

KALYANIWALLA & MISTRY (Regd.)

CHARTERED ACCOUNTANTS

Auditor's Report on Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to Clause 41 of the Listing Agreement.

TO THE BOARD OF DIRECTORS OF GODREJ INDUSTRIES LIMITED

1. We have audited the consolidated financial results of **GODREJ INDUSTRIES LIMITED** (the Company) and its subsidiaries (collectively referred to as the "Group") for the quarter and year ended March 31, 2013, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the 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. These consolidated financial results have been prepared from the consolidated interim financial statements, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006, as per section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our report, we draw your attention that the Group has instituted an Employee Stock Option Plan for the benefit of its eligible employees of participating companies. The Schemes are administered by independent trusts. The ESOP Trusts have been advanced loans which, along with interest thereon and net of provision of Rs. 20.34 crores, amounts to Rs. 167.94 crores. The loans have been granted for financing the purchase of equity shares of Godrej Group Companies equivalent to the number of options granted. As at March 31, 2013, the market value of the equity shares held by the ESOP Trusts is lower than the holding cost (cost or market value whichever is lower) of these equity shares by Rs. 14.61 crores, (net of provision of Rs. 20.34 crores). The repayment of the loans granted to the ESOP Trusts 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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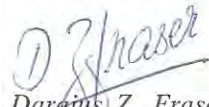
4. We did not audit the financial statements of five subsidiaries and one joint venture included in these consolidated financial results, whose consolidated financial statements reflect total assets of Rs. 115.98 crores as at March 31, 2013, as well as total revenue of Rs. 1,477.05 crores and Rs. 131.42 crores, for the year and quarter ended on that date, respectively. We also did not audit the financial statements of an associate wherein the Group's share of the associate's profit amounts to Rs. 4.29 crores and Rs. 0.07 crores for the year and quarter ended on that date respectively as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the other financial results, insofar as the results have been derived from such financial statements, is based solely on the report of such other auditors.
5. The financial statements of one joint venture, which was disposed off during the year, which includes the Group's share of total revenue of Rs. 80.87 crores for the year are not audited as of the date of this report and have been included in the consolidated financial statements on the basis of unaudited management accounts.
6. The financial statements of three associates, whose financial statements reflect the Group's share of associates' profit for the year and quarter ended March 31, 2013, of Rs. 2.26 crores and Rs. 0.48 crores respectively have been included in the financial statements on the basis of unaudited management accounts.
7. Based on our audit and on consideration of reports of other Auditors on the separate financial statements and on the other financial information of Godrej Industries Limited, its subsidiaries, joint venture, associates and limited liability partnership, in our opinion and to the best of our information and according to the explanations given to us, these consolidated financial results:
 - a) include the financial results of the following entities:
 1. Godrej Agrovet Limited and its subsidiaries.
 2. Godrej Properties Limited and its subsidiaries.
 3. Ensemble Holding and Finance Limited.
 4. Godrej International Limited.
 5. Natures Basket Limited.
 6. Godrej International Trading and Investments Pte. Limited.
 7. Swadeshi Detergents Limited.
 8. Godrej Vikhroli Properties – LLP.
 9. Godrej Hershey Limited.
 10. Godrej Consumer Products Limited.
 - b) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - c) give a true and fair view of the consolidated net profit and other financial information for the quarter as well as for the year ended March 31, 2013.



**KALYANIWALLA
& MISTRY**

8. Further we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the Management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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


Daranis Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May 28, 2013.