

KALYANIWALLA & MISTRY (Regd.)

CHARTERED ACCOUNTANTS

Auditor's Report on Quarterly and Year to Date 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 financial results of **GODREJ INDUSTRIES LIMITED** (the Company) 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 financial results have been prepared on the basis of interim financial statements, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of such 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 attention that 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. 3.11 crores, amounts to Rs. 63.08 crores. The loans have been granted for financing the purchase of equity shares of Godrej Industries Ltd. from the market equivalent to the number of options granted. As at March 31, 2013, 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. 8.22 crores, (net of provision of Rs. 3.11 crores). The repayment of the loans granted to the ESOP Trust 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.



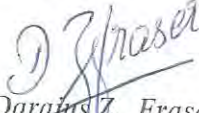
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& MISTRY**

4. Based on our audit, in our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year end results:
- a) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - b) give a true and fair view of the net profit and other financial information for the quarter as well as the year ended March 31, 2013.
5. 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 number of shares as well as percentage of shareholdings in respect of aggregate amount of 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


Darshan Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May 28, 2013.