

## Corporate Governance

Transparent disclosure norms and timely communication designed to ensure accountability and informed decision making.

## 1. The Company's philosophy on Corporate Governance

Godrej Consumer Products Ltd. (GCPL) is committed to adoption of best governance practices, their adherence in true spirit and conduct of its affairs in a manner which is transparent, clear and evident to those having dealings with or having a stake in the Company. GCPL lays strong emphasis on business ethics in all its dealings. GCPL belongs to the 108 year old Godrej group that has over the years built a reputation for meeting its commitments to all its stakeholders and stands for quality and reliability. In line with GCPL's vision and long-term business objectives, all corporate decisions are taken by the Company's highly respected Board in conjunction with a competent management team, keeping in view the best interest of all its stakeholders.

This year, post surveillance, ICRA has reaffirmed the Corporate Governance Rating of CGR2+ (pronounced as CGR two plus) and the Stakeholder Value Creation and Governance Rating SVG 2+ (pronounced as SVG two plus) assigned to the Company. The + sign indicates relatively higher standing within the category indicated by the rating. The two ratings together seek to examine whether the Company is being run on the principles of Corporate Governance and whether the practices followed by the Company lead to value creation for all its shareholders.

The CGR2 + rating is on a rating scale of CGR1 to CGR6 where CGR1 denotes the highest rating. The CGR2+ rating implies that in ICRA's current opinion, the rated Company has adopted and follows such practices, conventions and codes as would provide its financial stakeholders a high level of assurance on the quality of corporate governance.

The SVG2 + rating is on a rating scale of SVG1 to SVG6 where SVG1 denotes the highest rating. The SVG2+ rating implies that in ICRA's current opinion, the rated Company belongs to the High Category on the composite parameters of stakeholder value creation and management as also corporate governance practices.

## 2. Board of Directors

### a) Composition of the Board

As on March 31, 2005, the GCPL Board consists of eight Directors, two of whom, including the Chairman and Managing Director are Whole-time Executive Directors. The remaining six are Non-Executive Directors, with four of them being independent Directors. Details are given in Table 1.

### b) Number of Board meetings

The Board of GCPL held four meetings during the year. These were on April 28, 2004, July 22, 2004, October 27, 2004, January 22 & January 23, 2005. The maximum gap between any two board meetings was 97 days.

### c) Directors' attendance record and directorships held

See Table 1 for details.

Table 1: Details about GCPL's Board of Directors

Name of the Director	Category	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Number of Directorship		Number of Chairmanship/ membership in Board Committees	
					Public* Companies	Other Companies	# Chairmanship	# Membership
Adi Godrej	Promoter, Chairman and Managing Director	4	4	Yes	12 (3)	3	3	1
Jamshyd Godrej	Promoter, Non-Executive Director	4	4	Yes	14 (5)	9	3 (1)	5 (1)
Nadir Godrej	Promoter, Non-Executive Director	4	4	Yes	13 (4)	6	3	7
Bala Balachandran	Non-Executive and Independent Director	4	3	Yes	3 (2)	2	—	3 (1)
Rama Bijapurkar	Non-Executive and Independent Director	4	4	Yes	6 (6)	2	3 (1)	5
Bharat Doshi	Non-Executive and Independent Director	4	4	Yes	8 (2)	3	1	12 (6)
Anupam Puri	Non-Executive and Independent Director	4	3	Yes	6 (5)	—	5 (2)	7 (3)
Hoshedar Press	President and Whole-Time Director	4	4	Yes	1 (1)	—	—	1

\* Figures in ( ) denotes listed companies.

# Figures in ( ) denotes chairmanship/membership in Board Committees other than the Audit Committee, the Shareholders' Grievance Committee and the Remuneration Committee and chairmanship/membership in Board Committees in companies other than public limited companies.

Independent Director means a Director who, apart from receiving a Director's remuneration, does not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, or its subsidiaries, which in the judgement of the Board may affect the independence of judgement of the Director.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as prescribed under Clause 49 of the listing agreement.

#### d) Information supplied to the Board

Among others, this includes :

- annual operating plans and budgets, capital budgets, updates
- quarterly results of the Company along with detailed business analysis
- minutes of meeting of Audit Committee and other committees
- information on recruitment and remuneration of senior officers just below the Board level
- materially important show cause, demand, prosecution and penalty notices
- fatal or serious accidents or dangerous occurrences
- any materially significant effluent or pollution problems
- any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company

- any issue which involves possible public or product liability claims of a substantial nature
- details of any joint venture or collaboration agreement
- transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- significant labour problems and their proposed solutions
- significant development in the human resources and industrial relations fronts
- sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business
- quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, and
- non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of GCPL is regularly presented with all information under these heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board Meetings.

### 3. Committees of the Board

#### I. Audit Committee

##### Constitution

The Audit Committee constituted by the Board of Directors at its meeting held on April 28, 2001, in accordance with Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement with the stock exchanges, was reconstituted during the current year at the meeting of the Board of Directors held on October 27, 2004.

The composition of the Audit Committee is given in Table 2.

Table 2 : Composition of the Audit Committee

Name of the Director	Category	Position in the Audit Committee
Bharat Doshi	Independent Director	Chairman of the Audit Committee
Nadir Godrej *	Promoter , Non Executive Director	Member
Bala Balachandran	Independent Director	Member
Rama Bijapurkar	Independent Director	Member
Anupam Puri	Independent Director	Member

\*ceased to be a member with effect from October 27, 2004.

Mr.Sunil Sapre, Executive Vice President (Finance & Commercial) & Company Secretary acts as the Secretary to the Committee. Mr.Bharat Doshi, the Chairman of the Audit Committee is knowledgeable in all areas of finance, accounts, company law and has vast experience in corporate affairs. All the members of committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance, information systems, marketing and corporate strategy. Minutes of each Audit Committee meeting are placed before, and discussed in, the full Board.

##### Terms of reference

The terms of reference of Audit Committee includes the matters specified in Section 292A of the Companies Act, 1956 as well as clause 49 of the listing agreement with the stock exchanges such as :

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for any other services.

- Reviewing with management the annual financial statements before submission to the board, focusing primarily on :
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgement by the management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions, i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- Reviewing with the management & external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of the internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussing with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with external auditors before the audit commences, the nature and scope of audit as well as conducting post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Looking into the reasons for substantial defaults in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.

#### *Meetings and attendance during the year*

The Audit Committee met four times during the year: April 28, 2004; July 22, 2004; October 27, 2004 and January 22, 2005.

The attendance record of Audit Committee members is given in Table 3.

Table 3 : Attendance record of Audit Committee members

<b>Name of the Director</b>	<b>No. of Meetings</b>	<b>Meetings attended</b>
Bharat Doshi ( <i>Chairman of the Committee</i> )	4	4
Nadir Godrej*	3	3
Bala Balachandran	4	3
Rama Bijapurkar	4	4
Anupam Puri	4	3

\*ceased to be a member with effect from October 27, 2004.

## **II. Human Resources Committee**

### **Constitution**

Setting up of a remuneration committee for determining the Company's policy on remuneration packages for executive directors constitutes a non-mandatory provision of Clause 49 of the listing agreement with stock exchanges. GCPL has set up a Human Resources Committee. The composition of the Human Resources Committee is given in Table 4.

Table 4 : Composition of the Human Resources Committee

Name of the Director	Category	Position in the Human Resources Committee
Anupam Puri	Independent Director	Chairman of the Human Resource Committee
Rama Bijapurkar	Independent Director	Member
Jamshyd Godrej *	Promoter, Non Executive Director	Member
Adi Godrej *	Promoter, Chairman & Managing Director	Member
Mr. Bala Balachandran **	Independent Director	Member
Mr. Bharat Doshi **	Independent Director	Member

\*ceased to be a member of the Committee with effect from October 27, 2004

\*\* inducted as a member of the Committee with effect from October 27, 2004

Mr. Sunil Sapre, Executive Vice President (Finance & Commercial) & Company Secretary acts as the Secretary to the Committee

#### **Brief description of terms of reference and Remuneration Policy**

The following are terms of reference of the Human Resource Committee :

- Review of Human Resource policies and practices of the Company and, in particular, policies regarding remuneration of Whole-time Directors and Senior Managers.
- In principle approval of Compensation Philosophy
- Review of Senior Management Compensation.
- Induction of new people, attritions, etc.

GCPL has adopted EVA as a tool for driving performance, and has linked improvements in EVA to performance linked variable remuneration (PLVR) for whole-time directors, managers and officers of the Company.

#### **Meetings and attendance during the year**

During the year ended March 31, 2005, the committee met two times on April 28, 2004 and July 22, 2004. Table 5 gives attendance record of the Human Resources Committee.

Table 5 : Attendance record of Human Resources Committee Members

Name of the Director	No. of Meetings	Meetings attended
Anupam Puri (Chairman of the Committee)	2	1
Rama Bijapurkar	2	2
Jamshyd Godrej*	2	2
Adi Godrej*	2	2
Mr. Bala Balachandran **	Nil	Nil
Mr. Bharat Doshi **	Nil	Nil

\*ceased to be a member of the Committee with effect from October 27, 2004

\*\* inducted as a member of the Committee with effect from October 27, 2004

#### **Remuneration of Directors : Sitting fees, salary, perquisites and commissions.**

Table 6 below gives the details of the remuneration package of Directors and their relationships with each other.

Table 6 : Remuneration to Directors for the year ended March 31, 2005

(Rs.)

Name of the Director	Relationship with other Directors	Sitting fees	Commission on profits	Salary and allowances	Performance linked variable remuneration	Monetary value of Perquisites	Total
Adi Godrej	Brother of Nadir Godrej	NA	NA	3640000	3509476	4838455	11987931
Jamshyd Godrej	None	90000	800000	NA	NA	NA	890000
Nadir Godrej	Brother of Adi Godrej	95000	800000	NA	NA	NA	895000
Bala Balachandran	None	80000	800000	NA	NA	NA	880000
Rama Bijapurkar	None	115000	800000	NA	NA	NA	915000
Bharat Doshi	None	105000	800000	NA	NA	NA	905000
Anupam Puri	None	85000	800000	NA	NA	NA	885000
Hoshedar Press	None	NA	NA	2830000	3509476	885868	7225314
Total		570000	4800000	6470000	7018952	572323	24583275

**Notes :**

- In the case of Mr. Adi Godrej, salary includes Basic Salary and Leave Travel Assistance. The monetary value of perquisites include perquisite value of Car, Accommodation, Furnishing, Electricity and Telephone Expenses, Reimbursement of Medical /Hospitalisation Expenses incurred for self and family, Medical and Personal Accident Insurance Premium paid by the Company, Club Fees and Company's Contribution to Provident Fund.
- In the case of Mr. Hoshedar Press, salary includes Basic Salary, House Rent Allowance and Leave Travel Assistance. The monetary value of perquisites includes perquisite value for provision of Car, Accommodation, Furnishing, Reimbursement of Medical Expenses, Club Fees and Company's Contribution to Provident Fund.
- The Performance linked variable remuneration to Mr. Adi Godrej and Mr. Hoshedar Press is the amount payable for the financial year 2004-05. The same is based on the Economic Value Added in the business and other relevant factors.
- The service contracts of Mr. Adi Godrej and Mr. Hoshedar Press are for a period of three years beginning from April 1, 2004. The contracts are terminable with a notice period of three months by either side.
- The Non-Executive Directors are eligible for a Commission on Profits at the rate of 1% of the net profits or Rs.8 lac for each director, whichever is less.

**III. Nomination Committee****Constitution**

As a part of its Corporate Governance initiatives, the Board of Directors of GCPL at its meeting held on October 27, 2004, constituted a Nomination Committee although the same is not required under clause 49 of the listing agreement.

The composition of the Nomination Committee is given in Table 7 below :

Table 7 : Composition of the Nomination Committee

Name of the Director	Category	Position in the Nomination Committee
Rama Bijapurkar	Independent Director	Chairperson of the Nomination Committee
Bala Balachandran	Independent Director	Member
Bharat Doshi	Independent Director	Member
Anupam Puri	Independent Director	Member

Mr. Sunil Sapre, Executive Vice President (Finance & Commercial) & Company Secretary acts as the Secretary to the Committee.

### Terms of reference

The terms of reference of the Nomination Committee are as below :

- Identify and nominate for the Board's approval, suitable candidates to fill Board vacancies as and when they arise;
- Drawing up selection criteria and appointment procedures for Directors;
- Periodically review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes;
- Board Evaluation.

### Meetings and attendance during the year

During the year ended March 31, 2005, the Committee met once on January 23, 2005.

The attendance record of Nomination Committee members is given in Table 8 below :

Table 8: Attendance Record of Nomination Committee members

Name of the Director	No. of Meetings	Meetings attended
Ms. Rama Bijapurkar ( <i>Chairperson of the Committee</i> )	1	1
Mr. Bala Balachandran	1	1
Mr. Bharat Doshi	1	1
Mr. Anupam Puri	1	1

## IV. Shareholders Committee

### Constitution

The Shareholders Committee was constituted by the Board of Directors at its meeting held in April 28, 2001. The composition of the Shareholders Committee is given in Table 9 :

Table 9 : Composition of Shareholders Committee

Name of the Director	Category	Position in the Shareholders Committee
Mr. Nadir Godrej	Promoter, Non-Executive Director	Chairman of the Shareholders Committee
Mr. Jamshyd Godrej	Promoter, Non-Executive Director	Member
Mr. Adi Godrej	Promoter, Chairman and Managing Director	Member
Mr. Hoshedar Press	President and Whole- Time Director	Member

Mr. Sunil Sapre, Executive Vice President (Finance & Commercial) & Company Secretary acts as the Secretary to the Committee.

### Terms of reference

Among other functions, this committee looks into redressal of shareholder complaints like non-transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends, as required in clause 49 of the Listing Agreement.

### Meetings and attendance during the year

During the year the committee met on April 1, 2004; April 15, 2004; April 29, 2004; May 13, 2004; May 27, 2004; June 10, 2004; June 24, 2004; July 8, 2004; July 21, 2004; July 29, 2004; August 12, 2004; August 26, 2004; September 9, 2004; September 30, 2004; October 14, 2004; November 1, 2004; November 18, 2004; December 2, 2004; December 23, 2004; January 17, 2005; February 1, 2005; February 10, 2005; February 24, 2005; March 10, 2005 and March 24, 2005.

### Name and designation of Compliance Officer

Mr. Sunil Sapre, Executive Vice President (Finance & Commercial) and Company Secretary is the Compliance Officer.

Number of shareholders complaints/query received so far/Number not solved to the satisfaction of shareholders/Number of pending share transfers.

Sr. No.	Nature of Complaint/Query	Total received	Total replied
1.	Non-Receipt of Dividend	218	218
2.	Non-Receipt of shares lodged for transfer/exchange	264	264
3.	Others	1	1

There are no pending share transfers as on March 31, 2005.

On the Company's request, The Stock Exchange, Mumbai and the National Stock Exchange have confirmed that there were no pending complaints registered against the Company's name as on March 31, 2005. In SEBI's record, one complaint was shown as unresolved as on March 31, 2005 which relates to issue of duplicate share certificate. The Company has sent to the concerned investor, the procedure for applying for duplicate share certificate. Since the concerned investor has not complied with the same, the complaint is shown as pending as on March 31, 2005.

#### 4. General Body Meetings

The details of last three Annual General Meetings of GCPL are as follows :

Date : July 22, 2002

Time : 3.30 p.m.

Venue : Y. B. Chavan Centre, General Jagannath Bhosale Marg,  
Nariman Point, Mumbai - 400 021.

Date : July 22, 2003

Time : 3.30 p.m.

Venue : Y. B. Chavan Centre, General Jagannath Bhosale Marg,  
Nariman Point, Mumbai - 400 021.

Date : July 22, 2004

Time : 3.30 p.m.

Venue : Nehru Centre Auditorium,  
Discovery of India Building, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018.

GCPL will hold its next AGM on July 22, 2005. The details are as follows :

Date : July 22, 2005

Time : 3.30 p.m.

Venue : Y. B. Chavan Centre, General Jagannath Bhosale Marg,  
Nariman Point, Mumbai - 400 021.

The details of the last 3 Extraordinary General Meetings (EGM) of the shareholders of the Company are as follows :

Date : January 9, 2002

Time : 10.00 a.m

Venue : Y. B. Chavan Centre, General Jagannath Bhosale Marg,  
Nariman Point, Mumbai - 400 021.

Date : January 8, 2003

Time : 10.00 a.m

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



Date : April 19, 2004

Time : 10.00 a.m

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

The purpose of all the three EGMs was to announce the results of the postal ballot in respect of the special resolution for approval of buyback of equity shares of the Company.

**Postal Ballot**

The Board of Directors had in its meeting held on January 31, 2004, given its in principle approval for buyback of shares subject to the provisions of Section 77A and the SEBI Buyback Regulations.

Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, GCPL had sent Postal Ballot Forms and the relevant explanatory statement for approval of a special resolution under Section 77A for approval of buyback of shares of the Company.

Mr. Kalidas Vanjpe, practising Company Secretary was appointed as the scrutiniser for the purpose of conducting the above Postal Ballot exercise.

The notice of the postal ballot dated January 31, 2004, the relevant explanatory statement and the postal ballot form were sent to all the Company's shareholders and the shareholders were required to return the duly completed postal ballot form to the Company not later than March 31, 2004.

The Company received 7137 ballot forms, comprising an aggregate of 3,90,24,875 equity shares of the face value of Rs.4/- each. Out of them, 5777 forms comprising 3,88,98,080 equity shares (99.67%) were in favour of the resolution and 957 forms comprising 80,554 equity shares (0.21%) were against the resolution. 403 forms comprising 46,241 equity shares were found to be invalid. The results of the postal ballot were announced in the Extra Ordinary General Meeting held on April 19, 2004.

The Company has complied with all the procedural formalities for the conduct of Postal Ballot.

**5. Disclosures**

*Details of shares held by the Directors and dividend paid to them.*

<b>Name of the Director</b>	<b>Shares held as on March 31, 2005 (Nos.)</b>	<b>Dividend paid during the year (Rs.)</b>
Adi Godrej	25	250
Jamshyd Godrej	Nil	Nil
Nadir Godrej	747415	7474150
Bala Balachandran	Nil	Nil
Rama Bijapurkar	1000	10000
Bharat Doshi	1000	10000
Anupam Puri	Nil	Nil
Hoshedar Press	2522	16150
<b>Total</b>	<b>751962</b>	<b>7510550</b>

*Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.*

During 2004-05 , there were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

The directors, apart from drawing directors' remuneration and dividend on shares held by them (wherever applicable), have no other materially significant related party transactions, pecuniary relationship or transaction with the Company.

#### *Details of non-compliance*

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

## **6. Means of Communication**

GCPL has sent the Chairman's statement and unaudited financial results and segmental information for the half-year ended September 30, 2004 to all its shareholders. Moreover, GCPL has its own website [www.godrejcp.com](http://www.godrejcp.com). All vital information relating to the Company and its performance, including quarterly results along with segmental information, press releases and performance updates/corporate presentations are posted on the website. The quarterly, half-yearly and annual results of the Company's performance are generally published in leading English dailies such as *The Economic Times*, *Business Standard*, *Business Line* and the Marathi newspaper *Maharashtra Times*. The Chairman and Managing Director holds conference call once in each quarter with the Investors/Analysts and the transcripts are posted on the website soon thereafter.

Pursuant to Clause 51 of the listing agreement, the company files quarterly results and the annual report on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC). The information filed by the Company can be accessed in the EDIFAR website viz. [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in) or through a link in the website of SEBI viz. [www.sebi.gov.in](http://www.sebi.gov.in). The quarterly results of the Company are also available on the websites of The Stock Exchange, Mumbai and National Stock Exchange of India Ltd. viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

## **7. Management**

### **a) Management discussion and analysis**

This annual report has a detailed chapter on management discussion and analysis.

### **b) Disclosures by management to the Board**

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

## **8. Shareholders**

### **a) Disclosures regarding appointment or re-appointment of Directors liable to retire by rotation**

According to the Articles of Association of GCPL, at every annual general meeting of the Company one-third of the Directors are liable to retire by rotation. Thus, Mr. Nadir Godrej and Mr. Hoshedar Press shall retire at the annual general meeting of the Company and being eligible, offer themselves for re-election. Given below are the abbreviated resumes of the two Directors seeking re-election.

<b>Name of the Director</b>	Mr. Nadir Godrej	Mr. Hoshedar Press
<b>Date of Birth</b>	August 26, 1951	June 1, 1949
<b>Date of Appointment</b>	November 29, 2000	November 29, 2000
<b>Specialised Expertise</b>	Industrialist having rich business experience	Marketing and General Management
<b>Qualification</b>	B.S. Chem Engg. (M.I.T, U.S.A) M.S. Chem Engg. (Stanford, U.S.A.) MBA (Harward Business School)	B.Tech (Hons) (IIT, Bombay) P.G.D.B.A. (IIM, Ahmedabad)
<b>Directorships in Companies</b>	<p><b>Public Companies</b></p> <ol style="list-style-type: none"> <li>Godrej Industries Ltd.</li> <li>Godrej Agrovet Ltd.</li> <li>Goldmohur Foods &amp; Feeds Ltd.</li> <li>Godrej Global Solutions Ltd.</li> <li>Godrej &amp; Boyce Mfg. Co. Ltd.</li> <li>Godrej Properties Ltd.</li> <li>Godrej Consumer Products Ltd.</li> <li>Godrej Foods Ltd.</li> <li>Mahindra &amp; Mahindra Ltd.</li> <li>Godrej Tea Limited</li> <li>Godrej Sara Lee Ltd.</li> <li>KarROX Technologies Ltd.</li> <li>Godrej Upstream Ltd.</li> </ol> <p><b>Private Companies</b></p> <ol style="list-style-type: none"> <li>Avestha Gengraine Technologies Pvt. Ltd.</li> </ol> <p><b>Foreign Companies</b></p> <ol style="list-style-type: none"> <li>Godrej International Ltd.</li> <li>Godrej Global Mid East FZE</li> <li>Compass Connections Ltd., UK</li> <li>cBay Systems Ltd., USA</li> <li>ACI Godrej Agrovet Pvt. Ltd., Bangladesh</li> </ol>	<p><b>Public Companies</b></p> <ol style="list-style-type: none"> <li>Godrej Consumer Products Ltd.</li> </ol>
<b>Chairman/Member of Board Committees</b>	<p><b>Chairman</b></p> <p><u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>Godrej Agrovet Ltd.</li> <li>Godrej Tea Ltd.</li> </ol> <p><u>Shareholders' Committee</u></p> <ol style="list-style-type: none"> <li>Godrej Consumer Products Ltd.</li> </ol> <p><b>Member</b></p> <p><u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>Godrej Sara Lee Ltd.</li> <li>Godrej Global Solutions Ltd</li> <li>Godrej Properties Ltd.</li> <li>Mahindra &amp; Mahindra Ltd.</li> </ol> <p><u>Remuneration Committee</u></p> <ol style="list-style-type: none"> <li>Godrej Global Solutions Ltd.</li> <li>Godrej Industries Ltd.</li> </ol> <p><u>Remuneration / Compensation Committee</u></p> <ol style="list-style-type: none"> <li>Mahindra &amp; Mahindra Ltd.</li> </ol>	<p><b>Member</b></p> <p><u>Shareholders' Committee</u></p> <ol style="list-style-type: none"> <li>Godrej Consumer Products Ltd.</li> </ol>

**b) Communication to shareholders**

The Chairman's statement and unaudited financial results and segmental information for the half year ended September 30, 2004 was sent to all the shareholders. The quarterly and annual results, official press releases and presentations to analysts/performance updates are posted on the website i.e. www.godrejcp.com and a copy of the same are sent to the stock exchanges.

**c) Investor grievances**

As mentioned earlier in the Report, the Company has constituted a Shareholders' Committee to look into and redress shareholders and investor complaints like non-transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

**d) Share transfer**

GCPL has outsourced its share transfer function to M/s. Computech Sharecap Ltd., which is registered with SEBI as a Category 1 registrar.

**9. Auditors Certificate on Corporate Governance**

As stipulated in Clause 49 of the Listing Agreement, the Auditor's Certificate regarding compliance of conditions of Corporate Governance is annexed to the Director's Report.

**10. General Shareholder Information****A. Annual General Meeting**

Date and time : July 22, 2005 at 3.30 p.m.

Venue : Y.B.Chavan Centre, General Jagannath Bhosale Marg,  
Nariman Point, Mumbai - 400 021.

**B. Financial Calendar**

Financial year : April 1 to March 31

For the year ended March 31, 2005, results were announced on :

- First quarter : July 22, 2004
- Half yearly : October 27, 2004
- Third quarter : January 22, 2005
- Fourth quarter and annual : April 28, 2005

**C. Book Closure**

The Transfer books of the Company have been closed on January 28, 2005 for ascertaining the names of the shareholders eligible for the third interim dividend for financial year 2004-05. There will be no book closure at the time of the Annual General Meeting.

**D. Dividends for Financial Year 2004-05**

Four interim dividends have been declared by the Board of Directors at its meetings held on July 22, 2004 (Rs. 2 per share), October 27, 2004 (Rs. 2 per share), January 22, 2005 (Rs. 3 per share) and April 28, 2005 (Rs. 5 per share). The Record Dates for the first two dividends were July 29, 2004 and November 5, 2004 respectively. The Register of Members was closed on January 28, 2005 for ascertaining the names of the shareholders eligible for the third interim dividend for the financial year 2004-05 declared by the Board of Directors on January 22, 2005. The Record Date for the fourth interim dividend is May 5, 2005.

**E. Listing**

Pursuant to the applicable provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreements, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 ("the Guidelines"), the shareholders had, in the Annual General Meeting held on July 22, 2004, given their consent for voluntary delisting of the Company's shares from The Stock Exchange, Ahmedabad, The



Delhi Stock Exchange Association Limited, Madras Stock Exchange Limited and The Calcutta Stock Exchange Association Limited. Accordingly, the Company applied for voluntary delisting of its shares from the above stock exchanges. The delisting permissions have been granted by the respective stock exchanges and the shares have been delisted.

The Company's shares are listed and traded on the following stock exchanges as on March 31, 2005 :

The Stock Exchange, Mumbai,

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The National Stock Exchange of India Limited

Exchange Plaza, 4th Floor, Bandra-Kurla Complex, Mumbai - 400 051.

Godrej Consumer Products Ltd. scrip figures in the BSE "A" Group.

F. Stock Code

Name of the Stock Exchange	Stock Code
The Stock Exchange, Mumbai	532424
National Stock Exchange of India Limited	GODREJCP

The ISIN Number of GCPL on both the NSDL and the CDSL is INE102D01010

G. Market Price Data

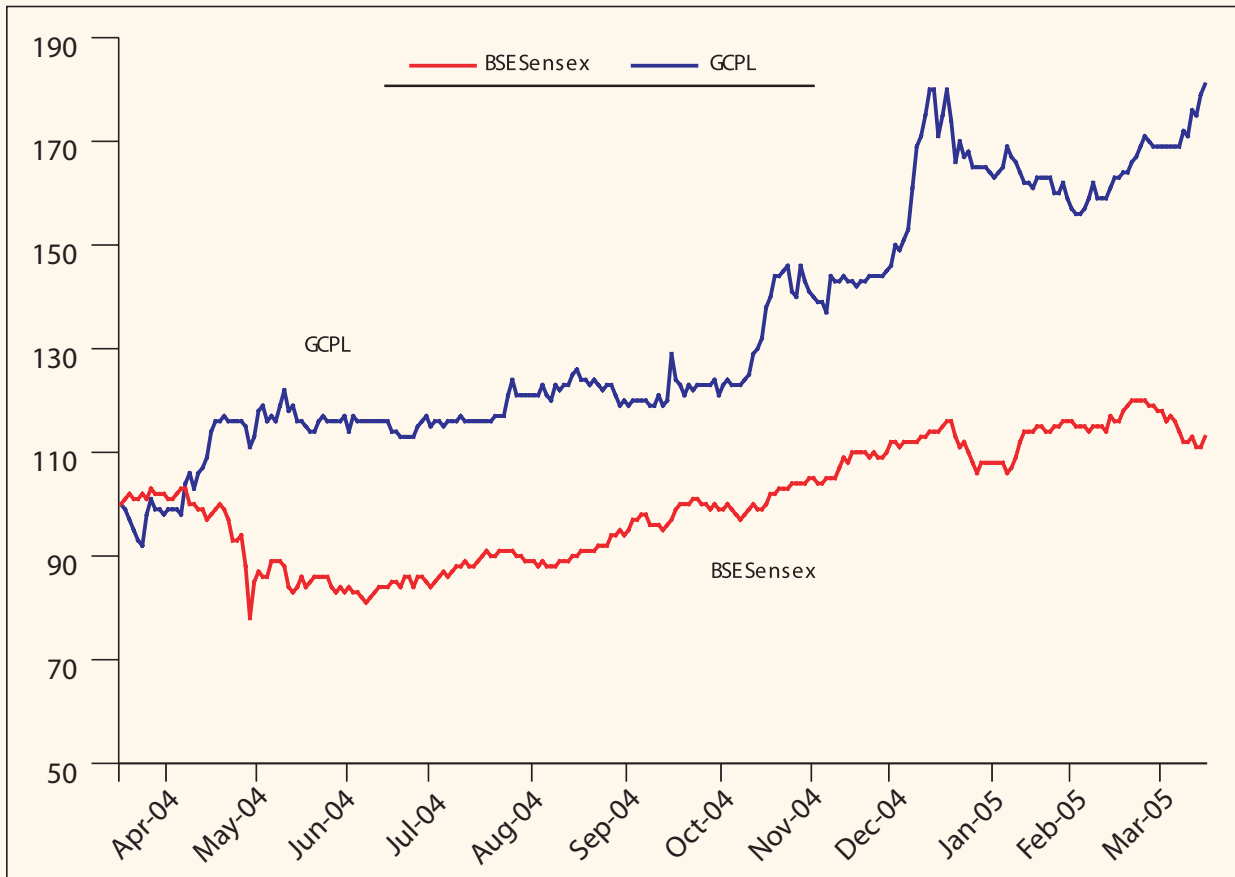
The monthly high and low prices and volumes of GCPL at The Stock Exchange, Mumbai (BSE) and the National Stock Exchange (NSE) for the year ended March 31, 2005 are as under :

Month	Price in BSE			Price in NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of shares)	High (Rs.)	Low (Rs.)	Volume (No. of shares)
April 2004	195.00	150.05	129683	200.00	153.50	123982
May 2004	210.90	158.25	217765	212.00	183.00	358413
June 2004	209.70	194.00	397430	208.00	190.00	97195
July 2004	202.00	189.00	997714	202.00	190.00	123092
August 2004	217.45	198.10	126826	224.00	198.05	109470
September 2004	228.40	203.00	41507	230.00	198.10	124577
October 2004	227.70	201.00	41268	228.00	200.00	106137
November 2004	256.95	217.00	2408621	257.00	220.00	224187
December 2004	320.90	239.60	761837	321.00	228.10	276666
January 2005	318.50	270.00	97981	338.40	268.00	173051
February 2005	285.00	262.00	494978	285.00	255.10	184092
March 2005	329.00	271.00	156810	311.00	276.25	184269

**Note :** High and low prices are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in GCPL shares on BSE and NSE respectively.

## H. GCPL's share price at the BSE versus the sensex.

Chart A : GCPL share performance compared to the BSE Sensex for FY 2004-05



**Note :** Both BSE Sensex and GCPL share price are indexed to 100 at the beginning of the financial year.

## I. Registrar and Share Transfer Agents

Computech Sharecap Ltd.  
 147, M.G. Road,  
 Opp. Jehangir Art Gallery,  
 Mumbai - 400 023  
 Tel. No. : 022-22671824/25  
 Fax No. : 022-22670380  
 Email ID : gcpl@computechsharecap.com  
 Website : www.computechsharecap.com

## J. Share Transfer

Share transfers and related operations for GCPL are conducted by Computech Sharecap Ltd., which is registered with SEBI as a Category 1 registrar. Share transfer is normally effected within the maximum period of 30 days from the date of receipt, if all the required documentation is submitted.

## K. Distribution of shareholding

Tables 1 and 2 give the distribution pattern of shareholding of GCPL by size, class and ownership respectively as on March 31, 2005.

Table 1 : Distribution of shareholding by size class as of March 31, 2005

Number of shares	Number of shareholders	Shareholders %	Number of shares held	Shareholding %
1 – 500	98071	99.10%	5232345	9.24%
501 – 1000	528	0.53%	406865	0.72%
1001 – 2000	176	0.18%	243404	0.43%
2001 – 3000	44	0.04%	112874	0.20%
3001 – 4000	26	0.03%	91354	0.16%
4001 – 5000	10	0.01%	47947	0.08%
5001 – 10000	25	0.03%	180029	0.32%
10001 & above	85	0.09%	50289649	88.84%
<b>Total</b>	<b>98965</b>	<b>100.00%</b>	<b>56604467</b>	<b>100.00%</b>

Table 2 : Distribution of shareholding by ownership as of March 31, 2005

Category (as GCPL reports to stock exchanges)	Shares held (nos.)	% of holding
<b>Promoter's holding</b>		
Promoters	38601037	68.19%
<b>Institutional investors</b>		
Mutual funds & UTI	1117881	1.97%
Banks, financial institutions & insurance companies	99601	0.18%
Foreign institutional investors	9871651	17.44%
<b>Others</b>		
Private corporate bodies	524361	0.93%
Indian public	5965479	10.54%
NRI / OCBs	424457	0.75%
<b>Total</b>	<b>56604467</b>	<b>100.00%</b>

L. Shares held in physical and dematerialised form

Break-up of physical and dematerialised shares as on March 31, 2005

Mode	Shares		Folios	
	No. of shares	% to total shares	No. of Folios	% to total folios
Physical	3538506	6.25%	73344	74.11%
Demat	53065961	93.75%	25621	25.89%
<b>Total</b>	<b>56604467</b>	<b>100.00%</b>	<b>98965</b>	<b>100.00%</b>

M. Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on equity

GCPL does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments.

N. Details of public funding obtained in the last three years

GCPL has not obtained any public funding in the last three years.

O. Plant locations

1. U-30, Industrial Area, Malanpur,  
Dist. Bhind, Madhya Pradesh
2. Plot No. 85-88, EP IP Phase II  
Village Thana, Tehsil Nalagarh  
Dist. Solan, Himachal Pradesh
3. Krishna Industrial Estate, Survey No. 906/1/1,  
Village Amla, Silvassa - 396230,  
Union Territory of Dadra and Nagar Haveli
4. Sheds No. 9 to 12, Bamauni Maidam Industrial Estate,  
Bamauni Maidam, Guwahati - 781 021, Assam

P. Address for Correspondence

Members can contact us at our registered office :

Godrej Consumer Products Limited,  
Pirojshanagar, Eastern Express Highway,  
Vikhroli East,  
Mumbai - 400 079  
Tel. No. : 25188010/20/30  
Fax No. : 25188040

Email ID : [investor.relations@godrejcp.com](mailto:investor.relations@godrejcp.com)

Website: [www.godrejcp.com](http://www.godrejcp.com)

Investor correspondence should be addressed to :

Computech Sharecap Ltd.  
147, M.G. Road,  
Opp. Jehangir Art Gallery  
Mumbai - 400 023  
Tel.No. : 022-22671824/25  
Fax No. : 022-22670380

Email ID : [gcpl@computechsharecap.com](mailto:gcpl@computechsharecap.com)

Website : [www.computechsharecap.com](http://www.computechsharecap.com)

Q. Electronic Clearing Services (ECS) for payment of dividend

The ECS facility ensures faster credit of dividends as dividends are directly credited in electronic form to the bank accounts of the shareholders. Moreover, by availing this facility, shareholders avoid the risk of loss of dividend warrants in postal transit or fraudulent encashment.

Currently ECS facility is available at locations specified by RBI which currently covers the following places viz. Ahmedabad, Bangalore, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna and Thiruvananthapuram.

Shareholders holding shares in physical form and who have not opted for ECS may post ECS declaration form to Computech Sharecap Ltd. (at the above mentioned address). Shareholders can obtain the ECS declaration form either from GCPL's registered office or from Computech Sharecap Ltd. or download the same from the Investors' page of the Company's website [www.godrejcp.com](http://www.godrejcp.com).

Shareholders holding shares in demat form are requested to provide details to NSDL/CDSL through their respective

depository participants. It may be noted that if the shareholders holding shares in demat form provide the ECS data directly to the Company, the Company will not be able to act on the same and consequently dividends cannot be remitted through ECS.

R. Demerger : Computation of acquisition cost for capital gains

With effect from 1 April, 2001, the consumer products division of Godrej Soaps Limited (GSL) was de-merged and transferred to Godrej Consumer Products Limited (GCPL), and Godrej Soaps Limited was thereafter renamed Godrej Industries Limited (GIL). As a consequence, the face value of each equity share of GIL has been reduced from Rs. 10 to Rs. 6, and each equity shareholder in GSL was allotted one share of GCPL with a face value of Rs.4.

In respect of shares of GCPL allotted to erstwhile shareholders of GSL, for the purpose of computing capital gains, the date of acquisition will be the same as the date of acquisition of GSL shares. Thus, the cost of acquisition of GCPL shares will differ with respect to each shareholder, and is equal to cost of acquisition of GSL shares x (net book value of assets transferred to GCPL, i.e. Rs. 45.6 crore) / (net worth of GSL immediately before de-merger i.e. Rs.286.9 crore). i.e 15.89% of the cost of acquisition of GSL shares.

S. Exchange of GIL shares for GCPL shares

Any shareholder who has not yet exchanged his old GSL shares for GCPL and GIL shares can do so by surrendering the GSL certificate(s) to the registrar, after cancelling the certificate(s) and defacing them with the words "submitted for exchange". Kindly note that the share certificates of GSL or GGICL is not tradeable in the stock exchanges nor can they be dematerialised.

T. Consolidation of shares under one folio

The Company would urge shareholders holding shares of GCPL under different folios but in the same order of names, to consolidate the shares under one folio. This would substantially reduce paper work and transaction costs, and benefit both shareholders and the Company. Shareholders can do so by writing to the registrar with details of the folio numbers, order of names, shares held under each folio and the folio under which all shareholding should be consolidated. The certificates need not be sent.