

REPORT ON CORPORATE GOVERNANCE

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Company's Philosophy on Corporate Governance:

The Company is part of the 117-year old Godrej Group which has established a reputation for honesty, integrity and sound governance.

The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company is committed to achieve and maintain the highest standards of corporate governance. The Company believes that all its actions must serve the underlying goal of enhancing overall stakeholder value over a sustained period of time.

The Company continues to enjoy a corporate governance rating of CGR2+ (pronounced as CGR two plus) and Stakeholder Value Creation and Governance Rating of SVG1 (pronounced as SVG one) assigned by ICRA.

The two ratings evaluate whether a 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 SVG1 rating is on a rating scale of SVG1 to SVG6, where SVG1 denotes the highest rating. The SVG1 rating implies that in ICRA's current opinion,

the Company belongs to the Highest Category on the composite parameters of stakeholder value creation and management as also corporate governance practices.

1. Board of Directors:

a) Board Procedures

GCPL currently has a 14-member Board, with 7 independent directors. The independent directors are eminent professionals from diverse fields such as finance, information systems, marketing and corporate strategy. None of the independent directors have had any material association with the Godrej Group in the past. GCPL's Board has a lead independent director, in line with accepted best practices, to strengthen the focus and quality of discussion at the Board level.

The Board meets at least once in a quarter to review the quarterly performance and financial results. Board Meetings are governed with a structured agenda. The Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company. Before the commencement of the Audit Committee meeting, the members of the Audit Committee which consists entirely of independent directors have discussion with the Statutory Auditors without the management team or whole time directors being present in that meeting. For all major items, comprehensive background information is provided to the Board to enable them to take an informed decision. Once in a year, the Board members participate in a strategy meeting in which it also interacts with the management teams of the Company. During the strategy meeting process, the independent directors also have a meeting amongst themselves after which they provide their valuable insight to the entire Board and the management team.

b. Composition of the Board:

The composition of the Board is as under:

Category	No. of Directors as at March 31, 2014
(i) Non Independent Directors	
Executive Chairman	1
Managing Director	1
Executive Director	1
Other Non-Executive Directors (including 3 promoter directors)	4
Sub Total	7
(ii) Independent Directors	7
Total Strength (i + ii)	14

c. Board Meetings held during the year:

Dates on which the Board meetings were held	Total Strength of the Board	No. of Directors Present
April 30, 2013	14	11
August 3, 2013	14	14
November 11, 2013	14	12
December 18, 2013	14	6 (and 2 on telephone)
February 1, 2014	14	14

The maximum gap between any two Board meetings during the year was 99 days (calculated with respect to the gap between August 3, 2013, Board meeting and November 11, 2013, Board meeting).

d. Other Relevant Details of the Directors

Name of Director	Date of Appointment	Relationship with other Directors	Category	Number of Directorships held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL	
					Committee Chairperson **	Committee member (excluding Committee Chairperson) **
Mr. Adi Godrej	November 29, 2000	Brother of Mr. Nadir Godrej, Father of Ms. Tanya Dubash and Ms. Nisaba Godrej	Promoter/ Executive / Chairman/ Whole-time	6 (3)	2	1
Mr. Nadir Godrej	November 29, 2000	Brother of Mr. Adi Godrej	Promoter/ Non-Executive	10 (6)	1	1
Mr. Jamshyd Godrej	March 1, 2001	None	Promoter/ Non-Executive	8 (5)	1	2
Ms. Tanya Dubash	May 2, 2011	Daughter of Mr Adi Godrej, Sister of Ms. Nisaba Godrej	Promoter/ Non-Executive	6 (2)	None	1
Ms. Nisaba Godrej	May 2, 2011	Daughter of Mr Adi Godrej, Sister of Ms. Tanya Dubash	Promoter/ Executive	2 (1)	None	None
Mr. A. Mahendran	June 18, 2008	None	Non-Executive	4 (1)	None	1
Mr. Vivek Gambhir	April 30, 2013	None	Managing Director/ Executive	2 (1)	None	2
Mr. Narendra Ambwani	May 2, 2011	None	Non-Executive / Independent	2 (2)	None	3
Prof. Bala Balachandran	April 1, 2001	None	Non-Executive / Independent	2 (2)	None	1
Mr. Bharat Doshi	April 1, 2001	None	Non-Executive / Independent	7 (4)	1	2

Name of Director	Date of Appointment	Relationship with other Directors	Category	Number of Directorships held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL	
					Committee Chairperson **	Committee member (excluding Committee Chairperson) **
Dr. Omkar Goswami	June 18, 2008	None	Non-Executive/Independent	10 (8)	3	7
Mr. Aman Mehta	April 26, 2006	None	Non-Executive/Independent	6 (6)	5	3
Mr. D. Shivakumar	April 1, 2009	None	Non-Executive/Independent	2 (1)	None	2
Ms. Ireena Vittal	April 30, 2013	None	Non-Executive/Independent	7 (7)	None	5

* Does not include Directorships in Private Companies, Section 25 Companies and Foreign Companies.

** Does not include Chairmanship/Membership in Board Committees other than the Audit Committee, the Shareholders' Grievance Committee and Chairmanship/Membership in Board Committees in companies other than public limited companies registered in India.

Notes

- Figures in brackets denote Directorships in listed companies
- Ms. Nisaba Godrej was a Non-Executive Director till June 30, 2013 and appointed as Executive Director, Innovation from July 1, 2013.
- Mr. Vivek Gambhir was appointed as Non-Executive Director on April 30, 2013 and as Managing Director from July 1, 2013.
- Mr. A. Mahendran was a Managing Director till June 30, 2013 and appointed as Non-Executive Director from July 1, 2013.

According to the clause 49 of the listing agreement, "independent director" shall mean a non-executive director of the company who:

- apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director;
- is not related to promoters or persons occupying management positions at the board level, or at one level below the board;
- has not been an executive of the Company in the immediately preceding three financial years;
- is not a partner, or an executive, or was not partner or an executive during the preceding three years, of any of the following:
 - the statutory audit firm, or the internal audit firm that is associated with the Company; and
 - the legal firm(s) and consulting firm(s) that have a material association with the company.
- is not a material supplier, service provider or customer, or a lessor, or lessee of the Company, which may affect independence of the director;
- is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares; and
- is not less than 21 years of age.

e. Reappointment of Directors Liable to Retire by Rotation

The Board has four Directors whose period of office is liable to be determined for retirement by rotation and out of these four directors one-third i.e. two Directors shall retire in the Annual General Meeting.

Thus, Ms. Tanya Dubash and Mr. Jamshyd Godrej shall retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment. The resumes of the above directors are annexed to the notice of the Annual General Meeting.

f. Appointment of Independent Director

Mr Narendra Ambwani, who was appointed as a Director liable to retire by rotation at the Annual General Meeting held on May 2, 2011 was also an Independent Director as envisaged under clause 49 of the Listing Agreement. He is retiring by rotation in the ensuing Annual General Meeting and is proposed to be appointed as an

Independent Director as envisaged in clause 149 of the Companies Act, 2013 to hold office for a term of five years from July 28, 2014. His resume is annexed to the notice of the Annual General Meeting.

2. Committees of the Board

The Company has set up an Audit Committee in accordance with Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. The Stakeholders Relationship Committee (earlier known as Shareholders Committee) formed in accordance with clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 inter alia looks into Investor Grievances. The two non-mandatory committees, viz. Nomination Committee and HR & Compensation Committee, have been merged with effect from April 28, 2014 and renamed as Nomination and Remuneration Committee which is a mandatory committee as per the Companies Act, 2013.

The compositions of the Committees are as below:

Name of the Director	Category of the Director	Name of the Committee and Position held in that Committee			
		Audit Committee	HR & Compensation Committee	Nomination Committee	Stakeholders' Relationship Committee*
Mr. Adi Godrej	Promoter, Executive	NA	NA	NA	Member
Mr. Nadir Godrej	Promoter, Non Executive	NA	NA	NA	Chairman
Mr. Jamshyd Godrej	Promoter, Non Executive	NA	NA	NA	Member
Ms. Tanya Dubash	Promoter, Non Executive	NA	NA	NA	NA
Ms. Nisaba Godrej	Promoter, Executive	NA	NA	NA	NA
Mr. A. Mahendran	Non Executive	NA	NA	NA	Member**
Mr. Vivek Gambhir	Executive	NA	NA	NA	Member***
Ms. Ireena Vittal****	Independent	Member	Member	Member	NA
Mr. Narendra Ambwani	Independent	Member	Member	Member	NA
Prof. Bala Balachandran	Independent	Member	Chairman	Chairman	NA
Mr. Bharat Doshi	Independent	Chairman	Member	Member	NA
Dr. Omkar Goswami	Independent	Member	Member	Member	NA
Mr. Aman Mehta	Independent	Member	Member	Member	NA
Mr. D. Shivakumar	Independent	Member	Member	Member	NA
Total Strength of the Committee		7	7	7	4
No. of Independent Directors in the Committee		7	7	7	-
No. of Non Independent Directors in the Committee		-	-	-	4

* The Shareholders' Committee was renamed as Stakeholders' Relationship Committee on February 1, 2014. The renamed Committee complies with the requirement of Companies Act, 2013 and also handles investor grievance as envisaged under Clause 49 of the Listing Agreement.

** Mr. A. Mahendran was a Member of Stakeholders' Relationship Committee till June 30, 2013.

*** Mr. Vivek Gambhir became a member of the Stakeholders' Relationship Committee from July 1, 2013.

**** Ms. Ireena Vittal became a member of Audit Committee, HR & Compensation Committee, Nomination Committee from April 30, 2013.

Mr. P. Ganesh, Executive Vice President (Finance & Commercial) & Company Secretary is the Secretary for all the Board Committees.

3. Attendance details at Board/Committee Meetings and at the last Annual General Meeting

Name of Meeting	Board	Audit Committee	HR & Compensation Committee	Nomination Committee	Stakeholders' Relationship Committee	AGM - August 3, 2013
No of Meetings held	5	4	2	1	10	
Attendance of the Director						
Mr. Adi Godrej	5	NA	NA	NA	9	Yes
Mr. Jamshyd Godrej	4(1)	NA	NA	NA	7	Yes
Mr. Nadir Godrej	5	NA	NA	NA	10	Yes
Ms. Tanya Dubash	5	NA	NA	NA	NA	Yes
Ms. Nisaba Godrej	5	NA	NA	NA	NA	Yes
Mr. A. Mahendran	4	NA	NA	NA	0*	Yes
Mr. Vivek Gambhir	5	NA	NA	NA	9**	Yes
Ms. Ireena Vittal ***	2	2	1	0	NA	Yes
Mr. Narendra Ambwani	5	4	2	1	NA	Yes
Prof. Bala Balachandran	2 (1)	2	1	(1)	NA	Yes
Mr. Bharat Doshi	4	4	2	1	NA	Yes
Dr. Omkar Goswami	3	3	1	0	NA	Yes
Mr. Aman Mehta	4	4	2	1	NA	Yes
Mr. D. Shivakumar	4	4	2	1	NA	Yes

* Mr. A. Mahendran was the Member of Stakeholders' Relationship Committee till June 30, 2013.

** Mr. Vivek Gambhir was appointed on the Board from April 30, 2013 and became member of Stakeholders' Relationship Committee from July 1, 2013.

*** Ms. Ireena Vittal was appointed on the Board from April 30, 2013 and became a member of the Audit Committee, HR & Compensation Committee and Nomination Committee from April 30, 2013.

Notes:

- Board Meetings and Audit Committee Meetings held on April 30, 2013, August 3, 2013, November 11, 2013 and February 1, 2014.
Additionally one Board Meeting was also held on December 18, 2013.
- HR & Compensation Committee Meetings were held on April 30, 2013 and February 1, 2014.
- Nomination Committee Meeting was held on April 30, 2013.
- Stakeholders' Relationship Committee Meetings were held on June 12, 2013, July 12, 2013, August 12, 2013, September 19, 2013, October 11, 2013, November 19, 2013, December 9, 2013, January 13, 2014, February 13, 2014 and March 11, 2014.
Shareholders' Committee was renamed as Stakeholders' Relationship Committee with effect from February 1, 2014.
- Figures in bracket indicate participation through concall.
- Leave of absence was granted to the Directors whenever they could not be physically present for the Board/Committee meeting.
- NA indicates not a member of the Committee.

4. Constitution and Terms of Reference of Board Committees

A. Audit Committee:

The Audit Committee which was 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 last reconstituted on April 30, 2013. Mr. Bharat Doshi, the Chairman of the Audit Committee, is knowledgeable in all areas of finance, accounts and company law, and has vast experience in corporate affairs. All the members of the 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.

The terms of reference of the 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:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate

B. Human Resources & Compensation Committee (Non Mandatory Committee):

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.

The company has also set up an Employee stock option scheme for the benefit of the employees of the Company and of the subsidiaries of the Company. The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines require stock option schemes to be administered and supervised by the compensation committee consisting majority of Independent Directors. Accordingly, the Company has set up the Human Resources & Compensation Committee.

The following are terms of reference of the Human Resources & Compensation 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, attrition, etc.
- To formulate detailed terms and conditions of Employee Stock Option Plan (ESOP), Employee Stock Purchase Plan (ESPP) and Employee Stock Grant Plan (ESGP) – collectively referred to as ‘Employee stock benefits’ including -
- The quantum of Employee stock benefits to be granted under the relevant plans per Employee and in aggregate.
- The eligibility criteria.
- The conditions under which the Employee stock benefits vested in Employees may lapse in case of termination of employment for misconduct.
- The exercise period within which the employee should exercise the Employee stock benefits and the stock benefits that would lapse on failure to exercise the same within the exercise period.
- The specified time period within which the employee shall exercise the vested stock benefits in the event of termination or resignation of an employee.
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate action such as rights issues, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the Compensation Committee:
 - o the number and the price of the stock benefits shall be adjusted in a manner such that the

total value of the stock benefits remains the same after the corporate action;

- o for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - o The Vesting Period and the life of the stock benefits shall be left unaltered as far as possible to protect the rights of the employee.
 - The grant, vesting and exercise of stock benefits in case of employees who are on long leave.
 - The procedure for cashless exercise of stock benefits, if required.
 - Frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any employee.
 - Fixing the exercise price.
 - Approve forms, writings and/or agreements for use in pursuance of the Employee Stock benefit plans.
 - To form a Trust and appoint Trustees.
- C. Nomination Committee (Non Mandatory Committee):**

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.

D. Stakeholders’ Relationship Committee:

During the year, the Shareholders’ Committee was renamed as Stakeholders’ Relationship Committee. The renamed Committee has the terms of reference as per

clause 49 of the listing agreement which is redressing of shareholder complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends, as well as those required under Companies Act, 2013 i.e. looking into complaints of all security holders and deposit holders.

5. Remuneration Policy

a) Whole-time Directors, Managers and Officers of the Company

The components of the total compensation vary for different grades and are governed by industry norms, qualifications and experience of the employee, responsibilities handled and individual performance of the employee. GCPL has adopted EVA as a tool for driving performance, and has linked improvements in EVA to Performance Linked Variable Remuneration (PLVR). The Company has also stock benefit schemes as detailed in the Directors report, for eligible employees.

b) Non Executive Directors

At the Extra Ordinary General meeting held on February 21, 2012 the shareholders of the Company have approved such commission as the Board of

c) Remuneration of Directors:

The details of the remuneration package of Directors are as under:

Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time and in default of such determination equally), but so that such commission shall not exceed 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 349 and 350 of the Companies Act, 1956) or INR 12.50 lakhs per Director per annum, whichever is less. The above approval is for a period of three years from financial year 2011-12 to financial year 2013-14. Accordingly, the Company pays commission on profits within the said limits. In case of appointment/cessation of Directors during the year, they are entitled for a pro-rata amount for the period during which they are on the Board. In the forthcoming AGM, a special resolution is being placed before the shareholders for payment of commission on profits at a rate not exceeding 1% of the net profit of the company (computed in the manner provided in Section 198 of the Companies Act, 2013) subject to the maximum of INR 15 lakhs per financial year per director for a period of three years from FY 2014-15 to 2016-17.

								INR Lakh	
Name of Director	Relationship with other directors	Sitting Fees	Commission	Salary, Allowances and other benefits	Company's contribution to PF/ Gratuity paid	PLVR	Monetary value of perquisites	Total	
Mr. Adi Godrej	Brother of Mr. Nadir Godrej, Father of Ms. Tanya Dubash and Ms. Nisaba Godrej	-	-	291.33	12.96	304.36	336.90	945.55	
Mr. Jamshyd Godrej	None	0.80	12.50	-	-	-	-	13.30	
Mr. Nadir Godrej	Brother of Mr. Adi Godrej	1.00	12.50	-	-	-	-	13.50	
Ms. Tanya Dubash	Daughter of Mr Adi Godrej, Sister of Ms. Nisaba Godrej	1.00	12.50	-	-	-	-	13.50	
Ms. Nisaba Godrej	Daughter of Mr Adi Godrej, Sister of Ms. Tanya Dubash	0.20	3.12	172.95	8.32	58.29	1.74	244.62	
Mr. Narendra Ambwani	None	1.35	12.50	-	-	-	-	13.85	
Mr. Bala Balachandran	None	0.55	12.50	-	-	-	-	13.05	
Mr. Bharat Doshi	None	1.15	12.50	-	-	-	-	13.65	
Mr. Vivek Gambhir	None	0.20	2.12	351.54	16.20	233.67	68.28	672.01	
Dr. Omkar Goswami	None	0.80	12.50	-	-	-	-	13.30	
Mr. A Mahendran	None	0.60	9.38	110.17	196.30	-	87.67	404.12	
Mr. Aman Mehta	None	1.15	12.50	-	-	-	-	13.65	
Mr. D Shivakumar	None	1.15	12.50	-	-	-	-	13.65	
Ms. Ireena Vittal	None	0.55	11.51	-	-	-	-	12.06	
Total		10.50	138.63	925.99	233.78	596.32	494.59	2399.81	

Notes:-

1. In the case of Mr. Adi Godrej, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites include accommodation, car, electricity expenses, reimbursement of medical/hospitalisation expenses incurred for self and family, medical insurance premium paid by the Company.
2. In the case of Mr. A. Mahendran, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites includes accommodation, expenses on car, club fees and interest on housing loan. All these figures are till June 30, 2013.
3. In the case of Ms. Nisaba Godrej and Mr. Vivek Gambhir, salary includes basic salary and various elements of flexible compensation and additionally for Mr. Gambhir, the perquisites includes perquisite value of stock grants. All these figures are from July 1, 2013.
4. The Performance Linked Variable Remuneration (PLVR) to Mr. Adi Godrej is the amount payable for the financial year 2013-14. The PLVR amount payable to Mr. Vivek Gambhir & Ms Nisaba Godrej is for the period July 1, 2013 to March 31, 2014. The same is based on the Economic Value Added (EVA) in the business and other relevant factors.
5. The service contract of Mr. Adi Godrej is for a period of three years beginning from April 1, 2013 to March 31, 2016. The contract is terminable with a notice period of three months by either side.

6. The service contracts of Ms. Nisaba Godrej, Executive Director, Innovation and Mr. Vivek Gambhir, Managing Director are for a period of three years beginning from July 1, 2013 to June 30, 2016. The contracts are terminable with a notice period of three months by either side.
7. Mr. Vivek Gambhir has been granted 17,778 options convertible into 17,778 equity shares of INR 1 each. The vesting will happen in various tranches with a minimum vesting period of one year and the options will have to be exercised within one month of their respective vesting dates.

6. Details of Shareholder Complaints

Sr. No.	Nature of Complaint/ Query	Total Received	Total Replied
1.	Non- Receipt of Dividend	43	42
2.	Non Receipt of shares lodged for transfer/ exchange	31	30
3.	Non receipt of Annual Report	4	4
4.	Others	3	3
	Total	81	79

The pending complaints have since been resolved.

There are no pending complaints or share transfers as on March 31, 2014 other than mentioned above.

7. General Body Meetings

Details of the last three Annual General Meetings of GCPL are as follows:

Date	Time	Venue	Details of Special Resolutions passed
July 23, 2011	3.30 p.m.	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400021.	None
August 4, 2012	3.30 p.m.	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400021.	None
August 3, 2013	3.30 pm	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400021.	Reappointment of Mr. Adi Godrej as whole-time director designated as Chairman for a period of three years from April 1, 2013 to March 31, 2016

Details of the last three Extraordinary General Meetings (EGM) of the shareholders of the Company are as follows:

Date	Time	Venue	Purpose of the meeting
February 21, 2012	11.30 a.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To accord consent for <ul style="list-style-type: none"> • Preferential allotment of shares to Baytree Investments (Mauritius) Pte Ltd • Payment of commission on profits to Non-Executive Directors • Payment of commission on profits to Non-Executive Directors at a rate not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 349 and 350 of the Companies Act, 1956) or INR 12.50 lakh per Director per annum, whichever is lower.
October 11, 2012	3.30 p.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To accord consent for <ul style="list-style-type: none"> • Modification of employee stock option plan of erstwhile Godrej Sara Lee Ltd. • Service tax on Commission on Profits payable to Non-Executive Director
December 24, 2012	11.30 a.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To accord consent for <ul style="list-style-type: none"> • Increase in maximum number of directors of the Company from 12 to 15

8. Postal Ballot

During the financial year 2013-2014, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011 and the notified provisions of Companies Act, 2013, one special resolution was passed by the Members through postal ballot for making investments and/or loans and/or providing guarantees to subsidiaries/associate companies, upto an amount of USD 150 million or equivalent thereof in any currency, in excess of paid up capital and free reserves.

The notice of the postal ballot dated December 18, 2013 was sent to all the shareholders of the Company along with postage prepaid envelopes. Mr. Kalidas Vanjpe, a Practicing Company Secretary was appointed as the Scrutiniser for the Postal Ballot, who had submitted his report to the Chairman, Mr. Adi Godrej. The details of the Postal Ballot conducted during the financial year 2013-2014, result of which was announced on February 5, 2014 is provided herein below:

Particulars	No. of Shares (through Postal Ballot)	No. of Shares (through eVoting)	Total No. of shares	% of Total Net Valid Votes (in percentage)
Total No. of Votes received	259,315,812	21,151,150	280,466,962	Not Applicable
Less: No. of Invalid Votes	23,959	-	23,959	Not Applicable
Less: No. of Votes not Polled	259,315,812	21,151,150	280,466,962	Not Applicable
Total No. of Votes received	0	0	0	Not Applicable
Net valid number of votes cast	259,291,853	21,151,150	280,443,003	100.00
Total No. of Votes cast in favour of the Resolution	245,939,927	21,149,625	267,089,552	95.24
Total No. of Votes cast against the Resolution	13,351,926	1,525	13,353,451	4.76

9. Disclosures

a) Details of Shares held by the Directors and Dividend paid to them

Name of Director	Shares held as on March 31, 2014	Dividend paid during the year (INR)
Mr. Adi Godrej	500	2,625
Mr. Jamshyd Godrej	Nil	Nil
Mr. Nadir Godrej*	1,551,178	7,928,064
Ms. Tanya Dubash	1,071,054	5,807,826
Ms. Nisaba Godrej	1,071,061	5,807,861
Mr. Narendra Ambwani	1,000	4,000
Mr. Bala Balachandran	Nil	Nil
Mr. Bharat Doshi	13,714	68,570
Mr. Vivek Gambhir	Nil	Nil
Dr. Omkar Goswami	Nil	Nil
Mr. A. Mahendran	521,344	2,295,591
Mr. Aman Mehta	Nil	Nil
Mr. D. Shivakumar	Nil	Nil
Ms. Ireena Vittal	Nil	Nil

Note : *includes 633,724 shares held on behalf of his son Mr. Burjis Godrej

Under the Employee Stock Grant Scheme of the Company, Mr. Vivek Gambhir holds 17,778 options convertible into equivalent equity shares on their vesting and exercise. The options will vest in tranches with a minimum vesting period of one year and the same has to be exercised within one month of the respective vesting dates.

b) Materially significant related party transaction that may have potential conflict with the interest of the Company

During 2013-14, 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 Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in note number 40 of Notes to Accounts.

c) Whistle Blower Policy

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds or violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy (a non-mandatory requirement as per clause 49 of the Listing Agreement). No person has been denied access to the Audit Committee.

d) Policy to prevent sexual harassment at the workplace

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Godrej Group. To redress complaints of sexual harassment, a Complaint Committee for the Group has been formed, which is headed by Ms. Tanya Dubash.

e) Details of Compliance with Mandatory Requirements

Particulars	Clause of Listing Agreement	Compliance Status Yes / No
I. Board of Directors	49 I	
(A) Composition of Board	49 (IA)	Yes
(B) Non-Executive Directors' compensation & disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
II. Audit Committee	49 (II)	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes
(B) Meeting of Audit Committee	49 (IIB)	Yes
(C) Powers of Audit Committee	49 (IIC)	Yes
(D) Role of Audit Committee	49 II(D)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
III. Subsidiary Companies	49 (III)	Yes
IV. Disclosures	49 (IV)	
(A) Basis of related party transactions	49 (IV A)	Yes
(B) Disclosure of Accounting treatment*	49 (IV B)	Yes
(C) Board Disclosures	49 (IV C)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Yes
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
V. CEO/CFO Certification	49 (V)	Yes
VI. Report on Corporate Governance	49 (VI)	Yes
VII. Compliance	49 (VII)	Yes

*Refer Note 13 of the Notes to the Financial Statements for the year ended March 31, 2014 for Management explanation on Accounting Treatment.

f) Details of Non-compliance:

There has not been any non-compliance of mandatory requirements 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.

10. Means of Communication

GCPL has sent the Chairman's statement and unaudited financial results for the half-year ended September 30, 2013, to all the shareholders. Moreover GCPL has its own website, www.godrejcp.com. All vital information relating to the Company and its performance, including quarterly results, 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 Line, Mint and also in the Marathi newspaper Maharashtra Times. The Chairman holds conference calls/meetings with financial analysts once a quarter and their transcripts are posted on the website soon thereafter.

The Company files its quarterly results in the NSE Electronic Application Processing System (NEAPS). The quarterly results of the Company are also available on the website of BSE Limited and National Stock Exchange of India Limited, viz. www.bseindia.com and www.nseindia.com, respectively.

11. 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.

12. Shareholders

a) Communication to Shareholders:

The Chairman's statement and unaudited financial results for the half-year ended September 30, 2013, 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 www.godrejcp.com and copies of the same are sent to the stock exchanges.

b) Investor Grievances:

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

c) Share Transfer:

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

13. Declaration by Chairman for compliance with Code of Conduct

The declaration by the Chairman pursuant to clause 49(1) (D) of the listing agreement, stating that all the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2014, is annexed to the Corporate Governance Report.

14. Auditor's 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 Directors' Report.

15. General Shareholder Information

a) Annual General Meeting:

Date and time : Monday, July 28, 2014
at 3.30 p.m.

Venue : Yashwantrao Chavan Pratishthan,
General Jaganath Bhosale Marg,
Nariman Point,
Mumbai – 400021.

b) Financial Calendar:

Financial year	April 1 to March 31
Board Meeting for consideration of unaudited quarterly results.	Within forty-five days from the end of the quarter as stipulated under the Listing Agreement with the Stock Exchanges.
Board meeting for consideration of Audited results.	Within two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges.

c) Book Closure:

There was an annual book closure on March 26, 2014, pursuant to clause 16 of the Listing Agreement. There will be no book closure at the time of the Annual General Meeting.

d) Dividends for Financial Year 2013-14:

Dividend Type	Declared at Board Meeting Dated	Dividend rate per share on shares of face value INR 1 each	Record Date
1st Interim for FY 2013-14	August 3, 2013	INR 1.00	August 12, 2013
2nd Interim for FY 2013-14	November 11, 2013	INR 1.00	November 19, 2013
3rd Interim for FY 2013-14	February 1, 2014	INR 1.00	February 10, 2014
Proposed 4th Interim for FY 2013-14	April 28, 2014	INR 2.25	May 7, 2014
TOTAL		INR 5.25	

e) Listing:

The Company's shares are listed and traded on the following stock exchanges:

Name & Address of the stock exchange	Stock/Scrip Code	ISIN number for NSDL/CDSL
BSE Limited Phiroze Jeejeebhoy, Towers, Dalal Street, Mumbai 400001	532424	INE102D01028.
The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	GODREJCP	

The privately placed Non-Convertible Debentures are listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

ISIN Numbers for Privately Placed Debentures NSDL & CDSL (INR 250 Crore issued in November 2012)	INE102D08106
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f) Market Price Data:

The monthly high and low prices and volumes of GCPL at BSE Limited and the National Stock Exchange of India Ltd (NSE) for the year ended March 31, 2014, are as under:

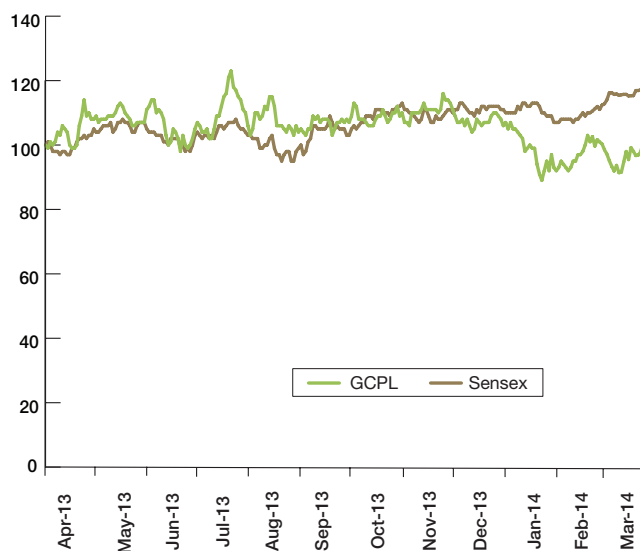
Month	Price in BSE			Price in NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
Apr-13	935.95	752.90	4,99,075	965.00	752.10	3,802,093
May-13	884.50	805.00	2,46,666	888.00	801.00	3,377,998
Jun-13	899.95	750.45	1,93,236	902.80	750.15	4,218,355
Jul-13	977.40	782.80	31,30,440	978.00	780.55	6,949,511
Aug-13	918.65	792.00	16,21,458	920.05	785.00	5,130,744
Sep-13	853.80	789.00	4,25,647	854.90	786.25	4,245,162
Oct-13	896.90	809.00	1,84,668	898.50	750.00	2,967,984
Nov-13	905.00	816.35	15,76,437	909.75	815.00	2,433,680
Dec-13	899.55	802.00	1,41,075	900.00	800.00	3,058,198
Jan-14	863.10	672.00	3,09,313	864.00	667.00	4,471,161
Feb-14	808.80	701.45	15,94,714	810.00	701.10	3,834,520
Mar-14	891.50	701.00	2,34,969	986.15	701.00	3,372,951

Source: Websites of the respective stock exchanges.

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

g) GCPL's Share Price at the BSE versus the Sensex:

GCPL share performance compared to the BSE Sensex for FY 2013-14



Note:

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

h) Registrar and Share Transfer Agents:
 Computech Sharecap Ltd.
 147, M.G. Road,
 Opp. Jehangir Art Gallery,
 Mumbai - 400001.
 Tel. No.: +91 22 22635000/01
 Fax No. : +91 22 22635005
 Email ID: gcpl@computechsharecap.com
 Website: www.computechsharecap.com

i) Share Transfer:

Share transfers and related operations for GCPL are conducted by Computech Sharecap Ltd, which is registered with the 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.

j) Distribution of Shareholding:

Distribution of shareholding by size class as of March 31, 2014:

Number of Shares	Number of Shareholders	Shareholders %	Number of shares held	Shareholding %
1 – 500	76,836	90.54%	8,972,065	2.64%
501 – 1000	5,358	6.31%	3,610,857	1.06%
1001 – 2000	1,545	1.82%	2,166,247	0.64%
2001 – 3000	356	0.42%	881,064	0.26%
3001 – 4000	145	0.17%	516,916	0.15%
4001 – 5000	108	0.13%	498,793	0.15%
5001 – 10000	173	0.20%	1,264,130	0.37%
10001 & above	342	0.40%	322,468,238	94.74%
Total	84,863	100.00%	340,378,310	100.00%

Distribution of shareholding by ownership as of March 31, 2014:

Category	Shares held (Nos.)	% of holding
Promoter's Holding		
Promoters	215,496,082	63.31%
Institutional Investors		
Mutual Funds	734,799	0.22%
Banks	117870	0.03%
Financial Institutions	857843	0.25%
Insurance Companies	4287292	1.26%
Foreign Institutional Investors	96,715,744	28.41%
Others		
Private Corporate Bodies	2,712,966	0.80%
Indian Public	17,983,494	5.28%
NRI/OCB's	1,472,220	0.43%
Total	340,378,310	100.00%

k) Shares Held in Physical and Dematerialised Form:

Break up of physical and dematerialised shares as on March 31, 2014:

l) Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their Impact on Equity:

GCPL does not have any outstanding GDRs / ADRs / warrants / convertible instruments.

m) Details of Public Funding Obtained in the Last Three Years:

The Company had not obtained any public funding in the year 2013-14 and 2012-13.

During the financial year 2011-12, the Company had issued 16,707,310 equity shares of face value INR 1 each at a premium of INR 409 per equity share on a preferential basis to Baytree Investments (Mauritius) PTE Ltd. The pricing was not less than the floor price calculated in accordance with SEBI guidelines.

n) Plant Locations:

The Company's plants are located in the following states:

- Jammu & Kashmir - Kathua
- Himachal Pradesh - Thana, Baddi; Katha, Baddi
- Sikkim - Namchi
- Assam - Village Sila, Guwahati; Bamauni Maidan, Guwahati; Kalapahar; Lokhara, Guwahati
- Meghalaya - Burnihat, Rebhoi District
- Madhya Pradesh - Malanpur, Distt Bhind
- Goa - Bardez, Corlim
- Pondicherry - Kattukuppam, Manpet Post; Mannadipet Commune
- Tamil Nadu - Nedungadu Commune, Karaikal; Thirunallar Commune, Karaikal; Maraimalainagar

o) 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. : +91 22 25188010/20/30
Fax No. : +91 22 25188040
Email ID: investor.relations@godrejcp.com
Website: www.godrejcp.com
CIN : L24246MH2000PLC129806

Investor correspondence should be addressed to:

Computech Sharecap Ltd.
147, M.G. Road, Opp. Jehangir Art Gallery
Mumbai 400001.
Tel. No. : +91 22 22635000/01
Fax No. : +91 22 22635005
Email ID: gcpl@computechsharecap.com
Website: www.computechsharecap.com

To allow us to service shareholders with greater speed and efficiency, the Company strongly recommends email-based correspondence on all issues which do not require signature verification for being processed.

p) National Electronic Clearing Services (NECS) for Payment of Dividend:

The NECS facility administered by RBI 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 transit or fraudulent encashment.

Shareholders holding shares in physical form and who have not opted for NECS may post NECS declaration form to Computech Sharecap Ltd (at above mentioned address). Shareholders can obtain the NECS 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.

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 NECS data directly to the Company, the Company will not be able to act on the same and consequently dividends cannot be remitted through NECS.

q) 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.

Declaration by Chairman

I, Adi Godrej, Chairman of Godrej Consumer Products Limited (GCPL), hereby confirm pursuant to clause 49(1)(D) of the listing agreement, that:

- The Board of Directors of GCPL has laid down a Code of Conduct for all Board members and senior management of the Company. The said Code of Conduct has also been posted in the Investors/Board of Directors page in the company's website, www.godrejcp.com
- All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2014.

Adi Godrej

Chairman

Mumbai, April 28, 2014