

KALYANIWALLA & MISTRY (Regd.)

CHARTERED ACCOUNTANTS

The Board of Directors
Godrej Industries Limited,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East)
Mumbai - 400 079.

Limited Review Report

1. We have reviewed the accompanying statement of Unaudited Financial Results of **GODREJ INDUSTRIES LIMITED** for the quarter ended on June 30, 2012, except for disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us, prepared by the Company pursuant to clause 41 of the Listing Agreement with stock exchanges in India. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on August 11, 2012. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accounts of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial statements is limited primarily to inquiries of persons responsible for financial and accounting matters and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is expression of opinion regarding the financial statements taken as a whole. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our report, we draw attention to the following:
The Company has instituted an Employee Stock Option Plan for the benefit of eligible employees of participating companies. The Scheme is administered by an independent trust created with ILFS Trust Company Ltd. The ESOP Trust has been advanced loans which along with interest thereon and net of provision of Rs. 7.97 crores, amounts to Rs. 92.62 crores. The loans have been granted for financing the purchase of equity shares of the Company equivalent to the number of options granted. As at June 30, 2012, the market value of the equity shares held by the ESOP Trust is lower than the holding cost (cost or market value whichever is lower) of these equity shares by Rs. 14.30 crores, (net of provision of Rs. 7.97 crores). The repayment of the loans granted to the ESOP Trust and interest payable by the Trust on the said loans is dependent on the exercise of options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. In the opinion of the Management, the fall in the value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period.

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**KALYANIWALLA
& MISTRY**

4. *The recoverability of advances given to certain individuals amounting to Rs. 10.33 crores being contingent upon the transfer and / or disposal of the shares pledged against the loan. The said shares were lodged for transfer, which application was rejected and the Company has preferred an appeal to the Company Law Board. The investee company had in the mean while moved the High Court but the matter was referred back to the Company Law Board, where the matter is awaiting hearing. In the meanwhile, the minority shareholders have been restrained from transferring shares to a third party. The impact thereof on the profit for the quarter ended June 30, 2012 and the reserves as at that date could not be ascertained.*
5. *Subject to our comment in paragraph 4 above and based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of Unaudited Financial Results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatements.*

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Regn. No.: 104607W


Dargais Z. Fraser
PARTNER
M. No.: 42454

Mumbai: August 11, 2012.

GODREJ INDUSTRIES LIMITED

Regd. Office: Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai - 400 079

PART I STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2012

(Amounts in ₹ Crores)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-Jun-12 (Unaudited)	31-Mar-12 (Unaudited)	30-Jun-11 (Unaudited)	
1	Income from Operations a) Net Sales (Net of excise duty) b) Other Operating Income Total Income from Operations (net)	353.82 26.93 380.75	335.64 63.20 398.84	285.69 17.15 302.84	1,305.27 132.77 1,438.04
2	Expenses a) Cost of Material Consumed b) Purchase of Stock in Trade c) Change in Inventories of Finished Goods, Work in Progress and Stock in Trade d) Employee Benefits Expense e) Depreciation and Amortisation Expense f) Other Expenses Total Expenses	257.58 0.88 (10.45) 27.08 5.49 75.19 355.77	223.33 0.83 8.26 34.58 6.11 52.68 325.79	200.27 0.81 (3.93) 27.29 6.95 53.97 285.36	887.47 3.56 (9.15) 120.51 27.19 261.97 1,291.55
3	Profit from Operations Before Other Income, Finance costs and Exceptional Items	24.98	73.05	17.48	146.49
4	Other Income	7.70	9.60	7.02	31.72
5	Profit Before Finance Cost and Exceptional Items	32.68	82.65	24.50	178.21
6	Finance Costs	20.03	17.08	18.26	70.53
7	Profit from Ordinary Activities after Finance Cost But Before Exceptional Items	12.65	65.57	6.24	107.68
8	Exceptional Items - Income (net)	0.51	-	12.12	93.37
9	Profit from Ordinary Activities Before Taxation	13.16	65.57	18.36	201.05
10	Tax Expense	(0.02)	(5.85)	0.91	(0.51)
11	Net Profit from Ordinary Activities After Tax	13.18	71.42	17.45	201.56
12	Extraordinary Items (net of tax expense)	-	-	-	-
13	Net Profit for the Period	13.18	71.42	17.45	201.56
14	Paid-up Equity Share Capital (Face value- ₹ 1 per share)	31.76	31.76	31.76	31.76
15	Reserves Excluding Revaluation Reserves	0.4150	2.2486	0.5494	6.3459
16 i	Earnings per share (before extraordinary items) (of ₹ 1 each) (Not Annualised)	0.4139	2.2444	0.5487	6.3342
	(a) Basic	0.4150	2.2486	0.5494	6.3459
16 ii	Earnings per share (after extraordinary items) (of ₹ 1 each) (Not Annualised)	0.4139	2.2444	0.5487	6.3342
	(a) Basic	0.4139	2.2444	0.5487	6.3342
	(b) Diluted	-	-	-	-

Part II Select Information for the Quarter Ended June 30, 2012

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-Jun-12 (Unaudited)	31-Mar-12 (Unaudited)	30-Jun-11 (Unaudited)	
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding	66,390,718	66,390,718	66,390,718	66,390,718
	- Number of Shares	20.90%	20.90%	20.90%	20.90%
2	Promoters and Promoter Group Shareholding	-	-	-	-
	- Pledged / Encumbered	-	-	-	-
	- Number of Shares	-	-	-	-
	- Percentage of Shares (as a % of Total Shareholding of Promoter and Promoter Group)	-	-	-	-
	- Percentage of Shares (as a % of Total Share Capital of the Company)	-	-	-	-
	Non Encumbered	251,234,174	251,234,174	251,234,174	251,234,174
	- Number of Shares	100%	100%	100%	100%
	- Percentage of Shares (as a % of Total Shareholding of Promoter and Promoter Group)	79.10%	79.10%	79.10%	79.10%
	- Percentage of Shares (as a % of Total Share Capital of the Company)	79.10%	79.10%	79.10%	79.10%



B	INVESTOR COMPLAINTS
	Pending at the beginning of the quarter
	Received during the quarter
	Disposed off during the quarter
	Remaining unresolved at the end of the quarter

Notes

- The above results, were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on August 11, 2012 and have been prepared in accordance with Clause 41 of the Listing Agreement. These results have been subjected to limited review by the Statutory Auditors of the Company.
- The Auditors' Limited Review Report for the quarter ended June 30, 2012, draws reference to recoverability of advances amounting to Rs 10.33 crores given to certain individuals against the pledge by way of deposit of equity shares of Gharada Chemicals Ltd. The Company has enforced its securities and lodged the shares for transfer in its name. However, the transfer application has been rejected by Gharada Chemicals Ltd. and the Company filed an appeal before the Company Law Board (CLB) against the rejection. The investee company had in the meanwhile, moved the Bombay High Court and the Court remanded the matter back to CLB. The CLB has advised that the parties may approach the Bench after final disposal of the suit filed by the investee company and the application made by minority shareholders under section 397/398 before the Hon'ble High Court. The Company has filed an appeal with the Hon'ble High Court against the order of the Company Law Board under section 10 F of the Companies Act, which is pending for final disposal. In the meanwhile, the minority shareholders have been refrained from transferring their shares to a third party. The impact thereof on the profit for the quarter and the reserves as at June 30, 2012 cannot be ascertained.
- The Company has instituted an Employee Stock Option Plan for the benefit of eligible employees of participating companies. The Scheme is administered by an independent Trust created with ILFS Trust Company Ltd. The ESOP Trust has been advanced loans which along with interest thereon and net of provision of Rs. 7.97 crores, amounts to Rs. 92.62 crores. The loans have been granted for financing the purchase of equity shares of the Company equivalent to the number of options granted. As at June 30, 2012, the market value of the equity shares held by the ESOP Trust is lower than the holding cost (cost or market value whichever is lower) of these equity shares by Rs. 14.30 crores, (net of provision of Rs. 7.97 crores). The repayment of the loans granted to the ESOP Trust and interest payable by the Trust on the said loan is dependent on the exercise of options by the employees during the exercise period and / or the market price of the underlying equity shares of the unexercised options at the end of the exercise period. In the opinion of the management, the fall in the value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period. The weighted average balance life of options outstanding as on June 30, 2012, is 4.11 years.
- During the quarter, under the Employee Stock Grant Scheme, the Company has granted 258,270 stock grants to eligible employees of the Company and its subsidiaries. Upon Vesting, as per the Scheme, equivalent number of equity shares of nominal value of Re 1 each in the Company shall be issued to the eligible employees on exercising their grants.
- In July 2012, the Company has issued 17,233,407 equity shares of Re 1 each at a premium of Rs 214 per share under the Institutional Placement Programme (IPP) aggregating to Rs 370.52 crore.
- Dividend Income has been considered as Revenue from Operations since Finance and Investments is an Operating business segment for the Company
- Details of Exceptional Items

Sr. No.	Particulars	Quarter Ended			Year Ended
		30-Jun-12 (Unaudited)	31-Mar-12 (Unaudited)	30-Jun-11 (Unaudited)	31-Mar-12 (Audited)
1	Profit on Sale of Long Term Investments	0.51	-	12.12	90.84
2	Provision for Diminution in Value of Investments	-	-	-	2.53
	Total	0.51	-	12.12	93.37

(Amounts in ₹ Crores)



8 Segmental Information

Sr. No.	Particulars	(Amounts in ₹ Crores)			
		Quarter Ended		30-Jun-11	Year Ended
		30-Jun-12	31-Mar-12	(Unaudited)	31-Mar-12
		(Unaudited)	(Unaudited)		(Audited)
1	Segment Revenue				
	Chemicals	347.39	333.84	278.34	1,283.60
	Estate	18.14	33.09	6.46	52.88
	Finance and Investments	19.92	39.69	33.72	215.38
	Others	3.51	1.82	3.46	11.27
	Total	388.96	408.44	321.98	1,563.13
2	Less : Inter Segment Revenue				
	Total	388.96	408.44	321.98	1,563.13
2	Segment Results (Profit Before Interest and Tax)				
	Chemicals	24.07	37.27	19.80	119.88
	Estate	15.08	29.31	3.35	39.69
	Finance and Investments	19.92	39.74	33.73	215.38
	Others	(2.31)	(1.82)	(0.48)	(4.00)
	Total	56.76	104.50	56.40	370.95
3	Profit Before Interest and Tax				
	Less: Interest (net)	20.03	17.08	18.26	70.53
	Less: Other Un-allocable Expenses (net)	23.57	21.85	19.78	99.37
	Profit Before Tax	13.16	65.57	18.36	201.05
3	Segment Capital Employed				
	Chemicals	82.65	51.21	199.14	51.21
	Estate	132.82	106.59	70.37	106.59
	Finance and Investments	1,543.18	1,526.56	1,432.33	1,526.58
	Others	20.63	20.77	24.83	20.77
	Total	1,779.28	1,705.13	1,726.67	1,705.13

Notes to Segmental Information:

- a) Unallocable expenditure includes expenses incurred on common services at the corporate level and relate to the Company as a whole.
b) Others includes Vegolis Division and energy generation through windmills.
c) Segment Revenue Reconciliation:

Sr. No.	Particulars	(Amounts in ₹ Crores)			
		Quarter Ended		30-Jun-11	Year Ended
		30-Jun-12	31-Mar-12	(Unaudited)	31-Mar-12
		(Unaudited)	(Unaudited)		(Audited)
1	Total Income from Operations (net)				
	Other Income	380.75	398.84	302.84	1,438.04
	Exceptional Items - Income	7.70	9.60	7.02	31.72
	Total	388.45	408.44	309.86	1,469.76

9 The figures for the quarter ended March 31, 2012 were the balancing figures between audited figures in respect of the full financial year 2011-12 and the published year to date figures upto the third quarter of the financial year 2011-12.

Figures for the previous periods have been regrouped / restated wherever necessary to facilitate comparison.

By Order of the Board
For Godrej Industries Limited

N. B. Godrej
N. B. Godrej
Managing Director



Place: Mumbai
Date : August 11, 2012