



We use cutting-edge sustainability features across Godrej One. The Central Atrium lets in natural light, ensuring that our energy requirements are minimised.

# STANDALONE FINANCIALS

• Independent auditor's report	168
• Balance sheet as at March 31, 2016	176
• Statement of Profit and Loss for the year ended March 31, 2016	177
• Notes to the Financial Statement for the year ended March 31, 2016	180

---

## INDEPENDENT AUDITOR'S 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, 2016, 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 Standalone 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances. 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, 2016 and its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention to:

Note 11(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, 2016, equivalent to the amortization 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, 2016, would have been lower by ₹ 52.75 crore and the General Reserve would have been higher by ₹ 52.75 crore.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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, a statement on the matters specified in the paragraph 3 and 4 of the Order.
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 the 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The financial statements disclose the impact of pending litigations on the financial position of the Company – Refer Note 31 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: May 03, 2016

#### Annexure A to the Independent Auditor's Report

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, 2016.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been



---

properly dealt with in the books of account.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) 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. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of sub-clause (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable.

iv) In our opinion and according to the

information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to investments made, guarantees given and securities provided.

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, wherever applicable and there are no such outstanding dues as at March 31, 2016, 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	1,912,132	2002-04	The Hon'ble Supreme Court of India
		3,651,495	2001-03	The Hon'ble Supreme Court of India
	CENVAT credit availed on Capital Goods	1,755,920	2007-08	CESTAT, Chennai
		86,115	2002-03	
	Advertisement Service- Credit availed as Input	2,837,962	2008-09	Commissioner of Central Excise (Appeals)
	Input Service Tax Distribution Credit availed	3,219,974	2006-08	Commissioner of Central Excise (Appeals)
	Service Tax not paid on Royalty (Foreign Payment)	40,751,895	2004-08	Commissioner of Central Excise (Appeals)
	Cenvat credit availed on goods received from Emox	96,220,326	2007-08	CESTAT, Chennai
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	233,090,754	2007-11	Commissioner of Central Excise (Appeals)
	Cenvat credit on input services availed based on the invoices issued by suppliers to the branches prior to registration.	815124	2007-12	CESTAT, Chennai
Central Excise Act, 1944	Allegations of non- manufacturing of shoe polish brush	12,348,164	2007-12	CESTAT, Chennai
	Valuation of Mosquito Repellant supplied from Guwahati factories to EmoxPuduchery	82,960,761	2008-12	CESTAT, Kolkata
	Excise valuation dispute on account of non-compete fees and trademark license fees paid by PGG (JV between Godrej Soaps Limited and Proctor and Gamble) to Godrej	103,600,000	1993-96	The Hon'ble Supreme Court of India
	Distribution of Cenvat Credit by Head Office to Other Factories	243,129,676	2008-12	Commissioner of Central Excise
	Valuation of Soap Noodles transferred from Malanpur factory to Himachal Pradesh factories	63,703,682	2011-12	Commissioner of Central Excise
	Valuation of PHD - Differential demand between Section 4 and 4A valuation	78,976,342	2008-14	Commissioner of Central Excise
	Valuation of Combi pack which are marked as "Goods for Export"	3,045,410	2007-08	CESTAT, Chennai
Central Excise Act, 1944	Violation of Target Plus Scheme of Customs	8,249,528	2007-08	CESTAT, Chennai
	CENVAT credit availed on Transportation Services	623,508	2011-12	Commissioner of Central Excise (Appeals), Kolkata
	CENVAT credit availed on the grounds of valuation methodology adopted by one plant while transferring goods from Lokhra plant	14,7762,862	2008-13	CESTAT, Chennai
	CENVAT credit availed on supplementary invoices issued by GCPL to Emox upon payment of differential duty by GCPL.	2,228,424	2009-10	CESTAT, Chennai
	CENVAT credit availed on account of account of trading activity conducted	37,845,678	2009-12	CESTAT, Mumbai
	CENVAT credit availed on Capital Goods because same is not availed in the month which it pertains to	940,000	2012-13	CESTAT, Kolkata
	Service Tax on Business Support Service provided by third party	37,552,534	2009-14	CESTAT, Kolkata
	Cenvat Credit disallowance on outward transportation	225,200	2014-15	Commissioner of Central Excise (Appeals), Kolkata

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
	Utilisation of Cenvat credit to pay Education Cess and Higher Education Cess demanded back by authorities	12,552,864	2010-15	Commissioner of Central Excise (Appeals), Kolkata
	Others	976,000	2007-08	CESTAT, New Delhi
		282,382	2008-09	CESTAT, Kolkata
		221,133	2003-04	Commissioner of Central Excise (Appeals), Chennai
Central Sales Tax Act, 1956 & Value Added Tax Act of Various States	Sales Tax Dues on account of Classification Head	39,157,279	2007-09	Jaipur High Court
	Sales Tax and Central Sales Tax dues due to enhancement of turnover as per assessment	1,268,683	2004-05	Uttar Pradesh 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 Dues	6,600,000	2005-06	Deputy Commissioner (Appeals)
	Sales Tax Dues for non submission of F Forms and non production of evidence against sale	2,252,275	2009-10	Kolkata Tribunal
	Central Sales Tax Dues for non submission of F Forms and non production of evidence against sale	5,960,364	2009-10	Kolkata High Court
	Sales Tax and Central Sales Tax Dues for non submission of F Forms due to incorrect sale recording	3,974,477	2010-11	Kolkata Tribunal
	Sales Tax Dues on account of Classification Head	19,115,585	2001-06	Bihar Tribunal
	EMD/ LMD to be classified as electronic machines instead of insecticide as composite goods	1,799,870	2011-12	Assessing Authority
	Sales Tax dues	1,336,189	2008-09, 2011- 12	Bihar Appellate Authority
	Entry Tax	370,953	2013-14	Appellate Authority
	Entry Tax	1,000,585	2005-08	Appellate Authority
	Entry Tax	2,254,849	1999-00 2005-06 2006-07	Madhya Pradesh High Court
	Non submission of C Forms	2,689,445	2012-13	Assessing Officer
	Differential tax on Nupur Mehndi being charged at 13%	4,797,847	2012-13 2013-14	Madhya Pradesh Tribunal
	Sales Tax Dues on account of Classification Head	39,030,343	2005-06 to 2009-10	Andhra Pradesh High Court
	Central Sales Tax Dues	160,178	2004-05	Deputy Commissioner (A)
	Sales Tax demand for difference in stock inward rate	1,406,850	2005-06 2006-07	Deputy Commissioner (A)
	Sales Tax Dues	958,784	2005-06 2006-07	Appellate Authority
	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	Appellate Authority
	Sales Tax Dues	1,757,925	2006-07	Joint Commissioner (Appeals)
	Central Sales Tax demand for non submission of F Forms & Others	670,000	2005-06 2006-07	Appellate Authority, West Bengal

Name of Statute	Nature of Dues	Amount (₹)	Period	Forum where Dispute is pending
Central Sales Tax Act, 1956 & Value Added Tax Act of Various States	Sales Tax Dues	10,641,000	2004-05	Appellate Revision Board
	Sales Tax Dues on account of Classification Head	4,838,279	2008-09	Appellate Authority
			2009-10	
			2010-11	
			2006-09	Andhra Pradesh High Court
	Sales Tax Dues on account of Classification Head	25,809,827	2010-11	Andhra Pradesh High Court
	Sales Tax demand due to mismatch in Returns and Audit Report	11,693,000	2006-07	Deputy Commissioner
	Sales Tax Dues due to difference in Stock Transfer Invoice values	394,000	2006-07	Bihar Tribunal
	Checkpost case	2,130,919	2010-11	Additional Commissioner (Appeals)
	Incorrect input tax credit claimed	3,073,427	2009-10	Assessing Authority
	Sales Tax Dues on account of Classification Head	82,808,362	2005-07	Appellate Authority
	Central Sales Tax	399,606	2007-09	Orissa Tribunal
	Entry Tax	3,624,625	2007-08	Joint Commissioner (Appeal)
			2011-13	
	Sales Tax demands based on Departmental Audit	5,450,687	2007-09	Joint Commissioner, Cuttack
	Sales Tax Dues on account of Classification Head	12,408,219	2010-11	Orissa Tribunal
	Sales Tax Dues on account of Classification Head	163,072,773	2012-15	Deputy Commissioner of Commercial tax (Appeal)
	Central Sales Tax Dues	57,681	2011-12	Deputy Commissioner (Appeals), Jaipur
	Sales Tax Dues on account of Classification Head	555,281	2013-14	Deputy Commissioner (Appeals), Hyderabad
	Sales Tax Dues on account of Classification Head	1,533,564	2011-13	Appellate Authority Uttaranchal
Sales Tax Dues on account of Classification Head	1,354,500	2014-15	Tribunal Uttaranchal	
Other Sales Tax Dues	3,316,753	1999-00 to 2009-10	Uttar Pradesh, High Court; Appellate Authority, Uttar Pradesh; Appellate Authority,	
Income Tax Act, 1961	Demand based on the order of regular assessment u/s 143(3) of the Act.	11,020	AY 2007-08	High Court
		1,082,401	AY 2010-11	Income - tax Appellate Tribunal
		7,331,795	AY 2011-12	Income - tax Appellate Tribunal
	Income-tax in dispute pertaining to erstwhile Godrej Household Products Limited.	24,105,731	AY 2006-07	Income - tax Appellate Tribunal
		188,019	AY 2007-08	Commissioner of Income Tax (A)
		14,416,939	AY 2008-09	Deputy Commissioner of Income tax
		40,426,135	AY 2009-10	Deputy Commissioner of Income tax



- viii) 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 loans or borrowings to financial institutions, banks or debenture holders. There were no loans or borrowings taken from the government during the year
- ix) According to the information and explanations given to us and the records examined by us, no moneys were raised either by way of initial public offer or further public offer (including debt instruments) or term loans by the Company during the year.
- x) 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.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related

- parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence the provisions of paragraph 3(xvi) of the Order is not applicable.

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No. 104607W

**Roshni R. Marfatia**  
**Partner**  
M. No.: 106548

Mumbai: May 03, 2016

### **Annexure B to the Independent Auditor's Report**

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory

Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Godrej Consumer Products Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Registration No. 104607W

**Roshni R. Marfatia**  
Partner  
M. No.: 106548

Mumbai: May 03, 2016.

**Balance Sheet as at March 31, 2016**

₹ Crore

	Note No.	Current Year	Previous Year
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	34.05	34.04
(b) Reserves and Surplus	4	3789.20	3349.01
		<b>3823.25</b>	<b>3383.05</b>
<b>2. Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	5	0.13	1.11
(b) Long-term Provisions	6	2.72	3.99
		<b>2.85</b>	<b>5.10</b>
<b>3. Current Liabilities</b>			
(a) Short-term Borrowings	7	2.75	0.34
(b) Trade Payables	8	638.76	805.71
(c) Other Current Liabilities	9	528.39	703.55
(d) Short-term Provisions	10	30.35	24.33
		<b>1200.25</b>	<b>1533.93</b>
<b>TOTAL</b>		<b>5026.35</b>	<b>4922.08</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		459.01	242.93
(ii) Intangible Assets		769.85	817.26
(iii) Capital Work-in-Progress		11.05	171.88
(iv) Intangible assets under development		2.17	6.95
		<b>1242.08</b>	<b>1239.02</b>
(b) Non-Current Investments	12	2423.29	2148.83
(c) Long-term Loans and Advances	13	144.77	175.39
(d) Other Non-Current Assets	14	0.24	0.06
		<b>3810.38</b>	<b>3563.30</b>
<b>2. Current Assets</b>			
(a) Current Investments	15	141.69	151.38
(b) Inventories	16	555.88	489.51
(c) Trade Receivables	17	276.94	142.94
(d) Cash and Bank Balances	18	149.52	495.36
(e) Short-term Loans and Advances	19	83.91	72.06
(f) Other Current Assets	20	8.03	7.53
		<b>1215.97</b>	<b>1358.78</b>
<b>TOTAL</b>		<b>5026.35</b>	<b>4922.08</b>
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

**Roshni R. Marfatia**  
 Partner  
 M. No. 106548

**V Srinivasan**  
 Chief Financial Officer  
 & Company Secretary

Signatures to the Financial Statements

For and on behalf of the Board  
**Adi Godrej**  
 Chairman

**Vivek Gambhir**  
 Managing Director

Mumbai: May 3, 2016

## Statement of Profit and Loss for the year ended March 31, 2016

₹ Crore

	Note No.	Current Year	Previous Year
<b>I Revenue from Operations</b>			
Revenue from Operations (Gross)		5117.79	4702.94
Less : Excise Duty		(306.22)	(273.14)
<b>Net Revenue from Operations</b>	21	4811.57	4429.80
<b>II Other Income</b>	22	42.81	57.51
<b>III Total Revenue (I + II)</b>		4854.38	4487.31
<b>IV Expenses</b>			
Cost of Raw Materials including Packing Material Consumed	23	1833.21	1814.07
Purchases of Stock in Trade		194.90	193.82
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(48.24)	5.05
Employee Benefits Expense	25	337.62	259.30
Finance Costs	26	36.54	36.92
Depreciation and Amortization Expense	11	47.38	41.67
Other Expenses	27	1511.76	1317.89
<b>Total Expenses</b>		3913.17	3668.72
<b>V Profit Before Exceptional Items and Tax (III-IV)</b>		941.21	818.59
<b>VI Exceptional Items</b>	28	-	8.60
<b>VII Profit Before Tax (V+VI)</b>		941.21	827.19
<b>VIII Tax Expense</b>			
(1) Current Tax		202.48	172.84
(2) Deferred Tax		(0.99)	(0.10)
		201.49	172.74
<b>IX Profit for the Year (VII-VIII)</b>		739.72	654.45
<b>X Earnings per Equity Share (Face Value ₹ 1)</b>	29		
(1) Basic (₹)		21.72	19.22
(2) Diluted (₹)		21.72	19.22
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

**Roshni R. Marfatia**  
Partner  
M. No. 106548

**V Srinivasan**  
Chief Financial Officer  
& Company Secretary

Signatures to the Financial Statements

For and on behalf of the Board  
**Adi Godrej**  
Chairman

**Vivek Gambhir**  
Managing Director

Mumbai: May 3, 2016

Cash Flow Statement for the year ended March 31, 2016

₹ Crore

	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Exceptional Items and Tax	941.21	818.59
<b>Adjustment for:</b>		
Non-Cash Items		
Depreciation and Amortization Expenses	47.38	41.67
Unrealised Foreign Exchange (Gain) / Loss	0.08	(0.73)
Bad Debts Written off	3.92	0.18
Provision / (Write-back) for Doubtful Debts / Advances	(2.13)	4.53
Provision for Non Moving Inventory	8.25	(2.17)
Write in of Old Balances	(1.17)	(0.94)
Expenses on Employee Stock Grant Scheme (ESGS)	6.13	9.63
Interest Expense & Discounting Charges	36.54	36.92
(Profit) / Loss on Fixed Assets Sold / Discarded (Net)	11.39	0.63
(Profit) / Loss on Sale of Investments (Net)	(13.19)	(9.88)
Recovery from GCPL ESOP Trust	(0.60)	(25.25)
Interest Income	(28.00)	(17.13)
	68.60	37.46
Operating Cash Flows Before Working Capital Changes	1009.81	856.05
<b>Adjustments for:</b>		
Inventories	(74.62)	6.23
Trade Receivables	(134.18)	(7.22)
Loans and Advances	(7.80)	7.28
Other Assets	0.42	(0.27)
Liabilities and Provisions	(82.25)	100.58
	(298.43)	106.60
Cash Generated from Operations	711.38	962.65
<b>Adjustment for:</b>		
Direct Taxes Paid	(200.18)	(179.99)
<b>Net Cash Flow from Operating Activities</b>	<b>511.20</b>	<b>782.66</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(93.39)	(104.71)
Sale of Fixed Assets	1.48	0.32
Investments in Mutual Funds (Net)	102.88	(39.50)
Investments in Deposits with NBFCs	(80.00)	-
Investments in Fixed Deposits having maturities greater than 3 months (Net)	317.12	(268.66)
Investments in Subsidiaries (Net)	(274.46)	(85.94)
Repayment of Loan by ESOP Trust	0.60	25.25
Interest Received	27.08	10.85
Exceptional Item :		
Interest Received from ESOP Trust	-	8.60
<b>Net Cash Flow from Investing Activities</b>	<b>1.31</b>	<b>(453.79)</b>



## Cash Flow Statement for the year ended March 31, 2016

₹ Crore

	Current Year	Previous Year
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Allotment of Equity Shares under ESGS	0.01	0.01
Issue of Debentures (Net of Expenses)	(0.25)	249.63
Redemption of Debentures (including Premium on Redemption)	(277.64)	(299.35)
Repayment of Sales Tax Deferral Loan	-	(0.05)
Proceeds from Packing Credit	2.75	-
Repayment of Cash Credits (Net)	(0.34)	(0.54)
Interest & Discounting Charges Paid	(40.65)	(47.92)
Dividend Paid	(187.27)	(178.72)
Dividend Tax Paid	(38.12)	(32.42)
<b>Net Cash Flow from Financing Activities</b>	<b>(541.51)</b>	<b>(309.36)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(29.00)</b>	<b>19.51</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
AS AT THE BEGINNING ( <i>Refer Note 18</i> )	169.57	150.06
AS AT THE ENDING ( <i>Refer Note 18</i> )		
Cash and Bank Balances	140.60	169.61
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(0.03)	(0.04)
	140.57	169.57
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(29.00)</b>	<b>19.51</b>

**Note:** The above cash flow statement includes amount of ₹ 14.57 crore (*Previous year ₹ 16.08 crore*) on account of Corporate Social Responsibility expenditure which has been fully paid.

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

**Roshni R. Marfatia**  
 Partner  
 M. No. 106548

Mumbai: May 3, 2016

**V Srinivasan**  
 Chief Financial Officer  
 & Company Secretary

Signatures to the Financial Statements

For and on behalf of the Board  
**Adi Godrej**  
 Chairman

**Vivek Gambhir**  
 Managing Director

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 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 of the qualifying assets. 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 loss is recognised whenever 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. An impairment loss, if any, is recognised in the Statement of Profit and Loss in period in which the impairment takes place.

#### 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 significant portion of the risks and rewards of ownership are 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 from the date on which such investments are made 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 Statement of Profit and Loss. 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.

#### **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 gains and losses are recognised in the Statement of Profit and Loss as income or expense in the period in which they arise. 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 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 in the period in which they arise.

##### **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 5 to 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.

##### **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 are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on unabsorbed tax losses and tax depreciation are not recognised unless there is virtual certainty supported by convincing evidence that future taxable income will be available against which such deferred tax assets can be realized. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during specified period. 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 as 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 maturities of three months or less from the Balance Sheet date.

**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.

## Note 3 : SHARE CAPITAL

₹ Crore

	Current Year	Previous Year
<b>Authorised</b>		
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
<b>Issued</b>		
340,564,947 Equity Shares (previous year 340,478,025) of ₹ 1 each	34.06	34.05
<b>Subscribed and Fully Paid up</b>		
340,533,823 Equity Shares (previous year 340,446,901) of ₹ 1 each fully paid up	34.05	34.04
<b>TOTAL</b>	<b>34.05</b>	<b>34.04</b>

## NOTES:

- a) During the year, the Company has issued 86,922 equity shares (previous year 68,591) under the Employee Stock Grant Scheme.
- b) 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.
- c) 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	340,446,901	34.04	340,378,310	34.04
Add : Shares Issued during the year *	86,922	0.01	68,591	0.00
<b>Shares outstanding at the end of the year</b>	<b>340,533,823</b>	<b>34.05</b>	<b>340,446,901</b>	<b>34.04</b>

\* 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, 2016 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 5.75 (previous year ₹ 5.50).

- e) 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
<b>Holding Company</b>				
Godrej & Boyce Manufacturing Co Ltd	118,503,815	34.80%	119,163,815	35.00%
<b>Subsidiary of Holding Company</b>				
Godrej Industries Limited	80,937,620	23.77%	80,277,620	23.58%

## f) Shares Reserved for issue under options

The Company has 141,096 (previous year 174,121) equity shares reserved for issue under Employee Stock Grant Scheme as at March 31, 2016. (As detailed in Note 44)

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

The Company has not issued any bonus shares or shares for consideration other than cash and has not brought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

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

**NOTE 4 : RESERVES AND SURPLUS**

₹ Crore

	Current Year	Previous Year
<b>CAPITAL INVESTMENT SUBSIDY RESERVE</b>		
Balance as per last financial statements	0.15	0.15
<b>CAPITAL REDEMPTION RESERVE</b>		
Balance as per last financial statements	1.46	1.46
<b>SECURITIES PREMIUM ACCOUNT</b>		
Balance as per last financial statements	1439.88	1,461.56
(+) Premium Received on Allotment of Shares	6.45	4.05
(-) Expenses on Issue of Debentures	(0.25)	(0.37)
(-) Premium on Redemption of Debentures	(17.00)	(25.36)
Closing Balance	1429.08	1,439.88
<b>DEBENTURE REDEMPTION RESERVE</b>		
Balance as per last financial statements	24.39	44.78
(+) Transfer from / (to) Surplus (Net)	(24.39)	(20.39)
Closing Balance	-	24.39
<b>EMPLOYEE STOCK OPTIONS OUTSTANDING</b>		
Gross Employee Compensation for Options granted	13.51	13.35
(-) Deferred Employee Compensation Expense	(5.11)	(4.64)
Closing Balance	8.40	8.71
<b>GENERAL RESERVE</b>		
Balance as per last financial statements	154.05	206.80
(-) Trademark and Brands amortisation Pursuant to Scheme of Amalgamation of GHPL (Refer Note 11(b))	(52.75)	(52.75)
Closing Balance	101.30	154.05
<b>SURPLUS</b>		
Balance as per last financial statements	1720.37	1270.33
Net Profit for the Year	739.72	654.45
<b>Appropriations:</b>		
Dividends - Interim	(195.81)	(187.24)
Tax on Distributed Profit	(39.86)	(36.73)
Transfer from / (to) Debenture Redemption Reserve	24.39	20.39
Adjustment pursuant to implementation of Schedule II of Companies Act, 2013 (Refer Note 11(c))	-	(0.83)
Closing Balance	2248.81	1720.37
<b>TOTAL</b>	<b>3789.20</b>	<b>3349.01</b>

**NOTE 5 : DEFERRED TAX LIABILITIES (NET)**

₹ Crore

	Current Year	Previous Year
<b>Deferred Tax Liability</b>		
a) Depreciation	24.27	20.79
<b>Deferred Tax Assets</b>		
a) Tax Disallowances	(21.59)	(16.46)
b) Provision for Doubtful Debts and Advances	(2.55)	(3.22)
	(24.14)	(19.68)
<b>TOTAL</b>	<b>0.13</b>	<b>1.11</b>

**NOTE 6 : LONG-TERM PROVISIONS**

₹ Crore

	Current Year	Previous Year
<b>Provision for Employee Benefits</b>		
Compensated Absences	2.72	3.99
<b>TOTAL</b>	<b>2.72</b>	<b>3.99</b>

**NOTE 7 : SHORT-TERM BORROWINGS**

₹ Crore

	Current Year	Previous Year
<b>Working Capital Loans Repayable on Demand</b>		
<i>Secured</i>		
Cash Credit from Bank ( <i>Refer Note (a) below</i> )	-	0.34
<i>Unsecured</i>		
Packing Credit from Bank ( <i>Refer Note (b) below</i> )	2.75	-
<b>TOTAL</b>	<b>2.75</b>	<b>0.34</b>

**NOTES:**

- Cash Credit from Banks are secured by hypothecation of Inventories and Book debts.
- The packing credit is granted by banks for a maximum tenure of 180 days at Bank's base rate less interest subvention of 3% per annum as per Interest Equalisation Scheme of Government of India.
- The Company does not have any default as on the Balance Sheet date in the repayment of any loan or interest.

**NOTE 8 : TRADE PAYABLES**

₹ Crore

	Current Year	Previous Year
Dues to Micro, Small and Medium Enterprises	-	-
Others	638.76	805.71
<b>TOTAL</b>	<b>638.76</b>	<b>805.71</b>

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.

**NOTE 9 : OTHER CURRENT LIABILITIES**

₹ Crore

	Current Year	Previous Year
Current Maturities of Long Term Debt ( <i>Refer Notes (a) below</i> )	-	260.64
Security Deposit Received	4.66	4.42
Unpaid Dividends ( <i>Refer Note (b) below</i> )	7.21	6.75
Statutory Dues ( <i>VAT, Excise, Service Tax, Octroi, etc</i> )	50.92	49.07
Interim Dividend Payable	93.65	85.11
Tax on Interim Dividend	19.06	17.33
Customer Advance	7.07	6.44
Accrual for Expenses	209.12	189.05
Employee Benefits Payable	124.09	71.53
Other Payables	12.61	13.21
<b>TOTAL</b>	<b>528.39</b>	<b>703.55</b>

**NOTES:**

- 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 9.35% p.a. at maturity. These debentures have been redeemed on December 18, 2015.
- 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 10 : SHORT-TERM PROVISIONS**

₹ Crore

	Current Year	Previous Year
<b>Provision for Employee Benefits</b>		
Gratuity (Net)	27.76	21.54
Compensated Absences	2.59	2.79
<b>TOTAL</b>	<b>30.35</b>	<b>24.33</b>

**NOTE 11 : FIXED ASSETS**

₹ Crore

ASSETS	GROSS BLOCK			DEPRECIATION / AMORTISATION					NET BLOCK		
	As at April 1, 2015	Additions	Disposals / Write offs	As at March 31, 2016	As at April 1, 2015	Depreciation for the Year	On Disposals / Write offs	Other Adjustments / Impairment	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>A. TANGIBLE ASSETS</b>											
Owned Assets											
Freehold Land	0.51	-	-	0.51	-	-	-	-	-	0.51	0.51
Leasehold Land	6.85	8.07	-	14.92	0.71	0.41	-	-	1.12	13.80	6.14
Leasehold Improvements	9.70	18.16	(0.48)	27.38	2.96	2.18	(0.07)	-	5.07	22.31	6.74
Buildings	79.31	70.80	(0.12)	149.99	27.53	3.98	(0.05)	-	31.46	118.53	51.78
Plant and Equipments	357.81	55.26	(22.84)	390.23	200.22	23.92	(13.62)	-	210.52	179.71	157.59
Furniture, Fixtures and Fittings	8.50	7.46	(0.46)	15.50	6.50	0.81	(0.35)	-	6.96	8.54	2.00
Vehicles	12.94	3.80	(2.74)	14.00	5.22	2.32	(1.55)	-	5.99	8.01	7.72
Office Equipment	9.58	4.34	(1.64)	12.28	5.92	0.91	(1.03)	-	5.80	6.48	3.66
Computers	15.88	8.48	(4.01)	20.35	9.09	2.93	(3.85)	-	8.17	12.18	6.79
Asset given on lease											
Building	-	90.26	-	90.26	-	1.32	-	-	1.32	88.94	-
<b>(A)</b>	<b>501.08</b>	<b>266.63</b>	<b>(32.29)</b>	<b>735.42</b>	<b>258.15</b>	<b>38.78</b>	<b>(20.52)</b>	<b>-</b>	<b>276.41</b>	<b>459.01</b>	<b>242.93</b>
<b>B. INTANGIBLE ASSETS</b>											
Goodwill	12.60	-	-	12.60	10.12	2.48	-	-	12.60	-	2.48
Trademarks and Brands	1055.39	-	-	1055.39	263.83	0.07	-	52.75	316.65	738.74	791.56
Computer Software	42.52	14.54	(2.54)	54.52	21.15	5.78	(1.94)	-	24.99	29.53	21.37
Technical Knowhow	2.64	-	-	2.64	0.79	0.27	-	-	1.06	1.58	1.85
<b>(B)</b>	<b>1113.15</b>	<b>14.54</b>	<b>(2.54)</b>	<b>1125.15</b>	<b>295.89</b>	<b>8.60</b>	<b>(1.94)</b>	<b>52.75</b>	<b>355.30</b>	<b>769.85</b>	<b>817.26</b>
<b>(A+B)</b>	<b>1614.23</b>	<b>281.17</b>	<b>(34.83)</b>	<b>1860.57</b>	<b>554.04</b>	<b>47.38</b>	<b>(22.46)</b>	<b>52.75</b>	<b>631.71</b>	<b>1228.86</b>	
Previous Year	1567.68	52.15	(5.60)	1614.23	462.59	41.67	(5.01)	54.79	554.04		1060.19
<b>C. CAPITAL WORK-IN-PROGRESS</b>										11.05	171.88
<b>D. INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										2.17	6.95
<b>TOTAL</b>										<b>1242.08</b>	<b>1239.02</b>

**NOTES:**

- a) 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 Goodknight and HIT brands have been in existence since the last two decades and been growing at a fast pace.



- b) 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 Goodknight and HIT Brands is charged directly to the General Reserve.
- c) During the previous year, pursuant to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, the Company had 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 had been depreciated over the remaining useful lives and an amount of ₹ 0.83 crore (net of deferred tax) had been recognised in the opening balance of retained earnings for adjustments of the carrying amount of fixed assets whose remaining useful life was Nil.

**NOTE 12 : NON-CURRENT INVESTMENTS**

₹ Crore

	Face Value	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
<b>Trade Investments (At Cost)</b>					
<b>Investments in Equity Instruments</b>					
<b>Of Subsidiary Companies</b>					
<i>Unquoted, fully paid up:</i>					
Godrej Netherlands B.V.	EUR 100	1,000	1,000	102.71	76.22
Godrej South Africa (Pty) Ltd.	ZAR 1	18,050,000	18,050,000	12.67	12.67
Godrej Consumer Products Mauritius Ltd.	USD 1	45,235,006	45,235,006	614.41	614.41
Godrej Consumer Products Holding (Mauritius) Ltd.	USD 1	186,300,001	185,800,001	996.39	993.19
Godrej Household Products (Bangladesh) Pvt. Ltd.	BDT 10	34,352,653	34,352,653	35.13	24.60
Godrej Household Products Lanka (Pvt) Ltd.	LKR 10	21,501,045	21,501,045	27.10	27.10
Godrej Consumer Products (Bangladesh) Ltd.*	BDT 100	4,999	4,999	0.04	0.04
Godrej Mauritius Africa Holdings Ltd.	USD 1	78,000,001	54,100,001	473.43	316.46
Godrej East Africa Holdings Ltd.	USD 1	15,450,001	8,400,001	98.02	51.55
Godrej Tanzania Holdings Ltd.	USD 1	4,750,001	200,001	31.91	1.11
<b>Of Associate Company</b>					
<i>Unquoted, fully paid up:</i>					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	5,546	5,546	22.32	22.32
<b>Of Fellow Subsidiary</b>					
<i>Unquoted, fully paid up:</i>					
Godrej One Premises Management Pvt Ltd.*	₹ 10	1,400	-	0.00	-
				2414.13	2139.67
<b>Investments in Compulsorily Convertible Debentures</b>					
<b>Of Associate Company</b>					
<i>Unquoted, fully paid up:</i>					
Bhabhani Blunt Hairdressing Pvt Ltd.	₹ 10	3,060	3,060	12.00	12.00
				2426.13	2151.67
Less : Provision for Diminution in the Value of Investments				(2.84)	(2.84)
<b>TOTAL</b>				<b>2423.29</b>	<b>2148.83</b>
Aggregate Amount of Quoted Investments				-	-
Aggregate Amount of Unquoted Investments				2426.13	2151.67
Aggregate Provision for Diminution in the Value of Investments				2.84	2.84

\* amounts less than ₹ 0.01 crore

**NOTE 13 : LONG TERM LOANS AND ADVANCES**

₹ Crore

	Current Year	Previous Year
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
Capital Advances (Refer Note below)	4.41	27.08
Security Deposits	14.25	14.75
Other Loans and Advances		
a) Balances with Government Authorities		
Considered Good	108.75	113.72
Considered Doubtful	18.64	14.59
Less: Provision for Doubtful Advances	(18.64)	(14.59)
	108.75	113.72
b) Advance Tax	17.00	19.29
[Net of Provision for taxation - ₹ 1069.12 crore (previous year ₹ 913.17 crore)]		
c) Miscellaneous Loans and Advances	0.36	0.55
<b>TOTAL</b>	<b>144.77</b>	<b>175.39</b>

**NOTE:**

Capital Advances include ₹ 0.08 crore (previous year ₹ 5.18 crore) due from Related Parties.

**NOTE 14 : OTHER NON-CURRENT ASSETS**

₹ Crore

	Current Year	Previous Year
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
Fixed Deposits with maturity of more than 12 months - under lien against Bank Guarantees	0.24	0.06
<b>TOTAL</b>	<b>0.24</b>	<b>0.06</b>

**NOTE 15 : CURRENT INVESTMENTS**

₹ Crore

	Face Value ₹	Numbers		Amounts	
		Current Year	Previous Year	Current Year	Previous Year
<b>Investments in Mutual Funds</b>					
(Valued at lower of cost and fair value)					
Unquoted, fully paid-up:					
ICICI Prudential Banking & PSU Debt Fund - Direct - Growth	10	9,128,152	-	15.49	-
Kotak Low Duration Fund - Direct - Growth	1000	58,431	-	10.79	-
Kotak Bond (Short Term) - Direct - Growth	10	7,449,549	-	21.37	-
Reliance Medium Term Fund - Direct -Growth	10	2,853,234		9.00	
Birla Sun Life Savings Fund - Direct - Growth	100	171,776	1,304,239	5.04	35.17
SBI Magnum Insta Cash Fund - Direct - Growth	1000	-	16,182	-	5.00
Reliance Money Manager Fund - Direct -Growth	1000	-	259,848	-	50.07
Kotak Liquid Scheme - Plan A Direct - Growth	1000	-	186,965	-	53.00
ICICI Prudential Liquid - Direct - Growth	100	-	144,926	-	3.00
ICICI Prudential Flexible Income - Direct - Growth	100	-	195,437	-	5.14
<b>Investments in Deposits with NBFCs</b>					
Bajaj Finance Ltd.				30.00	-
IL&FS Financial Services Ltd.				50.00	-
<b>TOTAL</b>				<b>141.69</b>	<b>151.38</b>
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				141.69	151.38

**NOTE 16 : INVENTORIES**

₹ Crore

	Current Year	Previous Year
<i>(Valued at lower of cost and net realizable value)</i>		
Raw Materials (Including Packing Materials)	190.57	176.61
Goods-in-Transit	2.54	-
	193.11	176.61
Work-in-Progress	35.98	47.11
Finished Goods	295.44	235.41
Stock-in-Trade	24.31	24.97
Stores and Spares	7.04	5.41
<b>TOTAL</b>	<b>555.88</b>	<b>489.51</b>

**NOTE 17 : TRADE RECEIVABLES**

₹ Crore

	Current Year	Previous Year
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
<b>Trade Receivables Outstanding for a period exceeding 6 months from the due date</b>		
Considered Good	19.80	2.90
Considered Doubtful	3.00	6.74
	22.80	9.64
Less: Provision for Doubtful Debts	(3.00)	(6.74)
	19.80	2.90
<b>Others (Considered Good)</b>		
Secured	5.90	5.44
Unsecured	251.24	134.60
	257.14	140.04
<b>TOTAL</b>	<b>276.94</b>	<b>142.94</b>

**NOTE 18 : CASH AND BANK BALANCES**

₹ Crore

	Current Year	Previous Year
<b>Cash and Cash Equivalents</b>		
a) Cash on Hand	0.27	0.27
b) Balances with Banks		
In Current Accounts	18.29	44.18
Deposits with less than 3 months maturity	120.00	125.03
	138.29	169.21
c) Cheques, Drafts on Hand	2.01	0.09
	140.57	169.57
<b>Other Bank Balances</b>		
a) Deposits with maturities more than 3 months but less than 12 months	-	317.00
b) Deposits under lien against Bank Guarantees	1.74	2.04
c) In Unpaid Dividend Accounts	7.21	6.75
	8.95	325.79
	149.52	495.36

**NOTE 19 : SHORT TERM LOANS AND ADVANCES**

₹ Crore

	Current Year	Previous Year
<b>Unsecured, Considered Good, Unless Otherwise Stated</b>		
Security Deposits	0.02	0.21
Balances with statutory / government authorities	64.19	52.54
Miscellaneous Loans and Advances		
Considered Good ( <i>Refer Note below</i> )	19.70	19.31
Considered Doubtful	0.47	0.36
Less: Provision for Doubtful Loans and Advances	(0.47)	(0.36)
	19.70	19.31
<b>TOTAL</b>	<b>83.91</b>	<b>72.06</b>

**NOTE:**

Short Term Loans and Advances include ₹ 0.01 crore (*previous year ₹ 0.57*) due from Related Parties.

**NOTE 20 : OTHER CURRENT ASSETS**

₹ Crore

	Current Year	Previous Year
Accrued Interest	8.03	7.11
Deferred Premium on Forward Contracts	-	0.42
<b>TOTAL</b>	<b>8.03</b>	<b>7.53</b>

**NOTE 21 : REVENUE FROM OPERATIONS**

₹ Crore

	Current Year	Previous Year
Sale of Products ( <i>Refer Note 34</i> )	5054.41	4642.39
Other Operating Revenues		
a) Royalty & Technical Fees	53.71	51.01
b) Miscellaneous Income	9.67	9.54
	5117.79	4702.94
Less : Excise Duty	(306.22)	(273.14)
	4811.57	4429.80

**NOTE 22 : OTHER INCOME**

₹ Crore

	Current Year	Previous Year
Interest Income		
On Advances and Deposits	28.00	16.23
On Loan to ESOP Trust	-	0.90
On Others *	0.00	0.00
Net Gain on Sale of Current Investments	13.19	9.88
Other Non-Operating Income		
Net Gain on Foreign Currency Transactions and Translations	-	2.27
Claim Received	0.27	0.29
Miscellaneous Non-operating Income ( <i>Refer Note below</i> )	1.35	27.94
	42.81	57.51

\* amounts less than ₹ 0.01 crore

**NOTE :**

Miscellaneous non-operating income includes an amount of ₹ 0.60 crore (*previous year ₹ 25.25 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 23 : COST OF RAW MATERIALS INCLUDING PACKING MATERIAL CONSUMED**

₹ Crore

	Current Year	Previous Year
Opening Inventory	176.61	175.88
Add : Purchases (Net)	1849.71	1814.80
	<b>2026.32</b>	1990.68
Less: Closing Inventory	(193.11)	(176.61)
<b>Cost of Raw Materials including Packing Material Consumed</b>	<b>1833.21</b>	1814.07

**NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN- TRADE**

₹ Crore

	Current Year	Previous Year
Opening Inventory		
Finished Goods	235.41	243.39
Stock-in-Trade	24.97	27.84
Work-in-Progress	47.11	41.31
	<b>307.49</b>	312.54
Less: Closing Inventory		
Finished Goods	295.44	235.41
Stock-in-Trade	24.31	24.97
Work-in-Progress	35.98	47.11
	<b>355.73</b>	307.49
<b>(Increase) / Decrease in Inventories</b>	<b>(48.24)</b>	5.05

**NOTE 25 : EMPLOYEE BENEFITS EXPENSE**

₹ Crore

	Current Year	Previous Year
Salaries and Wages	310.91	228.97
Contribution to Provident and Other Funds	14.82	15.98
Expense on Employee Stock Grant Scheme (ESGS)	6.13	9.63
Staff Welfare Expenses	5.76	4.72
	<b>337.62</b>	259.30

**NOTE 26 : FINANCE COSTS**

₹ Crore

	Current Year	Previous Year
Interest Expense	2.21	0.25
Discounting Charges	34.33	36.67
	<b>36.54</b>	36.92

**NOTE 27 : OTHER EXPENSES**

₹ Crore

	Current Year	Previous Year
Consumption of Stores and Spare Parts	13.56	11.84
Power and Fuel	97.25	98.16
Rent (Net) (Refer Note (a) below)	17.07	14.81
Repairs and Maintenance		
Plant and Equipment	4.26	3.55
Buildings	5.03	0.81
Others (Net)	21.99	18.30
	31.28	22.66
Insurance	4.75	6.56
Rates and Taxes	5.41	2.66
Processing and Other Manufacturing Charges	139.09	116.64
Excise Duty	22.96	19.62
Travelling and Conveyance	31.46	26.12
Auditors' Remuneration		
As Statutory Auditor	1.48	1.21
For Taxation Matters	0.42	0.40
For Management Services	0.03	0.03
For Other Services	0.48	0.40
Reimbursement of Expenses	0.05	0.04
Service Tax	0.14	0.11
	2.60	2.19
Legal and Professional Charges	19.01	17.80
Donations	7.92	0.82
Advertising, Publicity and Sales Promotion (Refer note (c) below)	753.73	673.98
Selling and Distribution Expenses	115.33	89.56
Freight	184.51	170.75
Royalty Expense	1.64	1.71
Commission	4.85	4.14
Miscellaneous Expenses (Net)	44.15	30.80
Bank Charges	1.42	1.73
Net Loss on Sale / Write-off of Fixed Assets	11.39	0.63
Net Loss on Foreign Currency Transactions and Translations	0.59	-
Bad Debts Written Off	3.92	0.18
Provision for Doubtful Debts / Advances	(2.13)	4.53
<b>TOTAL</b>	<b>1511.76</b>	<b>1317.89</b>

**NOTE :**

- During the year, the Company has netted off the rental income in respect of corporate office premises amounting to ₹ 7.99 crore for the year ended on March 31, 2016 (*previous year NIL*) with rental expenses amounting to ₹ 7.99 crore for the year ended on March 31, 2016 (*previous year NIL*) in respect of similar premises in the same building.
- Miscellaneous Expenses include the Company's share of various expenses incurred by group companies for sharing of services and use of common facilities.
- The Company has paid ₹ 0.10 crore for its advertisement in the commemorative souvenir on Pandit Jawaharlal Nehru published by the All India Congress Committee included under Advertising, Publicity and Sales Promotion above.

**NOTE 28 : EXCEPTIONAL ITEMS**

₹ Crore

	Current Year	Previous Year
Interest Income	-	8.60
<b>TOTAL</b>	<b>-</b>	<b>8.60</b>

**NOTE :**

The exceptional item during previous year 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 29 : EARNINGS PER SHARE**

	Current Year	Previous Year
<b>Net Profit After Tax (₹ Crore)</b>	<b>739.72</b>	654.45
Number of Shares outstanding at the beginning of the year	<b>340,446,901</b>	340,378,310
Add : Shares Issued during the year	<b>86,922</b>	68,591
Number of Shares outstanding at the end of the year	<b>340,533,823</b>	340,446,901
<b>Weighted Average Number of Equity Shares</b>		
For calculating Basic EPS	<b>340,513,052</b>	340,427,124
For calculating Diluted EPS	<b>340,604,523</b>	340,540,598
<b>Earnings Per Share Before and After Extraordinary Items</b>		
<b>(Face Value ₹ 1)</b>		
Basic (₹)	<b>21.72</b>	19.22
Diluted (₹)	<b>21.72</b>	19.22

**NOTE 30 : COMMITMENTS**

Estimated value of contracts remaining to be executed on capital account to the extent not provided for : ₹ 34.40 crore (previous year ₹ 39.43 crore), net of advances there against of ₹ 3.40 crore (previous year ₹ 20.30 crore).



**NOTE 31 : CONTINGENT LIABILITIES**

₹ Crore

	Current Year	Previous Year
<b>a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS</b>		
i) Excise duty demands aggregating ₹ 69.14 crore ( <i>previous year ₹ 69.70 crore</i> ) against which the Company has preferred appeals (net of tax).	45.64	46.01
ii) Sales tax demands aggregating ₹ 49.00 crore ( <i>previous year ₹ 62.46 crore</i> ) against which the Company has preferred appeals (net of tax).	32.35	41.23
iii) Income-tax matters		
Demand notices issued by Income-tax Authorities.	9.83	16.01
iv) Other matters : ₹ 3.00 crore ( <i>previous year ₹ 3.00 crore</i> ) (net of tax).	1.98	1.98
<b>b) GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES</b>		
i) Guarantee amounting to USD 57.2 million ( <i>previous year NIL</i> ) given by the Company to DBS Bank, Singapore against loan provided to Godrej Mauritius Africa Holdings Ltd.	378.98	-
ii) Guarantee amounting to GBP NIL ( <i>previous year GBP 30.0 million</i> ) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	-	277.41
iii) Guarantee amounting to USD NIL ( <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
iv) Guarantee amounting to GBP 0.55 million ( <i>previous year GBP 4.95 million</i> ) given by the Company to HSBC, Hongkong against loan provided to Godrej Netherlands BV.	5.25	45.77
v) 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
vi) 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.	33.13	31.25
vii) Guarantee amounting to USD 84.0 million ( <i>previous year NIL</i> ) given by the Company to HSBC, Hongkong against loan provided to Godrej East Africa Holdings Limited.	556.54	-
viii) Guarantee amounting to GBP 30.0 million ( <i>previous year NIL</i> ) to HSBC, Hongkong towards loan provided to Godrej Netherlands BV.	286.42	-
ix) Guarantee amounting to USD 145.2 million ( <i>previous year NIL</i> ) given by the Company to HSBC (Hongkong), DBS Bank (Singapore) and SCB against loan provided to Godrej Mauritius Africa Holdings Ltd.	962.02	-
x) Guarantee amounting to USD 45.76 million ( <i>previous year NIL</i> ) given by the Company to Barclays Bank PLC, London towards loan against provided to Godrej Mauritius Africa Holdings Ltd.	303.18	-
xi) Guarantee amounting to USD 57.2 million ( <i>previous year NIL</i> ) given by the Company to HSBC & SCB towards loan towards loan against provided to Godrej East Africa Holdings Limited.	378.98	-
<b>c) OTHER GUARANTEES</b>		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank ₹ 1.98 crore ( <i>previous year ₹ 2.10 crore</i> )]	8.81	7.35
ii) Guarantee given by the Company to Yes Bank for credit facilities extended to M/s. Broadcast Audience Research Council	0.80	0.80
<b>d) CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:</b>		
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 32 : IMPORTED / INDIGENOUS CONSUMPTION

₹ Crore

	Current Year		Previous Year	
	Amount	%	Amount	%
<b>Raw Materials Consumed</b>				
Imported	239.12	13.04%	193.94	10.69%
Indigenous	1594.09	86.96%	1620.13	89.31%
	<b>1833.21</b>	<b>100.00%</b>	<b>1814.07</b>	<b>100.00%</b>
<b>Component, Stores and Spare Consumed</b>				
Imported	0.01	0.07%	0.10	0.84%
Indigenous	13.55	99.93%	11.74	99.16%
<b>TOTAL</b>	<b>13.56</b>	<b>100.00%</b>	<b>11.84</b>	<b>100.00%</b>

## NOTE 33 : CONSUMPTION OF RAW MATERIAL AND PURCHASE OF STOCK-IN-TRADE

₹ Crore

	Current Year	Previous Year
<b>Raw Material Consumed</b>		
a) Oils and Fats	470.71	498.15
b) Chemicals, Colours, Perfumes and Catalysts	473.42	421.36
c) Packing Material	527.80	469.80
d) Others	361.28	424.76
	<b>1833.21</b>	<b>1814.07</b>
<b>Stock-in-Trade Purchased</b>		
a) Personal Wash	11.16	17.89
b) Hair Care	9.43	9.07
c) Home Care	137.07	160.03
d) Others	37.24	6.83
	<b>194.90</b>	<b>193.82</b>
<b>TOTAL</b>	<b>2028.11</b>	<b>2007.89</b>

## NOTE 34 : SALES (NET OF EXCISE DUTY)

₹ Crore

	Current Year	Previous Year
Personal Wash	1500.78	1454.61
Hair Care	605.44	556.44
Home Care	2352.43	2074.77
Others	289.54	283.43
<b>TOTAL</b>	<b>4748.19</b>	<b>4369.25</b>

## NOTE 35 : VALUE OF IMPORTS ON CIF BASIS

₹ Crore

	Current Year	Previous Year
Raw Materials	224.85	185.65
Traded Goods	2.23	3.11
Spares Parts and Components	0.12	0.12
Capital Goods	2.16	1.18
<b>TOTAL</b>	<b>229.36</b>	<b>190.06</b>

**NOTE 36 : EXPENDITURE IN FOREIGN CURRENCY**

₹ Crore

	Current Year	Previous Year
Royalty, Know-how and Technical Fees	1.36	1.64
Professional and Consultation Fees	1.11	2.04
Other Matters	11.84	5.52
<b>TOTAL</b>	<b>14.31</b>	<b>9.20</b>

**NOTE 37 : EARNINGS IN FOREIGN EXCHANGE**

₹ Crore

	Current Year	Previous Year
Export of Goods on FOB Basis	136.49	120.73
Royalty, Know-how and Technical Fees	53.71	51.01
Interest and Dividends	-	-
Business Support Services	5.46	3.86
<b>TOTAL</b>	<b>195.66</b>	<b>175.60</b>

**NOTE 38 : DIVIDEND REMITTED IN FOREIGN CURRENCY**

₹ Crore

	Current Year	Previous Year
4th Interim Dividend for the year ended March 31, 2015, to 325 non-resident shareholders on 89208 shares @ ₹ 2.50 per share	0.02	
1st Interim Dividend for the year ended March 31, 2016, paid to 321 non-resident shareholders on 86,628 shares @ ₹ 1 per share	0.01	
2nd Interim Dividend for the year ended March 31, 2016, to 318 non-resident shareholders on 85,548 shares @ ₹ 1 per share	0.01	
3rd Interim Dividend for the year ended March 31, 2016, to 306 non-resident shareholders on 80,572 shares @ ₹ 1 per share	0.01	
4th Interim Dividend for the year ended March 31, 2014, to 312 non-resident shareholders on 85920 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
<b>TOTAL</b>	<b>0.05</b>	<b>0.05</b>

**NOTE 39 : RELATED PARTY DISCLOSURES****A) Related Parties and their Relationship****a) Holding Company:**

Godrej &amp; 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
  - Godrej Consumer Investments (Chile) Spa
  - Godrej Holdings (Chile) Limitada
  - Cosmetica Nacional
  - Plasticos Nacional
- vi) Godrej Consumer Products Mauritius Limited
  - Godrej Nigeria Limited
  - Godrej Argentina Dutch Cooperatief U.A. *(Note 1)*
  - Godrej Netherlands Argentina B.V. *(Note 1)*
  - Godrej Netherlands Argentina Holding B.V. *(Note 1)*
  - Issue Group Brazil Limited *(Note 1)*
  - Laboratoria Cuenca S.A *(Note 1)*
  - Deciral S.A
  - Consell S.A *(Note 1)*
  - Argencos S.A *(Note 1)*
  - Panamar Producciones S.A *(Note 1)*
  - Godrej Hair Care Nigeria Limited *(w.e.f. January 12, 2016)*
  - Godrej Household Insecticide Nigeria Ltd *(w.e.f. January 12, 2016)*
  - Godrej Hair Weave Nigeria Ltd *(w.e.f. March 2, 2016)*
  - Godrej Consumer Investments Holdings Limited *(Note 2)*
- vii) Godrej Consumer Products Holding (Mauritius) Limited
  - Indovest Capital Limited, Labuan (Malaysia)
  - Godrej Global Mid East FZE (UAE)
  - Godrej Indonesia IP Holdings Limited (Mauritius)
  - Godrej Mid East Holding Limited *(w.e.f. July 28, 2015)*
  - PT Indomas Susemi Jaya (Indonesia)
  - PT Intrasari Raya (Indonesia)
  - PT Megasari Makmur (Indonesia)
  - PT Ekamas Sarijaya (Indonesia)
  - PT Sarico Indah (Indonesia)
  - Godrej Consumer Products US Holding Limited *(w.e.f. March 29, 2016)*
- viii) Godrej Mauritius Africa Holdings Limited
  - Darling Trading Company Mauritius Limited
  - Godrej Africa Holdings Limited *(Note 2)*
  - Frika Weave (Pty) Limited (South Africa)
  - Kinky Group (Proprietary) Limited
  - Lorna Nigeria Limited (Nigeria)
  - Weave Ghana
  - Godrej West Africa Holdings Limited (Mauritius)
  - Subinite Pty Limited (South Africa)

- 
- Godrej Weave Holdings Limited (*Note 2*)
  - DGH Mauritius Private Limited (*Note 2*)
  - Weave Business Holding Mauritius Private Limited (Mauritius) (*Note 2*)
  - DGH Phase 3 Mauritius (*Note 2*)
  - Weave IP Holding Mauritius Private Limited (Mauritius)
  - Weave Mozambique Limitada (Mozambique)
  - Weave Trading Mauritius Private Limited (Mauritius)
  - Hair Trading (Offshore) S.A.L. (Lebanon)
  - ix) Godrej East Africa Holdings Limited (Mauritius)
    - DGH Phase Two Mauritius Private Limited (Mauritius)
    - Style Industries Limited (Kenya)
    - Charm Industries Limited (*w.e.f. August 14, 2015*)
  - x) Godrej Tanzania Holdings Limited (Mauritius)
    - DGH Tanzania Limited (Mauritius)
    - Sigma Hair Industries Limited
    - Belaza Mozambique LDA (*w.e.f. April 30, 2015*)
    - DGH Angola (Erstwhile Godrej Megasari Holdings Limited)
    - Hair Credentials Zambia Limited (*w.e.f. December 23, 2015*)
  - xi) Godrej SON Holdings Inc. (*w.e.f. March 24, 2016*)

**Notes:**

1. Pursuant to a Deed of Merger ("the Scheme"), sanctioned by a Dutch court, vide its order effective March 31, 2016, Godrej Argentina Dutch Cooperatief UA has merged into Godrej Consumer Products Dutch Cooperatief UA, Godrej Netherlands Argentina BV has merged into Godrej Consumer Holding (Netherlands) BV and Godrej Netherlands Argentina Holding BV merged into Godrej Consumer Products (Netherlands) BV with effect from April 1, 2015. As per the Scheme, all investments made by Godrej Netherlands Argentina BV and Godrej Netherlands Argentina Holding BV in Laboratoria Cuenca S.A, Issue Group Brazil Limited, Consell S.A, Argencos S.A and Panamar Producciones S.A have been respectively transferred to Godrej Consumer Holding (Netherlands) BV and Godrej Consumer Products (Netherlands) BV.
2. Pursuant to a Scheme of Amalgamation sanctioned by the Supreme Court of Mauritius, Godrej Consumer Investment Holding Limited, Godrej Weave Holdings Limited, DGH Mauritius Private Limited, Weave Business Holdings Mauritius Private Limited and DGH Phase Three Mauritius have been merged with Godrej Africa Holdings Limited with effect from March 31, 2015.

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

- i) Godrej Industries Limited
- ii) Godrej Agrovet Limited
- iii) Godrej Tyson Foods Ltd
- 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
- x) Godrej One Premises Management Pvt Ltd
- xi) Godrej Seeds & Genetics Limited

**d) Joint Venture:**

- i) Godrej Easy IP Holdings (FZC) (Dubai)

**e) Associate Company:**

- i) Bhabhani Blunt Hairdressing Pvt Limited

**f) 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
- iv) Mr. V. Srinivasan Chief Financial Officer and Company Secretary (*w.e.f. April 1, 2015*)
- 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

**NOTE 39 : RELATED PARTY DISCLOSURES (Contd.)**

**B) The Related Party Transactions are as under :**

	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
	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Sale of Goods	0.60	0.64	45.40	37.78	13.37	18.29	0.63	0.43	-	-	60.00	57.14
Sale of Capital Asset	-	-	0.62	-	-	-	-	-	-	-	0.62	-
Purchase of Materials and Spares	0.70	2.65	2.21	2.10	35.07	31.59	-	-	-	-	37.98	36.34
Payments made towards Assets under Construction	8.60	6.38	-	-	1.60	12.91	-	-	-	-	10.20	19.29
Advance Paid	0.50	0.60	-	-	-	-	-	-	-	-	0.50	0.60
Royalty and Technical Fees Received	-	-	53.70	51.02	-	-	-	-	-	-	53.70	51.02
Royalty and Technical Fees Paid	-	-	-	-	-	-	0.28	0.07	-	-	0.28	0.07
Business Development Expenses	-	-	6.23	2.81	-	-	-	-	-	-	6.23	2.81
Establishment and Other Expenses Paid / (Received)	0.51	0.27	(9.03)	(7.20)	17.96	9.59	0.20	0.12	-	-	9.64	2.78
Investments Made	-	-	274.46	93.95	-	-	-	-	-	-	274.46	93.95
Investments Sold / Redeemed	-	-	-	8.02	-	-	-	-	-	-	-	8.02
Guarantees Given / (Cancelled)	-	-	2151.60	(1,215.62)	-	-	-	-	-	-	2151.60	(1,215.62)
Guarantees / Surety Bonds Obtained / (Cancelled)	-	-	-	-	(13.63)	19.86	-	-	-	-	(13.63)	19.86
Dividend Paid	65.41	63.87	-	-	44.22	40.83	-	-	2.63	2.49	112.26	107.19
Managerial Remuneration	-	-	-	-	-	-	-	-	47.56	33.12	47.56	33.12
Commission on Profits and Sitting Fees	-	-	-	-	-	-	-	-	0.36	0.41	0.36	0.41
Lease Rentals Paid / (Received)	-	-	-	-	1.84	2.90	-	-	2.46	2.46	4.30	5.36
<b>Outstanding Balances as at March 31, 2016</b>												
Receivables	0.66	0.06	62.75	33.97	0.36	2.96	0.07	0.04	-	-	63.84	37.03
Payables	-	-	-	-	1.39	0.14	-	-	27.35	15.57	28.74	15.71
Guarantees Outstanding	-	-	2904.50	882.39	(27.71)	(41.35)	-	-	-	-	2876.79	841.04

₹ Crore



## NOTE 39 : RELATED PARTY DISCLOSURES (Contd.)

## C) The Significant Related Party Transactions are as under :

₹ Crore

Nature of Transaction	Current Year	Previous Year
<b>Sale of Goods</b>		
Godrej Global Mid East FZE	16.22	12.56
Godrej Household Products Lanka (Private) Limited	14.31	13.62
Godrej Household Products (Bangladesh) Private Limited	11.41	7.55
Godrej Industries Limited	12.52	17.62
<b>Sale of Capital Asset</b>		
Godrej Household Products (Bangladesh) Private Limited	0.62	-
<b>Purchase of Materials and Spares</b>		
Godrej Industries Limited	33.63	29.46
<b>Payments made towards Assets under Construction</b>		
Godrej & Boyce Mfg. Co. Limited	8.60	6.38
Godrej Vikhroli Properties LLP	1.50	12.91
<b>Advance Paid</b>		
Godrej & Boyce Mfg. Co. Limited	0.50	0.60
<b>Royalty and Technical Fees Received</b>		
Godrej South Africa (Proprietary) Limited	11.08	11.16
PT Megasari Makmur	41.42	38.78
<b>Royalty and Technical Fees Paid</b>		
Bhabhani Blunt Hairdressing Pvt Limited	0.28	0.07
<b>Business Development Expenses</b>		
Godrej Global Mid East FZE	6.23	2.81
<b>Establishment and Other Expenses Paid / (Received)</b>		
Godrej & Boyce Mfg. Co. Limited	0.51	0.27
PT Megasari Makmur	(3.27)	(3.17)
Godrej South Africa (Proprietary) Limited	(0.74)	(0.66)
Godrej Consumer Products (UK) Limited	(1.07)	(0.93)
PT Intrasari Raya	(0.41)	(0.40)
Lorna Nigeria Limited	(0.71)	(0.76)
Style Industries Limited	(1.43)	(1.21)
Godrej Global Mid East FZE	0.07	0.35
Godrej Industries Limited	15.92	9.31
Godrej Agrovet Limited	0.41	0.88
Godrej Properties Limited	(0.75)	(0.34)
Godrej Projects Development Private Limited	(0.36)	(0.33)
Godrej One Premises Management Pvt Limited	2.56	-
<b>Investments Made</b>		
Godrej Consumer Products Mauritius Limited	-	47.68
Godrej Netherlands B.V.	26.49	-
Godrej Household Products (Bangladesh) Pvt. Limited	10.53	8.95
Godrej Mauritius Africa Holdings Limited	156.97	6.22
Godrej Consumer Products Holding (Mauritius) Limited	3.20	8.98
Godrej East Africa Holdings Limited	46.47	22.12
Godrej Tanzania Holdings Limited	30.80	-
<b>Investments Sold / Redeemed</b>		
Godrej Consumer Products Mauritius Limited	(2.83)	(21.49)
Godrej Consumer Products Holding (Mauritius) Limited	(24.88)	(19.86)

Nature of Transaction	Current Year	Previous Year
<b>Guarantees Given / (Cancelled)</b>		
Godrej Mauritius Africa Holdings Limited	1,743.24	(595.73)
Godrej East Africa Holdings Limited	388.60	(31.52)
Godrej Netherlands B.V.	22.72	(50.34)
Godrej Consumer Products Holding (Mauritius) Limited	-	(535.63)
Godrej Global Mid East FZE	-	(2.40)
<b>Guarantees / Surety Bonds Obtained / (Cancelled)</b>		
Godrej Industries Limited	5.02	19.86
Godrej Agrovet Limited	(18.65)	-
<b>Dividend Paid</b>		
Godrej & Boyce Mfg. Co. Limited	65.41	63.87
Godrej Industries Limited	44.22	40.83
<b>Managerial Remuneration</b>		
Mr. Adi Godrej	18.68	13.18
Ms. Nisaba Godrej	6.12	4.49
Mr. Vivek Gambhir	19.62	12.88
Mr. P. Ganesh	-	2.57
Mr. V. Srinivasan	3.14	-
<b>Commission on Profits and Sitting Fees</b>		
Mr. Nadir Godrej	0.18	0.21
Ms. Tanya Dubhash	0.18	0.20
<b>Lease Rentals Paid / (Received)</b>		
Godrej Industries Limited	1.88	3.03
Natures Basket Limited	(0.02)	(0.13)
Ms. Parmeshwar Godrej	2.46	2.46
<b>Outstanding Balances as at March 31, 2016</b>		
<b>Receivables</b>		
Godrej Global Mid East FZE	9.12	3.52
Godrej Household Products (Bangladesh) Private Limited	3.68	4.61
Godrej Household Products Lanka (Private) Limited	17.78	11.90
PT Megasari Makmur	22.66	8.57
Godrej South Africa (Proprietary) Limited	3.98	3.79
<b>Payables</b>		
Mr. Adi Godrej	11.04	6.08
Ms. Nisaba Godrej	3.06	1.74
Mr. Vivek Gambhir	11.63	6.68
<b>Guarantees Outstanding</b>		
Godrej Mauritius Africa Holdings Limited	1,644.18	-
Godrej East Africa Holdings Limited	935.52	525.00
Godrej Netherlands B.V.	324.80	354.43
Godrej Agrovet Limited	(2.83)	(21.49)
Godrej Industries Limited	(24.88)	(19.86)

#### NOTE 40 : 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, 2016 is ₹ 15.41 crore (*previous year ₹ 3.10 crore*).

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

	₹ Crore	
	Current Year	Previous Year
Not later than one year	13.63	10.57
Later than one year and not later than five years	29.48	37.46
Later than five years	-	1.14
<b>TOTAL</b>	<b>43.11</b>	<b>49.17</b>

The Company has entered into an agreement to give one of its office building on operating lease effective May 2015. Total Lease rentals earned during the year ended March 31, 2016 amounting to ₹ 7.99 crore have been netted off against rent expense of ₹ 7.99 in Note 27 for similar premises in the same building.

The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

	₹ Crore	
	Current Year	Previous Year
Not later than one year	9.13	7.99
Later than one year and not later than five years	28.52	36.50
Later than five years	-	1.14
<b>TOTAL</b>	<b>37.65</b>	<b>45.63</b>

#### NOTE 41 : 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/ Spot Contracts outstanding as at March 31, 2016:

	Current Year In million	Previous Year In million
Forward Contracts to Purchase (USD) [19 contracts (previous year 4 contract)]	US \$6.28	US \$4.01
Spot Contract to Purchase (USD) [1 contract (previous year 0 contract)]	US \$0.25	—
Forward Contracts to Sell (EUR) [11 contracts (previous year 3 contract)]	€ 4.76	€ 2.00

b) The uncovered foreign exchange exposure as at March 31, 2016:

		In million	
	Currency	Current Year	Previous Year
Payables	USD	12.06	12.30
Payables	EUR	0.48	0.36
Payables*	GBP	-	0.00
Receivables	GBP	0.03	0.01
Receivables	USD	11.31	7.10
Receivables	EUR	-	0.51
Cash & Cash Equivalents	USD	0.79	3.47
Cash & Cash Equivalents	EUR	0.01	0.65

\* less than 0.01 million

#### NOTE 42 : INCENTIVE PLAN

The entire amount carried forward in notional bank as on March 31, 2016 amounting to ₹ 0.38 crore has been provided for as PLVR for the financial year 2015-16 and the balance carried forward is NIL as on March 31, 2016 (previous year ₹ 0.42 crore).

## NOTE 43 : 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.

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 including contribution to Family Pension Fund amounting to ₹ 8.80 crore (*previous year ₹ 7.64 crore*) has been included in Note 25 under Contribution to Provident and Other Funds.

#### ii) Defined Benefit Plan

Gratuity cost amounting to ₹ 5.50 crore (*previous year ₹ 7.88 crore*) has been included in Note 25 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
<b>i) Change in Present Value of Obligation</b>		
Present value of the obligation at the beginning of the year	28.75	21.98
Current Service Cost	2.04	1.52
Interest Cost	2.28	2.05
Actuarial (Gain) / Loss on Obligation	2.28	5.49
Benefits Paid	(2.06)	(2.29)
Present value of the obligation at the end of the year	33.29	28.75

	Current Year	Previous Year
<b>ii) Change in Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	7.21	7.66
Expected return on Plan Assets	0.57	0.71
Actuarial Gain / (Loss) on Plan Assets	(0.19)	0.46
Contributions by the Employer	-	0.67
Benefits Paid	(2.06)	(2.29)
Fair value of Plan Assets at the end of the year	5.53	7.21
<b>iii) Amounts Recognised in the Balance Sheet:</b>		
Present value of Obligation at the end of the year	33.29	28.75
Fair value of Plan Assets at the end of the year	5.53	7.21
Net Obligation at the end of the year	27.76	21.54
<b>iv) Amounts Recognised in the Statement of Profit and Loss:</b>		
Current Service Cost	2.04	1.52
Interest Cost on Obligation	2.28	2.05
Expected return on Plan Assets	(0.57)	(0.71)
Net Actuarial (Gain) / Loss recognised in the year	2.47	5.02
Net Cost Included in Personnel Expenses	6.22	7.88
<b>v) Actual Return on Plan Assets</b>	<b>0.38</b>	1.17
<b>vi) Estimated contribution to be made in next financial year</b>	<b>6.35</b>	5.42
<b>vii) Major categories of Plan Assets as a % of total Plan Assets</b>		
Insurer Managed Funds	100%	100%
<b>viii) Actuarial Assumptions</b>		
i) Discount Rate	8.01% P.A.	7.96% P.A.
ii) Expected Rate of Return on Plan Assets	8.01% P.A.	7.96% 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	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

ix) Amounts recognised in Current Year and previous four years:

	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of the defined benefit obligation	33.29	28.75	21.98	20.50	16.20
Fair value of the plan assets	5.53	7.21	7.66	8.85	10.47
Surplus / (deficit) in the plan	(27.76)	(21.54)	(14.32)	(11.65)	(5.73)
<b>Experience Adjustments (Gain) / Loss:</b>					
On Plan Liabilities	2.28	2.33	2.32	2.80	1.63
On Plan Assets	0.19	(0.46)	0.23	(0.07)	(0.25)

## NOTE 44 : EMPLOYEE STOCK BENEFIT PLANS

### I. 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 ₹ 1.95 crore as at beginning of the year. The ESOP Trust has made a net repayment of the loan amounting to ₹ 0.60 crore during the year. The total amount of loans outstanding together with interest thereon as at March 31, 2016 amounts to ₹ 1.35 crore which had 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, 2016	As at March 31, 2015
Options Granted	2,129,000	2,129,000
Options Vested	-	-
Options Exercised	20,000	-
Options Lapsed / Forfeited, pending sale	15,000	-
Options Lapsed / Forfeited and sold	2,094,000	2,094,000
<b>Total Number of Options Outstanding</b>	-	35,000

### II. 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.

- 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, 2016	As at March 31, 2015
Options Granted	465,219	393,989
Options Vested	236,451	149,529
Options Exercised	236,362	149,440
Options Lapsed / Forfeited	87,761	70,428
<b>Total Number of Options Outstanding</b>	<b>141,096</b>	<b>174,121</b>

III. Pursuant to SEBI notification dated January 17, 2013, no further securities of the Company will be purchased from the open market.

IV. Had the fair value method of accounting been used, the employee compensation cost for the year ended March 31, 2016 would have been lower by ₹ 0.40 crore (*previous year lower by ₹ 11.68 crore*).

#### NOTE 45 : 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 ₹ 14.22 crore (*previous year ₹ 12.41 crore*):

	Current Year	Previous Year
Expenditure incurred on capital assets under CSR projects	-	9.32
Revenue Expenditure on CSR activities	14.57	6.76
<b>TOTAL</b>	<b>14.57</b>	<b>16.08</b>

#### NOTE 46 : DISCLOSURE U/S 186 (4) OF THE COMPANIES ACT, 2013

Details of Investments made are disclosed under Note 12 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 31.

#### NOTE 47 : 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.