

### 2.16 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 subject to consideration of prudence, 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 asset / liabilities in respect of timing differences which originate and reverse during the tax holiday period are not recognized. Deferred tax assets / liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit available is recognised as an asset only to the extent there is reasonable possibility that the Group will pay normal income tax during the specified period for which MAT Credit is allowed to be carried forward. The Group recognises MAT Credit as an asset by way of credit to the statement of Profit and Loss and is disclosed as "MAT Credit Entitlement" under Long Term Loans and Advances, if any.

### 2.17 Cash and Cash Equivalents

In the Cash Flow Statement, Cash and Cash Equivalents includes cash in hand, bank balances and term deposits with bank having maturity term of less than three months.

### 2.18 Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 2.19 Segment Reporting

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

## Notes to the Consolidated Financial Statements

## Note 3 : Share Capital

|  | Current Year       |               | Amount ₹ in Crore<br>Previous Year |               |
|--|--------------------|---------------|------------------------------------|---------------|
|  | Number             | Value         | Number                             | Value         |
| <b>Authorised Share Capital</b>  |                    |               |                                    |               |
| (a) Equity shares of ₹ 1 each  | 800,000,000        | 80.00         | 800,000,000                        | 80.00         |
| (b) Unclassified Shares of ₹ 10 each   | 100,000,000        | 100.00        | 100,000,000                        | 100.00        |
|  |                    | <b>180.00</b> |                                    | <b>180.00</b> |
| <b>Issued, Subscribed and Paid up Share Capital</b>  |                    |               |                                    |               |
| Equity Shares of ₹ 1 each fully paid up  | 335,881,974        | 33.59         | 335,455,260                        | 33.55         |
| Less : Shares held by ESOP Trust - As detailed in sub note 9 under Note 4 Reserves and Surplus   | -                  | -             | (4,332,389)                        | (0.43)        |
| <b>Total</b>   | <b>335,881,974</b> | <b>33.59</b>  | <b>331,122,871</b>                 | <b>33.12</b>  |
| Par Value of Equity Share is ₹ 1 each  |                    |               |                                    |               |
| Par Value of Unclassified Share is ₹ 10 each   |                    |               |                                    |               |
| <b>Reconciliation of number of Shares</b>  |                    |               |                                    |               |
| Equity Shares  |                    |               |                                    |               |
| Number of Shares outstanding at the beginning of the year  | 335,455,260        | 33.55         | 335,165,917                        | 33.52         |
| Issued during the year   | 426,714            | 0.04          | 289,343                            | 0.03          |
| Number of Shares outstanding at the end of the year  | <b>335,881,974</b> | <b>33.59</b>  | <b>335,455,260</b>                 | <b>33.55</b>  |
| <b>Rights, Preferences and Restrictions attached to Shares</b>   |                    |               |                                    |               |
| Equity Shares: The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding. |                    |               |                                    |               |
| <b>Share Holding Information</b>   |                    |               |                                    |               |
| (a) Equity Shares held by Godrej & Boyce Manufacturing Company Limited - Holding Company   | 193,904,681        | 19.39         | 187,202,388                        | 18.72         |
| (b) Shareholders holding more than 5% of Equity Shares in the Company<br>Godrej & Boyce Manufacturing Company Limited - 57.73% (previous year 55.81%)  | 193,904,681        | 19.39         | 187,202,388                        | 18.72         |
| <b>Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)</b>  |                    |               |                                    |               |
| (a) Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)   | -                  | -             | 32,921                             | 0.00          |
| (b) Employee Stock Grant vesting on 30/04/14 (*)   | -                  | -             | 1,927                              | 0.00          |



## Notes to the Consolidated Financial Statements

### NOTE 3 : Share Capital (Contd.)

|  | Current Year |       | Previous Year |       |
|--|--------------|-------|---------------|-------|
|  | Number       | Value | Number        | Value |
| (c) Employee Stock Grant vesting on 31/05/14     | -            | -     | 169,103       | 0.02  |
| (d) Employee Stock Grant vesting on 30/11/14 (*) | -            | -     | 2,878         | 0.00  |
| (e) Employee Stock Grant vesting on 31/07/14 (*) | -            | -     | 2,441         | 0.00  |
| (f) Employee Stock Grant vesting on 31/03/15 (*) | 5,487        | 0.00  | 7,815         | 0.00  |
| (g) Employee Stock Grant vesting on 31/05/15     | 98,987       | 0.01  | 98,987        | 0.01  |
| (h) Employee Stock Grant vesting on 31/07/15 (*) | 2,274        | 0.00  | 2,274         | 0.00  |
| (i) Employee Stock Grant vesting on 31/05/16 (*) | 107,097      | 0.01  | 49,991        | 0.00  |
| (j) Employee Stock Grant vesting on 31/07/16 (*) | 2,274        | 0.00  | 2,274         | 0.00  |
| (k) Employee Stock Grant vesting on 31/05/17     | 55,641       | 0.01  | -             | -     |

The exercise period in respect of the stock grants mentioned above is one month.

During the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company :

- (i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Preference Shareholders of WCL, without payment being received in cash.
- (ii) 67,504 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company.

There are no calls unpaid.

There are no forfeited shares.

(\*) Amount less than ₹ 0.01 crore.

#### Note :

- (1) In the current year, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014 being the appointed date. The Effective Date is November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC.

The Company has issued 2,00,243 equity shares in the Company in lieu of the equity shares in WCL and 10 equity shares in the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares in the Company to the non-promoter shareholders of the Company.



## Notes to the Consolidated Financial Statements

## NOTE 4 : Reserves and Surplus

| Particulars   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>Capital Investment Subsidy Reserve</b>   | <b>0.95</b>       | 0.95          |
| <b>Capital Redemption Reserve</b>   |                   |               |
| As per Last Balance Sheet   | 31.46             | 31.71         |
| Additions during the year   | -                 | 0.14          |
| Adjustments during the year   | -                 | (0.39)        |
|   | <b>31.46</b>      | 31.46         |
| <b>Capital Reserve</b>  |                   |               |
| As per Last Balance Sheet   | 8.58              | 0.04          |
| Additions during the year - refer note 1 & 7 below                                | 1.30              | 8.58          |
| Adjustments during the year   | -                 | (0.04)        |
|   | <b>9.88</b>       | 8.58          |
| <b>Securities Premium Account</b> - refer note 4 ,5 & 6 below                     |                   |               |
| As per Last Balance Sheet   | 1,529.03          | 1,562.63      |
| Additions for shares issued during the year                                       | 7.69              | 10.31         |
| Utilisation during the year :   |                   |               |
| Share issue expenses  | -                 | (8.87)        |
| Adjustments due to change in holdings in subsidiaries during the year             | (67.51)           | (35.04)       |
|   | <b>1,469.21</b>   | 1,529.03      |
| <b>Revaluation Reserve</b> - refer note 8 below                                   |                   |               |
| As per Last Balance Sheet   | -                 | 7.72          |
| Less : Depreciation on Revalued component   | -                 | (0.76)        |
| Less : Deduction due to sale / discard of fixed assets                            | -                 | (6.96)        |
|   | -                 | -             |
| <b>Special Reserve u/s 45IC of RBI Act,1934</b>                                   |                   |               |
| As Per Last Balance Sheet   | 3.67              | 3.51          |
| Transfer from Surplus   | 0.17              | 0.16          |
|   | <b>3.84</b>       | 3.67          |
| <b>Employee Stock Grants Outstanding</b>  |                   |               |
| Stock Grants at the beginning of the year   | 65.37             | 58.82         |
| Add : Compensation for Stock Granted during the Year                              | 14.11             | 15.43         |
| Less : Grants Lapsed  | (1.15)            | (0.58)        |
| Less : Transfer to Securities Premium on exercise of stock grants during the year | (7.69)            | (8.30)        |
|   | <b>70.64</b>      | 65.37         |
| Less : Deferred Employee Stock Grants Compensation                                | (3.94)            | (3.14)        |
|   | <b>66.70</b>      | 62.23         |
| <b>Reserve for Employee Compensation Expenses</b> - refer Note 2 & 6 below        |                   |               |
| As per Last Balance Sheet   | 29.78             | 24.19         |
| Transfer from General Reserve Account   | -                 | 20.00         |
| Adjustment for employee compensation expense - refer note 10 below                | (11.35)           | (11.35)       |
| Adjustment on Acquisition / Deletion and Share of Minority                        | 4.47              | (3.06)        |
|   | <b>22.90</b>      | 29.78         |

## Notes to the Consolidated Financial Statements

### NOTE 4 : Reserves and Surplus (Contd.)

| Particulars   | Current Year    | Amount ₹ in Crore<br>Previous Year |
|---|-----------------|------------------------------------|
| <b>General Reserve</b> - refer note 2, 4, 6 & 7 below                                       |                 |                                    |
| As per Last Balance Sheet   | 55.97           | 172.86                             |
| Transfer from Surplus   | 14.96           | 36.24                              |
| Utilisation during the year pursuant to Scheme of Amalgamation :                            |                 |                                    |
| Transfer to Reserve for employee compensation expenses                                      | -               | (20.00)                            |
| Expenses on Merger  | -               | (1.01)                             |
| Excess of Investment over book value adjusted as per scheme of Merger                       | (9.80)          | (15.98)                            |
| Restatement / Revision of certain Assets / Amortisation of Intangibles as per Merger Scheme | (4.25)          | (119.07)                           |
| Issue of Bonus Shares pursuant to Scheme of Amalgamation                                    | (0.01)          | -                                  |
| Adjustment on Acquisition / Deletion and Share of Minority                                  | 5.35            | 2.93                               |
|   | <b>62.22</b>    | <b>55.97</b>                       |
| <b>Foreign Exchange Fluctuation Reserve</b>   |                 |                                    |
| As per Last Balance Sheet   | 13.62           | 8.08                               |
| Additions during the Year   | 2.84            | 5.54                               |
|   | <b>16.46</b>    | <b>13.62</b>                       |
| <b>ESOP Trusts Adjustments</b> - refer note 9 below   |                 |                                    |
| Accumulated Deficit at the beginning of the year  | (142.98)        | (122.55)                           |
| Add : Income of ESOP Trusts   | -               | 18.41                              |
| Less : Expense of ESOP Trusts   | -               | (0.25)                             |
| Closing Balance of ESOP Trusts  | (142.98)        | (104.39)                           |
| Less : Securities Premium on shares held by ESOP Trusts                                     | -               | (76.59)                            |
| Add : Reversal of Provision for Loan to ESOP Trust  | -               | 37.99                              |
| Add : Reversal of ESOP Trust Adjustments Balance  | 142.98          | -                                  |
|   | -               | (142.98)                           |
| <b>Surplus</b>  |                 |                                    |
| As per Last Balance Sheet   | 1,108.64        | 1,205.50                           |
| Surplus as per Statement of Profit and Loss   | 402.47          | 326.37                             |
| Utilisation during the year :   |                 |                                    |
| Dividend on additional shares issued  | -               | (0.02)                             |
| Credit for Dividend Distribution Tax on Dividend Received from Subsidiaries                 | 7.96            | 5.79                               |
| Proposed Dividend - Final   | (58.80)         | (58.70)                            |
| Tax on Distributed Profit   | (26.02)         | (23.02)                            |
| Transfer to Special Reserve   | (0.17)          | (0.16)                             |
| Transfer to General Reserve   | (14.96)         | (36.24)                            |
| Adjustment on Acquisition / Deletion - refer note 3 & 6 below                               | (127.81)        | (417.46)                           |
| Depreciation in transition to New Companies Act   | (4.91)          | -                                  |
| Issue of Bonus Shares   | (31.10)         | -                                  |
| Adjustment on Acquisition / Addition and Share of Minority                                  | 254.74          | 106.58                             |
|   | <b>1,510.04</b> | <b>1,108.64</b>                    |
| <b>Total</b>  | <b>3,193.66</b> | <b>2,700.95</b>                    |

#### Notes :

- (1) In the current year, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL), whose business was

## Notes to the Consolidated Financial Statements

### NOTE 4 : Reserves and Surplus (Contd.)

trading in Vegetable Oils, with the Company effective from April 1, 2014 being the appointed date. The Effective Date is November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC.

In accordance with the Scheme :

- a) The Company has followed Purchase Method of accounting and as per Scheme of Arrangement approved by Bombay High Court.
  - b) All the assets and liabilities of the erstwhile WCL have been transferred to and vest in the Company and have been recorded at their book value which are also their fair value. The excess of net assets of WCL acquired over the amount credited as share capital is ₹ 1.30 crore and is credited to Capital Reserves.
  - c) Income of ₹ 0.09 crore and Expense of ₹. 0.25 crore of WCL from April to November 2014 has been considered in Statement of Profit and Loss of the Company.
- (2) A scheme of Amalgamation (“the Scheme”) for the amalgamation of Goldmuhor Agrochem & Feeds Limited (called “the Transferor Company”), with Godrej Agrovet Limited (the “Transferee Company”), with effect from October 1, 2013, (“the Appointed date”) was sanctioned by the Honorable High Court of Judicature at Bombay (“the Court”), vide its Order dated September 20, 2013 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on December 13 , 2013 (the “Effective Date”).

To give effect to the Honourable Bombay High Court’s Order dated September 20, 2013 regarding Scheme of the Arrangement, the following actions have been performed during the previous year.

- a) The excess of face value of the shares held by the transferee Company over book value of the net assets of the Transferor Company taken over, amounting to ₹ 0.71 crore has been debited to the General Reserve Account of the Transferee Company as per the Scheme.
  - b) The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting ₹ 0.41 crore have been directly charged against the balance in General Reserve Account of the Transferee Company.
  - c) An amount of ₹ 20 crore standing to the credit of the General Reserve Account of the Transferee Company has been utilised to increase the Reserve for Employee Compensation Account of the Transferee Company. The expenses in respect of the GAVL ESOP scheme will be charged against the Reserve for Employee Compensation Account.
- (3) A scheme of Amalgamation (“the Scheme”) for the amalgamation of Golden Feed Products Limited (“the Transferor Company”), with Godrej Agrovet Limited (the “Transferee Company”), with effect from March 31, 2014, (“the Appointed date”) was sanctioned by the Hon’ble High Court of Judicature at Bombay (“the Court”), vide its Order dated April 29, 2014 and certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on May 19, 2014 (the “Effective Date”).

To give effect to the Honourable Bombay High Court’s Order dated April 29, 2014 regarding Scheme of the Arrangement, the following actions have been performed during the previous year.

- a) The excess of face value of the shares held by the transferee Company over book value of the net assets of the Transferor Company taken over, amounting to ₹ 0.97 crore has been debited to the Surplus in Statement of Profit and Loss as per the Scheme.
- b) An amount of ₹ 35.06 crore standing to the credit of Surplus in Statement of Profit and Loss of the Transferee Company has been utilised to restate / revise value of certain Assets of the Transferee Company.
- c) The cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 0.14 crore have been directly charged against the Surplus in Statement of Profit and Loss of the Transferee Company.

## Notes to the Consolidated Financial Statements

### NOTE 4 : Reserves and Surplus (Contd.)

- (4) As per the scheme of Amalgamation (“the Scheme”) of Godrej Gokarna Oil Palm Ltd., Godrej Oil Palm Ltd. and Cauvery Palm Oil Ltd., (“the Transferor Companies”), with Godrej Agrovet Limited (the “ Transferee Company”), with effect from April 1, 2011, (“the Appointed date”) as sanctioned by the Hon’ble High Court of Judicature at Bombay (“the Court”), vide its Order dated March 16, 2012, the following entries have been passed.
- Amortisation on Intangible Assets of the Transferor Companies amounting to ₹ 4.25 crore in the current year and ₹ 12.75 crore in the previous years recorded in the books of the Transferee Company are charged against the balance in the General Reserve Account of the Transferee Company. The Gross Book value of these Assets now held by the transferee Company is ₹ 42.51 crore.
  - The excess of book value of the net assets of the Transferor Company taken over, amounting to ₹ 60.55 crore over the face value of the shares held by the transferee Company has been credited to the Securities Premium Account as per the Scheme.
- (5) As per the scheme of Amalgamation (“the Scheme”) of Godrej Gold Coin Aquafeed Ltd. (the Transferor Company), with Godrej Agrovet Limited with effect from April 1, 2010, (“the Appointed date”) as sanctioned by the Hon’ble High Court of Judicature at Bombay (“the Court”), vide its Order dated January 5, 2011, the following entries have been passed.
- The Intangible assets held by Transferor Company amounting to ₹ 16.69 crore were adjusted against the balance in the Securities Premium Account of the Transferee Company.
  - The excess of book value of the net assets of the Transferor Company taken over, amounting to ₹ 25.06 crore over the face value of the shares held by the Transferee Company was credited to the Securities Premium Account as per the Scheme.
- (6) Pursuant to the Scheme of Amalgamation (the Scheme) under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 103 of the Companies Act, 1956 sanctioned by the Honorable High Court of Judicature at Bombay on April 18, 2015 and filed with the Registrar of Companies (RoC) on April 29, 2015, Godrej Buildwell Private Limited, a Subsidiary of Godrej Projects Development Private Limited, is amalgamated with Godrej Projects Development Private Limited w.e.f. December 1, 2014, the Appointed Date.

As per the said Scheme :

- All the assets and liabilities as appearing in the books of Transferor Company as on the Appointed Date have been recorded in the books of Transferee Company at their respective fair values and inter company balances have been cancelled.
- The Cost and expenses arising out of or incurred in carrying out and implementing the scheme amounting to ₹ 0.38 crore have been directly adjusted against opening balance of Surplus in the Statement of Profit and Loss of the Transferee Company.
- The amount of ₹ 137.05 crore arising out of the difference between the fair value of the net assets of the Transferor Company taken over and cancellation of intercompany investments between the Transferor Company and the Transferee Company has been adjusted in the balance in General Reserves and opening balance of Surplus in the Statement of Profit and Loss.

In accordance with the Scheme, 25,499 7% redeemable non-cumulative preference shares of face value of ₹ 10/- of the Transferee Company has been issued in lieu of 24,499 Class A and 1,000 Class D equity shares of face value of ₹ 10/- each of Transferor Company held by members other than Transferee Company.

## Notes to the Consolidated Financial Statements

### NOTE 4 : Reserves and Surplus (Contd.)

(7) During the previous year, the Honourable Bombay High Court had approved a Scheme of Amalgamation ("Scheme") of Swadeshi Detergents Limited (SDL) (a wholly owned Subsidiary of the Company) with the Company effective from April 1, 2013, being the appointed date vide its order dated August 16, 2013. The effective date was September 6, 2013. In accordance with the Scheme, all the assets and liabilities of the erstwhile SDL had been transferred to the Company and had been recorded at their book value which are also their fair value. The excess of the net assets transferred over the investments in SDL held by the Company amounting to ₹ 8.58 crore had been credited to the Capital Reserve.

In accordance with the Scheme, the Company had restated / revised the value of certain assets of the Company as on the Appointed Date to the extent considered appropriate by the Board of Directors of the Company and accordingly the values of the following assets aggregating to ₹ 114.82 crore had been reduced and adjusted in General Reserve as under :

|                                   | Amount ₹ in Crore |
|-----------------------------------|-------------------|
| 1. MAT Credit Entitlement         | 56.21             |
| 2. Investments / I.C.D.           | 31.74             |
| 3. Loans given to the ESOP Trust  | 19.41             |
| 4. Fixed Assets                   | 4.10              |
| 5. Inventory of stores and spares | 3.36              |

(8) In the previous year, on closure of manufacturing activities at Vikhroli Plant, the revalued assets had been scrapped / disposed off and adjusted against the Revaluation Reserve.

(9) During the Current year, The Securities and Exchange Board of India (SEBI) has issued the SEBI (Share Based Employee Benefits) Regulation, 2014, which requires that the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employees Share-Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, various Companies in the Group have not included the financial statements of their respective ESOP Trusts in preparation of the standalone financial statements of the respective Companies for the year ended March 31, 2015, as compared to the previous year where the same were consolidated. Consequently, these financials statements do not include the assets, liabilities, income and expenditure of the respective ESOP Trusts and to that extent, the figures for the previous years are not comparable.

(10) To give effect to the Honorable Bombay High Court's Order dated March 8, 2013, an amount of ₹ 110.04 crore standing to the credit of the Securities Premium Account of the Subsidiary Company has been utilised to create Reserve for Employee Compensation Account. The expense in respect of GAVL ESOP scheme of ₹ 94.74 crore (previous year ₹ 83.39 crore) has been charged against the Reserve for Employee Compensation.

## Notes to the Consolidated Financial Statements

### Note 5 : Long Term Borrowings

|   | Current Year | Amount ₹ in Crore<br>Previous Year |
|---|--------------|------------------------------------|
| <b>Secured</b>  |              |                                    |
| (a) Debentures - refer note 1 below                   | 61.58        | 82.38                              |
| (b) Term Loans  |              |                                    |
| (i) From Bank - refer note 2 below                    | 509.47       | 14.72                              |
| (ii) From Others - refer note 3 below                 | 24.90        | 22.02                              |
|   | 534.37       | 36.74                              |
| <b>Unsecured</b>                                      |              |                                    |
| (a) Term Loans  |              |                                    |
| (i) From Banks - refer note 4 below                   | 984.29       | 764.47                             |
| (ii) From Others - refer note 5 below                 | 75.00        | -                                  |
|   | 1,059.29     | 764.47                             |
| (b) Deferred Payment Liabilities - refer note 6 below | 3.93         | 4.24                               |
| (c) Deposits  |              |                                    |
| (i) Fixed Deposit - refer note 7 below                | 26.98        | 262.49                             |
| Share in Jointly Controlled Entities                  | 42.01        | 10.12                              |
| <b>Total</b>  | 1,728.16     | 1,160.44                           |

#### Notes :

- (1) Debentures comprise of :
  - (a) 2,871,876, 1% secured optionally convertible debentures of ₹ 10/- each are redeemable on April 10, 2017 and are secured to the extent of specific immovable assets of the Subsidiary Company disclosed under the head Fixed Assets.
  - (b) During the year 267,000, 12% Compulsorily Convertible Debentures of ₹ 1,000/- each have been converted into 50,000 equity shares of ₹ 10/- each.
  - (c) 587,061, 17.45% Compulsorily Convertible Debentures of face value of ₹ 1,000/- each. These Compulsory Convertible Debentures will be converted in to equity shares in the year 2019 based on the Fair Value.
- (2) (a) Secured term loan from Financial Institution: Total Sanction amount ₹ 500 crore bearing interest @ CPLR minus 510 BPS and secured by way of exclusive mortgage and charge of movable and immovable property, right, title interest in the designated account / escrow account and receivables of the project situated at Bandra-Kurla Complex at Mumbai and pledge of 51% of equity shares of Godrej Buildcon Pvt. Ltd. It will be repaid at a certain percentage of all sales receipts from the project, which percentage of sales receivables is subject to review on a quarterly basis. This loan is repayable over a period of 60 months.
- (b) Term loan from Axis Bank of ₹ 9.47 crore carries interest at 11.50% p.a., is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future. This loan is repayable over a period of 65 months.
- (3) Term loan from Tata Capital Financial Services Ltd. of ₹ 24.90 crore carries interest at 10.80% p.a. This loan is secured by hypothecation of the fixed assets and current assets and is repayable over a period of 61 months.
- (4) Terms of Repayment for Unsecured Borrowings :
  - (a) Unsecured loan from Bank amounting to ₹ 31.25 crore (previous year ₹ 89.87 crore) carries interest at LIBOR + 2.17% p.a., is for a term of 60 months and repayable in September 2016 (previous year September 2015 to September 2016).

## Notes to the Consolidated Financial Statements

### Note 5 : Long-Term Borrowings (contd.)

Unsecured loan from Bank amounting to ₹ 125 crore (previous year ₹ 119.82 crore) carries interest at LIBOR + 2.5% p.a., is for a term of 60 months and repayable during the period June 2016 to December 2017 (previous year June 2016 to December 2017).

Unsecured loan from Bank amounting to ₹ 125 crore (previous year ₹ 119.82 crore) carries interest at LIBOR + 2.05% p.a., is for a term of 60 months and repayable during the period February 2017 to August 2018 (previous year February 2017 to August 2018).

(b) Unsecured loan from Bank amounting to ₹ 93.73 crore (previous year ₹ 149.96 crore) carries interest at Base Rate + 0.95% p.a., is for a term upto 60 months and repayable during the period April 2016 to April 2017 (previous year July 2015 to April 2017).

(c) Unsecured loan from Bank amounting to ₹ 157.96 crore (previous year ₹ Nil) carries interest at LIBOR + 2.40% p.a., is for a term of 60 months and repayable during the period October 2017 to July 2019.

Unsecured loan from Bank amounting to ₹ 105.91 crore (previous year ₹ Nil) carries interest at LIBOR + 2.35% p.a., is for a term of 60 months and repayable during the period September 2017 to July 2019.

Unsecured loan from Bank amounting to ₹ 52.44 crore (previous year ₹ Nil) carries interest at LIBOR + 2.45% p.a., is for a term of 60 months and repayable during the period November 2017 to August 2019.

(d) Unsecured loan from Bank amounting to ₹ 100 crore (previous year ₹ Nil) carries interest at Base Rate + 0.50% p.a., is for a term upto 36 months and repayable during the period May 2017 to February 2018.

(e) Unsecured loan from Bank amounting to ₹ 50 crore (previous year ₹ 75 crore) carries interest at 10.40% p.a., is for a term upto 36 months and repayable during the period June 2016 to December 2016 (previous year December 2015 to December 2016).

(f) Term Loans from Banks are at an Interest Rate of 9.80% to 10.75% p.a. These loans are repayable after 13 months - ₹ 50 crore, after 36 months - ₹ 18 crore.

(g) Unsecured loan from Bank amounting to ₹ 75 crore (previous year ₹ Nil) carries interest at SBI Base Rate + 0.35% p.a., is for a term upto 36 months and repayable during the period July 2017 to January 2018.

(5) Unsecured loan from Others amounting to ₹ 75 crore (previous year ₹ Nil) carries interest at SBI Base Rate + 0.35% p.a., is for a term upto 60 months and repayable during the period June 2017 to June 2019.

(6) Deferred Sales Tax Loan is availed interest free under the scheme floated by the Directorate of Industries, Government of Andhra Pradesh. Loan repayment shall be performed on an annual basis 14 years from the year of collection, up to March 2022. Total loan availed was ₹ 4.67 crore and outstanding is ₹ 4.24 crore with current maturity disclosed separately in Note No. 11 Other Current Liabilities at ₹ 0.31 crore.

(7) (a) Fixed deposits from public have a maturity period of 13, 24 or 36 months.

(b) Fixed Deposits include deposits having maturity of more than 1 year amounting to ₹ 5.48 crore bearing interest rate @ 9.50 % to 10.50% payable half yearly.

(8) The Group does not have any continuing default as on the Balance Sheet date in repayment of loan or interest.



## Notes to the Consolidated Financial Statements

### Note 6 : Deferred Tax Liabilities (Net)

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>Liabilities</b>                          |                   |               |
| (a) WDV of Assets                           | 139.23            | 95.65         |
| (b) VRS Expenses                            | 0.22              | 0.37          |
| <b>Assets</b>                               |                   |               |
| (a) Provision for Retirement Benefits       | 2.91              | 3.09          |
| (b) Provision for Doubtful Debts / Advances | 7.64              | 2.46          |
| (c) Others                                  | 23.21             | 5.01          |
| (d) Unabsorbed Depreciation                 | 36.19             | -             |
| Share in Jointly Controlled Entities        | 3.46              | 1.10          |
| <b>Total</b>                                | <b>72.96</b>      | <b>86.56</b>  |

### Note 7 : Other Long Term Liabilities

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Deposits  | -                 | 0.01          |
| Trade Payables  | 1.42              | 1.07          |
| Liability towards beneficiaries of Company's ESOP Trust - As detailed in sub note 9 under Note 4 Reserves and Surplus | -                 | 1.12          |
| <b>Total</b>  | <b>1.42</b>       | <b>2.20</b>   |

### Note 8 : Long Term Provisions

|                                      | Amount ₹ in Crore |               |
|--------------------------------------|-------------------|---------------|
|                                      | Current Year      | Previous Year |
| Provision for Employee Benefits      | 14.58             | 11.93         |
| Share in Jointly Controlled Entities | 0.53              | 0.33          |
| <b>Total</b>                         | <b>15.11</b>      | <b>12.26</b>  |



## Notes to the Consolidated Financial Statements

### Note 9 : Short Term Borrowings

|  | Amount ₹ in Crore |                 |
|--|-------------------|-----------------|
|  | Current Year      | Previous Year   |
| <b>Secured</b>                               |                   |                 |
| (a) Debentures - refer note 1 below          | 76.25             | 76.25           |
| (b) Term loan from Bank - refer note 2 below | 200.00            | -               |
| (c) Loans Repayable On Demand                |                   |                 |
| (i) From Bank - refer note 3 below           | 604.70            | 598.02          |
| (ii) From Others - refer note 4 below        | 750.00            | 750.00          |
| <b>Unsecured</b>                             |                   |                 |
| (a) Loans Repayable On Demand                |                   |                 |
| (i) From Bank - refer note 5 & 6 below       | 958.65            | 496.68          |
| (ii) From Others - refer note 7 below        | 36.24             | -               |
| (b) Other Loans and Advances                 |                   |                 |
| (i) Commercial Papers - refer note 8 below   | 1085.50           | 823.00          |
| Share in Jointly Controlled Entities         | 12.26             | 37.05           |
| <b>Total</b>                                 | <b>3,723.60</b>   | <b>2,781.00</b> |

#### Notes :

- (1) 7,624,900, 10% Cumulative Optionally Convertible Class B Debentures of face value of ₹ 100/- each are secured by way of second mortgage / charge over the development rights of Project Godrej Central. The debentures are redeemable out of Remainder Amounts as defined in Share Purchase, Subscription and Shareholders Agreement dated March 31, 2012 after the completion of project. The interest shall be accrued on an annual basis.
- (2) Secured Loan availed from Bank is secured by hypothecation of the current assets of the Company. Immovable property of the Company at Vikhroli, Mumbai - Godrej One (5th Floor) and Current Assets of Godrej Real Estate Private Limited (wholly owned subsidiary) is provided as collateral security and carries interest at 10%, repayable on June 14, 2015.
- (3) (a) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.  
(b) Secured Loan includes cash credit availed from Bank which is secured by hypothecation of the current assets of the Company. Immovable property of the Company at Vikhroli, Mumbai - Godrej One (5th Floor) and Current Assets of Godrej Real Estate Private Limited (wholly owned subsidiary) is provided as collateral security and carries interest at Base Rate + 0.35% p.a. effective rate 10.35% p.a.
- (4) Secured loan from Financial Institution : Sanction amount ₹ 750.00 crore bearing interest @ CPLR minus 510 BPS and secured by way of exclusive mortgage and charge of movable and immovable property, right, title interest in the designated account / escrow account and receivables of the project situated at Bandra Kurla Complex at Mumbai and pledge of 51% of equity shares of Godrej Buildcon Pvt. Ltd. The loan will be repaid from the 6th month from the date of first disbursement at a certain percentage of all sales receipts from the project, percentage of sales receivables is subject to review on a quarterly basis. This loan is repayable over a period of 60 months.
- (5) (a) Unsecured loan from Bank is at base rate and repayable within 6 months.  
(b) Unsecured loan from Bank amounting to ₹ 25 crore (previous year ₹ Nil) carries interest at Base Rate and is repayable by April 2015.  
(c) Unsecured loan from Bank amounting to ₹ 25 crore (previous year ₹ Nil) carries interest at Base Rate + 0.10% p.a., and is repayable by June 2015.  
(d) Unsecured loans from Bank aggregating to ₹ 50 crore (previous year ₹ 55 crore) carries interest at 10.20% p.a., and is repayable by September 2015.

## Notes to the Consolidated Financial Statements

### Note 9 : Short Term Borrowings (contd.)

- (6) (a) Term Loans from Banks are at an interest rate of 9.25% to 10.75% p.a. These loans are repayable on different dates upto 3 months from the date of the Financial Statements.
- (b) Unsecured overdraft facility amounting to ₹ 24.40 crore carries interest at Base Rate + 25 basis point. Present effective rate is 9.90% p.a., ₹ 92.20 crore of overdraft at Base Rate, present effective rate @ 10.25%.p.a. Unsecured Invoice Financing is availed amounting to ₹ 36.61 crore carrying interest of 9.95% p.a.
- (7) Other loans include :
- (a) Term loan amounting to ₹ 200 crore availed carrying interest at Base Rate + 10 basis point p.a. Present effective rate is 10.25% p.a. Out of the above ₹ 100 crore is repayable on September 17, 2015, ₹ 70 crore is repayable on October 29, 2015 and ₹ 30 crore is repayable on October 25, 2015.
- (b) Term Loan amounting to ₹ 120 crore, availed at rate of Interest at 9.65 % p.a., repayable on September 03, 2015.
- (c) ₹ 100 crore availed from Commercial Papers carrying interest at 8.95% p.a., repayable on May 25, 2015.
- (d) ₹ 150 crore availed from Commercial Papers carrying interest at 8.95% p.a., repayable on May 26, 2015.
- (e) Cash Credit from Banks is repayable on demand and carries interest at 10.35% to 13.65% p.a.
- (8) (a) Commercial Papers of ₹ 590 crore (previous year ₹ 473 crore) carries interest at 8.48% to 9% p.a. and are repayable during the period April to August 2015.
- (b) Commercial Papers of ₹ 50 crore carrying interest at 9.50% p.a., repayable on April 28, 2015.
- (c) Commercial Papers of ₹ 100 crore carrying interest at 9.50% p.a., repayable on May 5, 2015.
- (d) Commercial Papers of ₹ 60 crore carrying interest at 9.64% p.a., repayable on May 18, 2015.
- (e) Commercial Papers of ₹ 75 crore carrying interest at 9.65% p.a., repayable on May 29, 2015.
- (f) Commercial Papers of ₹ 75 crore carrying interest at 9.04% p.a., repayable on June 23, 2015.
- (g) Loan from partners of ₹ 10.50 crore out of which ₹ 3 crore carries interest @18% p.a.
- (h) During the year, Commercial Paper raised and repaid of ₹ 300 crore (previous year ₹ 250 crore) carrying interest rates of 8.14% to 9.05% p.a. Outstanding balance as at year end of such Commercial Papers is ₹ 125 crore (previous year ₹ Nil).
- (9) The Group does not have any default as on the Balance Sheet date in repayment of loan or interest.

### Note 10 : Trade Payables

| Trade Payables  | Amount ₹ in Crore |                 |
|---|-------------------|-----------------|
|   | Current Year      | Previous Year   |
| (a) Outstanding dues of Micro and Small Enterprise - refer note 1 below | 2.08              | 2.35            |
| (b) Others  | 1,100.38          | 1,238.71        |
| Acceptances   | 669.27            | 723.03          |
| Share in Jointly Controlled Entities                                    | 14.35             | 8.95            |
| <b>Total</b>  | <b>1,786.08</b>   | <b>1,973.04</b> |

#### Note :

- (1) Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Group regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2015 to Micro, Small and Medium Enterprises on account of principal or interest (previous year ₹ Nil).

## Notes to the Consolidated Financial Statements

## Note 11 : Other Current Liabilities

|  | Amount ₹ in Crore |                 |
|--|-------------------|-----------------|
|  | Current Year      | Previous Year   |
| <b>Current Maturities of Long Term Debts</b>   |                   |                 |
| (a) Secured Loan from Banks  | 9.43              | 3.80            |
| (b) Unsecured  |                   |                 |
| (i) Loan from Bank   | 193.74            | 54.96           |
| (ii) Fixed Deposit - refer note 1 below  | 230.17            | 166.62          |
|  | <b>433.34</b>     | 225.38          |
| Current Maturities of Finance Lease Obligations  | -                 | 0.01            |
| Current Maturities of Deferred Sales Tax Liability - refer sub note 6 of Note 5 Long Term Borrowings | 0.31              | 0.27            |
| Interest Accrued but not Due on Borrowings   | 26.51             | 20.17           |
| Unclaimed Dividends  | 0.39              | 0.37            |
| Unclaimed Matured Deposit - refer note 2 below   |                   |                 |
| (a) Principal Amount   | 5.11              | 3.05            |
| (b) Interest Accrued Thereon   | 0.17              | 0.16            |
|  | <b>5.28</b>       | 3.21            |
| <b>Other Payables</b>  |                   |                 |
| (a) Advances from Customers  | 831.61            | 691.83          |
| (b) Sundry Creditors   | 66.98             | 80.89           |
| (c) Forward Cover Contracts Payable  | -                 | 16.18           |
| (d) Unamortised Forward Cover Premium  | 0.96              | -               |
| (e) Due to Management Projects   | 1.66              | 2.63            |
| (f) Statutory Liabilities  | 63.33             | 39.39           |
| (g) Deposits   | 59.00             | 49.66           |
| (h) Other Liabilities  | 187.26            | 171.16          |
|  | <b>1,210.80</b>   | 1,051.74        |
| Other Payables of ESOP Trust - As detailed in sub note 9 under Note 4 Reserves and Surplus           |                   |                 |
| (a) Other Liabilities  | -                 | 0.07            |
| (b) Statutory Liabilities  | -                 | 0.01            |
|  | <b>-</b>          | 0.08            |
| Share in Jointly Controlled Entities   | 22.58             | 9.81            |
| <b>Total</b>   | <b>1,699.21</b>   | <b>1,311.04</b> |

## Notes :

- Deposits having maturity in one year amounting to ₹ 196.69 crore bearing interest rate @ 9 % to 10.50% p.a. payable half yearly.
- There is no amount due and outstanding to be credited to the Investor Education & Protection Fund, in respect of matured but unclaimed Fixed Deposits / Loans and any unclaimed interest.

## Notes to the Consolidated Financial Statements

### Note 12 : Short Term Provisions

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Provision for Employee Benefits         | 8.86              | 4.25          |
| Proposed Dividend - refer note 1 below  | 58.80             | 58.70         |
| Provision for Tax on Distributed Profit | 20.21             | 25.05         |
| Provision for Tax                       | 10.72             | 9.11          |
| Other Provision                         | 0.30              | -             |
| Share in Jointly Controlled Entities    | 1.42              | 0.77          |
| <b>Total</b>                            | <b>100.31</b>     | <b>97.88</b>  |

#### Note :

- (1) The Board of Directors of the Company has proposed a dividend of ₹ 1.75 per equity share - 175% (previous year ₹ 1.75 per equity share - 175 %) for the year 2014-15.

## Notes to the Consolidated Financial Statements

## Note 13 : Fixed Assets

Amount ₹ in Crore

| ASSETS                                   | GROSS BLOCK         |           |                            |                     | DEPRECIATION / IMPAIRMENT |                            |                 |                    | NET BLOCK           |                     |
|--|---------------------|-----------|----------------------------|---------------------|---------------------------|----------------------------|-----------------|--------------------|---------------------|---------------------|
|  | As on<br>01.04.2014 | Additions | Deductions/<br>Adjustments | As on<br>31.03.2015 | Upto<br>31.03.2014        | Deductions/<br>Adjustments | For the<br>Year | Upto<br>31.03.2015 | As on<br>31.03.2015 | As on<br>31.03.2014 |
| <b>Tangible Assets</b>                   |                     |           |                            |                     |                           |                            |                 |                    |                     |                     |
| (a) Land                                 |                     |           |                            |                     |                           |                            |                 |                    |                     |                     |
| (i) Freehold                             | 45.56               | 1.88      | -                          | 47.44               | -                         | -                          | -               | -                  | 47.44               | 45.56               |
| (ii) Leasehold                           | 31.44               | 3.56      | -                          | 35.00               | 1.47                      | -                          | 0.36            | 1.83               | 33.17               | 29.97               |
| (b) Live / Biological assets             | -                   | 0.46      | -                          | 0.46                | -                         | -                          | 0.02            | 0.02               | 0.44                | -                   |
| (c) Buildings                            | 377.87              | 43.26     | 8.89                       | 412.24              | 57.49                     | 0.62                       | 17.34           | 74.21              | 338.03              | 320.38              |
| (d) Plant and Equipment                  | 977.53              | 127.71    | 17.33                      | 1,087.91            | 359.57                    | 14.02                      | 41.99           | 387.54             | 700.37              | 617.96              |
| (e) Research Centre                      | 0.84                | 0.01      | 0.01                       | 0.84                | 0.34                      | (0.01)                     | 0.11            | 0.46               | 0.38                | 0.50                |
| (f) Furniture and Fixtures               | 34.93               | 5.26      | 1.06                       | 39.13               | 15.26                     | 0.32                       | 3.98            | 18.92              | 20.21               | 19.67               |
| (g) Office and Other Equipment           | 42.83               | 9.84      | 0.71                       | 51.96               | 12.83                     | (4.32)                     | 7.63            | 24.78              | 27.18               | 30.00               |
| (h) Vehicles / Vessels                   |                     |           |                            |                     |                           |                            |                 |                    |                     |                     |
| (i) Own                                  | 46.12               | 15.81     | 2.78                       | 59.15               | 16.45                     | 1.31                       | 7.00            | 22.14              | 37.01               | 29.67               |
| (ii) Under Finance Lease                 | 0.03                | -         | -                          | 0.03                | 0.02                      | -                          | 0.01            | 0.03               | -                   | 0.01                |
| (i) Tree Development Cost                | 4.15                | -         | -                          | 4.15                | 3.23                      | -                          | 0.11            | 3.34               | 0.81                | 0.92                |
| (i) Share in Jointly Controlled Entities | 110.61              | 10.53     | 0.60                       | 120.54              | 32.51                     | 0.24                       | 9.03            | 41.30              | 79.24               | 78.10               |
| <b>Total Tangible Assets</b>             | 1,671.91            | 218.32    | 31.38                      | 1,858.85            | 499.17                    | 12.18                      | 87.58           | 574.57             | 1,284.28            | 1,172.74            |
| <b>Intangible Assets</b>                 |                     |           |                            |                     |                           |                            |                 |                    |                     |                     |
| (a) Trademarks                           | 49.14               | 5.16      | -                          | 54.30               | 27.37                     | 0.33                       | 5.71            | 32.75              | 21.55               | 21.77               |
| (b) Technical Knowhow Fees               | 2.00                | -         | -                          | 2.00                | 2.00                      | -                          | -               | 2.00               | -                   | -                   |
| (c) Software                             | 32.13               | 7.60      | 0.83                       | 38.90               | 21.20                     | 0.09                       | 3.99            | 25.10              | 13.80               | 10.93               |
| (d) Share in Jointly Controlled Entities | 1.03                | 0.09      | -                          | 1.12                | 0.53                      | -                          | 0.20            | 0.73               | 0.39                | 0.50                |
| <b>Total Intangible Assets</b>           | 84.30               | 12.85     | 0.83                       | 96.32               | 51.10                     | 0.42                       | 9.90            | 60.58              | 35.74               | 33.20               |
| <b>TOTAL - Current Year</b>              | 1,756.21            | 231.17    | 32.21                      | 1,955.17            | 550.27                    | 12.60                      | 97.48           | 635.15             | 1,320.02            |                     |
| - Previous Year                          | 1,324.90            | 552.06    | 120.75                     | 1,756.21            | 571.91                    | 97.09                      | 75.45           | 550.27             |                     | 1,205.94            |
| Capital Work in Progress                 |                     |           |                            |                     |                           |                            |                 |                    | 774.01              | 463.56              |
| Intangible Assets Under Development      |                     |           |                            |                     |                           |                            |                 |                    | 0.67                | 2.02                |
| <b>Total</b>                             |                     |           |                            |                     |                           |                            |                 |                    | 2,094.70            | 1,671.52            |

## Notes :

- Buildings, Plant and Equipment and Research Centre at Vikhroli Factory were revalued on June 30, 1992, on the basis of a valuation report submitted by professional valuers.
- Plant & Machinery is net of capital subsidy received during the year of ₹ 0.50 crore (previous year ₹ 2.06 crore).
- Depreciation for the year includes ₹ Nil (previous year ₹ 0.76 crore) being depreciation on revalued component of the fixed assets.
- Gross block deductions / adjustments includes ₹ Nil (previous year ₹ 36.16 crore) and Depreciation / Impairment Deduction / Adjustments includes ₹ Nil (previous year ₹ 29.20 crore) being the revalued component of assets sold / discarded during the year.
- Accumulated depreciation includes impairment loss of ₹ 5.10 crore (previous year ₹ 5.10 crore) on certain Plant and Equipment.
- Legal formalities relating to the transfer of title of immovable assets situated at Chennai (acquired as a part of the take over of Agrovet business from the Company), Hyderabad (as part of the merger of Godrej Plant Biotech Limited), Pune (as part of the merger of Goldmohur Foods & Feeds Ltd) and at Khopoli are being complied with. Stamp duty payable thereon is not presently determinable.
- To give effect to the Order of the Honorable High Court of Judicature at Bombay passed during 2011-12 regarding the scheme of Amalgamation of Godrej Gokarna Oil Palm Limited & Godrej Oil Palm Limited, the amortisation of Grant of Licenses are charged against the balance in the General Reserve Account (refer sub note 4 under Note 4 Reserves and Surplus)
- Capital work in progress is net of impairment loss of ₹ 2.04 crore (previous year ₹ 2.04 crore) provided on an infructuous asset under construction.
- Capital work in progress includes ₹ 16.31 crore (previous year ₹ Nil) of Exchange Difference arising on Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Capital work in progress also includes net borrowing cost capitalised amounting to ₹ 76.09 crore (previous year ₹ 53.57 crore).
- Addition to Plant and Machinery includes ₹ 15.74 crore (previous year ₹ 29.03 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Additions also includes net borrowing cost capitalised amounting to ₹ Nil (previous year ₹ 9.65 crore)
- In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited, the Company has restated / revised the value of certain Plant & Machinery from ₹ 4.10 crore to ₹ Nil and adjusted the same in General Reserve.
- Plant and Machinery at Vikhroli location having net block of ₹ 3.93 crore are Assets held for Sale and is classified under Other Current Assets.
- Capital expenses incurred on Research & Development Centre Activities of a Subsidiary are included under the respective heads.
- Consequent to the enactment of the Companies Act, 2013, (the Act) and its applicability for accounting periods commencing on or after April 1, 2014, the Group has adopted the estimated useful life of fixed assets as stipulated by Schedule II to the Act, except in the case of Plant and Machinery where, based on the condition of the plants, regular maintenance schedule, material of construction and past experience, the Group has considered useful life of 30 years instead of 20 years and one Subsidiary Company has considered useful life of Plant and Machinery as 20 years instead of 15 years and useful life of Computer Hardware as 4 years instead of 3 years. Accordingly, the Group has re-worked depreciation with reference to the estimated useful lives of fixed assets as prescribed by Schedule II to the Act. In case of assets whose useful life has been completed based on such estimates, the carrying value, net of residual value and taxes, as at April 1, 2014, amounting to ₹ 4.91 crore has been adjusted in the opening balance of retained earnings and in other cases the carrying value is being depreciated over the remaining useful life of the assets and recognised in the Statement of Profit and Loss. As a result of the above mentioned changes, the charge for depreciation is lower by ₹ 1.53 crore for the year ended March 31, 2015.

## Notes to the Consolidated Financial Statements

### Note 14 : Non Current Investments

| Investee Company / Entity   | Face value<br>(₹) | Number          |                  | Notes | Amount ₹ in Crore |               |
|---|-------------------|-----------------|------------------|-------|-------------------|---------------|
|   |                   | Current<br>Year | Previous<br>Year |       | Current Year      | Previous Year |
| <b>Trade Investments (Valued at cost unless stated otherwise)</b>               |                   |                 |                  |       |                   |               |
| <b>1. Investment in Equity Instruments (Fully paid unless stated otherwise)</b> |                   |                 |                  |       |                   |               |
| <b>(a) Investment in Associate Companies</b>                                    |                   |                 |                  |       |                   |               |
| <b>(i) Quoted</b>   |                   |                 |                  |       |                   |               |
| Godrej Consumer Products Ltd.   | 1                 | 80,277,620      | 77,029,620       |       | 1,962.57          | 1,486.69      |
| <b>(ii) Unquoted</b>  |                   |                 |                  |       |                   |               |
| Creamline Dairy Products Limited  | 10                | -               | 2,671,993        |       | -                 | 28.50         |
| Polchem Hygiene Laboratories Private Limited                                    | 10                | 455,000         | 455,000          |       | 5.85              | 4.83          |
| Al Rahaba International Trading Limited Liability Company                       | AED 1500          | 24              | 24               |       | 4.07              | 5.16          |
| Personalitree Academy Ltd.  | 10                | 389,269         | 389,269          |       | 1.10              | 1.10          |
| Less : Provision for Diminution in the Value of Investments                     |                   |                 |                  |       | (1.10)            | (1.10)        |
| <b>(b) Others</b>   |                   |                 |                  |       |                   |               |
| <b>(i) Quoted</b>   |                   |                 |                  |       |                   |               |
| Zicom Electronics Security System Ltd.  | 10                | 407,050         | 404,901          |       | 3.25              | 3.12          |
| Ruchi Soya Industries Ltd.  | 2                 | 374,923         | 209,709          |       | 1.51              | 0.77          |
| Others  |                   |                 |                  |       | 0.01              | -             |
| <b>(ii) Unquoted</b>  |                   |                 |                  |       |                   |               |
| Bharuch Eco-Aqua Infrastructure Ltd.  | 10                | 440,000         | 440,000          |       | 0.44              | 0.44          |
| Less : Provision for Diminution in the Value of Investments                     |                   |                 |                  |       | (0.44)            | (0.44)        |
| Avesthagen Ltd.   | 7                 | 469,399         | 469,399          | (a)   | 10.63             | 10.63         |
| Less : Provision for Diminution in the Value of Investments                     |                   |                 |                  |       | (10.63)           | (10.63)       |
| CBay Infotech Ventures Pvt. Ltd.  | 10                | 112,579         | 112,579          | (a)   | 2.33              | 2.33          |
| Less : Provision for Diminution in the Value of Investments                     |                   |                 |                  |       | (2.33)            | (2.33)        |
| Gharda Chemicals Ltd.   | 100               | 114             | 114              | (b)   | 0.12              | 0.12          |
| Less : Provision for Diminution in the Value of Investments                     |                   |                 |                  |       | (0.12)            | (0.12)        |
| HyCa Technologies Pvt. Ltd.   | 10                | 12,436          | 12,436           | (a)   | 1.24              | 1.24          |
| Less : Provision for Diminution in the Value of Investments                     |                   |                 |                  |       | (1.24)            | (1.24)        |
| Tahir Properties Ltd. (Partly paid) *   | 100               | 25              | 25               | (c)   | 0.00              | 0.00          |
| Boston Analytics Inc.   | \$1               | 1,354,129       | 1,354,129        |       | 6.91              | 6.91          |
| Less : Provision for Diminution in the Value of Investments                     |                   |                 |                  |       | (6.91)            | (6.91)        |
|   |                   |                 |                  |       | -                 | -             |

## Notes to the Consolidated Financial Statements

## Note 14 : Non Current Investments (contd.)

| Investee Company / Entity  | Face value<br>(₹) | Number          |                  | Notes     | Amount ₹ in Crore |                 |
|--|-------------------|-----------------|------------------|-----------|-------------------|-----------------|
|  |                   | Current<br>Year | Previous<br>Year |           | Current Year      | Previous Year   |
| The Saraswat Co-op. Bank Ltd.  | 10                | 6,000           | 6,000            |           | 0.01              | 0.01            |
| Sachin Industrial Co-operative Society Ltd. *                                  | 500               | 3               | 3                |           | 0.00              | 0.00            |
| New Market Limited   | £ 1               | 100             | 100              |           | 12.84             | 12.31           |
| Isprava Technologies Ltd. (formerly karROX Technologies Ltd.)                  | 10                | 125,000         | 125,000          |           | 0.55              | 0.50            |
| Indian Fund for Sustainable Energy (Infuse Capital)                            | 100               | 101,952         | -                |           | 1.02              | -               |
| Aadhaar Wholesale Trading & Distribution Ltd.                                  | 10                | -               | 7,195,400        |           | -                 | 34.65           |
| Less : Provision for Diminution in the Value of Investments                    |                   |                 |                  |           | -                 | (34.65)         |
| Others *   |                   |                 |                  |           | 0.00              | -               |
| <b>2. Investment in Preference Shares (Fully paid unless stated otherwise)</b> |                   |                 |                  |           |                   |                 |
| <b>Unquoted</b>  |                   |                 |                  |           |                   |                 |
| Tahir Properties Ltd. (Class - A) (partly paid) *                              | 100               | 25              | 25               | (c)       | 0.00              | 0.00            |
| Verseon Corporation - Class A Preferred Shares                                 | \$0.001           | 2,631,578       | 2,631,578        | (a) & (d) | 11.42             | 11.42           |
| Less : Provision for Diminution in the Value of Investments                    |                   |                 |                  |           | (11.42)           | (11.42)         |
| Verseon Corporation - Class B Preferred Shares                                 | \$0.001           | 715,668         | -                | (d)       | 10.62             | -               |
| Less : Provision for Diminution in the Value of Investments                    |                   |                 |                  |           | (10.62)           | -               |
| <b>3. Investment in Partnership Firm</b>                                       |                   |                 |                  |           |                   |                 |
| View Group LP *  |                   | -               | -                | (e)       | 0.00              | 0.00            |
| Less : Provision for Diminution in the Value of Investments                    |                   |                 |                  |           | 0.00              | 0.00            |
| <b>4. Other Non-Current Investments</b>  |                   |                 |                  |           |                   |                 |
| <b>(a) Limited Liability Partnership</b>                                       |                   |                 |                  |           |                   |                 |
| Crop Science Advisors Limited Liability Partnership                            |                   |                 |                  |           | 0.01              | 0.00            |
| <b>(b) Investment in Units of Venture Capital Fund</b>                         |                   |                 |                  |           |                   |                 |
| Omnivore India Capital Trust   | 100,000           | 1,250           | 875              |           | 12.49             | 8.75            |
| <b>Total</b>   |                   |                 |                  |           | <b>2,004.13</b>   | <b>1,550.64</b> |
| Aggregate Amount of Quoted Investments   |                   |                 |                  |           | 1,967.34          | 1,490.58        |
| Aggregate Amount of Unquoted Investments                                       |                   |                 |                  |           | 81.59             | 128.90          |
| Aggregate Provision for Diminution in the Value of Investments                 |                   |                 |                  |           | 44.80             | 68.84           |
| Market Value of Quoted Investments   |                   |                 |                  |           | 83,631.48         | 6,563.82        |

\* Amount less than ₹ 0.01 crore.

## Notes to the Consolidated Financial Statements

### Notes :

- (a) In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, as approved by the Honourable Bombay High Court, the Company had restated / revised the value of certain investments aggregating to ₹ 19.62 crore and adjusted the same in General Reserve.
- (b) The said shares have been refused for registration by the investee company.
- (c) Uncalled Liability on partly paid shares  
 - Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).  
 - Tahir Properties Ltd. - Preference - ₹ 30 per share (Previous year - ₹ 30 per share).
- (d) (i) During the year, the outstanding principal amount of Optionally Convertible Notes (OCN) amounting to ₹ 3.98 crore along with accrued interest thereon amounting to ₹ 6.64 crore have been converted into Class B Preferred Shares. The entire investment in Verseon Corporation has been fully provided for.  
 (ii) Subsequent to the Balance Sheet date, the Company's holding of 26,31,578 Class A Preferred Shares and 7,15,668 Class B Preferred Shares have been converted into 66,94,492 New Common Shares in Verseon Corporation.  
 (iii) The Company also has a right to Warrants which entitles it to 85,587 Class B Preferred Stock which would subsequently get converted into 1,71,174 New Common Shares in Verseon Corporation in satisfaction of the notice of exercise of the warrants.
- (e) View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing off the investment.

Information on partnership firm - View Group

| Sr. No.      | Name of the partner                       | Country | % Holding      | % Holding      |
|--------------|---|---------|----------------|----------------|
|              |   |         | Current Year   | Previous Year  |
| 1            | Mr. Robert Buirkle                        | USA     | 13.08%         | 13.08%         |
| 2            | Mr. John H. Gutfreund                     | USA     | 13.08%         | 13.08%         |
| 3            | Bonsal Trust                              | USA     | 6.54%          | 6.54%          |
| 4            | Free Market Capital L.P.                  | USA     | 4.83%          | 4.83%          |
| 5            | Kilbane Development SA                    | Monaco  | 6.54%          | 6.54%          |
| 6            | Mazda Partners LP                         | USA     | 8.96%          | 8.96%          |
| 7            | Ms. Mrinalini Jaikumar                    | USA     | 1.96%          | 1.96%          |
| 8            | Mr. John Pries                            | USA     | 2.62%          | 2.62%          |
| 9            | Mr. Marti Subrahmanyam                    | USA     | 1.96%          | 1.96%          |
| 10           | R. Gregg Stone Trust                      | USA     | 1.28%          | 1.28%          |
| 11           | Mr. Robert G. Stone, Jr.                  | USA     | 1.28%          | 1.28%          |
| 12           | Mr. Michael R. Greenberg                  | USA     | 3.27%          | 3.27%          |
| 13           | Mr. Paul D. Sonz                          | USA     | 1.25%          | 1.25%          |
| 14           | VIEW Group Grantor Retained Annuity Trust | USA     | 2.03%          | 2.03%          |
| 15           | BKE Partners L.P.                         | USA     | 4.83%          | 4.83%          |
| 16           | VIEW LP Holding, Inc.                     | USA     | 4.83%          | 4.83%          |
| 17           | Schwartz and Nystrom, as escrow agent     | USA     | 9.66%          | 9.66%          |
| 18           | Godrej Industries Limited                 | India   | 12.00%         | 12.00%         |
| <b>Total</b> |   |         | <b>100.00%</b> | <b>100.00%</b> |

### Note 15 : Deferred Tax Assets (Net)

|                     | Amount ₹ in Crore |               |
|---------------------|-------------------|---------------|
|                     | Current Year      | Previous Year |
| <b>Liabilities</b>  |                   |               |
| (a) WDV of Assets   | 2.13              | 1.54          |
| <b>Assets</b>       |                   |               |
| (a) On Fixed Assets | 0.33              | -             |
| (b) Others          | 6.28              | 3.69          |
| <b>Total</b>        | <b>4.48</b>       | <b>2.15</b>   |



## Notes to the Consolidated Financial Statements

## Note 16 : Long Term Loans And Advances

|  | Current Year   | Amount ₹ in Crore<br>Previous Year |
|--|----------------|------------------------------------|
| <b>Secured</b>   |                |                                    |
| (a) Loans and Advances   |                |                                    |
| Considerd Doubtful - refer note 1 below                        | 10.33          | 10.33                              |
| Less : Provision for Doubtful Loans                            | <u>(10.33)</u> | <u>(10.33)</u>                     |
|  | -              | -                                  |
| (b) Deposits - refer note 2 below                              | 115.88         | 108.31                             |
| <b>Unsecured and Considered Good (Unless otherwise stated)</b> |                |                                    |
| (a) Capital Advances   |                |                                    |
| Considered Good  | 26.48          | 37.62                              |
| Considered Doubtful - refer note 3 below                       | 0.03           | 0.03                               |
| Less : Provision for Doubtful Advances                         | <u>(0.03)</u>  | <u>(0.03)</u>                      |
|  | 26.48          | 37.62                              |
| (b) Deposits   | 26.91          | 21.10                              |
| (c) Prepaid Expense  | 0.32           | 0.38                               |
| (d) Advances to Suppliers                                      | 3.20           | 0.11                               |
| (e) Other Loans and Advances                                   |                |                                    |
| (i) Loans to Employees   | 0.95           | 1.02                               |
| (ii) Advance Tax (Net of Provision for Tax)                    | 76.78          | 48.43                              |
| (iii) Statutory Deposits                                       | 25.39          | 23.70                              |
| (iv) Other Loans   | 3.35           | 3.00                               |
| Share in Jointly Controlled Entities                           | 6.07           | 4.34                               |
| <b>Total</b>   | <u>285.33</u>  | <u>248.01</u>                      |

## Notes :

- (1) The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Hon'ble High Court against the order of the Company Law Board under Section 10 F of the Companies Act, 1956, which is pending final disposal. The Hon'ble Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from *inter alia*, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Bombay High Court which the Supreme Court has dismissed and the matter is before the Arbitrator. In the meantime, the Presiding Arbitrator has resigned as Arbitrator and appointment of new Arbitrator is in process, and the petition is pending before the Bombay High Court.

The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

- (2) Secured Deposits includes projects which are secured against Terms of Development Agreement.
- (3) Advance paid towards share application money to Personalitree Academy Ltd. (an Associate Company) which is considered Doubtful.

## Notes to the Consolidated Financial Statements

### Note 17 : Other Non Current Assets

|   | Current Year  | Amount ₹ in Crore<br>Previous Year |
|---|---------------|------------------------------------|
| <b>Secured</b>  |               |                                    |
| (a) Interest Accrued on Loans   | <b>3.15</b>   | 3.15                               |
| Considered Doubtful - refer note 1 below                                |               |                                    |
| Less : Provision for Doubtful Loans                                     | <b>(3.15)</b> | (3.15)                             |
|   | -             | -                                  |
| <b>Unsecured</b>  |               |                                    |
| (a) Interest Accrued on Investments                                     |               |                                    |
| Considered Doubtful   | <b>1.11</b>   | 1.63                               |
| Less : Provision for Doubtful Interest Accrued                          | <b>(1.11)</b> | (1.63)                             |
|   | -             | -                                  |
| (b) Other Long Term Receivables   |               |                                    |
| Considered Doubtful   | <b>2.58</b>   | 3.18                               |
| Less : Provision for Doubtful receivables                               | <b>(2.58)</b> | (3.18)                             |
|   | -             | -                                  |
| (c) Claims / Expenses Recoverable                                       | <b>2.21</b>   | 2.10                               |
| (d) Bank Deposit with more than 12 months maturity - refer note 2 below | <b>25.71</b>  | 3.33                               |
| (e) Others  | <b>0.03</b>   | -                                  |
| Share in Jointly Controlled Entities                                    | <b>4.05</b>   | -                                  |
| <b>Total</b>  | <b>32.00</b>  | 5.43                               |

#### Notes :

- (1) Interest on loan referred to in sub note 1 of Note 16 above, amounting to ₹ 3.15 crore (previous year ₹ 3.15 crore) was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.
- (2) (a) Deposit with Bank is held as Margin Money and lien marked for issuing bank guarantee of ₹ 25.08 crore (previous year ₹ 2.75 crore).
  - (b) Fixed Deposits of ₹ 0.31 crore (previous year ₹ 0.34 crore) are pledged with a Bank for guarantees issued.
  - (c) Fixed Deposit of ₹ 0.10 crore (previous year ₹ Nil) is held by bank as security against guarantees issued.

## Notes to the Consolidated Financial Statements

## Note 18 : Current Investments

| Investee Company / Entity   | Notes | Amount ₹ in Crore |               |
|---|-------|-------------------|---------------|
|   |       | Current Year      | Previous Year |
| <b>1. Investment in Mutual Funds</b>                                |       |                   |               |
| <b>Unquoted</b>   |       |                   |               |
| UTI Money Market - Institutional Plan - Growth                      |       | 1.07              | -             |
| Taurus - Liquid Fund-Super Institutional Growth                     |       | 41.97             | -             |
| HDFC Banking & PSU Debt Fund Regular - Growth                       |       | 56.00             | -             |
| UTI Liquid Fund Cash Plan -IP - Growth                              |       | 25.00             | -             |
| Peerless Liquid Fund - Super IP - Growth                            |       | -                 | 31.17         |
| Reliance Liquid Fund - TP - Growth                                  |       | 73.25             | 137.34        |
| Religare Invesco Liquid Fund - Growth Plan                          |       | 30.73             | 83.20         |
| Religare Invesco Credit Opportunities Fund - Growth                 |       | 51.65             | -             |
| Axis Liquid Fund - Growth (CFGPG)                                   |       | 0.09              | 62.03         |
| Birla Sun Life Cash Plus - Growth - Regular Plan                    |       | 10.86             | 94.00         |
| HDFC Cash Management Fund - Saving Plan - Growth                    |       | 2.79              | 66.45         |
| ICICI Prudential Liquid - Regular - Growth Plan                     |       | 0.50              | 104.32        |
| L&T Liquid Fund - Growth  |       | 25.00             | 25.00         |
| Sundaram Money Fund - Reg - Growth                                  |       | 42.25             | 76.00         |
| Baroda Pioneer Liquid Fund-Plan A - Growth                          |       | 61.95             | 83.78         |
| Taurus - Liquid Fund-Super Insti Growth                             |       | -                 | 2.03          |
| HDFC Liquid Fund - Growth   |       | 60.59             | 15.99         |
| Tata Money Market Fund Plan - Growth                                |       | 25.00             | 2.20          |
| SBI Premier Liquid fund (Growth)                                    |       | 4.36              | 1.90          |
| DSP Blackrock Liquidity Fund - IP - Growth                          |       | 16.00             | -             |
| ICICI Prudential Money Market Fund - Regular - Growth Plan          |       | 90.22             | -             |
| <b>2. Other Current Investment</b>                                  |       |                   |               |
| Optionally Convertible Loan Notes / Promissory Notes / Debentures : |       |                   |               |
| Unquoted :  |       |                   |               |
| Boston Analytics Inc. (15%)   | (a)   | 3.00              | 3.00          |
| Less : Provision for Diminution in the Value of Investments         |       | (3.00)            | (3.00)        |
|   |       | -                 | -             |
| Boston Analytics Inc. (20%)   | (a)   | 6.73              | 6.73          |
| Less : Provision for Diminution in the Value of Investments         |       | (6.73)            | (6.73)        |
|   |       | -                 | -             |
| Boston Analytics Inc. (12%)   | (b)   | 4.69              | 4.69          |
| Less : Provision for Diminution in the Value of Investments         |       | (4.69)            | (4.69)        |
|   |       | -                 | -             |
| Verseon Corporation (13%)   | (c)   | -                 | 3.98          |
| Less : Provision for Diminution in the Value of Investments         |       | -                 | (3.98)        |
|   |       | -                 | -             |

## Notes to the Consolidated Financial Statements

### Note 18 : Current Investments (Contd.)

| Investee Company / Entity                                      | Notes | Current Year  | Amount ₹ in Crore<br>Previous Year |
|--|-------|---------------|------------------------------------|
| <b>3. Trade Investment (At lower of Cost and fair value)</b>   |       |               |                                    |
| <b>Quoted :</b>  |       |               |                                    |
| (a) Investment in Equity Instruments (Fully paid)              |       |               |                                    |
| Future Consumer Enterprises Limited                            | (d)   | <b>38.60</b>  | -                                  |
| Less : Provision for Diminution in the Value of Investments    |       | <b>(1.99)</b> | -                                  |
|  |       | <b>36.61</b>  | -                                  |
| <b>Unquoted :</b>  |       |               |                                    |
| (a) Investment in Associate Companies (Fully paid)             |       |               |                                    |
| Creamline Dairy Products Limited                               | (e)   | <b>30.81</b>  | -                                  |
| <b>Total</b>   |       | <b>686.70</b> | <b>785.41</b>                      |
| Aggregate Amount of Quoted Investments                         |       | <b>38.60</b>  | -                                  |
| Aggregate Amount of Unquoted Investments                       |       | <b>664.51</b> | 803.81                             |
| Aggregate Provision for Diminution in the Value of Investments |       | <b>16.41</b>  | 18.40                              |
| Market Value of Quoted Investments                             |       | <b>36.64</b>  | -                                  |

#### Notes :

- (a) The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company has not exercised were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (b) 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (c) In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited, the Company had restated / revised the value of investments amounting to ₹ 3.98 crore and adjusted the same in General Reserve. Also refer to sub note (a) under note 14 Non Current Investments.
- (d) During the year under review, a Subsidiary Company has sold its investment in shares of Aadhaar Wholesale Trading & Distribution Limited (value of which was restated in the previous year to NIL in accordance with the approval of the Bombay High Court) in consideration for shares in Future Consumer Enterprises Ltd. Consequently, the value of this investment was reinstated to its cost and the same has been recognised in the Statement of Profit and Loss as an Exceptional Income.
- (e) In the current year, the Management has decided to divest its stake in Creamline Dairy Products Ltd. Consequently, the same has been reclassified as current investment as at the balance sheet date.

## Notes to the Consolidated Financial Statements

### Note 19 : Inventories

|   | Amount ₹ in Crore |                 |
|---|-------------------|-----------------|
|   | Current Year      | Previous Year   |
| Raw Material  | 294.00            | 313.32          |
| Packing Material  | 2.19              | 1.91            |
| Work in Progress  | 94.53             | 78.21           |
| Construction Work in Progress                               | 4,661.61          | 3,676.30        |
| Stock Under Cultivation                                     | 10.01             | 15.12           |
| Finished Goods  | 98.94             | 103.80          |
| Finished Goods - Property Development - refer note 3 below  | 46.16             | 45.54           |
| Poultry Stock   | 3.84              | 2.11            |
| Stock in Trade  | 68.90             | 61.38           |
| Stores and Spares - refer note 2 below                      | 18.00             | 13.10           |
| Share in Jointly Controlled Entities                        | 37.52             | 38.65           |
| Share in Jointly Controlled Entities - Property Development | 19.35             | 4.95            |
| <b>Total</b>  | <b>5,355.05</b>   | <b>4,354.39</b> |

#### Notes :

- (1) Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat.
- (2) In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited, the Company had restated / revised the value of certain Stores and Spares from ₹ 3.36 crore to ₹ Nil and adjusted the same in General Reserve.
- (3) Finished Goods - Property Development includes shares of Tahir Properties Limited at cost or net realisable value (whichever is lower) :
  - (a) 70 Equity shares of ₹ 100/- each, ₹ 20/- paid up.
  - (b) 75 Redeemable Preference Class A shares of ₹ 100/- each, ₹ 70/- paid up.

### Note 20 : Trade Receivables

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| <b>Secured and Considered Good</b> - refer note 1 below                                  |                   |               |
| (a) Outstanding for a period exceeding six months from the date they are due for payment | 5.90              | 3.82          |
| (b) Others   | 83.31             | 76.94         |
| <b>Unsecured</b>   |                   |               |
| <b>Considered Good</b>   |                   |               |
| (a) Outstanding for a period exceeding six months from the date they are due for payment | 90.70             | 54.75         |
| (b) Others   | 430.02            | 393.88        |
| <b>Considered Doubtful</b>   |                   |               |
| (a) Outstanding for a period exceeding six months from the date they are due for payment | 1.41              | 0.99          |
| (b) Allowance for Doubtful Debts   | (1.41)            | (0.99)        |
| Share in Jointly Controlled Entities   | 16.65             | 13.79         |
| <b>Total</b>   | <b>626.58</b>     | <b>543.18</b> |

#### Note :

- (1) Secured by Security Deposits collected from customers, Letter of Credit or Bank Guarantees held against them.

## Notes to the Consolidated Financial Statements

### Note 21 : Cash and Bank Balances

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| <b>Cash and Cash Equivalents</b>   |                   |               |
| <b>Balances with Banks</b>   |                   |               |
| (a) Current Accounts - refer note 3 below  | 85.71             | 110.84        |
| (b) ESOP Trust Bank Balances - As detailed in sub note 9 under Note 4 Reserves and Surplus | -                 | 0.74          |
| (c) Deposit having Maturity less than 3 months - refer notes 1 & 2 below                   | 85.28             | 161.70        |
| Cheques, drafts on hand  | 1.16              | 3.96          |
| Cash on Hand   | 2.21              | 2.28          |
| Share in Jointly Controlled Entities   | 13.55             | 7.15          |
|  | <b>187.91</b>     | <b>286.67</b> |
| <b>Other Bank Balances</b>   |                   |               |
| (a) Deposit with more than 3 months but less than 12 months maturity - refer note 1 below  | 53.87             | 19.00         |
| (b) Other Bank Balances - Unclaimed Dividend   | 0.35              | 0.33          |
| <b>Total</b>   | <b>242.13</b>     | <b>306.00</b> |

#### Notes :

- (1) (a) Fixed Deposit of ₹ Nil (previous year ₹ 1.42 crore) held as margin money.
- (b) Fixed Deposit of ₹ 0.48 crore (previous year ₹ 0.46 crore) is held by bank as security against guarantees issued.
- (c) Fixed Deposits of ₹ 0.03 crore (previous year ₹ 0.01 crore) are pledged with a Bank for guarantees issued.
- (2) Balances with Banks on Deposit Accounts include ₹ 3.80 crore (previous year ₹ 3.71 crore) received from flat buyers and held in trust on their behalf in a corpus fund.
- (3) Balances with Banks in Current Accounts include ₹ 0.05 crore (previous year ₹ 0.04 crore) earmarked balance for unclaimed dividend.

## Notes to the Consolidated Financial Statements

## Note 22 : Short Term Loans And Advances

|  | Current Year    | Amount ₹ in Crore<br>Previous Year |
|--|-----------------|------------------------------------|
| <b>Secured</b>   |                 |                                    |
| (a) Short Term Loans and Advances - refer note 1 below   | 60.24           | 56.09                              |
| (b) Secured Deposits - Projects - refer note 2 below   | 352.74          | 516.58                             |
| <b>Unsecured</b>   |                 |                                    |
| (a) Advances to Related Parties  | 17.08           | 3.45                               |
| (b) Loans and Advance  |                 |                                    |
| (i) Loans to Employees   | 0.61            | 0.58                               |
| (ii) Loans and Advances to others  | 209.40          | 185.82                             |
| (iii) Loan to ESOP Trusts  |                 |                                    |
| Considered Good  | 149.00          | 117.62                             |
| Considered Doubtful  | 43.88           | 37.99                              |
|  | 192.88          | 155.61                             |
| Less : Amount adjusted against ESOP Trust loan liability - As detailed in sub note 9 under Note 4 Reserves and Surplus | -               | (155.61)                           |
|  | 192.88          | -                                  |
| Less : Provision for Doubtful Loans - refer note 6 below   | (43.88)         | (37.99)                            |
| Provision for doubtful loan written back in ESOP Trust Adjustments   | -               | 37.99                              |
|  | (43.88)         | -                                  |
|  | 149.00          | -                                  |
| (iv) Due on Management Projects - refer note 3 below   | 19.73           | 19.59                              |
| (v) Development Manager Fees Accrued but not due - refer note 4 below  | 4.45            | 4.45                               |
| (vi) Advances to Suppliers   |                 |                                    |
| Considered Good  | 20.48           | 26.03                              |
| Considered Doubtful  | 0.37            | 0.32                               |
| Less : Provision for Doubtful Advances   | (0.37)          | (0.32)                             |
|  | 20.48           | 26.03                              |
| (vii) Advance Tax  | 0.01            | -                                  |
| (viii) Other Advances  |                 |                                    |
| Considered Good  | 66.54           | 53.58                              |
| Considered Doubtful  | 0.28            | 0.11                               |
| Less : Provision for Doubtful Advances   | (0.28)          | (0.11)                             |
|  | 66.54           | 53.58                              |
| (c) Inter Corporate Deposits - refer note 5 below  |                 |                                    |
| Considered Good  | 31.63           | 24.90                              |
| Considered Doubtful  | 5.77            | 5.77                               |
| Less : Provision for Doubtful Deposits   | (5.77)          | (5.77)                             |
|  | 31.63           | 24.90                              |
| (d) Deposits   |                 |                                    |
| (i) Statutory Authorities  | 22.46           | 30.90                              |
| (ii) Others  | 64.31           | 15.39                              |
| Share in Jointly Controlled Entities   | 63.30           | 41.07                              |
| <b>Total</b>   | <b>1,081.98</b> | <b>978.43</b>                      |

## Notes :

- Secured Loans & Advances are secured against Bank Guarantee received from vendors.
- Secured Deposits - Projects are Secured against Terms of Development Agreement.
- Due on Management Projects include a sum of ₹ 2.16 crore (previous year ₹ 2.16 crore) on account of a project, where the matter is sub-judice with arbitrators.
- A Subsidiary Company has entered into a Development Agreement with landlords. Development Management Fee amounting to ₹ 4.45 crore (previous year ₹ 4.45 crore) accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Management Fee accrued but not due.
- In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited, the Company had made a Provision for Doubtful Inter Corporate Deposit of ₹ 8.14 crore and adjusted the same in General Reserve. Also any realisation of assets which were considered for revision / restatement had been accounted in the Statement of Profit and Loss.
- In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited, the Company had made a provision of doubtful loan of ₹ 19.41 crore and adjusted the same in General Reserve. Also any realisation of assets which were considered for revision / restatement had been accounted in the Statement of Profit and Loss.

## Notes to the Consolidated Financial Statements

### Note 23 : Other Current Assets

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Unbilled Revenue  | 530.36            | 283.60        |
| Other Receivables   | 13.40             | 12.37         |
| Other Receivables of ESOP Trust - As detailed in sub note 9 under Note 4 Reserves and Surplus | -                 | 1.25          |
| Interest Accrued on Loans and Deposits  | 20.12             | 14.00         |
| Forward Cover Contracts Receivable  | 2.02              | 5.75          |
| Unamortised Premium on Forward Cover Contracts  | -                 | 4.80          |
| Assets held for Sale  | 3.93              | -             |
| Share in Jointly controlled Entity  | 2.63              | (0.53)        |
| <b>Total</b>  | <b>572.46</b>     | <b>321.23</b> |



## Notes to the Consolidated Financial Statements

### Note 24 : Contingent Liabilities

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>a) Claims against the Group not acknowledged as debts :</b>  |                   |               |
| (i) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Group has contested and is in appeal at various levels. | 107.89            | 87.89         |
| (ii) Customs Duty demands relating to lower charge, differential duty, classification, etc.   | 4.34              | 4.34          |
| (iii) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc at various levels.   | 48.15             | 33.76         |
| (iv) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.  | 0.29              | 0.29          |
| (v) Stamp duties claimed on certain properties which are under appeal by the Group.   | 3.31              | 3.31          |
| (vi) Income tax demands against which the Group has preferred appeals.  | 89.44             | 37.18         |
| (vii) Industrial relations matters under appeal.  | 2.53              | 2.38          |
| (viii) Others   | 22.38             | 12.21         |
| <b>b) Guarantees :</b>  |                   |               |
| (i) Guarantees issued by banks, including guarantees issued in respect of matters reported in (a) above.  | 37.00             | 36.42         |
| (ii) Guarantees given by the Group in respect of refund received from excise authority for exempted units of associate Company - refer note 1 below.  | 19.86             | -             |
| (iii) Guarantees given by the Group in respect of credit / guarantee limits sanctioned by banks to subsidiary and other companies.  | 96.47             | 50.98         |
| <b>c) Other Money for which the Company is Contingently Liable :</b>  |                   |               |
| (i) Letter of credit issued by bank on behalf of the Group.   | 22.49             | 10.40         |
| (ii) Case / Claim filed by Processors for claiming various expense.   | 6.71              | 8.03          |
| (iii) Bonds issued by Group on behalf of fellow subsidiary.   | 20.28             | 20.28         |
| <b>d) Share in Jointly Controlled Entities</b>  | 0.19              | -             |
| <b>e) Share in Associates</b>   | 68.38             | 145.88        |

#### Note :

- (1) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Financial Statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its Financial Results.

### Note 25 : Commitments

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for. | 70.02             | 187.94        |
| b) Uncalled liability on party paid shares / debentures*   | 0.00              | 0.00          |
| c) Other Commitments :   |                   |               |
| (i) Contracts for Purchase of Raw Material   | 78.88             | 85.34         |
| (ii) Major Contracts Commitment Outstanding for Civil, Elevator, External Development, MEP work, etc.                | 1,347.55          | 1,653.84      |
| d) Share in Jointly Controlled Entities  | 0.99              | 0.37          |
| e) Share in Associates   | 6.24              | 12.27         |

\* Amount less than ₹ 0.01 crore.

## Notes to the Consolidated Financial Statements

### Note 26 : Revenue from Operations

| Particulars                            | Amount ₹ in Crore |                 |
|--|-------------------|-----------------|
|  | Current Year      | Previous Year   |
| Sales                                  | 8,884.01          | 7,553.90        |
| Licence Fees and Service Charges       | 12.22             | 10.70           |
| Other Operating Revenues               |                   |                 |
| (a) Export Incentives                  | 15.11             | 16.24           |
| (b) Processing Charges                 | 2.66              | 2.35            |
| (c) Sale of Scrap                      | 25.30             | 21.88           |
| (d) Sale of Services                   | 76.69             | 70.98           |
| (e) Other Income from Project          | -                 | 22.50           |
| (f) Compensation Received from Project | 4.63              | 7.00            |
| (g) Others                             | 17.23             | 3.65            |
| Share in Jointly Controlled Entities   | 285.81            | 298.97          |
| Total Gross Revenue from Operations    | 9,323.66          | 8,008.17        |
| Excise Duty                            | (93.15)           | (90.24)         |
| <b>Total</b>                           | <b>9,230.51</b>   | <b>7,917.93</b> |

### Note 27 : Other Income

| Particulars                             | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Interest Income (Gross)                 | 36.54             | 46.54         |
| Less : Capitalised to Fixed Assets      | -                 | (3.06)        |
| Interest Income (Net)                   | 36.54             | 43.48         |
| Profit on Sale of Long Term Investments | 0.54              | 58.97         |
| Profit on Sale of Current Investments   | 68.06             | 5.95          |
| Profit on Sale of Fixed Assets (Net)    | 4.55              | 1.96          |
| Dividend                                | 0.07              | 0.11          |
| Miscellaneous Income                    | 17.08             | 16.61         |
| Share in Jointly Controlled Entities    | 2.44              | 1.88          |
| <b>Total</b>                            | <b>129.28</b>     | <b>128.96</b> |

## Notes to the Consolidated Financial Statements

### Note 28 : Cost of Materials Consumed

|   | Amount ₹ in Crore |                 |
|---|-------------------|-----------------|
|   | Current Year      | Previous Year   |
| <b>Raw Materials Consumed</b>                 |                   |                 |
| (a) Inventory at the Commencement of the Year | 313.32            | 252.88          |
| (b) Add : Purchases (net)                     | 3,432.39          | 3,384.50        |
|   | 3,745.71          | 3,637.38        |
| (c) Less : Inventory at the Close of the Year | (294.00)          | (313.32)        |
|   | 3,451.71          | 3,324.06        |
| Share in Jointly Controlled Entities          | 158.97            | 180.06          |
| <b>Packing Materials Consumed</b>             |                   |                 |
| (a) Inventory at the Commencement of the Year | 1.91              | 1.67            |
| (b) Add : Purchases (net)                     | 36.21             | 34.74           |
|   | 38.12             | 36.41           |
| (c) Less : Inventory at the Close of the Year | (2.19)            | (1.91)          |
|   | 35.93             | 34.50           |
| <b>Total</b>                                  | <b>3,646.61</b>   | <b>3,538.62</b> |

### Note 29 : Cost of Sales - Property Development

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| (a) Inventory at the Commencement of the Year | 3,726.79          | 3,235.19      |
| (b) Add : Purchases (net)                     | 2,467.27          | 1,298.23      |
|   | 6,194.06          | 4,533.42      |
| (c) Less : Inventory at the Close of the Year | (4,727.12)        | (3,726.79)    |
| <b>Total</b>                                  | <b>1,466.94</b>   | <b>806.63</b> |

### Note 30 : Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade

|   | Amount ₹ in Crore |                |
|---|-------------------|----------------|
|   | Current Year      | Previous Year  |
| Inventory at the Commencement of the Year       |                   |                |
| (a) Finished Goods                              | 103.80            | 61.97          |
| (b) Work in Progress                            | 78.21             | 62.82          |
| (c) Stock Under Cultivation                     | 15.12             | 13.57          |
| (d) Poultry Stock                               | 2.11              | 1.37           |
| (e) Stock in Trade                              | 61.38             | 38.28          |
|   | 260.62            | 178.01         |
| Less : Stock Adjustment for subsidiaries merged | -                 | (0.65)         |
| Less : Inventory at the Close of the Year       |                   |                |
| (a) Finished Goods                              | (98.94)           | (103.80)       |
| (b) Work in Progress                            | (94.53)           | (78.21)        |
| (c) Stock Under Cultivation                     | (10.01)           | (15.12)        |
| (d) Poultry Stock                               | (3.84)            | (2.11)         |
| (e) Stock in Trade                              | (68.90)           | (61.38)        |
|   | (276.22)          | (260.62)       |
| Share in Jointly Controlled Entities            | (1.89)            | (0.31)         |
| <b>Total</b>                                    | <b>(17.49)</b>    | <b>(83.57)</b> |

## Notes to the Consolidated Financial Statements

### Note 31 : Employee Benefits Expenses

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Salaries and Wages                        | 256.76            | 233.62        |
| Contribution to Provident and Other Funds | 26.43             | 15.42         |
| Expense on Employee Stock Option Scheme   | 7.12              | 9.14          |
| Staff Welfare Expense                     | 21.68             | 20.31         |
| Share in Jointly Controlled Entities      | 11.19             | 15.75         |
| <b>Total</b>                              | <b>323.18</b>     | <b>294.24</b> |

### Note 32 : Finance Costs

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| Interest Expense (Gross)                               | 617.64            | 339.37        |
| Less : Interest Capitalised to Projects / Fixed Assets | (541.64)          | (280.10)      |
| Interest Expense (Net)                                 | 76.00             | 59.27         |
| Other Borrowing Costs (Gross)                          | 110.34            | 59.62         |
| Less : Capitalised to Projects / Fixed Assets          | -                 | (2.20)        |
| Other Borrowing Costs (Net)                            | 110.34            | 57.42         |
| Share in Jointly Controlled Entities                   | 4.95              | 2.19          |
| <b>Total</b>   | <b>191.29</b>     | <b>118.88</b> |

## Notes to the Consolidated Financial Statements

### Note 33 : Other Expenses

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Consumption of Stores and Spares                              | 21.51             | 18.80         |
| Power and Fuel  | 164.98            | 165.49        |
| Processing Charges  | 72.90             | 65.86         |
| Rent  | 33.12             | 29.47         |
| Rates and Taxes   | 14.49             | 13.43         |
| Repairs and Maintenance                                       |                   |               |
| (a) Machinery   | 15.80             | 13.68         |
| (b) Buildings   | 5.52              | 9.34          |
| (c) Other assets  | 3.70              | 2.48          |
| Insurance   | 4.03              | 3.51          |
| Freight   | 93.57             | 81.56         |
| Commission  | 3.90              | 4.73          |
| Discount  | 128.54            | 119.40        |
| Advertisement and Publicity                                   | 25.74             | 20.66         |
| Selling and Distribution Expenses                             | 73.11             | 70.27         |
| Bad Debts Written Off   | 4.27              | 6.05          |
| Provision / (Write back) for Doubtful Debts and Advances      | 5.81              | (13.34)       |
| Provision for Depletion in the value of Investment            | 8.12              | -             |
| (Write back) / Provision for Excise Duty on Closing Inventory | (1.94)            | 5.29          |
| Loss on Foreign Exchange Translation                          | 6.21              | 13.18         |
| Loss on Sale of Fixed Assets                                  | 1.11              | 0.47          |
| Research Expense  | 3.10              | 1.83          |
| Miscellaneous Expenses - refer note 2 & 3 below               | 171.16            | 150.29        |
| Share in Jointly Controlled Entities                          | 77.51             | 64.44         |
| <b>Total</b>  | <b>936.26</b>     | <b>846.89</b> |

#### Notes :

- (1) In accordance with the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company, expense of ₹ 0.25 crore of WCL for the period April to November 2014 have been considered as expenses of the Company.
- (2) In the previous year, in accordance with the Schemes of Amalgamation approved by the Honourable Bombay High Court, the costs and expenses of ₹ 1.20 crore incurred on the Schemes had been adjusted in the General Reserve / Surplus.
- (3) The Subsidiary Companies has spent ₹ 2.78 crore during the financial year as per the provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities grouped under 'Miscellaneous Expenses'.
- (4) Expenses incurred on Research & Development Centre Activities of a Subsidiary Company are included under the respective heads.

### Note 34 : Exceptional items

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| (i) Profit on Sale of Long Term Investments            | 192.41            | 64.88         |
| (ii) Write back for Diminution in Value of Investments | -                 | 4.50          |
| <b>Total</b>   | <b>192.41</b>     | <b>69.38</b>  |

## Notes to the Consolidated Financial Statements

### Note 35 : Earnings Per Share

|  | Current Year       | Previous Year |
|--|--------------------|---------------|
| 1. Calculation of weighted average number of equity shares - Basic             |                    |               |
| (a) Number of equity shares at the beginning of the year                       | <b>335,455,260</b> | 335,165,917   |
| (b) Number of equity shares issued during the year                             | <b>426,714</b>     | 289,343       |
| (c) Number of equity shares outstanding at the end of the year                 | <b>335,881,974</b> | 335,455,260   |
| Weighted average number of equity shares outstanding during the year           | <b>335,517,405</b> | 335,331,194   |
| 2. Calculation of weighted average number of equity shares - Diluted           |                    |               |
| (a) Number of potential equity shares at the beginning of the year             | <b>335,825,871</b> | 335,678,641   |
| (b) Number of potential equity shares outstanding at the end of the year       | <b>336,153,734</b> | 335,825,871   |
| Weighted average number of potential equity shares outstanding during the year | <b>335,896,235</b> | 335,801,244   |
| 3. Net Profit After Tax (₹ Crore)  | <b>402.47</b>      | 326.37        |
| 4. Basic Earnings per share of ₹ 1 each  | <b>12.00</b>       | 9.73          |
| 5. Diluted Earnings per share of ₹ 1 each                                      | <b>11.98</b>       | 9.72          |

## Notes to the Consolidated Financial Statements

### Note 36 : Information on Subsidiaries, Joint Ventures and Associates :

(a) The subsidiary Companies considered in the Consolidated Financial Statements are :

| Sr. No. | Name of the Company   | Country of Incorporation | Percentage of Holding |               |
|---------|---|--------------------------|-----------------------|---------------|
|         |   |                          | Current Year          | Previous Year |
| 1.      | Godrej Agrovvet Ltd.  | India                    | 60.81%                | 60.81%        |
| 2.      | Godrej Seeds and Genetics Ltd. (90% subsidiary of Godrej Agrovvet Ltd.)                         | India                    | 54.72%                | 54.72%        |
| 3.      | Godvet Agrochem Ltd.  | India                    | 60.81%                | 60.81%        |
| 4.      | Natures Basket Ltd.   | India                    | 100.00%               | 100.00%       |
| 5.      | Godrej Properties Ltd.  | India                    | 57.10%                | 62.32%        |
| 6.      | Godrej Realty Pvt. Ltd.   | India                    | 29.12%                | 31.78%        |
| 7.      | Godrej Real Estate Pvt. Ltd.  | India                    | 57.10%                | 62.32%        |
| 8.      | Happy Highrises Ltd.  | India                    | 29.12%                | 31.78%        |
| 9.      | Godrej Buildwell Pvt. Ltd. (up to November 30, 2014) (100% subsidiary w.e.f. November 14, 2014) | India                    | 30.54%                | 30.54%        |
| 10.     | Godrej Buildcon Pvt. Ltd.   | India                    | 57.10%                | 62.32%        |
| 11.     | Godrej Project Development Pvt. Ltd.  | India                    | 57.10%                | 62.32%        |
| 12.     | Godrej Premium Builders Pvt. Ltd. (100% subsidiary w.e.f. December 29, 2014)                    | India                    | 57.10%                | 31.78%        |
| 13.     | Godrej Garden City Properties Pvt. Ltd.   | India                    | 57.10%                | 62.32%        |
| 14.     | Godrej Landmark Redevelopers Pvt. Ltd.  | India                    | 29.12%                | 31.78%        |
| 15.     | Godrej Redevelopers (Mumbai) Pvt. Ltd.  | India                    | 29.12%                | 31.78%        |
| 16.     | Godrej Hillside Properties Pvt. Ltd. (w.e.f. March 31, 2015)                                    | India                    | 57.10%                | -             |
| 17.     | Godrej Home Developers Pvt. Ltd. (w.e.f. March 30, 2015)  | India                    | 57.10%                | -             |
| 18.     | Godrej Green Homes Ltd.   | India                    | 57.10%                | 62.32%        |
| 19.     | Wonder City Buildcon Pvt. Ltd. (Upto June 23, 2014)   | India                    | -                     | 62.32%        |
| 20.     | Ensemble Holdings & Finance Ltd.  | India                    | 100%                  | 100%          |
| 21.     | Godrej International Ltd.   | Isle of Man              | 100%                  | 100%          |
| 22.     | Godrej International Ltd. (w.e.f. March 11, 2015)   | Labuan                   | 100%                  | -             |
| 23.     | Godrej International Trading & Investments Pte. Ltd.  | Singapore                | 100%                  | 100%          |
| 24.     | Mosaic Landmarks LLP  | India                    | 29.12%                | 31.78%        |
| 25.     | Godrej Vikhroli Properties LLP (60% LLP of Godrej Properties Ltd and 40% LLP of the Company)    | India                    | 74.26%                | 77.39%        |
| 26.     | Godrej Construction Projects LLP (w.e.f. December 22, 2014)                                     | India                    | 57.10%                | -             |

## Notes to the Consolidated Financial Statements

### Note 36 : Information on Subsidiaries, Joint Ventures and Associates :

#### (b) Interests in Joint Ventures :

| Sr. No. | Name of the Company  | Country of Incorporation | Percentage of Holding |               |
|---------|--|--------------------------|-----------------------|---------------|
|         |  |                          | Current Year          | Previous Year |
| 1.      | ACI Godrej Agrovvet Pvt. Ltd.<br>(joint venture partner of Godrej Agrovvet Ltd.)                   | Bangladesh               | 30.40%                | 30.40%        |
| 2.      | Godrej Tyson Foods Ltd.<br>(joint venture partner of Godrej Agrovvet Ltd.)                         | India                    | 29.79%                | 29.79%        |
| 3.      | Dream World Landmarks LLP<br>(Control through Majority Voting Rights)                              | India                    | 22.84%                | 24.93%        |
| 4.      | Oxford Realty LLP<br>(Control through Majority Voting Rights)                                      | India                    | 15.23%                | 12.46%        |
| 5.      | SSPDL Green Acres LLP<br>(Control through Majority Voting Rights)                                  | India                    | 25.12%                | 27.42%        |
| 6.      | Oasis Landmarks LLP<br>(w.e.f. August 25, 2014) (Control through Majority Voting Rights)           | India                    | 21.70%                | -             |
| 7.      | M S Ramaiah Ventures LLP<br>(w.e.f. April 7, 2014) (Control through Majority Voting Rights)        | India                    | 28.26%                | -             |
| 8.      | Caroa Properties LLP<br>(w.e.f. April 17, 2014) (Control through Majority Voting Rights)           | India                    | 19.99%                | -             |
| 9.      | Godrej Housing Projects LLP<br>(w.e.f. December 22, 2014) (Control through Majority Voting Rights) | India                    | 22.84%                | -             |
| 10.     | Amitis Developers LLP<br>(w.e.f. March 10, 2015) (Control through Majority Voting Rights)          | India                    | 26.27%                | -             |
| 11.     | Godrej Buildcorp LLP<br>( upto October 10, 2014)   | India                    | -                     | 21.81%        |
| 12.     | Godrej Property Developers LLP   | India                    | 18.27%                | 19.94%        |
| 13.     | Wonder Space Properties Private Ltd.   | India                    | 14.33%                | 15.64%        |
| 14.     | Wonder City Buildcon Private Ltd.<br>(w.e.f. June 24, 2014)  | India                    | 14.33%                | -             |



## Notes to the Consolidated Financial Statements

### Note 36 : Information on Subsidiaries, Joint Ventures and Associates :

#### (c) Investment in Associates :

| Sr. No. | Name of the Company   | Country of Incorporation | Percentage of Holding |               |
|---------|---|--------------------------|-----------------------|---------------|
|         |   |                          | Current Year          | Previous Year |
| 1.      | Godrej Consumer Products Ltd.   | India                    | 23.58%                | 22.63%        |
| 2.      | Personalitree Academy Ltd.<br>(Associate of Ensemble Holdings & Finance Ltd.) | India                    | 25.49%                | 25.49%        |
| 3.      | Creamline Dairy Products Ltd.<br>(Associate of Godrej Agrovet Ltd.)           | India                    | 15.81%                | 15.81%        |
| 4.      | Al Rahaba International Trading LLC<br>(Associate of Godrej Agrovet Ltd.)     | U.A.E.                   | 14.59%                | 14.59%        |
| 5.      | Polchem Hygiene Laboratories Pvt. Ltd.<br>(Associate of Godrej Agrovet Ltd.)  | India                    | 15.81%                | 15.81%        |

### Note 37 : Difference In Accounting Policies

The accounting policies of certain subsidiaries, joint ventures and associates especially regarding the method of depreciation and accounting for retirement benefits are not in consonance with the group accounting policies. No effect has been given in the consolidated financial statements on account of such differing accounting policies, where the impact is not expected to be material.

### Note 38 : Break up of Investment in Associates is as under :

| Sr. No. | Name of the Company                 | Cost of Acquisition | Goodwill Included in Cost of Acquisition | Share in Profits/ (Loss) of Associates Post Acquisition | Provision for Diminution in the Value of Investments | Carrying Cost of Investments |
|---------|-------------------------------------|---------------------|--|---|--|------------------------------|
| 1.      | Godrej Consumer Products Ltd.       | 1,286.86            | 1,047.44                                 | 675.71  | -  | 1,962.57                     |
|         | <i>Previous Year</i>                | <i>970.11</i>       | <i>769.55</i>                            | <i>516.58</i>   | <i>-</i>   | <i>1,486.69</i>              |
| 2.      | Personalitree Academy Ltd.          | 1.10                | 0.43                                     | (0.42)  | 0.68   | -                            |
|         | <i>Previous Year</i>                | <i>1.10</i>         | <i>0.43</i>                              | <i>(0.42)</i>   | <i>0.68</i>  | <i>-</i>                     |
| 3.      | Creamline Dairy Products Ltd.       | 10.38               | 3.98                                     | 20.43   | -  | 30.81                        |
|         | <i>Previous Year</i>                | <i>10.38</i>        | <i>3.98</i>                              | <i>18.12</i>  | <i>-</i>   | <i>28.50</i>                 |
| 4.      | Al Rahaba International Trading LLC | 0.04                | (2.46)                                   | 4.02  | -  | 4.07                         |
|         | <i>Previous Year</i>                | <i>0.04</i>         | <i>(2.46)</i>                            | <i>5.12</i>   | <i>-</i>   | <i>5.16</i>                  |
| 5.      | Polchem Hygiene Lab Pvt. Ltd.       | 1.63                | 0.89                                     | 4.22  | -  | 5.85                         |
|         | <i>Previous Year</i>                | <i>1.63</i>         | <i>0.89</i>                              | <i>3.21</i>   | <i>-</i>   | <i>4.83</i>                  |
|         | <b>Total Current Year</b>           | <b>1,300.01</b>     | <b>1,049.92</b>                          | <b>703.96</b>   | <b>0.68</b>  | <b>2,003.30</b>              |
|         | <i>Total Previous Year</i>          | <i>983.26</i>       | <i>772.39</i>                            | <i>542.61</i>   | <i>0.68</i>  | <i>1,525.18</i>              |

## Notes to the Consolidated Financial Statements

### Note 39 : Employee Stock Benefit Plans

#### 1. Employee Stock Option Plans

##### a) (i) Employee Stock Option Plans of Godrej Industries Limited

In December 2005, Godrej Industries Limited had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 6,00,000 options.

In July 2009, the Company had instituted an Employee Stock Option Plan II (GIL ESOP II) as approved by the Board of Directors and the Shareholders, for the allotment of 90,00,000 options convertible into 90,00,000 shares of the nominal value of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 10,00,000 options.

The Plans are administered by an independent ESOP Trust created with IL&FS Trust Co. Ltd. which purchased from the market shares equivalent to the number of options granted by the Compensation Committee. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market. The particulars of the plans and movements during the year are as under :

| ESOP I   | Current Year   |                                    | Previous Year  |                                    |
|--|----------------|------------------------------------|----------------|------------------------------------|
|  | No. of Options | Wt. average exercise price ₹ ( * ) | No. of Options | Wt. average exercise price ₹ ( * ) |
| Options Outstanding at the Beginning of the Year | 2,923,450      | 391.21                             | 3,337,200      | 388.21                             |
| Options Exercised During the Year                | 214,000        | 250.05                             | 130,000        | 250.26                             |
| Options Forfeited / Expired During the Year      | 262,450        | 286.17                             | 283,750        | 283.46                             |
| Options Outstanding at the Year End              | 2,447,000      | 399.70                             | 2,923,450      | 391.21                             |
| ESOP II  | Current Year   |                                    | Previous Year  |                                    |
|  | No. of Options | Wt. average exercise price ₹ ( * ) | No. of Options | Wt. average exercise price ₹ ( * ) |
| Options Outstanding at the Beginning of the Year | 511,250        | 372.37                             | 692,250        | 355.33                             |
| Options Exercised During the Year                | 7,500          | 231.93                             | 49,000         | 231.93                             |
| Options Forfeited / Expired During the Year      | 105,000        | 310.07                             | 132,000        | 335.12                             |
| Options Outstanding at the Year End              | 398,750        | 376.84                             | 511,250        | 372.37                             |

( \* ) The Wt. average exercise price stated above is the price of the equity shares on the grant date increased by the interest cost at the prevailing rates upto March 31, 2012 after which date no further interest is being accrued.

During the year GIL ESOP Trust has received 3,348 bonus shares. The total excess shares at the year end are 1,268,487 (previous year 897,689).

The overall weighted average balance life of options outstanding as on March 31, 2015 is 1.85 years.

The weighted average balance life of options outstanding as on March 31, 2015 for ESOP I is 1.90 years and for ESOP II is 1.55 years.

## Notes to the Consolidated Financial Statements

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

### (ii) Employee Stock Option Plans of Godrej Properties Limited

In F.Y. 2007-08, Godrej Properties Limited (GPL) instituted an Employee Stock Option Plan (GPL ESOP) approved by GPL's Board of Directors, Shareholders and the Remuneration Committee which provides for the allotment of 885,400 options convertible into 885,400 Equity Shares of GPL of ₹ 5/- each to eligible employees of Godrej Properties Limited and its subsidiary companies (the participating companies) with effect from December 28, 2007.

The Scheme is administered by an Independent ESOP Trust which has purchased shares from Godrej Industries Limited (The Holding Company), equivalent to the number of options granted to the eligible employees of the Participating Companies.

|  | Current Year   |                                 | Previous Year  |                                 |
|--|----------------|---------------------------------|----------------|---------------------------------|
|  | No. of Options | Wt. average exercise price ( *) | No. of Options | Wt. average exercise price ( *) |
| Options Outstanding at the Beginning of the Year | 515,400        | -                               | 561,400        | -                               |
| Options Forfeited / Expired During the Year :    | 158,000        | -                               | 46,000         | -                               |
| Options Outstanding at the Year End              | 357,400        | -                               | 515,400        | -                               |

(\*) Weighted Average Exercise Price is ₹ 310 (plus interest till March 31, 2012) for equity share of face value ₹ 5 each

All the Option Outstanding as on March 31, 2015 are vested.

The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since the price of the underlying equity shares on the grant date is same / less than exercise price of the option, the intrinsic value of option, therefore being determined as Nil.

The Company has provided loan of ₹ 5.56 crore (previous year ₹ 7.48 crore) to Godrej Industries Limited Employee Stock Option Scheme (GIL ESOP), which is administered by an independent ESOP Trust which purchases shares of GIL from the market equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted by the Company to ESOP trust 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.

### (iii) Employee Stock Option Plans of Godrej Agrovet Limited

Godrej Agrovet Limited (GAVL) has provided loan to Godrej Industries Limited Employee Stock Option Scheme (GIL ESOP), which is administered by an independent ESOP Trust which purchases shares of GIL from the market equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted to the ESOP trust 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. The change in value of the underlying equity shares is on account of current market volatility and the profit / loss, if any, can be determined only at the end of the exercise period. In view of the aforesaid, a provision is being carried in respect of diminution of Share Value for ₹ 20.83 crore (previous year ₹ 20.83 crore).

Godrej Agrovet Limited (GAVL) has participated in the Godrej Industries Limited Employee Stock Grant Scheme 2011 and on May 30, 2011 the Compensation Committee of the Holding Company has approved the grant of stocks to certain eligible employees in terms of the Employee Stock Grant Scheme 2011. The grants would vest in three equal parts every year over the next three years. The exercise price is ₹ 1 per equity share as provided in the scheme. GAVL has provided ₹ 1.35 crore (previous year ₹ 1.60 crore) for the aforesaid eligible employees for the current financial year.

## Notes to the Consolidated Financial Statements

In December 2012, Godrej Agrovet Limited (GAVL) instituted an Employee Stock Option Plan (GAVL ESOP) as approved by GAVL's Board of Directors and the Shareholders, for the allotment of 5,86,764 options convertible into 5,86,764 equity shares of GAVL of ₹ 10 each to eligible employees of the Subsidiary Company.

The scheme is administered by an independent ESOP Trust created. GAVL has issued 586,764 equity shares to the said ESOP Trust at face value of ₹ 10 each amounting to ₹ 0.59 crore adjusted against Equity Share Capital.

|   | Current Year   |                | Previous Year  |                |
|---|----------------|----------------|----------------|----------------|
|   | No. of options | Exercise price | No. of options | Exercise price |
| Options Outstanding at the Beginning of the Year  | 586,764        | 10             | 586,764        | 10             |
| Bonus shares issued against the initial allotment | 3,520,584      | -              | -              | -              |
| Options Granted During the Year                   | -              | -              | -              | -              |
| Options Forfeited / Expired During the Year       | -              | -              | -              | -              |
| Options Outstanding at the Year End               | 4,107,348      | 10             | 586,764        | 10             |

The overall weighted average balance life of options outstanding as on March 31, 2015 is 2.79 years.

The employee share based payment plans has been accounted based on the fair value method at a Fair Value of ₹ 309.20 per share after issuance of Bonus Shares, amounting to ₹ 126.41 crore for Securities Premium receivable from the Company's ESOP Trust, which is accordingly adjusted against Securities Premium Account. Employee Compensation expenses accounted during the year are ₹ 11.34 crore (previous year ₹ 11.34 crore)

- b) One of the Subsidiary Companies of the Company has instituted an Employee Stock Option Plan for the benefit of eligible employees. The Scheme is administered by an independent trust created with ILFS Trust Company Ltd. The ESOP Trust has been advanced loans which along with interest thereon and net of provision of ₹ 5.89 crore, amounting to ₹ 38.13 crore. As at March 31, 2015, the market value of the equity shares of the Subsidiary Company held by the ESOP Trust is lower than the holding cost (cost or market value whichever is lower) of these equity shares by ₹ 13.33 crore, (net of provision of ₹ 5.89 crore). The repayment of the loans granted to the ESOP Trust and interest payable by the Trust on the said loan is dependent on the exercise of options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. In the opinion of the Management, the fall in the value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period.
- c) During the Current year, The Securities and Exchange Board of India (SEBI) has issued the SEBI (Share Based Employee Benefits) Regulation, 2014, which requires that the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employees Share-Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, various Companies in the Group have not included the Financial Statements of their respective ESOP Trusts in preparation of the Standalone financial statements of the respective Companies for the year ended March 31, 2015, as compared to the previous year where the same were consolidated. Consequently, these financials statements do not include the assets, liabilities, income and expenditure of the respective ESOP Trusts and to that extent, the figures for the previous years are not comparable.

## Notes to the Consolidated Financial Statements

### 2. Employee Stock Grant Scheme

#### (i) Employee Stock Grant Scheme of Godrej Industries Limited

- a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees, who are in whole-time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years or as may be determined by compensation committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary Company as the case may be.
- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan is as under :

|  | <b>Current Year<br/>Nos.</b> | Previous Year<br>Nos. |
|--|------------------------------|-----------------------|
| Options Outstanding at the Beginning of the Year           | <b>370,611</b>               | 512,724               |
| Options Granted  | <b>112,747</b>               | 173,560               |
| Options Vested   | <b>158,957</b>               | 289,343               |
| Options Exercised  | <b>158,957</b>               | 289,343               |
| Options Lapsed / Forfeited                                 | <b>52,641</b>                | 26,330                |
| Total Number of Options Outstanding at the End of the year | <b>271,760</b>               | 370,611               |

**Note :** In current year, as per the Scheme of Amalgamation of Wadala Comomodities Limited with the Company, 303 bonus shares on ESGS were granted. 127 bonus shares were vested and exercised.

#### (ii) Employee Stock Grant Scheme of Godrej Properties Limited

- a) During the period April 1, 2011 to March 31, 2015, the Company instituted an Employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 5,66,998 options convertible into 5,66,998 Equity Shares of

## Notes to the Consolidated Financial Statements

₹ 5/- each (previous year ₹ 5/- each) to eligible employees of Godrej Properties Limited, its Holding and its Subsidiary Companies (the Participating Companies) 82,406 options with effect from May 7, 2011, 3,756 options w.e.f. October 1, 2011, 72,416 options w.e.f. June 1, 2012, 22,040 options w.e.f. June 1, 2012, 4,436 options w.e.f. August 1, 2012, 690 options w.e.f. November 1, 2012 and 720 options w.e.f. February 1, 2013, 30,000 options w.e.f. June 1, 2013 and 1,25,744 options w.e.f. June 1, 2013, 1,82,485 options w.e.f. June 1, 2014 and 40,000 options w.e.f. June 1, 2014, 2,305 options w.e.f. November 1, 2014. Out of the total 5,66,998 stock grants 61,244 stock grants have lapsed on account of employees leaving the service of the Company before the vesting date, 2,10,956 stock grants have vested and hence 2,07,374 stock grants are outstanding as at March 31, 2015.

| Particulars                                      | No. of Options             |                            | Exercise Price<br>(₹) |
|--|----------------------------|----------------------------|-----------------------|
|  | As on<br>March 31,<br>2015 | As on<br>March 31,<br>2014 |                       |
| Options Outstanding at the Beginning of the Year | 223,358                    | 132,662                    | 5.00                  |
| Options granted                                  | 224,790                    | 155,744                    |                       |
| Options exercised                                | 123,758                    | 65,048                     |                       |
| Less : Options lapsed                            | 26,010                     | -                          |                       |
| Options Outstanding at the year end              | 298,380                    | 223,358                    | 5.00                  |

Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option is ₹ 9.57 per share as on March 31, 2015.

3. The employee stock option plans have been accounted based on the intrinsic value method and no compensation expense has been recognised 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.

The employee stock grant scheme have been accounted based on the intrinsic value method and compensation expense of ₹ 7.12 crore has been recognised in the Statement of Profit and Loss.

The fair value of the share options has been determined using the Black-Scholes Option Pricing Model. Had the fair value method of accounting been used, the net profit and earnings per share would have been as per the proforma amounts indicated below.

| Particulars   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Net Profit (as reported)  | 402.47            | 326.37        |
| Less : Employee Stock Option Plans compensation expense determined under fair value based method (Proforma)                                   | (0.64)            | (1.31)        |
| Add : Difference in Employee Stock Grant Scheme compensation expense determined under fair value method and intrinsic value method (Proforma) | 0.46              | 1.69          |
| Net Profit (Proforma)   | 402.29            | 326.75        |
|   | Amount ₹          | Amount ₹      |
| Basic Earnings per share (as reported)  | 12.00             | 9.73          |
| Basic Earnings per share (Proforma)   | 11.99             | 9.74          |
| Diluted Earnings per share (as reported)  | 11.98             | 9.72          |
| Diluted Earnings per share (Proforma)   | 11.98             | 9.73          |



## Notes to the Consolidated Financial Statements

## Note 40 : Segment Information

Amount ₹ in Crore

| Information about primary business segments                          | Chemicals       |                 | Animal Feed     |                 | Veg Oils        |                 | Estate & Property Development |                 | Finance & Investments |               | Others        |               | Total           |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|-----------------|-----------------------|---------------|---------------|---------------|-----------------|-----------------|
|  | Current Year    | Previous Year   | Current Year    | Previous Year   | Current Year    | Previous Year   | Current Year                  | Previous Year   | Current Year          | Previous Year | Current Year  | Previous Year | Current Year    | Previous Year   |
| <b>(A) Revenue</b>   |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               |                 |                 |
| External Sales   | 1,311.30        | 1,294.54        | 2,688.53        | 2,550.66        | 2,492.60        | 2,097.83        | 1,904.68                      | 1,208.93        | 187.57                | 102.75        | 967.52        | 861.56        | 9,552.20        | 8,116.27        |
| Intersegment Sales   | -               | -               | -               | -               | -               | -               | 71.57                         | 117.65          | 150.30                | 125.50        | 8.60          | 0.48          | 230.47          | 243.63          |
| <b>Total Sales</b>   | <b>1,311.30</b> | <b>1,294.54</b> | <b>2,688.53</b> | <b>2,550.66</b> | <b>2,492.60</b> | <b>2,097.83</b> | <b>1,976.25</b>               | <b>1,326.58</b> | <b>337.87</b>         | <b>228.25</b> | <b>976.12</b> | <b>862.04</b> | <b>9,782.67</b> | <b>8,359.90</b> |
| Less: Intersegment Sales   | -               | -               | -               | -               | -               | -               | (71.57)                       | (117.65)        | (150.30)              | (125.50)      | (8.60)        | (0.48)        | (230.47)        | (243.63)        |
| <b>Total Revenue</b>   | <b>1,311.30</b> | <b>1,294.54</b> | <b>2,688.53</b> | <b>2,550.66</b> | <b>2,492.60</b> | <b>2,097.83</b> | <b>1,904.68</b>               | <b>1,208.93</b> | <b>187.57</b>         | <b>102.75</b> | <b>967.52</b> | <b>861.56</b> | <b>9,552.20</b> | <b>8,116.27</b> |
| <b>(B) Results</b>   |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               |                 |                 |
| Segment result before interest and tax                               | 42.34           | 36.04           | 181.84          | 146.86          | 69.14           | 70.92           | 311.81                        | 328.67          | 181.24                | 102.59        | 105.96        | 70.01         | 892.33          | 755.09          |
| Unallocated expenses   |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | (182.25)        | (169.49)        |
| Finance Costs  |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | (191.29)        | (118.88)        |
| <b>Profit before tax</b>   |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 518.79          | 466.72          |
| Taxes  |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | (136.55)        | (171.20)        |
| <b>Profit after taxes</b>  |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 382.24          | 295.52          |
| Share of profit in associates  |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 206.58          | 173.85          |
| Profit before Minority Interest                                      |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 588.82          | 469.37          |
| Share of Minority Interest   |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | (186.35)        | (143.00)        |
| <b>Net Profit after Minority Interest</b>                            |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 402.47          | 326.37          |
| Segment Assets   | 1,143.07        | 1,089.43        | 809.76          | 684.06          | 273.54          | 273.65          | 7,432.50                      | 6,019.64        | 2,803.81              | 2,370.28      | 447.79        | 368.91        | 12,910.47       | 10,805.97       |
| Unallocated Assets   |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 592.16          | 404.42          |
| <b>Total Assets</b>  |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 13,502.63       | 11,210.39       |
| Segment Liabilities  | 450.84          | 678.77          | 614.39          | 659.46          | 32.17           | 32.26           | 6,150.83                      | 4,953.29        | 4.42                  | 2.75          | 209.99        | 221.57        | 7,462.64        | 6,548.10        |
| Unallocated Liabilities  |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 2,812.74        | 1,928.22        |
| <b>Total Liabilities</b>   |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 10,275.38       | 8,476.32        |
| Cost incurred during the year to acquire segment assets              | 165.30          | 219.03          | 73.70           | 128.98          | 11.75           | 29.53           | 203.13                        | 22.92           | 0.02                  | 0.20          | 76.43         | 34.26         | 530.33          | 434.92          |
| Cost incurred on unallocated assets                                  |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 9.94            | 28.44           |
| <b>Total Cost incurred during the year to acquire segment assets</b> |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 540.27          | 463.36          |
| Segment Depreciation   | 21.09           | 18.31           | 20.13           | 11.74           | 10.93           | 9.27            | 13.27                         | 7.66            | -                     | 1.41          | 21.49         | 17.74         | 86.91           | 66.13           |
| Unallocated Depreciation   |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 6.32            | 4.31            |
| <b>Total Depreciation</b>  |                 |                 |                 |                 |                 |                 |                               |                 |                       |               |               |               | 93.23           | 70.44           |

Amount ₹ in Crore

## Information about Secondary Business Segments

## Revenue by Geographical markets

|               | Current Year    | Previous Year   |
|---------------|-----------------|-----------------|
| India         | 6,748.10        | 5,651.78        |
| Outside India | 2,804.10        | 2,464.49        |
| <b>Total</b>  | <b>9,552.20</b> | <b>8,116.27</b> |

Amount ₹ in Crore

## Carrying Amount of Segment assets

|               | Current Year     | Previous Year    |
|---------------|------------------|------------------|
| India         | 13,309.47        | 11,036.50        |
| Outside India | 193.16           | 173.89           |
| <b>Total</b>  | <b>13,502.63</b> | <b>11,210.39</b> |

## Notes :

- The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the different risks and returns, the organisational structure and the internal reporting system.
- Chemicals segment includes the business of production and sale of Oleochemicals and Surfactants such as Fatty Acids, Fatty Alcohols, refined glycerin, Alpha Olefin Sulphonates, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate.
- Animal Feed segment includes the business of production and sale of compound feeds for cattle, poultry, shrimp and fish.
- Veg Oils segment includes the business of processing and bulk trading of refined vegetable oils & vanaspati, international vegetable oil trading and Oil Palm Plantation.
- Estate & property development segment includes the business of development and sale of real estate and leasing and leave and licensing of properties.
- Finance & Investments includes investments in associates companies and other investments.
- Others includes Integrated Poultry, Agri Inputs and tissue culture, Seeds business, energy generation through windmills and gourmet foods and fine beverages.
- Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Company as a whole.
- The geographical segments consists of Sales in India represent sales to customers located in India and Sales outside India represent sales to customers located outside India.

## Notes to the Consolidated Financial Statements

### Note 41 : Related Party Information

#### a) Names of related parties and description of relationship

##### Parties where control exists

Godrej & Boyce Mfg. Co. Ltd., the holding company

##### Fellow Subsidiaries :

Wadala Commodities Ltd. (merged into Godrej Industries Ltd. w.e.f. November 21, 2014)

Godrej (Malaysia) Sdn Bhd (Incorporated in Malaysia)

Godrej (Singapore) Pte Ltd. (Incorporated in Singapore)

JT Dragon Pte. Ltd. (Incorporated in Singapore)

Godrej (Vietnam) Co. Ltd. (Incorporated in Vietnam) (a wholly owned subsidiary of JT Dragon Pte. Ltd.)

Godrej Infotech Ltd.

Godrej Infotech Americas Inc. (a wholly owned subsidiary incorporated in North Carolina, USA on February 28, 2014)

Godrej Infotech (Singapore) Pte. Ltd. (a wholly owned subsidiary incorporated in Singapore on May 27, 2014)

LVD Godrej Infotech NV (Incorporated in Belgium on December 18, 2009 and a subsidiary w.e.f. October 22, 2014)

Veromatic International BV (Incorporated in Netherlands)

Veromatic Services BV (Incorporated in Netherlands)

Prowama Trading B.V. (incorporated in Netherlands)

Mercury Mfg. Co. Ltd.

Busbar Systems (India) Ltd. (a wholly owned subsidiary)

Godrej Americas

First Rock Infrastructures Pvt. Ltd. (a wholly owned subsidiary w.e.f. March 31, 2015)

MiracleTouch Developers Pvt. Ltd. (a wholly owned subsidiary w.e.f. March 31, 2015)

East View Estates Pvt. Ltd. (a wholly owned subsidiary w.e.f. March 31, 2015)

#### Other related parties with whom the Company had transactions during the year

##### Associate / Joint Venture Companies

Godrej Consumer Products Ltd. (also a fellow subsidiary)

Bhabhani Blunt Hairdressing Pvt. Ltd.

Great Lake Institute of Management

Creamline Dairy Products Ltd.

Polchem Hygiene Laboratories Pvt. Ltd.

Al Rahaba Trading International LLC

ACI Godrej Agrovat Pvt. Ltd.

HDFC Venture Trustee Co. Ltd.

Red Fort India Real Estate Babur

HDFC PMS (up to June 1, 2013)

Milestone Real Estate Fund (Up to October 26, 2014)

India Realty Excellence Fund (Up to November 14, 2014)

Madhavi SA Investments LLC (Up to December 20, 2014)

Madhavi Ventures Ltd. (Up to December 20, 2014)

Ramesh P. Bhatia

Repton Landmarks LLP

ASK PMS Real Estate Special Opportunities Portfolio I (ASK PMS)

Lotus Land Developers LLP



## Notes to the Consolidated Financial Statements

### Note 41 : Related Party Information (contd.)

Mr. Jag Pravesh  
Shubh Properties Coöperatief U.A (COOP)  
Piramal Fund Management Pvt. Ltd. (From October 27, 2014)  
Oxford Shelters Pvt. Ltd.  
Hritik Technologies & Realty Pvt. Ltd.  
Karelidas Traders Pvt. Ltd.  
Mr. Numazar Mehta  
Mr. Jahan Mehta  
Mr. M. R. Janki Ram  
Mrs. R. Varalaksmi  
Mr. K. Ramaswamy

#### Key Management Personnel

Mr. A. B. Godrej - Chairman  
Mr. N. B. Godrej - Managing Director  
Ms. T. A. Dubash - Executive Director & Chief Brand Officer  
Mr. M. Eipe - Executive Director & President (Chemicals) (up to April 30, 2013)  
Mr. N. S. Nabar - Executive Director & President (Chemicals) (from May 1, 2013)  
Mr. C. G. Pinto - Chief Financial Officer (up to March 31, 2015)  
Mr. K. R. Rajput - Company Secretary (up to March 31, 2015)

#### Relatives Key Management Personnel

Ms. P. A. Godrej - Wife of Mr. A. B. Godrej  
Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej  
Mr. P. A. Godrej - Son of Mr. A. B. Godrej  
Ms. R. N. Godrej - Wife of Mr. N. B. Godrej  
Mr. B. N. Godrej - Son of Mr. N. B. Godrej  
Mr. S. N. Godrej - Son of Mr. N. B. Godrej  
Mr. H. N. Godrej - Son of Mr. N. B. Godrej  
Ms. N. N. Nabar - Wife of Mr. N. S. Nabar  
Ms. J. C. Pinto - Wife of Mr. C. G. Pinto  
Mr. R. G. Pinto - Brother of Mr. C. G. Pinto  
Ms. P. Mathias - Sister of Mr. C. G. Pinto

#### Enterprises over which key management personnel exercise significant influence

Godrej South Africa Pty Ltd.  
Laboratorio Cuenca S.A.  
Anamudi Real Estates LLP  
Godrej Global Mideast FZE  
Godrej Investments P. Ltd.  
Vora Soaps Ltd.  
Godrej Tyson Foods Ltd.

## Notes to the Consolidated Financial Statements

### Note 41 : Related Party Information (contd.)

#### b) Transactions with Related Parties

| Nature of Transaction                           | Amount ₹ in Crore |                     |  |                          |                                      |  |               |
|---|-------------------|---------------------|--|--------------------------|--------------------------------------|--|---------------|
|   | Holding Company   | Fellow Subsidiaries | Associate/<br>Joint Venture<br>Companies | Key Management Personnel | Relative of Key Management Personnel | Enterprises over which Key Management Personnel exercise significant influence | Total         |
| Sale of Goods                                   | 0.49              | -                   | 22.14                                    | -                        | -                                    | 114.97   | 137.60        |
| <i>Previous Year</i>                            | <i>0.47</i>       | -                   | <i>25.67</i>                             | -                        | -                                    | <i>111.18</i>  | <i>137.32</i> |
| Advance received                                | 5.62              | -                   | 19.54                                    | 0.79                     | -                                    | 22.98  | 48.93         |
| <i>Previous Year</i>                            | <i>10.66</i>      | -                   | <i>10.58</i>                             | <i>0.20</i>              | -                                    | -  | <i>21.44</i>  |
| Advance given                                   | 0.46              | -                   | 1.94                                     | -                        | -                                    | -  | 2.40          |
| <i>Previous Year</i>                            | <i>1.56</i>       | -                   | -  | -                        | -                                    | -  | <i>1.56</i>   |
| Sale of Fixed Assets                            | -                 | -                   | 0.08                                     | -                        | -                                    | -  | 0.08          |
| <i>Previous Year</i>                            | -                 | -                   | -  | -                        | <i>0.70</i>                          | -  | <i>0.70</i>   |
| Purchase of goods                               | 2.18              | -                   | 15.35                                    | -                        | -                                    | 1.80   | 19.33         |
| <i>Previous Year</i>                            | <i>2.27</i>       | <i>3.18</i>         | <i>22.06</i>                             | -                        | -                                    | <i>1.06</i>  | <i>28.57</i>  |
| Purchase of Fixed Assets                        | 34.55             | -                   | -  | -                        | -                                    | 104.97   | 139.52        |
| <i>Previous Year</i>                            | <i>2.38</i>       | -                   | -  | -                        | -                                    | -  | <i>2.38</i>   |
| Commission / Royalty received                   | -                 | -                   | 0.10                                     | -                        | -                                    | -  | 0.10          |
| <i>Previous Year</i>                            | -                 | -                   | -  | -                        | -                                    | -  | -             |
| Licence fees / Service charges / Storage Income | 0.13              | -                   | 3.66                                     | -                        | -                                    | 0.76   | 4.55          |
| <i>Previous Year</i>                            | -                 | -                   | <i>3.30</i>                              | -                        | -                                    | <i>0.11</i>  | <i>3.41</i>   |
| Other Income *                                  | 0.00              | -                   | 1.60                                     | -                        | -                                    | 0.00   | 1.60          |
| <i>Previous Year *</i>                          | <i>0.00</i>       | <i>0.00</i>         | <i>1.23</i>                              | -                        | -                                    | -  | <i>1.23</i>   |
| Recovery of establishment & Other Expenses      | 45.07             | -                   | 8.21                                     | -                        | -                                    | 0.42   | 53.70         |
| <i>Previous Year</i>                            | <i>54.58</i>      | <i>0.02</i>         | <i>5.45</i>                              | -                        | -                                    | <i>0.44</i>  | <i>60.49</i>  |
| Rent, Establishment & other expenses paid       | 40.77             | 0.12                | 6.72                                     | -                        | 2.67                                 | 0.03   | 50.31         |
| <i>Previous Year</i>                            | <i>25.45</i>      | <i>0.20</i>         | <i>1.69</i>                              | -                        | <i>2.68</i>                          | <i>0.01</i>  | <i>30.03</i>  |
| Interest received                               | -                 | -                   | 47.54                                    | -                        | -                                    | 2.44   | 49.98         |
| <i>Previous Year</i>                            | -                 | -                   | <i>27.72</i>                             | -                        | -                                    | -  | <i>27.72</i>  |
| Interest paid                                   | -                 | -                   | -  | 0.06                     | 0.41                                 | -  | 0.47          |
| <i>Previous Year</i>                            | -                 | -                   | -  | <i>0.01</i>              | <i>0.79</i>                          | -  | <i>0.80</i>   |
| Dividend paid                                   | 84.76             | -                   | -  | 5.26                     | 3.77                                 | 0.40   | 94.19         |
| <i>Previous Year</i>                            | <i>81.07</i>      | -                   | -  | <i>3.81</i>              | <i>4.79</i>                          | <i>0.32</i>  | <i>89.99</i>  |
| Remuneration                                    | -                 | -                   | -  | 9.36                     | -                                    | -  | 9.36          |
| <i>Previous Year</i>                            | -                 | -                   | -  | <i>9.00</i>              | <i>0.84</i>                          | -  | <i>9.84</i>   |
| Sale of Investments                             | -                 | -                   | -  | -                        | -                                    | -  | -             |
| <i>Previous Year</i>                            | <i>86.00</i>      | -                   | -  | -                        | -                                    | -  | <i>86.00</i>  |
| Sale of Units                                   | 8.93              | -                   | 7.79                                     | -                        | -                                    | 104.16   | 120.88        |
| <i>Previous Year</i>                            | <i>17.01</i>      | -                   | <i>15.03</i>                             | -                        | -                                    | -  | <i>32.04</i>  |
| Iner Corporate Deposits advanced                | -                 | -                   | -  | -                        | -                                    | 13.30  | 13.30         |
| <i>Previous Year</i>                            | -                 | -                   | -  | -                        | -                                    | -  | -             |
| Other Deposits accepted                         | -                 | -                   | -  | -                        | -                                    | -  | -             |
| <i>Previous Year</i>                            | -                 | -                   | -  | -                        | <i>1.40</i>                          | -  | <i>1.40</i>   |

## Notes to the Consolidated Financial Statements

## Note 41 : Related Party Information (contd.)

| Nature of Transaction                               | Holding Company | Fellow Subsidiaries | Associate/<br>Joint Venture Companies | Key Management Personnel | Relative of Key Management Personnel | Amount ₹ in Crore  |        |
|---|-----------------|---------------------|---------------------------------------|--------------------------|--------------------------------------|--|--------|
|   |                 |                     |                                       |                          |                                      | Enterprises over which Key Management Personnel exercise significant influence | Total  |
| Other Deposits refunded                             | -               | -                   | 0.03                                  | -                        | 6.68                                 | -  | 6.71   |
| <i>Previous Year</i>                                | -               | -                   | 0.09                                  | -                        | -                                    | -  | 0.09   |
| Other Deposits - Advanced during the year           | 0.06            | -                   | 6.42                                  | -                        | -                                    | 0.01   | 6.49   |
| <i>Previous Year</i>                                | -               | -                   | -                                     | -                        | -                                    | -  | -      |
| Other Deposits - Repayment received during the year | 0.06            | -                   | 0.05                                  | -                        | -                                    | -  | 0.11   |
| <i>Previous Year</i>                                | -               | -                   | -                                     | -                        | -                                    | -  | -      |
| Issue of equity shares                              | -               | -                   | 5.61                                  | -                        | -                                    | -  | 5.61   |
| <i>Previous Year</i>                                | 11.39           | -                   | 45.95                                 | 28.02                    | -                                    | -  | 85.36  |
| Purchase of equity shares                           | -               | -                   | 177.66                                | -                        | -                                    | -  | 177.66 |
| <i>Previous Year</i>                                | -               | -                   | 191.70                                | -                        | -                                    | -  | 191.70 |
| Sale of equity shares                               | -               | -                   | 0.07                                  | -                        | -                                    | -  | 0.07   |
| <i>Previous Year</i>                                | -               | -                   | -                                     | -                        | -                                    | -  | -      |
| Investment in Debenture                             | -               | -                   | 97.85                                 | -                        | -                                    | -  | 97.85  |
| <i>Previous Year</i>                                | -               | -                   | 183.47                                | -                        | -                                    | -  | 183.47 |
| Share of profit in LLP                              | -               | -                   | 4.63                                  | -                        | -                                    | -  | 4.63   |
| <i>Previous Year</i>                                | -               | -                   | 7.17                                  | -                        | -                                    | -  | 7.17   |
| Loan repaid   | -               | -                   | 0.45                                  | -                        | -                                    | -  | 0.45   |
| <i>Previous Year</i>                                | -               | -                   | -                                     | -                        | -                                    | -  | -      |
| Sitting Fees  | -               | -                   | -                                     | 0.15                     | -                                    | -  | 0.15   |
| <i>Previous Year</i>                                | -               | -                   | -                                     | 0.03                     | -                                    | -  | 0.03   |
| Balance Outstanding as on March 31, 2015            |                 |                     |                                       |                          |                                      |  |        |
| Receivables   | 0.20            | -                   | 21.49                                 | -                        | -                                    | 6.37   | 28.06  |
| <i>Previous Year</i>                                | 5.30            | -                   | 27.85                                 | -                        | -                                    | 3.15   | 36.30  |
| Payables  | 381.92          | -                   | 80.49                                 | 11.85                    | -                                    | -  | 474.26 |
| <i>Previous Year</i>                                | 458.72          | 0.01                | 5.83                                  | -                        | -                                    | 0.05   | 464.61 |
| Guarantees Outstanding                              | -               | -                   | 19.94                                 | -                        | -                                    | -  | 19.94  |
| <i>Previous Year</i>                                | -               | -                   | 18.99                                 | -                        | -                                    | -  | 18.99  |
| Debentures Outstanding                              | -               | -                   | 326.45                                | 0.03                     | -                                    | -  | 326.48 |
| <i>Previous Year</i>                                | -               | -                   | 255.30                                | -                        | -                                    | -  | 255.30 |
| Outstanding Inter Corporate Deposit Receivable      | -               | -                   | -                                     | -                        | -                                    | 26.55  | 26.55  |
| <i>Previous Year</i>                                | -               | -                   | -                                     | -                        | -                                    | -  | -      |
| Public Deposits Outstanding                         | -               | -                   | -                                     | 0.58                     | 2.50                                 | -  | 3.08   |
| <i>Previous Year</i>                                | -               | -                   | -                                     | -                        | 8.76                                 | -  | 8.76   |

\* Amount less than ₹ 0.01 crore

## Notes to the Consolidated Financial Statements

### Note 41 : Related Party Information

#### c) The Significant Related Party transactions are as under :

| Nature of Transaction                  | Current Year | Previous Year | Nature of Transaction  | Amount ₹ in Crore |               |
|--|--------------|---------------|--|-------------------|---------------|
|  |              |               |  | Current Year      | Previous Year |
| <b>Sale of goods</b>                   |              |               | <b>Inter Corporate Deposits Advanced</b>                     |                   |               |
| - Godrej Tyson Foods Ltd.              | 109.76       | 107.40        | - Vora Soaps Ltd.  | 11.20             | -             |
| - Godrej Consumer Products Ltd.        | 19.75        | 20.69         | - Anamudi Real Estates LLP                                   | 2.10              | -             |
| - Laboratorio Cuenca S.A.              | 4.10         | 3.24          |  |                   |               |
| - Creamline Dairy Products Ltd.        | 1.32         | 1.75          | <b>Other Deposits Accepted</b>                               |                   |               |
| - Godrej South Africa Pty Ltd.         | 1.11         | 0.53          | - Ms. P. A. Godrej   | -                 | 1.40          |
| - ACI Godrej Agrovet P. Ltd.           | 0.74         | 3.23          |  |                   |               |
| - Godrej & Boyce Mfg. Co. Ltd.         | 0.49         | 0.47          | <b>Other Deposits Refunded</b>                               |                   |               |
| - Bhabhani Blunt Hairdressing P. Ltd.  | 0.33         | -             | - Ms. P. A. Godrej   | 6.63              | -             |
|  |              |               | - Ms. N. N. Nabar  | 0.05              | -             |
|  |              |               | - Godrej Consumer Products Ltd.                              | 0.03              | 0.09          |
| <b>Advance received</b>                |              |               | <b>Other Deposits - Advanced</b>                             |                   |               |
| - Anamudi Real Estates LLP             | 22.98        | -             | - Oxford Shelters P. Ltd.                                    | 6.37              | -             |
| - Godrej Consumer Products Ltd.        | 9.89         | 10.58         | - Godrej & Boyce Mfg. Co. Ltd.                               | 0.06              | -             |
| - Oasis Landmark LLP                   | 9.65         | -             | - Godrej Consumer Products Ltd.                              | 0.05              | -             |
| - Godrej & Boyce Mfg. Co. Ltd.         | 5.62         | 10.66         |  |                   |               |
| - Mr. P. A. Godrej                     | 0.78         | 0.20          | <b>Other Deposits - Repayment Received</b>                   |                   |               |
|  |              |               | - Godrej & Boyce Mfg. Co. Ltd.                               | 0.06              | -             |
| <b>Advance given</b>                   |              |               | - Godrej Consumer Products Ltd.                              | 0.05              | -             |
| - Godrej & Boyce Mfg. Co. Ltd.         | 0.46         | 1.56          |  |                   |               |
| - Mr. Numazar Mehta                    | 0.88         | -             | <b>Dividend paid</b>   |                   |               |
| - Mr. Jahan Mehta                      | 0.88         | -             | - Godrej & Boyce Mfg. Co. Ltd.                               | 84.76             | 81.07         |
| - Lotus Land Developers LLP            | 0.18         | -             | - Mr. N. B. Godrej   | 2.96              | 1.67          |
|  |              |               | - Mr. P. A. Godrej   | 1.44              | 1.41          |
| <b>Sale of Fixed Assets</b>            |              |               | - Mr. S. N. Godrej   | 0.97              | 1.31          |
| - Godrej Consumer Products Ltd.        | 0.08         | -             | - Mr. B. N. Godrej   | 1.20              | 1.29          |
| - Mr. P. A. Godrej                     | -            | 0.70          | - Ms. T. A. Dubash   | 1.18              | 1.20          |
|  |              |               | - Ms. N. A. Godrej   | 1.18              | 1.20          |
| <b>Purchase of goods</b>               |              |               | - Godrej Investments P. Ltd.                                 | 0.40              | 0.32          |
| - Godrej Consumer Products Ltd.        | 12.10        | 18.97         | - Ms. R. N. Godrej   | 0.10              | 0.10          |
| - Polchem Hygiene Laboratories P. Ltd. | 3.24         | 3.09          | - Mr. H. N. Godrej   | -                 | 0.39          |
| - Godrej & Boyce Mfg. Co. Ltd.         | 2.18         | 2.28          |  |                   |               |
| - Godrej Tyson Foods Ltd.              | 1.80         | 1.06          | <b>Remuneration to Key Management</b>                        |                   |               |
| - Wadala Commodities Ltd.              | -            | 3.18          | <b>Personnel</b>   |                   |               |
|  |              |               | - Mr. N. B. Godrej   | 3.88              | 3.70          |
| <b>Purchase of fixed assets</b>        |              |               | - Ms. T. A. Dubash   | 3.25              | 3.01          |
| - Anamudi Real Estates LLP             | 104.94       | -             | - Mr. N. S. Nabar  | 1.37              | 0.99          |
| - Godrej & Boyce Mfg. Co. Ltd.         | 34.55        | 2.38          | - Others   | 0.85              | -             |
| - Godrej Tyson Foods Ltd.              | 0.03         | -             | - Mr. M. Eipe  | -                 | 1.30          |
|  |              |               | <b>Remuneration to Relatives of Key Management Personnel</b> |                   |               |
| <b>Commission / Royalty received</b>   |              |               | - Ms. N. A. Godrej   | -                 | 0.84          |
| - Godrej Consumer Products Ltd.        | 0.05         | -             |  |                   |               |
| - Bhabhani Blunt Hairdressing P. Ltd.  | 0.05         | -             | <b>Sale of Units</b>   |                   |               |
|  |              |               | - Anamudi Real Estates LLP                                   | 104.16            | -             |
| <b>Sale of Investments</b>             |              |               | - Godrej & Boyce Mfg. Co. Ltd.                               | 8.93              | 17.01         |
| - Godrej & Boyce Mfg. Co. Ltd.         | -            | 86.00         | - Godrej Consumer Products Ltd.                              | 7.79              | 15.03         |

## Notes to the Consolidated Financial Statements

## Note 41 : Related Party Information (contd.)

| Nature of Transaction                                   | Amount ₹ in Crore |               |   |              |               |
|---|-------------------|---------------|---|--------------|---------------|
|   | Current Year      | Previous Year | Nature of Transaction                                   | Current Year | Previous Year |
| <b>Licence fees / Service charges / Storage income</b>  |                   |               | <b>Share of Profit in LLP</b>                           |              |               |
| - Godrej Consumer Products Ltd.                         | 3.66              | 3.30          | - Repton Landmarks LLP                                  | 2.74         | 4.24          |
| - Anamudi Real Estates LLP                              | 0.54              | -             | - Ramesh P. Bhatia                                      | 1.89         | 2.93          |
| - Godrej Tyson Foods Ltd.                               | 0.22              | 0.11          |   |              |               |
| - Godrej & Boyce Mfg. Co. Ltd.                          | 0.13              | -             | <b>Sale of equity shares</b>                            |              |               |
|   |                   |               | - Shubh Properties Cooperatief U.A (COOP)               | 0.07         | -             |
| <b>Other Income</b>                                     |                   |               | <b>Issue of equity shares</b>                           |              |               |
| - ACI Godrej Agrovet P . Ltd.                           | 0.99              | 0.78          | - Shubh Properties Cooperatief U.A (COOP)               | 5.08         | 45.94         |
| - Godrej Consumer Products Ltd.                         | 0.61              | 0.45          | - Mr. M. R. Janki Ram                                   | 0.51         | -             |
| - Godrej & Boyce Mfg. Co. Ltd. *                        | 0.00              | 0.00          | - Mr. N. B. Godrej                                      | -            | 14.01         |
| - Wadala Commodities Ltd. *                             | -                 | 0.00          | - Mr. P. A. Godrej                                      | -            | 14.01         |
|   |                   |               | - Godrej & Boyce Mfg. Co. Ltd.                          | -            | 11.39         |
| <b>Recovery of Establishment &amp; other expenses</b>   |                   |               | <b>Purchase of equity shares</b>                        |              |               |
| - Godrej & Boyce Mfg. Co. Ltd.                          | 45.08             | 54.58         | - India Realty Excellence Fund                          | 93.53        | -             |
| - Godrej Consumer Products Ltd.                         | 7.76              | 5.04          | - Madhavi Ventures Ltd.                                 | 56.48        | -             |
| - Repton Landmarks LLP                                  | 0.39              | 0.35          | - Madhavi SA Investments LLC                            | 27.64        | -             |
| - Godrej Tyson Foods Ltd.                               | 0.36              | 0.44          | - HDFC PMS  | -            | 189.70        |
| - Ramesh P. Bhatia                                      | 0.06              | 0.06          | - Redfort India Real Estate Babur                       | -            | 2.00          |
| - Wadala Commodities Ltd.                               | -                 | 0.02          |   |              |               |
| <b>Rent, Establishment &amp; other exps paid</b>        |                   |               | <b>Investment in Debenture</b>                          |              |               |
| - Godrej & Boyce Mfg. Co. Ltd.                          | 40.56             | 25.45         | - Shubh Properties Cooperatief U.A (COOP)               | 97.85        | 149.48        |
| - Oxford Enterprises                                    | 5.94              | -             | - ASK PMS Real Estate Special Opportunities Portfolio I | -            | 33.99         |
| - Ms. Parmeshwar Godrej                                 | 1.88              | 1.90          |   |              |               |
| - Godrej Consumer Products Ltd.                         | 0.86              | 1.67          | <b>Loan repaid</b>                                      |              |               |
| - Ms. R. N. Godrej                                      | 0.79              | 0.78          | - Lotus Land Developers LLP                             | 0.45         | -             |
| - Bhabhani Blunt Hairdressing P. Ltd.                   | 0.09              | -             |   |              |               |
| - Godrej Infotech Ltd.                                  | 0.12              | 0.06          | <b>Sitting fees</b>                                     |              |               |
| - Godrej Tyson Foods Ltd.                               | 0.02              | 0.01          | - Mr. A. B. Godrej                                      | 0.15         | 0.03          |
| - Wadala Commodities Ltd.                               | -                 | 0.13          |   |              |               |
| - Ms. M. Mahendran                                      | -                 | 0.08          |   |              |               |
| - ACI Godrej Agrovet P . Ltd.                           | -                 | 0.02          |   |              |               |
| <b>Interest received</b>                                |                   |               |   |              |               |
| - Shubh Properties Cooperatief U.A (COOP)               | 38.28             | 19.02         |   |              |               |
| - ASK PMS Real Estate Special Opportunities Portfolio I | 7.62              | 5.47          |   |              |               |
| - Madhavi Investments LLC                               | 1.61              | -             |   |              |               |
| - Anamudi Real Estates LLP                              | 1.94              | -             |   |              |               |
| - HDFC Venture Trustee Co. Ltd.                         | 0.03              | 0.03          |   |              |               |
| - Vora Soaps Ltd.                                       | 0.50              | -             |   |              |               |
| - Madhavi Ventures Ltd.                                 | -                 | 3.20          |   |              |               |
| <b>Interest paid</b>                                    |                   |               |   |              |               |
| - Mr. S. N. Godrej                                      | 0.14              | 0.12          |   |              |               |
| - Ms. P. A. Godrej                                      | 0.13              | 0.58          |   |              |               |
| - Mr. B. N. Godrej                                      | 0.08              | 0.08          |   |              |               |
| - Ms. N. N. Nabar                                       | 0.01              | 0.01          |   |              |               |
| - Mr. M. Eipe   | -                 | 0.01          |   |              |               |

\* Amount less than ₹ 0.01 crores

## Notes to the Consolidated Financial Statements

### Note 42 : Leases

#### (1) Leases Granted by the Group

##### a) Operating Lease :

The Group has entered into Lease and Licence agreements in respect of its commercial and residential premises. The non-cancellable portion of the leases range between 3 months to 36 months and are renewable by mutual consent on mutually acceptable terms. Lease and Licence arrangements are similar in substance to operating leases. The Group has also granted lease for freehold land. The particulars of the operating lease arrangements are as under :

|                                   | Amount ₹ in Crore |               |
|-----------------------------------|-------------------|---------------|
|                                   | Current Year      | Previous Year |
| Gross Carrying Amount of Premises | 51.94             | 51.71         |
| Accumulated Depreciation          | 5.76              | 4.48          |
| Depreciation for the year         | 1.26              | 1.14          |

The aggregate future minimum lease receipts are as under :

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Lease Income Recognised in the Statement of Profit and Loss | 12.22             | 10.70         |
| Future Lease Income   |                   |               |
| - Within one year   | 14.56             | 6.30          |
| - Later than one year and not later than five years         | 43.98             | 8.57          |
| - Later than five years                                     | 48.82             | 46.23         |

#### (2) Lease Taken by the Group

##### a) Operating Lease :

The Group's significant leasing arrangements are in respect of operating lease for land, office premises, residential premises, machinery and storage tanks. The aggregate lease rentals paid by the Group are charged to the Statement of Profit and Loss.

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| Lease Payment recognised in the Statement of Profit and Loss | 33.12             | 29.47         |
| Future Lease Commitments                                     |                   |               |
| - Within one year  | 47.34             | 32.86         |
| - Later than one year and not later than five years          | 147.62            | 88.01         |
| - Later than five years                                      | 39.21             | 28.47         |

##### b) Finance Leases :

The Group had acquired vehicles under Finance Lease. Liability for minimum lease payment was secured by hypothecation of the vehicles acquired under the lease. The minimum lease payments outstanding as on March 31, 2015, in respect of vehicles acquired under lease are as under :

## Notes to the Consolidated Financial Statements

|   | Amount ₹ in Crore  |                        |  |
|---|--|------------------------|--|
|   | Total minimum<br>lease payments<br>outstanding as<br>at year end | Un-matured<br>Interest | Present value<br>of minimum<br>lease<br>payments |
| Within one year                                   | -  | -                      | -  |
| <i>Previous Year</i>                              | <i>0.01</i>  | -                      | <i>0.01</i>                                      |
| Later than one year and not later than five years | -  | -                      | -  |
| <i>Previous Year</i>                              | -  | -                      | -  |
| <b>Total</b>                                      | <b>-</b>   | <b>-</b>               | <b>-</b>   |
| <i>Previous Year Total</i>                        | <i>0.01</i>  | -                      | <i>0.01</i>                                      |

**Note 43 : Hedging Contracts**

The Group uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments in accordance with its forex policy as determined by a Forex Committee. The use of the foreign exchange forward contracts reduces the risk on cost to the respective companies. The Group also uses commodity futures contracts to hedge its exposure to vegetable oil price risk. The Group does not use foreign exchange forward contracts or commodity future contracts for trading or speculation purposes.

**i) Derivative Instruments Outstanding :**

## a) Commodity Futures Contracts

|  | Current Year |        | Previous Year |        |
|--|--------------|--------|---------------|--------|
|  | Purchase     | Sale   | Purchase      | Sale   |
| Total Number of Contracts Outstanding        | 22           | 21     | 30            | 22     |
| Number of units under above contracts in MT. | 23,960       | 21,460 | 22,810        | 14,860 |
| b) Forward Exchange Contracts                |              |        |               |        |
| Total Number of Contracts Outstanding        | 12           | 22     | 83            | 34     |
| Foreign Currency Value                       |              |        |               |        |
| - US Dollar (crore)                          | 0.24         | 0.96   | 3.18          | 1.11   |
| - Euro (crore)                               | -            | 0.03   | 0.04          | 0.10   |

**ii) Un-hedged Foreign Currency Exposures**

Uncovered Foreign Exchange Exposure as at the year end

|                      |         |      |        |      |
|----------------------|---------|------|--------|------|
| - US Dollar (crore)  | 12.16 * | 0.30 | 7.26 * | 0.76 |
| - Euro (crore) **    | 0.00    | 0.02 | 0.00   | -    |
| - UAE Dirams (crore) | 0.02    | -    | -      | -    |
| - CHF (Crore) **     | -       | -    | 0.00   | -    |

(\*) Uncovered Foreign Exchange Exposure includes US Dollar 10.56 crore (previous year US Dollar 6 crore) of External Commercial Borrowings (ECB) and Foreign Currency Term Loan (FCTL) taken for Capital Expenditure. Impact of fluctuation in Foreign Currency Rates on these borrowings will be capitalised to Fixed Assets and would not impact Statement of Profit and Loss.

(\*\*) Amount less than ₹ 0.01 crore

## Notes to the Consolidated Financial Statements

### Note 44 : EMPLOYEE BENEFITS

#### a) DEFINED CONTRIBUTION PLAN

##### Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

#### b) DEFINED BENEFIT PLAN

##### Gratuity :

The Group participates in the Employees' Group Gratuity-cum-Life Assurance Schemes of various insurance companies which are funded defined benefit plans 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 Act, or as per the Group's scheme whichever is more beneficial to the employees.

##### Provident Fund :

The Group manages the Provident Fund plan through a Provident Fund Trust for a majority of 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.

##### Pension :

The Company has Pension plan for eligible employees. 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.

The amount recognised in the Group Financial Statements as at the year end are as under :

|  | Gratuity     |               | Pension      |               |
|--|--------------|---------------|--------------|---------------|
|  | Current Year | Previous Year | Current Year | Previous Year |
| Amount ₹ in Crore  |              |               |              |               |
| <b>a) Change in Present Value of Obligation</b>              |              |               |              |               |
| Present value of the obligation at the beginning of the year | 44.02        | 45.97         | 0.42         | 0.53          |
| Current Service Cost   | 2.55         | 2.46          | -            | -             |
| Interest Cost  | 3.95         | 3.69          | -            | -             |
| Actuarial (Gain) / Loss on Obligation                        | 11.07        | (0.99)        | (0.10)       | (0.04)        |
| Effect of Liability Transfer in / out                        | (0.60)       | 0.04          | -            | -             |
| Benefits Paid  | (7.00)       | (7.16)        | (0.06)       | (0.07)        |
| Present value of the obligation at the end of the year       | 54.00        | 44.02         | 0.26         | 0.42          |
| <b>b) Change in Plan Assets</b>                              |              |               |              |               |
| Fair value of Plan Assets at the beginning of the year       | 40.64        | 36.45         | -            | -             |
| Expected return on Plan Assets                               | 3.80         | 2.95          | -            | -             |
| Actuarial (Gain) / Loss on Plan Assets                       | (1.48)       | (0.82)        | -            | -             |
| Contributions by the Employer                                | 1.03         | 7.33          | -            | -             |
| Benefits Paid  | (6.57)       | (6.92)        | -            | -             |
| Fair value of Plan Assets at the end of the year             | 40.38        | 40.64         | -            | -             |



## Notes to the Consolidated Financial Statements

|  | Gratuity             |                      | Pension      |               |
|--|----------------------|----------------------|--------------|---------------|
|  | Current Year         | Previous Year        | Current Year | Previous Year |
| Amount ₹ in Crore  |                      |                      |              |               |
| <b>c) Amounts Recognised in the Balance Sheet :</b>                |                      |                      |              |               |
| Present value of Obligation at the end of the year                 | 54.00                | 44.02                | -            | -             |
| Fair value of Plan Assets at the end of the year                   | 40.38                | 40.64                | -            | -             |
| Net Obligation at the end of the year                              | 13.61                | 3.38                 | -            | -             |
| <b>d) Amounts Recognised in the statement of Profit and Loss :</b> |                      |                      |              |               |
| Current Service Cost   | 2.55                 | 2.46                 | -            | -             |
| Interest cost on Obligation  | 3.95                 | 3.69                 | -            | -             |
| Expected return on Plan Assets                                     | (3.80)               | (2.95)               | -            | -             |
| Net Actuarial (Gain) / Loss recognised in the year                 | 9.59                 | (1.81)               | -            | -             |
| Net Cost Included in Personnel Expenses                            | 12.29                | 1.40                 | -            | -             |
| <b>e) Actual return on Plan Assets</b>                             | 5.28                 | 3.78                 | -            | -             |
| <b>f) Actuarial Assumptions</b>                                    |                      |                      |              |               |
| i) Discount Rate   | 7.92%-<br>9.30% P.A. | 9.30%-<br>9.35% P.A. | 7.92% P.A.   | 9.35% P.A.    |
| ii) Expected Rate of Return on Plan Assets                         | 7.92%-<br>9.30% P.A. | 6.01%-<br>9.35% P.A. | -            | -             |
| iii) Salary Escalation Rate  | 4%-5% P.A.           | 4%-5% P.A.           | -            | -             |
| iv) Employee Turnover  | 1.00% P.A.           | 1.00% P.A.           | 1.00% P.A.   | 1.00% P.A.    |

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 Adjustments**

Experience Adjustments (Gain) / Loss

|                      | Amount ₹ in Crore   |                |
|----------------------|---------------------|----------------|
|                      | On Plan Liabilities | On Plan Assets |
| April 10 to March 11 | 1.20                | 0.14           |
| April 11 to March 12 | 2.13                | 0.26           |
| April 12 to March 13 | 2.98                | (0.23)         |
| April 13 to March 14 | 1.16                | (0.72)         |
| April 14 to March 15 | 4.06                | (0.95)         |

## Notes to the Consolidated Financial Statements

**Note 45 : Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/Limited Liability Partnerships / Associates/ Joint Ventures.**

| Name of the entity in the                        | Net Assets - total assets<br>minus total liabilities |          | Share in profit or loss                   |         |
|--|--|----------|---|---------|
|  | As % of<br>Consolidated<br>net assets                | Amount   | As % of<br>Consolidated<br>profit or loss | Amount  |
| 1  | 2  | 3        | 4   | 5       |
| <b>Parent</b>                                    |  |          |   |         |
| Godrej Industries Limited                        | 51.38%   | 1,658.28 | 36.97%                                    | 148.81  |
| <b>Subsidiaries</b>                              |  |          |   |         |
| <b>Indian</b>                                    |  |          |   |         |
| 1. Godrej Agrovet Limited                        | 18.75%   | 605.03   | 50.47%                                    | 203.13  |
| 2. Godrej Seeds and Genetics Limited             | (0.55)%  | (17.60)  | (2.12)%                                   | (8.54)  |
| 3. Godrej Agrochem Limited                       | 0.00%  | 0.12     | 0.04%                                     | 0.15    |
| 4. Godrej Properties Limited                     | 59.44%   | 1,918.25 | 31.78%                                    | 127.92  |
| 5. Godrej Buildcon Private Limited               | (0.04)%  | (1.37)   | (0.32)%                                   | (1.27)  |
| 6. Godrej Buildwell Private Limited              | 0.00%  | 0.00     | 0.11%                                     | 0.44    |
| 7. Godrej Garden City Properties Private Limited | 0.03%  | 1.00     | 0.20%                                     | 0.80    |
| 8. Godrej Green Homes Limited                    | 0.00%  | 0.03     | 0.00%                                     | (0.01)  |
| 9. Godrej Hillside Properties Private Limited    | -  | -        | -   | -       |
| 10. Godrej Home Developers Private Limited       | -  | -        | -   | -       |
| 11. Godrej Landmark Redevelopers Private Limited | 0.99%  | 31.83    | 7.88%                                     | 31.72   |
| 12. Godrej Premium Builders Private Limited      | 2.45%  | 79.06    | 11.09%                                    | 44.62   |
| 13. Godrej Projects Development Private Limited  | 1.37%  | 44.25    | (1.40)%                                   | (5.64)  |
| 14. Godrej Real Estate Private Limited           | (0.01)%  | (0.18)   | (0.01)%                                   | (0.06)  |
| 15. Godrej Realty Private Limited                | 0.11%  | 3.66     | (0.02)%                                   | (0.08)  |
| 16. Godrej Redevelopers (Mumbai) Private Limited | 0.27%  | 8.67     | 0.16%                                     | 0.65    |
| 17. Happy Highrises Limited                      | 3.05%  | 98.47    | 4.59%                                     | 18.46   |
| 18. Amitis Developers LLP                        | -  | -        | -   | -       |
| 19. Caroa Properties LLP                         | 0.04%  | 1.27     | 0.26%                                     | 1.03    |
| 20. Dream World Landmarks LLP                    | 0.00%  | 0.01     | (0.02)%                                   | (0.09)  |
| 21. Godrej Construction Projects LLP *           | 0.00%  | (0.00)   | 0.00%                                     | (0.01)  |
| 22. Godrej Housing Projects LLP                  | -  | -        | -   | -       |
| 23. Godrej Vikhroli Properties LLP               | 11.33%   | 365.70   | 9.12%                                     | 36.71   |
| 24. M S Ramaiah Ventures LLP                     | 0.06%  | 2.04     | 0.00%                                     | 0.02    |
| 25. Mosaic Landmarks LLP                         | 0.75%  | 24.29    | 2.35%                                     | 9.45    |
| 26. Oasis Landmarks LLP                          | 0.00%  | (0.14)   | (0.04)%                                   | (0.15)  |
| 27. Oxford Realty LLP *                          | -  | -        | -   | -       |
| 28. SSPDL Green Acres LLP                        | 0.22%  | 7.02     | 0.00%                                     | 0.00    |
| 29. Nature's Basket Limited                      | 0.45%  | 14.57    | (10.59)%                                  | (42.62) |
| 30. Ensemble Holdings & Finance Limited          | 0.34%  | 10.96    | 0.20%                                     | 0.82    |

## Notes to the Consolidated Financial Statements

| Name of the entity in the  | Net Assets - total assets<br>minus total liabilities |                 | Share in profit or loss                   |               |
|--|--|-----------------|---|---------------|
|  | As % of<br>Consolidated<br>net assets                | Amount          | As % of<br>Consolidated<br>profit or loss | Amount        |
| 1  | 2  | 3               | 4   | 5             |
| <b>Foreign</b>   |  |                 |   |               |
| 1. Godrej International Ltd.   | 2.44%  | 78.71           | 2.43%                                     | 9.79          |
| 2. Godrej International Trading & Investments Pte. Ltd.  | 0.27%  | 8.83            | 0.15%                                     | 0.60          |
| <b>Minority interest in all subsidiaries</b>   | (35.59)%   | (1,148.53)      | (46.30)%                                  | (186.35)      |
| <b>Associates (Investment as per equity method)</b>  |  |                 |   |               |
| <b>Indian</b>  |  |                 |   |               |
| 1. Godrej Consumer Products Limited  | 20.94%   | 675.71          | 49.68%                                    | 199.96        |
| 2. Creamline Dairy Products Limited  | 0.63%  | 20.43           | 0.57%                                     | 2.31          |
| 3. Polchem Hygiene Laboratories Private Limited  | 0.13%  | 4.22            | 0.25%                                     | 1.02          |
| <b>Foreign</b>   |  |                 |   |               |
| 1. Al Rahaba International Trading LLC   | 0.12%  | 4.02            | (0.27)%                                   | (1.10)        |
| <b>Joint Ventures (as per proportionate consolidation /<br/>Investment as per equity method)</b> |  |                 |   |               |
| <b>Indian</b>  |  |                 |   |               |
| 1. Godrej Tyson Foods Limited  | (0.09)%  | (2.98)          | 1.54%                                     | 6.21          |
| 2. Wonderspace Properties Private Limited  | 0.22%  | 6.97            | 0.05%                                     | 0.22          |
| 3. Wonder City Buildcon Private Limited  | 0.20%  | 6.55            | 0.04%                                     | 0.15          |
| 4. Godrej Property Developers LLP *  | 0.00%  | (0.01)          | 0.00%                                     | 0.00          |
| <b>Foreign</b>   |  |                 |   |               |
| 1. ACI Godrej Agrovet Private Limited  | 0.69%  | 22.26           | 2.70%                                     | 10.86         |
| <b>Inter company Elimination &amp; Consolidation<br/>Adjustments</b>                             | (40.41)%   | (1,304.14)      | (51.54)%                                  | (207.45)      |
| <b>TOTAL</b>   |  | <b>3,227.25</b> |   | <b>402.47</b> |

\*Amount less than ₹ 0.01 crore

**Note 46 :**

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / Accounting Standards for material foreseeable losses on such long term contracts has been made in the books of account.

**Note 47 :**

Details of Loans Given, Investments made and Guarantee given covered under Section 186 (4) of the Companies Act, 2013 are given under the respective heads of Standalone Financial Statements.

**Note 48 :**

The figures of the current year are not strictly comparable with those of the corresponding figures of the previous year in view of amalgamation made since then, and the consolidation of the ESOP Trust.

Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.



The background is a dark gray gradient with faint, light gray geometric patterns. In the bottom right corner, there is a stylized bar chart with seven bars of increasing height from left to right. An upward-pointing arrow is positioned above the tallest bar on the right. The text is centered in a white rectangular box with a slight drop shadow.

# STANDALONE FINANCIAL STATEMENTS

## Independent Auditor's Report

### TO THE MEMBERS OF GODREJ INDUSTRIES LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **GODREJ INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditor of the Company's London Branch.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention to Sub-note (2) of Note 4 : Reserves and Surplus, to the Standalone Financial Statements, in respect of the Godrej Industries Limited Employees Stock Option Trust (ESOP Trust), where, during the year, The Securities and Exchange Board of India (SEBI) has issued the SEBI (Share Based Employee Benefits) Regulation, 2014, which requires that the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employees Share-Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, the

## Independent Auditor's Report

Company has not included the Financial Statements of the ESOP Trust in the preparation of the Standalone Financial Statements of the Company for the year ended March 31, 2015, as compared to the previous year where the same were consolidated. Consequently, these financial statements do not include the assets, liabilities, income and expenditure of the ESOP Trust and to that extent, the figures for the previous year are not comparable.

Our opinion is not modified in respect of this matter.

### Other Matter

We did not audit the financial statements / information of one branch included in the Standalone Financial Statements of the Company whose financial statements / financial information reflect total assets of ₹ 0.00 crores (amount less than ₹ 0.01 crore) as at March 31, 2015 and total revenues of ₹ Nil for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements / information of this branch has been audited by the branch auditor whose report has been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
  - a) We have sought and 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 those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
  - c) The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by the branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
  - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
  - e) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) On the basis of the written representations received from the Directors of the Company as on March 31, 2015 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 23 to the Standalone Financial Statements.
    - ii) The Company has made provision, as required under the applicable laws or Accounting Standards for material foreseeable losses, if any, on long term contracts. Refer Notes 2.13 and 47 to the Standalone Financial Statements.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### For KALYANIWALLA & MISTRY

Chartered Accountants  
Firm Regn. No.: 104607W

### Daraius Z. Fraser

Partner  
M. No.: 42454

Mumbai: May 27, 2015.

## Annexure to the Independent Auditor's Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the Members of the Company on the Standalone Financial Statements for the year ended March 31, 2015 :

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 noticed on such verification are not material and have been properly dealt with in the books of account.
2. Inventory :
  - a) The Management has conducted physical verification of inventory at reasonable intervals.
  - 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. The discrepancies noticed on physical verification were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3 (iii) of the Order are not applicable.
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 purchase 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. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76, or any other relevant provisions of the Companies Act and the Rules framed thereunder in respect of the deposits accepted from the public. 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.
6. We have broadly reviewed the books of account and records maintained by the Company in respect of manufacture of fatty acids, fatty alcohol, surfactants and glycerine pursuant to the Rules made by the Central Government for maintenance of cost records, under sub section (1) of Section 148 of the Companies Act 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 sub section (1) of Section 148 of the Companies Act, for any other products of the Company.
7. Statutory Dues :
  - a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Value Added Tax, 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 last day 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, Value Added Tax or Cess outstanding on account of any dispute, other than the following :



## Annexure to the Independent Auditor's Report

| Name of Statute            | Nature of Dues  | Amount (₹ crores) | Period to which the amount relates  | Forum where dispute is pending |
|----------------------------|---|-------------------|---|--------------------------------|
| Central Excise Act, 1944   | Excise Duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. | 0.59              | 2002-03, 2004-07, 2005-08, 2007-12, 2008-09, 2009-10, 2009-11, 2009-14, 2010-11, 2011-12, 2011-13, 2012-13, 2012-14, 2013-14, 2013-15 | Assistant Commissioner         |
|                            |   | 0.86              | 1993-97, 2009-13, 2012-14, 2013-14  | Joint Commissioner             |
|                            |   | 1.05              | 2008-09, 2009-15, 2013-15   | Additional Commissioner        |
|                            |   | 0.01              | 2006-10, 2009-10  | Deputy Commissioner            |
|                            |   | 0.14              | 2010-11   | Commissioner                   |
|                            |   | 6.77              | 1993-96, 2005-06, 2009-10   | Commissioner (Appeals)         |
|                            |   | 0.00*             | 2009-10, 2012-13, 2013-14, 2013-15  | Superintendent                 |
|                            |   | 3.55              | 2008-11, 2009-13, 2010-11   | CESTAT                         |
|                            |   | 0.43              | 1997-98, 2006-07  | Tribunal                       |
|                            |   | 0.04              | 1995-96   | High Court                     |
|                            |   | 3.91              | 1993-97   | Supreme Court                  |
| The Customs Act, 1962      | Custom Duty demands relating to lower charge, differential duty, classifications, etc.                                      | 2.63              | 2010-11   | Commissioner (Appeals)         |
|                            |   | 0.26              | 2003-04   | Deputy Commissioner            |
|                            |   | 1.32              | 1978-93   | High Court                     |
| VAT Acts of Various States | Sales Tax demands relating to purchase tax on Branch Transfer / Disallowance of high sea sales.                             | 0.07              | 1996-97 and 1997-98   | Sales Tax Officer              |
|                            |   | 0.07              | 2000-01   | Commissioner (Appeals)         |
|                            |   | 12.79             | 2003-04, 2005-06  | Deputy Commissioner            |
|                            |   | 28.14             | 2000-01, 2002-03, 2003-04   | Joint Commissioner             |
|                            |   | 4.51              | 2003-04, 2004-05, 2005-06, 2006-07  | Tribunal                       |
| Income-tax Act, 1961       | Income-tax demands against which the Company has preferred appeals.   | 2.96              | A.Y. 2007-08, 2010-11   | Assessing Officer              |
|                            |   | 13.54             | A.Y. 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 2004-05, 2012-13  | CIT                            |
|                            |   | 5.83              | A.Y. 2006-07, 2011-12   | Deputy Commissioner            |

## Annexure to the Independent Auditor's Report

| Name of Statute | Nature of Dues  | Amount (₹ crores) | Period to which the amount relates  | Forum where dispute is pending   |
|-----------------|---|-------------------|---|----------------------------------|
|                 |   | 20.37             | A.Y. 1986-87, 1988-89, 1990-91, 1991-92, 1996-97, 1998-99, 2000-01, 2001-02, 2002-03, 2003-04 | ITAT                             |
|                 |   | 16.90             | A.Y. 1989-90, 1993-94, 1997-98, 2000-01, 2001-02, 2002-03                                     | High Court                       |
| Octroi Rules    | Octroi demand relating to classification issue on import of Palm Stearine and interest thereon. | 0.03              | 1997-98   | Deputy Commissioner              |
|                 |   | 0.24              | 1997-03   | Tribunal                         |
|                 |   | 0.02              | 1998-99, 2000-01  | Supreme Court                    |
| Stamp Duty      | Stamp Duties claimed on certain properties which are under appeal by the Company.               | 1.82              | 2000-01   | Controlling Revenue Authority    |
| Property Tax    | Disputed Property taxes   | 5.59              | 2010-11, 2011-12, 2012-13, 2013-14  | Assistant Assessor and Collector |

\* Amount less than ₹ 0.01 crore.

- c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with relevant provisions of the Companies Act, 1956 (I of 1956) and Rules made thereunder has been transferred to such fund within time.
8. 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.
9. 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. There are no dues to financial institutions or debenture holders.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. According to the information and explanations given to us and the records examined by us, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
12. 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 KALYANIWALLA & MISTRY

Chartered Accountants  
Firm Regn. No.: 104607W

### Daraius Z. Fraser

Partner  
M. No.: 42454

Mumbai: May 27, 2015.

**Balance Sheet as at March 31, 2015**

|                                    | Note No. | Amount ₹ in Crore |               |
|------------------------------------|----------|-------------------|---------------|
|                                    |          | Current Year      | Previous Year |
| <b>Equity and Liabilities</b>      |          |                   |               |
| <b>Shareholders' Funds</b>         |          |                   |               |
| (a) Share Capital                  | 3        | 33.59             | 33.12         |
| (b) Reserves and Surplus           | 4        | 1,624.69          | 1,401.81      |
|                                    |          | <b>1,658.28</b>   | 1,434.93      |
| <b>Non Current Liabilities</b>     |          |                   |               |
| (a) Long Term Borrowings           | 5        | 1,012.78          | 663.26        |
| (b) Deferred Tax Liabilities (Net) | 6        | 17.02             | 39.48         |
| (c) Long Term Provisions           | 7        | 8.30              | 7.23          |
|                                    |          | <b>1,038.10</b>   | 709.97        |
| <b>Current Liabilities</b>         |          |                   |               |
| (a) Short Term Borrowings          | 8        | 782.37            | 675.94        |
| (b) Trade Payables                 | 9        | 397.13            | 553.49        |
| (c) Other Current Liabilities      | 10       | 317.63            | 193.01        |
| (d) Short Term Provisions          | 11       | 77.26             | 73.05         |
|                                    |          | <b>1,574.39</b>   | 1,495.49      |
| <b>TOTAL</b>                       |          | <b>4,270.77</b>   | 3,640.39      |
| <b>Assets</b>                      |          |                   |               |
| <b>Non Current Assets</b>          |          |                   |               |
| (a) Fixed Assets                   | 12       |                   |               |
| (i) Tangible Assets                |          | 647.13            | 613.85        |
| (ii) Intangible Assets             |          | 0.67              | 0.78          |
| (iii) Capital Work in Progress     |          | 666.96            | 382.00        |
|                                    |          | <b>1,314.76</b>   | 996.63        |
| (b) Non Current Investments        | 13       | 2,377.78          | 2,048.26      |
| (c) Long Term Loans and Advances   | 14       | 52.96             | 65.75         |
| (d) Other Non Current Assets       | 15       | 0.10              | -             |
|                                    |          | <b>3,745.60</b>   | 3,110.64      |
| <b>Current Assets</b>              |          |                   |               |
| (a) Current Investments            | 16       | -                 | -             |
| (b) Inventories                    | 17       | 166.34            | 232.17        |
| (c) Trade Receivables              | 18       | 104.30            | 93.99         |
| (d) Cash and Bank Balances         | 19       | 107.30            | 68.55         |
| (e) Short Term Loans and Advances  | 20       | 122.16            | 104.47        |
| (f) Other Current Assets           | 21       | 25.07             | 30.57         |
|                                    |          | <b>525.17</b>     | 529.75        |
| <b>TOTAL</b>                       |          | <b>4,270.77</b>   | 3,640.39      |
| Notes to the Financial Statements  | 1 to 51  |                   |               |

As per our Report attached

**For Kalyaniwalla & Mistry**Chartered Accountants  
Firm Regn. No. 104607W**Daraius Z. Fraser**Partner  
M. No. 42454

Mumbai, May 27, 2015.

For and on behalf of the Board

**A. B. Godrej**  
Chairman**N. S. Nabar**  
Executive Director  
& President (Chemicals)**N. B. Godrej**  
Managing Director**P. Ganesh**  
Chief Financial Officer &  
Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2015

| Particulars  | Note No. | Amount ₹ in Crore |               |
|--|----------|-------------------|---------------|
|  |          | Current Year      | Previous Year |
| <b>Revenue from Operations (Gross)</b>   | 25       | <b>1,547.79</b>   | 1,543.79      |
| Less : Excise Duty   |          | <b>93.15</b>      | 90.24         |
|  |          | <b>1,454.64</b>   | 1,453.55      |
| Other Income   | 26       | <b>37.62</b>      | 40.77         |
| <b>Total Revenue</b>   |          | <b>1,492.26</b>   | 1,494.32      |
| <b>Expenses</b>  |          |                   |               |
| (a) Cost of Materials Consumed   | 27       | <b>942.41</b>     | 984.40        |
| (b) Purchases of Stock in Trade  |          | <b>3.39</b>       | 3.70          |
| (c) Changes in Inventory of Finished Goods,<br>Work in Progress and Stock in Trade | 28       | <b>26.13</b>      | (53.62)       |
| (d) Employee Benefits Expense  | 29       | <b>127.60</b>     | 112.33        |
| (e) Finance Costs  | 30       | <b>147.74</b>     | 94.84         |
| (f) Depreciation and Amortisation Expense  |          | <b>28.59</b>      | 24.61         |
| (g) Other Expenses   | 31       | <b>283.84</b>     | 307.39        |
| <b>Total Expenses</b>  |          | <b>1,559.70</b>   | 1,473.65      |
| (Loss) / Profit Before Exceptional Items and Tax                                   |          | <b>(67.44)</b>    | 20.67         |
| Exceptional Items  | 32       | <b>199.61</b>     | 104.21        |
| <b>Profit Before Tax</b>   |          | <b>132.17</b>     | 124.88        |
| <b>Tax Expense</b>   |          |                   |               |
| (a) Current Tax  |          | <b>4.23</b>       | 0.09          |
| (b) Deferred Tax   |          | <b>(20.87)</b>    | 5.10          |
| <b>Total Tax</b>   |          | <b>(16.64)</b>    | 5.19          |
| <b>Profit For The Year</b>   |          | <b>148.81</b>     | 119.69        |
| Earnings Per Share (Face Value ₹ 1 per share)                                      | 33       |                   |               |
| (a) Basic  |          | <b>4.4352</b>     | 3.5693        |
| (b) Diluted  |          | <b>4.4302</b>     | 3.5643        |
| Notes to the Financial Statements  | 1 to 51  |                   |               |

As per our Report attached

### For Kalyaniwalla & Mistry

Chartered Accountants  
Firm Regn. No. 104607W

### Darius Z. Fraser

Partner  
M. No. 42454

Mumbai, May 27, 2015.

For and on behalf of the Board

**A. B. Godrej**  
Chairman

**N. S. Nabar**  
Executive Director  
& President (Chemicals)

**N. B. Godrej**  
Managing Director

**P. Ganesh**  
Chief Financial Officer &  
Company Secretary

## Cash Flow Statement for the year ended March 31, 2015

Amount ₹ in Crore

|   | Current year      | Previous year |
|---|-------------------|---------------|
| <b>A. Cash Flow From Operating Activities :</b>                       |                   |               |
| <b>Profit Before Tax</b>  | <b>132.17</b>     | 124.88        |
| Adjustments for :   |                   |               |
| Depreciation  | <b>28.59</b>      | 24.61         |
| Unrealised Foreign Exchange revaluation                               | <b>1.51</b>       | 0.15          |
| Profit on Sale of Investments   | <b>(201.62)</b>   | (80.30)       |
| (Profit) / Loss on Sale of Fixed Assets                               | <b>(3.99)</b>     | 0.14          |
| Profit on Assignment of Trademark                                     | <b>-</b>          | (25.00)       |
| Dividend Income   | <b>(108.45)</b>   | (86.01)       |
| Share of Profit from LLP  | <b>(14.69)</b>    | (51.49)       |
| Interest Income   | <b>(17.76)</b>    | (26.31)       |
| Interest & Finance Charges  | <b>147.74</b>     | 94.84         |
| Employee Stock Option Compensation                                    | <b>1.29</b>       | 3.47          |
| Provision / (Write back) of Diminution in Value of Investments        | <b>6.13</b>       | (4.50)        |
| Provision / (Write back) for Doubtful Debts and Sundry Balances (net) | <b>0.68</b>       | (6.37)        |
| <b>Operating (Loss) / Profit Before Working Capital Changes</b>       | <b>(28.40)</b>    | (31.89)       |
| Adjustments for :   |                   |               |
| Inventories   | <b>65.83</b>      | (97.29)       |
| Trade Receivables   | <b>(10.09)</b>    | 44.50         |
| Other Current Assets  | <b>19.32</b>      | (94.53)       |
| Non Current Assets  | <b>12.70</b>      | 33.51         |
| Trade Payables  | <b>(156.36)</b>   | 173.17        |
| Other Current Liabilities   | <b>(24.26)</b>    | 21.48         |
| Non Current Liabilities   | <b>1.07</b>       | (2.79)        |
| <b>Cash (Used in) / Generated from Operations</b>                     | <b>(120.19)</b>   | 46.16         |
| Direct Taxes Paid   | <b>(3.59)</b>     | (5.30)        |
| <b>Net Cash (Used in) / Generated from Operating Activities</b>       | <b>(123.78)</b>   | 40.86         |
| <b>B. Cash Flow from Investing Activities :</b>                       |                   |               |
| Purchase of Fixed Assets  | <b>(325.73)</b>   | (205.78)      |
| Proceeds from Sale of Fixed Assets                                    | <b>8.18</b>       | 9.10          |
| Purchase of Investments   | <b>(1,326.93)</b> | (1,643.15)    |
| Refund of Fixed Deposits  | <b>-</b>          | 412.39        |
| Proceeds from Sale of Investments - Long Term                         | <b>255.64</b>     | 86.00         |
| Proceeds from Sale of Investments - Others                            | <b>958.09</b>     | 958.92        |
| Proceeds on Assignment of Trademark                                   | <b>-</b>          | 25.00         |
| Intercompany Deposits / Loans (net)                                   | <b>12.78</b>      | 13.54         |
| Interest Received   | <b>11.36</b>      | 17.31         |
| Dividend Received   | <b>108.45</b>     | 86.01         |
| <b>Net Cash used in Investing Activities</b>                          | <b>(298.16)</b>   | (240.66)      |

## Cash Flow Statement for the year ended March 31, 2015

Amount ₹ in Crore

|   | Current year  | Previous year |
|---|---------------|---------------|
| <b>C. Cash Flow from Financing Activities :</b>   |               |               |
| Proceeds from issue of Equity shares  | 0.02          | 1.35          |
| Proceeds from Borrowings  | 1,260.34      | 1,345.13      |
| Repayment of Borrowings   | (590.51)      | (943.75)      |
| Bank Overdrafts (net)   | (5.06)        | (23.26)       |
| Interest & Finance Charges Paid   | (146.39)      | (88.64)       |
| Dividend Paid   | (58.68)       | (58.68)       |
| Tax on Distributed Profits  | (4.05)        | (1.69)        |
| <b>Net Cash Generated from Financing Activities</b>   | <b>455.67</b> | <b>230.46</b> |
| <b>Net Increase in Cash and Cash Equivalents</b>  | <b>33.73</b>  | <b>30.66</b>  |
| Cash and Cash Equivalents (Opening Balance)   | 64.72         | 33.86         |
| Add : Cash received on account of merger of Wadala Commodities Ltd. with the Company                            | 0.18          | -             |
| (Less) / Add : Cash and Cash Equivalents of GIL ESOP Trust<br>(refer Sub-note 2 of Note 4 Reserves and Surplus) | (0.20)        | 0.20          |
| Cash and Cash Equivalents (Closing Balance)   | <b>98.43</b>  | <b>64.72</b>  |

### Notes :

Amount ₹ in Crore

|   | Current year | Previous year |
|---|--------------|---------------|
| <b>1. Cash and Cash Equivalents</b>   |              |               |
| Cash on Hand and Balances with Banks  | 107.30       | 68.55         |
| Closing balances of Fixed deposit (more than 3 months but less than 12 months)  | (8.52)       | (3.50)        |
| Other Bank Balances   | (0.35)       | (0.33)        |
| <b>Cash and Cash Equivalents</b>  | <b>98.43</b> | <b>64.72</b>  |
| <b>2.</b> To finance working capital requirements, the Company's Bankers have sanctioned a total fund-based limit of ₹ 90 crore. Of this, limits utilised as on March 31, 2015 is ₹ 1.93 crore. |              |               |
| <b>3.</b> The figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.  |              |               |

As per our Report attached

#### For Kalyaniwalla & Mistry

Chartered Accountants  
Firm Regn. No. 104607W

#### Daraius Z. Fraser

Partner  
M. No. 42454

Mumbai, May 27, 2015.

For and on behalf of the Board

**A. B. Godrej**  
Chairman

#### N. S. Nabar

Executive Director  
& President (Chemicals)

#### N. B. Godrej

Managing Director

#### P. Ganesh

Chief Financial Officer &  
Company Secretary

## Notes to Standalone Financial Statements

### Note 1 : General Information

The Company was incorporated under the Companies Act, 1956 on March 7, 1988 under the name of Gujarat-Godrej Innovative Chemicals Limited. The Company is engaged in the businesses of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities. The business and undertaking of the erstwhile Godrej Soaps Limited was transferred to the Company under a Scheme of Amalgamation with effect from April 1, 1994 and the Company's name was changed to Godrej Soaps Limited. Subsequently, under a Scheme of Arrangement the Consumer Products division of the Company was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL).

The Company's name was changed to Godrej Industries Limited on April 2, 2001. The Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. Swadeshi Detergents Limited, 100% subsidiary of the Company, was amalgamated with the Company effective from April 1, 2013. Wadala Commodities Limited was amalgamated with the Company effective from April 1, 2014.

### Note 2 : Significant Accounting Policies

#### 2.1 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 applicable Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### 2.2 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.

#### 2.3 Fixed Assets

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation and impairment, if any. Cost includes expenses related to acquisition and any directly attributable cost of bringing the assets to its intended working condition and excludes any duties/taxes recoverable. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

Borrowing costs that are directly attributable to the acquisition/construction of the qualifying asset are capitalised as a part of the cost of such asset, upto the date of acquisition/completion of construction.

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

#### 2.4 Asset Impairment

The Company reviews the carrying amounts of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment loss, if any, is recognised in the period in which impairment takes place.

#### 2.5 Operating 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.

## Notes to Standalone Financial Statements

### 2.6 Investments

Investments are classified into Current and Non Current investments. Investments intended to be held for a period less than twelve months or those maturing within twelve months from the balance sheet date are classified as 'Current Investments'. Current Investments are stated at lower of cost and fair value.

Investments other than Current Investments are classified as 'Non Current Investments'. Non Current Investments are carried at cost of acquisition which includes all costs directly incurred on the acquisition of the investment. Provision for diminution, if any, in the value of each Non Current investments is made to recognise a decline, other than of a temporary nature. The fair value of a Non Current investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

### 2.7 Inventories

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

### 2.8 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 :

- (i) 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
- (ii) 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.

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

### 2.9 Revenue Recognition

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer. Sales 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.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on a time proportion basis.

Income on assets given on operating lease is recognised on a straight line basis over the lease term.



## Notes to Standalone Financial Statements

### 2.10 Research and Development Expenditure

Revenue expenditure on Research & Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on Research & Development is included under additions to fixed assets.

### 2.11 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.

### 2.12 Foreign Exchange Transactions

- (i) Transactions in foreign currency are recorded at exchange rates prevailing on the day of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.
- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Statement of Profit and Loss of the period in which they are cancelled.
- (iv) Exchange differences in respect of other unexpired foreign currency derivative contracts, which have been entered into to hedge foreign currency risks are marked to market and losses, if any, are recognised in the Statement of Profit and Loss.
- (v) Exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the year in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognising as income or expense in each such period.

### 2.13 Hedging

The Company uses forward exchange contracts to hedge its foreign exchange exposures and commodity futures contracts to hedge the exposure to oil price risks. Gains or losses on settled contracts is recognised in the Statement of Profit and Loss. Futures contracts not settled as on the Balance Sheet date are marked to market and losses, if any, are recognised in the Statement of Profit and Loss, whereas, the unrealised profit is ignored. Gains or losses on the commodity futures contracts is recorded in the Statement of Profit and Loss under cost of materials consumed.

### 2.14 Employee Benefits

#### (i) 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 recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

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

## Notes to Standalone Financial Statements

### (ii) Post Employment Benefits

#### (a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

#### (b) Defined Benefit Plans

#### Gratuity Fund

The 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 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.

#### Provident Fund

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

#### Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet.

### (iii) Other Long-Term Employee Benefits

Long-term Compensated Absences and Long Service Awards are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains/losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss.

## 2.15 Depreciation and Amortisation

### Tangible Assets

- (i) Leasehold land and Leasehold improvements are amortised equally over the lease period.
- (ii) Depreciation is provided, pro rata to the period of use, based on the estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013, except in the case of Plant and Machinery where the Company, based on the condition of the plants, regular maintenance schedule, material of construction and past experience, has considered useful life of Plant and Machinery as 30 years instead of 20 years useful life as prescribed in Schedule II of the Act.

### Intangible Assets

Intangible assets are amortised on straight line basis as given below:

- (i) Trade marks are amortised equally over a period of ten years.
- (ii) Computer software is amortised over a period of three years.

## Notes to Standalone Financial Statements

### 2.16 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 subject to consideration of prudence, 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 asset/liabilities in respect of timing differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets/liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent there is reasonable possibility that the Company will pay normal income tax during the specified period for which MAT Credit is allowed to be carried forward. The Company recognises MAT Credit as an asset by way of credit to the statement of Profit and Loss and is disclosed as "MAT Credit Entitlement." under Long-Term Loans and Advances.

### 2.17 Cash and Cash Equivalents

In the Cash Flow Statement, Cash and Cash Equivalents includes cash in hand, bank balances and term deposits with bank having maturity term of less than three months.

### 2.18 Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 2.19 Segment Reporting

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

## Notes to Standalone Financial Statements

### Note 3 : Share Capital

|   | Current Year       |               | Amount ₹ in Crore<br>Previous Year |               |
|---|--------------------|---------------|------------------------------------|---------------|
|   | Number             | Value         | Number                             | Value         |
| <b>Authorised Share Capital</b>   |                    |               |                                    |               |
| (a) Equity shares of ₹ 1 each   | 800,000,000        | 80.00         | 800,000,000                        | 80.00         |
| (b) Unclassified Shares of ₹ 10 each  | 100,000,000        | 100.00        | 100,000,000                        | 100.00        |
|   |                    | <b>180.00</b> |                                    | <b>180.00</b> |
| <b>Issued, Subscribed and Paid up Share Capital</b>   |                    |               |                                    |               |
| Equity Shares of ₹ 1 each fully paid up   | 335,881,974        | 33.59         | 335,455,260                        | 33.55         |
| Less: Shares in the Company held by ESOP Trust<br>(As detailed in sub-note 2 under Note 4 Reserves and Surplus)   | -                  | -             | (4,332,389)                        | (0.43)        |
| <b>Total</b>  | <b>335,881,974</b> | <b>33.59</b>  | <b>331,122,871</b>                 | <b>33.12</b>  |
| Par Value of Equity Share is ₹ 1 each<br>Par Value of Unclassified Share is ₹ 10 each   |                    |               |                                    |               |
| <b>Reconciliation of number of Shares</b>   |                    |               |                                    |               |
| Equity Shares   |                    |               |                                    |               |
| Number of Shares outstanding at the beginning of the year   | 335,455,260        | 33.55         | 335,165,917                        | 33.52         |
| Issued during the year  | 426,714            | 0.04          | 289,343                            | 0.03          |
| Number of Shares outstanding at the end of the year   | <b>335,881,974</b> | <b>33.59</b>  | <b>335,455,260</b>                 | <b>33.55</b>  |
| <b>Rights, Preferences and Restrictions attached to Shares</b>  |                    |               |                                    |               |
| Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding. |                    |               |                                    |               |
| <b>Share Holding Information</b>  |                    |               |                                    |               |
| (a) Equity Shares held by Godrej & Boyce Manufacturing Company Limited - Holding Company  | 193,904,681        | 19.39         | 187,202,388                        | 18.72         |
| (b) Shareholders holding more than 5% of Equity Shares in the Company<br>Godrej & Boyce Manufacturing Company Limited - 57.73% (Previous Year 55.81%)   | 193,904,681        | 19.39         | 187,202,388                        | 18.72         |

## Notes to Standalone Financial Statements

### Note 3 : Share Capital (Contd.)

|  | Current Year |       | Amount ₹ in Crore<br>Previous Year |       |
|--|--------------|-------|------------------------------------|-------|
|  | Number       | Value | Number                             | Value |
| <b>Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)</b>  |              |       |                                    |       |
| (a) Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*) | -            | -     | 32,921                             | 0.00  |
| (b) Employee Stock Grant vesting on 30/04/14 (*)   | -            | -     | 1,927                              | 0.00  |
| (c) Employee Stock Grant vesting on 31/05/14   | -            | -     | 169,103                            | 0.02  |
| (d) Employee Stock Grant vesting on 30/11/14 (*)   | -            | -     | 2,878                              | 0.00  |
| (e) Employee Stock Grant vesting on 31/07/14 (*)   | -            | -     | 2,441                              | 0.00  |
| (f) Employee Stock Grant vesting on 31/03/15 (*)   | 5,487        | 0.00  | 7,815                              | 0.00  |
| (g) Employee Stock Grant vesting on 31/05/15   | 98,987       | 0.01  | 98,987                             | 0.01  |
| (h) Employee Stock Grant vesting on 31/07/15 (*)   | 2,274        | 0.00  | 2,274                              | 0.00  |
| (i) Employee Stock Grant vesting on 31/05/16 (*)   | 107,097      | 0.01  | 49,991                             | 0.00  |
| (j) Employee Stock Grant vesting on 31/07/16 (*)   | 2,274        | 0.00  | 2,274                              | 0.00  |
| (k) Employee Stock Grant vesting on 31/05/17   | 55,641       | 0.01  | -                                  | -     |

The exercise period in respect of the stock grants mentioned above is one month.

During the period of five years immediately preceeding the date as at which the Balance Sheet is prepared :

Pursuant to the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company :

- (i) 2,00,243 equity shares allotted as fully paid up to the Equity Shareholders of WCL and 10 equity shares allotted as fully paid up to the Preference Shareholders of WCL, without payment being received in cash.
- (ii) 67,504 equity shares have been allotted as fully paid up bonus shares to the non-promoter shareholders of the Company.

There are no calls unpaid.

There are no forfeited shares.

(\*) Amount less than ₹ 0.01 crore.

#### Note :

- (1) In the current year, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014 being the appointed date. The Effective Date is November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC.

The Company has issued 2,00,243 equity shares in the Company in lieu of the equity shares in WCL and 10 equity shares in the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares in the Company to the non-promoter shareholders of the Company.

## Notes to Standalone Financial Statements

### Note 4 : Reserves and Surplus

| Particulars   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>Capital Investment Subsidy Reserve</b>   | 0.25              | 0.25          |
| <b>Capital Redemption Reserve</b>   | 31.46             | 31.46         |
| <b>Securities Premium Account</b>   |                   |               |
| As Per Last Balance Sheet   | 927.45            | 921.09        |
| Add : Transfer from Employee Stock Grants Outstanding   | 3.92              | 6.36          |
|   | <b>931.37</b>     | 927.45        |
| <b>Capital Reserve</b>  |                   |               |
| As Per Last Balance Sheet   | 8.58              | -             |
| Add : Created During the year - refer notes 1 & 3 below   | 1.30              | 8.58          |
|   | <b>9.88</b>       | 8.58          |
| <b>Revaluation Reserve</b>  |                   |               |
| As Per Last Balance Sheet   | -                 | 7.72          |
| Less : Depreciation on Revalued component   | -                 | (0.76)        |
| Less : Deduction due to sale / write off of Assets - refer note 4 below                         | -                 | (6.96)        |
|   | -                 | -             |
| <b>Employee Stock Grants Outstanding</b>  |                   |               |
| Stock Grants at the beginning of the year   | 9.60              | 11.36         |
| Add : Compensation for Stock Granted During the Year  | 3.46              | 5.18          |
| Less : Grants Lapsed  | (1.15)            | (0.58)        |
| Less : Transfer to Securities Premium on exercise of Stock Grants during the year               | (3.92)            | (6.36)        |
|   | 7.99              | 9.60          |
| Less : Deferred Employee Stock Grants Compensation  | (3.94)            | (3.14)        |
|   | <b>4.05</b>       | 6.46          |
| <b>General Reserve</b>  |                   |               |
| As Per Last Balance Sheet   | 37.83             | 140.91        |
| Add : Transfer from Surplus   | 14.88             | 11.97         |
| Less : Utilisation during the year pursuant to Scheme of Amalgamation - refer notes 1 & 3 below | (0.01)            | (115.05)      |
|   | <b>52.70</b>      | 37.83         |
| <b>ESOP Trust Adjustments</b>   |                   |               |
| Accumulated Deficit at the beginning of the year  | (137.10)          | (78.94)       |
| Add : Income of ESOP Trust during the year  | -                 | 1.98          |
| Less : Expenditure of ESOP Trust during the year  | -                 | (0.25)        |
|   | (137.10)          | (77.21)       |
| Less : Securities Premium on shares held by ESOP Trust  | -                 | (76.59)       |
| Add : Reversal of Provision for loan to ESOP Trust  | -                 | 16.70         |
| Reversal of ESOP Trust Adjustments Balance - refer note 2 below                                 | 137.10            | -             |
|   | -                 | (137.10)      |

## Notes to Standalone Financial Statements

### Note 4 : Reserves and Surplus (Contd.)

| Particulars   | Amount ₹ in Crore |                 |
|---|-------------------|-----------------|
|   | Current Year      | Previous Year   |
| <b>Surplus</b>  |                   |                 |
| As Per Last Balance Sheet                                     | 526.88            | 482.06          |
| Surplus as per Statement of Profit and Loss                   | 148.81            | 119.69          |
| Utilisation during the year :                                 |                   |                 |
| Proposed Dividend on additional shares issued during the year | -                 | (0.01)          |
| Credit for Dividend Distribution Tax on Dividend              | 7.96              | 5.79            |
| Received from Subsidiaries                                    |                   |                 |
| Proposed Dividend - Final                                     | (58.80)           | (58.70)         |
| Tax on Distributed Profit                                     | (11.97)           | (9.98)          |
| Depreciation in transition to New Companies Act               | (3.02)            | -               |
| Transfer to General Reserve                                   | (14.88)           | (11.97)         |
| <b>Total</b>  | <b>594.98</b>     | <b>526.88</b>   |
|   | <b>1,624.69</b>   | <b>1,401.81</b> |

#### Notes :

- (1) In the current year, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL) with the Company effective from April 1, 2014 being the appointed date. The Effective Date is November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC.
- In accordance with the Scheme :
- All the assets and liabilities of the erstwhile WCL have been transferred to and vest in the Company and have been recorded at their book value which are also their fair value. The excess of net assets of WCL acquired over the amount credited as share capital is ₹ 1.30 crore and is credited to Capital Reserves.
  - Income of ₹ 0.09 crore and Expense of ₹ 0.25 crore of WCL from April 2014 to November 2014 has been considered in Statement of Profit and Loss of the Company.
- (2) During the Current year, The Securities and Exchange Board of India (SEBI) has issued the SEBI (Share Based Employee Benefits) Regulation, 2014, which requires that the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employees Share-Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, the Company has not included the Financial Statements of the Godrej Industries Limited Employees Stock Option Trust (ESOP Trust) in the preparation of the Standalone financial statements of the Company for the year ended March 31, 2015, as compared to the previous year where the same were consolidated. Consequently, these financials statements do not include the assets, liabilities, income and expenditure of the ESOP Trust and to that extent, the figures for the previous year are not comparable.
- (3) During the previous year, the Honourable Bombay High Court had approved a Scheme of Amalgamation ("Scheme") of Swadeshi Detergents Limited (SDL) (a wholly owned Subsidiary of the Company) with the Company effective from April 1, 2013, being the appointed date vide its order dated August 16, 2013. The effective date was September 6, 2013. In accordance with the Scheme, all the assets and liabilities of the erstwhile SDL had been transferred to the Company and had been recorded at their book value which are also their fair value. The excess of the net assets transferred over the investments in SDL held by the Company amounting to ₹ 8.58 crore had been credited to the Capital Reserve.
- In accordance with the Scheme, the Company had restated/revised the value of certain assets of the Company as on the Appointed Date to the extent considered appropriate by the Board of Directors of the Company and accordingly the values of the following assets aggregating to ₹ 114.82 crore had been reduced and adjusted in General Reserve as under :

|                                   | Amount ₹ in Crore |
|-----------------------------------|-------------------|
| 1. MAT Credit Entitlement         | 56.21             |
| 2. Investments/I.C.D.             | 31.74             |
| 3. Loans given to the ESOP Trust  | 19.41             |
| 4. Fixed Assets                   | 4.10              |
| 5. Inventory of stores and spares | 3.36              |

Further, an amount of ₹ 0.23 crore being the costs and expenses incurred on the Scheme had also been adjusted in the General Reserve.

- (4) In the previous year, upon closure of manufacturing activities at Vikhroli Plant, the revalued assets had been scrapped/disposed off and adjusted against the Revaluation Reserve.



## Notes to Standalone Financial Statements

### Note 5 : Long Term Borrowings

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| <b>Unsecured</b>                               |                   |               |
| <b>(a) Term Loans</b>                          |                   |               |
| (i) From Banks - refer note 1 (a) to (f) below | 916.29            | 604.47        |
| (ii) From Others - refer note 1 (g) below      | 75.00             | -             |
| <b>(b) Deposits</b>                            |                   |               |
| (i) Fixed Deposit- refer note 1 (h) below      | 21.49             | 58.79         |
| <b>Total</b>                                   | <b>1,012.78</b>   | <b>663.26</b> |

#### Notes :

- (1) Terms of Repayment for Unsecured Borrowings :
- (a) Unsecured loan from Bank amounting to ₹ 31.25 crore (previous year ₹ 89.87 crore) carries interest at LIBOR + 2.17% p.a., is for a term of 60 months and repayable in September 2016 (previous year September 2015 to September 2016).  
Unsecured loan from Bank amounting to ₹ 125 crore (previous year ₹ 119.82 crore) carries interest at LIBOR + 2.5% p.a., is for a term of 60 months and repayable during the period June 2016 to December 2017 (previous year June 2016 to December 2017).  
Unsecured loan from Bank amounting to ₹ 125 crore (previous year ₹ 119.82 crore) carries interest at LIBOR + 2.05% p.a., is for a term of 60 months and repayable during the period February 2017 to August 2018 (previous year February 2017 to August 2018).
- (b) Unsecured loan from Bank amounting to ₹ 93.73 crore (previous year ₹ 149.96 crore) carries interest at Base Rate + 0.95% p.a., is for a term upto 60 months and repayable during the period April 2016 to April 2017 (previous year July 2015 to April 2017).
- (c) Unsecured loan from Bank amounting to ₹ 157.96 crore (previous year ₹ Nil) carries interest at LIBOR + 2.40% p.a., is for a term of 60 months and repayable during the period October 2017 to July 2019.  
Unsecured loan from Bank amounting to ₹ 105.91 crore (previous year ₹ Nil) carries interest at LIBOR + 2.35% p.a., is for a term of 60 months and repayable during the period September 2017 to July 2019.  
Unsecured loan from Bank amounting to ₹ 52.44 crore (previous year ₹ Nil) carries interest at LIBOR + 2.45% p.a., is for a term of 60 months and repayable during the period November 2017 to August 2019.
- (d) Unsecured loan from Bank amounting to ₹ 100 crore (previous year ₹ Nil) carries interest at Base Rate + 0.50% p.a., is for a term upto 36 months and repayable during the period May 2017 to February 2018.
- (e) Unsecured loan from Bank amounting to ₹ 50 crore (previous year ₹ 75 crore) carries interest at 10.40% p.a., is for a term upto 36 months and repayable during the period June 2016 to December 2016 (previous year December 2015 to December 2016).
- (f) Unsecured loan from Bank amounting to ₹ 75 crore (previous year ₹ Nil) carries interest at SBI Base Rate + 0.35% p.a., is for a term upto 36 months and repayable during the period July 2017 to January 2018.
- (g) Unsecured loan from Others amounting to ₹ 75 crore (previous year ₹ Nil) carries interest at SBI Base Rate + 0.35% p.a., is for a term upto 60 months and repayable during the period June 2017 to June 2019.
- (h) Fixed deposits from public have a maturity period of 13, 24 or 36 months.
- (2) The Company does not have any default as on the Balance Sheet date in repayment of loan or interest.



## Notes to Standalone Financial Statements

### Note 6 : Deferred Tax Liabilities (Net)

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>Liabilities</b>                          |                   |               |
| (a) WDV of Assets                           | 78.24             | 47.71         |
| (b) VRS Expenses                            | 0.22              | 0.37          |
| <b>Assets</b>                               |                   |               |
| (a) Provision for Retirement Benefits       | 2.91              | 3.09          |
| (b) Provision for Doubtful Debts / Advances | 6.58              | 1.23          |
| (c) Other Provisions                        | 15.76             | 4.28          |
| (d) Unabsorbed Depreciation                 | 36.19             | -             |
| <b>Total</b>                                | <b>17.02</b>      | <b>39.48</b>  |

### Note 7 : Long Term Provisions

|                                 | Amount ₹ in Crore |               |
|---------------------------------|-------------------|---------------|
|                                 | Current Year      | Previous Year |
| Provision For Employee Benefits | 8.30              | 7.23          |
| <b>Total</b>                    | <b>8.30</b>       | <b>7.23</b>   |

## Notes to Standalone Financial Statements

### Note 8 : Short Term Borrowings

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>Secured</b>  |                   |               |
| (a) Loans Repayable On Demand                                 |                   |               |
| (i) From Bank - refer note 1 below                            | 1.93              | 7.00          |
| <b>Unsecured</b>  |                   |               |
| (a) Loans Repayable On Demand                                 |                   |               |
| (i) From Bank - refer note 2 below                            | 90.44             | 52.10         |
| (b) Short Term Borrowings from Banks - refer note 3 below     | 100.00            | 55.00         |
| (c) Other Loans   |                   |               |
| (i) Commercial Papers - refer note 4 below                    | 590.00            | 473.00        |
| (d) Loans of ESOP Trust                                       | -                 | 88.84         |
| (As detailed in sub-note 2 under Note 4 Reserves and Surplus) |                   |               |
| <b>Total</b>  | <b>782.37</b>     | <b>675.94</b> |

#### Notes :

- Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.
- Unsecured loan from bank is at base rate and repayable within 6 months.
- Unsecured loan from Bank amounting to ₹ 25 crore (previous year ₹ Nil) carries interest at Base Rate and is repayable by April 2015.
  - Unsecured loan from Bank amounting to ₹ 25 crore (previous year ₹ Nil) carries interest at Base Rate + 0.10% p.a., and is repayable by June 2015.
  - Unsecured loans from Bank aggregating to ₹ 50 crore (previous year ₹ 55 crore) carries interest at 10.20% p.a., and is repayable by September 2015.
- Commercial Papers of ₹ 590 crore (previous year ₹ 473 crore) carries interest at 8.48% to 9.00% and are repayable during the period April to August 2015.
- The Company does not have any default as on the Balance Sheet date in repayment of loan or Interest.

### Note 9 : Trade Payables

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>Trade Payables</b>   |                   |               |
| (a) Outstanding dues of Micro and Small Enterprise - refer note 1 below | 2.08              | 2.31          |
| (b) Others  | 146.96            | 280.43        |
| Acceptances   | 248.09            | 270.75        |
| <b>Total</b>  | <b>397.13</b>     | <b>553.49</b> |

#### Note :

- Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2015, to Micro, Small and Medium Enterprises on account of principal or interest (previous year ₹ Nil).

## Notes to Standalone Financial Statements

### Note 10 : Other Current Liabilities

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>Current Maturities of Long Term Debts</b>                  |                   |               |
| (a) Unsecured Loan  |                   |               |
| (i) From Bank   | 193.74            | 54.96         |
| (b) Unsecured Deposits  |                   |               |
| (i) Fixed Deposits  | 33.49             | 21.73         |
|   | <b>227.23</b>     | 76.69         |
| Current Maturities of Finance Lease Obligations               | -                 | 0.01          |
| Interest Accrued but not Due on Borrowings                    | 10.27             | 8.92          |
| Unclaimed Dividends   | 0.35              | 0.33          |
| <b>Unclaimed Matured Deposits</b>                             |                   |               |
| (a) Principal Amount  | 1.71              | 1.98          |
| (b) Interest Accrued Thereon                                  | 0.17              | 0.16          |
|   | <b>1.88</b>       | 2.14          |
| <b>Other Payables</b>   |                   |               |
| (a) Advances from Customers                                   | 4.10              | 5.35          |
| (b) Sundry Creditors  | 50.24             | 66.82         |
| (c) Forward Cover Contracts Payable                           | -                 | 16.18         |
| (d) Unamortised Forward Cover Premium                         | 0.96              | -             |
| (e) Other Liabilities   | 0.66              | 0.66          |
| (f) Statutory Liabilities                                     | 14.14             | 8.07          |
| (g) Deposits  | 7.80              | 7.77          |
|   | <b>77.90</b>      | 104.85        |
| <b>Other Payables of ESOP Trust</b>                           |                   |               |
| Other Liabilities   | -                 | 0.07          |
| (As detailed in sub note 2 under Note 4 Reserves and Surplus) |                   |               |
| <b>Total</b>  | <b>317.63</b>     | 193.01        |

### Note 11 : Short Term Provisions

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Provision For Employee Benefits         | 6.49              | 2.35          |
| Proposed Dividend - refer note 1 below  | 58.80             | 58.70         |
| Provision for Tax on Distributed Profit | 11.97             | 12.00         |
| <b>Total</b>                            | <b>77.26</b>      | 73.05         |

#### Note :

- (1) The Board of Directors of the Company has proposed a dividend of ₹ 1.75 per equity share - 175% (previous year ₹ 1.75 per equity share - 175%) for the year 2014-15.

## Notes to Standalone Financial Statements

## Note 12 : Fixed Assets

Amount ₹ in Crore

| ASSETS                            | GROSS BLOCK         |           |                            |                     | DEPRECIATION/IMPAIRMENT |                            |                 |                    | NET BLOCK           |                     |
|-----------------------------------|---------------------|-----------|----------------------------|---------------------|-------------------------|----------------------------|-----------------|--------------------|---------------------|---------------------|
|                                   | As on<br>01.04.2014 | Additions | Deductions/<br>Adjustments | As on<br>31.03.2015 | Upto<br>31.03.2014      | Deductions/<br>Adjustments | For the<br>Year | Upto<br>31.03.2015 | As on<br>31.03.2015 | As on<br>31.03.2014 |
| <b>1 Tangible Assets</b>          |                     |           |                            |                     |                         |                            |                 |                    |                     |                     |
| (a) Land                          |                     |           |                            |                     |                         |                            |                 |                    |                     |                     |
| (i) Freehold                      | 1.14                | -         | -                          | 1.14                | -                       | -                          | -               | -                  | 1.14                | 1.14                |
| (ii) Leasehold                    | 20.66               | -         | -                          | 20.66               | 0.99                    | -                          | 0.21            | 1.20               | 19.46               | 19.67               |
| (b) Buildings                     | 239.08              | 6.30      | 5.46                       | 239.92              | 28.11                   | (1.03)                     | 7.13            | 36.27              | 203.65              | 210.97              |
| (c) Plant and Equipment           | 620.94              | 62.04     | 13.06                      | 669.92              | 273.04                  | 10.57                      | 14.36           | 276.83             | 393.09              | 347.90              |
| (d) Research Centre               | 0.66                | 0.01      | -                          | 0.67                | 0.19                    | -                          | 0.11            | 0.30               | 0.37                | 0.47                |
| (e) Furniture and Fixtures        | 14.39               | 0.56      | 0.15                       | 14.80               | 8.75                    | 0.08                       | 1.07            | 9.74               | 5.06                | 5.64                |
| (f) Office and Other Equipment    | 13.98               | 1.08      | 0.11                       | 14.95               | 6.86                    | (2.94)                     | 1.40            | 11.20              | 3.75                | 7.12                |
| (g) Vehicles/Vessels              |                     |           |                            |                     |                         |                            |                 |                    |                     |                     |
| (i) Own                           | 33.22               | 4.53      | 1.57                       | 36.18               | 12.29                   | 0.66                       | 3.94            | 15.57              | 20.61               | 20.93               |
| (ii) Under Finance Lease          | 0.03                | -         | -                          | 0.03                | 0.02                    | -                          | 0.01            | 0.03               | -                   | 0.01                |
| <b>Total Tangible Assets</b>      | 944.10              | 74.52     | 20.35                      | 998.27              | 330.25                  | 7.34                       | 28.23           | 351.14             | 647.13              | 613.85              |
| <b>2 Intangible Assets</b>        |                     |           |                            |                     |                         |                            |                 |                    |                     |                     |
| (a) Trademarks                    | 4.63                | -         | -                          | 4.63                | 4.63                    | -                          | -               | 4.63               | -                   | -                   |
| (b) Software                      | 11.30               | 0.48      | 0.24                       | 11.54               | 10.52                   | 0.01                       | 0.36            | 10.87              | 0.67                | 0.78                |
| <b>Total Intangible Assets</b>    | 15.93               | 0.48      | 0.24                       | 16.17               | 15.15                   | 0.01                       | 0.36            | 15.50              | 0.67                | 0.78                |
| <b>TOTAL - Current Year</b>       | 960.03              | 75.00     | 20.59                      | 1,014.44            | 345.40                  | 7.35                       | 28.59           | 366.64             | 647.80              |                     |
| - Previous Year                   | 728.03              | 338.86    | 106.86                     | 960.03              | 406.65                  | 86.62                      | 25.37           | 345.40             |                     | 614.63              |
| <b>3 Capital Work-in-Progress</b> |                     |           |                            |                     |                         |                            |                 |                    | 666.96              | 382.00              |
| <b>TOTAL</b>                      |                     |           |                            |                     |                         |                            |                 |                    | 1,314.76            | 996.63              |

## Notes :

- Buildings, Plant and Equipment and Research Centre at Vikhroli Factory were revalued on June 30, 1992, on the basis of a valuation report submitted by professional valuers.
- Depreciation for the year includes ₹ Nil (previous year ₹ 0.76 crore) being depreciation on revalued component of the fixed assets.
- Gross block deductions / adjustments includes ₹ Nil (previous year ₹ 36.16 crore) and Depreciation / Impairment Deduction / Adjustments includes ₹ Nil (previous year ₹ 29.20 crore) being the revalued component of assets sold / discarded during the year.
- Accumulated depreciation includes impairment loss of ₹ 5.10 crore (previous year ₹ 5.10 crore) on certain Plant and Equipment.
- Capital work in progress is net of impairment loss of ₹ 2.04 crore (previous year ₹ 2.04 crore) provided on an infructuous asset under construction.
- Capital work in progress includes ₹ 16.31 crore (previous year ₹ Nil) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Capital work-in-progress also includes net borrowing cost capitalised amounting to ₹ 76.06 crore (previous year ₹ 53.57 crore).
- Addition to Plant and Machinery includes ₹ 15.74 crore (previous year ₹ 29.03 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Additions also includes net borrowing cost capitalised amounting to ₹ Nil (previous year ₹ 9.65 crore).
- Consequent to the enactment of the Companies Act, 2013, (the Act) and its applicability for accounting periods commencing on or after April 1, 2014, the Company has adopted the estimated useful life of fixed assets as stipulated by Schedule II to the Act, except in the case of Plant and Machinery where the Company, based on the condition of the plants, regular maintenance schedule, material of construction and past experience, has considered useful life of Plant and Machinery as 30 years instead of 20 years useful life as prescribed in Schedule II of the Act.
  - Accordingly, the Company has re-worked depreciation with reference to the estimated useful lives of fixed assets as prescribed by Schedule II to the Act. In case of assets whose useful life has been completed based on such estimates, the carrying value, net of residual value and taxes, as at April 1, 2014, amounting to ₹ 3.02 crore has been adjusted in the opening balance of retained earnings and in other cases the carrying value is being depreciated over the remaining useful life of the assets and recognised in the Statement of Profit and Loss.
  - As a result of the above mentioned changes, the charge for depreciation is lower by ₹ 8.65 crore for the year ended March 31, 2015.
- In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited the Company had restated / revised the value of certain Plant & Machinery from ₹ 4.10 crore to ₹ Nil and adjusted the same in General Reserve.
- Plant and Machinery at Vikhroli location having net block of ₹ 3.93 crore are Assets held for Sale and is classified under Other Current Assets.

## Notes to Standalone Financial Statements

## NOTE 13 : Non Current Investments

| Investee Company / Entity   | Face value (₹) | Number       |               | Notes     | Amount in ₹ Crore |               |
|---|----------------|--------------|---------------|-----------|-------------------|---------------|
|   |                | Current Year | Previous Year |           | Current Year      | Previous Year |
| <b>Trade Investments (Valued at cost unless stated otherwise)</b>               |                |              |               |           |                   |               |
| <b>1. Investment in Equity Instruments (Fully paid unless stated otherwise)</b> |                |              |               |           |                   |               |
| <b>(a) Investment in Subsidiary Companies</b>                                   |                |              |               |           |                   |               |
| <b>(i) Quoted</b>   |                |              |               |           |                   |               |
| Godrej Properties Ltd.  | 5              | 112,450,304  | 122,775,304   |           | 610.13            | 666.16        |
| <b>(ii) Unquoted</b>  |                |              |               |           |                   |               |
| Ensemble Holdings & Finance Ltd.  | 10             | 3,774,160    | 3,774,160     |           | 13.19             | 13.19         |
| Godrej Agrovet Ltd.   | 10             | 56,286,482   | 8,040,926     | (a)       | 143.98            | 143.98        |
| Godrej International Ltd. (Isle of Man)   | £1             | 2,105,000    | 2,105,000     |           | 14.76             | 14.76         |
| Godrej International Trading & Investments Pte. Ltd.                            | \$1            | 1,000,000    | 1,000,000     |           | 4.43              | 4.43          |
| Godrej International Ltd. (Labuan) *  | \$1            | 1            | -             |           | 0.00              | -             |
| Natures Basket Ltd.   | 10             | 160,190,000  | 106,080,000   |           | 158.15            | 104.04        |
| <b>(b) Investment in Associate Companies</b>                                    |                |              |               |           |                   |               |
| <b>Quoted</b>   |                |              |               |           |                   |               |
| Godrej Consumer Products Ltd.   | 1              | 80,277,620   | 77,029,620    |           | 1,286.86          | 970.11        |
| <b>(c) Others</b>   |                |              |               |           |                   |               |
| <b>Unquoted</b>   |                |              |               |           |                   |               |
| Bharuch Eco-Aqua Infrastructure Ltd.  | 10             | 440,000      | 440,000       |           | 0.44              | 0.44          |
| Less : Provision for Diminution in the Value of Investment                      |                |              |               |           | (0.44)            | (0.44)        |
| Avesthagen Ltd.   | 7              | 469,399      | 469,399       | (b)       | 12.43             | 12.43         |
| Less : Provision for Diminution in the Value of Investment                      |                |              |               |           | (12.43)           | (12.43)       |
| CBay Infotech Ventures Pvt. Ltd.  | 10             | 112,579      | 112,579       | (b)       | 2.33              | 2.33          |
| Less : Provision for Diminution in the Value of Investment                      |                |              |               |           | (2.33)            | (2.33)        |
| Gharda Chemicals Ltd.   | 100            | 114          | 114           | (c)       | 0.12              | 0.12          |
| Less : Provision for Diminution in the Value of Investment                      |                |              |               |           | (0.12)            | (0.12)        |
| HyCa Technologies Pvt. Ltd.   | 10             | 12,436       | 12,436        | (b)       | 1.24              | 1.24          |
| Less: Provision for Diminution in the Value of Investment                       |                |              |               |           | (1.24)            | (1.24)        |
| Tahir Properties Ltd. (Partly paid) *   | 100            | 25           | 25            | (d)       | 0.00              | 0.00          |
| Boston Analytics Inc.   | \$1            | 1,354,129    | 1,354,129     |           | 6.91              | 6.91          |
| Less : Provision for Diminution in the Value of Investment                      |                |              |               |           | (6.91)            | (6.91)        |
| The Saraswat Co-op. Bank Ltd. *   | 10             | 1,000        | 1,000         |           | 0.00              | 0.00          |
| <b>2. Investment in Preference Shares (Fully paid unless stated otherwise)</b>  |                |              |               |           |                   |               |
| <b>Unquoted</b>   |                |              |               |           |                   |               |
| Tahir Properties Ltd. (Class - A) (partly paid) *                               | 100            | 25           | 25            | (d)       | 0.00              | 0.00          |
| Verseon Corporation - Class A Preferred Shares                                  | \$0.001        | 2,631,578    | 2,631,578     | (b) & (e) | 11.42             | 11.42         |
| Less : Provision for Diminution in the Value of Investment                      |                |              |               |           | (11.42)           | (11.42)       |
| Verseon Corporation - Class B Preferred Shares                                  | \$0.001        | 715,668      | -             | (e)       | 10.62             | -             |
| Less : Provision for Diminution in the Value of Investment                      |                |              |               |           | (10.62)           | -             |
| <b>3. Investment in Partnership Firm</b>  |                |              |               |           |                   |               |
| View Group LP *   |                | -            | -             | (f)       | 0.00              | 0.00          |
| Less : Provision for Diminution in the Value of Investment                      |                |              |               |           | 0.00              | 0.00          |
|   |                |              |               |           | <b>0.00</b>       | <b>0.00</b>   |

## Notes to Standalone Financial Statements

### NOTE 13 : Non Current Investments (Contd.)

| Investee Company / Entity                                      | Face value (₹) | Number       |               | Notes | Amount in ₹ Crore |                 |
|--|----------------|--------------|---------------|-------|-------------------|-----------------|
|  |                | Current Year | Previous Year |       | Current Year      | Previous Year   |
| <b>4. Other Non Current Investments</b>                        |                |              |               |       |                   |                 |
| <b>(a) Limited Liability Partnership</b>                       |                |              |               |       |                   |                 |
| Godrej Vikhroli Properties LLP                                 |                |              |               |       | 0.80              | 0.80            |
| Profit Accrued on share in Godrej Vikhroli Properties LLP      |                |              |               |       | 145.48            | 130.79          |
|  |                |              |               |       | <b>146.28</b>     | 131.59          |
| <b>Total</b>   |                |              |               |       | <b>2,377.78</b>   | <b>2,048.26</b> |
| Aggregate Amount of Quoted Investments                         |                |              |               |       | <b>1,896.99</b>   | 1,636.27        |
| Aggregate Amount of Unquoted Investments                       |                |              |               |       | <b>526.30</b>     | 446.88          |
| Aggregate Provision for Diminution in the Value of Investments |                |              |               |       | <b>45.51</b>      | 34.89           |
| Market Value of Quoted Investments                             |                |              |               |       | <b>11,180.05</b>  | 9,180.64        |

\* Amount less than ₹ 0.01 crore.

#### Notes :

- The Company has received additional shares on account of Bonus share issue by Godrej Agrovet Limited in the ratio of 6:1 (i.e. 6 (Six) fully paid-up Equity Shares of Face Value of ₹ 10/- each for every 1 (One) fully paid-up Equity Share of Face Value of ₹ 10/- held by the Company)
- In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, as approved by the Honourable Bombay High Court, the Company had restated/revised the value of certain investments aggregating to ₹ 19.62 crore and adjusted the same in General Reserve.
- The said shares have been refused for registration by the investee company.
- Uncalled Liability on partly paid shares
  - Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).
  - Tahir Properties Ltd. - Preference - ₹ 30 per share (Previous year - ₹ 30 per share).
- (i) During the year, the outstanding principal amount of Optionally Convertible Notes (OCN) amounting to ₹ 3.98 crore along with accrued interest thereon amounting to ₹ 6.64 crore have been converted into Class B Preferred Shares. The entire investment in Verseon Corporation has been fully provided for.
- (ii) Subsequent to the Balance Sheet date, the Company's holding of 2,631,578 Class A Preferred Shares and 715,668 Class B Preferred Shares have been converted into 6,694,492 New Common Shares in Verseon Corporation.
- (iii) The Company also has a right to Warrants which entitles it to 85,587 Class B Preferred Stock which would subsequently get converted into 171,174 New Common Shares in Verseon Corporation in satisfaction of the notice of exercise of the warrants.
- (f) View Group LP has been dissolved on December 14, 2012, however, the Company has still not received an approval from RBI for writing-off the investment.

Information on partnership firm - View Group

| Sr. No. | Name of the partner                       | Country | % Holding Current Year | % Holding Previous Year |
|---------|---|---------|------------------------|-------------------------|
| 1.      | Mr. Robert Buirke                         | USA     | 13.08%                 | 13.08%                  |
| 2.      | Mr. John H. Gutfreund                     | USA     | 13.08%                 | 13.08%                  |
| 3.      | Bonsal Trust                              | USA     | 6.54%                  | 6.54%                   |
| 4.      | Free Market Capital L.P.                  | USA     | 4.83%                  | 4.83%                   |
| 5.      | Kilbane Development SA                    | Monaco  | 6.54%                  | 6.54%                   |
| 6.      | Mazda Partners LP                         | USA     | 8.96%                  | 8.96%                   |
| 7.      | Ms. Mrinalini Jaikumar                    | USA     | 1.96%                  | 1.96%                   |
| 8.      | Mr. John Pries                            | USA     | 2.62%                  | 2.62%                   |
| 9.      | Mr. Marti Subrahmanyam                    | USA     | 1.96%                  | 1.96%                   |
| 10.     | R. Gregg Stone Trust                      | USA     | 1.28%                  | 1.28%                   |
| 11.     | Mr. Robert G. Stone, Jr.                  | USA     | 1.28%                  | 1.28%                   |
| 12.     | Mr. Michael R. Greenberg                  | USA     | 3.27%                  | 3.27%                   |
| 13.     | Mr. Paul D. Sonz                          | USA     | 1.25%                  | 1.25%                   |
| 14.     | VIEW Group Grantor Retained Annuity Trust | USA     | 2.03%                  | 2.03%                   |
| 15.     | BKE Partners L.P.                         | USA     | 4.83%                  | 4.83%                   |
| 16.     | VIEW LP Holding, Inc.                     | USA     | 4.83%                  | 4.83%                   |
| 17.     | Schwartz and Nystrom, as escrow agent     | USA     | 9.66%                  | 9.66%                   |
| 18.     | Godrej Industries Limited                 | India   | 12.00%                 | 12.00%                  |
|         | <b>Total</b>                              |         | <b>100.00%</b>         | <b>100.00%</b>          |

## Notes to Standalone Financial Statements

### Note 14 : Long Term Loans and Advances

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Secured Loans and Advances - refer note 1 below   |                   |               |
| Loans given   |                   |               |
| Considered Doubtful   | 10.33             | 10.33         |
| Less : Provision for Doubtful Advances  | (10.33)           | (10.33)       |
|   | -                 | -             |
| Unsecured and Considered Good (Unless otherwise stated)   |                   |               |
| (a) Capital Advances  |                   |               |
| Considered Good   | 15.11             | 28.19         |
| Considered Doubtful   | -                 | 0.03          |
| Less : Provision for Doubtful Advances  | -                 | (0.03)        |
|   | 15.11             | 28.19         |
| (b) Other Loans and Advances  |                   |               |
| (i) Loans to Employees  | 0.59              | 0.60          |
| (ii) Statutory Deposits   | 21.80             | 20.92         |
| (iii) Advance Tax and Tax Deducted at Source<br>(Net of Provision for Taxation ₹ 57.96 crore,<br>previous year ₹ 53.31 crore) | 15.46             | 16.04         |
| <b>Total</b>  | <b>52.96</b>      | <b>65.75</b>  |

#### Notes :

- (1) The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Hon'ble High Court against the order of the Company Law Board under Section 10 F of the Companies Act, which is pending final disposal. The Hon'ble Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from *inter alia*, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Bombay High Court which the Supreme Court has dismissed and the matter is before the Arbitrator. In the meantime, the Presiding Arbitrator has resigned as Arbitrator and appointment of new Arbitrator is in process, and the petition is pending before the Bombay High Court.

The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

## Notes to Standalone Financial Statements

(2) Details of Loans as per Clause 32 of Listing Agreement and under Section 186 (4) of Companies Act, 2013.

|   | Amount ₹ in Crore               |              |
|---|---------------------------------|--------------|
|   | Maximum Balance during the year | Current Year |
| Loans where there is no repayment schedule or repayment is beyond seven years |                                 |              |
| (i) Federal & Rashmikant  | 5.83                            | 5.83         |
| <i>Previous Year</i>  | 5.83                            | 5.83         |
| (ii) M/s. Dhruv & Co. (Regd.)   | 4.18                            | 4.18         |
| <i>Previous Year</i>  | 4.18                            | 4.18         |
| (iii) D. R. Kavasmaneck & Dr. P. R. Kavasmaneck                               | 0.32                            | 0.32         |
| <i>Previous Year</i>  | 0.32                            | 0.32         |

(3) Details of Loans under Section 186 (4) of Companies Act, 2013.

|   | Amount ₹ in Crore               |              |
|---|---------------------------------|--------------|
|   | Maximum Balance during the year | Current Year |
| Loans to Employees (as per Policy of the Company) | 0.60                            | 0.59         |
| <i>Previous Year</i>                              | 0.76                            | 0.60         |

### Note 15 : Other Non Current Assets

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| <b>Secured</b>  |                   |               |
| (a) Interest Accrued on loans   |                   |               |
| Considered Doubtful - refer note 1 below                                | 3.15              | 3.15          |
| Less : Provision for Doubtful Interest Accrued                          | (3.15)            | (3.15)        |
|   | -                 | -             |
| <b>Unsecured</b>  |                   |               |
| (a) Interest Accrued on Investments                                     |                   |               |
| Considered Doubtful   | 1.11              | 1.63          |
| Less : Provision for Doubtful Interest Accrued                          | (1.11)            | (1.63)        |
|   | -                 | -             |
| (b) Bank Deposit with more than 12 months maturity - refer note 2 below | 0.10              | -             |
| <b>Total</b>  | <b>0.10</b>       | <b>-</b>      |

#### Notes :

- (1) Interest on loan referred to in sub-note 1 under Note 14 Long Term Loans and Advances, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.
- (2) Fixed Deposit of ₹ 0.10 crore (previous year ₹ Nil) is held by bank as security against guarantees issued.



## Notes to Standalone Financial Statements

### Note 16 : Current Investments

| Investee Company / Entity                                     | Face value  |              |               | Notes | Amount in ₹ Crore |               |
|---|-------------|--------------|---------------|-------|-------------------|---------------|
|   |             | Current Year | Previous Year |       | Current Year      | Previous Year |
| <b>1 Other Current Investments</b>                            |             |              |               |       |                   |               |
| <b>Optionally Convertible Loan Notes / Promissory Notes :</b> |             |              |               |       |                   |               |
| <b>Unquoted :</b>   |             |              |               |       |                   |               |
| Boston Analytics Inc. (15%)                                   | \$750,000   | -            | -             | (a)   | 3.00              | 3.00          |
| Less : Provision for Diminution in the Value of Investment    |             |              |               |       | (3.00)            | (3.00)        |
|   |             |              |               |       | -                 | -             |
| Boston Analytics Inc. (20%)                                   | \$1,550,000 | -            | -             | (a)   | 6.73              | 6.73          |
| Less : Provision for Diminution in the Value of Investment    |             |              |               |       | (6.73)            | (6.73)        |
|   |             |              |               |       | -                 | -             |
| Boston Analytics Inc. (12%)                                   | \$950,000   | -            | -             | (b)   | 4.69              | 4.69          |
| Less : Provision for Diminution in the Value of Investment    |             |              |               |       | (4.69)            | (4.69)        |
|   |             |              |               |       | -                 | -             |
| Verseon Corporation (13%)                                     | \$1,000,000 | -            | -             | (c)   | -                 | 3.98          |
| Less : Provision for Diminution in the Value of Investment    |             |              |               |       | -                 | (3.98)        |
|   |             |              |               |       | -                 | -             |
| <b>Total</b>  |             |              |               |       | -                 | -             |
| Aggregate Amount of Quoted Investments                        |             |              |               |       | -                 | -             |
| Aggregate Amount of Unquoted Investments                      |             |              |               |       | 14.42             | 18.40         |
| Aggregate Provision for Diminution in Value of Investments    |             |              |               |       | 14.42             | 18.40         |
| Market Value of Quoted Investments                            |             |              |               |       | -                 | -             |

#### Notes :

- The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company has not exercised were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited, the Company had restated / revised the value of investments amounting to ₹ 3.98 crore and adjusted the same in General Reserve. Also refer to sub-note (e) under Note 13 Non Current Investments.

## Notes to Standalone Financial Statements

### Note 17 : Inventories

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| Raw Material   | 50.40             | 93.54         |
| Packing Material   | 2.19              | 1.91          |
| Work in Progress   | 71.51             | 74.20         |
| Finished Goods (Includes In Transit ₹ 0.00 * crore, previous year ₹ Nil) | 35.15             | 58.59         |
| Stock in Trade   | 0.05              | 0.05          |
| Stores And Spares - refer note 2 below                                   | 7.04              | 3.88          |
| <b>Total</b>   | <b>166.34</b>     | <b>232.17</b> |

\* Amount less than ₹ 0.01 crore

#### Notes :

- Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of cenvat.
- In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited the Company had restated / revised the value of certain Stores and Spares from ₹ 3.36 crore to ₹ Nil and adjusted the same in General Reserve.

### Note 18 : Trade Receivables

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| <b>Secured and Considered Good</b> - refer note 1 below                                  |                   |               |
| (a) Outstanding for a period exceeding six months from the date they are due for payment | -                 | 0.03          |
| (b) Others   | 11.45             | 17.48         |
| <b>Unsecured</b>   |                   |               |
| <b>Considered Good</b>   |                   |               |
| (a) Outstanding for a period exceeding six months from the date they are due for payment | -                 | -             |
| (b) Others   | 92.85             | 76.48         |
| <b>Considered Doubtful</b>   |                   |               |
| (a) Outstanding for a period exceeding six months from the date they are due for payment | 0.99              | 0.99          |
| (b) Allowance for Doubtful Debts   | (0.99)            | (0.99)        |
| <b>Total</b>   | <b>104.30</b>     | <b>93.99</b>  |

#### Note :

- Secured by Security Deposits collected from Customers, Letter of Credit or Bank Guarantees held against them.

## Notes to Standalone Financial Statements

### Note 19 : Cash and Bank Balances

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| <b>Cash and Cash Equivalents</b>   |                   |               |
| <b>Balances with Banks</b>   |                   |               |
| (a) Current Accounts   | 12.97             | 11.61         |
| (b) ESOP Trust Bank Balances (As detailed in sub-note 2 under Note 4 Reserves and Surplus) | -                 | 0.20          |
| (c) Deposits having maturity less than 3 months - refer note 1 below                       | 85.09             | 52.69         |
| Cash on Hand   | 0.37              | 0.22          |
|  | <b>98.43</b>      | 64.72         |
| <b>Other Bank Balances</b>   |                   |               |
| (a) Deposit with more than 3 months but less than 12 months maturity - refer note 1 below  | 8.52              | 3.50          |
| (b) Other Bank Balances - Unclaimed Dividend   | 0.35              | 0.33          |
| <b>Total</b>   | <b>107.30</b>     | 68.55         |

#### Note :

(1) Fixed Deposit of ₹ 0.21 crore (previous year ₹ 0.19 crore) is held by bank as security against guarantees issued.

## Notes to Standalone Financial Statements

### Note 20 : Short Term Loans And Advances

|  | Current Year         | Amount ₹ in Crore<br>Previous Year |
|--|----------------------|------------------------------------|
| <b>Unsecured</b>   |                      |                                    |
| (a) Loans and Advance  |                      |                                    |
| (i) Loans to Employees   | 0.19                 | 0.15                               |
| (ii) Other Loans   | -                    | 9.46                               |
| (iii) Loan to GIL ESOP Trust   |                      |                                    |
| Considered Good  | 46.75                | 50.07                              |
| Considered Doubtful  | 16.70                | 16.70                              |
|  | <u>63.45</u>         | <u>66.77</u>                       |
| Less : Amount adjusted against ESOP Trust loan liability (As detailed in sub-note 2 under Note 4 Reserves and Surplus) | -                    | (66.77)                            |
|  | <u>63.45</u>         | -                                  |
| Less : Provision for Doubtful Loans - refer note 1 (a) below   | (16.70)              | (16.70)                            |
| Provision for doubtful loan written back in ESOP Trust Adjustments   | -                    | 16.70                              |
|  | <u>46.75</u>         | -                                  |
| (iv) Advances to Suppliers   |                      |                                    |
| Considered Good  | 0.94                 | 15.70                              |
| Considered Doubtful  | 0.37                 | 0.32                               |
| Less : Provision for Doubtful Advances   | (0.37)               | (0.32)                             |
|  | <u>0.94</u>          | 15.70                              |
| (v) Other Advances   |                      |                                    |
| Considered Good  | 49.82                | 48.66                              |
| Considered Doubtful  | 0.28                 | 0.11                               |
| Less : Provision for Doubtful Advances   | (0.28)               | (0.11)                             |
|  | <u>49.82</u>         | 48.66                              |
| (b) Inter Corporate Deposit  |                      |                                    |
| Considered Good - refer note 1 (b) below   | -                    | -                                  |
| Considered Doubtful  | 5.77                 | 5.77                               |
| Less : Provision for Doubtful Inter Corporate Deposit  | (5.77)               | (5.77)                             |
|  | <u>-</u>             | -                                  |
| (c) Deposits   |                      |                                    |
| (i) Statutory Authorities  | 17.08                | 25.06                              |
| (ii) Others  | 7.38                 | 5.44                               |
| <b>Total</b>   | <u><b>122.16</b></u> | <u><b>104.47</b></u>               |

#### Notes :

- (1) (a) In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited the Company had made a provision of doubtful loan of ₹ 19.41 crore and adjusted the same in General Reserve. Also any realisation of assets which were considered for revision / restatement had been accounted in the Statement of Profit and Loss.
- (b) In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited the Company had made a provision of doubtful Inter Corporate Deposit of ₹ 8.14 crore and adjusted the same in General Reserve. Also any realisation of Assets which were considered for revision / restatement had been accounted in the Statement of Profit and Loss.

## Notes to Standalone Financial Statements

### Note 20 : Short-Term Loans and Advances (Contd.)

(2) Details of Loans as per Clause 32 of Listing Agreement and under Section 186 (4) of Companies Act, 2013.

|  | Amount ₹ in Crore |              |
|--|-------------------|--------------|
| Maximum Balance during the year  |                   | Current Year |
| (a) Investments by the loanee in the shares of parent company and subsidiary company (without considering the ESOP Trust Loan Liability) |                   |              |
| (i) GIL ESOP Trust   | 66.77             | 63.45        |
| <i>Previous Year</i>   | 69.12             | 66.77        |

(3) Details of Loans given under Section 186 (4) of Companies Act, 2013.

|   | Amount ₹ in Crore |              |
|---|-------------------|--------------|
| Maximum Balance during the year                       |                   | Current Year |
| (a) Loans to Employees (as per Policy of the Company) | 0.23              | 0.19         |
| <i>Previous Year</i>                                  | 0.15              | 0.15         |
| (b) Other Loans                                       |                   |              |
| Mr. A. Mahendran                                      | 9.46              | -            |
| <i>Previous Year</i>                                  | 9.46              | 9.46         |
| (c) Inter Corporate Deposit                           |                   |              |
| Tricom India Limited                                  | 5.77              | 5.77         |
| <i>Previous Year</i>                                  | 5.77              | 5.77         |

### Note 21 : Other Current Assets

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Interest Accrued on Loans and Deposits  | 1.20              | 1.06          |
| Other Receivables   | 17.92             | 17.71         |
| Other Receivables of ESOP Trust (As detailed in sub-note 2 under Note 4 Reserves and Surplus) | -                 | 1.25          |
| Forward Cover Contracts Receivable  | 2.02              | 5.75          |
| Unamortised Premium on Forward Cover Contracts  | -                 | 4.80          |
| Assets held for Sale  | 3.93              | -             |
| <b>Total</b>  | <b>25.07</b>      | <b>30.57</b>  |

### Note 22 a : Utilisation of proceeds received under IPP

As per objects of the issue as stated in the offer document for the Institutional Placement Programme (IPP), the proceeds of IPP have been utilised towards Investment in Subsidiary Company amounting to ₹ Nil (previous year ₹ 249.83 crore).

## Notes to Standalone Financial Statements

### Note 22 b : Amalgamation of Wadala Commodities Limited (WCL)

During the year, the Honourable Bombay High Court and High Court of Madhya Pradesh, Indore Bench, approved a Scheme of Amalgamation ("Scheme") of Wadala Commodities Limited (WCL), whose business was trading in Vegetable Oils, with the Company effective from April 1, 2014 being the appointed date. The Effective Date is November 21, 2014, being the date of filing the approval of the Respective High Courts with the ROC.

In accordance with the Scheme :

- a) The Company has followed Purchase Method of accounting and as per the Scheme of Arrangement approved by the Bombay High Court.
- b) All the assets and liabilities of the erstwhile WCL have been transferred to and vest in the Company and have been recorded at their book value which are also their fair value.
- c) Income of ₹ 0.09 crore and Expense of ₹ 0.25 crore of WCL from April 2014 to November 2014 has been considered in Statement of Profit and Loss of the Company.
- d) Subsequently the Company has issued 2,00,243 equity shares in the Company in lieu of the equity shares in WCL and 10 equity shares in the Company in lieu of the preference shares in WCL held by the shareholders of the erstwhile WCL and also issued 67,504 bonus equity shares in the Company to the non-promoter shareholders of the Company.

## Notes to Standalone Financial Statements

### Note 23 : Contingent Liabilities

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| <b>a) Claims against the Company not acknowledged as debts :</b>   |                   |               |
| (i) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels.  | 17.35             | 9.53          |
| (ii) Customs Duty demands relating to lower charge, differential duty, classification, etc.  | 4.21              | 4.21          |
| (iii) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales, etc. at various levels.   | 45.59             | 31.57         |
| (iv) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.   | 0.29              | 0.29          |
| (v) Stamp duties claimed on certain properties which are under appeal by the Company.  | 1.82              | 1.82          |
| (vi) Income tax demands against which the Company has preferred appeals.   | 59.61             | 35.62         |
| (vii) Industrial relations matters under appeal.   | 2.33              | 2.18          |
| (viii) Others  | 7.46              | 1.31          |
| <b>b) Guarantees :</b>   |                   |               |
| (i) Guarantees issued by banks, including guarantees issued in respect of matters reported in (a) above.   | 36.88             | 36.29         |
| (ii) Guarantees given by the Company in respect of refund received from excise authority for exempted units of associate company - refer note 1 below.   | 19.86             | -             |
| <b>c) Other Money for which the Company is Contingently Liable :</b>   |                   |               |
| Letters of credit issued by bank on behalf of the Company.   | 19.22             | 8.77          |
| (1) Detail of Guarantee given covered under Section 186 (4) of the Companies Act, 2013 :<br>The Corporate Guarantee of ₹ 19.86 crore is in respect of refund received from excise authority for exempted units (North East) of Godrej Consumer Products Limited, an associate company.   |                   |               |
| (2) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. |                   |               |

### Note 24 : Commitments

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for :<br>(Net of Advances amounting to ₹ 15.92 crore, previous year ₹ 5.58 crore) | 44.35             | 141.25        |
| b) Uncalled liability on partly paid shares / debentures (*)  | 0.00              | 0.00          |
| c) Other Commitments :<br>Contracts for Purchase of Raw Material  | 78.88             | 85.34         |

\* Amount less than ₹ 0.01 crore

## Notes to Standalone Financial Statements

### Note 25 : Revenue From Operations

|  | Amount ₹ in Crore |                 |
|--|-------------------|-----------------|
|  | Current Year      | Previous Year   |
| Sale of Products                           | 1,392.99          | 1,374.29        |
| Licence Fees and Service Charges           | 12.09             | 11.60           |
| Other Operating Revenues                   |                   |                 |
| (a) Export Incentives                      | 15.11             | 16.24           |
| (b) Processing Charges                     | 2.66              | 2.35            |
| (c) Sale of Scrap                          | 1.80              | 1.81            |
| (d) Dividend Income : (refer note 1 below) |                   |                 |
| (i) Subsidiary Companies                   | 67.61             | 48.73           |
| (ii) Other Long-Term Investments           | 40.84             | 37.28           |
| (e) Share of Profit for the year from LLP  | 14.69             | 51.49           |
| Total Gross Revenue From Operations        | 1,547.79          | 1,543.79        |
| Excise Duty                                | (93.15)           | (90.24)         |
| <b>Total</b>                               | <b>1,454.64</b>   | <b>1,453.55</b> |

#### Note :

- (1) Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an Operating Business Segment for the Company.

### Note 26 : Other Income

|                                       | Amount ₹ in Crore |               |
|---------------------------------------|-------------------|---------------|
|                                       | Current Year      | Previous Year |
| Interest Income (Gross)               | 17.76             | 29.37         |
| Less: Capitalised to Fixed Assets     | -                 | (3.06)        |
| Interest Income (net)                 | 17.76             | 26.31         |
| Profit on Sale of Fixed Assets (net)  | 3.99              | -             |
| Profit on Sale of Current Investments | 2.01              | 5.59          |
| Miscellaneous Income                  | 13.86             | 8.87          |
| <b>Total</b>                          | <b>37.62</b>      | <b>40.77</b>  |



## Notes to Standalone Financial Statements

### Note 27 : Cost of Materials Consumed

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Raw Materials Consumed                        |                   |               |
| (a) Inventory at the Commencement of the Year | 93.54             | 50.77         |
| (b) Add : Purchases (net)                     | 863.35            | 992.67        |
|   | 956.89            | 1,043.44      |
| (c) Less : Inventory at the Close of the Year | (50.40)           | (93.54)       |
|   | 906.49            | 949.90        |
| Packing Materials Consumed                    |                   |               |
| (a) Inventory at the Commencement of the Year | 1.91              | 1.67          |
| (b) Add : Purchases (net)                     | 36.20             | 34.74         |
|   | 38.11             | 36.41         |
| (c) Less : Inventory at the Close of the Year | (2.19)            | (1.91)        |
|   | 35.92             | 34.50         |
| <b>Total</b>                                  | <b>942.41</b>     | <b>984.40</b> |

### Note 28 : Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade

|  | Amount ₹ in Crore |                |
|--|-------------------|----------------|
|  | Current Year      | Previous Year  |
| <b>Inventory at the Commencement of the Year</b> |                   |                |
| (a) Finished Goods                               | 58.59             | 24.00          |
| (b) Work in Progress                             | 74.20             | 55.18          |
| (c) Stock in Trade                               | 0.05              | 0.04           |
|  | 132.84            | 79.22          |
| <b>Less: Inventory at the Close of the Year</b>  |                   |                |
| (a) Finished Goods                               | (35.15)           | (58.59)        |
| (b) Work in Progress                             | (71.51)           | (74.20)        |
| (c) Stock in Trade                               | (0.05)            | (0.05)         |
|  | (106.71)          | (132.84)       |
| <b>Total</b>                                     | <b>26.13</b>      | <b>(53.62)</b> |

### Note 29 : Employee Benefits Expenses

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Salaries and Wages                        | 106.27            | 95.56         |
| Contribution to Provident and Other Funds | 11.61             | 5.51          |
| Expense on Employee Stock Option Scheme   | 1.29              | 3.47          |
| Staff Welfare Expense                     | 8.43              | 7.79          |
| <b>Total</b>                              | <b>127.60</b>     | <b>112.33</b> |

## Notes to Standalone Financial Statements

### Note 30 : Finance Costs

|                                    | Amount ₹ in Crore |               |
|------------------------------------|-------------------|---------------|
|                                    | Current Year      | Previous Year |
| Interest Expense (Gross)           | 119.32            | 100.76        |
| Less : Capitalised to Fixed Assets | (22.52)           | (36.52)       |
| Interest Expense (net)             | 96.80             | 64.24         |
| Other Borrowing Costs (Gross)      | 50.94             | 32.80         |
| Less : Capitalised to Fixed Assets | -                 | (2.20)        |
| Other Borrowing Costs (net)        | 50.94             | 30.60         |
| <b>Total</b>                       | <b>147.74</b>     | <b>94.84</b>  |

### Note 31 : Other Expense

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Consumption of Stores and Spares                              | 7.10              | 7.87          |
| Power and Fuel  | 112.84            | 122.77        |
| Processing Charges  | 5.35              | 6.87          |
| Rent  | 5.00              | 5.06          |
| Rates and Taxes   | 7.28              | 8.42          |
| Repairs and Maintenance                                       |                   |               |
| (a) Machinery   | 9.88              | 10.12         |
| (b) Buildings   | 4.81              | 8.87          |
| (c) Other assets  | 0.37              | 0.44          |
| Insurance   | 1.43              | 1.56          |
| Freight   | 39.74             | 38.84         |
| Commission  | 3.90              | 4.73          |
| Discount  | 4.35              | 4.87          |
| Advertisement and Publicity                                   | 11.08             | 14.54         |
| Selling and Distribution Expenses                             | 6.70              | 9.15          |
| Provision / (Write back) for Doubtful Debts and Advances      | 0.68              | (6.37)        |
| Provision for Depletion in the value of Investment            | 6.13              | -             |
| (Write back) / Provision for Excise Duty on Closing Inventory | (1.94)            | 5.29          |
| Loss on Foreign Exchange Translation                          | 5.21              | 11.88         |
| Loss on Sale of Fixed Assets                                  | -                 | 0.14          |
| Legal and Professional fees                                   | 16.00             | 16.80         |
| Miscellaneous Expenses - refer note 2 below                   | 37.93             | 35.54         |
| <b>Total</b>  | <b>283.84</b>     | <b>307.39</b> |

#### Notes :

- (1) In accordance with the Scheme of Amalgamation of Wadala Commodities Limited (WCL) with the Company, expense of ₹ 0.25 crore of WCL for the period April to November 2014 have been considered as expenses of the Company.
- (2) In the previous year, in accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, as approved by the Honourable Bombay High Court, the costs and expenses incurred on the Scheme amounting to ₹ 0.23 crore had been adjusted in the General Reserve.

## Notes to Standalone Financial Statements

### Note 32 : Exceptional Items

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| (i) Profit on Sale of Long Term Investments           | 199.61            | 74.71         |
| (ii) Write back of Diminution in Value of Investments | -                 | 4.50          |
| (iii) Profit on assignment of Trademark               | -                 | 25.00         |
| <b>Total</b>  | <b>199.61</b>     | <b>104.21</b> |

### Note 33 : Earnings Per Share

|  | Current Year | Previous Year |
|--|--------------|---------------|
| 1. Calculation of weighted average number of equity shares - Basic             |              |               |
| (a) Number of equity shares at the beginning of the year                       | 335,455,260  | 335,165,917   |
| (b) Number of equity shares issued during the year                             | 426,714      | 289,343       |
| (c) Number of equity shares outstanding at the end of the year                 | 335,881,974  | 335,455,260   |
| Weighted average number of equity shares outstanding during the year           | 335,517,405  | 335,331,194   |
| 2. Calculation of weighted average number of equity shares - Diluted           |              |               |
| (a) Number of potential equity shares at the beginning of the year             | 335,825,871  | 335,678,641   |
| (b) Number of potential equity shares outstanding at the end of the year       | 336,153,734  | 335,825,871   |
| Weighted average number of potential equity shares outstanding during the year | 335,896,235  | 335,801,244   |
| 3. Net Profit After Tax (Amount ₹ in Crore)                                    | 148.81       | 119.69        |
| 4. Basic Earnings per share of ₹ 1 each  | 4.4352       | 3.5693        |
| 5. Diluted Earnings per share of ₹ 1 each                                      | 4.4302       | 3.5643        |

### Note 34 : Auditor's Remuneration

|                                      | Amount ₹ in Crore |               |
|--------------------------------------|-------------------|---------------|
|                                      | Current Year      | Previous Year |
| Audit Fees                           | 0.54              | 0.46          |
| Tax Audit Fees                       | 0.08              | 0.06          |
| Taxation Matters                     | 0.20              | 0.09          |
| Consultation and Management Services | 0.05              | 0.06          |
| Certification and Other Services     | 0.11              | 0.13          |
| Reimbursement of Expenses            | 0.01              | 0.01          |
| <b>Total</b>                         | <b>0.99</b>       | <b>0.81</b>   |

## Notes to Standalone Financial Statements

### Note 35 : Consumption of Raw Materials and Purchase of Goods

|                                     | Amount ₹ in Crore |               |
|-------------------------------------|-------------------|---------------|
|                                     | Current Year      | Previous Year |
| <b>Raw Material Consumed</b>        |                   |               |
| (i) Oils and Fats                   | 579.67            | 653.15        |
| (ii) Chemicals & Catalyst           | 264.00            | 232.17        |
| (iii) Packing Materials             | 35.92             | 34.50         |
| (iv) Others                         | 62.82             | 64.58         |
| <b>Total</b>                        | <b>942.41</b>     | <b>984.40</b> |
| <b>Purchase of Goods</b>            |                   |               |
| Refined Oil, Soaps, Toiletries, etc | 3.39              | 3.70          |

### Note 36 : Sales and Inventory of Finished Goods

| Product             | Amount ₹ in Crore |                 |                             |               |
|---------------------|-------------------|-----------------|-----------------------------|---------------|
|                     | Sales             |                 | Inventory of Finished Goods |               |
|                     | Current Year      | Previous Year   | Current Year                | Previous Year |
| (i) Fatty Acids     | 422.40            | 477.29          | 12.42                       | 16.03         |
| (ii) Glycerin       | 71.12             | 72.44           | 0.39                        | 4.41          |
| (iii) Fatty Alcohol | 542.99            | 518.79          | 13.40                       | 28.25         |
| (iv) Surfactants    | 256.43            | 207.52          | 8.94                        | 9.90          |
| (v) Others          | 6.90              | 8.01            | 0.05                        | 0.05          |
| <b>Total</b>        | <b>1,299.84</b>   | <b>1,284.05</b> | <b>35.20</b>                | <b>58.64</b>  |

### Note 37 : Inventory of Work in Progress

|                     | Amount ₹ in Crore |               |
|---------------------|-------------------|---------------|
|                     | Current Year      | Previous Year |
| (i) Fatty Acids     | 53.67             | 47.20         |
| (ii) Glycerin       | 1.13              | 1.54          |
| (iii) Fatty Alcohol | 12.19             | 19.55         |
| (iv) Surfactants    | 4.52              | 5.91          |
| <b>Total</b>        | <b>71.51</b>      | <b>74.20</b>  |

### Note 38 : Value of Imports on CIF Basis (includes only Imports directly made)

|                            | Amount ₹ in Crore |               |
|----------------------------|-------------------|---------------|
|                            | Current Year      | Previous Year |
| Raw Materials              | 309.67            | 392.85        |
| Spare Parts and Components | 1.93              | 1.52          |
| Capital Goods              | 6.65              | 7.70          |
| <b>Total</b>               | <b>318.25</b>     | <b>402.07</b> |

## Notes to Standalone Financial Statements

### Note 39 : Expenditure in Foreign Currency

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Borrowing Cost (Includes Capitalised to fixed assets ₹ Nil, Previous year ₹ 8.97 crore) | 16.34             | 10.78         |
| Travelling  | 1.71              | 1.61          |
| Other Expenditure   | 6.72              | 12.10         |
| Foreign Branch Expenses :   |                   |               |
| (a) Salaries and Allowance  | 2.15              | 2.11          |
| (b) Rent ( * )  | 0.00              | 0.00          |
| (c) Others  | 0.03              | 0.03          |
| <b>Total</b>  | <b>26.95</b>      | <b>26.63</b>  |

\* Amount less than ₹ 0.01 crore.

### Note 40 : Consumption of Imported and Indigenous Raw Materials, Spare Parts and Components

|                                   | Current Year      |            | Previous Year     |            |
|-----------------------------------|-------------------|------------|-------------------|------------|
|                                   | Amount ₹ in Crore | %          | Amount ₹ in Crore | %          |
| <b>Raw Materials</b>              |                   |            |                   |            |
| Imported (including duty content) | 348.01            | 37         | 384.49            | 39         |
| Indigenous                        | 594.40            | 63         | 599.91            | 61         |
| <b>Total</b>                      | <b>942.41</b>     | <b>100</b> | <b>984.40</b>     | <b>100</b> |
| <b>Spare Parts and Components</b> |                   |            |                   |            |
| Imported (including duty content) | 1.80              | 25         | 2.64              | 34         |
| Indigenous                        | 5.30              | 75         | 5.23              | 66         |
| <b>Total</b>                      | <b>7.10</b>       | <b>100</b> | <b>7.87</b>       | <b>100</b> |

### Note 41 : Dividends Remitted in Foreign Currency

(subject to deduction of tax, as applicable)

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Final Dividend for Financial Year 2013-14 to 5 shareholders on 2,790 equity shares*<br>(Previous year Final Dividend for Financial Year 2012-13 to 4 shareholders on 1,980 equity shares *) | 0.00              | 0.00          |
| <b>Total</b>  | <b>0.00</b>       | <b>0.00</b>   |

\* Amount less than ₹ 0.01 crore.

### Note 42 : Earnings in Foreign Exchange

|                              | Amount ₹ in Crore |               |
|------------------------------|-------------------|---------------|
|                              | Current Year      | Previous Year |
| Export of Goods on FOB Basis | 493.04            | 501.26        |
| Dividend                     | -                 | 11.93         |
| <b>Total</b>                 | <b>493.04</b>     | <b>513.19</b> |

## Notes to Standalone Financial Statements

### Note 43 : Employee Stock Benefit Plans

#### 1. Employee Stock Option Plans

- a) In December 2005, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 600,000 options.

In July 2009, the Company had instituted an Employee Stock Option Plan II (GIL ESOP II) as approved by the Board of Directors and the Shareholders, for the allotment of 90,00,000 options convertible into 90,00,000 shares of ₹ 1 each to eligible employees of participating companies. The maximum number of options that may be granted per employee per year shall not exceed 1,000,000 options.

The Plans are administered by an independent ESOP Trust created with IL&FS Trust Co. Ltd which purchased from the market shares equivalent to the number of options granted by the Compensation Committee. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market. The particulars of the plans and movements during the year are as under :

#### ESOP I

|  | Current Year   |                                    | Previous Year  |                                    |
|--|----------------|------------------------------------|----------------|------------------------------------|
|  | No. of Options | Wt. average exercise price ₹ ( * ) | No. of Options | Wt. average exercise price ₹ ( * ) |
| Options Outstanding at the Beginning of the Year | 2,923,450      | 391.21                             | 3,337,200      | 388.21                             |
| Options Exercised During the Year                | 214,000        | 250.05                             | 130,000        | 250.26                             |
| Options Forfeited/Expired During the Year        | 262,450        | 286.17                             | 283,750        | 283.46                             |
| Options Outstanding at the Year End              | 2,447,000      | 399.70                             | 2,923,450      | 391.21                             |

#### ESOP II

|  | Current Year   |                                    | Previous Year  |                                    |
|--|----------------|------------------------------------|----------------|------------------------------------|
|  | No. of Options | Wt. average exercise price ₹ ( * ) | No. of Options | Wt. average exercise price ₹ ( * ) |
| Options Outstanding at the Beginning of the Year | 511,250        | 372.37                             | 692,250        | 355.33                             |
| Options Exercised During the Year                | 7,500          | 231.93                             | 49,000         | 231.93                             |
| Options Forfeited/Expired During the Year        | 105,000        | 310.07                             | 132,000        | 335.12                             |
| Options Outstanding at the Year End              | 398,750        | 376.84                             | 511,250        | 372.37                             |

( \* ) The Wt. average exercise price stated above is the price of the equity shares on the grant date increased by the interest cost to the ESOP Trust at the prevailing rates upto March 31, 2012 after which date no further interest is being accrued.

During the year, GIL ESOP Trust has received 3,348 bonus shares. The total excess shares at the year end are 12,68,487 (Previous year 8,97,689).

The overall weighted average balance life of options outstanding as on March 31, 2015 is 1.85 years.

The weighted average balance life of options outstanding as on March 31, 2015 for ESOP I is 1.90 years and for ESOP II is 1.55 years.

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

## Notes to Standalone Financial Statements

### Note 43 : Employee Stock Benefit Plans (Contd.)

- b) Prior to the SEBI notification mentioned in Para 1(a) above, the independent ESOP Trust had purchased equity shares of the Company from the market equivalent to the number of stock options granted from time to time to the eligible employees. These purchases are financed by loans from the respective participating companies. The Company has given a loan which along with interest thereon amounts to ₹ 63.45 crore (previous year ₹ 50.07 crore) (Net of provision ₹ 16.70 crore, previous year ₹ 16.70 crore) for financing the purchase of equity shares from the market equivalent to the number of option granted to the employees of the Company.

The repayment of the loans granted to the ESOP Trust and the interest payable by the Trust on the said loans is dependent on the exercise of the options by the employees during the exercise period and/or the market price of the underlying equity shares of the unexercised options at the end of the exercise period.

- c) During the current year, The Securities and Exchange Board of India (SEBI) has issued the SEBI (Share Based Employee Benefits) Regulation, 2014, which requires that the accounting treatment for employee share based payments to be based on the Guidance Note on Accounting for Employees Share-Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, the Company has not included the Financial Statements of the Godrej Industries Limited Employees Stock Option Trust (ESOP Trust) in the preparation of the Standalone financial statements of the Company for the year ended March 31, 2015, as compared to the previous year where the same were consolidated. Consequently, these financials statements do not include the assets, liabilities, income and expenditure of the ESOP Trust and to that extent, the figures for the previous year are not comparable.

### 2. Employee Stock Grant Scheme

- a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her/his right to acquire the shares vested in her/him all at one time within 1 month from the date on which the shares vested in her/him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

## Notes to Standalone Financial Statements

### Note 43 : Employee Stock Benefit Plans (Contd.)

h) The Status of the above plan is as under :

|  | Numbers      |               |
|--|--------------|---------------|
|  | Current Year | Previous Year |
| Options Outstanding at the Beginning of the Year | 370,611      | 512,724       |
| Options Granted                                  | 112,747      | 173,560       |
| Options Vested                                   | 158,957      | 289,343       |
| Options Exercised                                | 158,957      | 289,343       |
| Options Lapsed/Forfeited                         | 52,641       | 26,330        |
| Total Options Outstanding at the end of the year | 271,760      | 370,611       |

Note : In the current year, as per the Scheme of Amalgamation of Wadala Comomodities Limited with the Company, 303 bonus shares on ESGs were granted. 127 bonus shares were vested and exercised.

3. The employee stock option plans have been accounted based on the intrinsic value method and no compensation expense has been recognised 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.

The employee stock grant scheme have been accounted based on the intrinsic value method and compensation expense of ₹ 1.29 crore has been recognised in Statement of Profit and Loss.

The fair value of the share under employee stock option plans and employee stock grant scheme has been determined using the Black-Scholes Option Pricing Model. Had the fair value method of accounting been used, the net profit and earnings per share would have been as per the proforma amounts indicated below.

| Particulars   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Net Profit (as reported)  | 148.81            | 119.69        |
| Less : Employee Stock Option Plans compensation expense determined under fair value based method (Proforma)                                   | (0.64)            | (1.31)        |
| Add : Difference in Employee Stock Grant Scheme compensation expense determined under fair value method and intrinsic value method (Proforma) | 0.57              | 1.72          |
| Net Profit (Proforma)   | 148.74            | 120.10        |
|   | Amount ₹          | Amount ₹      |
| Basic Earnings per share (as reported)  | 4.4352            | 3.5693        |
| Basic Earnings per share (Proforma)   | 4.4332            | 3.5815        |
| Diluted Earnings per share (as reported)  | 4.4302            | 3.5643        |
| Diluted Earnings per share (Proforma)   | 4.4282            | 3.5765        |



## Notes to Standalone Financial Statements

### Note 44 : Employee Benefits

#### a) DEFINED CONTRIBUTION PLAN

##### Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

#### b) DEFINED BENEFIT PLAN

##### Gratuity :

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of ICICI Prudential Life Insurance Co. Ltd., HDFC Standard Life Insurance Co. Ltd. and SBI 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 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.

##### Provident Fund :

The Company manages the Provident Fund plan through a Provident Fund Trust for a majority of 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.

##### Pension :

The Company has Pension plan for eligible employees. 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 7.92% 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 ₹ 2.54 crore (previous year ₹ 1.98 crore) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

##### ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 5.89 crore (previous year ₹ (-) 0.27 crore) has been included in Note 29 under Contribution to Provident and Other Funds.

Employer's Contribution to Provident Fund amounting to ₹ 2.81 crore (previous year ₹ 2.83 crore) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

Pension cost amounting to ₹ (-) 0.09 crore (previous year ₹ (-) 0.04 crore) has been included in Note 29 under Contribution to Provident and Other Funds.

## Notes to Standalone Financial Statements

### Note 44 : Employee Benefits (Contd.)

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

|   | Gratuity   |               | Pension      |               |
|---|--|---------------|--------------|---------------|
|   | Current Year   | Previous Year | Current Year | Previous Year |
| Amount ₹ in Crore   |  |               |              |               |
| <b>i) Change in Present Value of Obligation</b>                     |  |               |              |               |
| Present value of the obligation at the beginning of the year        | 32.52  | 35.74         | 0.42         | 0.53          |
| Current Service Cost  | 1.14   | 1.34          | -            | -             |
| Interest Cost   | 3.04   | 2.86          | -            | -             |
| Actuarial (Gain) / Loss on Obligation                               | 5.69   | (1.30)        | (0.10)       | (0.04)        |
| Benefits Paid   | (5.39)   | (6.12)        | (0.06)       | (0.07)        |
| Present value of the obligation at the end of the year              | 37.00  | 32.52         | 0.26         | 0.42          |
| <b>ii) Change in Plan Assets</b>                                    |  |               |              |               |
| Fair value of Plan Assets at the beginning of the year              | 32.59  | 30.64         | -            | -             |
| Expected return on Plan Assets                                      | 3.05   | 2.45          | -            | -             |
| Actuarial (Gain) / Loss on Plan Assets                              | (0.94)   | (0.72)        | -            | -             |
| Contributions by the Employer                                       | -  | 4.90          | -            | -             |
| Benefits Paid   | (5.39)   | (6.12)        | -            | -             |
| Fair value of Plan Assets at the end of the year                    | 31.19  | 32.59         | -            | -             |
| <b>iii) Amounts Recognised in the Balance Sheet :</b>               |  |               |              |               |
| Present value of Obligation at the end of the year                  | 37.00  | 32.52         | -            | -             |
| Fair value of Plan Assets at the end of the year                    | 31.19  | 32.59         | -            | -             |
| Net Obligation at the end of the year                               | 5.81   | (0.07)        | -            | -             |
| <b>iv) Amounts Recognised in the statement of Profit and Loss :</b> |  |               |              |               |
| Current Service Cost  | 1.14   | 1.34          | -            | -             |
| Interest cost on Obligation   | 3.04   | 2.86          | -            | -             |
| Expected return on Plan Assets                                      | (3.05)   | (2.45)        | -            | -             |
| Net Actuarial (Gain) / Loss recognised in the year                  | 4.76   | (2.02)        | -            | -             |
| Net Cost Included in Personnel Expenses                             | 5.89   | (0.27)        | -            | -             |
| <b>v) Actual Return on Plan Assets</b>                              | 3.99   | 3.17          | -            | -             |
| <b>vi) Estimated Contribution to be made in Next Financial Year</b> | 3.63   | 1.07          | -            | -             |
| <b>vii) Actuarial Assumptions</b>                                   |  |               |              |               |
| i) Discount Rate  | 7.92% P.A.   | 9.35% P.A.    | 7.92% P.A.   | 9.35% P.A.    |
| ii) Expected Rate of Return on Plan Assets                          | 7.92% P.A.   | 9.35% P.A.    | -            | -             |
| iii) Salary Escalation Rate   | 5.00% P.A.   | 5.00% P.A.    | -            | -             |
| iv) Employee Turnover   | 1.00% P.A.   | 1.00% P.A.    | 1.00% P.A.   | 1.00% P.A.    |
| v) Mortality  | <b>Indian Assured Lives Mortality (2006-08) Ultimate</b> |               |              |               |

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 Adjustments

Experience Adjustments (Gain) / Loss

April 11 to March 12  
April 12 to March 13  
April 13 to March 14  
April 14 to March 15

Amount ₹ in Crore

| On Plan Liabilities | On Plan Assets |
|---------------------|----------------|
| 1.43                | 0.26           |
| 2.84                | (0.23)         |
| 0.63                | (0.72)         |
| 2.24                | (0.95)         |

Note: Information has been furnished to the extent available with the Company

## Notes to Standalone Financial Statements

### Note 45 : Related Party Information

#### a) Names of related parties and description of relationship

##### Parties where control exists

Godrej & Boyce Mfg. Co. Ltd., the holding Company

##### Subsidiary Companies

Godrej Agrovet Ltd.

- Godrej Seeds & Genetics Ltd.
- Godvet Agrochem Ltd.
- Crop Sciense Advisors LLP

Godrej Properties Ltd.

- Godrej Realty Pvt. Ltd.
- Godrej Real Estate Pvt. Ltd.
- Happy Highrises Ltd.
- Godrej Premium Builders Pvt. Ltd.
- Godrej Buildcon Pvt. Ltd.
- Godrej Garden City Properties Pvt. Ltd.
- Godrej Projects Development Pvt. Ltd.
- Godrej Landmark Redevelopers Pvt. Ltd.
- Godrej Redevelopers (Mumbai) Pvt. Ltd.
- Godrej Green Homes Ltd.
- Godrej Home Developers Pvt. Ltd.
- Godrej Hill Side Properties Pvt. Ltd.
- Godrej Property Developers LLP
- Mosiac Landmark LLP
- Dream World Landmarks LLP
- Oxford Realty LLP
- SSPDL Green Acres LLP
- M S Ramaiah Ventures LLP
- Oasis Landmarks LLP
- Caroa Properties LLP
- Amitis Developers LLP
- Godrej Costruction Projects LLP
- Godrej Housing Projects LLP
- Godrej Buildcorp LLP

Natures Basket Ltd.

Ensemble Holdings & Finance Ltd.

Godrej International Ltd.

Godrej International Trading & Investments Pte. Ltd.

Godrej International Ltd. (Labuan) (w.e.f. March 11, 2015)

## Notes to Standalone Financial Statements

### Note 45 : Related Party Information (contd.)

#### **Fellow Subsidiaries :**

Wadala Commodities Ltd. (merged into Godrej Industries Ltd. w.e.f. November 21, 2014)  
 Godrej (Malaysia) Sdn Bhd (Incorporated in Malaysia)  
 Godrej (Singapore) Pte. Ltd. (Incorporated in Singapore)  
     JT Dragon Pte. Ltd. (Incorporated in Singapore)  
     Godrej (Vietnam) Co. Ltd. (Incorporated in Vietnam) (a wholly owned subsidiary of JT Dragon Pte. Ltd.)  
 Godrej Infotech Ltd.  
     Godrej Infotech Americas Inc. (a wholly-owned subsidiary incorporated in North Carolina, USA on February 28, 2014)  
     Godrej Infotech (Singapore) Pte. Ltd. (a wholly-owned subsidiary incorporated in Singapore on May 27, 2014)  
     LVD Godrej Infotech NV (Incorporated in Belgium on December 18, 2009 and a subsidiary w.e.f. October 22, 2014)  
 Veromatic International B.V. (Incorporated in Netherlands)  
     Veromatic Services B.V. (Incorporated in Netherlands)  
     Prowama Trading B.V. (Incorporated in the Netherlands)  
 Mercury Mfg. Co. Ltd.  
 Busbar Systems (India) Ltd. (a wholly-owned subsidiary)  
 Godrej Americas  
 First Rock Infrastructures Pvt. Ltd. (a wholly-owned subsidiary w.e.f. March 31, 2015)  
 MiracleTouch Developers Pvt. Ltd. (a wholly-owned subsidiary w.e.f. March 31, 2015)  
 East View Estates Pvt. Ltd. (a wholly-owned subsidiary w.e.f. March 31, 2015)

#### **Other related parties with whom the Company had transactions during the year**

#### **Associate / Joint Venture Companies**

Godrej Vikhroli Properties LLP  
 Godrej Consumer Products Ltd. (also a fellow subsidiary)  
 Godrej Household Products Lanka Pvt. Ltd.  
 Godrej Household Products (Bangladesh) Pvt. Ltd.  
 Godrej Consumer Products Bangladesh Ltd.  
 Godrej South Africa (Proprietary) Ltd.  
 Godrej Netherlands B.V.  
     Godrej UK Ltd.  
         Godrej Consumer Products (UK) Ltd.  
         Inecto Manufacturing Ltd.  
     Godrej Consumer Investments (Chile) Spa  
         Godrej Holdings (Chile) Limitada  
             Cosmetica Nacional  
             Plasticos Nacional  
 Godrej Consumer Products Mauritius Ltd.  
 Godrej Nigeria Ltd.

## Notes to Standalone Financial Statements

### Note 45 : Related Party Information (contd.)

Godrej Argentina Dutch Cooperatief U.A.

Godrej Netherlands Argentina Holding B.V.

Godrej Netherlands Argentina B.V.

Issue Group Brazil Ltd.

Laboratoria Cuenca S.A

Deciral S.A

Issue Group Uruguay S.A

Consell S.A

Argencos S.A

Panamar Producciones S.A

Godrej Consumer Investments Holdings Ltd. (merged with Godrej Africa Holdings Ltd. w.e.f. March 31, 2015)

Godrej Easy IP Holdings Ltd. (w.e.f. October 16, 2014)

Godrej Consumer Products Holding (Mauritius) Ltd.

Indovest Capital Ltd.

Godrej Global Mid East FZE

Godrej Indonesia IP Holdings Ltd. (w.e.f. March 17, 2015)

Godrej Megasari Holdings Ltd. (w.e.f. March 18, 2015)

Godrej Consumer Products Dutch Cooperatief U.A.

Godrej Consumer Products (Netherlands) B.V.

Godrej Consumer Holdings (Netherlands) B.V.

PT Indomas Susemi Jaya

PT Intrasari Raya

PT Megasari Makmur

PT Ekamas Sarijaya

PT Sarico Indah

Godrej Mauritius Africa Holdings Ltd.

Darling Trading Company Mauritius Ltd. (w.e.f. January 22, 2015)

Godrej Africa Holdings Ltd. (w.e.f. January 19, 2015)

Godrej Weave Holdings Ltd. (merged with Godrej Africa Holdings Ltd. w.e.f. March 31, 2015)

DGH Mauritius Pvt Ltd. (merged with Godrej Africa Holdings Ltd. w.e.f. March 31, 2015)

Weave Business Holding Mauritius Pvt Ltd. (merged with Godrej Africa Holdings Ltd. w.e.f. March 31, 2015)

DGH Phase Three Mauritius Pvt. Ltd. (merged with Godrej Africa Holdings Ltd. w.e.f. March 31, 2015)

Frika Weave (Pty) Ltd. (w.e.f. March 1, 2015)

Kinky Group (Proprietary) Ltd.

Lorna Nigeria Ltd.

Weave Ghana Ltd. (w.e.f. October 1, 2014)

Godrej West Africa Holdings Ltd.

Subinite Pty Ltd.

## Notes to Standalone Financial Statements

### Note 45 : Related Party Information (contd.)

Weave IP Holding Mauritius Pvt. Ltd.  
 Weave Mozambique Limitada  
 Weave Trading Mauritius Pvt. Ltd.  
 Hair Trading (Offshore) S.A.L.  
 Godrej East Africa Holdings Ltd.  
 Style Industries Ltd.  
 Godrej Tanzania Holdings Ltd.  
 DGH Tanzania Ltd.  
 Sigma Hair Ind Ltd.

### Key Management Personnel

Mr. A. B. Godrej - Chairman  
 Mr. N. B. Godrej - Managing Director  
 Ms. T. A. Dubash - Executive Director & Chief Brand Officer  
 Mr. M. Eipe - Executive Director & President (Chemicals) (up to April 30, 2013)  
 Mr. N. S. Nabar - Executive Director & President (Chemicals) (from May 1, 2013)  
 Mr. C. G. Pinto - Chief Financial Officer (up to March 31, 2015)  
 Mr. K. R. Rajput - Company Secretary (up to March 31, 2015)

### Relatives Key Management Personnel

Ms. P. A. Godrej - Wife of Mr. A. B. Godrej  
 Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej  
 Mr. P. A. Godrej - Son of Mr. A. B. Godrej  
 Ms. R. N. Godrej - Wife of Mr. N. B. Godrej  
 Mr. B. N. Godrej - Son of Mr. N. B. Godrej  
 Mr. S. N. Godrej - Son of Mr. N. B. Godrej  
 Mr. H. N. Godrej - Son of Mr. N. B. Godrej  
 Ms. N. N. Nabar - Wife of Mr. N. S. Nabar  
 Ms. J. C. Pinto - Wife of Mr. C. G. Pinto  
 Mr. R. G. Pinto - Brother of Mr. C. G. Pinto  
 Ms. P. Mathias - Sister of Mr. C. G. Pinto

### Enterprises over which key management personnel exercise significant influence

Godrej South Africa Pty. Ltd.  
 Laboratorio Cuenca S.A.  
 Anamudi Real Estates LLP  
 Godrej Investments P. Ltd.  
 Vora Soaps Ltd.  
 Godrej Tyson Foods Ltd.

## Notes to Standalone Financial Statements

## Note 45 : Related Party Information

Amount ₹ in Crore

## b ) Transactions with Related Parties

| Nature of Transaction                               | Holding Company | Subsidiary Companies | Fellow Subsidiaries | Associate/ Joint Venture Companies | Key Management Personnel | Relative of Key Management Personnel | Enterprises over which Key Management Personnel exercise significant influence | Total  |
|---|-----------------|----------------------|---------------------|------------------------------------|--------------------------|--------------------------------------|--|--------|
| Sale of Goods                                       | -               | 0.01                 | -                   | 23.71                              | -                        | -                                    | 5.21   | 28.93  |
| Previous Year *                                     | -               | 0.00                 | -                   | 25.62                              | -                        | -                                    | 3.78   | 29.40  |
| Sale of Fixed Assets                                | -               | 0.14                 | -                   | 0.10                               | -                        | -                                    | -  | 0.24   |
| Previous Year                                       | -               | -                    | -                   | 7.88                               | -                        | 0.70                                 | -  | 8.58   |
| Purchase of goods                                   | 0.15            | -                    | -                   | 15.69                              | -                        | -                                    | -  | 15.84  |
| Previous Year                                       | 0.01            | -                    | 3.18                | 24.15                              | -                        | -                                    | -  | 27.34  |
| Purchase of Fixed Assets                            | 18.87           | -                    | -                   | 4.62                               | -                        | -                                    | 104.94   | 128.43 |
| Previous Year                                       | 1.87            | -                    | -                   | -                                  | -                        | -                                    | -  | 1.87   |
| Commission/Royalty received                         | -               | 0.21                 | -                   | 0.06                               | -                        | -                                    | -  | 0.27   |
| Previous Year                                       | -               | 0.43                 | -                   | -                                  | -                        | -                                    | -  | 0.43   |
| Licence fees/Service charges/Storage Income         | 0.13            | 4.14                 | -                   | 4.79                               | -                        | -                                    | 0.76   | 9.82   |
| Previous Year                                       | -               | 3.00                 | -                   | 4.27                               | -                        | -                                    | 0.22   | 7.49   |
| Other Income*                                       | 0.00            | 0.23                 | -                   | 0.46                               | -                        | -                                    | 0.00   | 0.69   |
| Previous Year*                                      | -               | 25.31                | 0.00                | 0.45                               | -                        | -                                    | -  | 25.76  |
| Recovery of establishment & Other Expenses          | -               | 12.39                | -                   | 13.38                              | -                        | -                                    | 0.16   | 25.93  |
| Previous Year *                                     | 0.00            | 8.23                 | 0.02                | 5.65                               | -                        | -                                    | 0.14   | 14.04  |
| Rent, Establishment & other expenses paid           | 2.44            | 0.48                 | 0.01                | 3.97                               | -                        | 0.79                                 | 0.01   | 7.70   |
| Previous Year                                       | 1.93            | 0.57                 | 0.19                | 2.48                               | -                        | 0.78                                 | 0.01   | 5.96   |
| Interest received *                                 | -               | 0.00                 | -                   | -                                  | -                        | -                                    | -  | 0.00   |
| Previous Year *                                     | -               | -                    | -                   | 0.00                               | -                        | -                                    | -  | 0.00   |
| Interest paid                                       | -               | -                    | -                   | -                                  | 0.06                     | 0.41                                 | -  | 0.47   |
| Previous Year                                       | -               | -                    | -                   | -                                  | 0.01                     | 0.79                                 | -  | 0.80   |
| Dividend income                                     | -               | 67.61                | -                   | 40.84                              | -                        | -                                    | -  | 108.45 |
| Previous Year *                                     | -               | 48.73                | 0.00                | 37.27                              | -                        | -                                    | -  | 86.00  |
| Dividend paid                                       | 32.94           | -                    | -                   | -                                  | 0.96                     | 3.52                                 | -  | 37.42  |
| Previous Year                                       | 32.76           | -                    | -                   | -                                  | 0.99                     | 3.52                                 | -  | 37.27  |
| Remuneration  | -               | -                    | -                   | -                                  | 9.05                     | -                                    | -  | 9.05   |
| Previous Year                                       | -               | -                    | -                   | -                                  | 8.78                     | 0.84                                 | -  | 9.62   |
| Purchase of Investments                             | -               | 54.11                | -                   | -                                  | -                        | -                                    | -  | 54.11  |
| Previous Year                                       | -               | 469.76               | -                   | -                                  | -                        | -                                    | -  | 469.76 |
| Sale of Investments                                 | -               | -                    | -                   | -                                  | -                        | -                                    | -  | -      |
| Previous Year                                       | 86.00           | -                    | -                   | -                                  | -                        | -                                    | -  | 86.00  |
| Other Deposits accepted                             | -               | 0.68                 | -                   | -                                  | -                        | -                                    | -  | 0.68   |
| Previous Year                                       | -               | 0.23                 | -                   | -                                  | -                        | 1.40                                 | -  | 1.63   |
| Other Deposits refunded                             | -               | 0.31                 | -                   | 0.04                               | -                        | 6.68                                 | -  | 7.03   |
| Previous Year                                       | -               | 0.31                 | -                   | 0.12                               | -                        | -                                    | -  | 0.43   |
| Other Deposits - Advanced during the year           | 0.06            | -                    | -                   | 0.07                               | -                        | -                                    | -  | 0.13   |
| Previous Year                                       | -               | -                    | -                   | -                                  | -                        | -                                    | -  | -      |
| Other Deposits - Repayment received during the year | 0.06            | -                    | -                   | 0.07                               | -                        | -                                    | -  | 0.13   |
| Previous Year                                       | -               | -                    | -                   | -                                  | -                        | -                                    | -  | -      |
| Share of profit in LLP                              | -               | -                    | -                   | 14.69                              | -                        | -                                    | -  | 14.69  |
| Previous Year                                       | -               | -                    | -                   | 51.49                              | -                        | -                                    | -  | 51.49  |
| Directors Fees                                      | -               | -                    | -                   | -                                  | 0.11                     | -                                    | -  | 0.11   |
| Previous Year                                       | -               | -                    | -                   | -                                  | 0.02                     | -                                    | -  | 0.02   |
| <b>Balance Outstanding as on March 31, 2015</b>     |                 |                      |                     |                                    |                          |                                      |  |        |
| Receivables   | 0.15            | 2.12                 | -                   | 14.62                              | -                        | -                                    | 1.20   | 18.09  |
| Previous Year                                       | 3.30            | 0.54                 | -                   | 9.95                               | -                        | -                                    | 1.09   | 14.87  |
| Payables  | 0.40            | 0.02                 | -                   | 7.62                               | -                        | -                                    | -  | 8.04   |
| Previous Year *                                     | -               | 0.16                 | 0.01                | 1.06                               | -                        | -                                    | 0.09   | 1.32   |
| Public Deposits Outstanding                         | -               | -                    | -                   | -                                  | 0.58                     | 2.50                                 | -  | 3.08   |
| Previous Year                                       | -               | -                    | -                   | -                                  | -                        | 8.73                                 | -  | 8.73   |

\* Amount less than ₹ 0.01 crores

## Notes to Standalone Financial Statements

### Note 45 : Related Party Information

c ) The significant Related Party transactions are as under :

| Nature of Transaction                                  | Current Year | Previous Year | Nature of Transaction               | Amount ₹ in Crore |               |
|--|--------------|---------------|-------------------------------------|-------------------|---------------|
|  |              |               |                                     | Current Year      | Previous Year |
| <b>Sale of goods</b>                                   |              |               | <b>Directors fees</b>               |                   |               |
| - Godrej Consumer Products Ltd.                        | 23.71        | 25.62         | - Mr. A. B. Godrej                  | 0.11              | 0.02          |
| - Laboratorio Cuenca S.A.                              | 4.10         | 3.24          |                                     |                   |               |
| - Godrej South Africa Pty Ltd.                         | 1.11         | 0.53          | <b>Interest paid</b>                |                   |               |
|  |              |               | - Ms. P. A. Godrej                  | 0.13              | 0.58          |
| <b>Purchase of goods</b>                               |              |               | - Mr. S. N. Godrej                  | 0.14              | 0.12          |
| - Godrej Consumer Products Ltd.                        | 15.69        | 24.15         | - Mr. B. N. Godrej                  | 0.08              | 0.08          |
| - Godrej & Boyce Mfg. Co. Ltd.                         | 0.15         | 0.01          | - Ms. N. N. Nabar                   | 0.01              | 0.01          |
| - Wadala Commodities Ltd.                              | -            | 3.18          | - Mr. M. Eipe                       | -                 | 0.01          |
|  |              |               | - Others                            | 0.11              | -             |
| <b>Purchase of fixed assets</b>                        |              |               | <b>Other Deposits - Advanced</b>    |                   |               |
| - Anamudi Real Estates LLP                             | 104.94       | -             | - Godrej Consumer Products Ltd.     | 0.07              | -             |
| - Godrej & Boyce Mfg. Co. Ltd.                         | 18.87        | 1.87          | - Godrej & Boyce Mfg. Co. Ltd.      | 0.06              | -             |
| - Godrej Vikhroli Properties LLP                       | 4.62         | -             |                                     |                   |               |
| <b>Commission / Royalty received</b>                   |              |               | Other Deposits - Repayment Received |                   |               |
| - Natures Basket Ltd.                                  | 0.21         | 0.16          | - Godrej Consumer Products Ltd.     | 0.07              | -             |
| - Godrej Consumer Products Ltd.                        | 0.06         | -             | - Godrej & Boyce Mfg. Co. Ltd.      | 0.06              | -             |
| - Godrej Properties Ltd.                               | -            | 0.27          |                                     |                   |               |
| <b>Licence fees / Service charges / Storage income</b> |              |               | <b>Other Deposits Accepted</b>      |                   |               |
| - Godrej Consumer Products Ltd.                        | 4.79         | 4.27          | - Godrej Properties Ltd.            | 0.53              | 0.16          |
| - Godrej Properties Ltd.                               | 2.41         | 1.51          | - Godrej Agrovet Ltd.               | 0.13              | 0.07          |
| - Godrej Agrovet Ltd.                                  | 1.38         | 1.15          | - Natures Basket Ltd.               | 0.02              | -             |
| - Anamudi Real Estates LLP                             | 0.54         | -             | - Ms. P. A. Godrej                  | -                 | 1.40          |
| - Natures Basket Ltd.                                  | 0.35         | 0.34          | <b>Other Deposits Refunded</b>      |                   |               |
| - Godrej Tyson Foods Ltd.                              | 0.22         | 0.22          | - Ms. P. A. Godrej                  | 6.63              | -             |
| - Godrej & Boyce Mfg. Co. Ltd.                         | 0.13         | -             | - Godrej Consumer Products Ltd.     | 0.04              | 0.12          |
|  |              |               | - Godrej Agrovet Ltd.               | 0.05              | 0.12          |
| <b>Other Income</b>                                    |              |               | - Godrej Properties Ltd.            | 0.26              | 0.19          |
| - Godrej Consumer Products Ltd.                        | 0.46         | 0.45          | - Ms. N. N. Nabar                   | 0.05              | -             |
| - Godrej Agrovet Ltd.                                  | 0.20         | 0.16          | <b>Dividend income</b>              |                   |               |
| - Godrej Properties Ltd.                               | 0.02         | 25.15         | - Godrej Consumer Products Ltd.     | 40.83             | 37.27         |
| - Natures Basket Ltd. *                                | 0.00         | 0.00          | - Godrej Properties Ltd.            | 24.22             | 19.18         |
| - Godrej & Boyce Mfg. Co. Ltd. *                       | 0.00         | 0.00          | - Godrej Agrovet Ltd.               | 42.91             | 16.00         |
| - Wadala Commodities Ltd. *                            | -            | 0.00          | - Ensemble Holdings & Finance Ltd.  | 0.49              | 1.62          |
|  |              |               | - Godrej International Ltd.         | -                 | 11.93         |
| <b>Recovery of Establishment &amp; other expenses</b>  |              |               | <b>Dividend paid</b>                |                   |               |
| - Godrej Consumer Products Ltd.                        | 9.54         | 5.62          | - Godrej & Boyce Mfg. Co. Ltd.      | 32.94             | 32.76         |
| - Godrej Agrovet Ltd.                                  | 7.47         | 5.18          | - Mr. S. N. Godrej                  | 0.97              | 0.97          |
| - Godrej Properties Ltd.                               | 4.32         | 2.71          | - Mr. B. N. Godrej                  | 0.95              | 0.95          |
| - Godrej Vikhroli Properties LLP                       | 3.84         | 0.03          | - Ms. T. A. Dubash                  | 0.75              | 0.75          |
| - Natures Basket Ltd.                                  | 0.60         | 0.35          | - Ms. N. A. Godrej                  | 0.75              | 0.75          |
| - Godrej Tyson Foods Ltd.                              | 0.16         | 0.13          |                                     |                   |               |
| - Wadala Commodities Ltd.                              | -            | 0.02          |                                     |                   |               |



## Notes to Standalone Financial Statements

### Note 45 : Related Party Information

c ) The significant Related Party transactions are as under:

| Nature of Transaction                                | Current Year | Previous Year | Nature of Transaction  | Amount ₹ in Crore |               |
|--|--------------|---------------|--|-------------------|---------------|
|  |              |               |  | Current Year      | Previous Year |
| <b>Rent, Establishment &amp; other expenses paid</b> |              |               | <b>Dividend paid (contd.)</b>                                |                   |               |
| - Godrej Vikhroli Properties LLP                     | 3.50         | 1.10          | - Mr. P. A. Godrej   | 0.75              | 0.75          |
| - Godrej & Boyce Mfg. Co. Ltd.                       | 2.44         | 1.93          | - Mr. N. B. Godrej   | 0.21              | 0.21          |
| - Ms. R. N. Godrej                                   | 0.79         | 0.78          | - Ms. R. N. Godrej   | 0.10              | 0.10          |
| - Godrej Consumer Products Ltd.                      | 0.47         | 1.38          |  |                   |               |
| - Natures Basket Ltd.                                | 0.31         | 0.20          | <b>Remuneration to Key Management Personnel</b>              |                   |               |
| - Godrej Properties Ltd.                             | 0.13         | 0.27          | - Mr. N. B. Godrej   | 3.72              | 3.59          |
| - Godrej Agrovet Ltd.                                | 0.04         | 0.10          | - Ms. T. A. Dubash   | 3.10              | 2.90          |
| - Godrej Tyson Foods Ltd.                            | 0.01         | 0.01          | - Mr. N. S. Nabar  | 1.37              | 0.99          |
| - Godrej Infotech Ltd.                               | 0.01         | 0.05          | - Others   | 0.85              | -             |
| - Wadala Commodities Ltd.                            | -            | 0.13          | - Mr. M. Eipe  | -                 | 1.30          |
|  |              |               | <b>Remuneration to Relatives of Key Management Personnel</b> |                   |               |
| <b>Sale of fixed assets</b>                          |              |               | - Ms. N. A. Godrej   | -                 | 0.84          |
| - Godrej Consumer Products Ltd.                      | 0.10         | -             |  |                   |               |
| - Godrej Properties Ltd.                             | 0.07         | -             | <b>Sale of Investments</b>                                   |                   |               |
| - Godrej Agrovet Ltd.                                | 0.07         | -             | - Godrej & Boyce Mfg. Co. Ltd.                               | -                 | 86.00         |
| - Godrej Vikhroli Properties LLP                     | -            | 7.88          |  |                   |               |
| - Mr. P. A. Godrej                                   | -            | 0.70          | <b>Purchase of Investments</b>                               |                   |               |
|  |              |               | - Natures Basket Ltd.  | 54.11             | 33.53         |
| <b>Interest received</b>                             |              |               | - Godrej Properties Ltd.                                     | -                 | 436.23        |
| - Godrej Properties Ltd. *                           | 0.00         | 0.00          |  |                   |               |
|  |              |               | <b>Share of profit in LLP</b>                                |                   |               |
|  |              |               | - Godrej Vikhroli Properties LLP                             | 14.69             | 51.49         |

\* Amount less than ₹ 0.01 crores

## Notes to Standalone Financial Statements

### Note 46 : Leases

#### (1) Leases Granted by the Company

##### a) Operating Lease :

The Company has entered into Lease and Licence agreements in respect of its commercial and residential premises. The non-cancellable portion of the leases range between 3 months to 36 months and are renewable by mutual consent on mutually acceptable terms. Lease and Licence arrangements are similar in substance to operating leases. The Company has also granted lease for freehold land. The particulars of the operating lease arrangements are as under :

|                                   | Amount ₹ in Crore |               |
|-----------------------------------|-------------------|---------------|
|                                   | Current Year      | Previous Year |
| Gross Carrying Amount of Premises | 51.94             | 51.71         |
| Accumulated Depreciation          | 5.76              | 4.48          |
| Depreciation for the period       | 1.26              | 1.14          |

The aggregate future minimum lease receipts are as under :

|   | Amount ₹ in Crore |               |
|---|-------------------|---------------|
|   | Current Year      | Previous Year |
| Lease Income Recognised in the Statement of Profit and Loss | 12.09             | 11.60         |
| Future Lease Income   |                   |               |
| - Within one year   | 12.11             | 3.84          |
| - Later than one year and not later than five years         | 37.74             | 1.12          |
| - Later than five years                                     | 1.14              | -             |

#### (2) Lease Taken by the Company

##### a) Operating Lease :

The Company's significant leasing arrangements are in respect of operating lease for land, office premises, residential premises, machinery and storage tanks. The aggregate lease rentals paid by the Company are charged to the Statement of Profit and Loss.

|  | Amount ₹ in Crore |               |
|--|-------------------|---------------|
|  | Current Year      | Previous Year |
| Lease Payment recognised in the Statement of Profit and Loss | 5.00              | 5.06          |
| Future Lease Commitments                                     |                   |               |
| - Within one year  | 11.50             | 4.26          |
| - Later than one year and not later than five years          | 44.01             | 7.43          |
| - Later than five years                                      | 1.14              | -             |

## Notes to Standalone Financial Statements

### b) Finance Leases :

The Company has acquired vehicles under Finance Lease. 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, 2015, in respect of vehicles acquired under lease are as under :

| Particulars                                       | Total minimum lease payments outstanding as on March 31, 2015 | Amount ₹ in Crore   |   |
|---|---|---------------------|---|
|   |   | Un-matured Interest | Present value of minimum lease payments |
| Within one year                                   | -   | -                   | -                                       |
| <i>Previous Year</i>                              | <i>0.01</i>   | -                   | <i>0.01</i>                             |
| Later than one year and not later than five years | -   | -                   | -                                       |
| <i>Previous Year</i>                              | -   | -                   | -                                       |
| <b>Total</b>                                      | <b>-</b>  | <b>-</b>            | <b>-</b>                                |
| <i>Previous Year Total</i>                        | <i>0.01</i>   | -                   | <i>0.01</i>                             |

### Note 47 : Hedging Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments in accordance with its forex policy as determined by a Forex Committee. The Company also uses commodity futures contracts to hedge its exposure to vegetable oil price risk. The Company does not use foreign exchange forward contracts or commodity future contracts for trading or speculation purposes.

### i) Derivative Instruments Outstanding :

#### a) Commodity Futures Contracts

| Particulars                                  | Current Year |        | Previous Year |        |
|--|--------------|--------|---------------|--------|
|  | Purchase     | Sale   | Purchase      | Sale   |
| Total Number of Contracts Outstanding        | 22           | 31     | 30            | 22     |
| Number of units under above contracts in MT. | 23,960       | 21,460 | 22,810        | 14,860 |

#### b) Forward Exchange Contracts

| Particulars                           | Current Year |      | Previous Year |      |
|---------------------------------------|--------------|------|---------------|------|
|                                       | Purchase     | Sale | Purchase      | Sale |
| Total Number of Contracts Outstanding | -            | 22   | 46            | 34   |
| Foreign Currency Value                |              |      |               |      |
| - US Dollar (Crore)                   | -            | 0.96 | 2.45          | 1.11 |
| - Euro (Crore)                        | -            | 0.03 | -             | 0.10 |

## Notes to Standalone Financial Statements

### ii) Un-hedged Foreign Currency Exposures

| Particulars  | Current Year |      | Previous Year |      |
|--|--------------|------|---------------|------|
|  | Purchase     | Sale | Purchase      | Sale |
| Uncovered Foreign Exchange Exposure as at the year end |              |      |               |      |
| - US Dollar (Crore)                                    | 12.10 *      | 0.28 | 7.25 *        | 0.73 |
| - Euro (Crore) (**)                                    | -            | 0.02 | 0.00          | -    |
| - CHF (Crore) (**)                                     | -            | -    | 0.00          | -    |

(\* ) Uncovered Foreign Exchange Exposure includes US Dollar 10.56 crore (previous year US Dollar 6 crore) of External Commercial Borrowings (ECB) and Foreign Currency Term Loan (FCTL) taken for Capital Expenditure. Impact of fluctuation in Foreign Currency Rates on these borrowings will be capitalised to Fixed Assets and would not impact Statement of Profit and Loss.

(\*\*) Amount less than ₹ 0.01 crore.

#### Note : 48

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long-term contracts has been made in the books of accounts.

#### Note : 49

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes of Consolidated Financial Statements.

#### Note : 50

Details of Loans Given, Investments made and Guarantee given covered under Section 186 (4) of the Companies Act, 2013 are given under the respective heads.

#### Note : 51

The figures of the current year are not strictly comparable with those of the corresponding figures of the previous year in view of amalgamation made since then, and the consolidation of the ESOP Trust with the Company.

Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

**FORM AOC - 1**  
(Pursuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.)  
**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / LIMITED LIABILITY PARTNERSHIPS / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013**  
**Part "A" : Subsidiaries / Limited Liability Partnerships**

| Sr. No. | Name of Subsidiary/Limited Liability Partnership          | Reporting Currency | Exchange Rate | Accounting Period        | Capital Reserves & Surplus | Total Assets | Total Liabilities <sup>6</sup> | Investments except in Subsidiaries | Turnover <sup>7</sup> | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | Amount in ₹ Crore   |             |
|---------|---|--------------------|---------------|--------------------------|----------------------------|--------------|--------------------------------|------------------------------------|-----------------------|------------------------|------------------------|-----------------------|-------------------|---------------------|-------------|
|         |   |                    |               |                          |                            |              |                                |                                    |                       |                        |                        |                       |                   | % of Holding        | Country     |
| 1.      | Godrej Agrovet Limited                                    | INR                | 1.00          | 2014-15                  | 92.57                      | 1,653.68     | 1,653.68                       | 148.18                             | 3,481.60              | 262.82                 | 59.69                  | 203.13                | -                 | 60.81%              | INDIA       |
| 2.      | Godrej Seeds & Genetics Limited                           | INR                | 1.00          | 2014-15                  | 5.06                       | 46.75        | 46.75                          | -                                  | 44.21                 | (6.54)                 | -                      | (6.54)                | -                 | 54.72%              | INDIA       |
| 3.      | Godrej Agrochem Limited                                   | INR                | 1.00          | 2014-15                  | 9.55                       | 28.22        | 28.22                          | -                                  | 1.44                  | 0.27                   | 0.12                   | 0.15                  | -                 | 60.81%              | INDIA       |
| 4.      | Natures Basket Limited*                                   | INR                | 1.00          | 2014-15                  | 160.19                     | (145.62)     | 103.46                         | 0.00                               | 209.45                | (42.62)                | -                      | (42.62)               | -                 | 100%                | INDIA       |
| 5.      | Godrej International Limited                              | USD                | 62.50         | 2014-15                  | 21.26                      | 57.45        | 84.99                          | 12.84                              | 2,065.61              | 10.01                  | -                      | 10.01                 | -                 | 100%                | Isle of Man |
| 6.      | Godrej International Trading & Investments Pte. Ltd.*     | USD                | 62.50         | 2014-15                  | 6.25                       | 2.58         | 18.68                          | -                                  | 71.88                 | 0.61                   | 0.00                   | 0.61                  | -                 | 100%                | Singapore   |
| 7.      | Ensemble Holdings & Finance Ltd.                          | INR                | 1.00          | 2014-15                  | 3.77                       | 7.19         | 11.54                          | 11.15                              | 0.97                  | 0.95                   | 0.13                   | 0.82                  | 0.47              | 100%                | INDIA       |
| 8.      | Godrej Properties Limited                                 | INR                | 1.00          | 2014-15                  | 99.68                      | 1,818.57     | 4,579.31                       | 302.71                             | 718.70                | 143.72                 | 15.80                  | 127.92                | 39.90             | 57.10%              | INDIA       |
| 9.      | Godrej Buildcon Private Limited                           | INR                | 1.00          | 2014-15                  | 0.05                       | (1.42)       | 1,878.55                       | -                                  | 596.34                | (1.30)                 | (0.03)                 | (1.27)                | -                 | 57.10%              | INDIA       |
| 10.     | Godrej Buildwell Private Limited <sup>1</sup>             | INR                | 1.00          | 01.04.2014 to 30.11.2014 | -                          | -            | -                              | -                                  | 26.15                 | 0.64                   | 0.20                   | 0.44                  | -                 | 57.10% <sup>4</sup> | INDIA       |
| 11.     | Godrej Garden City Properties Private Limited*            | INR                | 1.00          | 2014-15                  | 0.05                       | 0.95         | 33.96                          | 0.00                               | 5.19                  | 1.18                   | 0.39                   | 0.80                  | -                 | 57.10%              | INDIA       |
| 12.     | Godrej Green Homes Limited                                | INR                | 1.00          | 2014-15                  | 0.05                       | (0.02)       | 0.04                           | 0.04                               | -                     | (0.01)                 | -                      | (0.01)                | -                 | 57.10%              | INDIA       |
| 13.     | Godrej Hillside Properties Private Limited                | INR                | 1.00          | 31.03.2015 to 31.03.2015 | -                          | -            | -                              | -                                  | -                     | -                      | -                      | -                     | -                 | 57.10%              | INDIA       |
| 14.     | Godrej Home Developers Private Limited                    | INR                | 1.00          | 30.03.2015 to 31.03.2015 | -                          | -            | -                              | -                                  | -                     | -                      | -                      | -                     | -                 | 57.10%              | INDIA       |
| 15.     | Godrej Landmark Redevelopers Private Limited <sup>2</sup> | INR                | 1.00          | 2014-15                  | 0.05                       | 31.78        | 272.35                         | 0.05                               | 223.02                | 48.35                  | 16.62                  | 31.72                 | -                 | 29.12%              | INDIA       |
| 16.     | Godrej Premium Builders Private Limited                   | INR                | 1.00          | 2014-15                  | 0.10                       | 78.96        | 303.20                         | -                                  | 236.21                | 67.90                  | 23.29                  | 44.62                 | -                 | 57.10% <sup>5</sup> | INDIA       |
| 17.     | Godrej Projects Development Private Limited               | INR                | 1.00          | 2014-15                  | 0.24                       | 44.01        | 746.06                         | 227.93                             | 83.73                 | (5.72)                 | (0.08)                 | (5.64)                | -                 | 57.10%              | INDIA       |
| 18.     | Godrej Real Estate Private Limited                        | INR                | 1.00          | 2014-15                  | 0.05                       | (0.23)       | 169.51                         | -                                  | -                     | (0.08)                 | (0.02)                 | (0.06)                | -                 | 57.10%              | INDIA       |
| 19.     | Godrej Realty Private Limited*                            | INR                | 1.00          | 2014-15                  | 1.74                       | 1.92         | 9.98                           | -                                  | -                     | (0.08)                 | (0.00)                 | (0.08)                | -                 | 29.12%              | INDIA       |
| 20.     | Godrej Redevelopers (Mumbai) Private Limited <sup>2</sup> | INR                | 1.00          | 2014-15                  | 0.05                       | 8.62         | 195.16                         | -                                  | 4.89                  | 0.92                   | 0.26                   | 0.65                  | -                 | 29.12%              | INDIA       |
| 21.     | Happy Hightrees Limited                                   | INR                | 1.00          | 2014-15                  | 0.20                       | 98.27        | 324.34                         | -                                  | 81.90                 | 28.01                  | 9.55                   | 18.46                 | -                 | 29.12%              | INDIA       |
| 22.     | Amitis Developers LLP <sup>3</sup>                        | INR                | 1.00          | 08.01.2015 to 31.03.2015 | -                          | -            | 2.01                           | -                                  | -                     | -                      | -                      | -                     | -                 | 26.27%              | INDIA       |
| 23.     | Carooa Properties LLP <sup>3</sup>                        | INR                | 1.00          | 2014-15                  | 1.27                       | -            | 251.64                         | -                                  | 3.15                  | 1.57                   | 0.54                   | 1.03                  | -                 | 19.99%              | INDIA       |
| 24.     | Dream World Landmarks LLP <sup>3</sup>                    | INR                | 1.00          | 2014-15                  | 0.10                       | (0.09)       | 54.55                          | -                                  | 0.03                  | (0.11)                 | (0.02)                 | (0.09)                | -                 | 22.84%              | INDIA       |
| 25.     | Godrej Construction Projects LLP * <sup>3</sup>           | INR                | 1.00          | 22.12.2014 to 31.03.2015 | 0.00                       | (0.01)       | 0.00                           | -                                  | -                     | -                      | -                      | -                     | -                 | 57.10%              | INDIA       |
| 26.     | Godrej Housing Projects LLP <sup>3</sup>                  | INR                | 1.00          | 22.12.2014 to 31.03.2015 | -                          | -            | 0.01                           | -                                  | -                     | -                      | -                      | -                     | -                 | 22.84%              | INDIA       |
| 27.     | Godrej Vikroli Properties LLP <sup>3</sup>                | INR                | 1.00          | 2014-15                  | 365.70                     | -            | 798.94                         | -                                  | 109.93                | 55.65                  | 18.93                  | 36.71                 | -                 | 74.26%              | INDIA       |
| 28.     | M S Ramnath Ventures LLP <sup>3</sup>                     | INR                | 1.00          | 04.04.2014 to 31.03.2015 | 2.04                       | -            | 2.37                           | -                                  | 0.03                  | 0.03                   | 0.01                   | 0.02                  | -                 | 28.26%              | INDIA       |
| 29.     | Mosaic Landmarks LLP <sup>3</sup>                         | INR                | 1.00          | 2014-15                  | 24.29                      | -            | 73.56                          | -                                  | 46.74                 | 14.32                  | 4.87                   | 9.45                  | -                 | 29.12%              | INDIA       |
| 30.     | Oasis Landmarks LLP <sup>3</sup>                          | INR                | 1.00          | 25.06.2014 to 31.03.2015 | 0.01                       | (0.15)       | 158.74                         | -                                  | 0.70                  | (0.14)                 | 0.02                   | (0.15)                | -                 | 21.70%              | INDIA       |
| 31.     | Oxford Realty LLP * <sup>3</sup>                          | INR                | 1.00          | 2014-15                  | 0.01                       | (0.01)       | 88.69                          | -                                  | -                     | (0.01)                 | (0.00)                 | (0.00)                | -                 | 15.23%              | INDIA       |
| 32.     | SSPDL Green Acres LLP <sup>3</sup>                        | INR                | 1.00          | 2014-15                  | 7.02                       | -            | 29.72                          | -                                  | 0.54                  | -                      | -                      | -                     | -                 | 25.12%              | INDIA       |

\*Amount less than ₹ 0.01 crore

**Notes :**

- Merged with Godrej Projects Development Private Limited w.e.f. December 1, 2014.
- Subsidiary of Godrej Projects Developments Private Limited.
- Percentage of Holding in LLPs denotes the Share of Profits in the LLPs.
- 49% of Godrej Properties Ltd. (Subsidiary due to control over composition of Board of Directors) upto November 13, 2014.
- 51% of Godrej Properties Ltd. upto December 28, 2014.
- Total Liabilities includes equity.
- Turnover includes other income.

**Part "B" : Associates**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Sr. No. | Name of Joint Ventures           | Latest audited Balance Sheet Date | Shares of Joint Ventures held by the company on the year end |   | Description of how there is significant influence through % of holding | Reason why the associate/joint venture is not consolidated | Amount in ₹ Crore   |  |
|---------|----------------------------------|-----------------------------------|--|---|--|--|---|--|
|         |                                  |                                   | No. of Share   | Amount of Investment in Associate Holding % |  |  | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit/Loss for the year Considered in Consolidation |
| 1       | Godrej Consumer Products Limited | 31.03.2015                        | 80,277,620   | 1,286.86                                    | 23.58%   | NA   | 1,017.20  | 199.96   |

\*Amount less than ₹ 0.01 crore

For and on behalf of the Board

**A. B. Godrej**  
Chairman

**N. B. Godrej**  
Managing Director

**N. S. Mabbar**  
Executive Director & President (Chemicals)

**P. Ganesh**  
Chief Financial Officer & Company Secretary



## Godrej Industries Limited

CIN: L24241MH1988PLC097781

Regd. Office: Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.

Tel. 2518 80 10 / 20 / 30 Fax: 2518 8066 E-mail: investor@godrejinds.com,

Website: www.godrejinds.com

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

|                        |  |                                 |  |
|------------------------|--|---------------------------------|--|
| Name of the member(s): |  | E-mail id:                      |  |
| Registered address:    |  | Folio No./*DP id and Client id: |  |

*\*Applicable for investors holding shares in electronic form*

I/We, being the holder(s) of \_\_\_\_\_ Shares of the above named Company, hereby appoint:

|    |          |  |            |  |
|----|----------|--|------------|--|
| 1. | Name:    |  | E-mail Id: |  |
|    | Address: |  | Signature: |  |

or failing him

|    |          |  |            |  |
|----|----------|--|------------|--|
| 2. | Name:    |  | E-mail Id: |  |
|    | Address: |  | Signature: |  |

or failing him

|    |          |  |            |  |
|----|----------|--|------------|--|
| 3. | Name:    |  | E-mail Id: |  |
|    | Address: |  | Signature: |  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, August 11, 2015 at 3.30 p.m. at the Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolutions   |
|---------|---|
| 1.      | Adoption of audited financial statements (both standalone and consolidated), Report of Board of Directors and Auditors for the year ended March 31, 2015. |
| 2.      | Declaration of dividend.  |
| 3.      | Appointment of a Director in place of Mr. A. B. Godrej (DIN 00065964), who retires by rotation and being eligible, offers himself for re-appointment      |
| 4.      | Appointment of a Director in place of Mr. V. M. Crishna (DIN 00066267), who retires by rotation and being eligible, offers himself for re-appointment     |
| 5.      | Appointment of Auditors of the Company  |
| 6.      | Reappointment of and remuneration payable to Ms. T. A. Dubash ( DIN 00026028) as Whole-time Director  |
| 7.      | Reappointment of and remuneration payable to Mr. N. S. Nabar (DIN 06521655) as Whole-time Director  |
| 8.      | Remuneration of R. Nanabhoy & Co., as Cost Auditors of the Company  |

Signature of Shareholder \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

|                           |
|---------------------------|
| Affix<br>Revenue<br>Stamp |
|---------------------------|

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

- Note :**
1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  2. The Proxy-holder is required to carry an identity proof at the time of attending the Meeting.



## Godrej Industries Limited

CIN: L24241MH1988PLC097781

Regd. Office: Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.

Tel. 2518 80 10 / 20 / 30 Fax: 2518 8066 E-mail: investor@godrejinds.com,

Website: www.godrejinds.com

### ATTENDANCE SLIP

|                                   |  |
|-----------------------------------|--|
| Name of the member(s):            |  |
| Name of the Proxy:                |  |
| Folio No. / *DP id and Client id: |  |

*\*Applicable for investors holding shares in electronic form*

I/We hereby record my/our presence at the **TWENTY-SEVENTH ANNUAL GENERAL MEETING** of the Company on Tuesday, August 11, 2015 at 3.30 p.m. at the Auditorium, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079.



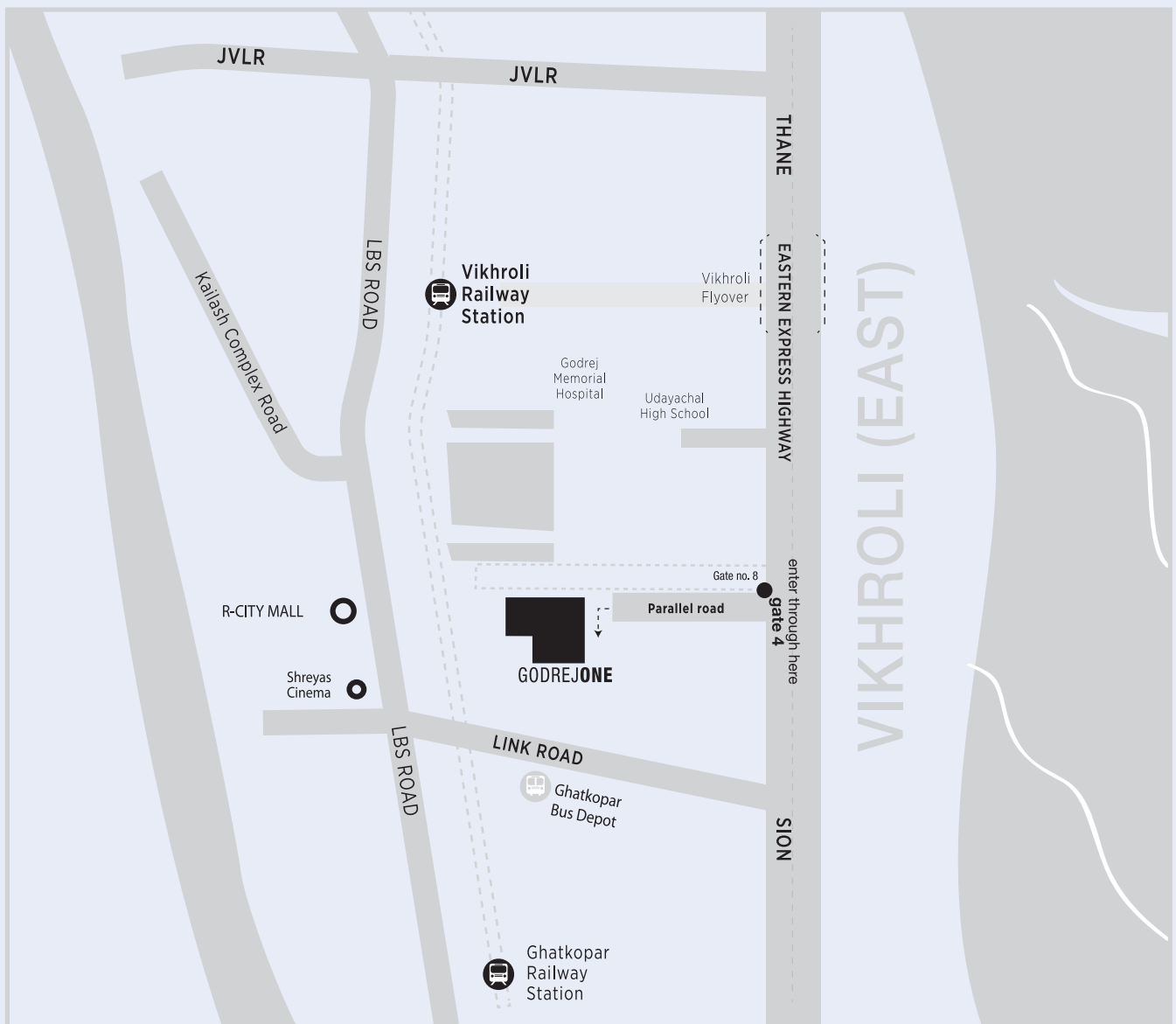
\_\_\_\_\_  
Member's/ Proxy's Signature  
(To be signed at the time of handing over this slip)

- Notes:**
1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
  2. Joint shareholders may obtain additional attendance slip at the venue of the meeting.
  3. The map to reach the AGM venue is given overleaf.



## VENUE OF AGM

Auditorium, Godrej One,  
Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai 400 079.







**ON HIS 100<sup>th</sup> BIRTH ANNIVERSARY  
HERE'S REMEMBERING WITH LOVE,  
THE MAN WHO SHAPED OUR FUTURE.**



- 
- *Industrialist. Inventor. Mentor. Friend.*
- 
- A man who led from the front yet walked
- amongst his troops.
- 
- A man with a relentless passion for science,
- innovation and research, which led
- to the launch of a unique germicidal soap
- in 1952 - Cinthol.
- 
- A man who devised solutions for
- the environment long before it became
- fashionable to do so.
- 
- A man who inspired a generation of
- entrepreneurs and set new standards
- for the Indian chemical industry.
- 
- A man who shaped the future of
- what we do today.

**DR. BURJOR PIROJSHA GODREJ**

23<sup>rd</sup> JUNE 1915 - 9<sup>th</sup> AUGUST 1994

Connect with us at [www.godrej.com](http://www.godrej.com)





**Godrej Industries Ltd.**  
[www.godrejinds.com](http://www.godrejinds.com)

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