

KALYANIWALLA & MISTRY (Regd.)

CHARTERED ACCOUNTANTS

The Board of Directors
Godrej Industries Limited,
Pirojshanagar, Vikhroli,
Mumbai - 400 079.

Limited Review Report

1. We have reviewed the accompanying statement of Unaudited Financial Results of **GODREJ INDUSTRIES LIMITED** for the quarter and nine months ended on December 31, 2011, 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 February 3, 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 that the Company has instituted an Employee Stock Option Plan for the benefit of its 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. 12.45 crores, amounts to Rs. 84.32 crores. The loans have been granted for purchase of shares of Godrej Industries Ltd. from the market equivalent to the number of options granted. As at December 31, 2011, the market value of the shares held by the ESOP Trust is lower than the holding cost of these shares by Rs. 28.44 crores, (net of provision of Rs. 12.45 crores). The repayment of the loans granted to the ESOP Trust and the interest payable by the Trust on the said loans is dependent on the exercise of 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.

K&M

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**KALYANIWALLA
& MISTRY**

4. *The recoverability of advances given to certain individuals amounting to Rs. 10.33 crores is 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. The impact thereof on the profit for the quarter and nine months ended December 31, 2011 and the reserves as at that date could not be ascertained.*
5. *Subject to para 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


Darqas Z. Fraser
PARTNER
M. No.: 42454

Mumbai: February 03, 2012.

GODREJ INDUSTRIES LIMITED

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

UNAUDITED STAND ALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2011

(Amounts in ' Crores)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended			Year Ended
		31-Dec-11 (Unaudited)	30-Sep-11 (Unaudited)	31-Dec-10 (Unaudited)	31-Dec-11 (Unaudited)	31-Dec-10 (Unaudited)	31-Mar-11 (Audited)	
1	a) Net Sales	339.81	348.86	278.90	976.32	747.70	1,058.83	
	b) Other Operating Income	11.96	43.13	12.95	72.30	55.03	87.01	
	Total Income from Operations	351.77	391.99	291.85	1,048.62	802.73	1,145.84	
2	Expenditure							
	a) (Increase) / Decrease in Stock in Trade and Work In Progress	(11.49)	(3.10)	(3.98)	(18.52)	(19.77)	(23.16)	
	b) Consumption of Raw Materials	237.35	227.63	185.28	665.25	507.05	706.52	
	c) Purchase of Traded Goods	1.13	0.79	0.97	2.73	2.46	1.97	
	d) Employee Cost	30.70	27.94	28.27	85.93	79.43	117.67	
	e) Depreciation	7.05	7.08	7.29	21.08	21.44	28.85	
	f) Other Expenses	78.83	76.52	60.02	209.32	157.92	213.08	
	Total Expenditure	343.57	336.86	277.85	965.79	748.53	1,044.93	
3	Profit / (Loss) from Operations Before Other Income, Interest and Exceptional Items	8.20	55.13	14.00	82.83	54.20	100.91	
4	Other Income	5.23	5.03	4.87	15.26	15.15	20.61	
5	Profit / (Loss) Before Interest and Exceptional Items	13.43	60.16	18.87	98.09	69.35	121.52	
6	Interest and Financial Charges (net)	17.82	17.37	15.41	53.45	45.04	63.12	
7	Profit / (Loss) After Interest But Before Exceptional Items	(4.39)	42.79	3.46	44.64	24.31	58.40	
8	Exceptional Items - Income (net)	32.83	45.89	23.06	90.84	63.46	77.61	
9	Profit / (Loss) from Ordinary Activities Before Taxation	28.44	88.68	26.52	135.48	87.77	136.01	
10	Tax Expense							
	- Current Tax (net of MAT Credit Entitlement)	0.29	5.16	(1.07)	6.50	-	-	
	- Deferred Tax	(0.35)	(0.66)	2.62	(1.15)	4.98	3.94	
	- Adjustment for Previous Year (net)	(0.01)	-	-	(0.01)	-	(1.36)	
11	Profit / (Loss) from Ordinary Activities After Tax	28.51	84.18	24.97	130.14	82.79	133.43	
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-	
13	Prior Period Items (net of tax expense)	-	-	-	-	-	-	
14	Net Profit / (Loss) for the Period	28.51	84.18	24.97	130.14	82.79	133.43	
15	Paid-up Equity Share Capital (Face value- Re.1 per share)	31.76	31.76	31.76	31.76	31.76	31.76	
16	Reserves Excluding Revaluation Reserves							
	Basic EPS (') Excluding Extraordinary Items (Not Annualised)	0.8976	2.6503	0.79	4.0973	2.61	1,046.89	
17	Diluted EPS (') Excluding Extraordinary Items (Not Annualised)	0.8960	2.6454	0.79	4.0898	2.61	4.20	
18	Basic EPS (') Including Extraordinary Items (Not Annualised)	0.8976	2.6503	0.79	4.0973	2.61	4.20	
19	Diluted EPS (') Including Extraordinary Items (Not Annualised)	0.8960	2.6454	0.79	4.0898	2.61	4.20	
	Public Shareholding							
	Number of Shares	6,63,90,718	6,63,90,718	6,63,90,718	6,63,90,718	6,63,90,718	6,63,90,718	
	Percentage of Shareholding	20.90%	20.90%	20.90%	20.90%	20.90%	20.90%	
20	Promoters and Promoter Group Shareholding							
	- 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							
	- Number of Shares	25,12,34,174	25,12,34,174	25,12,34,174	25,12,34,174	25,12,34,174	25,12,34,174	
	- Percentage of Shares (as a % of Total Shareholding of Promoter and Promoter Group)	100%	100%	100%	100%	100%	100%	
	- Percentage of Shares (as a % of Total Share Capital of the Company)	79.10%	79.10%	79.10%	79.10%	79.10%	79.10%	

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Notes:

- 1 The above results, were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 3rd February, 2012 and have been prepared in accordance with Clause 41 of the Listing Agreement. These results have been subjected to a Limited Review by the Statutory Auditors of the Company.
- 2 The Auditors' Limited Review Report for the quarter and nine months ended 31st December, 2011, draws reference to recoverability of advances amounting to `10.33 crores given to certain individuals being contingent upon the transfer and/or disposal of the shares pledged against the loan. The Company has enforced its securities and lodged the shares for transfer in its name. However, as the transfer application was rejected, the Company filed an appeal before the Company Law Board (CLB). 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 Honble High Court. The Company has filed an appeal with the Honble High Court against the order of the Company Law Board under section 10 F of the Companies Act, which is pending for final disposal. The impact thereof on the profit for the quarter and nine months and the reserves as at 31st December, 2011 cannot be ascertained.
- 3 The Company's ESOP plan is administered by an independent ESOP trust which purchases shares of the Company from the market equivalent to the number of stock options granted from time to time to eligible employees. These purchases are financed by loans from the Company which alongwith interest thereon aggregate to ` 84.32 crores (net of provision of ` 12.45 crores). The Auditors' Limited review Report for the quarter and nine months ended 31st December, 2011, draws attention, without qualifying the report, that the market value, as on 31st December 2011, of the shares held by the ESOP trust is lower than the holding cost of these shares by ` 28.44 crores (net of provision of ` 12.45 crores). The repayment of the loans granted to the ESOP trust 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. The fall in value of underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of exercised period. The weighted average balance life of options outstanding as on 31st December 2011 is 4.55 years.

4 Other Operating Income includes Dividend Income and Profit on sale of current investments, as Finance and Investments is a business segment for the company.

5 Details of Exceptional Items and Extraordinary Items

Sr. No.	Particulars	(Amounts in ` Crores)				
		Quarter Ended		Nine Months Ended		Year Ended
		31-Dec-11 (Unaudited)	30-Sep-11 (Unaudited)	31-Dec-10 (Unaudited)	31-Dec-11 (Unaudited)	31-Mar-11 (Audited)
1	Exceptional Items					
	Profit on Sale of Long Term Investments	32.83	45.89	23.06	90.84	88.09
2	Provision for Depletion in Value of Investments	-	-	-	-	(10.48)
	Total	32.83	45.89	23.06	90.84	77.61

6 There was 1 investor complaint that was unresolved as of October 1, 2011. During the quarter ended December 31, 2011, the Company has received 13 investor complaints and all 14 were resolved during the

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7 Segmental Information

Sr. No.	Particulars	(Amounts in Crores)				
		Quarter Ended 31-Dec-11 (Unaudited)	30-Sep-11 (Unaudited)	31-Dec-10 (Unaudited)	Nine Months Ended 31-Dec-11 (Unaudited)	Year Ended 31-Mar-11 (Audited)
1	Segment Revenue					
	Chemicals	332.19	340.04	270.14	950.50	722.58
	Estate	7.44	8.64	11.29	22.54	25.63
	Finance and Investments	48.40	90.93	35.54	173.05	124.21
	Others	1.80	3.30	2.82	8.63	8.93
	Total	389.83	442.91	319.79	1,154.72	881.35
	Less : Inter Segment Revenue					
	Total	389.83	442.91	319.79	1,154.72	881.35
2	Segment Results (Profit Before Interest and Tax)					
	Chemicals	27.73	36.05	24.30	83.34	55.69
	Estate	3.79	5.93	9.02	13.13	17.83
	Finance and Investments	48.40	90.93	35.54	173.05	124.21
	Others	(2.12)	(0.40)	(1.79)	(2.92)	(3.41)
	Profit Before Interest and Tax	77.80	132.51	67.07	266.60	194.32
	Less: Interest (net)	17.82	17.37	15.41	53.45	45.04
	Less: Other Un-allocable Expenses (net)	31.54	26.46	25.14	77.67	61.51
	Profit Before Tax	28.44	88.68	26.52	135.48	87.77
3	Segment Capital Employed					
	Chemicals	96.99	175.87	189.94	96.99	189.94
	Estate	66.68	68.79	83.20	66.68	68.66
	Finance and Investments	1,500.82	1,469.48	1,361.55	1,500.82	1,428.73
	Others	20.18	21.74	24.11	20.18	24.11
	Unallocated	(461.43)	(543.12)	(554.44)	(461.43)	(554.44)
	Total	1,223.24	1,192.76	1,104.36	1,223.24	1,104.36
						1,090.16

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 Vegoils Division and energy generation through windmills.
c) Segment Revenue Reconciliation:

Sr. No.	Particulars	(Amounts in Crores)				
		Quarter Ended 31-Dec-11 (Unaudited)	30-Sep-11 (Unaudited)	31-Dec-10 (Unaudited)	Nine Months Ended 31-Dec-11 (Unaudited)	Year Ended 31-Mar-11 (Audited)
1	Total Income from Operations	351.77	391.99	291.85	1,048.62	802.73
2	Other Income	5.23	5.03	4.87	15.26	15.15
3	Exceptional Items - Income	32.83	45.89	23.06	90.84	63.46
	Total	389.83	442.91	319.78	1,154.72	881.34
						1,254.54

8 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
Managing Director



Place: Mumbai
Date : 3rd February, 2012

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