

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.

Particulars	(` Crore)	(` Crore)
	Year Ended March 31	Year Ended March 31
	2015	2014
Sales of products and services	1,454.64	1,453.55
Other Income	237.23	144.98
Total Income	1,691.87	1,598.53
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
Net Profit	148.81	119.69
Surplus brought forward	526.88	482.06
Profit after Tax available for appropriation	675.69	601.75
Appropriation		
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
Total Appropriation	675.69	601.75

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 Agrovet 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)

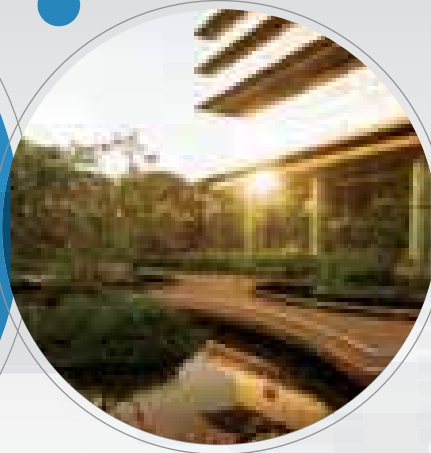
Despite the challenging macroeconomic and real estate sector environment, GPL demonstrated strong results. For the full year, GPL's total consolidated income increased by 54% to INR 1,927 crore and net profit increased by 20% to INR 191 crore. From a business development perspective, GPL added 5 new 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.

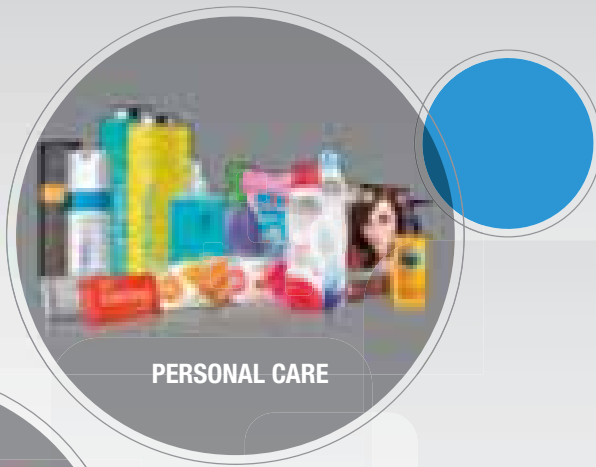
NBL's private label brands, L'Exclusif and Healthy Alternatives, continued to be growth drivers with sales growing nearly 6 times over previous year and the further introduction of 150+ distinctive SKUs in 2014-15 taking the total range to 306 SKUs. NBL has expanded its range significantly and it is 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.

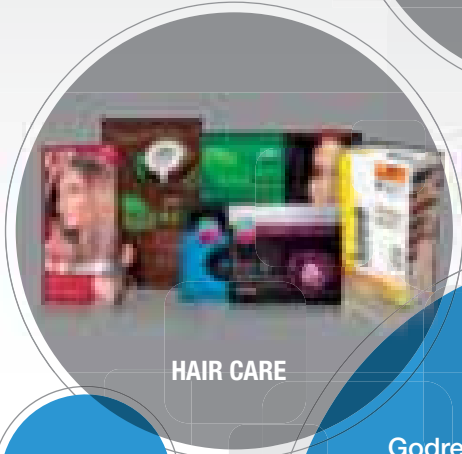


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PERSONAL CARE



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

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 Ambarnath 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 ('Act'), 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

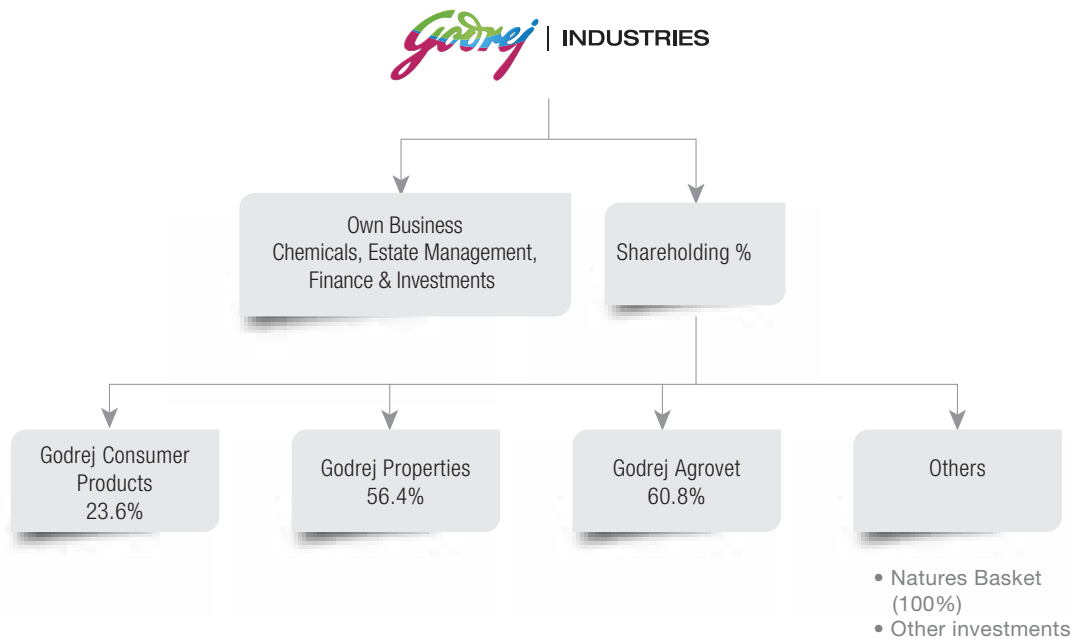
Mumbai, May 27, 2015.

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

₹ Crore

Particulars	2014-15	2013-14
Profitability ratios are as follows:		
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
The Financial risk ratios are as follows:		
Debt/Equity *	1.16	0.79
Interest coverage *	1.89	2.32

* The above figures are without consolidation of ESOP Trust.

Segment Performance		₹ Crore
1. Segment Revenue		
Chemicals	1,311.30	1,294.54
Estate	30.99	63.22
Finance & Investments	337.87	228.25
Others	11.71	12.52
Total	1,691.87	1,598.53
2. Segment Results (PBIT)		
Chemicals	42.23	36.00
Estate	6.23	49.30
Finance & Investments	331.54	228.09
Others	(3.88)	(4.53)
Total	376.12	308.86
Less: Finance Costs (Net)	(147.74)	(94.84)
Less: Unallocated expenses (Net)	(96.21)	(89.14)
Profit Before Tax	132.17	124.88
3. Segment Capital Employed		
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)
Total	1,658.28	1,434.93



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



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 : 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 : 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 ESOP II : 297,250	1,58,957
D	Options exercised during the year	ESOP I : 2,14,000 ESOP II : 7,500	1,58,957
E	The total number of shares arising as a result of exercise of option	Nil. 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 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/- 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 ESOP II : 3,98,750 equity shares of nominal value of ` 1/- each.	2,71,760
J	Employee wise details of options granted to;- i) senior managerial personnel; ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year. iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil Nil Nil	Annexure 1 Annexure 1 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 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/-. 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: i) risk-free interest rate, ii) expected life, iii) expected volatility, iv) expected dividends, and 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: 7.93% - 8.01% 1 - 2 years 31% - 33% 0.57 % ` 1.75 per share 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
Total		1,12,747

* 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
	Total	1,58,957

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”

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 vaccum system for steam reduction.
2. Installation of hybrid vaccum 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 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 147 Mahatma Gandhi Road, Fort, Mumbai 400 001 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. Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079	U28993MH1932PLC001828	Holding	57.73	2(46)

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

19	Godrej Green Homes Ltd. Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	U70200MH2013PLC251378	Subsidiary of GPL	0.00	2(87)
20	Godrej Property Developers LLP Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAA-4369	Joint Venture of GPL	0.00	2(87)
21	Godrej Vikhroli Properties LLP Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAA-4517	Subsidiary of GPL	40	2(87)
22	Mosaic Landmark LLP Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAA-5797	Subsidiary of GPL	0.00	2(87)
23	Dream World Landmarks LLP Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAA-8207	Subsidiary of GPL	0.00	2(87)
24	Oxford Realty LLP Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAC-1059	Subsidiary of GPL	0.00	2(87)
25	SSPDL Green Acres LLP 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 Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAC-4016	Subsidiary of GPL	0.00	2(87)
27	Godrej Housing Projects LLP Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAD-0883	Subsidiary of GPL	0.00	2(87)
28	Godrej Construction Projects LLP Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAD-0882	Subsidiary of GPL	0.00	2(87)
29	Godrej Home Developers Private Ltd. Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	U70102MH2015PTC263223	Subsidiary of GPL	0.00	2(87)
30	Godrej Hillside Properties Private Ltd. Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	U70102MH2015PTC263237	Subsidiary of GPL	0.00	2(87)
31	M.S. Ramaiah Ventures LLP 80, Hulkul Ascent, 2nd Cross, Lavelle Road, Bangalore, Karnataka	AAC-2431	Subsidiary of GPL	0.00	2(87)
32	Caroa Properties LLP Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	AAA-8234	Subsidiary of GPL	0.00	2(87)
33	Amitis Developers Lip 10/1C, Diamond Harbour Road, Kolkata, West Bengal.	AAD-1617	Subsidiary of GPL	0.00	2(87)
34	Wonder Space Properties Private Limited Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	U70102MH2013PTC242495	Joint Venture of GPL	0.00	2(87)
35	Wonder City Buildcon Private Limited Godrej Bhavan, 4th floor, 4A, Home Street, Mumbai- 400001	U70100MH2013PTC247696	Joint Venture of GPL	0.00	2(87)
36	Godrej Seeds And Genetics Ltd. 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. 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. Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai- 400079	U15122MH2008PLC177741	JV of GAVL	0.00	2(87)
39	Creamline Dairy Products Ltd. 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. 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. 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 Abu Dhabi, PO Box – 47214, UAE	NA	Associate of GAVL	0.00	2(6)
43	Personalitree Academy Limited 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	
A. Promoters									
(1) Indian									
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
Sub-total (A) (1):-	25,12,34,174	0	25,12,34,174	74.89	25,13,36,467	0	25,13,36,467	74.83	0.06
(2) Foreign									
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
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	25,12,34,174	0	25,12,34,174	74.89	25,13,36,467	0	25,13,36,467	74.83	0.06
B. Public shareholding									
1. Institutions:									
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
Sub-total (B) (1):-	4,96,48,053	9,870	4,96,57,923	14.80	5,29,60,341	9,874	5,29,70,215	15.77	0.97
2. Non-Institutions:									
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
Sub-total (B) (2):-	3,38,33,481	7,29,682	3,45,63,163	10.30	3,07,26,154	8,49,138	3,15,75,292	9.40	0.9
Total Public Shareholding (B)=(B)(1)+(B)(2)	8,34,81,534	7,39,522	8,42,21,086	25.11	8,36,86,495	8,59,012	8,45,45,507	25.17	0.06

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
	Total	25,12,34,174	74.89	0.00	25,13,36,467	74.83	0.00	0.06

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	Godrej & Boyce Mfg Co Ltd				
	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
	6th Feb 2015	102,293	0.04	193,904,681	57.73
	At the end of the year	193,904,681	57.73	193,904,681	57.73
2	Freyan Vijay Crishna				
	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	Raika Jamshyd Godrej				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	Jamshyd Naoroji Godrej				
	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	Nyrika Vijay Crishna				
	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	Life Insurance Corporation Of India				
	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	HDFC Standard Life Insurance Company Limited				
	At the beginning of the year	8,391,688	2.50	8,391,688	2.50
	Bought / Sold during the year/ 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	Government Pension Fund Global				
	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	Acacia Partners, LP				
	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	IL and FS Trust Company Limited				
	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	JP Morgan India Fund				
	At the beginning of the year	2,610,556	0.78	2,610,556	0.78
	Bought / Sold during the year/ 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	JP Morgan SICAV Investment Company (Mauritius) Limited				
	At the beginning of the year	2,536,666	0.76	2,536,666	0.76
	Bought / Sold during the year/ 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	Acacia Institutional Partners, LP				
	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	Acacia Conservation Fund LP				
	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	Blackrock Global Funds Asian Dragon Fund				
	At the beginning of the year	1,671,114	0.5	1,671,114	0.5
	Bought / Sold during the year/ 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	A.B. Godrej				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
2	J. N. Godrej				
	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	N.B. Godrej				
	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	S. A. Ahmadullah				
	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	A.B. Choudhury				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
6	V.M Crishna				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
7	K. K. Dastur				
	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	N. D. Forbes				
	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	K.N.Petigara				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
10	K.M.Elavia				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
11	T.A.Dubash				
	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	N. S. Nabar				
	At the beginning of the year	21,663	0.00	21,663	0.00
	Bought / Sold during the year/ 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	Clement Pinto				
	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	Kiran Rajput				
	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
	Total (i+ii+iii)	-	1,252	84	1,336
	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
	Total (i+ii+iii)	-	1,974	59	2,033

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. Crishna	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”

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 March 31, 2014	As at March 31, 2015	Percentage increase/ (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”

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