

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 half year ended on September 30, 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 November 8, 2011. 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. 6.16 crores, amounts to Rs. 88.35 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 September 30, 2011, the market value of the shares held by the ESOP Trust is lower than the holding cost of these shares by Rs. 24.73 crores, (net of provision of Rs. 6.16 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.

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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 half year ended September 30, 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


Daranis Z. Fraser
PARTNER
M. No.: 42454

Mumbai: November 08, 2011.

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 Consolidated Financial Results of **GODREJ INDUSTRIES LIMITED** for the quarter and half year ended on September 30, 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 November 8, 2011. 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 consolidated 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 your attention that the Group 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. 9.03 crores, amounts to Rs. 193.23 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 September 30, 2011, the market value of the shares held by the ESOP Trust is lower than the holding cost of these shares by Rs. 59.80 crores, (net of provision of Rs. 9.03 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.

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& 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 half year ended September 30, 2011 and the reserves as at that date could not be ascertained.*
5. We did not review the financial statements of certain subsidiaries and a joint venture, whose financial statements reflect the Group's share of total assets of Rs. 99.45 crores as at September 30, 2011, and the Group's share of total revenue of Rs. 536.92 crores for the half year ended on that date as considered in the consolidated financial statements. We also did not review the financial statements of an associate wherein the Group's share of the associate's profit amounts to Rs. 0.03 crores for the half year ended on that date as considered in the consolidated financial statements. These financial statements have been reviewed by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of such subsidiaries, associate and joint venture is based solely on the report of the other auditors.
6. *The financial statements of a joint venture, whose financial statements reflect the Group's share of total assets of Rs. 37.67 crores and the Group's share of total revenue of Rs. 71.82 crores for the half year ended September 30, 2011, are not reviewed as of the date of this report and have been included in the consolidated financial statements on the basis of unaudited management accounts.*
7. *The financial statements of certain associates whose financial statements reflect the Group's share of associates' profit for the half year ended September 30, 2011, of Rs. 7.06 crores have been included in the financial statements on the basis of unaudited management accounts.*
8. *Subject to para 4, 6 and 7 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 Consolidated 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


Daraius Z. Fraser

PARTNER

M. No.: 42454

Mumbai: November 8, 2011.