

FINANCIALS

Independent Auditors' Report

TO THE MEMBERS OF GODREJ CONSUMER PRODUCTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GODREJ CONSUMER PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- i) Note 12(b) regarding the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited with the Company approved by The Hon'ble High Court of Judicature at Bombay, whereby an amount of ₹ 52.75 crore for the year ended March 31, 2015, equivalent to the amortisation of the Goodknight and Hit Brands is directly debited to the General Reserve Account instead of debiting the same to the Statement of Profit and Loss as per the provisions of AS 26. The said accounting treatment is in accordance with the accounting treatment prescribed in the Order of the High Court of Mumbai dated February 28, 2011 under section 394 of the Companies Act, 1956.
Had this amount been charged to the Statement of Profit and Loss, the profit for the year ended March 31, 2015, would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.
- ii) Note 23 on other income for the year ended March 31, 2015 including the recovery of loan amounting to ₹ 25.25 crore from GCPL ESOP Trust which was earlier written off and debited to Reserves under a Court approved Scheme of Amalgamation.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the matters described in sub-paragraph (i) of Emphasis of Matter paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The financial statements disclose the impact of pending litigations on the financial position of the Company – Refer Note 32 to the financial statements.
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W

ROSHNI R. MARFATIA
PARTNER

M. No.: 106548
Mumbai: April 28, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2015 :

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- ii) a) The Management has conducted physical verification of inventory (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by 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 and no material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3 (iii) of the Order are not applicable.
- iv) 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.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder. 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.
- vi) We have broadly reviewed the books of accounts and records maintained by the Company in respect of manufacture of products covered under the Rules made by the Central Government for maintenance of cost records, under section 148 (i) of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanation given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to provident fund, Employees' State Insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, 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 and the records of the Company examined by us, dues of income tax, sales tax, service tax, customs duty and excise duty not deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
Central Excise Act, 1944	Duty on one to one correlation in terms of excisable material purchased and cleared final product with reference to the said material wherein the benefit under notification No. 32 of 99 availed CENVAT credit availed on Capital Goods	1,912,132	2002-04	The Hon'ble Supreme Court of India
		3,651,495	2000-03	The Hon'ble Supreme Court of India
		1,755,920	2009-10	Commissioner of Central Excise (Appeals)
		86,115	2002-03	
	Advertisement Service - Credit availed as Input	1,418,981	2008-09	Commissioner of Central Excise (Appeals)
	Input Service Tax Distribution Credit availed	1,609,987	2006-08	Commissioner of Central Excise (Appeals)
	Service Tax not paid on Royalty (Foreign Payment)	27,167,930	2004-08	Commissioner of Central Excise (Appeals)
	Cenvat credit availed on GTA	2,475,925	2006-08	Assessing Authority
	Cenvat credit availed on goods received from Emox	64,146,884	2007-08	CESTAT, Chennai
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	155,393,836	2007-11	Adjudicating Authority
Central Excise Act, 1944	Cenvat credit on input services availed based on the invoices issued by suppliers to the branches prior to registration.	543,416	2007-12	Commissioner of Central Excise (Appeals)
	Allegations of non- manufacturing of shoe polish brush	6,174,082	2007-12	Commissioner of Central Excise (Appeals)
	Valuation of Mosquito Repellent supplied from Guwahati factories to Emox Puduchery	55,307,174	2008-12	CESTAT, Kolkata
	Excise valuation dispute on account of non-complete fees and trademark license fees paid by PGG (JV between Godrej Soaps Limited and Proctor and Gamble) to Godrej	51,800,000	1993-96	The Hon'ble Supreme Court of India
	Distribution of Cenvat Credit by Head Office to Other Factories	121,564,838	2008-12	CESTAT, Delhi
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	31,851,841	2011-12	Adjudicating Authority
	Valuation of PHD - Differential demand between Section 4 and 4A valuation	66,897,878	2011-13	CESTAT, Kolkata
	Valuation of Combipack which are marked as "Goods for Export"	1,522,705	2007-08	CESTAT, Chennai
	Violation of Target Plus Scheme of Customs	4,124,764	2007-08	CESTAT, Chennai
	CENVAT credit availed on Transportation Services	311,754	2011-12	Adjudicating Authority

Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
	CENVAT credit availed on the grounds of valuation methodology adopted by one plant while transferring goods from Lokhra plant	73,881,431	2008-12	CESTAT, Chennai
	CENVAT credit availed on supplementary invoices issued by GOPL to Emox upon payment of differential duty by GOPL.	1,114,212	2009	Adjudicating Authority
	CENVAT credit availed on account of trading activity conducted	18,922,839	2008-12	CESTAT, Chennai
	CENVAT credit availed on Capital Goods because same is not availed in the month which it pertains to Others	940,000	Aug-12	Adjudicating Authority
		976,000	2007-08	CESTAT
		212,528	2007-08	Sales Tax Authority
		141,191	2008-09	CESTAT, Kolkata
		221,133	2003-04	Commissioner of Central Excise (Appeals)
		877,690	2006-07	CESTAT, Chennai
	Sales Tax Dues on account of Classification Head	39,157,279	2006-07 2007-08 2008-09	Jaipur High Court
	Sales Tax Dues	689,121	2004-05	Uttar Pradesh Tribunal
	Central Sales Tax Dues	579,562	2004-05	Uttar Pradesh Tribunal
	Sales Tax Dues on account of Classification Head	642,305	1999-00 2001-02	Jammu Tribunal
	Sales Tax Dues on account of Classification Head	6,340,450	2003-04 2004-05 2005-06	The Hon'ble Supreme Court of India
Central Sales Tax Act, 1956 & Value Added Tax Act of Various States	Central Sales Tax Dues	789,432	2006-07	Assessing Authority
	Central Sales Tax Dues	6,600,000	2005-06	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	6,000,940	2000-01	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	9,009,696	2001-02	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	3,607,688	2002-03	Bihar Tribunal
	Sales Tax Dues on account of Classification Head	497,261	2005-06	Assessing Authority
	Entry Tax	1,000,585	2005-08	Orissa Tribunal
	Entry Tax	2,254,849	1999-00 2005-06 2006-07	Madhya Pradesh High Court
	Sales Tax Dues on account of Classification Head	16,580,938	2005-06 2006-07 2007-08 2008-09	Andhra Pradesh High Court
	Sales Tax Dues on account of Classification Head	22,449,405	2009-10	Andhra Pradesh High Court
	Central Sales Tax Dues	160,178	2004-05	Deputy Commissioner (A)
	Sales Tax Dues	1,406,850	2005-06 2006-07	Deputy Commissioner (A)
	Sales Tax Dues	700,728	2005-06	Deputy Commissioner (A)
	Sales Tax Dues	258,056	2006-07	Deputy Commissioner (A)
	Sales Tax Dues	1,146,028	2002-03 2003-04 2004-05	Deputy Commissioner Sales Tax Nagpur
	Sales Tax Dues	1,465,192	2005-06	Joint Commissioner (A)
	Central Sales Tax Dues	256,482	2005-06	Deputy Commissioner (A)
	Interest on Sales Tax Dues	1,207,000	2001-02	Chennai High Court
	Sales Tax Dues	510,000	2002-03	Additional Commissioner (Appeals)
	Sales Tax Dues	1,757,925	2006-07	Joint Commissioner (A)
	Central Sales Tax Dues & Others	1,190,919	2005-06 2006-07 2007-08 2013-14	West Bengal Tribunal
	Sales Tax Dues	10,641,000	2004-05	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	16,838,252	2007-08	Allahabad High Court
	Sales Tax Dues on account of Classification Head	4,838,279	2008-09 2009-10 2010-11	Assessing Authority
	Sales Tax Dues on account of Classification Head	9,044,088	2005-06 2006-07 2007-08 2008-09	Andhra Pradesh High Court

Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
	Sales Tax Dues on account of Classification Head	25,809,827	2010-11	Andhra Pradesh High Court
	Sales Tax Dues	11,693,000	2006-07	Deputy Commissioner
	Sales Tax Dues	394,000	2006-07	Assessing Authority
	Checkpost	1,610,000	2010-11	Additional Commissioner (Appeals)
	Sales Tax Dues	3,073,427	2009-10	Assessing Authority
	Sales Tax Dues on account of Classification Head	228,973,669	2010-11	Orissa Tribunal
			2011-12	
	Sales Tax Dues on account of Classification Head	86,380,815	2010-11	Orissa Tribunal
			2011-12	
	Sales Tax Dues on account of Classification Head	27,155,975	2012-13	Orissa Tribunal
			2013-14	
	Sales Tax Dues on account of Classification Head	63,651,140	2011-12	Andhra Pradesh High Court
			2012-13	
	Central Sales Tax Dues	57,681	2011-12	Deputy Commissioner (Appeals), Jaipur
	Sales Tax Dues	539,028	2008-09	Deputy Commissioner (Appeals), Jammu
	Sales Tax Dues on account of Classification Head	555,281	2013-14	Deputy Commissioner (Appeals), Hyderabad
	Sales Tax Dues on account of Classification Head	650,541	2011-12	Deputy Commissioner III, Haldwani
	Sales Tax Dues on account of Classification Head	883,023	2012-13	Deputy Commissioner III, Haldwani
	Entry Tax	10,985,048	2005-06	Deputy Commissioner (Appeals)
	Entry Tax	12,586,720	2006-07	Deputy Commissioner (Appeals)
	Entry Tax	8,601,779	2007-08	Deputy Commissioner (Appeals)
	Other Sales Tax Dues	5,502,678	2002-13	Uttar Pradesh Tribunal, Deputy Commissioner (A), Commissioner of Commercial Taxes, Addt Commissioner (A), Jammu Tribunal, Assessing Authority, Madhya Pradesh High Court, Joint Commissioner (A), Delhi Tribunal, West Bengal Tribunal, Addl. Commissioner (A) Mohali.
Income Tax Act, 1961	Demand based on the order of regular assessment u/s 143(3) of the Act.	8,101,491	AY 2009-10	Income - tax Appellate Tribunal
	Demand based on the order of regular assessment u/s 143(3) of the Act.	11,020	AY 2007-08	High Court
	Income-tax in dispute pertaining to erstwhile Godrej Household Products Limited.	3,266,327	AY 2005-06	CIT (Appeal)
		4,658	AY 2006-07	Income - tax Appellate Tribunal
		2,534,092	AY 2007-08	Income - tax Appellate Tribunal
		109,478,059	AY 2009-10	Income - tax Appellate Tribunal
		31,948,800	AY 2010-11	Income - tax Appellate Tribunal

- c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii) 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.
- ix) 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 or debenture holders. There were no dues to financial institutions during the year.
- x) According to the information and explanations given to us and based on the documents and records produced before us, the terms and conditions of guarantees given by the Company for loans taken by its subsidiaries from banks are prima facie not prejudicial to the interest of the Company.
- xi) According to the information and explanations given to us and the records examined by us, the Company has not obtained any term loans.
- xii) Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W

ROSHNI R. MARFATIA
PARTNER

M. No.: 106548
Mumbai: April 28, 2015

Balance Sheet as at March 31, 2015

			₹ Crore
	Note No.	Current Year	Previous Year
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	34.04	34.04
(b) Reserves and Surplus	4	3349.01	2990.32
		3383.05	3024.36
2. Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	5	1.11	1.64
(b) Other Long-term Liabilities	6	4.02	3.79
(c) Long-term Provisions	7	3.99	4.24
		9.12	9.67
3. Current Liabilities			
(a) Short-term Borrowings	8	0.34	0.88
(b) Trade Payables	9	804.53	797.63
(c) Other Current Liabilities	10	683.38	623.27
(d) Short-term Provisions	11	41.66	30.24
		1529.91	1452.02
TOTAL		4922.08	4486.05
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		242.93	237.24
(ii) Intangible Assets		817.26	867.85
(iii) Capital Work-in-Progress		178.83	147.99
		1239.02	1253.08
(b) Non-Current Investments	13	2148.83	2064.99
(c) Long-term Loans and Advances	14	175.39	117.84
(d) Other Non-Current Assets	15	0.06	1.44
		3563.30	3437.35
2. Current Assets			
(a) Current Investments	16	151.38	102.00
(b) Inventories	17	489.51	493.57
(c) Trade Receivables	18	142.94	139.26
(d) Cash and Bank Balances	19	495.36	205.26
(e) Short-term Loans and Advances	20	72.06	107.63
(f) Other Current Assets	21	7.53	0.98
		1358.78	1048.70
TOTAL		4922.08	4486.05
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements.

As per our Report attached
For Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No. 104607W

For and on behalf of the Board
Adi Godrej
Chairman

Roshni R. Marfatia
Partner
M. No. 106548

V. Srinivasan
Chief Financial Officer and
Company Secretary

Vivek Gambhir
Managing Director

Mumbai: April 28, 2015

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

₹ Crore

	Note No.	Current Year	Previous Year
I Revenue from Operations			
Revenue from Operations (Gross)		4702.94	4300.37
Less : Excise Duty		(273.14)	(220.53)
Net Revenue from Operations	22	4429.80	4079.84
II Other Income	23	57.51	40.00
III Total Revenue (I + II)		4487.31	4119.84
IV Expenses			
Cost of Raw Materials including Packing Material Consumed	24	1814.07	1635.22
Purchases of Stock-in-Trade		193.82	242.48
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	5.05	62.09
Employee Benefits Expense	26	259.30	200.41
Finance Costs	27	36.92	38.52
Depreciation and Amortization Expense	12	41.67	35.52
Other Expenses	28	1317.89	1192.61
Total Expenses		3668.72	3406.85
V Profit Before Exceptional Items and Tax (III-IV)		818.59	712.99
VI Exceptional Items	29	8.60	-
VII Profit Before Tax (V+VI)		827.19	712.99
VIII Tax Expense			
(1) Current Tax		172.84	151.10
(2) Deferred Tax		(0.10)	(2.95)
		172.74	148.15
IX Profit for the Year (VII-VIII)		654.45	564.84
X Earnings per Equity Share (Face Value ₹ 1)	30		
(1) Basic (₹)		19.22	16.60
(2) Diluted (₹)		19.22	16.59
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements.

As per our Report attached
For Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No. 104607W

For and on behalf of the Board
Adi Godrej
Chairman

Roshni R. Marfatia
Partner
M. No. 106548

V. Srinivasan
Chief Financial Officer and
Company Secretary

Vivek Gambhir
Managing Director

Mumbai: April 28, 2015

Cash Flow Statement for the year ended March 31, 2015

	₹ Crore	
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Exceptional Items and Tax	818.59	712.99
Adjustment for:		
Non-Cash Items		
Depreciation and Amortization Expenses	41.67	35.52
Unrealised Foreign Exchange (Gain) / Loss	(0.73)	0.16
Bad Debts Written off	0.18	0.14
Provision / (Write-back) for Doubtful Debts / Advances	4.53	7.33
Provision for Non Moving Inventory	(2.17)	0.70
Write in of Old Balances	(0.94)	(1.35)
Expenses on ESGs	9.63	3.13
Interest Expense & Discounting Charges	36.92	38.52
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	0.63	(3.57)
(Profit) / Loss on Sale of Investments (Net)	(9.88)	(12.37)
Recovery from GCPL ESOP Trust	(25.25)	-
Interest Income	(17.13)	(20.48)
Dividend Income	-	(0.19)
	37.46	47.54
Operating Cash Flows Before Working Capital Changes	856.05	760.53
Adjustments for:		
Inventories	6.23	45.04
Trade Receivables	(7.22)	(23.82)
Loans and Advances	7.28	(30.86)
Other Assets	(0.27)	(5.07)
Liabilities and Provisions	100.58	151.75
	106.60	137.04
Cash Generated from Operations	962.65	897.57
Adjustment for:		
Direct Taxes Paid	(179.99)	(148.03)
Net Cash Flow from Operating Activities	782.66	749.54
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(104.71)	(71.79)
Sale of Fixed Assets	0.32	7.45
Investments in Mutual Funds (Net)	(39.50)	30.37
Investments in Fixed Deposits (Net)	(268.66)	42.72
Investments in Subsidiaries (Net)	(85.94)	(600.50)
Investments in Associate Company	-	(34.32)
Repayment of Loan by ESOP Trust	25.25	46.95
Dividend Received	-	0.19
Loan to Subsidiaries Repaid / (Given)	-	-
Interest Received	10.85	25.78
Exceptional Item :		
Interest Received from ESOP Trust	8.60	-
Net Cash Flow from Investing Activities	(453.79)	(553.15)

Cash Flow Statement for the year ended March 31, 2015

	Current Year	Previous Year
₹ Crore		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares under ESGS	0.01	0.01
Issue of Debentures (Net of Expenses)	249.63	-
Redemption of Debentures (including Premium on Redemption)	(299.35)	(50.00)
Repayment of Sales Tax Deferral Loan	(0.05)	(0.03)
Short-term Borrowings (Net)	-	(3.45)
Cash Credits (Net)	(0.54)	(2.80)
Interest & Discounting Charges Paid	(47.92)	(32.59)
Dividend Paid	(178.72)	(170.15)
Dividend Tax Paid	(32.42)	(28.92)
Net Cash Flow from Financing Activities	(309.36)	(287.93)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	19.51	(91.54)
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING (Refer Note 19)	150.06	241.60
ACQUIRED PURSUANT TO THE SCHEME OF AMALGAMATION *	-	0.00
AS AT THE ENDING (Refer Note 19)		
Cash and Bank Balances	169.61	150.60
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(0.04)	(0.54)
	169.57	150.06
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	19.51	(91.54)

* amount less than ₹ 0.01 Crore

As per our Report attached
For Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No. 104607W

Roshni R. Marfatia
Partner
M. No. 106548

V. Srinivasan
Chief Financial Officer and
Company Secretary

For and on behalf of the Board
Adi Godrej
Chairman

Vivek Gambhir
Managing Director

Mumbai: April 28, 2015

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 1 : COMPANY OVERVIEW

Godrej Consumer Products Limited (the Company) was incorporated on November 29, 2000, to take over as a going concern the consumer products business of Godrej Soaps Limited (subsequently renamed as Godrej Industries Limited), pursuant to a Scheme of Arrangement as approved by the High Court, Mumbai. The Company is a focused fast moving consumer goods company, manufacturing and marketing Household and Personal Care products. The Company is domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the Generally Accepted Accounting Principles in India. The Company has prepared these financial statements under the historical cost convention on an accrual basis to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the Company.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria's set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertain its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

b. 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 and differences, if any, are recognised in the period in which the results are known/materialised.

c. Fixed Assets

Fixed assets are stated at cost (net of cenvat credit and capital subsidy/grant wherever applicable) less accumulated depreciation and impairment losses, if any. The cost includes cost of acquisition, construction, erection, installation etc., preoperative expenses (including trial run) and borrowing costs incurred during construction period. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

d. Asset Impairment

Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value of the Asset exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss, if any, is recognised in the period in which the impairment takes place.

Notes to the Financial Statements for the year ended March 31, 2015

e. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction 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 ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

f. 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/receipts under operating leases are recognised as an expense/income on a straight-line basis over the lease term.

g. Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and are 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'. Investments other than Current Investments are classified as 'Non-current Investments'.

Current Investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue. Non-Current Investments are carried at cost. Provision for diminution, if any, in the value of each non-current investment is made to recognise a decline, other than of a temporary nature.

h. Inventories

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

i. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are neither recognised nor disclosed in the financial statements.

j. Revenue Recognition

- i) Sales are recognised on supply of goods when 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.
- ii) Income from processing operations is recognised on completion of production / dispatch of the goods, as may be provided in the terms of contract.
- iii) Dividend income is recognised when the right to receive the same is established.
- iv) Interest income is recognised on a time proportion basis.

Notes to the Financial Statements for the year ended March 31, 2015

k. Expenditure

- i) Expenses are accounted for on accrual basis, net of recoveries, if any and provision is made for all known losses and liabilities.
- ii) Revenue expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure incurred during the year on research and development is shown as addition to fixed assets.

l. Foreign Currency Transactions

- i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the period end are translated at the period end exchange 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) The Company uses forward exchange contracts to hedge its exposure against movements in foreign exchange rates. Forward exchange contracts, remaining unsettled at the period end, backed by underlying assets or liabilities are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Statement of Profit and Loss. Premium or discount on forward foreign exchange contracts is amortised over the period of the contract and recognised as income or expense for the period. Realised gain/losses on cancellation/settlement of forward exchange contracts are recognised in the Statement of Profit and Loss.

m. 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. Short Term Employee Benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Post Employment Benefits

a) Defined Contribution Plans

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

b) Defined Benefit Plans

Gratuity Fund

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company's liability towards gratuity is actuarially determined using the Projected Unit Credit Method by an independent actuary. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of the Gratuity (Amendment) Act, 1997 or as per the Company's scheme whichever is more beneficial to the employees.

Provident Fund

Provident Fund Contributions which are made to a Trust administered by the Company are considered as Defined Benefit Plans. The interest rate payable to the members of the Trust shall

Notes to the Financial Statements for the year ended March 31, 2015

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. The Company's liability towards interest shortfall, if any, is actuarially determined at the year end.

c) Other Long Term Employee Benefits

Other Long Term Employee Benefits viz, compensated absences and long service bonus are recognised as an expense in the Statement of Profit and Loss as and when it accrues. The Company determines the liability towards compensated absences based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date which is calculated using Projected Unit Credit Method. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

n. Incentive Plans

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

Up to March 31, 2009, the EVA awards would flow through a notional bank whereby only the prescribed portion of the bank is distributed each year and the balance is carried forward. The amount distributed out of the notional bank is charged to the Statement of Profit and Loss.

The notional bank was held at risk and charged to EVA of future years and was payable at that time, if future performance so warranted. The notional bank balance accumulated till March 31, 2009, as at the beginning of the current year is being paid @ 33% every year on reducing balance. The entire EVA award for the year has been charged to the Statement of Profit and Loss.

o. Employee share based payments

Equity settled stock options granted under the Company's Employee stock option (ESOP) scheme and Employee Stock Grant Scheme (ESGS) are accounted as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share based payments issued by ICAI. The Company measures compensation cost relating to employee stock options and stock grants using the intrinsic value method and compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

p. Depreciation and Amortisation

Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except the following items where useful lives estimated by the management based on internal technical assessment, past trends and expected operational lives differ from those provided in Schedule II of the Companies Act, 2013 :

Tangible Assets

- i) Leasehold land is amortised equally over the lease period.
- ii) Leasehold Improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.
- iii) Office Equipment are depreciated over 10 years.
- iv) Tools, dies and moulds are depreciated over a period of 9 years and 3 years respectively.
- v) Vehicles are depreciated over a period ranging from 5 years to 8 years depending on the use of vehicles.

Notes to the Financial Statements for the year ended March 31, 2015

Intangible Assets

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

- i) Software license is amortised over a period of 6 years.
- ii) SAP licenses acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company are amortised over a period of 4 years. The cost of SAP licenses incurred for certain subsidiaries are being recovered from respective subsidiaries.
- iii) Trademarks acquired are amortised equally over the best estimate of their useful life not exceeding a period of 10 years, except in the case of Goodknight and HIT brands where the brands are amortised equally over a period of 20 years. In accordance with the Court approved Scheme of Amalgamation of the erstwhile GHPL with the Company, an amount equivalent to the amortisation of the Goodknight and HIT brands at the end of each financial year is directly debited to the balance in the General Reserve Account.
- iv) Goodwill is amortised over a period of 5 years.
- v) Technical Knowhow is depreciated over a period of 10 years.

Residual value, is estimated to be immaterial by management and hence has been considered at ₹ 1.

q. Taxes on Income

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

Deferred tax subject to consideration of prudence is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset/liabilities in respect of timing differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets/liabilities in respect of timing differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only to the extent that there is virtual certainty supported by convincing evidence that future taxable income will be available against which such deferred tax assets can be realized and on other items including MAT credit entitlement 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.

r. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less.

s. 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.

t. Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of Personal and Household Care products. Consequently, the Company has, in its primary segment, only one reportable business segment. As per AS-17 'Segment Reporting' if a single financial report contains both consolidated financial statements and the separate financial statement of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, information required to be presented under AS-17 Segment Reporting has been given in the consolidated financial statements.

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 3 : SHARE CAPITAL

₹ Crore

	Current Year	Previous Year
Authorised		
410,000,000 Equity Shares (previous year 410,000,000) of ₹ 1 each	41.00	41.00
10,000,000 Preference Shares (previous year 10,000,000) of ₹ 1 each	1.00	1.00
Issued		
340,478,025 Equity Shares (previous year 340,409,434) of ₹ 1 each	34.05	34.04
Subscribed and Fully Paid up		
340,446,901 Equity Shares (previous year 340,378,310) of ₹ 1 each fully paid up	34.04	34.04
TOTAL	34.04	34.04

NOTES:

- During the year, the Company has issued 68,591 equity shares (previous year 51,385) under the Employee Stock Grant Scheme.
- 31,124 Right Issue equity shares (previous year 31,124 equity shares) are kept in abeyance due to various suits filed in courts / forums by third parties for which final order is awaited.
- The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

	Current Year		Previous Year	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
Shares outstanding at the beginning of the year	340,378,310	34.04	340,326,925	34.03
Add : Shares Issued during the year *	68,591	0.00	51,385	0.01
Shares outstanding at the end of the year	340,446,901	34.04	340,378,310	34.04

* amount less than ₹ 0.01 crore

d) Terms / rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 1 each. Each equity shareholder is entitled to one vote per share.

During the year ended March 31, 2015 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.50 (previous year ₹ 5.25).

- Shares held by Holding Company and Subsidiary of Holding Company and details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	Current Year		Previous Year	
	No. of Shares	% held	No. of Shares	% held
Holding Company				
Godrej & Boyce Manufacturing Co. Ltd.	119,163,815	35.00%	122,411,815	35.97%
Subsidiary of Holding Company				
Godrej Industries Limited	80,277,620	23.58%	77,029,620	22.63%

f) Shares Reserved for issue under options

The Company has 174,121 (previous year 134,364) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2015. (As detailed in Note 45)

- Information regarding aggregate no. of Equity shares during the five years immediately preceding the date of Balance Sheet:

	No. of Shares	
	Current Year	Previous Year
Allotted as fully paid up pursuant to contract without payment being received in cash	-	51,236,136
Allotted as fully paid up by way of bonus shares	-	-
Shares Bought Back	-	-

- There are no calls unpaid on equity shares other than shares kept in abeyance as mentioned in Note (b) above.
- No equity shares have been forfeited.

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 4 : RESERVES AND SURPLUS

	₹ Crore	
	Current Year	Previous Year
1. CAPITAL INVESTMENT SUBSIDY RESERVE		
Balance as per last financial statements	0.15	0.15
2. CAPITAL REDEMPTION RESERVE		
Balance as per last financial statements	1.46	1.46
3. SECURITIES PREMIUM ACCOUNT		
Balance as per last financial statements	1461.56	1483.65
(+) Premium Received on Allotment of Shares	4.05	2.38
(-) Expenses on Issue of Debentures	(0.37)	(0.02)
(-) Premium on Redemption of Debentures	(25.36)	(24.45)
Closing Balance	1439.88	1461.56
4. DEBENTURE REDEMPTION RESERVE		
Balance as per last financial statements	44.78	21.25
(+) Transfer from / (to) Surplus (Net)	(20.39)	23.53
Closing Balance	24.39	44.78
5. EMPLOYEE SHARE OPTIONS OUTSTANDING		
Gross Employee Compensation for Options granted	13.35	8.92
(-) Deferred Employee Compensation Expense	(4.64)	(3.68)
Closing Balance	8.71	5.24
6. GENERAL RESERVE		
Balance as per last financial statements	206.80	206.97
(+) Transfer from Surplus	-	56.50
(-) Trademark and Brands amortisation pursuant to Scheme of Amalgamation of GHPL (Refer Note 12(b))	(52.75)	(52.75)
(-) Adjustment Pursuant to Scheme of Amalgamation of Godrej Hygiene Products Limited	-	(3.92)
Closing Balance	154.05	206.80
7. SURPLUS		
Balance as per last financial statements	1270.33	1010.09
Net Profit for the Year	654.45	564.84
Appropriations:		
Dividends - Interim	(187.24)	(178.70)
Tax on Distributed Profit	(36.73)	(30.37)
Transfer to General Reserve	-	(56.50)
Transfer from / (to) Debenture Redemption Reserve	20.39	(23.53)
Adjustment pursuant to implementation of Schedule II of Companies Act, 2013 (Refer Note 12(d))	(0.83)	-
Addition on Amalgamation	-	(15.50)
Closing Balance	1720.37	1270.33
TOTAL	3349.01	2990.32

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 5 : DEFERRED TAX LIABILITIES (NET)

	₹ Crore	
	Current Year	Previous Year
1. Deferred Tax Liability		
a) Depreciation	20.79	19.76
2. Deferred Tax Assets		
a) Tax Disallowances	(16.46)	(16.78)
b) Provision for Doubtful Debts and Advances	(3.22)	(1.34)
	(19.68)	(18.12)
TOTAL	1.11	1.64

NOTE 6 : OTHER LONG-TERM LIABILITIES

	₹ Crore	
	Current Year	Previous Year
Security Deposits Received	4.02	3.79
TOTAL	4.02	3.79

NOTE 7 : LONG-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
Provision for Employee Benefits		
Compensated Absences	3.99	4.24
TOTAL	3.99	4.24

NOTE 8 : SHORT-TERM BORROWINGS

	₹ Crore	
	Current Year	Previous Year
Secured		
Loans Repayable on Demand		
Cash Credit from Banks (Refer Note (a) below)	0.34	0.88
TOTAL	0.34	0.88

NOTES:

- Cash Credit from Banks are secured by hypothecation of Inventories and Book debts.
- The Company does not have any default as on the Balance Sheet date in the repayment of any loan and interest.

NOTE 9 : TRADE PAYABLES

	₹ Crore	
	Current Year	Previous Year
Dues to Micro, Small and Medium Enterprises	-	-
Others	804.53	797.63
TOTAL	804.53	797.63

NOTE:

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 10 : OTHER CURRENT LIABILITIES

	₹ Crore	
	Current Year	Previous Year
1. Current Maturities of Long Term Debt (<i>Refer Notes (a) & (b) below</i>)	260.64	284.68
2. Security Deposit Received	0.39	0.38
3. Unpaid Dividends (<i>Refer Note (c) below</i>)	6.75	6.20
4. Taxes, Duties and Other Levies Payable	50.25	46.18
5. Interim Dividend Payable	85.11	76.59
6. Other Payables	280.24	209.24
TOTAL	683.38	623.27

NOTES:

- Current Maturities of Long term Debt in current year include 2,500 zero-coupon, unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each, redeemable at a premium, which will yield 9.35% p.a. at maturity. These debentures are redeemable on December 18, 2015.
- Current Maturities of Long term Debt in previous year include 2,500 zero-coupon, unsecured, redeemable, non-convertible debentures having a face value of ₹ 10 lac each, redeemable at a premium, which will yield 9.40% p.a. at maturity. These debentures have been redeemed on October 25, 2014.
- There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 205C of the Companies Act, 1956 as at the year end.

NOTE 11 : SHORT-TERM PROVISIONS

	₹ Crore	
	Current Year	Previous Year
1. Provision for Employee Benefits		
Gratuity (Net)	21.54	14.32
Compensated Absences	2.79	2.90
2. Others		
Provision for Tax on Distributed Profits	17.33	13.02
TOTAL	41.66	30.24

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 12 : FIXED ASSETS

₹ Crore

ASSETS	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	Opening	Additions	Disposals	Acquisitions through Business Combinations	Closing	Opening	Depreciation for the Year	On Disposals	On Acquisitions through Business Combinations	Other Adjustments / Impairment	Closing	Current Year	Previous Year	
A. TANGIBLE ASSETS														
Freehold Land	0.51	-	-	-	0.51	-	-	-	-	-	-	0.51	0.51	
Leasehold Land	6.85	-	-	-	6.85	0.64	0.07	-	-	-	0.71	6.14	6.21	
Leasehold Improvements	6.33	3.37	-	-	9.70	2.05	0.93	-	-	(0.02)	2.96	6.74	4.28	
Buildings	79.00	0.65	(0.34)	-	79.31	23.89	3.92	(0.34)	-	0.06	27.53	51.78	55.11	
Plant and Equipments	332.02	29.73	(3.94)	-	357.81	178.98	23.41	(3.63)	-	1.46	200.22	157.59	153.04	
Furniture, Fixtures and Fittings	7.94	0.63	(0.07)	-	8.50	5.75	0.72	(0.06)	-	0.09	6.50	2.00	2.19	
Office Equipment	8.92	0.85	(0.19)	-	9.58	4.89	0.87	(0.14)	-	0.30	5.92	3.66	4.03	
Vehicles	11.37	2.03	(0.46)	-	12.94	3.33	2.13	(0.24)	-	-	5.22	7.72	8.04	
Computers	11.28	5.20	(0.60)	-	15.88	7.45	2.10	(0.60)	-	0.14	9.09	6.79	3.83	
(A)	464.22	42.46	(5.60)	-	501.08	226.98	34.15	(5.01)	-	2.03	258.15	242.93	237.24	
B. INTANGIBLE ASSETS														
Goodwill	12.60	-	-	-	12.60	7.65	2.47	-	-	-	10.12	2.48	4.95	
Trademarks and Brands	1055.13	0.26	-	-	1055.39	211.03	0.05	-	-	52.75	263.83	791.56	844.10	
Computer Software	33.09	9.43	-	-	42.52	16.40	4.74	-	-	0.01	21.15	21.37	16.69	
Technical Knowhow	2.64	-	-	-	2.64	0.53	0.26	-	-	-	0.79	1.85	2.11	
(B)	1103.46	9.69	-	-	1113.15	235.61	7.52	-	-	52.76	295.89	817.26	867.85	
(A+B)	1567.68	52.15	(5.60)	-	1614.23	462.59	41.67	(5.01)	-	54.79	554.04	1060.19		
Previous Year	1529.17	51.34	(13.24)	0.41	1567.68	383.34	35.52	(10.53)	0.34	53.92	462.59		1105.09	
C. CAPITAL WORK-IN-PROGRESS												178.83	147.99	
TOTAL												1239.02	1253.08	

NOTES:

- Trademarks and Brands acquired pursuant to the Scheme of the Amalgamation of the erstwhile Godrej Household Products Limited (GHPL) with the Company are amortised over a period of 20 years w.e.f. April 1, 2010. The major influencing factors behind amortising these brands over a period of 20 years are that Goodnight and HIT brands have been in existence since the last two decades and been growing at a fast pace.
- In accordance with the Scheme of Amalgamation of the erstwhile Godrej Household Products Limited with the Company which was sanctioned by the High Court of Judicature at Bombay, an amount of ₹ 52.75 crore for the year (*previous year ₹ 52.75 crore*), equivalent to the amortisation of the Goodnight and HIT Brands is charged directly to the General Reserve.
- During the year, the Company has capitalised borrowing costs amounting to ₹ 1.56 crore (*previous year ₹ 6.44 crore*).
- Pursuant to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, the Company has realigned the useful lives of its fixed assets in accordance with Schedule II and the carrying amount of such assets as on April 1, 2014 has been depreciated over the remaining useful lives. The depreciation and amortization expense for the year would have been lower by ₹ 2.03 crore, had the Company continued with the previous assessment of useful lives of such assets. Further, in accordance with the transitional provision, an amount of ₹ 0.83 crore (*net of deferred tax*) has been recognised in the opening balance of retained earnings for adjustments of the carrying amount of fixed assets whose remaining useful life was *Nil*.

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 13 : NON-CURRENT INVESTMENTS

₹ Crore

	Face Value	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
Trade Investments (At Cost)					
1. Investments in Equity Instruments					
Of Subsidiary Companies					
Unquoted, fully paid up:					
Godrej Netherlands B.V.	EUR 100	1,000	1,000	76.22	76.58
Godrej South Africa (Pty) Ltd.	ZAR 1	18,050,000	18,050,000	12.67	12.67
Godrej Global Mid East FZE	USD 250,000	-	5	-	5.74
Godrej Consumer Products Mauritius Ltd.	USD 1	45,235,006	37,385,006	614.41	566.83
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	185,800,001	184,300,001	993.19	985.72
Godrej Household Products (Bangladesh) Pvt. Ltd.	BDT 10	34,352,653	16,970,481	24.60	15.65
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	21,501,045	21,501,045	27.10	27.10
Godrej Consumer Products (Bangladesh) Ltd.	BDT 10	1	1	0.04	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	54,100,001	53,100,001	316.46	310.37
Godrej East Africa Holdings Ltd.	USD 1	8,400,001	4,800,001	51.55	29.42
Godrej Tanzania Holdings Ltd.	USD 1	200,001	200,001	1.11	1.11
Of Associate Company					
Unquoted, fully paid up:					
Bhabhani Blunt Hairdressing Pvt. Ltd.	₹ 10	5,546	5,546	22.32	22.32
				2139.67	2053.55
2. Investments in Preference Shares					
Of Subsidiary Company					
Unquoted, fully paid up:					
Godrej Consumer Products Mauritius Ltd.	USD 1	-	500,000	-	2.28
3. Investments in Compulsorily Convertible Debentures					
Of Associate Company					
Unquoted, fully paid up:					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	3,060	3,060	12.00	12.00
				2151.67	2067.83
Less : Provision for Diminution in the Value of Investments				(2.84)	(2.84)
TOTAL				2148.83	2064.99
Aggregate Amount of Quoted Investments				-	-
Aggregate Amount of Unquoted Investments				2151.67	2067.83
Aggregate Provision for Diminution in the Value of Investments				2.84	2.84

NOTES:

- During the year, Godrej Consumer Products Mauritius Ltd. has redeemed Preference Shares having Face Value of USD 0.50 million (*Previous Year USD 3.50 million*)
- During the year, Godrej Global Mid East FZE was sold by the Company to its Wholly Owned Subsidiary Godrej Consumer Products Holding (Mauritius) Ltd.

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 14 : LONG TERM LOANS AND ADVANCES

	Current Year	Previous Year
₹ Crore		
Unsecured, Considered Good, Unless Otherwise Stated		
1. Capital Advances (Refer Note below)	27.08	3.80
2. Security Deposits	14.75	14.54
3. Other Loans and Advances		
a) Balances with Govt. Authorities		
Considered Good	113.72	86.67
Considered Doubtful	14.59	13.23
Less: Provision for Doubtful Receivables	(14.59)	(13.23)
	113.72	86.67
b) Advance Tax		
[Net of Provision for taxation - ₹ 913.17 crore		
(previous year ₹ 741.45 crore)]	19.29	12.14
c) Miscellaneous Loans and Advances	0.55	0.69
TOTAL	175.39	117.84

NOTE:

Capital Advances include ₹ 5.18 crore (previous year ₹ 2.89 crore) due from Related Parties.

NOTE 15 : OTHER NON-CURRENT ASSETS

	Current Year	Previous Year
₹ Crore		
Unsecured, Considered Good, Unless Otherwise Stated		
Fixed Deposits with maturity of more than 12 months - under		
lien against Bank Guarantees	0.06	1.44
TOTAL	0.06	1.44

NOTE 16 : CURRENT INVESTMENTS

	Face Value	Numbers		Amounts	
	₹	Current Year	Previous Year	Current Year	Previous Year
₹ Crore					
Investments in Mutual Funds					
(Valued at lower of cost and fair value)					
Unquoted, fully paid-up:					
ICICI Prudential Liquid - Direct - Growth	100	144,926	2,214,487	3.00	42.00
ICICI Prudential Flexible Income - Direct - Growth	100	195,437	-	5.14	-
Kotak Liquid Scheme - Plan A Direct - Growth	1000	186,965	19,337	53.00	5.00
Birla Sun Life Cash Plus - Instl. Prem. - Growth	100	-	2,141,141	-	44.00
Birla Sun Life Savings Fund - Direct - Growth	100	1,304,239	-	35.17	-
Reliance Money Manager Fund - Direct -Growth	1000	259,848	-	50.07	-
SBI Magnum Insta Cash Fund - Direct - Growth	1000	16,182	-	5.00	-
HDFC Liquid Fund - Direct - Gowth	10	-	4,353,953	-	11.00
TOTAL				151.38	102.00
Aggregate amount of quoted investments					
				-	-
Aggregate amount of unquoted investments					
				151.38	102.00

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 17 : INVENTORIES

	₹ Crore	
	Current Year	Previous Year
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials	176.61	175.88
Work-in-Progress	47.11	41.31
Finished Goods	235.41	243.39
Stock-in-Trade	24.97	27.84
Stores and Spares	5.41	5.15
TOTAL	489.51	493.57

NOTE 18 : TRADE RECEIVABLES

	₹ Crore	
	Current Year	Previous Year
<i>Unsecured, Considered Good, Unless Otherwise Stated</i>		
Trade Receivables Outstanding for a Period Exceeding Six Months from the due date		
Considered Good	2.90	9.01
Considered Doubtful	6.74	3.38
	9.64	12.39
Less: Provision for Doubtful Debts	(6.74)	(3.38)
	2.90	9.01
Others (Considered Good)		
Secured	5.44	5.73
Unsecured	134.60	124.52
	140.04	130.25
TOTAL	142.94	139.26

NOTE 19 : CASH AND BANK BALANCES

	₹ Crore	
	Current Year	Previous Year
1. Cash and Cash Equivalents		
a) Balances with Banks		
In Current Accounts	44.18	74.72
Deposits with less than 3 months maturity	125.03	75.00
	169.21	149.72
b) Cheques, Drafts on Hand	0.09	-
c) Cash on Hand	0.27	0.34
	169.57	150.06
2. Other Bank Balances		
a) Deposits with maturities more than 3 months but less than 12 months	317.00	45.00
b) Deposits under lien against Bank Guarantees	2.04	4.00
c) In Unpaid Dividend Accounts	6.75	6.20
	325.79	55.20
TOTAL	495.36	205.26

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 20 : SHORT TERM LOANS AND ADVANCES

	Current Year	Previous Year
₹ Crore		
Unsecured, Considered Good, Unless Otherwise Stated		
1. Security Deposits	0.21	0.10
2. Excise and VAT Receivables	52.54	74.73
3. Miscellaneous Loans and Advances		
Considered Good (Refer Note below)	19.31	32.80
Considered Doubtful	0.36	0.56
Less: Provision for Doubtful Loans and Advances	(0.36)	(0.56)
	19.31	32.80
TOTAL	72.06	107.63

NOTE:

Short Term Loans and Advances include ₹ 0.57 crore (previous year ₹ Nil) due from Related Parties.

NOTE 21 : OTHER CURRENT ASSETS

	Current Year	Previous Year
₹ Crore		
Claims Receivable		
Considered Doubtful	-	4.94
Less: Provision for Doubtful Claims	-	(4.94)
	-	-
Accrued Interest	7.11	0.83
Deferred Premium on Forward Contracts	0.42	0.15
TOTAL	7.53	0.98

NOTE 22 : REVENUE FROM OPERATIONS

	Current Year	Previous Year
₹ Crore		
1. Sale of Products (Refer Note 35)	4642.39	4245.27
2. Other Operating Revenues		
a) Royalty & Technical Fees	51.01	46.23
b) Miscellaneous Income	9.54	8.87
	4702.94	4300.37
3. Less : Excise Duty	(273.14)	(220.53)
TOTAL	4429.80	4079.84

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 23 : OTHER INCOME

	₹ Crore	
	Current Year	Previous Year
1. Interest Income		
On Advances and Deposits	16.23	20.03
On Loan to ESOP Trust	0.90	0.45
On Others*	0.00	0.00
2. Dividend Income		
From Subsidiaries	-	0.19
3. Net Gain on Sale of Current Investments	9.88	12.37
4. Other Non-Operating Income		
Net Gain on Foreign Currency Transactions and Translations	2.27	-
Profit on Sale of Fixed Assets	-	3.57
Claim Received	0.29	0.48
Miscellaneous Non-operating Income (Refer Note below)	27.94	2.91
TOTAL	57.51	40.00

* amounts less than ₹ 0.01 crore

NOTE :

Miscellaneous non-operating income includes an amount of ₹ 25.25 crore (previous year ₹ 2.37 crore), recovered from the GCPL ESOP Trust towards loan repayment, which was earlier written off against reserves under a Scheme of Amalgamation approved by the Hon'ble High Court of Bombay.

NOTE 24 : COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED

	₹ Crore	
	Current Year	Previous Year
Opening Inventory	175.88	156.03
Add : Purchases (Net)	1814.80	1655.07
	1990.68	1811.10
Less : Closing Inventory	(176.61)	(175.88)
Cost of Raw Materials including Packing Material Consumed	1814.07	1635.22

NOTE 25 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	₹ Crore	
	Current Year	Previous Year
Opening Inventory		
Finished Goods	243.39	293.98
Stock-in-Trade	27.84	52.29
Work-in-Progress	41.31	28.36
	312.54	374.63
Less: Closing Inventory		
Finished Goods	235.41	243.39
Stock-in-Trade	24.97	27.84
Work-in-Progress	47.11	41.31
	307.49	312.54
(Increase) / Decrease in Inventories	5.05	62.09

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

	Current Year	Previous Year
1. Salaries and Wages	228.97	183.33
2. Contribution to Provident and Other Funds	15.98	10.00
3. Expense on Employee Stock Grant Scheme (ESGS)	9.63	3.13
4. Staff Welfare Expenses	4.72	3.95
TOTAL	259.30	200.41

NOTE 27 : FINANCE COSTS

	Current Year	Previous Year
1. Interest Expense	0.25	0.56
2. Discounting Charges	36.67	37.96
TOTAL	36.92	38.52

NOTE 28 : OTHER EXPENSES

	Current Year	Previous Year
Consumption of Stores and Spare Parts	11.84	10.06
Power and Fuel	98.16	90.62
Rent	14.81	12.92
Repairs and Maintenance:		
Plant and Equipment	3.55	3.57
Buildings	0.81	0.85
Others (Net)	18.30	17.29
	22.66	21.71
Insurance	6.56	6.33
Rates and Taxes	2.66	2.86
Miscellaneous Expenses (Net)	30.80	30.57
Processing and Other Manufacturing Charges	116.64	94.67
Excise Duty	19.62	16.27
Travelling and Conveyance	26.12	28.49
Auditors' Remuneration		
As Statutory Auditor	1.21	1.15
For Taxation Matters	0.40	0.48
For Company Law Matters	0.01	0.01
For Management Services	0.03	0.03
For Other Services	0.39	0.17
Reimbursement of Expenses	0.04	0.08
Service Tax	0.11	0.24
	2.19	2.16
Legal and Professional Charges	17.80	16.98
Donations	0.82	0.58
Advertising, Publicity and Sales Promotion	673.98	611.71
Selling and Distribution Expenses	89.56	78.28
Freight	170.75	156.33
Bank Charges	1.73	1.67
Royalty Expense	1.71	0.40
Commission	4.14	3.50
Net Loss on Sale of Fixed Assets	0.63	-
Net Loss on Foreign Currency Transactions and Translations	-	5.94
Bad Debts Written Off	0.18	0.14
Provision for Doubtful Debts / Advances	4.53	0.42
TOTAL	1317.89	1192.61

NOTE :

Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 29 : EXCEPTIONAL ITEMS

₹ Crore

	Current Year	Previous Year
Interest Income	8.60	-
TOTAL	8.60	-

NOTE :

The above exceptional item pertains to interest earned from GCPL ESOP Trust for the period from July 1, 2012 to March 31, 2014, which was earlier waived on account of uncertainty of receipt.

NOTE 30 : EARNINGS PER SHARE

	Current Year	Previous Year
Net Profit After Tax (₹ Crore)	654.45	564.84
Number of Shares outstanding at the beginning of the year	340,378,310	340,326,925
Add : Shares Issued during the year	68,591	51,385
Number of Shares outstanding at the end of the year	340,446,901	340,378,310
Weighted Average Number of Equity Shares		
For calculating Basic EPS	340,427,124	340,363,605
For calculating Diluted EPS	340,540,598	340,445,040
Earnings Per Share Before and After Extraordinary Items		
(Face Value ₹ 1)		
Basic (₹)	19.22	16.60
Diluted (₹)	19.22	16.59

NOTE 31 : COMMITMENTS

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 39.43 crore (previous year ₹ 39.72 crore), net of advances there against of ₹ 20.30 crore (previous year ₹ 3.46 crore).

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 32 : CONTINGENT LIABILITIES

₹ Crore

Current Year Previous Year

a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS		
i)	Excise duty demands aggregating ₹ 69.70 crore (<i>previous year ₹ 33.09 crore</i>) against which the Company has preferred appeals (net of tax).	46.01 21.84
ii)	Sales tax demands aggregating ₹ 62.46 crore (<i>previous year ₹ 62.92 crore</i>) against which the Company has preferred appeals (net of tax).	41.23 41.53
iii)	Income-tax matters	
	Demand notices issued by Income-tax Authorities.	16.01 12.37
iv)	Other matters : ₹ 3.00 crore (<i>previous year ₹ 3.00 crore</i>) (net of tax).	1.98 1.98
b) GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES		
i)	Guarantee amounting to Nil (<i>previous year USD 78.8 million</i>) given by the Company against loan provided by banks to Godrej Consumer Products Holding (Mauritius) Ltd.	- 471.83
ii)	Guarantee amounting to Nil (<i>previous year USD 99.0 million</i>) given by the Company to DBS Bank, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	- 593.16
iii)	Guarantee amounting to GBP 30.0 million (<i>previous year GBP 30.0 million</i>) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	277.41 299.30
iv)	Guarantee amounting to USD 84.0 million (<i>previous year USD 84.0 million</i>) given by the Company to HSBC, Hongkong & SCB Mauritius Limited against loan provided to Godrej East Africa Holdings Limited.	525.00 503.29
v)	Guarantee amounting to GBP 4.95 million (<i>previous year GBP 9.9 million</i>) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	45.77 98.77
vi)	Guarantee of AED Nil (<i>previous year AED 1.4 million</i>) given by the Company to secure credit facilities extended by HSBC Bank Middle East Ltd. to Godrej Global Mid East FZE.	- 2.28
vii)	Guarantee given by the Company to secure credit facilities extended by Citibank Sri Lanka and Citibank Bangladesh to Godrej Household Products (Lanka) Private Limited and Godrej Household Products (Bangladesh) Private Limited respectively.	2.96 2.96
viii)	Guarantee amounting to Nil (<i>previous year USD 10.0 million</i>) given by the Company to HSBC, Hongkong towards interest rate swap/derivative facilities provided to Godrej Consumer Products Holding (Mauritius) Ltd.	- 59.92
ix)	Guarantee amounting to Nil (<i>previous year BDT 245.0 million</i>) given by the Company to HSBC Bangladesh towards credit facilities provided by the Bank to Godrej Household Products (Bangladesh) Pvt. Ltd.	- -
x)	Guarantee amounting to USD 5.0 million (<i>previous year USD 5.0 million</i>) given by the Company to HSBC Hongkong towards interest rate swap/derivative facilities provided to Godrej Netherlands BV.	31.25 29.96
xi)	Guarantee amounting to Nil (<i>previous year USD 5.0 million</i>) given by the Company to HSBC Hongkong towards interest rate swap/derivative facilities provided to Godrej East Africa Holdings Limited.	- 29.96

Notes to the Financial Statements for the year ended March 31, 2015

	Current Year	Previous Year
c) OTHER GUARANTEES		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 2.10 crore (<i>previous year ₹ 5.44 crore</i>)]	7.35	8.19
ii) Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	0.80	-
d) CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT		
i) Claims by various parties on account of unauthorized, illegal and fraudulent acts by an employee.	32.22	32.22
ii) Others	0.28	0.28

NOTE 33 : IMPORTED / INDIGENOUS CONSUMPTION

	Current Year		Previous Year	
	Amounts	%	Amounts	%
Raw Materials Consumed				
Imported	193.94	10.69%	229.36	14.03%
Indigenous	1620.13	89.31%	1405.86	85.97%
	1814.07	100.00%	1635.22	100.00%
Component, Stores and Spare Consumed				
Imported	0.10	0.84%	0.02	0.20%
Indigenous	11.74	99.16%	10.04	99.80%
TOTAL	11.84	100.00%	10.06	100.00%

NOTE 34 : CONSUMPTION OF RAW MATERIAL AND PURCHASE OF STOCK-IN-TRADE

	Current Year	Previous Year
1. Raw Material Consumed		
a) Oils and Fats	498.15	496.77
b) Chemicals, Colours, Perfumes and Catalysts	421.36	369.60
c) Packing Material	469.80	391.68
d) Others	424.76	377.17
	1814.07	1635.22
2. Stock-in-Trade Purchased		
a) Personal Wash	17.89	12.88
b) Hair Care	9.07	3.76
c) Home Care	160.03	193.72
d) Others	6.83	32.12
	193.82	242.48
TOTAL	2007.89	1877.70

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 35 : SALES (NET OF EXCISE DUTY)

	₹ Crore	
	Current Year	Previous Year
Personal Wash	1454.61	1340.23
Hair Care	556.44	494.14
Home Care	2074.77	1895.87
Others	283.43	294.50
TOTAL	4369.25	4024.74

NOTE 36 : VALUE OF IMPORTS ON CIF BASIS

	₹ Crore	
	Current Year	Previous Year
Raw Materials	185.65	191.54
Traded Goods	3.11	-
Spares Parts and Components	0.12	0.02
Capital Goods	1.18	0.44
TOTAL	190.06	192.00

NOTE 37 : EXPENDITURE IN FOREIGN CURRENCY

	₹ Crore	
	Current Year	Previous Year
Royalty, Know-how and Technical Fees	1.64	0.40
Professional and Consultation Fees	2.04	1.12
Other Matters	5.52	2.07
TOTAL	9.20	3.59

NOTE 38 : EARNINGS IN FOREIGN EXCHANGE

	₹ Crore	
	Current Year	Previous Year
Export of Goods on FOB Basis	120.73	122.68
Royalty, Know-how and Technical Fees	51.01	46.23
Interest and Dividends	-	0.19
Business Support Services	3.86	1.53
TOTAL	175.60	170.63

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 39 : DIVIDEND REMITTED IN FOREIGN CURRENCY

	₹ Crore	
	Current Year	Previous Year
4th Interim Dividend for the year ended March 31, 2014, to 312 non-resident shareholders on 85,920 shares @ ₹ 2.25 per share	0.02	-
1st Interim Dividend for the year ended March 31, 2015, paid to 314 non-resident shareholders on 86,380 shares @ ₹ 1 per share	0.01	-
2nd Interim Dividend for the year ended March 31, 2015, to 319 non-resident shareholders on 87,892 shares @ ₹ 1 per share	0.01	-
3rd Interim Dividend for the year ended March 31, 2015, to 318 non-resident shareholders on 86,992 shares @ ₹ 1 per share	0.01	-
4th Interim Dividend for the year ended March 31, 2013, to 290 non-resident shareholders on 79,780 shares @ ₹ 2 per share	-	0.02
1st Interim Dividend for the year ended March 31, 2014, paid to 299 non-resident shareholders on 82,180 shares @ ₹ 1 per share	-	0.01
2nd Interim Dividend for the year ended March 31, 2014, to 305 non-resident shareholders on 84,060 shares @ ₹ 1 per share	-	0.01
3rd Interim Dividend for the year ended March 31, 2014, to 309 non-resident shareholders on 85,140 shares @ ₹ 1 per share	-	0.01
TOTAL	0.05	0.05

NOTE 40 : RELATED PARTY DISCLOSURES

A) Related Parties and their Relationship

a) Holding Company:

Godrej & Boyce Mfg. Co. Ltd.

b) Subsidiaries:

- i) Godrej Household Products Lanka (Private) Limited
 - ii) Godrej Household Products (Bangladesh) Private Limited
 - iii) Godrej Consumer Products Bangladesh Limited
 - iv) Godrej South Africa (Proprietary) Limited
 - v) Godrej Netherlands B.V.
- Godrej UK Limited
- Godrej Consumer Products (UK) Limited
- Inecto Manufacturing Limited
- Godrej Consumer Investments (Chile) Spa
- Godrej Holdings (Chile) Limitada
- Cosmetica Nacional
- Plasticos Nacional

Notes to the Financial Statements for the year ended March 31, 2015

- vi) Godrej Consumer Products Mauritius Limited
 - Godrej Nigeria Limited
 - Godrej Argentina Dutch Cooperatief U.A.
 - Godrej Netherlands Argentina Holding B.V.
 - Godrej Netherlands Argentina B.V.
 - Issue Group Brazil Limited
 - Laboratoria Cuenca S.A
 - Deciral S.A
 - Consell S.A
 - Argencos S.A
 - Panamar Producciones S.A
 - Godrej Consumer Investments Holdings Limited *(merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
 - Godrej Easy IP Holding Ltd *(w.e.f. October 16, 2014)*
- vii) Godrej Consumer Products Holding (Mauritius) Limited
 - Indovest Capital Limited
 - Godrej Global Mid East FZE
 - Godrej Indonesia IP Holdings Limited *(w.e.f. March 17, 2015)*
 - Godrej Megasari Holdings Limited *(w.e.f. March 18, 2015)*
 - Godrej Consumer Products Dutch Cooperatief U.A.
 - Godrej Consumer Products (Netherlands) B.V.
 - Godrej Consumer Holdings (Netherlands) B.V.
 - PT Indomas Susemi Jaya
 - PT Intrasari Raya
 - PT Megasari Makmur
 - PT Ekamas Sarijaya
 - PT Sarico Indah
- viii) Godrej Mauritius Africa Holdings Limited
 - Darling Trading Company Mauritius Limited *(w.e.f. January 22, 2015)*
 - Godrej Africa Holdings Limited *(w.e.f. January 19, 2015)*
 - Godrej Weave Holdings Limited *(merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
 - DGH Mauritius Pvt. Ltd. *(merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
 - Weave Business Holding Mauritius Pvt. Limited
 - (merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
 - DGH Phase Three Mauritius *(merged with Godrej Africa Holdings Limited w.e.f. March 31, 2015)*
 - Frika Weave (Pty) Ltd. *(w.e.f. March 1, 2015)*
 - Kinky Group (Proprietary) Limited
 - Lorna Nigeria Limited
 - Weave Ghana Limited *(w.e.f. October 1, 2014)*
 - Godrej West Africa Holdings Limited
 - Subinite Pty Limited

Notes to the Financial Statements for the year ended March 31, 2015

- Weave IP Holding Mauritius Pvt. Limited
- Weave Mozambique Limitada
- Weave Trading Mauritius Pvt. Limited
- Hair Trading (Offshore) S.A.L.
- xi) Godrej East Africa Holdings Limited
- DGH Phase Two Mauritius Pvt. Limited
- Style Industries Limited
- x) Godrej Tanzania Holdings Limited
- DGH Tanzania Limited
- Sigma Hair Ind Limited

c) Fellow Subsidiaries with whom transactions have taken place during the year:

- i) Godrej Industries Limited
- ii) Godrej Agrovet Limited
- iii) Godrej Tyson Foods Limited
- iv) Godrej Properties Limited
- v) Natures Basket Limited
- vi) Godrej Vikhroli Properties LLP
- vii) Godrej Infotech Limited
- viii) Godrej Projects Development Private Limited
- ix) Godrej Anandan

d) Associate Company:

- i) Bhabhani Blunt Hairdressing Private Limited

e) Key Management Personnel and Relatives

- i) Mr. Adi Godrej Chairman
- ii) Ms. Nisaba Godrej Executive Director / Daughter of Mr. Adi Godrej
- iii) Mr. Vivek Gambhir Managing Director *(from July 1, 2013)*
- iv) Mr. A. Mahendran Managing Director *(upto June 30, 2013)*
- v) Mr. P. Ganesh Chief Financial Officer and Company Secretary *(upto March 31, 2015)*
- vi) Ms. Parmeshwar Godrej Wife of Mr. Adi Godrej
- vii) Mr. Pirojsha Godrej Son of Mr. Adi Godrej
- viii) Mr. Nadir Godrej Brother of Mr. Adi Godrej
- ix) Ms. Tanya Dubash Daughter of Mr. Adi Godrej
- x) Ms. Mythili Mahendran Wife of Mr. A. Mahendran *(Related party upto June 30, 2013)*

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 40 : RELATED PARTY DISCLOSURES (Contd.)

B) The Related Party Transactions are as under :

₹ Crore

	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Associate Company		Key Management Personnel and Relatives		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods	0.64	0.61	37.78	36.24	18.29	28.67	0.43	-	-	-	57.14	65.52
Sale of Capital Asset	-	-	-	0.41	-	-	-	-	-	-	-	0.41
Purchase of Materials and Spares	2.65	2.84	2.10	2.00	31.59	32.82	-	-	-	-	36.34	37.66
Payments made towards Assets under Construction	6.38	0.32	-	-	12.91	12.84	-	-	-	-	19.29	13.16
Advance Paid	0.60	2.02	-	-	-	2.53	-	-	-	-	0.60	4.55
Royalty and Technical Fees Received	-	-	51.02	46.11	-	-	-	-	-	-	51.02	46.11
Royalty and Technical Fees Paid	-	-	-	-	-	-	0.07	-	-	-	0.07	-
Business Development Expenses	-	-	2.81	-	-	-	-	-	-	-	2.81	-
Establishment and Other Expenses Paid / (Received) (Net)	0.27	0.38	(7.20)	(4.64)	9.59	8.91	0.12	-	-	-	2.78	4.65
Investments Made	-	-	93.95	617.43	-	-	-	34.31	-	-	93.95	651.74
Investments Sold / Redeemed	-	-	8.02	15.94	-	-	-	-	-	-	8.02	15.94
Guarantees Given / (Cancelled) (Net)	-	-	(1215.62)	(982.85)	-	-	-	-	-	-	(1215.62)	(982.85)
Guarantees / Surety Bonds Obtained	-	-	-	-	19.86	21.49	-	-	-	-	19.86	21.49
Repayment of Loan Given	-	-	-	-	-	-	-	-	-	0.79	-	0.79
Interest Received on Loans	-	-	-	-	-	-	-	-	-	0.02	-	0.02
Dividend Received	-	-	-	0.19	-	-	-	-	-	-	-	0.19
Dividend Paid	63.87	61.78	-	-	40.83	37.27	-	-	2.49	2.10	107.19	101.15
Managerial Remuneration	-	-	-	-	-	-	-	-	33.12	24.11	33.12	24.11
Commission on Profits and Sitting Fees	-	-	-	-	-	-	-	-	0.41	0.31	0.41	0.31
Lease Rentals Paid / (Received) (Net)	-	-	-	-	2.90	2.24	-	-	2.46	2.56	5.36	4.80
Outstanding Balances as at March 31, 2015												
Receivables	0.06	0.04	33.97	32.34	2.96	0.69	0.04	-	-	-	37.03	33.07
Payables	-	-	-	-	0.14	0.25	-	-	15.57	6.28	15.71	6.53
Guarantees Outstanding	-	-	882.39	2091.41	(41.35)	(21.49)	-	-	-	-	841.04	2069.92

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 40 : RELATED PARTY DISCLOSURES (Contd.)

C) The Significant Related Party Transactions are as under :

₹ Crore

Nature of Transaction	Current Year	Previous Year
Sale of Goods		
Godrej Global Mid East FZE	12.56	7.23
Godrej Household Products Lanka (Private) Limited	13.62	12.61
Godrej Household Products (Bangladesh) Private Limited	7.55	8.04
Godrej Industries Limited	17.62	28.26
Sale of Capital Asset		
PT Megasari Makmur	-	0.41
Purchase of Materials and Spares		
Godrej Industries Limited	29.46	31.77
Payments made towards Assets under Construction		
Godrej & Boyce Mfg. Co. Limited	6.38	0.32
Godrej Vikhroli Properties LLP	12.91	12.84
Advance Paid		
Godrej & Boyce Mfg. Co. Limited	0.60	2.02
Godrej Properties Limited	-	2.53
Royalty and Technical Fees Received		
Godrej South Africa (Proprietary) Limited	11.16	11.33
PT Megasari Makmur	38.78	33.73
Royalty and Technical Fees Paid		
Bhabhani Blunt Hairdressing Pvt. Limited	0.07	-
Business Development Expenses		
Godrej Global Mid East FZE	2.81	-
Establishment and Other Expenses Paid / (Received)		
Godrej & Boyce Mfg. Co. Limited	0.27	0.38
PT Megasari Makmur	(3.17)	(2.89)
Godrej South Africa (Proprietary) Limited	(0.66)	(0.76)
Godrej Consumer Products (UK) Limited	(0.93)	(0.23)
PT Intrasari Raya	(0.40)	(0.37)
Lorna Nigeria Limited	(0.76)	-
Style Industries Limited	(1.21)	-
Godrej Global Mid East FZE	0.35	-
Godrej Industries Limited	9.31	8.46
Godrej Agrovet Limited	0.88	0.72
Godrej Properties Limited	(0.34)	(0.02)
Godrej Projects Development Private Limited	(0.33)	-

Notes to the Financial Statements for the year ended March 31, 2015

Nature of Transaction	Current Year	Previous Year
Investments Made		
Godrej Consumer Products Mauritius Limited	47.68	18.94
Godrej Netherlands B.V.	-	0.18
Godrej Household Products (Bangladesh) Pvt. Limited	8.95	4.64
Godrej Mauritius Africa Holdings Limited	6.22	176.55
Godrej Consumer Products Holding (Mauritius) Limited	8.98	388.08
Godrej East Africa Holdings Limited	22.12	27.93
Godrej Tanzania Holdings Limited	-	1.11
Bhabhani Blunt Hairdressing Pvt. Limited	-	34.31
Investments Sold / Redeemed		
Godrej Consumer Products Mauritius Limited	2.28	15.94
Godrej Consumer Products Holding (Mauritius) Limited	5.74	-
Guarantees Given / (Cancelled)		
Godrej Household Products (Bangladesh) Pvt. Limited	-	(23.70)
Godrej Mauritius Africa Holdings Limited	(595.73)	(135.97)
Godrej East Africa Holdings Limited	(31.52)	31.07
Godrej Netherlands B.V.	(50.34)	-
Godrej Consumer Products Holding (Mauritius) Limited	(535.63)	(854.25)
Godrej Global Mid East FZE	(2.40)	-
Guarantees / Surety Bonds Obtained		
Godrej Industries Limited	19.86	-
Godrej Agrovet Limited	-	21.49
Repayment of Loan Given		
Mr. A. Mahendran	-	0.79
Interest Received on Loans		
Mr. A. Mahendran	-	0.02
Dividend Received		
Godrej Household Products Lanka (Private) Limited	-	0.19
Dividend Paid		
Godrej & Boyce Mfg. Co. Limited	63.87	61.78
Godrej Industries Limited	40.83	37.27
Managerial Remuneration		
Mr. Adi Godrej	13.18	9.46
Mr. A. Mahendran	-	3.94
Ms. Nisaba Godrej	4.49	2.41
Mr. Vivek Gambhir	12.88	6.70
Mr. P. Ganesh	2.57	1.60
Commission on Profits and Sitting Fees		
Mr. Nadir Godrej	0.21	0.14
Ms. Tanya Dubhash	0.20	0.14
Ms. Nisaba Godrej	-	0.03

Notes to the Financial Statements for the year ended March 31, 2015

Nature of Transaction	Current Year	Previous Year
Lease Rentals Paid / (Received)		
Godrej Industries Limited	3.03	2.27
Natures Basket Limited	(0.13)	(0.03)
Ms. Parmeshwar Godrej	2.46	2.46
Ms. Mythili Mahendran	-	0.10
Outstanding Balances as at March 31, 2015		
Receivables		
Godrej Household Products (Bangladesh) Private Limited	4.61	4.45
Godrej Household Products Lanka (Private) Limited	11.90	7.73
PT Megasari Makmur	8.57	8.66
Godrej South Africa (Proprietary) Limited	3.79	4.24
Payables		
Mr. Adi Godrej	6.08	3.04
Ms. Nisaba Godrej	1.74	0.61
Mr. Vivek Gambhir	6.68	2.34
Guarantees Outstanding		
Godrej Consumer Products Holding (Mauritius) Limited	-	531.75
Godrej Mauritius Africa Holdings Limited	-	1,096.44
Godrej East Africa Holdings Limited	525.00	29.96
Godrej Netherlands B.V.	354.43	428.02
Godrej Agrovat Limited	(21.49)	(21.49)
Godrej Industries Limited	(19.86)	-

NOTE 41 : LEASES

The Company's significant leasing agreements are in respect of operating lease for Computers and Premises (office, godown, etc.) and the aggregate lease rentals payable are charged as rent. The Total lease payments accounted for the year ended March 31, 2015 is ₹ 3.10 crore (*previous year ₹ 1.83 crore*).

The future minimum lease payments outstanding under non-cancellable operating leases are as follows:

	Current Year	Previous Year
	₹ Crore	
Not later than one year	10.57	2.30
Later than one year and not later than five years	37.46	2.47
Later than five years	1.14	-
TOTAL	49.17	4.77

The Company has entered into agreement to give one of its office building on operating lease effective May 2015. With respect to non-cancellable period of the operating lease, the future minimum lease rental receivable is as follows:

	Current Year	Previous Year
	₹ Crore	
Not later than one year	7.99	-
Later than one year and not later than five years	36.50	-
Later than five years	1.14	-
TOTAL	45.63	-

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 42 : HEDGING CONTRACTS

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

a) Forward Contracts outstanding as at March 31, 2015:

	Current Year		Previous Year	
	Avg. Rate	In million	Avg Rate	In million
Forward Contract to Purchase (USD)	64.90	US \$ 4.01	65.40	US \$ 0.74
[4 contracts (previous year 1 contract)]				
Forward Contract to Sell (EUR)	76.99	€ 2.00	-	-
[3 contracts (previous year Nil)]				

b) The uncovered foreign exchange exposure as at March 31, 2015:

	Currency	In Million	
		Current Year	Previous Year
Payables	USD	12.06	6.95
Payables	EUR	0.26	0.45
Payables*	GBP	0.00	0.03
Receivables	GBP	0.01	0.02
Receivables	USD	7.10	6.83
Receivables	EUR	0.51	2.13
Cash & Cash Equivalents	USD	3.47	2.83
Cash & Cash Equivalents	EUR	0.65	0.30

* less than 0.01 million

NOTE 43 : INCENTIVE PLAN

The amount carried forward in notional bank after distribution of PLVR for the financial year 2014-15 is ₹ 0.42 crore as on March 31, 2015 (previous year ₹ 0.79 crore). The said amount is not provided for in the books of account and is payable in future, if performance so warrants.

NOTE 44 : EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLAN

Provident Fund:

The contributions to the Provident Fund of certain employees (including some employees of the erstwhile Godrej Household Products Ltd.) are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

b) DEFINED BENEFIT PLAN

Gratuity:

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of HDFC Standard 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.

Notes to the Financial Statements for the year ended March 31, 2015

The Gratuity scheme of the erstwhile Godrej Household Products Ltd., which was obtained pursuant to the Scheme of Amalgamation, is funded through Unit Linked Gratuity Plan with HDFC Standard Life Insurance Company Limited.

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 its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. 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.

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to ₹ 5.70 crore (*previous year ₹ 6.00 crore*) has been included in Note 26 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 7.88 crore (*previous year ₹ 2.67 crore*) has been included in Note 26 under Contribution to Provident and Other Funds.

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

	₹ Crore	
	Current Year	Previous Year
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	21.98	20.50
Current Service Cost	1.52	1.33
Interest Cost	2.05	1.68
Actuarial (Gain) / Loss on Obligation	5.49	0.16
Benefits Paid	(2.29)	(1.69)
Present value of the obligation at the end of the year	28.75	21.98
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	7.66	8.85
Expected return on Plan Assets	0.71	0.73
Actuarial Gain / (Loss) on Plan Assets	0.46	(0.23)
Contributions by the Employer	0.67	-
Benefits Paid	(2.29)	(1.69)
Fair value of Plan Assets at the end of the year	7.21	7.66
iii) Amounts Recognised in the Balance Sheet		
Present value of Obligation at the end of the year	28.75	21.98
Fair value of Plan Assets at the end of the year	7.21	7.66
Net Obligation at the end of the year	21.54	14.32

Notes to the Financial Statements for the year ended March 31, 2015

				₹ Crore	
				Current Year	Previous Year
iv) Amounts Recognised in the Statement of Profit and Loss					
Current Service Cost				1.52	1.33
Interest Cost on Obligation				2.05	1.68
Expected return on Plan Assets				(0.71)	(0.73)
Net Actuarial (Gain) / Loss recognised in the year				5.02	0.39
Net Cost included in Personnel Expenses				7.88	2.67
v) Actual Return on Plan Assets				1.17	0.50
vi) Estimated contribution to be made in next financial year				5.42	4.86
vii) Major categories of Plan Assets as a % of total Plan Assets					
Insurer Managed Funds				100%	100%
viii) Actuarial Assumptions					
i)	Discount Rate	7.96% P.A.	9.31% P.A.		
ii)	Expected Rate of Return on Plan Assets	7.96% P.A.	9.31% P.A.		
iii)	Salary Escalation Rate	5.50% P.A.	5.50% P.A.		
iv)	Employee Turnover	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.					
ix) Amounts recognised in current year and previous four years:					
	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of the defined benefit obligation	28.75	21.98	20.50	16.20	16.27
Fair value of the plan assets	7.21	7.66	8.85	10.47	12.67
Surplus / (deficit) in the plan	(21.54)	(14.32)	(11.65)	(5.73)	(3.60)
Experience Adjustments (Gain)/Loss:					
On Plan Liabilities	2.33	2.32	2.80	1.63	0.27
On Plan Assets	(0.46)	0.23	(0.07)	(0.25)	0.37

Notes to the Financial Statements for the year ended March 31, 2015

NOTE 45 : EMPLOYEE STOCK BENEFIT PLAN

I. EMPLOYEE STOCK OPTION / PURCHASE PLAN

- a) The shareholders of the Company have approved the setting up of the Godrej Consumer Products Ltd. Employee Stock Option Plan (GCPL ESOP) for the benefit of its eligible employees whereby the Company can grant 4,500,000 Stock Options convertible into 4,500,000 equity shares of the nominal value ₹ 1 each to the eligible employees / Directors of the Company and of the Company's subsidiaries.
- b) The ESOP Scheme is administered by an independent ESOP Trust created with IL&FS Trust Company Limited which acquires by subscription / purchase or otherwise, the Company's shares equivalent to the number of Options proposed to be granted by the participating companies, as approved by the Compensation Committee.
- c) The ESOPs authorised for issue are as under:
 - i) 2,000,000 Options in the Extra-ordinary General Meeting on March 14, 2007.
 - ii) 2,500,000 Options in the Extra-ordinary General Meeting on April 28, 2008.
- d) The Options granted shall vest in the eligible employees within such period as may be prescribed by the Compensation Committee, which period shall not be less than one year and may extend up to three years from the date of grant of the Option. Vesting may occur in tranches subject to the terms and conditions of vesting. The Option is exercisable within two years after vesting.
- e) All unvested Options shall vest in the employees on the date of retirement or at an earlier date as may be decided by the Compensation Committee, subject to the requirement of minimum vesting period and all vested Options should be exercised by the Option Grantee immediately on retirement, but in no event later than six months from the date of such Option Grantee's retirement.
- f) The price at which the Option Grantee would convert Options granted into GCPL Shares (i.e. the exercise price) shall be the market price prevailing on the day prior to the day of grant plus interest at such rate not being less than the bank rate then prevailing compoundable on an annual basis for the period commencing from the date of granting of the Option and ending on the date of intimating exercise of the Option to the Company.
- g) The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognised since the market price of the underlying share at the grant date is the same / less than the exercise price of the option, the intrinsic value therefore is *Nil*.
- h) The Board of Directors at its meeting held on January 22, 2011, had approved an Employee Stock Purchase Plan (GCPL ESPP) which is administered by the GCPL ESOP Trust. Under the plan, the Company provides loans to the GCPL ESOP Trust at an interest rate which is not less than the bank rate, to enable the Trust to acquire up to 1,000,000 shares of the Company from the secondary market. The HR and Compensation Committee had resolved that the surplus shares held by the GCPL ESOP Trust at any point of time for grant of Options under GCPL ESOP be utilized for grant of shares to the employees under the GCPL ESPP within the maximum of 1,000,000 equity shares. Under the plan, entire 1,000,000 shares have been granted, vested and exercised till March 31, 2014.

Notes to the Financial Statements for the year ended March 31, 2015

- i) The status of the above plans (since inception) are as under:

	As at March 31, 2015	As at March 31, 2014
Options Granted	4,667,000	4,667,000
Options Vested	3,870,000	3,870,000
Options Exercised	3,820,000	3,810,000
Options Lapsed / Forfeited and re-granted	762,000	762,000
Options Lapsed / Forfeited, pending sale	-	-
Options Lapsed / Forfeited and sold	85,000	85,000
Total Number of Options Outstanding	-	10,000

II. EMPLOYEE STOCK OPTION PLAN OF ERSTWHILE GODREJ HOUSEHOLD PRODUCTS LTD.

- a) Under the Scheme of Amalgamation, the Company has obtained the 'Godrej Sara Lee Limited Employees Stock Option Plan' set up for eligible employees of the erstwhile Godrej Household Products Limited. The equity shares of Godrej Industries Limited (GIL) are the underlying equity shares for the stock option plan. The ESOP Scheme is administered by an independent ESOP Trust created with IL&FS Trust Company Limited. The independent ESOP Trust has purchased shares of GIL from the market against which the options have been granted. The purchases have been financed by loans from the erstwhile Godrej Household Products Limited, which together with interest amounted to ₹ 27.21 crore as at beginning of the year. The ESOP Trust has made a net repayment of the loan amounting to ₹ 25.26 crore during the year. The total amount of loans outstanding together with interest thereon as at March 31, 2015 amounts to ₹ 1.95 crore which has been fully adjusted against the reserves in accordance with the scheme of amalgamation duly approved by the Hon'ble High Court of Judicature at Bombay during FY 2010-11. The repayment of the loans granted to the ESOP Trust and interest thereon is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period.
- b) The status of the above plan (since inception) is as under:

	As at March 31, 2015	As at March 31, 2014
Options Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	-	-
Options Lapsed / Forfeited, pending sale	-	40,000
Options Lapsed / Forfeited and sold	2,094,000	1,049,000
Total Number of Options Outstanding	35,000	1,040,000

III. EMPLOYEE STOCK GRANT SCHEME

- a) The Company set up the Employees Stock Grant Scheme 2011 (ESGS) pursuant to the approval by the Shareholders on March 18, 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 of the Company or its Subsidiaries. The entitlement of each employee will be decided by the Compensation Committee of the Company based on the employee's performance, level, grade, etc.

Notes to the Financial Statements for the year ended March 31, 2015

- d) The total number of Stock Grants to be awarded under the ESGS Scheme are restricted to 2,500,000 (Twenty Five Lac) fully paid up equity shares of the Company. Not more than 500,000 (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 or as may be decided by the Compensation Committee from the date on which the Stock Grants are awarded for a period of three consecutive years subject to the condition that the Eligible Employee continues to be in employment of the Company or the Subsidiary company as the case may be.
- f) The Eligible Employee shall exercise her / his right to acquire the shares vested in her / him all at one time within 1 month from the date on which the shares vested in her / him or such other period as may be determined by the Compensation Committee.
- g) The Exercise Price of the shares has been fixed at ₹ 1 per share. The intrinsic value, being the difference between market price and exercise price is treated as Employee Compensation Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.
- h) The Status of the above plan (since inception) is as under:

	As at March 31, 2015	As at March 31, 2014
Options Granted	393,989	268,611
Options Vested	149,529	80,849
Options Exercised	149,440	80,849
Options Lapsed / Forfeited	70,428	53,398
Total Number of Options Outstanding	174,121	134,364

- IV. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.
- V. Had the fair value method of accounting been used, the employee compensation cost for the year ended March 31, 2015 would have been lower by ₹ 11.68 crore (*previous year lower by ₹ 0.51 crore*).

NOTE 46 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Expenditure related to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of ₹ 12.41 crore :

	₹ Crore Current Year
Expenditure incurred on capital assets under CSR projects	9.32
Revenue Expenditure on CSR activities	6.76
TOTAL	16.08

NOTE 47 : DISCLOSURE U/S 186 (4) OF THE COMPANIES ACT, 2013

Details of Investments made are disclosed under Note 13 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 32.

NOTE 48 : GENERAL

- a) Other information required by Schedule III to the Companies Act, 2013, has been given only to the extent applicable.
- b) Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.