

Independent Auditor's Report

To the Members of
Godrej Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GODREJ INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

1. We draw attention to sub-note (1) of Note 4: Reserves and Surplus, to the Standalone Financial Statements regarding the Scheme of Amalgamation ("the Scheme") of Swadeshi Detergents Limited (SDL) (a wholly owned Subsidiary of the Company) with the Company approved by The Honourable High Court of Judicature at Bombay vide its order dated August 16, 2013. Pursuant to the said Scheme, which came into effect from April 1, 2013, the Company has restated / revised the value of certain assets of the Company, to the extent considered appropriate by the Board of Directors and accordingly reduced the value of certain assets by ₹ 114.82 crores and the same has been debited directly to General Reserve. The costs and expenses incurred on the Scheme amounting to ₹ 0.23 crores have also been debited directly to the General Reserve.

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The above treatment prescribed under the Court Scheme differs from the treatment prescribed under the Accounting Standards according to which the said amounts should have been debited to the Statement of Profit and Loss. Had the Scheme not prescribed this accounting treatment, the profit for the year ended March 31, 2014, would have been lower by ₹ 115.05 crores and the General Reserve would have been higher by that amount.

2. We draw attention to sub-note (3) of Note 4: Reserves and Surplus, to the Standalone Financial Statements where the Company has included the financial statements of the ESOP Trust in preparation of the Company's standalone financial statements to portray the picture as if the Company itself is administering the ESOP Scheme. Consequently, the operations of the ESOP Trust, in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the Company. The loans to the ESOP Trust in the books of the Company are eliminated against the loan from the Company as appearing in the books of the Trust and investments in the equity shares of the Company held by the Trust have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the Company and the Trust have been appropriately eliminated. The opening excess of expenditure over income of the Trust has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

Our Opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, ("the Order"), as amended, issued by the Central Government in terms of sub-Section (4A) of section 227 of the Companies Act, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Companies Act, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2014 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No.: 104607W

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: May 28, 2014.

Annexure to the Independent Auditor's Report

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.

1. Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except in case of certain continuous process plants where item-wise values are not available and in case of furniture, fittings and equipment where the records maintained show quantitative details with their situation and values based on valuation by an approved valuer.
 - b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
 - c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
2. Inventory:
 - a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. Loans and Advances:
 - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) The Company has taken an unsecured loan by way of public deposit amounting to ₹ 1.87 crores from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1.87 crores. The balance outstanding as at the year-end was ₹ Nil.
 - c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the deposit taken from the party covered in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
 - d) The Company was regular in repaying the principal amounts as stipulated and had also been regular in the payment of interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956:
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, where comparable market prices exist. We have been informed that some of the items are of a special nature and their prices cannot be compared with alternative quotations.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under in respect of the deposits accepted from the public. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company in respect of manufacture of fatty acids, fatty alcohol, surfactants and glycerine pursuant to the Rules made by the Central Government for maintenance of cost records, under section 209(l) (d) of the Companies Act, 1956 and are of the opinion that prima

Annexure to the Independent Auditor's Report

facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, for any other products of the Company.

9. Statutory Dues

- a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (₹ crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc., which the Company has contested and is in appeals at various levels.	0.59	2006-07, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13, 2009-13	Assistant Commissioner
		0.71	2009-13	Joint Commissioner
		0.06	1997-98	Commissioner
		0.37	2009-10, 2011-12	Commissioner (Appeals)
		3.17	2005-08, 2008-09, 2006-10, 2008-11, 2010-11	CESTAT
		0.41	1997-98, 2006-07	Tribunal
		0.31	1978-79, 1976-85, 1982-86, 1995-96, 2009-10	High Court
		3.91	1993-97	The Supreme Court
The Customs Act, 1962	Custom Duty demands relating to lower charge, differential duty, classifications, etc.	2.63	2010-11	Commissioner (Appeals)
		0.26	2003-04	Deputy Commissioner
		1.32	1978-93	High Court
VAT Acts of Various States	Sales Tax demands relating to purchase tax on Branch Transfer / Disallowance of high sea sales.	0.09	1996-97, 1997-98	Sales Tax Officer
		0.07	2000-01	Commissioner (Appeals)
		0.21	2003-04	Deputy Commissioner
		26.17	2002-03, 2003-04, 2006-07, 2008-09	Joint Commissioner
		5.04	2003-04, 2004-05, 2005-06	Tribunal
Income-tax Act, 1961	Income-tax demands against which the company has preferred appeals.	8.58	2007-08, 2010-11	Assessing Officer
		0.54	1993-94, 1994-95, 1995-96, 2004-05	CIT
		9.46	2001-02, 2006-07, 2011-12	Deputy Commissioner
		16.69	1986-87, 1987-88, 1988-89, 1996-97, 1997-98, 1990-91, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03	ITAT
		0.35	1989-90, 1991-92	High Court

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Name of Statute	Nature of Dues	Amount (₹ crores)	Period to which the amount relates	Forum where dispute is pending
Octroi	Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.03	1997-98	Deputy Commissioner Tribunal The Supreme Court
		0.24	1997-03	
		0.02	1998-99,2000-01	
Stamp Duty	Stamp Duties claimed on certain properties which are under appeal by the Company.	1.82	2000-01	Controlling Revenue Authority

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
12. In our opinion and according to the information and explanations given to us and based on the documents and records produced before us, the Company has maintained adequate documents and records, in respect of loans and advances granted on the basis of security by way of pledge of shares and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
14. In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name except for the shares referred to in sub-note (d) of Note 13: Non-current Investments, to the Financial Statements.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has used funds raised on short term basis for long term investments including acquisition of property and capital expansion to the extent of ₹ 723.47 crores.
18. The Company has not made any preferential allotment of shares to any party or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not issue any debentures during the year.
20. The Management has disclosed in Note 22 to the Financial Statements, the end use of money amounting to ₹ 370.52 crores raised through an Institutional Placement Program in the previous year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No.: 104607W

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: May 28, 2014.

Balance Sheet as at March 31, 2014

	Note No.	Amount INR Crore	
		Current Year	Previous Year
Equity And Liabilities			
Shareholders' Funds			
(a) Share Capital	3	33.12	33.52
(b) Reserves And Surplus	4	1,401.81	1,590.60
		1,434.93	1,624.12
Non Current Liabilities			
(a) Long Term Borrowings	5	663.26	422.36
(b) Deferred Tax Liabilities (Net)	6	39.48	34.38
(c) Long Term Provisions	7	7.23	10.02
		709.97	466.76
Current Liabilities			
(a) Short Term Borrowings	8	675.94	445.26
(b) Trade Payables	9	553.49	380.32
(c) Other Current Liabilities	10	180.28	140.17
(d) Short Term Provisions	11	73.05	74.47
		1,482.76	1,040.22
TOTAL		3,627.66	3,131.10
Assets			
Non Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		613.85	320.85
(ii) Intangible Assets		0.78	0.53
(iii) Capital Work In Progress		382.00	489.02
		996.63	810.40
(b) Non Current Investments	13	2,048.26	1,278.27
(c) Long Term Loans and Advances	14	55.45	99.27
(d) Other Non Current Assets	15	3.69	-
		3,104.03	2,187.94
Current Assets			
(a) Current Investments	16	-	60.98
(b) Inventories	17	232.17	138.25
(c) Trade Receivables	18	103.66	138.49
(d) Cash and Bank Balances	19	64.86	446.54
(e) Short Term Loans And Advances	20	102.04	134.67
(f) Other Current Assets	21	20.90	24.23
		523.63	943.16
TOTAL		3,627.66	3,131.10

See Accompanying Notes to the Financial Statements

As per our Report attached

Signatures to Balance Sheet and Notes to the Financial Statements

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Regn. No. 104607W

For and on behalf of the Board

A. B. Godrej

Chairman

N. B. Godrej

Managing Director

Daraius Z. Fraser

Partner

M. No. 42454

N. S. Nabar

Executive Director

& President (Chemicals)

Clement Pinto

Chief Financial Officer

K. R. Rajput

Company Secretary

Mumbai, May 28, 2014.

Statement of Profit and Loss for the year ended March 31, 2014

Particulars	Note No.	Amount INR Crore	
		Current Year	Previous Year
Revenue from Operations (Gross)	25	1,543.79	1,560.52
Less: Excise Duty		90.24	95.89
		1,453.55	1,464.63
Other Income	26	40.77	34.83
Total Revenue		1,494.32	1,499.46
Expenses			
(a) Cost of Materials Consumed	27	984.40	954.31
(b) Purchases of Stock In Trade		3.70	3.78
(c) Changes in Inventory of Finished Goods, Work In Progress and Stock In Trade	28	(53.62)	25.64
(d) Employee Benefits Expense	29	112.33	115.33
(e) Finance Costs	30	94.84	64.82
(f) Depreciation and Amortisation Expense		24.61	23.12
(g) Other Expenses	31	307.39	274.01
Total Expenses		1,473.65	1,461.01
Profit Before Exceptional Items And Tax		20.67	38.45
Exceptional Items	32	104.21	58.71
Profit Before Tax		124.88	97.16
Tax Expense			
(a) Current Tax		0.09	2.31
(b) Deferred Tax		5.10	(1.37)
(c) Adjustment for Tax of Previous Years (net)		-	(0.52)
Total Tax		5.19	0.42
Profit For The Year		119.69	96.74
Earnings Per Share (Face Value ₹ 1 per share)	33		
(a) Basic		3.5693	2.9631
(b) Diluted		3.5643	2.9568

See Accompanying Notes to the Financial Statements

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry
 Chartered Accountants
 Firm Regn. No. 104607W

Darius Z. Fraser
 Partner
 M. No. 42454

Mumbai, May 28, 2014.

Signatures to the Statement of Profit and Loss and Notes to the Financial Statements

For and on behalf of the Board

A. B. Godrej
 Chairman

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

N. B. Godrej
 Managing Director

Clement Pinto
 Chief Financial Officer

K. R. Rajput
 Company Secretary

Cash Flow Statement for the year ended March 31, 2014

	Amount INR Crore	
	Current year	Previous year
A. Cash Flow From Operating Activities :		
Profit Before Tax	124.88	97.16
Adjustments for :		
Depreciation	24.61	23.12
Unrealised Foreign Exchange revaluation	0.15	1.28
Profit on Sale of Investments	(80.30)	(75.28)
Loss on Sale of Fixed Assets	0.14	0.25
Profit on Assignment of Trademark	(25.00)	-
Dividend Income	(86.01)	(60.55)
Interest Income	(26.31)	(18.32)
Interest Expense	94.84	64.82
Employee Stock Option Compensation	3.47	6.46
(Write-back) / Provision for Diminution in Value of Investments/Loans and Advances	(4.50)	10.48
Write back for Doubtful Debts and Sundry Balances (net)	(6.37)	(1.60)
Operating Profit Before Working Capital Changes	19.60	47.82
Adjustments for :		
Inventories	(97.29)	61.58
Trade and Other Receivables	(3.98)	47.80
Trade Payables and Other Liabilities and Provisions	179.13	(137.06)
Cash Generated from Operations	97.46	20.14
Direct Taxes Paid	(5.30)	(6.60)
Net Cash Generated from Operating Activities	92.16	13.54
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(228.51)	(470.07)
Proceeds from Sale of Fixed Assets	9.10	0.37
Purchase of Investments	(1,694.64)	(1,333.36)
Refund of Fixed Deposits / (Fixed Deposits placed)	412.39	(412.39)
Proceeds from Sale of Investments	1,044.92	1,423.05
Proceeds on Assignment of Trademark	25.00	-
Intercompany Deposits / Loans (net)	13.54	21.70
Interest Received	17.31	19.14
Dividend Received	86.01	60.55
Net Cash used in Investing Activities	(314.88)	(691.01)

Cash Flow Statement for the year ended March 31, 2014

	Amount INR Crore	
	Current year	Previous year
C. Cash Flow from Financing Activities :		
Proceeds from issue of Equity shares	1.35	360.87
Proceeds from Borrowings	1,345.13	611.75
Repayments of Borrowings	(921.02)	(213.21)
Bank Overdrafts (net)	(23.26)	20.95
Interest Paid	(88.64)	(62.77)
Dividend Paid	(58.68)	(58.58)
Tax on Distributed Profits	(1.69)	(7.18)
Net Cash Generated from Financing Activities	253.19	651.83
Net Increase / (Decrease) in Cash and Cash Equivalents	30.47	(25.64)
Cash and Cash Equivalents (Opening Balance)	33.86	59.50
Add: Cash and Cash Equivalents on consolidation of GIL ESOP Trust (Refer sub note 3 under Note 4 Reserves and Surplus)	0.20	-
Cash and Cash Equivalents (Closing Balance)	64.53	33.86
Notes :		
1. Cash and Cash Equivalents		
Cash on Hand and Balances with Banks	64.86	446.53
Closing balances of Fixed deposit (more than 3 months but less than 12 months)	-	(412.39)
Other Bank Balances	(0.33)	(0.28)
Cash and Cash Equivalents	64.53	33.86
2. To finance working capital requirements, the Company's Bankers have sanctioned a total fund-based limit of ₹ 90 crore. Of this, limits utilised as on March 31, 2014 is ₹ 7.00 crore.		
3. The figures for the previous year have been regrouped / restated wherever necessary.		

As per our Report attached

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Regn. No. 104607W

Daraius Z. Fraser

Partner

M. No. 42454

Mumbai, May 28, 2014.

Signatures to the Cash Flow Statement

For and on behalf of the Board

A. B. Godrej

Chairman

N. S. Nabar

Executive Director

& President (Chemicals)

N. B. Godrej

Managing Director

Clement Pinto

Chief Financial Officer

K. R. Rajput

Company Secretary

Notes to the Financial Statements

Note 1 : General Information

The Company was incorporated under the Companies Act, 1956 on March 7, 1988 under the name of Gujarat-Godrej Innovative Chemicals Limited. The Company is engaged in the businesses of manufacture and marketing of oleo-chemicals, their precursors and derivatives, bulk edible oils, estate management and investment activities. The business and undertaking of the erstwhile Godrej Soaps Limited was transferred to the Company under a Scheme of Amalgamation with effect from April 1, 1994 and the Company's name was changed to Godrej Soaps Limited. Subsequently, under a Scheme of Arrangement the Consumer Products division of the Company was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL). The Company's name was changed to Godrej Industries Limited on April 2, 2001. The Vegetable Oils and Processed Foods Manufacturing business of Godrej Foods Limited was transferred to the Company with effect from June 30, 2001. The Foods division (except Wadala factory) was then sold to Godrej Hershey Limited, on March 31, 2006. Swadeshi Detergent Limited, 100% subsidiary of the Company, was merged with the Company effective from April 01, 2013.

Note 2 : Significant Accounting Policies

2.1 Accounting Convention

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and specified in the Companies (Accounting Standard) Rules read with the General Circular No. 15/2013 dated September 12, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956 and the applicable sections of the Companies Act, 2013.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

2.3 Fixed Assets

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

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

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

2.4 Asset Impairment

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

2.5 Operating Leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis over the lease term.

Notes to the Financial Statements

2.6 Investments

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

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

2.7 Inventories

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

2.8 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provision is recognized for :

- (i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (ii) Any present obligation that arises from past events but is not recognized because :
 - (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (b) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities.

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

2.9 Revenue Recognition

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer. Sales are recorded net of returns, trade discounts, rebates, sales taxes and excise duties.

Income from processing operations is recognised on completion of production / dispatch of the goods, as per the terms of contract.

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

Interest income is recognised on a time proportion basis.

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

2.10 Research and Development Expenditure

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

Notes to the Financial Statements

2.11 Borrowing Costs

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

2.12 Foreign Exchange Transactions

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

2.13 Hedging

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

2.14 Employee Benefits

(i) Short-Term Employee Benefits

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

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

(ii) Post Employment Benefits

(a) Defined Contribution Plans

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

Notes to the Financial Statements

(b) Defined Benefit Plans

Gratuity Fund

The Company's liability towards gratuity to past employees is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

Provident Fund

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

Pension

Pension plan for eligible employees are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-Term Employee Benefits

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

2.15 Consolidation of Employee Stock Option Plan Trust

For the purpose of administration of Employee Stock Option Plan of the Group, the Company has established GIL ESOP Trust. In accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of the ESOP Trust in the standalone financial statements, the Company has included the financial statements of the ESOP trust for preparation of the standalone financial statements to portray the picture as if the Company itself is administering the ESOP Scheme. Consequently, the operations of the ESOP Trust, in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the Company. The loans to the ESOP Trust in the books of the Company are eliminated against the loans from the Company as appearing in the books of the Trust and investments in the equity shares of the Company held by the Trust have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the Company and the Trust have been appropriately eliminated. The opening excess of expenditure over income of the Trust has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

2.16 Depreciation and Amortisation

Tangible Assets

- (i) Leasehold land and Leasehold improvements are amortised equally over the lease period.
- (ii) Depreciation is provided, pro rata to the period of use, under the Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 except for computer hardware which is depreciated over its estimated useful life of 4 years.

Notes to the Financial Statements

- (iii) Assets costing less than ₹ 5,000 are depreciated at 100% in the year of acquisition.
- (iv) Depreciation on the revalued component is provided on the straight line method based on the balance useful life of the assets as certified by the valuers. Such depreciation is withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss.

Intangible Assets

Intangible assets are amortised on straight line basis as given below :

- (i) Trade marks are amortised equally over a period of ten years.
- (ii) Computer software is amortised over a period of six years.

2.17 Taxes on Income

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

Deferred tax subject to consideration of prudence, is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset / liabilities in respect of timing differences which originate and reverse during the tax holiday period are not recognized. Deferred tax assets / liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognized. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence of their realisation and on other items when there is reasonable certainty of realisation. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

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

2.18 Cash and Cash Equivalents

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

2.19 Earnings Per Share

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

2.20 Segment Reporting

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

Notes to the Financial Statements

Note 3 : Share Capital

	Current Year		Amount INR Crore Previous Year	
	Number	Value	Number	Value
Authorised Share Capital				
(a) Equity shares of ₹ 1 each	800,000,000	80.00	800,000,000	80.00
(b) Unclassified Shares of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
		<u>180.00</u>		<u>180.00</u>
Issued, Subscribed and Paid up Share Capital				
Equity Shares of ₹ 1 each fully paid up	335,455,260	33.55	335,165,917	33.52
Less : Shares in the Company held by ESOP Trust - refer note 1 below	(4,332,389)	(0.43)	-	-
Total	331,122,871	33.12	335,165,917	33.52
Par Value of Equity Share is ₹ 1 each				
Par Value of Unclassified Share is ₹ 10 each				
Reconciliation of number Shares				
Equity Shares				
Number of Shares outstanding at the beginning of the year	335,165,917	33.52	317,624,892	31.76
Issued during the year	289,343	0.03	17,541,025	1.76
Number of Shares outstanding at the end of the year	<u>335,455,260</u>	<u>33.55</u>	<u>335,165,917</u>	<u>33.52</u>
Rights, Preferences And Restrictions attached to Shares				
Equity Shares : The Company has one class of equity shares. Each equity share entitles the holder to one vote. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.				
Share Holding Information				
(a) Equity Shares held by Godrej & Boyce Manufacturing Company Limited - Holding Company	187,202,388	18.72	187,202,388	18.72
(b) Shareholders holding more than 5% of Equity Shares in the Company Godrej & Boyce Manufacturing Company Limited - 55.81% (Previous Year 55.85%)	187,202,388	18.72	187,202,388	18.72
Equity Shares Reserved for Issue Under Employee Stock Grant (₹ 1 each)				
(a) Employee Stock Grant for which vesting date shall be such date as may be decided by the Compensation Committee (*)	32,921	-	32,921	-
(b) Employee Stock Grant vesting on 30/04/14 (*)	1,927	-	1,927	-
(c) Employee Stock Grant vesting on 31/05/14	169,103	0.02	191,354	0.02

Notes to the Financial Statements

Note 3 : Share Capital (Contd.)

	Current Year		Previous Year	
	Number	Value	Number	Value
(d) Employee Stock Grant vesting on 30/11/14 (*)	2,878	-	1,387	-
(e) Employee Stock Grant vesting on 31/07/14 (*)	2,441	-	-	-
(f) Employee Stock Grant vesting on 31/03/15 (*)	7,815	-	3,841	-
(g) Employee Stock Grant vesting on 31/05/15	98,987	0.01	80,065	0.01
(h) Employee Stock Grant vesting on 31/07/15 (*)	2,274	-	-	-
(i) Employee Stock Grant vesting on 31/05/16 (*)	49,991	-	-	-
(j) Employee Stock Grant vesting on 31/07/16 (*)	2,274	-	-	-
(k) Employee Stock Grant vesting on 31/12/13 (*)	-	-	3,974	-
(l) Employee Stock Grant vesting on 31/05/13	-	-	189,029	0.02
(m) Employee Stock Grant vesting on 31/07/13 (*)	-	-	8,226	-

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

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

- There were no shares allotted as fully paid up pursuant to contracts without payment being received in cash.
- No shares have been allotted as fully paid up bonus shares.
- In the financial year 2009-10, the Company bought back 2,133,710 Equity Shares.

There are no calls unpaid.

There are no forfeited shares.

(*) Amount less than ₹ 0.01 crore.

Note :

- In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of ESOP Trust in the standalone financial statements as detailed in sub note 3 under Note 4 Reserves and Surplus, the investments in the equity shares of the Company held by the ESOP Trust has been reduced from the Share Capital and from Reserves.

Notes to the Financial Statements

Note 4 : Reserves and Surplus

	Current Year	Amount INR Crore Previous Year
Capital Investment Subsidy Reserve	0.25	0.25
Capital Redemption Reserve	31.46	31.46
Securities Premium Account		
As Per Last Balance Sheet	921.09	556.50
Add : Transfer from Employee Stock Grants Outstanding	6.36	6.07
Add : On Shares issued during the year	-	368.80
Less : Share Issue Expenses	-	(10.28)
	927.45	921.09
Capital Reserve		
Created During the year - refer note 1 below	8.58	-
Revaluation Reserve		
As Per Last Balance Sheet	7.72	10.56
Less : Depreciation on Revalued component	(0.76)	(0.91)
Less : Deduction due to sale / write off of Assets - refer note 2 below	(6.96)	(1.93)
	-	7.72
Employee Stock Grants Outstanding		
Stock Grants at the beginning of the year	11.36	11.33
Add : Compensation for Stock Granted During the Year	5.18	7.09
Less : Grants Lapsed	(0.58)	(0.99)
Less : Transfer to Securities Premium on exercise of Stock Grants during the year	(6.36)	(6.07)
	9.60	11.36
Less : Deferred Employee Stock Grants Compensation	(3.14)	(4.25)
	6.46	7.11
General Reserve		
As Per Last Balance Sheet	140.91	111.89
Transfer from Surplus	11.97	29.02
Utilisation during the year pursuant to Scheme of Amalgamation - refer note 1 below	(115.05)	-
	37.83	140.91
ESOP Trust Adjustments - refer note 3 below		
Accumulated Deficit at the beginning of the year	(78.94)	-
Add : Income of ESOP Trust during the year	1.98	-
Less : Expenditure of ESOP Trust during the year	(0.25)	-
	(77.21)	-
Less : Securities Premium on shares held by ESOP Trust	(76.59)	-
Add : Reversal of Provision for loan to ESOP Trust	16.70	-
	(137.10)	-

Note 4 : Reserves and Surplus (Contd.)

	Current Year	Amount INR Crore Previous Year
Surplus		
As Per Last Balance Sheet	482.06	483.68
Surplus as per Statement of Profit and Loss	119.69	96.74
Utilisation during the year :		
Proposed Dividend on additional shares issued during the year	(0.01)	(2.98)
Credit for Dividend Distribution Tax on Dividend Received from Subsidiaries	5.79	1.85
Proposed Dividend - Final	(58.70)	(58.69)
Tax on Distributed Profit	(9.98)	(9.52)
Transfer to General Reserve	(11.97)	(29.02)
	526.88	482.06
Total	1,401.81	1,590.60

Notes :

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

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

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

Further, an amount of ₹ 0.23 crore being the costs and expenses incurred on the Scheme have also been adjusted in the General Reserve.

- The Revaluation Reserve represented the revalued component of various fixed assets at Vikhroli Plant which were revalued in the past. On closure of manufacturing activities at Vikhroli Plant, the revalued assets have been scrapped / disposed off and adjusted against the Revaluation Reserve.
- In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of the ESOP Trust in the standalone financial statements, the Company has included the financial statements of the ESOP Trust in preparation of the Company's standalone financial statements to portray the picture as if the Company itself is administering the ESOP Scheme. Consequently, the operations of the ESOP Trust, in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the Company. The loans to the ESOP Trust in the books of the Company are eliminated against the loans from the Company as appearing in the books of the Trust and investments in the equity shares of the Company held by the Trust have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the Company and the Trust have been appropriately eliminated. The opening excess of expenditure over income of the Trust has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. In view of the above, the results for the current year are not strictly comparable with those of the previous year.

Note 5 : Long Term Borrowings

	Amount INR Crore	
	Current Year	Previous Year
Unsecured		
(a) Term Loans		
(i) From Banks - refer note 1 (a) to (d) below	604.47	367.10
(b) Deposits		
(i) Fixed Deposit- refer note 1 (e) below	58.79	55.26
Total	663.26	422.36

Notes :

- (1) Terms of Repayment for Unsecured Borrowings :
- (a) Unsecured loans from Bank amounting to ₹ 89.87 crore (previous year ₹ 108.57 crore) carries interest at LIBOR + 2.17% p.a., is for a term of 60 months and repayable during the period September 2015 to September 2016.
Unsecured loan from Bank amounting to ₹ 119.82 crore (previous year ₹ 108.57 crore) carries interest at LIBOR + 2.5% p.a., is for a term of 60 months and repayable during the period June 2016 to December 2017.
Unsecured loans from Bank amounting to ₹ 119.82 crore (previous year ₹ Nil) carries interest at LIBOR + 2.05% p.a., is for a term of 60 months and repayable during the period February 2017 to August 2018.
- (b) Unsecured loan from Bank amounting to ₹ 75 crore (previous year ₹ Nil) carries fixed rate of interest at Base Rate + 0.4% p.a., is for a term upto 36 months and repayable during the period December 2015 to December 2016.
- (c) Unsecured loan from Bank amounting to ₹ 50 crore (previous year ₹ Nil) carries interest at Base Rate + 0.8% p.a., is for a term upto 24 months and repayable during the period July 2015 to January 2016.
- (d) Unsecured loans from Bank amounting to ₹ 149.96 crore (previous year ₹ 149.96 crore) carries interest at Base Rate + 1.4% p.a., is for a term upto 60 months and repayable during the period July 2015 to April 2017.
- (e) Fixed deposits from public have a maturity period of 13, 24 or 36 months.
- (2) The Company does not have any continuing default as on the Balance Sheet date in repayment of loan or interest.

Note 6 : Deferred Tax Liabilities (Net)

	Amount INR Crore	
	Current Year	Previous Year
Liabilities		
(a) WDV of Assets	47.71	47.70
(b) VRS Expenses	0.37	0.52
Assets		
(a) Provision for Retirement Benefits	3.09	3.63
(b) Provision for Doubtful Debts / Advances	1.23	6.21
(c) Other Provisions	4.28	4.00
Total	39.48	34.38

Note 7 : Long Term Provisions

	Amount INR Crore	
	Current Year	Previous Year
Provision For Employee Benefits	7.23	10.02
Total	7.23	10.02

Notes to the Financial Statements

Note 8 : Short Term Borrowings

	Amount INR Crore	
	Current Year	Previous Year
Secured		
(a) Loans Repayable On Demand		
(i) From Bank - refer note 1 below	7.00	30.26
(b) Other Loans		
(i) Commercial Papers	-	40.00
Unsecured		
(a) Loans Repayable On Demand		
(i) From Bank - refer note 2 below	52.10	25.00
(b) Short Term Borrowings from Banks	55.00	-
(c) Other Loans		
(i) Commercial Papers - refer note 3 below	473.00	350.00
(d) Loans of ESOP Trust - refer note 4 below	88.84	-
Total	675.94	445.26

Notes :

- (1) Working capital facilities sanctioned by banks under consortium arrangement are secured by hypothecation of stocks and book debts.
- (2) Unsecured loan from bank is at base rate and repayable within 6 months.
- (3) Commercial Papers of ₹ 473 crore are repayable during the period April to June 2014.
- (4) As detailed in sub note 3 under Note 4 Reserves and Surplus, Loans of ESOP Trust comprise of loans taken by the ESOP Trust from third parties.
- (5) The company does not have any continuing default as on the Balance Sheet date in repayment of loan or Interest.

Note 9 : Trade Payables

	Amount INR Crore	
	Current Year	Previous Year
Trade Payables		
(a) Outstanding dues of Micro and Small Enterprise - refer note 1 below	2.31	2.08
(b) Others	280.43	135.47
Acceptances	270.75	242.77
Total	553.49	380.32

Note :

- (1) Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2014, to Micro, Small and Medium Enterprises on account of principal or interest (previous year ₹ Nil).

Notes to the Financial Statements

Note 10 : Other Current Liabilities

	Current Year	Amount INR Crore	
		Previous Year	
<u>Current Maturities of Long Term Debts</u>			
(a) Unsecured Loan			
(i) From Bank	54.96	12.50	
(b) Unsecured Deposits			
(i) Fixed Deposits	21.73	46.09	
	76.69		58.59
Current Maturities of Finance Lease Obligations	0.01		-
Interest Accrued but not Due on Borrowings	8.92		2.72
Unclaimed Dividends	0.33		0.29
<u>Unclaimed Matured Deposits</u>			
(a) Principal Amount	1.98	4.20	
(b) Interest Accrued Thereon	0.16	0.16	
	2.14		4.36
<u>Other Payables</u>			
(a) Advances from Customers	5.35	3.50	
(b) Sundry Creditors	54.09	49.60	
(c) Forward Cover Contracts Payable	16.18	-	
(d) Unamortised Forward Cover Premium	-	0.64	
(e) Other Liabilities	0.66	0.81	
(f) Statutory Liabilities	8.07	10.19	
(g) Deposits	7.77	9.47	
	92.12		74.21
Other Payables of ESOP Trust			
Other Liabilities	0.07		-
(As detailed in sub note 3 under Note 4 Reserves and Surplus)			
Total	180.28		140.17

Note 11 : Short Term Provisions

	Amount INR Crore	
	Current Year	Previous Year
Provision For Employee Benefits	2.35	6.26
Proposed Dividend - refer note 1 below	58.70	58.69
Provision for Tax on Distributed Profit	12.00	9.52
Total	73.05	74.47

Note :

- (1) The Board of Directors of the Company has proposed a dividend of ₹ 1.75 per equity share - 175 % (previous year ₹ 1.75 per equity share - 175%) for the year 2013-14 amounting to a total out-go of ₹ 58.70 crore (previous year ₹ 58.69 crore).

Notes to the Financial Statements

Note 12 : Fixed Assets

Amount INR Crore

ASSETS	GROSS BLOCK				DEPRECIATION / IMPAIRMENT				NET BLOCK	
	As on 01.04.2013	Additions	Deductions/ Adjustments	As on 31.03.2014	Upto 31.03.2013	Deductions/ Adjustments	For the Year	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
1 Tangible Assets										
(a) Land										
(i) Freehold	1.14	-	-	1.14	-	-	-	-	1.14	1.14
(ii) Leasehold	16.83	3.83	-	20.66	0.81	-	0.18	0.99	19.67	16.02
(b) Buildings	141.29	113.21	15.42	239.08	33.98	9.61	3.74	28.11	210.97	107.31
(c) Plant and Equipment	496.03	213.67	88.76	620.94	331.09	75.53	17.48	273.04	347.90	164.94
(d) Research Centre	0.64	0.02	-	0.66	0.16	-	0.03	0.19	0.47	0.48
(e) Furniture and Fixtures	13.26	2.23	1.10	14.39	8.67	0.38	0.46	8.75	5.64	4.59
(f) Office and Other Equipment	12.12	1.89	0.03	13.98	6.28	0.01	0.59	6.86	7.12	5.84
(g) Vehicles / Vessels										
(i) Own	31.33	3.44	1.55	33.22	10.80	1.09	2.58	12.29	20.93	20.53
(ii) Under Finance Lease	-	0.03	-	0.03	-	-	0.02	0.02	0.01	-
Total Tangible Assets	712.64	338.32	106.86	944.10	391.79	86.62	25.08	330.25	613.85	320.85
2 Intangible Assets										
(a) Trademarks	4.63	-	-	4.63	4.63	-	-	4.63	-	-
(b) Software	10.76	0.54	-	11.30	10.23	-	0.29	10.52	0.78	0.53
Total Intangible Assets	15.39	0.54	-	15.93	14.86	-	0.29	15.15	0.78	0.53
TOTAL - Current Year	728.03	338.86	106.86	960.03	406.65	86.62	25.37	345.40	614.63	
- Previous Year	718.09	17.35	7.41	728.03	386.59	3.97	24.03	406.65		321.38
3 Capital Work In Progress									382.00	489.02
TOTAL									996.63	810.40

Notes :

- Buildings, Plant and Equipment and Research Centre at Vikhroli Factory were revalued on June 30, 1992, on the basis of a valuation report submitted by professional valuers.
- Depreciation for the year includes ₹ 0.76 crore (previous year ₹ 0.91 crore) being depreciation on revalued component of the fixed assets.
- Gross block deductions / adjustments includes ₹ 36.16 crore (previous year ₹ 3.04 crore) and Depreciation / Impairment Deduction / Adjustments includes ₹ 29.20 crore (previous year ₹ 1.11 crore) being the revalued component of assets sold/discarded during the year.
- Accumulated depreciation includes impairment loss of ₹ 5.10 crore (previous year ₹ 5.10 crore) on certain Plant and Equipment.
- Capital work-in-progress is net of impairment loss of ₹ 2.04 crore (previous year ₹ 2.04 crore) provided on an infructuous asset under construction.
- Capital work-in-progress includes ₹ Nil crore (previous year ₹ 6.33 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Capital work-in-progress also includes net borrowing cost capitalised amounting to ₹ 53.57 crore (previous year ₹ 26.61 crore).
- Addition to Plant and Machinery includes ₹ 29.03 crore (previous year ₹ Nil crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. Additions also includes net borrowing cost capitalised amounting to ₹ 9.65 crore (previous year ₹ Nil).
- As detailed in sub note 1 under Note 4 under Reserves and Surplus, the Company has restated / revised the value of certain Plant & Machinery from ₹ 4.10 crore to ₹ Nil and adjusted the same in General Reserve.

Notes to the Financial Statements

NOTE 13 : Non-Current Investments

Investee Company / Entity	Face value (₹)	Number		Notes	Amount INR Crore	
		Current Year	Previous Year		Current Year	Previous Year
Trade Investments (Valued at cost unless stated otherwise)						
1. Investment in Equity Instruments (Fully paid unless stated otherwise)						
(a) Investment in Subsidiary Companies						
(i) Quoted						
Godrej Properties Ltd.	5	122,775,304	47,965,209	(a)	666.16	229.93
(ii) Unquoted						
Ensemble Holdings & Finance Ltd.	10	3,774,160	3,774,160		13.19	13.19
Godrej Agrovet Ltd.	10	8,040,926	8,419,926		143.98	150.77
Godrej International Ltd.	₹1	2,105,000	2,105,000		14.76	14.76
Godrej International Trading & Investments Pte. Ltd.	\$1	1,000,000	1,000,000		4.43	4.43
Natures Basket Ltd.	10	106,080,000	72,550,000		104.04	70.51
Swadeshi Detergents Ltd. (upto March 31, 2013)	10	-	509,670	(b)	-	1.91
(b) Investment in Associate Companies						
Quoted						
Godrej Consumer Products Ltd.	1	77,029,620	73,659,620		970.11	693.05
(c) Others						
Unquoted						
Bharuch Eco-Aqua Infrastructure Ltd. Less: Provision for Diminution in Value	10	440,000	440,000		0.44 (0.44)	0.44 (0.44)
Avesthagen Ltd. Less: Provision for Diminution in Value	7	469,399	469,399	(c)	12.43 (12.43)	12.43 -
CBay Infotech Ventures Pvt. Ltd. Less: Provision for Diminution in Value	10	112,579	112,579	(c)	2.33 (2.33)	2.33 -
Gharda Chemicals Ltd. Less: Provision for Diminution in Value	100	114	114	(d)	0.12 (0.12)	0.12 (0.12)
HyCa Technologies Pvt. Ltd. Less: Provision for Diminution in Value	10	12,436	12,436	(c)	1.24 (1.24)	1.24 -
Tahir Properties Ltd (Partly paid) *	100	25	25	(e)	0.00	1.24 0.00
Boston Analytics Inc. Less: Provision for Diminution in Value	\$1	1,354,129	1,354,129		6.91 (6.91)	6.91 (6.91)
The Saraswat Co-op Bank Ltd. *	10	1,000	1,000		0.00	0.00
2. Investment in Preference Shares (Fully paid unless stated otherwise)						
Unquoted						
Wadala Commodities Ltd. (0.01% Redeemable Non Cumulative Preference Shares) Less: Provision for Diminution in Value	10	-	5,000,000	(e)	- -	4.50 (4.50)
Tahir Properties Ltd (Class - A) (Partly paid) *	100	25	25	(e)	0.00	- 0.00
Verseon Corporation - Class A Preferred Shares Less: Provision for Diminution in Value	\$0.95	2,631,578	2,631,578	(c)	11.42 (11.42)	11.42 (7.80)
					-	3.62

Notes to the Financial Statements

NOTE 13 : Non Current Investments (Contd.)

Investee Company / Entity	Face value (₹)	Number		Notes	Amount INR Crore	
		Current Year	Previous Year		Current Year	Previous Year
3. Investment in Partnership Firm						
View Group LP *		-	-	(f)	0.00	0.00
Less: Provision for Diminution in Value					0.00	0.00
					0.00	0.00
4. Other Non Current Investments						
(a) Limited Liability Partnership						
Godrej Vikhroli Properties LLP					0.80	0.80
Profit Accrued on share in Godrej Vikhroli Properties LLP					130.79	79.30
					131.59	80.10
TOTAL					2,048.26	1,278.27
Aggregate Amount of Quoted Investments					1,636.27	922.98
Aggregate Amount of Unquoted Investments					446.88	375.06
Aggregate Provision for Diminution in Value					34.89	19.77
Market Value of Quoted Investments					9,180.64	8,278.72

* Amount less than ₹ 0.01 crore.

Notes :

- (a) During the year, the face value of each equity share in Godrej Properties Limited was reduced from ₹ 10 per equity share to ₹ 5 per equity share.
- (b) As detailed in sub note 1 under Note 4 Reserves and Surplus, during year, the Honourable Bombay High Court had approved a Scheme of Amalgamation of Swadeshi Detergents Limited (SDL) (a wholly owned Subsidiary of the Company) with the Company effective from April 1, 2013 being the appointed date. The Effective Date was September 06, 2013.
- (c) In accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, as approved by the Honourable Bombay High Court, the Company has restated / revised the value of certain investments aggregating to ₹ 19.62 crore and adjusted the same in General Reserve.
- (d) The said shares have been refused for registration by the investee company.
- (e) Uncalled Liability on partly paid shares
- Tahir Properties Ltd. - Equity - ₹ 80 per share (Previous year - ₹ 80 per share).
 - Tahir Properties Ltd. - Preference - ₹ 30 per share (Previous year - ₹ 30 per share).
 - Wadala Commodities Ltd. - Preference - ₹ Nil (Previous year - ₹ 1 per share)
- (f) Information on partnership firm - View Group

Sr. No	Name of the partner	Country	%Holding Current Year	%Holding Previous Year
1	Mr. Robert Buirkle	USA	13.08%	13.08%
2	Mr. John H. Gutfreund	USA	13.08%	13.08%
3	Bonsal Trust	USA	6.54%	6.54%
4	Free Market Capital L.P.	USA	4.83%	4.83%
5	Kilbane Development SA	Monaco	6.54%	6.54%
6	Mazda Partners LP	USA	8.96%	8.96%
7	Ms. Mrinalini Jaikumar	USA	1.96%	1.96%
8	Mr. John Pries	USA	2.62%	2.62%
9	Mr. Marti Subrahmanyam	USA	1.96%	1.96%
10	R. Gregg Stone Trust	USA	1.28%	1.28%
11	Mr. Robert G. Stone, Jr.	USA	1.28%	1.28%
12	Mr. Michael R. Greenberg	USA	3.27%	3.27%
13	Mr. Paul D. Sonz	USA	1.25%	1.25%
14	VIEW Group Grantor Retained Annuity Trust	USA	2.03%	2.03%
15	BKE Partners L.P.	USA	4.83%	4.83%
16	VIEW LP Holding, Inc.	USA	4.83%	4.83%
17	Schwartz and Nystrom, as escrow agent	USA	9.66%	9.66%
18	Godrej Industries Limited	India	12.00%	12.00%
		Total	100.00%	100.00%

Notes to the Financial Statements

Note 14 : Long Term Loans and Advances

	Amount INR Crore	
	Current Year	Previous Year
Secured Loans and Advances - refer note 1 below		
Considered Doubtful	10.33	10.33
Less : Provision for Doubtful Advances	<u>(10.33)</u>	<u>(10.33)</u>
	-	-
Unsecured and Considered Good (Unless otherwise stated)		
(a) Capital Advances		
Considered Good	17.89	19.42
Considered Doubtful	0.03	0.03
Less : Provision for Doubtful Advances	<u>(0.03)</u>	<u>(0.03)</u>
	17.89	19.42
(b) Other Loans and Advances		
(i) Loans to Employees	0.60	0.76
(ii) Statutory Deposits	20.92	12.04
(iii) Advance Tax and Tax Deducted at Source (Net of Provision for Taxation ₹ 53.31 crore, previous year ₹ 48.23 crore)	16.04	10.84
(iv) MAT Credit Entitlement - refer note 2 below	-	56.21
Total	<u>55.45</u>	<u>99.27</u>

Notes :

- (1) The Company had advanced an amount of ₹ 10.33 crore to certain individuals who also pledged certain equity shares as security against the said advance. The Company has enforced its security and lodged the shares for transfer in its name. The said transfer application was rejected and Company has preferred an appeal to the Company Law Board (CLB). The CLB rejected the application and advised the parties to approach the High Court. The Company had filed an appeal before the Hon'ble High Court against the order of the Company Law Board under section 10 F of the Companies Act, which is pending final disposal. The Hon'ble Bombay High Court passed an interim order dated September 18, 2012, restraining the Company from inter alia, dealing, selling or creating third party rights, etc. in the pledged shares and referred the matter to arbitration. The Company had filed a Special Leave Petition (SLP) before the Supreme Court against this interim order of the Bombay High Court which the Supreme Court has dismissed and the matter is before the Arbitrator. In the meantime, the Presiding Arbitrator has resigned as Arbitrator and appointment of new Arbitrator is in process.

The Management is confident of recovery of this amount as underlying value of the said shares is substantially greater than the amount of loan and interest thereon. However, on a conservative basis, the Company has provided for the entire amount of ₹ 10.33 crore in the books of account.

- (2) As detailed in sub note 1 under Note 4 Reserves and Surplus, the Company has restated / revised the amount of MAT Credit Entitlement from ₹ 56.21 crore to ₹ Nil and adjusted the same in General Reserve.
- (3) Details of Loans And Advances as per clause 32 of Listing Agreement

	Maximum Balance during the year	Current Year	Previous Year
(a) Loans and Advances where there is no repayment schedule or repayment is beyond seven years			
(i) D. Kavasmanek and Others	10.33	10.33	10.33
Previous Year	10.33	10.33	10.33

Notes to the Financial Statements

Note 15 : Other Non Current Assets

	Current Year	Amount INR Crore Previous Year
Secured		
(a) Interest Accrued on loans		
Considered Doubtful - refer note 1 below	3.15	3.15
Less : Provision for Doubtful Interest Accrued	<u>(3.15)</u>	<u>(3.15)</u>
	-	-
Unsecured		
(a) Interest Accrued on Investments		
Considered Doubtful	1.63	1.63
Less : Provision for Doubtful Interest Accrued	<u>(1.63)</u>	<u>(1.63)</u>
	-	-
(b) Bank Deposit with more than 12 months maturity - refer note 2 below	3.69	-
Total	<u>3.69</u>	<u>-</u>

Notes :

- (1) Interest on loan referred to in sub note 1 of Note 14 Long Term Loans and Advances, amounting to ₹ 3.15 crore was accrued upto March 31, 2000 and has been fully provided for, no interest is being accrued thereafter.
- (2) Fixed Deposit of ₹ 0.19 crore (previous year ₹ Nil) is held by bank as security against guarantees issued.

Notes to the Financial Statements

Note 16 : Current Investments

Investee Company / Entity	Face value	Number		Notes	Amount INR Crore	
		Current Year	Previous Year		Current Year	Previous Year
1. Investment in Mutual Funds						
Unquoted						
Birla Sunlife Short term fund - Growth	-	-	6,932,796		-	29.00
HDFC HIF STP - Growth	-	-	12,540,215		-	28.00
2. Other Current Investments						
Optionally Convertible Loan Notes/ Promissory Notes/Debentures :						
Unquoted :						
Boston Analytics Inc. (15%)	\$750,000	-	-	(a)	3.00	3.00
Less: Provision for Diminution in the Value of Investment					<u>(3.00)</u>	<u>(3.00)</u>
					-	-
Boston Analytics Inc. (20%)	\$1,550,000	-	-	(a)	6.73	6.73
Less: Provision for Diminution in the Value of Investment					<u>(6.73)</u>	<u>(6.73)</u>
					-	-
Boston Analytics Inc. (12%)	\$950,000	-	-	(b)	4.69	4.69
Less: Provision for Diminution in the Value of Investment					<u>(4.69)</u>	<u>(4.69)</u>
					-	-
Verseon Corporation (13%)	\$1,000,000	-	-	(c) & (d)	3.98	3.98
Less: Provision for Diminution in the Value of Investment					<u>(3.98)</u>	<u>-</u>
					-	3.98
Total					<u>-</u>	<u>60.98</u>
Aggregate Amount of Quoted Investments					-	-
Aggregate Amount of Unquoted Investments					18.40	75.40
Aggregate Provision for Diminution in the Value of Investments					18.40	14.42
Market Value of Quoted Investments					-	-

Notes :

- (a) The Optionally Convertible Promissory Notes (15%) of Boston Analytics Inc. in respect of which the Company did not exercise the conversion option and Boston Analytics Inc. promissory notes (20%) where there was a partial conversion option which the Company has not exercised were due for redemption on June 30, 2009 and August 21, 2009, respectively. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (b) 12% promissory notes were repayable on or before December 31, 2011, along with interest on maturity. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (c) Optionally Convertible Notes issued by Verseon Corporation - were convertible after December 1, 2008 until the due date but not later than September 15, 2012. The said promissory notes have not been redeemed as of the Balance Sheet date and have been fully provided for.
- (d) As detailed in sub note 1 under Note 4 Reserves and surplus, the Company has restated / revised the value of investments amounting to ₹ 3.98 crore and adjusted the same in General Reserve.

Notes to the Financial Statements

Note 17: Inventories

	Amount INR Crore	
	Current Year	Previous Year
Raw Material	93.54	50.77
Packing Material	1.91	1.67
Work In Progress	74.20	55.18
Finished Goods (Includes In Transit ₹ Nil, previous year ₹ 0.00 * crore)	58.59	24.00
Stock in Trade	0.05	0.04
Stores And Spares - refer note 1 below	3.88	6.59
Total	232.17	138.25

* Amount less than ₹ 0.01 crore

Note :

- (1) As detailed in sub note 1 under Note 4 Reserves and Surplus, the Company has restated / revised the value of certain Stores and Spares from ₹ 3.36 crore to ₹ Nil and adjusted the same in General Reserve.

Note 18 : Trade Receivables

	Amount INR Crore	
	Current Year	Previous Year
Secured and Considered Good - refer note 1 below		
(a) Outstanding for a period exceeding six months from the date they are due for payment	0.03	-
(b) Others	17.48	19.20
Unsecured Considered Good		
(a) Outstanding for a period exceeding six months from the date they are due for payment	-	-
(b) Others	86.15	119.29
Considered Doubtful		
(a) Outstanding for a period exceeding six months from the date they are due for payment	0.99	0.99
(b) Allowance for Doubtful Debts	(0.99)	(0.99)
Total	103.66	138.49

Notes :

- (1) Secured by Securities Deposits collected from Customers, Letter of Credits or Bank Guarantes held against them.
- (2) Trade Receivables include the following amounts due from Companies under the Same Management:

	Amount INR Crore	
	Current Year	Previous Year
Godrej Vikhroli Property LLP	9.68	-
Godrej Properties Limited	0.70	0.72
Godrej Consumer Products Limited	0.77	3.27
Godrej & Boyce Manufacturing Company Limited	0.01	-
Laboratorio Cuenca S.A.	1.08	1.12
Godrej Tyson Foods Limited	0.02	-

Notes to the Financial Statements

Note 19 : Cash and Bank Balances

	Amount INR Crore	
	Current Year	Previous Year
Cash and Cash Equivalents		
Balances with Banks		
(a) Current Accounts	11.61	15.76
(b) ESOP Trust Bank Balances - refer note 1 below	0.20	-
(c) Deposits having maturity less than 3 months	52.50	18.00
Cash on Hand	0.22	0.10
	64.53	33.86
Other Bank Balances		
(a) Deposit with more than 3 months but less than 12 months maturity - refer note 2 below	-	412.39
(b) Other Bank Balances - refer note 3 below	0.33	0.29
Total	64.86	446.54

Notes :

- (1) ESOP Trust Bank balances have been included under Cash and Cash Equivalents on consolidation of the ESOP Trust in the standalone financial statements of the Company as detailed in sub note 3 under Note 4 Reserves and Surplus.
- (2) Fixed Deposit of ₹ Nil crore (previous year ₹ 0.19 crore) is held by bank as security against guarantees issued.
- (3) Other Bank Balance of ₹ 0.33 crore (previous year ₹ 0.29 crore) is earmarked balance for unclaimed dividend.

Notes to the Financial Statements

Note 20 : Short Term Loans And Advances

	Amount INR Crore	
	Current Year	Previous Year
Unsecured		
(a) Loans And Advance		
(i) Loans to Employees	0.15	0.11
(ii) Other Loans	9.46	21.22
(iii) Loan to GIL ESOP Trust		
Considered Good	50.07	63.08
Considered Doubtful	16.70	3.11
	<u>66.77</u>	<u>66.19</u>
Less : Amount adjusted against ESOP Trust loan liability - refer note 1 below	(66.77)	-
	-	66.19
Less : Provision for Doubtful Loans - refer note 2 (a) below	(16.70)	(3.11)
Provision for doubtful loan written back in ESOP Trust Adjustments	16.70	-
	-	<u>63.08</u>
(iv) Advances to Suppliers		
Considered Good	26.17	10.10
Considered Doubtful	0.32	0.69
Less : Provision for Doubtful Advances	(0.32)	(0.69)
	<u>26.17</u>	<u>10.10</u>
(v) Other Advances		
Considered Good	35.76	10.25
Considered Doubtful	0.11	0.02
Less : Provision for Doubtful Advances	(0.11)	(0.02)
	<u>35.76</u>	<u>10.25</u>
(b) Inter Corporate Deposit		
Considered Good - refer note 2 (b) below	-	8.14
Considered Doubtful	5.77	-
Less : Provision for Doubtful Inter Corporate Deposit	(5.77)	-
	-	<u>8.14</u>
(c) Deposits		
(i) Statutory Authorities	25.06	17.49
(ii) Others	5.44	4.28
Total	<u>102.04</u>	<u>134.67</u>

Notes :

- (1) As detailed in sub note 3 under Note 4 Reserves and Surplus, the loan given by the Company to the ESOP Trust has been adjusted against the Loan Liability of the ESOP Trust.
- (2a) As detailed in sub note 1 under Note 4 Reserves and Surplus, the Company had made a provision for doubtful loan of ₹ 19.41 crore and adjusted the same in General Reserve. During the year, any realisation of assets which were considered for revision / restatement has been accounted in the Statement of Profit and Loss.
- (2b) As detailed in sub note 1 under Note 4 Reserves and Surplus, the Company had made provision for doubtful Inter Corporate Deposit of ₹ 8.14 crore and adjusted the same in General Reserve. During the year, any realisation of assets which were considered for revision / restatement has been accounted in the Statement of Profit and Loss.

Notes to the Financial Statements

Note 20 : Short Term Loans And Advances (Contd.)

(3) Details of Loans And Advances as per clause 32 of Listing Agreement.	Amount INR Crore		
	Maximum Balance during the year	Current Year	Previous Year
(a) Investments by the loanee in the shares of parent company and subsidiary company (without considering the ESOP Trust Loan Liability)			
(i) GIL ESOP Trust	69.12	66.77	66.19
Previous Year	102.38	66.19	89.15

Note 21 : Other Current Assets

	Amount INR Crore		
	Current Year	Previous Year	Previous Year
Interest Accrued on Loans and Deposits	1.06		9.61
Other Receivables			
Considered Good	8.04	12.09	
Considered Doubtful	4.91	2.43	
Less : Provision for Doubtful receivables	(4.91)	(2.43)	
	8.04		12.09
Other Receivables of ESOP Trust - refer note 1 below	1.25		-
Forward Cover Contracts Receivable	5.75		2.53
Unamortised Premium on Forward Cover Contracts	4.80		-
Total	20.90		24.23

Notes :

- Other Receivables of the ESOP Trust have been considered under Other Current Assets on consolidation of the ESOP Trust in the standalone financial statements of the Company as detailed in sub note 3 under Note 4 Reserves and Surplus.
- Other Receivables include the following amounts due from Companies under the same Management :

Particulars	Amount INR Crore	
	Current Year	Previous Year
Godrej Agrovet Limited	3.51	2.75
Natures Basket Limited	0.48	0.22

Note 22 : Utilisation of proceeds received under IPP

The Institutional Placement Programme (IPP) proceeds have been utilised as per objects of the issue as stated in the offer document as under :

	Amount INR Crore	
	March 31, 2014	March 31, 2013
Amount Received from IPP	-	370.52
Utilisation of Funds		
(a) Issue expenses	-	10.28
(b) Investment in Associate Company	-	110.41
(c) Investment in Subsidiary Company	249.83	-
Total	249.83	120.69
Amount unutilised		
(a) Mutual Funds	-	57.00
(b) Fixed Deposit	-	192.83
Total	-	249.83

Notes to the Financial Statements

Note 23 : Contingent Liabilities

	Amount INR Crore	
	Current Year	Previous Year
a) Claims against the Company not acknowledged as debts:		
(i) Excise duty / Service Tax demands relating to disputed classification, post manufacturing expenses, assessable values, etc. which the Company has contested and is in appeal at various levels.	9.53	9.86
(ii) Customs Duty demands relating to lower charge, differential duty, classification, etc.	4.21	1.58
(iii) Sales Tax demands relating to purchase tax on Branch Transfer / disallowance of high seas sales.	31.57	22.51
(iv) Octroi demand relating to classification issue on import of Palm Stearine and interest thereon.	0.29	0.29
(v) Stamp duties claimed on certain properties which are under appeal by the Company.	1.82	1.82
(vi) Income tax demands against which the company has preferred appeals.	35.62	26.16
(vii) Industrial relations matters under appeal.	2.18	2.12
(viii) Others	1.31	1.31
b) Guarantees :		
(i) Guarantees issued by banks, including guarantees issued in respect of matters reported in (a) above.	36.29	31.37
c) Other Money for which the Company is Contingently Liable :		
(i) Letters of credit issued by bank on behalf of the Company.	8.77	5.84

Note 24 : Commitments

	Amount INR Crore	
	Current Year	Previous Year
1) Estimated amount of contracts remaining to be executed on capital account and not provided for : (Net of Advances amounting to ₹ 5.58 crore, previous year ₹ 7.54 crore)	141.25	43.59
2) Uncalled liability on partly paid shares / debentures	-	0.50
3) Other Commitments :		
(a) Long Term Contracts for Purchase of Raw Material	85.34	55.15
(b) Finance Lease Commitments	0.01	-
(c) Operating Lease Commitments	11.69	12.22

Notes to the Financial Statements

Note 25 : Revenue From Operations

	Amount INR Crore	
	Current Year	Previous Year
Sale of Products	1,374.29	1,417.88
Licence Fees and Service Charges	11.60	19.23
Other Operating Revenues		
(a) Export Incentives	16.24	6.87
(b) Processing Charges	2.35	1.57
(c) Sale of Scrap	1.81	1.36
(d) Dividend Income : - refer note 1 below		
(i) Subsidiary Companies	48.73	26.02
(ii) Other Long Term Investments	37.28	34.53
(e) Share of Profit for the year from LLP	51.49	53.06
Total Gross Revenue From Operations	1,543.79	1,560.52
Excise Duty	(90.24)	(95.89)
Total	1,453.55	1,464.63

Note :

- (1) Dividend Income has been disclosed under Revenue from Operations since Finance and Investments is an operating business segment for the Company.

Note 26 : Other Income

	Amount INR Crore	
	Current Year	Previous Year
Interest Income (Gross)	29.37	22.02
Less : Capitalised to Fixed Assets	(3.06)	(3.70)
Interest Income (net)	26.31	18.32
Profit on Sale of Current Investments	5.59	1.66
Miscellaneous Income	8.87	14.85
Total	40.77	34.83

Note 27 : Cost of Materials Consumed

	Amount INR Crore	
	Current Year	Previous Year
Raw Materials Consumed		
(a) Inventory at the Commencement of the Year	50.77	86.46
(b) Add : Purchases (net)	992.67	889.31
	1,043.44	975.77
(c) Less: Inventory at the Close of the Year	(93.54)	(50.77)
	949.90	925.00
Packing Materials Consumed		
(a) Inventory at the Commencement of the Year	1.67	1.19
(b) Add : Purchases (net)	34.74	29.79
	36.41	30.98
(c) Less: Inventory at the Close of the Year	(1.91)	(1.67)
	34.50	29.31
Total	984.40	954.31

Notes to the Financial Statements

Note 28 : Changes In Inventory of Finished Goods, Work In Progress and Stock In Trade

	Amount INR Crore	
	Current Year	Previous Year
Inventory at the Commencement of the Year		
(a) Finished Goods	24.00	47.99
(b) Work In Progress	55.18	56.83
(c) Stock In Trade	0.04	0.04
	79.22	104.86
Less : Inventory at the Close of the Year		
(a) Finished Goods	(58.59)	(24.00)
(b) Work In Progress	(74.20)	(55.18)
(c) Stock In Trade	(0.05)	(0.04)
	(132.84)	(79.22)
Total	(53.62)	25.64

Note 29 : Employee Benefits Expenses

	Amount INR Crore	
	Current Year	Previous Year
Salaries and Wages	95.56	91.14
Contribution to Provident and Other Funds	5.51	10.23
Expense on Employee Stock Option Scheme	3.47	6.46
Staff Welfare Expense	7.79	7.50
Total	112.33	115.33

Note 30 : Finance Costs

	Amount INR Crore	
	Current Year	Previous Year
Interest Expense (Gross)	100.76	59.35
Less : Capitalised to Fixed Assets	(36.52)	(28.31)
Interest Expense (net)	64.24	31.04
Other Borrowing Costs	32.80	35.79
Less : Capitalised to Fixed Assets	(2.20)	(2.01)
Other Borrowing Costs (net)	30.60	33.78
Total	94.84	64.82

Notes to the Financial Statements

Note 31 : Other Expense

	Amount INR Crore	
	Current Year	Previous Year
Consumption of Stores and Spares	7.87	9.50
Power and Fuel	122.77	108.82
Processing Charges	6.87	5.68
Rent	5.06	4.98
Rates and Taxes	8.42	7.09
Repairs and Maintenance		
(a) Machinery	10.12	10.54
(b) Buildings	8.87	8.96
(c) Other assets	0.44	0.58
Insurance	1.56	1.74
Freight	38.84	34.11
Commission	4.73	7.10
Discount	4.87	4.55
Advertisement and Publicity	14.54	11.12
Selling and Distribution Expenses	9.15	8.43
Provision / (Writeback) for Doubtful Debts and Advances	(6.37)	(1.60)
Provision / (Writeback) for Excise Duty on Closing Inventory	5.29	(2.04)
Loss on Foreign Exchange Translation	11.88	4.87
Loss on Sale of Fixed Assets	0.14	0.25
Research Expense - refer note 1 below	3.20	2.89
Miscellaneous Expenses - refer note 2 below	49.14	46.44
Total	307.39	274.01

Notes :

- (1) Research Expenses include Employee Benefits Expenses of ₹ 2.99 Crore (previous year ₹ 2.73 Crore).
- (2) In accordance with the Scheme of Amalgamation of Swadeshi Detergents Limited with the Company, as approved by the Honourable Bombay High Court, the costs and expenses incurred on the Scheme amounting to ₹ 0.23 crore have been adjusted in the General Reserve.

Note 32 : Exceptional Items

	Amount INR Crore	
	Current Year	Previous Year
(i) Profit on Sale of Long Term Investments	74.71	73.61
(ii) Write back / (Provision) for Diminution in Value of Investments / Loans and Advances	4.50	(10.48)
(iii) Voluntary Retirement Compensation	-	(4.42)
(iv) Profit on assignment of Trademark	25.00	-
Total	104.21	58.71

Notes to the Financial Statements

Note 33: Earnings Per Share

	Current Year	Previous Year
1 Calculation of weighted average number of equity shares - Basic		
(a) Number of equity shares at the beginning of the year	335,165,917	317,624,892
(b) Number of equity shares issued during the year	289,343	17,541,025
(c) Number of equity shares outstanding at the end of the year	335,455,260	335,165,917
Weighted average number of equity shares outstanding during the year	335,331,194	326,485,070
2 Calculation of weighted average number of equity shares - Diluted		
(a) Number of potential equity shares at the beginning of the year	335,678,641	318,212,205
(b) Number of potential equity shares outstanding at the end of the year	335,825,871	335,678,641
Weighted average number of potential equity shares outstanding during the year	335,801,244	327,173,414
3 Net Profit After Tax (Amount INR Crore)	119.69	96.74
4 Basic Earnings per share of ₹ 1 each	3.5693	2.9631
5 Diluted Earnings per share of ₹ 1 each	3.5643	2.9568

Note 34 : Auditor's Remuneration

	Amount INR Crore	
	Current Year	Previous Year
Audit Fees	0.46	0.46
Tax Audit Fees	0.06	0.06
Taxation Matters	0.09	0.09
Consultation and Management Services	0.06	0.05
Certification and Other Services	0.13	0.07
Reimbursement of Expenses	0.01	0.01
Institutional Placement Programme certification	-	0.25
Total	0.81	0.99

Note 35: Consumption of Raw Materials and Purchase of Goods

	Amount INR Crore	
	Current Year	Previous Year
Raw Material Consumed		
(i) Oils and Fats	653.15	728.71
(ii) Chemicals & Catalyst	232.17	144.68
(iii) Packing Materials	34.50	29.31
(iv) Others	64.58	51.61
Total	984.40	954.31
Purchase of Goods		
Refined oil, Soaps, Toiletries, etc.	3.70	3.78

Notes to the Financial Statements

Note 36 : Sales and Inventory of Finished Goods

Product	Sales		Inventory of Finished Goods	
	Current Year	Previous Year	Current Year	Previous Year
	Amount INR Crore			
(i) Fatty Acids	477.29	549.58	16.03	6.32
(ii) Glycerin	72.44	61.44	4.41	0.90
(iii) Fatty Alcohol	518.79	496.03	28.25	14.03
(iv) Surfactants	207.52	206.85	9.90	2.75
(v) Others	8.01	8.09	0.05	0.04
Total	1,284.05	1,321.99	58.64	24.04

Note 37 : Inventory of Work in Progress

	Amount INR Crore	
	Current Year	Previous Year
	(i) Fatty Acids	47.20
(ii) Glycerin	1.54	0.63
(iii) Fatty Alcohol	19.55	16.89
(iv) Surfactants	5.91	7.42
Total	74.20	55.18

Note 38: Value of Imports on CIF Basis (includes only Imports directly made)

	Amount INR Crore	
	Current Year	Previous Year
	Raw Materials	392.85
Spare Parts and Components	1.52	1.72
Capital Goods	7.70	7.59
Total	402.07	246.05

Note 39: Expenditure in Foreign Currency

	Amount INR Crore	
	Current Year	Previous Year
	Borrowing Cost (Includes Capitalised to fixed assets ₹ 8.97 crore, Previous year ₹ 6.49 crore)	10.78
Travelling	1.61	1.09
Other Expenditure	12.10	12.65
Foreign Branch Expenses :		
(a) Salaries and Allowance	2.11	1.87
(b) Rent (*)	0.00	0.00
(c) Others	0.03	0.04
Total	26.63	22.14

* Amount less than ₹ 0.01 crore.

Notes to the Financial Statements

Note 40 : Consumption of Imported and Indigenous Raw Materials, Spare Parts and Components

	Current Year		Previous Year	
	Amt INR Crore	%	Amt INR Crore	%
Raw Materials				
Imported (including duty content)	384.49	39	311.69	33
Indigenous	599.91	61	642.62	67
Total	984.40	100	954.31	100
Spare Parts and Components				
Imported (including duty content)	2.64	34	2.30	24
Indigenous	5.23	66	7.20	76
Total	7.87	100	9.50	100

Note 41 : Dividends Remitted in Foreign Currency

(subject to deduction of tax, as applicable)

	Amount INR Crore	
	Current Year	Previous Year
Final Dividend for Financial Year 2012-13 to 4 shareholders on 1,980 equity shares* (Previous year Final Dividend for Financial Year 2011-12 to 4 shareholders on 1,980 equity shares *)	0.00	0.00
Total	0.00	0.00

* Amount less than ₹ 0.01 crore.

Note 42 : Earnings in Foreign Exchange

	Amount INR Crore	
	Current Year	Previous Year
Export of Goods on FOB Basis	501.26	497.30
Dividend	11.93	11.63
Sale of Investments	-	263.27
Total	513.19	772.20

Notes to the Financial Statements

Note 43 : Employee Stock Benefit Plans

1. Employee Stock Option Plans

- a) In December 2005, the Company had instituted an Employee Stock Option Plan I (GIL ESOP I) as approved by the Board of Directors and the Shareholders, for the allotment of 15,00,000 options, increased to 90,00,000 options on split of shares convertible into 90,00,000 equity shares of ₹1 each to eligible employees of participating companies.

In July 2009, the Company had instituted an Employee Stock Option Plan II (GIL ESOP II) as approved by the Board of Directors and the Shareholders, for the allotment of 90,00,000 options convertible into 90,00,000 shares of ₹ 1 each to eligible employees of participating companies.

The Plan is administered by an independent ESOP Trust created with IL&FS Trust Co. Ltd which purchased from the market shares equivalent to the number of options granted by the Compensation Committee. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market. The particulars of the scheme and movements during the year are as under:

ESOP I

	Current Year		Previous Year	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	3,337,200	388.21	4,577,950	356.34
Options Exercised During the Year	130,000	250.26	1,087,000	250.01
Options Forfeited / Expired During the Year	283,750	283.46	153,750	281.62
Options Outstanding at the Year End	2,923,450	391.21	3,337,200	388.21

ESOP II

	Current Year		Previous Year	
	No. of Options	Wt. average exercise price ₹ (*)	No. of Options	Wt. average exercise price ₹ (*)
Options Outstanding at the Beginning of the Year	692,250	355.33	1,210,250	280.61
Options Granted During the Year				
May 30 , 2012	-	-	101,500	369.06
July 9, 2012	-	-	132,000	335.12
Options Exercised During the Year	49,000	231.93	741,500	231.93
Options Forfeited / Expired During the Year	132,000	335.12	10,000	334.87
Options Outstanding at the Year End	511,250	372.37	692,250	355.33

(*) The Wt. average exercise price stated above is the price of the equity shares on the grant date increased by the interest cost to the ESOP Trust at the prevailing rates upto March 31, 2012 after which date no further interest is being accrued.

The overall weighted average balance life of options outstanding as on March 31, 2014 is 2.73 years.

The weighted average balance life of options outstanding as on March 31, 2014 for ESOP I is 2.84 years and for ESOP II is 2.14 years.

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

- b) Prior to the SEBI notification mentioned in Para 1(a) above, the independent ESOP Trust had purchased equity shares of the Company from the market equivalent to the number of stock options granted from time

Notes to the Financial Statements

Note 43 : Employee Stock Benefit Plans (Contd.)

to time to the eligible employees. These purchases are financed by loans from the respective participating companies. The Company has given a loan which along with interest thereon amounts to ₹ 50.07 crore (previous year ₹ 63.08 crore) (Net of provision ₹ 16.70 crore, previous year ₹ 3.11 crore) for financing the purchase of equity shares from the market equivalent to the number of option granted to the employees of the Company. As on March 31, 2014, the market value of the equity shares held by the ESOP Trust is lower than the holding cost (cost or market value) of these equity shares by ₹ Nil (previous year ₹ 8.22 crore) (Net of provision ₹ 16.70 crore, previous year ₹ 3.11 crore).

The repayment of the loans granted to the ESOP Trust and the interest payable by the Trust on the said loans is dependent on the exercise of the options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. The fall in value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period.

- c) In the current year, in accordance with the opinion issued by the Expert Advisory Committee of the ICAI on Consolidation of ESOP Trust in the standalone financial statements, the Company has included the financial statements of the ESOP Trust in preparation of the Company's standalone financial statements to portray the picture as if the Company itself is administering the ESOP Scheme. Consequently, the operations of the ESOP Trust are included in the financial statements of the Company in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the Company. The loans to the ESOP Trust in the books of the Company are eliminated against the loan from the Company as appearing in the books of the Trust and investments in the equity shares of the Company held by the Trust have been reduced from Share Capital to the extent of the face value of the shares and the balance has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus. Balances arising from transactions between the Company and the Trust have been appropriately eliminated. The opening excess of expenditure over income of the Trust has been adjusted in "ESOP Trust Adjustments" under Reserves and Surplus.

2. Employee Stock Grant Scheme

- a) The Company had set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders at their Meeting held on January 17, 2011.
- b) The ESGS Scheme is effective from April 1, 2011, (the "Effective Date") and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the shares to be vested under Employee Stock Grant Scheme 2011 have been vested in the Eligible Employees and all restrictions on such Stock Grants awarded under the terms of ESGS Scheme, if any, have lapsed, whichever is earlier.
- c) The Scheme applies to the Eligible Employees who are in whole time employment of the Company or its Subsidiary Companies. The entitlement of each employee would be decided by the Compensation Committee of the respective Company based on the employee's performance, level, grade, etc.
- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 25,00,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 5,00,000 (Five Lac) fully paid up equity shares or 1% of the issued equity share capital at the time of awarding the Stock Grant, whichever is lower, can be awarded to any one employee in any one year.
- e) The Stock Grants shall vest in the Eligible Employees pursuant to the ESGS Scheme in the proportion of 1/3rd at the end of each year from the date on which the Stock Grants are awarded for a period of three consecutive years, or as may be determined by Compensation Committee, subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.

Notes to the Financial Statements

Note 43 : Employee Stock Benefit Plans (Contd.)

- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan is as under:

	Numbers	
	Current Year	Previous Year
Options Outstanding at the Beginning of the Year	512,724	587,313
Options Granted	173,560	279,314
Options Vested	289,343	307,618
Options Exercised	289,343	307,618
Options Lapsed / Forfeited	26,330	46,285
Total Options Outstanding at the end of the year	370,611	512,724

3. The employee stock option plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since the market price of the underlying share at the grant date is the same / less than the exercise price of the option, the intrinsic value therefore being Nil.

The employee stock grant scheme have been accounted based on the intrinsic value method and compensation expense ₹ 3.47 crore has been recognized in Statement of Profit and Loss.

The fair value of the share under employee stock option plans and employee stock grant scheme has been determined using the Black-Scholes Option Pricing Model. Had the fair value method of accounting been used, the net profit and earnings per share would have been as per the proforma amounts indicated below.

Particulars	Current Year Amount INR Crore	Previous Year Amount INR Crore
Net Profit (as reported)	119.69	96.74
Less : Employee Stock Option Plans compensation expense determined under fair value based method (Proforma)	1.31	0.50
Less : Difference in Employee Stock Grant Scheme compensation expense determined under fair value method and intrinsic value method (Proforma)	(1.72)	(1.63)
Net Profit (Proforma)	120.10	97.87
	Amount ₹	Amount ₹
Basic Earnings per share (as reported)	3.5693	2.9631
Basic Earnings per share (Proforma)	3.5815	2.9977
Diluted Earnings per share (as reported)	3.5643	2.9568
Diluted Earnings per share (Proforma)	3.5765	2.9914

Notes to the Financial Statements

Note 44 : Employee Benefits

a) DEFINED CONTRIBUTION PLAN

Provident Fund :

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

b) DEFINED BENEFIT PLAN

Gratuity :

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of ICICI Prudential, Life Insurance Co. Ltd., HDFC Standard Life Insurance Co. Ltd. and SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity (Amendment) Act, 1997, or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Provident Fund :

The Company manages the Provident Fund plan through a Provident Fund Trust for a majority of its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

Pension :

The Company has Pension plan for eligible employees. The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

c) Basis Used to Determine Expected Rate of Return on Assets :

The expected return on plan assets of 9.35% has been considered based on the current investment pattern in Government securities.

d) Amounts Recognised as Expense :

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 1.23 crore (previous year ₹ 0.74 crore) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ (-) 0.27 crore (previous year ₹ 5.11 crore) has been included in Note 29 under Contribution to Provident and Other Funds.

Employer's Contribution to Provident Fund amounting to ₹ 3.58 crore (previous year ₹ 3.79 crore) has been included in Note 29 under Contribution to Provident Fund and Other Funds.

Pension cost amounting to ₹ (-) 0.04 crore (previous year ₹ 0.10 crore) has been included in Note 29 under Contribution to Provident and Other Funds.

Notes to the Financial Statements

Note 44 : Employee Benefits (Contd.)

e) The amounts recognised in the Company's financial statements as at the year end are as under:

	Gratuity		Pension	
	Current Year	Previous Year	Current Year	Previous Year
i) Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year	35.74	31.32	0.53	0.56
Current Service Cost	1.34	1.40	-	-
Interest Cost	2.86	2.66	-	-
Actuarial (Gain) / Loss on Obligation	(1.30)	3.79	(0.04)	0.07
Benefits Paid	(6.12)	(3.43)	(0.07)	(0.10)
Present value of the obligation at the end of the year	32.52	35.74	0.42	0.53
ii) Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year	30.64	29.51	-	-
Expected return on Plan Assets	2.45	2.51	-	-
Actuarial (Gain) / Loss on Plan Assets	(0.72)	(0.23)	-	-
Contributions by the Employer	4.90	1.82	-	-
Benefits Paid	(6.12)	(3.43)	-	-
Fair value of Plan Assets at the end of the year	32.59	30.64	-	-
iii) Amounts Recognised in the Balance Sheet :				
Present value of Obligation at the end of the year	32.52	35.74	-	-
Fair value of Plan Assets at the end of the year	32.59	30.64	-	-
Net Obligation at the end of the year	(0.07)	5.10	-	-
iv) Amounts Recognised in the statement of Profit and Loss :				
Current Service Cost	1.34	1.40	-	-
Interest cost on Obligation	2.86	2.66	-	-
Expected return on Plan Assets	(2.45)	(2.51)	-	-
Net Actuarial (Gain) / Loss recognised in the year	(2.02)	3.56	-	-
Net Cost Included in Personnel Expenses	(0.27)	5.11	-	-
v) Actual Return on Plan Assets	3.17	2.74	-	-
vi) Estimated Contribution to be made in Next Financial Year	1.07	3.59	-	-
vii) Actuarial Assumptions				
i) Discount Rate	9.35% P.A.	8.00% P.A.	9.35% P.A.	8.00% P.A.
ii) Expected Rate of Return on Plan Assets	9.35% P.A.	8.00% P.A.	9.35% P.A.	8.00% P.A.
iii) Salary Escalation Rate	5.00% P.A.	5.00% P.A.	-	-
iv) Employee Turnover	1.00% P.A.	1.00% P.A.	1.00% P.A.	1.00% P.A.
v) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate			

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Experience Adjustments

Experience Adjustments (Gain) / Loss

Apr 10 to Mar 11
Apr 11 to Mar 12
Apr 12 to Mar 13
Apr 13 to Mar 14

	On Plan Liabilities	On Plan Assets
	0.88	0.14
	1.43	0.26
	2.84	(0.23)
	0.63	(0.72)

Note : Information has been furnished to the extent available with the Company

Notes to the Financial Statements

Note 45 : Segment Information

Information about primary business segments.

	Chemicals		Estate		Finance & Investments		Others		Amount INR Crore Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Revenue									
External Sales	1294.54	1324.36	63.22	74.34	228.25	162.01	12.52	12.36	1598.53	1573.07
Inter Segment Sale	-	-	-	-	-	-	-	-	-	-
Total Income	1294.54	1324.36	63.22	74.34	228.25	162.01	12.52	12.36	1598.53	1573.07
Results										
Segment Result Before Interest and Tax	49.19	65.80	49.30	61.77	228.25	151.53	(4.53)	(8.75)	322.21	270.35
Unallocated Expenses									(102.49)	(108.37)
Interest Expense (net)									(94.84)	(64.82)
Profit Before Tax									124.88	97.16
Taxes									(5.19)	(0.42)
Net Profit									119.69	96.74
Segment Assets	1129.21	841.91	498.02	427.82	1936.49	1434.01	19.83	20.77	3583.55	2,724.51
Unallocated Assets									44.11	406.59
Total Assets									3627.66	3131.10
Segment Liabilities	1026.96	687.19	290.43	142.09	2.74	9.15	5.20	5.19	1325.33	843.62
Unallocated Liabilities									867.40	663.36
Total Liabilities									2192.73	1506.98
Cost incurred during the year to acquire segment assets	219.00	204.47	8.79	159.66	0.20	0.25	0.08	0.00	228.07	364.38
Unallocated									3.77	-
Total Cost incurred during the year to acquire segment assets									231.84	364.38
Segment Depreciation	18.31	15.22	1.89	3.03	1.41	1.51	1.77	2.10	23.38	21.86
Unallocated depreciation									1.23	1.26
Total Depreciation									24.61	23.12
									Current Year	Previous Year
Information about Secondary Business Segments										
Revenue by Geographical Markets										
India									1077.32	1057.45
Outside India									521.21	515.62
Total									1598.53	1573.07
Carrying Amount of Segment Assets										
India									3598.41	3079.18
Outside India									29.25	51.92
Total									3627.66	3131.10

Notes :

- The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the different risks and returns, the organisational structure and the internal reporting system.
- Chemicals segment includes the business of production and sale of Oleochemicals and surfactants such as Fatty Acids, Fatty Alcohols, Refined Glycerine, Alfa Olefin Sulphonates, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate.
Estate segment comprises the business of giving premises on lease and license basis and share of LLP profit.
Finance & Investments segment comprises of investment in subsidiaries, associate companies & other investments.
Others includes business of refined vegetable oils, vanaspati and energy generation through windmills .
- The Geographical Segments consists of :
 - Sales to customers located in India.
 - Sales to customers located outside India.
- Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Company as a whole.

Notes to the Financial Statements

Note 46 : Related Party Information

a) Names of related parties and description of relationship

Parties where control exists

Godrej & Boyce Mfg. Co. Ltd., the holding company

Subsidiary companies :

Godrej Agrovet Ltd.

- Golden Feeds Products Ltd. (Merged with Godrej Agrovet Limited w.e.f. March 31, 2014)
- Godrej Seeds & Genetics Ltd.
- Godvet Agrochem Ltd.
- Goldmuhor Agrochem & Feeds Ltd. (Merged with Godrej Agrovet Ltd. on December 12, 2013 with effect from October 1, 2013)

Godrej Properties Ltd.

- Godrej Realty P. Ltd.
- Godrej Real Estate P. Ltd.
- Godrej Developers P. Ltd. (up to March 31, 2013)
- Godrej Sea View Properties P. Ltd. (up to December 31, 2013) (100% subsidiary w.e.f. July 1, 2013)
- Happy Highrises Ltd.
- Godrej Estate Developers Ltd. (up to December 31, 2013) (100% subsidiary w.e.f. June 28, 2013)
- Godrej Buildwell P. Ltd. (Subsidiary due to control over composition of Board of Directors)
- Godrej Buildcon P. Ltd.
- Godrej Projects Development P. Ltd.
- Godrej Premium Builders P. Ltd.
- Godrej Garden City Properties P. Ltd.
- Godrej Nandhi Hills Project P. Ltd. (100% up to December 31, 2013)
- Godrej Landmark Redevelopers P. Ltd.
- Godrej Redevelopers (Mumbai) P. Ltd.
- Godrej Green Homes Ltd. (w.e.f. December 24, 2013)
- Wonder City Buildcon P. Ltd. (w.e.f. August 30, 2013)
- Godrej Buildcorp LLP
- Godrej Property Developers LLP
- Mosaic Landmark LLP
- Dream World Landmarks LLP
- Oxford Realty LLP (control through Majority Voting Rights) (w.e.f. March 13, 2014)
- SSPDL Green Acres LLP (control through Majority Voting Rights) (w.e.f. March 27, 2014)

Natures Basket Ltd.

Ensemble Holdings & Finance Ltd.

Godrej International Ltd.

Godrej International Trading & Investments Pte Ltd.

Swadeshi Detergents Ltd. (merged into Godrej Industries Limited w.e.f. April 1, 2013)

Notes to the Financial Statements

Note 46 : Related Party Information

a) Names of related parties and description of relationship (contd.)

Fellow Subsidiaries :

Wadala Commodities Ltd.

Godrej (Malaysia) Sdn Bhd (Incorporated in Malaysia)

G & B Enterprises (Mauritius) P. Ltd.

Godrej (Singapore) Pte Ltd. (Incorporated in Singapore)

Godrej Infotech Ltd.

Veromatic International BV (Incorporated in Netherlands)

Veromatic Services BV (Incorporated in Netherlands)

Water Wonder Benelux BV (Incorporated in Netherlands)

Busbar Systems (India) Ltd (a Wholly-owned subsidiary w.e.f. February 1, 2013)

Mercury Mfg. Co. Ltd. (a subsidiary w.e.f. October 1, 2013)

Other related parties with whom the Company had transactions during the year

Associate / Joint Venture Companies :

Godrej Hershey Ltd. (up to September 27, 2012)

-Nutrine Confectionery Co. Ltd. (up to September 27, 2012)

Godrej Vikhroli Properties LLP

Godrej Consumer Products Ltd. (also a fellow subsidiary)

-Godrej South Africa (Proprietary) Ltd. (formerly, Rapidol (Pty) Ltd.) (incorporated in South Africa)

-Godrej Netherlands BV (incorporated in the Netherlands)

-Godrej Global Mid East FZE (incorporated in Sharjah, U.A.E.)

-Godrej Consumer Products Mauritius Ltd.

-Godrej Hygiene Products Ltd. (merged with GCPL w.e.f April 1, 2013)

-Godrej Consumer Products Holding (Mauritius) Ltd. (incorporated in Mauritius)

-Godrej Household Products Lanka (Private) Ltd. (incorporated in Sri Lanka)

-Godrej Household Products (Bangladesh) Pvt. Ltd. (incorporated in Bangladesh)

-Godrej Consumer Products Bangladesh Ltd. (incorporated in Bangladesh)

-Godrej Mauritius Africa Holdings Ltd. (incorporated in Mauritius)

-Godrej Weave Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Mauritius Africa Holdings Ltd.)

-Godrej West Africa Holdings Ltd. (incorporated in Mauritius on February 11, 2014) (a subsidiary of DGH Mauritius Pvt. Ltd.)

-Godrej Consumer Products Holdings (UK) Ltd. (incorporated in the United Kingdom) (formerly Godrej Consumer Products (UK) Ltd. and name changed w.e.f. July 5, 2013) a subsidiary of Godrej Netherlands BV)

-Godrej Consumer Products (UK) Ltd. (name changed from Keyline Brands Ltd. w.e.f. July 5, 2013) (a subsidiary of Godrej Consumer Products Holdings (UK) Ltd.)

-Inecto Manufacturing Ltd. (a subsidiary of Godrej Consumer Products (UK) Ltd.)

-Godrej Consumer Investments (Chile) Spa, (incorporated in Chile) (a subsidiary of Godrej Consumer Products Holdings (UK) Ltd.)

-Godrej Holdings (Chile) Limitada, (incorporated in Chile) (a subsidiary of Godrej Consumer Investments (Chile) Spa)

Notes to the Financial Statements

Note 46 : Related Party Information

a) Names of related parties and description of relationship (contd.)

Other related parties with whom the Company had transactions during the year

Associate / Joint Venture Companies :

- Cosmetica Nacional, (incorporated in Chile) (a subsidiary of Godrej Holdings (Chile) Limitada)
- Plasticos Nacional, (incorporated in Chile) (a subsidiary of Cosmetica Nacional)
- Godrej Kinky Holdings Ltd. (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Kinky Group Pty Ltd. (a subsidiary of Godrej Kinky Holdings Ltd.)
- Godrej Nigeria Ltd. (incorporated in Nigeria) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Godrej Consumer Investments Holding Ltd. (incorporated in Mauritius on October 8, 2013) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Indovest Capital Ltd. (incorporated in Malaysia) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
- Godrej Consumer Products Dutch Cooperatief UA, (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Holding (Mauritius) Ltd.)
- Godrej Consumer Products (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)
- Godrej Consumer Holdings (Netherlands) BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA)
- Godrej Indonesia Netherlands Holding BV (incorporated in the Netherlands) (a subsidiary of Godrej Consumer Products Dutch Cooperatief UA) (merged with Godrej Consumer Holding (Netherlands) BV w.e.f September 30, 2013)
- PT Megasari Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Intrasari Raya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Simba Indosnack Makmur (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV upto March 21, 2013)
- PT Ekamas Sarijaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Indomas Susemi Jaya (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- PT Sarico Indah (incorporated in Indonesia) (a subsidiary of Godrej Consumer Holdings (Netherlands) BV)
- Godrej Argentina Dutch Cooperatief UA (incorporated in Netherlands) (a subsidiary of Godrej Consumer Products Mauritius Ltd.)
- Godrej Netherlands Argentina Holding BV . (incorporated in Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)
- Godrej Netherlands Argentina BV (incorporated in the Netherlands) (a subsidiary of Godrej Argentina Dutch Cooperatief UA)
- Panamar Procuccioness Srl (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Argencos S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Laboratoria Cuenca S.A. (incorporated in Argentina) (a subsidiary of Godrej Netherlands Argentina BV)
- Issue Group Uruguay S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)
- Deciral S.A. (incorporated in Uruguay) (a subsidiary of Laboratoria Cuenca S.A.)
- Issue Group Brazil Ltd. (incorporated in Brazil) (a subsidiary of Laboratoria Cuenca S.A.)

Notes to the Financial Statements

Note 46 : Related Party Information

a) Names of related parties and description of relationship (contd.)

Other related parties with whom the Company had transactions during the year

Associate / Joint Venture Companies :

- Consell S.A . (incorporated in Argentina) (a subsidiary of Laboratoria Cuenca S.A.)
- Godrej Consumer Products Nepal Pvt. Ltd.
- Subinite Pty Ltd. (incorporated in South Africa) (a subsidiary of Godrej West Africa Holdings Ltd.)
- Lorna Nigeria Ltd (incorporated in Nigeria) (a subsidiary of Weave Business Holding Mauritius Pvt. Ltd.)
- Weave IP Holding Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej West Africa Holdings Ltd.)
- DGH Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd.)
- Weave Business Holding Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of DGH Mauritius Pvt. Ltd.)
- Weave Trading Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Weave Holdings Ltd.)
- Hair Trading (Offshore) S. A. L. (incorporated in Lebanon) (a subsidiary of Weave Trading Mauritius Pvt Ltd.)
- Weave Mozambique Limitada (incorporated in Mozambique) (a subsidiary of Godrej West Africa Holdings Ltd.)
- Godrej East Africa Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd.)
- Style Industries Ltd. (incorporated in Kenya) (a subsidiary of DGH Phase Two Mauritius Pvt. Ltd.)
- DGH Phase Two Mauritius Pvt. Ltd. (incorporated in Mauritius) (a subsidiary Godrej East Africa Holdings Ltd.)
- Godrej Tanzania Holdings Ltd. (incorporated in Mauritius) (a subsidiary of Godrej Consumer Products Ltd.)
- DGH Tanzania Ltd (incorporated in Tanzania) (a subsidiary of Godrej Tanzania Holdings Ltd.)
- Sigma Hair Ind Ltd. (incorporated in Tanzania) (a subsidiary of DGH Tanzania Ltd.)

Key Management Personnel :

Mr. A. B. Godrej - Chairman

Mr. N. B. Godrej - Managing Director

Ms. T. A. Dubash - Executive Director & Chief Brand Officer

Mr. M. Eipe - Executive Director & President (Chemicals) (up to April 30, 2013)

Mr. N. S. Nabar - Executive Director & President (Chemicals) (from May 1, 2013)

Relatives of Key Management Personnel :

Ms. P. A. Godrej - Wife of Mr. A. B. Godrej

Ms. N. A. Godrej - Daughter of Mr. A. B. Godrej

Mr. P. A. Godrej - Son of Mr. A. B. Godrej

Ms. R. N. Godrej - Wife of Mr. N. B. Godrej

Mr. B. N. Godrej - Son of Mr. N. B. Godrej

Mr. S. N. Godrej - Son of Mr. N. B. Godrej

Master H. N. Godrej - Son of Mr. N. B. Godrej

Ms. N. N. Nabar - Wife of Mr. N. S. Nabar

Enterprises over which key management personnel exercise significant influence :

Godrej South Africa Pty Ltd.

Laboratorio Cuenca S.A.

Godrej Global Mideast FZE

Godrej Investments P. Ltd.

Vora Soaps Ltd.

Godrej Tyson Foods Ltd.

Notes to the Financial Statements

Note 46 : Related Party Information

b) Transactions with Related Parties

Amount INR Crore

Nature of Transaction	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Associate/ Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprises over which Key Management Personnel exercise significant influence	Total
Sale of Goods *	-	0.00	-	25.62	-	-	3.78	29.40
Previous Year	-	0.02	-	23.09	-	-	4.50	27.61
Sale of Fixed Assets	-	-	-	7.88	-	0.70	-	8.58
Previous Year	-	-	-	-	-	-	-	-
Purchase of goods	0.01	-	3.18	24.15	-	-	-	27.34
Previous Year	0.02	-	2.95	15.94	-	-	-	18.91
Purchase of Fixed Assets	1.87	-	-	-	-	-	-	1.87
Previous Year	0.32	0.27	-	158.20	-	-	-	158.79
Processing charges received	-	-	-	-	-	-	-	-
Previous Year	-	-	-	0.99	-	-	-	0.99
Commission / Royalty received	-	0.43	-	-	-	-	-	0.43
Previous Year	-	2.95	-	1.10	-	-	-	4.05
Licence fees/Service charges/Storage Income	-	3.00	-	4.27	-	-	0.22	7.49
Previous Year	-	2.80	-	4.26	-	-	0.18	7.24
Other Income *	0.00	25.31	0.00	0.45	-	-	-	25.77
Previous Year *	0.00	0.22	0.00	0.49	-	-	-	0.71
Recovery of establishment & Other Expenses*	0.00	8.23	0.02	5.65	-	-	0.14	14.04
Previous Year	-	9.74	0.02	7.59	-	-	0.43	17.78
Rent, Establishment & other exps paid	1.93	0.57	0.19	2.48	-	0.78	0.01	5.96
Previous Year	2.58	1.28	0.27	2.68	-	0.73	0.13	7.67
Interest received *	-	-	-	0.00	-	-	-	0.00
Previous Year *	-	0.50	-	0.00	-	-	-	0.50
Interest paid	-	-	-	-	0.01	0.79	-	0.80
Previous Year	-	0.09	-	-	0.16	0.57	-	0.82
Dividend income*	-	48.73	0.00	37.27	-	-	-	86.00
Previous Year	-	26.02	-	34.53	-	-	-	60.55
Dividend paid	32.76	-	-	-	0.99	3.52	-	37.27
Previous Year	32.76	-	-	-	0.99	3.52	-	37.27
Remuneration	-	-	-	-	8.78	0.84	-	9.62
Previous Year	-	-	-	-	9.76	1.99	-	11.75
Purchase of Investments	-	469.76	-	-	-	-	-	469.76
Previous Year	-	29.10	-	-	-	-	0.03	29.13
Sale of Investments	86.00	-	-	-	-	-	-	86.00
Previous Year	-	-	-	-	-	-	-	-
Other Deposits accepted	-	0.23	-	-	-	1.40	-	1.63
Previous Year	-	0.16	-	0.07	0.40	2.00	0.11	2.74
Other Deposits refunded	-	0.31	-	0.12	-	-	-	0.43
Previous Year	-	0.19	-	0.90	-	-	-	1.09
Intercompany Deposits -Accepted	-	-	-	-	-	-	-	-
Previous Year	-	3.00	-	-	-	-	-	3.00
Intercompany Deposits Repaid during the year	-	-	-	-	-	-	-	-
Previous Year	-	5.00	-	-	-	-	-	5.00
Intercompany Deposits -Advanced	-	-	-	-	-	-	-	-
Previous Year	-	15.00	-	-	-	-	-	15.00
Intercompany Deposits Repayment received during the year	-	-	-	-	-	-	-	-
Previous Year	-	15.00	-	-	-	-	-	15.00
Share of profit in LLP	-	-	-	51.49	-	-	-	51.49
Previous Year	-	-	-	53.06	-	-	-	53.06
Directors Fees	-	-	-	-	0.02	-	-	0.02
Previous Year	-	-	-	-	0.02	-	-	0.02
Balance Outstanding as on March 31, 2014								
Receivables	3.30	0.54	-	9.95	-	-	1.09	14.87
Previous Year	0.02	0.16	-	1.62	-	-	1.12	2.92
Payables	-	0.16	0.01	1.06	-	-	0.09	1.32
Previous Year *	-	0.12	0.01	1.33	-	-	0.10	1.56
Public Deposits Outstanding	-	-	-	-	-	8.73	-	8.73
Previous Year	-	-	-	-	1.87	7.23	-	9.10

* Amount less than ₹ 0.01 crore

Notes to the Financial Statements

Note 46 : Related Party Information

c) The significant Related Party transactions are as under:

Amount INR Crore

Nature of Transaction	Current Year	Previous Year	Nature of Transaction	Current Year	Previous Year
Sale of goods			Interest paid		
- Godrej Consumer Products Ltd.	25.62	23.09	- Ms. P. A. Godrej	0.58	0.46
- Laboratorio Cuenca S.A.	3.24	3.77	- Mr. S. N. Godrej	0.12	0.07
- Godrej South Africa Pty Ltd.	0.53	0.71	- Mr. B. N. Godrej	0.08	0.04
- Godrej Tyson Foods Ltd.	-	0.02	- Ensemble Holdings & Finance Ltd.	-	0.09
- Godrej Agrovet Ltd.	-	0.02	- Mr. M. Eipe	0.01	0.16
			- Ms. N. N. Nabar	0.01	-
Purchase of goods			Inter Corporate Deposits - Accepted		
- Godrej Consumer Products Ltd.	24.15	14.44	- Ensemble Holdings & Finance Ltd.	-	3.00
- Wadala Commodities Ltd	3.18	2.95	Inter Corporate Deposits - Repaid		
- Godrej & Boyce Mfg. Co. Ltd.	0.01	0.02	- Ensemble Holdings & Finance Ltd	-	5.00
- Godrej Hershey Ltd.	-	1.50	Inter Corporate Deposits - Advanced		
Purchase of fixed assets			- Natures Basket Ltd.	-	15.00
- Godrej & Boyce Mfg. Co. Ltd.	1.87	0.32	Inter Corporate Deposits - Repayment Received		
- Godrej Vikhroli Properties LLP	-	158.20	- Natures Basket Ltd.	-	15.00
- Godrej Properties Ltd.	-	0.27	Processing Charges received		
Commission / Royalty received			- Godrej Hershey Ltd.	-	0.99
- Godrej Properties Ltd.	0.27	2.85	Other Deposits Accepted		
- Natures Basket Ltd.	0.16	0.10	- Ms. P. A. Godrej	1.40	-
- Godrej Hershey Ltd.	-	1.09	- Godrej Properties Ltd.	0.16	0.13
Licence fees / Service charges / Storage income			- Godrej Agrovet Ltd.	0.07	0.03
- Godrej Consumer Products Ltd.	4.27	3.93	- Mr. S. N. Godrej	-	1.25
- Godrej Properties Ltd.	1.51	1.29	- Mr. B. N. Godrej	-	0.75
- Godrej Agrovet Ltd.	1.15	1.18	- Mr. M. Eipe	-	0.40
- Natures Basket Ltd.	0.34	0.32	- Godrej Tyson Foods Ltd.	-	0.11
- Godrej Tyson Foods Ltd.	0.22	0.19	- Godrej Consumer Products Ltd.	-	0.07
- Godrej Hershey Ltd.	-	0.33	Other Deposits Refunded		
Other Income			- Godrej Consumer Products Ltd.	0.12	0.23
- Godrej Consumer Products Ltd.	0.45	0.39	- Godrej Agrovet Ltd.	0.12	0.03
- Godrej Agrovet Ltd.	0.16	0.12	- Godrej Properties Ltd.	0.19	0.16
- Godrej Properties Ltd.	25.15	0.09	- Godrej Hershey Ltd.	-	0.67
- Wadala Commodities Ltd *	0.00	0.01	Dividend income		
- Natures Basket Ltd. *	0.00	-	- Godrej Consumer Products Ltd.	37.27	34.53
- Godrej & Boyce Mfg. Co. Ltd. *	0.00	-	- Godrej Properties Ltd.	19.18	14.39
- Godrej Hershey Ltd.	-	0.09	- Godrej Agrovet Ltd.	16.00	-
Recovery of Establishment & other expenses			- Godrej International Ltd.	11.93	11.63
- Godrej Consumer Products Ltd.	5.62	7.58	- Ensemble Holdings & Finance Ltd.	1.62	-
- Godrej Agrovet Ltd.	5.18	4.26			
- Godrej Properties Ltd.	2.71	1.61			
- Natures Basket Ltd.	0.35	0.27			

Notes to the Financial Statements

Note 46 : Related Party Information

c) The significant Related Party transactions are as under: (contd.)

Amount INR Crore

Nature of Transaction	Current Year	Previous Year	Nature of Transaction	Current Year	Previous Year
Recovery of Establishment & other expenses (contd.)			Dividend paid		
- Godrej Tyson Foods Ltd.	0.13	0.04	- Godrej & Boyce Mfg. Co. Ltd.	32.76	32.76
- Godrej Vikhroli Properties LLP	0.03	-	- Mr. S. N. Godrej	0.97	0.97
- Wadala Commodities Ltd	0.02	0.02	- Mr. B. N. Godrej	0.95	0.95
- Ensemble Holdings & Finance Ltd.	-	0.69	- Ms. T. A. Dubash	0.75	0.75
- Swadeshi Detergents Ltd.	-	2.90	- Ms. N .A. Godrej	0.75	0.75
- Vora Soaps Ltd.	-	0.39	- Mr. P. A. Godrej	0.75	0.75
- Godrej Hershey Ltd.	-	0.01	- Mr. N. B. Godrej	0.21	0.21
			- Ms. R. N. Godrej	0.10	0.10
Rent, Establishment & other exps paid			- Mr. M. Eipe	-	0.02
- Godrej & Boyce Mfg. Co. Ltd.	1.93	2.58	Remuneration to Key Management Personnel		
- Godrej Consumer Products Ltd.	1.38	1.00	- Mr. N. B. Godrej	3.59	3.10
- Godrej Vikhroli Properties LLP	1.10	1.09	- Ms. T. A. Dubash	2.90	2.45
- Ms. R. N. Godrej	0.78	0.73	- Mr. M. Eipe	1.30	4.21
- Godrej Properties Ltd.	0.27	0.94	- Mr. N. S. Nabar	0.99	-
- Natures Basket Ltd.	0.20	0.30	Remuneration to Relatives of Key Management Personnel		
- Wadala Commodities Ltd	0.13	0.26	- Ms. N. A. Godrej	0.84	1.99
- Godrej Agrovet Ltd.	0.10	0.03	Sale of Investments		
- Godrej Tyson Foods Ltd.	0.01	0.13	- Godrej & Boyce Mfg. Co. Ltd.	86.00	-
- Godrej Infotech Ltd.	0.05	0.01	Purchase of Investments		
- Godrej Hershey Ltd.	-	0.59	- Godrej Properties Ltd.	436.23	-
Sale of fixed assets			- Natures Basket Ltd.	33.53	29.10
- Godrej Vikhroli Properties LLP	7.88	-	- Godrej Investment P. Ltd.	-	0.03
- Mr. P. A. Godrej	0.70	-	Share of profit in LLP		
Interest received			- Godrej Vikhroli Properties LLP	51.49	53.06
- Godrej Vikhroli Properties LLP *	0.00	-	Directors fees		
- Natures Basket Ltd.	-	0.50	- Mr. A. B. Godrej	0.02	0.02

* Amount less than ₹ 0.01 crore

Notes to the Financial Statements

Note 47 : Leases

(1) Leases Granted by the Company

a) Operating Lease :

The Company has entered into Lease and Licence agreements in respect of its commercial and residential premises. The non-cancelable portion of the leases range between 3 months to 36 months and are renewable by mutual consent on mutually acceptable terms. Lease and Licence arrangements are similar in substance to operating leases. The Company has also granted lease for freehold land. The particulars of the operating lease arrangements are as under :

	Amount INR Crore	
	Current Year	Previous Year
Gross Carrying Amount of Premises	51.71	60.08
Accumulated Depreciation	4.48	10.24
Depreciation for the period	1.14	2.26

The aggregate future minimum lease receipts are as under :

	Amount INR Crore	
	Current Year	Previous Year
Lease Income Recognised in the Statement of Profit and Loss	11.60	19.23
Future Lease Income		
- Within one year	3.84	8.52
- Later than one year and not later than five years	1.12	15.92

(2) Lease Taken by the Company

a) Operating Lease :

The Company's significant leasing arrangements are in respect of operating lease for land, office premises, residential premises, machinery and storage tanks. The aggregate lease rentals paid by the Company are charged to the Statement of Profit and Loss.

	Amount INR Crore	
	Current Year	Previous Year
Lease Payment recognised in the Statement of Profit and Loss	5.06	4.98
Future Lease Commitments		
- Within one year	4.26	3.64
- Later than one year and not later than five years	7.43	8.58

b) Finance Leases :

The Company has acquired vehicles under Finance Lease. Liability for minimum lease payment is secured by hypothecation of the vehicles acquired under the lease. The minimum lease payments outstanding as on March 31, 2014, in respect of vehicles acquired under lease are as under :

Particulars	Amount INR Crore		
	Total minimum lease payments outstanding as on March 31, 2014	Un-matured Interest	Present value of minimum lease payments
Within one year	0.01	-	0.01
Previous Year	-	-	-
Later than one year and not later than five years	-	-	-
Previous Year	-	-	-
Total	0.01	-	0.01
Previous Year Total	-	-	-

Notes to the Financial Statements

Note 48 : Interest in Joint Ventures

The Company's interests, as a venturer, in jointly controlled entities are :

Name	Countries of Incorporation	Principal activities	Percentage of Ownership interest as at March 31, 2014	Percentage of Ownership interest as at March 31, 2013
Godrej Hershey Ltd	India	Beverages & Foods	0.00%	0.00%

The Company had sold entire of it's holding in the Joint Venture in September 2012. The Company's share of each of the assets, liabilities, income and expenses, etc. related to its interests in these joint ventures are :

Amount INR Crore

	Current year	Previous year
I. ASSETS		
1. Non Current Assets		
a) Fixed Assets	-	-
b) Goodwill on consolidation	-	-
c) Long term loans and advances	-	-
d) Other non current assets	-	-
2. Current Assets		
a) Inventories	-	-
b) Sundry Debtors	-	-
c) Cash and Bank Balances	-	-
d) Loans and Advances	-	-
II. LIABILITIES		
1. Non Current Liabilities		
a) Long term borrowings	-	-
b) Long term provisions	-	-
2. Current Liabilities		
a) Short term borrowings	-	-
b) Trade Payables	-	-
c) Other Current Liabilities	-	-
d) Short term provisions	-	-
III. INCOME		
1. Turnover (net of excise)	-	78.37
2. Other Operating Revenue	-	2.52
3. Other Income	-	0.81
IV. EXPENSES		
1. Material consumed and purchase of goods	-	55.66
2. Expenses	-	40.79
3. Inventory change	-	0.13
4. Depreciation	-	2.44
5. Interest	-	8.86
6. Provision for Taxation	-	0.40
V. OTHER MATTERS		
1. Contingent Liabilities	-	-
2. Commitments	-	-

Notes to the Financial Statements

Note 49 : Hedging Contracts

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitments in accordance with its forex policy as determined by a Forex Committee. The Company also uses commodity futures contracts to hedge its exposure to vegetable oil price risk. The Company does not use foreign exchange forward contracts or commodity future contracts for trading or speculation purposes.

i) Derivative Instruments Outstanding :

a) Commodity Futures Contracts

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Futures Contracts Outstanding	30	22	3	-
Number of units under above contracts in MT.	22,810	14,860	2,750	-

b) Forward Exchange Contracts

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total Number of Contracts Outstanding	46	34	-	27
Foreign Currency Value				
- US Dollar (Crore)	2.45	1.11	-	0.94
- Euro (Crore)	-	0.10	-	0.23

ii) Un-hedged Foreign Currency Exposures

	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Uncovered Foreign Exchange Exposure as at the year end				
- US Dollar (Crore)	7.25 *	0.73	5.41 *	0.80
- Euro (Crore) (**)	0.00	-	-	-
- CHF (Crore) (**)	0.00	-	-	-

(*) Uncovered Foreign Exchange Exposure includes US Dollar 6 crore (previous year US Dollar 4 crore) of External Commercial Borrowings (ECB) taken for Capital Expenditure. Impact of fluctuation in Foreign Currency Rates on ECB will be capitalised to Fixed Assets and would not impact Statement of Profit and Loss.

(**) Amount less than 0.01 crore.

Note : 50

In view of amalgamation of Swadeshi Detergents Limited and the consolidation of the ESOP Trust with the Company, the previous year figures are not strictly comparable.

Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.