

# Corporate Governance



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## **1. Company's Philosophy on Corporate Governance:**

At Godrej, Corporate Governance has been practiced over the past 114 years.

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 1) 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.

## **2. Board of Directors:**

### **a) Composition of the Board:**

As of March 31, 2011, the Board of Directors of Godrej Consumer Products Limited (GCPL) consisted of nine Directors, two of whom are Whole-time Executive Directors. The remaining seven are Non-Executive Directors, with five being Independent Directors.

With effect from May 2, 2011 the Board of Directors has been reconstituted with the induction of three more non-executive directors out of which one is an independent director. The composition of the Board of Directors is given in Table 1.

### **b) Number of Board Meetings:**

The Board of Directors of GCPL held six meetings during the year on April 26, 2010, July 24, 2010, September 13, 2010, October 14, 2010, October 30, 2010 and January 22, 2011.

The maximum gap between any two board meetings during the year was 88 days.

**c) Directors' Attendance Record and Directorships Held:****Table 1: Details about GCPL's Board of Directors**

Name of Director	Category	Board Meetings Held During the Year	Attendance at		Directorship in Companies, Chairmanship / Membership in Board Committees		
			Board Meeting	Last AGM	Director*	Committee Member**	Committee Chairperson**
Mr. Adi Godrej	Promoter, Chairman Whole-time & Non-Independent Director	6	6	Yes	10 (3)	1	4
Mr. Jamshyd Godrej	Promoter, Non-Executive & Non-Independent Director	6	4	Yes	9 (5)	2	1
Mr. Nadir Godrej	Promoter, Non-Executive & Non-Independent Director	6	6	Yes	12 (6)	2	1
Ms. Tanya Dubash	Promoter, Non-Executive & Non-Independent Director	Appointed as additional director w.e.f. May 2, 2011			8 (2)	2	–
Ms. Nisaba Godrej	Promoter, Non-Executive & Non-Independent Director	Appointed as additional director w.e.f. May 2, 2011			3 (1)	–	–
Mr. Narendra Ambwani	Non-Executive & Independent Director	Appointed as additional director w.e.f. May 2, 2011			4 (4)	4	–
Mr. Bala Balachandran	Non-Executive & Independent Director	6	3 (and 2 by telephone)	Yes	2 (2)	1	–
Ms. Rama Bijapurkar	Non-Executive & Independent Director	5	2	Yes	(resigned with effect from close of October 30, 2010)		
Mr. Bharat Doshi	Non-Executive & Independent Director	6	5	Yes	9 (4)	1	2
Dr. Omkar Goswami	Non-Executive & Independent Director	6	4 (and 2 by telephone)	Yes	10 (8)	5	3
Mr. A. Mahendran***	Whole-Time & Non-Independent Director	6	6	Yes	10 (2)	3	1
Mr. Aman Mehta	Non-Executive & Independent Director	6	4 (and 2 by telephone)	Yes	7 (6)	4	3
Mr. Hoshedar Press	Whole-Time & Non-Independent Director	1	1		(retired with effect from close of April 30, 2010)		
Mr. Dalip Sehgal	Whole-time and Non-Independent Director	1	1		(resigned with effect from close of June 30, 2010)		
Mr. D. Shivakumar	Non-Executive & Independent Director	6	4 (and 1 by telephone)	Yes	1 (1)	1	–

## Notes:

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

Figures in brackets denote Directorships in listed 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.

\*\*\* Mr. A Mahendran was a Non-Executive & Non-Independent Director till June 30, 2010. With effect from July 1, 2010, he has been appointed Managing Director.

According to the Clause 49 of the listing agreement, “independent director” shall mean a non-executive director of the Company who:

- a) 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;
- b) is not related to promoters or persons occupying management positions at the board level, or at one level below the board;
- c) has not been an executive of the Company in the immediately preceding three financial years;
- d) is not a partner, or an executive, or was not partner or an executive during the preceding three years, of any of the following:
  - i) the statutory audit firm, or the internal audit firm that is associated with the Company; and
  - ii) the legal firm(s) and consulting firm(s) that have a material association with the Company.
- e) is not a material supplier, service provider or customer, or a lessor, or lessee of the Company, which may affect independence of the director; and
- f) is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares;
- g) is not less than 21 years of age.

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) 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 Dr. Omkar Goswami and Mr. Jamshyd Godrej shall retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment. The abbreviated resumes of the Directors seeking reappointment are as follows:

Name of Director	Dr. Omkar Goswami
Date of Birth	August 29, 1956
Qualifications	D. Phil (Ph.D) in Economics, University of Oxford, 1982
Specialised Expertise	Economist and Corporate Consultant; Finance: Corporate Governance; Macroeconomics
No. of shares held in GCPL	Nil
Directorships in Companies	<p><b>In Public Companies</b></p> <ol style="list-style-type: none"> <li>1. Infosys Technologies Ltd.</li> <li>2. Dr Reddy’s Laboratories Ltd.</li> <li>3. Infrastructure Development Finance Company Ltd.</li> <li>4. Crompton Greaves Ltd.</li> <li>5. Ambuja Cements Ltd.</li> <li>6. Cairn India Ltd.</li> <li>7. Godrej Consumer Products Ltd.</li> <li>8. Max India Ltd.</li> <li>9. Max New York Life Insurance Company Ltd.</li> <li>10. Avantha Power &amp; Infrastructure Ltd.</li> </ol> <p><b>In Private Companies</b></p> <ol style="list-style-type: none"> <li>1. CERG Advisory Private Limited</li> <li>2. DSP BlackRock Investment Managers Pvt. Ltd.</li> </ol>
Committee Positions held	<p><b>Member</b></p> <p><u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>1. Cairn India Ltd.</li> <li>2. Godrej Consumer Products Ltd.</li> <li>3. IDFC Ltd.</li> <li>4. Infosys Technologies Ltd.</li> </ol> <p><u>Investor Grievance Committee</u></p> <ol style="list-style-type: none"> <li>5. IDFC Ltd.</li> </ol> <p><b>Chairman</b></p> <p><u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>1. Crompton Greaves Ltd.</li> <li>2. Dr. Reddy Laboratories Ltd.</li> </ol> <p><u>Investor Grievance Committee</u></p> <ol style="list-style-type: none"> <li>3. Cairn India Ltd.</li> </ol>

Name of Director	Mr. Jamshyd Godrej
Date of Birth	January 24, 1949
Qualifications	B.S. from Illinois Institute of Technology, U.S.A
Specialised Expertise	Industrialist having rich business experience
No. of shares held in GCPL	Nil
Directorships in Companies	<p><b>In Public Companies</b></p> <ol style="list-style-type: none"> <li>1. Bajaj Auto Ltd.</li> <li>2. Geometric Ltd.</li> <li>3. Godrej &amp; Boyce Mfg. Co. Ltd.</li> <li>4. Godrej Agrovet Ltd.</li> <li>5. Godrej Consumer Products Ltd.</li> <li>6. Godrej Industries Ltd.</li> <li>7. Godrej Properties Ltd.</li> <li>8. Haldia Petrochemicals Ltd.</li> <li>9. Tata Trustee Company Ltd.</li> </ol> <p><b>In Private/Section 25 Companies</b></p> <ol style="list-style-type: none"> <li>1. Antrix Corporation Ltd.</li> <li>2. Breach Candy Hospital Trust</li> <li>3. Godrej Investments Pvt. Ltd.</li> <li>4. Great Lakes Institute of Management</li> <li>5. Illinois Institute of Technology (India) Pvt. Ltd.</li> <li>6. Indian Institute For Human Settlements</li> <li>7. Shakti Sustainable Energy Foundation</li> <li>8. Singapore-India Partnership Foundation (India)</li> </ol> <p><b>In Foreign Companies</b></p> <ol style="list-style-type: none"> <li>1. Asia Business Council</li> <li>2. Climate Works Foundation</li> <li>3. Godrej &amp; Khimji (Middle East) LLC</li> <li>4. Godrej (Malaysia) Sdn. Bhd.</li> <li>5. Godrej (Singapore) Pte.Ltd.</li> <li>6. Godrej (Vietnam) Company Ltd.</li> <li>7. Singapore-India Partnership Foundation</li> <li>8. World Resources Institute, USA</li> </ol>
Committee Positions held	<p><b>Member</b> <u>Investor Grievance Committee</u></p> <ol style="list-style-type: none"> <li>1. Godrej Consumer Products Ltd.</li> <li>2. Bajaj Auto Ltd.</li> </ol> <p><b>Chairman</b> <u>Investor Grievance Committee</u></p> <ol style="list-style-type: none"> <li>1. Geometric Ltd.</li> </ol>

#### e. Appointment of Directors

The Board of Directors at its meeting held on May 2, 2011 inducted Ms Tanya Dubash, Ms. Nisaba Godrej and Mr. Narendra Ambwani as Additional Directors under Section 260 of the Companies Act, 1956 to hold office till the conclusion of the ensuing Annual General Meeting. Mr. Narendra Ambwani is an Independent Director pursuant to Clause 49 of the listing agreement. The Company has received separate notices from a member under Section 257 of the Companies Act, 1956 to propose the candidatures of the above Additional Directors as Directors of the Company. Accordingly, their appointment as Director liable to retire by rotation is included in the notice of the Annual General Meeting. Their brief resumes are as follows:

Name of Director	Ms. Tanya Dubash
Date of Birth	September 14, 1968
Qualifications	Graduate in Economics and Political Science from Brown University, U.S.A
Specialised Expertise	Industrialist having rich business experience
No. of shares held in GCPL	1,370,990 (0.42%)
Directorships in Companies	<p><b>In Public Companies</b></p> <ol style="list-style-type: none"> <li>1. Ensemble Holdings &amp; Finance Ltd.</li> <li>2. Essence Consumer Care Products Pvt. Ltd. (wholly owned subsidiary of Godrej Consumer Products Ltd)</li> <li>3. Godrej Agrovet Ltd.</li> <li>4. Godrej Consumer Products Ltd.</li> <li>5. Godrej Hygiene Products Ltd.</li> <li>6. Godrej Industries Ltd.</li> <li>7. Natures Basket Ltd.</li> <li>8. Naturesse Consumer Care Products Pvt. Ltd. (wholly owned subsidiary of Godrej Consumer Products Ltd.)</li> </ol> <p><b>In Private Companies</b></p> <ol style="list-style-type: none"> <li>1. Godrej Holdings Pvt. Ltd.</li> </ol> <p><b>In Foreign Companies</b></p> <ol style="list-style-type: none"> <li>1. Keyline Brands Ltd.</li> <li>2. Rapidol (Pty) Ltd.</li> </ol>
Committee Positions held	<p><b>Member</b> <u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>1. Godrej Hygiene Products Ltd.</li> </ol> <p><u>Investor Grievance Committee</u></p> <ol style="list-style-type: none"> <li>2. Godrej Industries Ltd.</li> </ol>

Name of Director	Ms. Nisaba Godrej
Date of Birth	February 12, 1978
Qualifications	BSc from Wharton School, University of Pennsylvania MBA, Harvard Business School
Specialised Expertise	Industrialist having rich business experience
No. of shares held in GCPL	1,370,999 (0.42%)
Directorships in Companies	<b>In Public Companies</b> 1. Godrej Consumer Products Ltd. 2. Godrej Agrovet Ltd. <b>In Section 25 Companies</b> 1. Heroes Aids Project 2. Teach for India <b>In Foreign Companies</b> 1. PT. Megasari Makmur 2. PT. Intrasari Raya 3. PT. Simba Indosnack Makmur 4. PT. Ekamas Sarijaya 5. PT. Indomas Susemi Jaya 6. PT. Sarico Indah
Committee Positions held	None

Name of Director	Mr. Narendra Ambwani
Date of Birth	November 15, 1948
Qualifications	B.Tech, MBA
Specialised Expertise	Business Strategy, Coaching and People
No. of shares held in GCPL	Nil
Directorships in Companies	<b>In Public Companies</b> 1. Agro Tech Foods Ltd. 2. Godrej Consumer Products Ltd. 3. Universal Print System Ltd. 4. UTV Software Communications Ltd.
Committee Positions held	<b>Member</b> <u>Audit Committee</u> 1. Agro Tech Foods Ltd. 2. Godrej Consumer Products Ltd. 3. Universal Print Systems Ltd. <u>Investor Grievance Committee</u> 4. Agro Tech Foods Ltd.

- v) Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- vi) Show cause, demand, prosecution notices and penalty notices, which are materially important.
- vii) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- viii) Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
- ix) Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- x) Details of any joint venture or collaboration agreement.
- xi) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- xii) Significant labour problems and their proposed solutions, any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- xiii) Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- xiv) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- xv) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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.

**e) Information supplied to the Board:**

Among others, this includes:

- i) Annual operating plans and budgets and any updates.
- ii) Capital budgets and any updates.
- iii) Quarterly results for the company and its operating divisions or business segments.
- iv) Minutes of meetings of audit committee and other committees of the board.

**3. Committees of the Board:**

**a) Audit Committee:**

**ij) 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 last reconstituted on May 2, 2011.

The composition of the Audit Committee is as under:

Name of the Director	Category	Position in the Audit Committee
Mr. Bharat Doshi	Independent Director	Chairperson of the Committee
Mr. Narendra Ambwani (appointed with effect from May 2, 2011)	Independent Director	Member
Mr. Bala Balachandran	Independent Director	Member
Mr. Aman Mehta	Independent Director	Member
Dr. Omkar Goswami	Independent Director	Member
Mr. D. Shivakumar	Independent Director	Member

The Company Secretary of the Company 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 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.

#### ii) Terms of Reference:

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 judgement 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 there on.
  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.

#### iii) Meetings and Attendance During the year:

The Audit Committee met four times during the year on April 26, 2010, July 24, 2010, October 30, 2010 and January 22, 2011.

The attendance at the Audit Committee meetings was as under:

Name of Director	No. of Meetings	Meetings Attended
Mr. Bharat Doshi (Chairperson of the Committee)	4	4
Mr Narendra Ambwani (appointed with effect from May 2, 2011)	-	-
Mr. Bala Balachandran	4	3 (and 1 by telephone)
Dr. Omkar Goswami	4	4
Mr. Aman Mehta	4	4
Mr. D. Shivakumar	4	3

**b) Human Resources and Compensation Committee:**

**i) 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.

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 (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines requires stock option schemes to be administered and supervised by the compensation committee consisting majority of Independent Directors.

Ms. Rama Bijapurkar was the Chairperson of the Human Resource & Compensation Committee till October 30, 2010. Subsequent to her resignation from the Board, Mr. Bala Balachandran has been appointed as the Chairman.

The composition of the Human Resources and Compensation Committee is as under:

Name of the Director	Category	Position in the Human Resources and Compensation Committee
Ms. Rama Bijapurkar (till October 30, 2010)	Independent Director	Chairperson (till October 30, 2010)
Mr. Narendra Ambwani (appointed with effect from May 2, 2011)	Independent Director	Member

Name of the Director	Category	Position in the Human Resources and Compensation Committee
Mr. Bala Balachandran	Independent Director	Member of the Committee till October 30, 2010. Chairman of the Committee with effect from October 31, 2010
Mr. Bharat Doshi	Independent Director	Member
Mr. Aman Mehta	Independent Director	Member
Dr. Omkar Goswami	Independent Director	Member
Mr. D. Shivakumar	Independent Director	Member

The Company Secretary of the Company acts as the Secretary to the Committee.

**ii) Brief Description of Terms of Reference:**

The following are terms of reference of the Human Resources & Compensation Committee:

1. Review of human resource policies and practices of the Company and in particular, policies regarding remuneration of whole-time Directors and Senior Managers.
2. In principle approval of Compensation Philosophy.
3. Review of senior management compensation.
4. Induction of new people, attrition, etc.
5. 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 -
  - i. The quantum of Employee stock benefits to be granted under the relevant plans per Employee and in aggregate.
  - ii. The eligibility criteria.
  - iii. The conditions under which the Employee stock benefits vested in Employees may lapse in case of termination of employment for misconduct.

- iv. 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.
- v. The specified time period within which the employee shall exercise the vested stock benefits in the event of termination or resignation of an employee.
- vi. 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:
- 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;
  - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
  - 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.
- vii. The grant, vesting and exercise of stock benefits in case of employees who are on long leave.
- viii. The procedure for cashless exercise of stock benefits, if required.
- ix. 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.
- x. Fixing the exercise price.
- xi. Approve forms, writings and/or agreements for use in pursuance of the Employee Stock benefit plans.
- xii. To form a Trust and appoint Trustees.

### Remuneration Policy

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.

### iii) Meetings and Attendance During the Year:

During the year ended March 31, 2011, the Human Resource & Compensation Committee, met on April 26, 2010, May 21, 2010, July 24, 2010, October 30, 2010 and January 22, 2011.

The attendance record of the Human Resources & Compensation Committee is as under:

Name of Director	No. of Meetings	Meetings Attended
Ms. Rama Bijapurkar, Chairperson of the Committee (till October 30, 2010)	3	3
Mr. Narendra Ambwani (appointed with effect from May 2, 2011)	–	–
Mr. Bala Balachandran (Member till October 30, 2010 and Chairman from October 31, 2010)	5	3 (and 1 by telephone)
Mr. Bharat Doshi	5	4 (and 1 by telephone)
Dr. Omkar Goswami	5	4 (and 1 by telephone)
Mr. Aman Mehta	5	4
Mr. D. Shivakumar	5	4

**iv) Remuneration of Directors:**

**Sitting fees, salary, perquisites and commission:**

The details of the remuneration package of Directors and their relationships with each other are as under:

₹ Lac

Name of Director	Relationship with other Directors	Sitting Fees	Commission	Salary & Allw and Retirement benefits paid	Company's contribution to PF	PLVR	Monetary value of perquisites	Total
Mr. Adi Godrej	Brother of Mr. Nadir Godrej			83.66	9.27	24.32	202.39	319.63
Mr. Jamshyd Godrej	None	0.80	10.00	N. A	N. A	N. A	N. A	10.80
Mr. Nadir Godrej	Brother of Mr. Adi Godrej	1.20	10.00	N. A	N. A	N. A	N. A	11.20
Ms. Tanya Dubash <sup>1</sup>	Daughter of Mr Adi Godrej	N. A	N. A	N. A	N. A	N. A	N. A	N. A
Ms. Nisaba Godrej <sup>2</sup>	Daughter of Mr Adi Godrej	N. A	N. A	N. A	N. A	N. A	N. A	N. A
Mr. Narendra Ambwani <sup>3</sup>	None	N. A	N. A	N. A	N. A	N. A	N. A	N. A
Mr. Bala Balachandran	None	0.95	10.00	N. A	N. A	N. A	N. A	10.95
Ms. Rama Bijapurkar <sup>4</sup>	None	0.65	5.84	N. A	N. A	N. A	N. A	6.49
Mr. Bharat Doshi	None	1.45	10.00	N. A	N. A	N. A	N. A	11.45
Dr. Omkar Goswami	None	1.25	10.00	N. A	N. A	N. A	N. A	11.25
Mr. A. Mahendran (in GCPL)	None	0.20	2.50	122.64	7.74	31.53	2.76	167.37
Mr. A. Mahendran (remuneration drawn in GHPL)	None	N. A	N. A	94.51	4.63	112.85	100.12	312.11
Mr. Aman Mehta	None	1.25	10.00	N. A	N. A	N. A	N. A	11.25
Mr. D Shivakumar	None	1.10	10.00	N. A	N. A	N. A	N. A	11.10
Mr. Hoshedar Press <sup>5</sup>	None	N. A	N. A	168.98	0.63	0.70	14.07	184.38
Mr. Dalip Sehgal <sup>6</sup>	None	N. A	N. A	59.34	2.22	0.00	14.46	76.02
<b>Total</b>		<b>8.85</b>	<b>78.34</b>	<b>529.12</b>	<b>24.49</b>	<b>169.40</b>	<b>333.80</b>	<b>1144.00</b>

<sup>1</sup> Ms Tanya Dubash appointed as Additional Director with effect from May 2, 2011

<sup>2</sup> Ms Nisaba Godrej appointed as Additional Director with effect from May 2, 2011

<sup>3</sup> Mr Narendra Ambwani appointed as Additional Director with effect from May 2, 2011

<sup>4</sup> Ms Rama Bijapurkar ceased to be a Director with effect from close of October 30, 2010

<sup>5</sup> Mr Hoshedar Press retired from the Company with effect from close of April 30, 2010

<sup>6</sup> Mr Dalip Sehgal resigned as Director and Managing Director with effect from close of June 30, 2010

Notes:

- In the case of Mr. Adi Godrej, salary includes basic salary and leave travel assistance. The monetary value of perquisites include accommodation, furnishing, club fees electricity and telephone expenses, reimbursement of medical / hospitalisation expenses incurred for self and family, medical insurance premium paid by the Company.
- In the case of Mr. Hoshedar Press and Mr. Dalip Sehgal, salary includes basic salary, house rent allowance, education allowance, medical reimbursement, supplementary allowance, leave encashment, gratuity paid and leave travel assistance. The monetary value of perquisites

includes expenses on car, food vouchers, telephone reimbursement, petrol reimbursement.

- In the case of Mr. A Mahendran salary includes basic salary, house rent allowance, medical advance, supplementary allowance, entertainment allowance, special allowance, Incentives, Ex Gratia. The monetary value of perquisites includes accommodation, expenses on car, medical reimbursement, Food Vouchers, telephone reimbursement, petrol reimbursement, interest on housing loan
- The Performance Linked Variable Remuneration to Mr. Adi Godrej, Mr. Hoshedar Press, Mr. Dalip Sehgal and Mr A Mahendran is the amount payable

for the financial year 2010-11. 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, 2010. The service contract of Mr. A. Mahendran is for a period of three years beginning from July 1, 2010. Mr. A. Mahendran was the Managing Director of Godrej Household Products Limited (GHPL) during the period April-June 2010 and November 2010-March 2011. Pursuant to a scheme of amalgamation between Godrej Consumer Products Ltd. (GCPL) and GHPL, GHPL has been amalgamated with GCPL. The appointed date for the scheme was April 1, 2010 and the effective date was March 31, 2011. Hence the remuneration paid by the erstwhile GHPL is also reflected above.
6. The contracts with all the above directors in the Board as on March 31, 2011 are terminable with a notice period of three months by either side.
7. The Non-Executive Directors are eligible for a Commission on Profits at the rate of 1% of the net profits, or ₹ 10 lac for each director, whichever is lower.
8. Vide special resolution passed on March 14, 2007, the shareholders have granted approval to the Company for the setting up of an Employee Stock Option Plan (GCPL ESOP) for the eligible employees / Directors of the Company and of the Company's subsidiaries. In accordance with the GCPL ESOP and pursuant to the approval of shareholders, the Company has set up an independent trust viz. Godrej Consumer Products Ltd. Employee Stock Option Trust (GCPL ESOP Trust). The Company or its subsidiaries provides loan to the GCPL ESOP trust at an interest rate which is not less than the bank rate, to enable the GCPL ESOP trust to acquire shares of the company from the secondary market. Against the shares so acquired, options are granted to the employees of the Company or the employees of the respective subsidiary company. Mr. Dalip Sehgal, Managing Director and director till June 30, 2010, was granted 2,00,000 option on June 18, 2009 and 1,00,000 options August 13, 2009. The vesting dates for these options were June 17, 2010 and August 12, 2010 respectively. During the year these options have vested and the same have been exercised. The exercise price was the closing market price on the day prior to the date of grant of options plus interest at a rate not less than the bank rate till the date of exercise.

The Board of Directors at its meeting held on January 22, 2011 had approved an Employee Stock Purchase Plan for Mr. A. Mahendran which is administered by the GCPL ESOP Trust. The

Company has provided loan to the GCPL ESOP Trust at an interest rate which is not less than the bank rate, to enable the GCPL ESOP trust to acquire upto 1,000,000 shares of the company from the secondary market.

Under the plan, 980,000 shares have been granted to Mr. Mahendran till March 31, 2011 and the balance 20,000 shares have been granted after the close of the financial year.

The shares so granted are held by the trust for the benefit of Mr. A Mahendran. The shares shall vest with Mr. A Mahendran on March 30, 2012. Thereafter Mr. A Mahendran shall compulsorily exercise the shares by acquiring the shares from the GCPL ESOP trust within the exercise period of two years. The exercise price shall be the closing market price on the day prior to the date of grant plus interest at a rate not less than the bank rate till the date of exercise.

#### c) Nomination Committee:

##### i) 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 current constitution of the Committee is as under:

Name of the Director	Category	Position in the Nomination Committee
Ms. Rama Bijapurkar (resigned with effect from close of October 30, 2010)	Independent Director	Chairperson of the Committee till October 30, 2010
Mr Narendra Ambwani (appointed with effect from May 2, 2011)	Independent Director	Member
Mr. Bala Balachandran	Independent Director	Member till May 1, 2011. Chairman of the Committee with effect from May 2, 2011
Mr. Bharat Doshi	Independent Director	Member
Mr. Aman Mehta	Independent Director	Member
Dr. Omkar Goswami	Independent Director	Member
Mr. D. Shivakumar	Independent Director	Member

The Company Secretary of the Company acts as the Secretary to the Committee.

**ii) Terms of Reference:**

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

1. Identify and nominate for the Board's approval, suitable candidates to fill Board vacancies as and when they arise.
2. Drawing up selection criteria and appointment procedures for Directors.
3. 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.
4. Board Evaluation.

**iii) Meetings and Attendance During the Year:**

During the year ended March 31, 2011, the Committee had two meetings on April 26, 2010 and May 21, 2010.

Name of Director	No. of Meetings	Meetings Attended
Ms. Rama Bijapurkar, Chairperson of the Committee (till October 30, 2010)	2	2
Mr. Narendra Ambwani (appointed with effect from May 2, 2011)	-	-
Mr. Bala Balachandran (Member till October 30, 2010 and Chairman from May 2, 2011)	2	1
Mr. Bharat Doshi	2	1 ( and 1 by telephone)
Dr. Omkar Goswami	2	1 ( and 1 by telephone)
Mr. Aman Mehta	2	1
Mr. D. Shivakumar	2	1

**d) Shareholders' Committee:**

**i) Constitution:**

The Shareholders' Committee constituted by the Board of Director at its meeting held on April 28, 2001, was last reconstituted on October 30, 2009. The constitution of the Committee is currently as under:

Name of the Director	Category	Position in the Shareholders' Committee
Mr. Nadir Godrej	Promoter, Non-Executive Director	Chairperson
Mr. Jamshyd Godrej	Promoter, Non-Executive Director	Member
Mr. Adi Godrej	Promoter and Whole-Time Director	Member
Mr. A. Mahendran	Non-Executive Director till June 30, 2010 Managing Director with effect from July 1, 2010	Member
Mr. Hoshedar Press (retired with effect from the close of April 30, 2010)	Vice-Chairman and Whole Time Director	Member
Mr. Dalip Sehgal (resigned with effect from close of June 30, 2010)	Managing Director	Member

The Company Secretary of the Company acts as the Secretary to the Committee.

**ii) Terms of Reference:**

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

**iii) Meetings and Attendance During the Year:**

During the year, the Committee met on April 15, 2010, June 3, 2010, June 17, 2010, July 8, 2010, August 5, 2010, August 12, 2010, September 2, 2010, September 16, 2010, October 7, 2010, October 21, 2010, November 18, 2010, December 9, 2010, January 13, 2011, February 4, 2011 and March 17, 2011

Name of Director	No. of Meetings	Meetings Attended
Mr. Nadir Godrej (Chairman of the Committee)	15	13
Mr. Adi Godrej	15	13
Mr. Jamshyd Godrej	15	13
Mr. A. Mahendran	15	13
Mr. Hoshedar Press (retired with effect from close of April 30, 2010)	1	1
Mr. Dalip Sehgal (resigned with effect from close of June 30, 2010)	3	3

#### iv) Name and Designation of Compliance Officer:

Mr. P. Ganesh, Executive Vice President (Finance & Commercial) & Company Secretary is the Compliance Officer.

Number of shareholders complaints / queries received so far, number not solved to the satisfaction of shareholders, number of pending share transfers are given in the table below:

Sr. No.	Nature of Complaint/Query	Total Received	Total Replied
1.	Non-receipt of Dividend	195	193
2.	Non Receipt of shares lodged for transfer / exchange	75	73
3.	Non-receipt of Annual Report	19	19

The unresolved complaints have since been resolved.

There are no pending share transfers as on March 31, 2011.

At the Company's request, The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited have confirmed that there were no pending complaints registered against the Company as on March 31, 2011.

#### 4. General Body Meetings

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

Date	Time	Venue
July 25, 2008	3.30 p.m	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.
July 25, 2009	3.30 p.m	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.
July 24, 2010	3.30 p.m	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.

GCPL will hold its next AGM as per details given below:

Date	Time	Venue
July 23, 2011	3.30 p.m	Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021.

Special Resolutions passed at the last three Annual General Meetings:

July 25, 2008	None.
July 25, 2009	Appointment of Mr. Dalip Sehgal as Managing Director for a period of three years from April 1, 2009 to March 31, 2012. Appointment of Mr. Adi Godrej as Whole-time Director designated as "Chairman" for a period of three years from April 1, 2010 to March 31, 2013. Utilisation of the remainder of Rights issue proceeds in the manner and within the time frame provided in the resolution. Modification of GCPL Employee Stock Option Plan.
July 24, 2010	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 ₹ 10 lac per Director per annum whichever is lower.

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

Date and Time	Venue	Purpose
February 10, 2010 2.00 p.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To announce the results of postal ballot in respect of resolutions passed for: <ul style="list-style-type: none"> <li>Acquisition of balance 51% stake in Godrej Sara Lee Ltd.</li> <li>Utilisation of rights issue proceeds for funding the acquisition of balance 51% stake in Godrej Sara Lee Ltd.</li> <li>Increase in Authorised Capital from ₹ 35.71 crore to ₹ 42 crore.</li> <li>Alteration in Capital Clause of the Memorandum of Association.</li> <li>Alteration in Articles of Association.</li> <li>Further issue of securities up to an amount of ₹ 3000 crore.</li> <li>Creation of Mortgage on the Company's assets.</li> <li>Borrowing in excess of paid up capital and reserves.</li> </ul>
May 25, 2010 11.00 a.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To announce the results of postal ballot in respect of resolutions passed for: <ul style="list-style-type: none"> <li>Utilisation of rights issue proceeds for inter alia funding the acquisition of Tura, Nigeria/Megasari, Indonesia.</li> <li>Acquisition of balance 51% stake in Godrej Sara Lee Ltd. subject to the provisions of Section 372A of the Companies Act, 1956 at a revised consideration amount not exceeding ₹ 1200 crore.</li> </ul>
March 18, 2011 11.00 a.m.	Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079	To announce the results of postal ballot in respect of resolutions passed for : <ul style="list-style-type: none"> <li>Approval of Employee Stock Grant Scheme 2011 (GCPL ESGS) and allotment of equity shares thereunder to the Employees of the Company.</li> <li>Extension of the benefits of GCPL ESGS to employees of subsidiary companies.</li> <li>Appointment of Mr. A Mahendran as Managing Director for a period of three years with effect from July 1, 2010.</li> </ul>

## 5. Postal Ballot:

During the year 2010-11, the Company conducted two postal ballots (refer Item 4 of this report for details of the resolutions). The notices for the respective postal ballots were mailed to all the shareholders along with a postage prepaid envelope. Mr. Kalidas Vanjpe, Practising Company Secretary, who was the Scrutinizer for conducting the postal ballots process in a fair and transparent manner submitted his reports to the Chairman. The results of the first postal ballot was announced by the Chairman on May 25, 2010 and the results of the second postal ballot was announced on March 18, 2011. The details of the resolutions and the voting pattern are as below:

Results of postal ballot declared on May 25, 2010

Resolution number	Nature of Resolution	Item	Total No of Votes Polled	Shares represented in the ballot forms received	Shares in favour %	Shares against %	Invalid votes %
1	Special	Utilisation of rights issue proceeds for inter alia funding the acquisition of Tura, Nigeria/Megasari, Indonesia	3823	262,369,285	99.53	0.01	0.46
2	Special	Acquisition of balance 51% stake in Godrej Sara Lee Ltd. subject to the provisions of Section 372A of the Companies Act, 1956 at a revised consideration amount not exceeding ₹ 1200 crore	3823	262,369,285	96.93	2.60	0.47

Note: All resolutions were passed with the requisite majority

Results of Postal Ballot declared on March 18, 2011

Resolution number	Nature of Resolution	Item	Total No of Votes Polled	Shares represented in the ballot forms received	Shares in favour %	Shares against %	Invalid votes %
1	Special	Approval of Employee Stock Grant Scheme 2011 (GCPL ESGS) and allotment of equity shares thereunder to the employees of the Company	2625	225,453,731	99.17	0.82	0.01
2	Special	Extension of the benefits of GCPL ESGS to employees of subsidiary companies	2625	225,453,731	99.14	0.82	0.04
3	Special	Appointment of Mr A Mahendran as Managing Director for a period of three years with effect from July 1, 2010	2625	225,453,731	99.96	0.01	0.03

Note: All resolutions were passed with the requisite majority.

## 6. Disclosures:

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

Name of Director	Shares held as on March 31, 2011	Dividend paid during the year (₹)
Mr. Adi Godrej	100	425
Mr. Jamshyd Godrej	Nil	Nil
Mr. Nadir Godrej *	2,055,744	8,936,912
Mr. Bala Balachandran	Nil	Nil
Ms. Rama Bijapurkar**	N.A	11,940
Mr. Bharat Doshi	13,714	58,284
Dr. Omkar Goswami	Nil	Nil
Mr. A Mahendran	300,000	646,576
Mr. Aman Mehta	Nil	Nil
Mr.D Shivakumar	Nil	Nil
Mr. Hoshedar Press***	N.A	Nil
Mr. Dalip Saigal****	N.A	Nil
Total	2,369,558	9,654,137

\* includes 1,028,724 shares held on behalf of minor son.

\*\* ceased to be a director with effect from close of October 30, 2010.

\*\*\* retired from the Company with effect from the close of April 30, 2010.

\*\*\*\*resigned as Director with effect from the close of June 30, 2010.

In case of the directors who were in the Board for part of the year, dividend paid during the period in which they were in the Board are reflected above.

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

During 2010-11, 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.

### 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 to the listing agreement). During the year 2010-11, no person has been denied access to the Audit Committee.

### d) Details of Compliance with Mandatory Requirements:

Particulars	Clause of Listing Agreement	Compliance Status Yes/No
<b>I. Board of Directors</b>	<b>49 I</b>	
(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

Particulars	Clause of Listing Agreement	Compliance Status Yes/No
<b>II. Audit Committee</b>	<b>49 (II)</b>	
(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
<b>III. Subsidiary Companies</b>	<b>49 (III)</b>	Yes
<b>IV. Disclosures</b>	<b>49 (IV)</b>	
(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
<b>V. CEO/CFO Certification</b>	<b>49 (V)</b>	Yes
<b>VI. Report on Corporate Governance</b>	<b>49 (VI)</b>	Yes
<b>VII. Compliance</b>	<b>49 (VII)</b>	Yes

\* Refer Note 3(K) of Notes to accounts for Management explanation on Accounting treatment.

#### e) 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.

### 7. Means of Communication:

GCPL has sent the Chairman's statement and unaudited financial results for the half-year ended September 30, 2010, to all the shareholders. Moreover GCPL has its own web-site [www.godrejcp.com](http://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 web-site. 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, and Business Line and also in the Marathi newspaper Maharashtra Times. The Chairman holds conference calls/meetings with financial analyst once a quarter and their transcripts are posted on the website soon thereafter.

Pursuant to Clause 52 of the listing agreement, the Company files the quarterly results in the Corporate Filing and Dissemination System (CFDS), viz., [www.corpfilling.co.in](http://www.corpfilling.co.in). The quarterly results of the Company are also available on the website of The Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

### 8. 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.

### 9. Shareholders:

#### a) Communication to Shareholders:

The Chairman's statement and unaudited financial results for the half year ended September 30, 2010, was sent to all the shareholders. The quarterly and annual results, official press releases and presentations to analysts/ performance updates are posted on the web-site i.e. [www.godrejcp.com](http://www.godrejcp.com) and a copy of the same are sent to the stock exchanges.

#### b) Investor Grievances:

As mentioned before, the Company has constituted a Shareholders' 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.

### 10. 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 year ended March 31, 2011, is annexed to the corporate governance report.

### 11. 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.

**12. General Shareholder Information:****a) Annual General Meeting:**

Date and time : Saturday, July 23, 2011 at 3.30 p.m.

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

**b) Financial Calendar:**

Financial year : April 1 to March 31

For the year ended March 31, 2011, results were announced on:

- First quarter : July 24, 2010
- Half yearly : October 30, 2010
- Third quarter : January 22, 2011
- Fourth quarter and annual : May 2, 2011

**c) Book Closure:**

There was an annual book closure on March 24, 2011, 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 2010-11:**

Dividend Type	Declared at Board Meeting Dated	Dividend rate per share on shares of face value ₹ 1 each	Record Date
1st Interim for FY 2010-11	July 24, 2010	₹ 1.00	August 2, 2010
2nd Interim for FY 2010-11	October 30, 2010	₹ 1.00	November 9, 2010
3rd Interim for FY 2010-11	January 22, 2011	₹ 1.00	January 31, 2011
4th Interim for FY 2010-11	May 2, 2011	₹ 1.50	May 10, 2011
<b>TOTAL</b>		<b>₹ 4.50</b>	

**g) Market Price Data:**

The monthly high and low prices and volumes of GCPL at The Bombay Stock Exchange Ltd., (BSE) and the National Stock Exchange of India Ltd. (NSE) for the year ended March 31, 2011, are as under:

Month	Price in BSE			Price in NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
April 2010	335.85	259.00	2,659,276	339.80	258.50	6,190,955
May 2010	365.00	273.00	4,128,978	372.80	273.05	9,989,035
June 2010	372.50	316.00	1,334,155	372.55	317.00	7,882,850
July 2010	396.00	324.00	744,291	397.65	323.85	3,924,778
August 2010	402.95	345.00	475,148	402.80	344.95	2,745,100
September 2010	479.70	350.90	1,704,266	484.80	369.40	6,433,181
October 2010	440.00	379.00	1,375,171	439.80	379.00	6,019,091
November 2010	446.00	398.20	498,819	448.95	399.10	2,246,894
December 2010	433.40	353.50	1,815,050	428.35	353.50	4,223,962
January 2011	423.70	367.00	666,512	426.00	365.00	4,847,449
February 2011	378.40	325.20	339,760	385.00	325.10	2,719,848
March 2011	384.00	348.40	395,979	383.30	347.00	3,076,972

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.

**e) Listing:**

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

1. The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
2. 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.

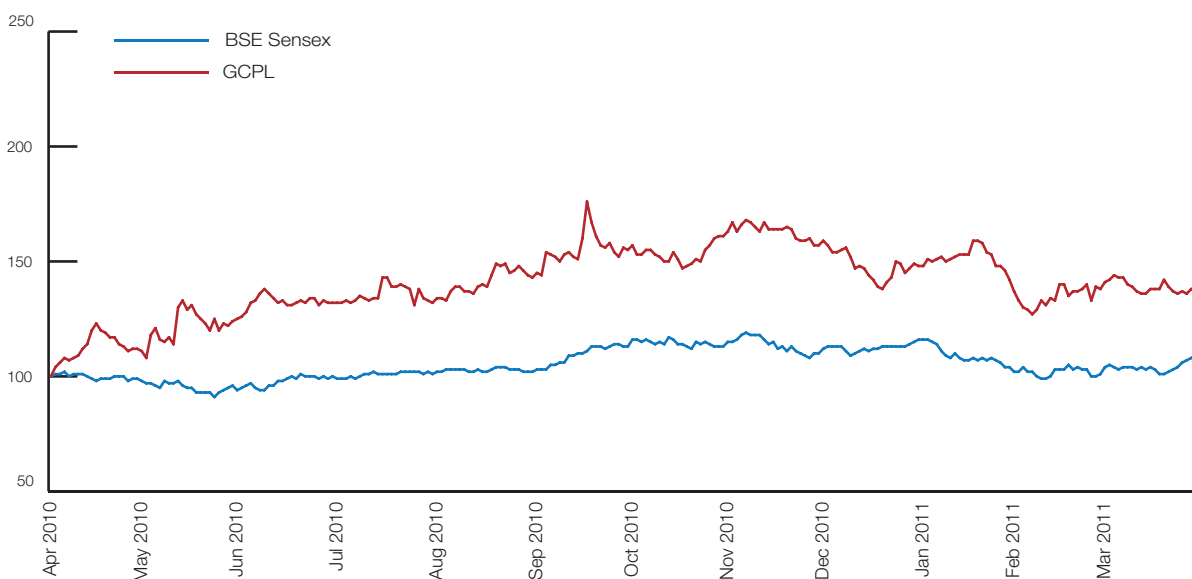
**f) Stock Code:**

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

The ISIN Number of GCPL on both the NSDL and the CDSL is INE102D01028.

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

GCPL share performance compared to the BSE Sensex for FY 2010-11



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 - 400 001.  
 Tel.No. : +91 22 22635000/01  
 Fax No. : +91 22 22635005  
 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 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.

**k) Distribution of Shareholding:**

Distribution of shareholding by size class as of March 31, 2011:

Number of Shares	Number of Shareholders	Shareholders %	Number of shares held	Shareholding %
1 – 500	82,776	90.34%	10,097,321	3.12%
501 – 1000	6,192	6.76%	4,168,454	1.29%
1001 – 2000	1,682	1.84%	2,378,062	0.73%
2001 – 3000	354	0.39%	886,830	0.27%
3001 – 4000	137	0.15%	489,756	0.15%
4001 – 5000	94	0.10%	431,437	0.13%
5001 – 10000	138	0.15%	970,195	0.30%
10001 & above	258	0.28%	304,168,089	94.00%
<b>Total</b>	<b>91,631</b>	<b>100.00%</b>	<b>323,590,144</b>	<b>100.00%</b>

Distribution of shareholding by ownership as of March 31, 2011:

Category	Shares held (Nos.)	% of holding
<b>Promoter's Holding</b>		
Promoters	217,701,174	67.28%
<b>Institutional Investors</b>		
Mutual Funds & UTI	4,197,236	1.30%
Financial Institutions and Banks	687,598	0.21%
Insurance Companies	581,705	0.18%
Foreign Institutional Investors	63,034,077	19.48%
<b>Others</b>		
Private Corporate Bodies	14,730,397	4.55%
Indian Public	21,062,843	6.51%
NRI	1,595,114	0.49%
<b>Total</b>	<b>323,590,144</b>	<b>100.00%</b>

#### I) Shares Held in Physical and Dematerialised Form:

Break up of physical and dematerialised shares as on March 31, 2011:

Mode	Shares		Folios	
	No. of shares	% to total shares	No. of Folios	% to total folios
Physical	7,208,647	2.23%	40292	43.97%
Demat	316,381,497	97.77%	51339	56.03%
<b>Total</b>	<b>323,590,144</b>	<b>100%</b>		<b>100%</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:

During the financial year 2010-11 the Company had issued 15,400,100 equity shares of face value ₹ 1 each at a premium of ₹ 344 per equity shares to Qualified Institutional Buyers (QIB's). The pricing was equal to the floor price of ₹ 345 calculated in accordance with SEBI guidelines.

The Company had not obtained any public funding in the year 2009-10.

During the year 2008-09, the Company made a rights issue of 32,263,440 equity shares of nominal value ₹ 1 each at a premium of ₹ 122 per equity share in the ratio of one share for every seven shares held. Against the above issue, the Company received valid subscription for 32,232,316 equity shares aggregating to ₹ 3,964,574,868. The balance 31,124 equity shares have been kept in abeyance due to various suits filed in courts/forums by third parties for which final order is awaited. Consequently, during the financial year 2008-09, the subscribed and paid-up capital of the Company has increased by ₹ 32,232,316 and security premium

by ₹ 3,932,342,552. The Company has also during the year 2008-09 bought back 1,122,484 equity shares of ₹ 1 each at an average price of ₹ 132.74 per share aggregating to ₹ 148,999,990.

#### o) Plant Locations (Domestic):

1. U-30, Industrial Area, Malanpur, Dist. Bhind, Madhya Pradesh - 477 116.
2. Plot No. 85-88, EP IP Phase II, Village Thana, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh - 173 104.
3. Plot No. 6, Apparel Park cum Industrial Area, Katha, PO Baddi, Tehsil Nalagarh, Distt. Solan (HP) - 173 104.
4. Shed Nos. 9 to 12, Bamauni Maidan Industrial Estate, Bamauni Maidan, Guwahati - 781 021, Assam.
5. Village - Mamring, Namthag Road, P.O. - Mamring (via-Rangpo), District-Namchi, (South Sikkim), Sikkim - 737 132.
6. Plot no 52, Brahmaputra Industrial Park, Dol Gobinda Mandir Road, Village Sila, Guwahati, Assam
7. Clo Filpack India Ltd. 46/47, Pilerne Industrial Estate, Pilerne, Bardez, Goa - 403 511.

8. D-3/4, Corlim Indl. Estate  
Corlim, Ilhas, Goa - 403 110.
9. R.S. No. 131, 131/1-4,  
Cuddalore Road, Kattukuppam Manpet Post,  
Pondicherry - 607 402.
10. R.S. No. 74/4, 74/5 & 74/6.  
Nallur Village,  
Mannadipet Commune,  
Pondicherry - 607 402.
11. Re-survey No.239/3, 239/4, 240/5 & 240/6,  
Kurumbakaram, Nedungadu Commune,  
Karaikal - 609 603, Tamil Nadu
12. Re-survey, No. 245/1A, 245/3, 245/4 & 246/2A,  
Sethur Village, Thirunallar Commune,  
Karaikal - 609 601, Tamil Nadu
13. APDC Complex, CITI Kalapahar  
Guwahati -781 016, Assam
14. Plot No. 38, By lane No. 5, Bhamuni Maidan,  
Guwahati - 781 021, Assam.
15. Shed No. A 12 & B2, Mini Industrial Estate,  
Kalapahar, Guwahati - 781016, Assam
16. Shed No. A 3, A4 & A8 Part,  
Mini Industrial Estate, Kalapahar,  
Guwahati - 781 016, Assam
17. Lalung Gaon, Lokhara,  
Guwahati - 781 034, Assam
18. 15th Mile, National Highway No. 41.  
G. S. Road, Burnihat, Rebhoi District,  
Meghalaya
19. Mahant, Chok Pratap Singh,  
National Highway IA, Hatlimore,  
Kathua - 184 102, Jammu & Kashmir
20. E - 5, Industrial Estate,  
Maraimalamagar - 603 209, Tamil Nadu

**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. : +91 22 25188010/20/30  
Fax No. : +91 22 25188040  
E-mail ID: investor.relations@godrejcp.com  
Website : www.godrejcp.com

Investor correspondence should be addressed to:  
Computech Sharecap Ltd.

147, M.G. Road, Opp. Jehangir Art Gallery  
Mumbai - 400 001.

Tel. No. : +91 22 22635000/01

Fax No. : +91 22 22635005

E-mail ID : gcpl@computechsharecap.com

Website : www.computechsharecap.com

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

**q) 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 postal 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.

**r) Demerger: Computation of Acquisition Cost for Capital Gains:**

With effect from April 1, 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 renamed Godrej Industries Limited (GIL). As a consequence, the face value of each equity share of GIL was reduced from ₹ 10

to ₹ 6, and each equity shareholder in GSL was allotted one share of GCPL with a face value of ₹ 4 (which has been subdivided into shares of face value of ₹ 1 each with effect from September 1, 2006).

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. ₹ 45.6 crore) / (net worth of GSL immediately before de-merger i.e.

₹ 286.9 crore). i.e. 15.89% of the cost of acquisition of GSL shares.

**s) 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

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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 viz. [www.godrejcp.com](http://www.godrejcp.com)
- All the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for year ended March 31, 2011.

**Adi Godrej**  
Chairman

Mumbai, May 2, 2011.