

# Building Trust

# Corporate Governance



## 1. Company's Philosophy on Corporate Governance

At Godrej Consumer Products Ltd. (GCPL), we continue in our endeavour to have the highest standards of Corporate Governance and Disclosure. GCPL is a part of the Godrej Group which has established a reputation for honesty and integrity. GCPL too believes in conducting its business in a transparent manner.

During the year your Company went through a process of obtaining two ratings from ICRA viz. Corporate Governance Rating and Stakeholders Value Creation and Governance Rating. The two ratings together seek to examine whether the Company is being run on the principles of Corporate Governance and whether the practices followed by the Company lead to value creation for all its stakeholders. Your Company scored very well on both the ratings and received a rating of CGR2 and SVG2.

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

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

## 2. Board of Directors

### a) Composition of the Board

As on March 31, 2003, the GCPL Board consists of eight Directors, two of whom, including the Chairman and Managing Director are Whole-Time Executive Directors. The remaining six are Non-Executive Directors, with four of them being Independent Directors. Details are given in Table 1.

### b) Number of Board Meetings

The Board of GCPL held five meetings during the year. These were on April 29, 2002; July 22, 2002; October 22, 2002; January 21, 2003 and February 1 & 2, 2003. The maximum gap between any two Board Meetings was 92 days.

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

See Table 1 for details.

**Table 1: Details about GCPL's Board of Directors**

Name of the Director	Category	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Number of Directorship		Number of Chairmanship/ membership in other Board Committees	
					Indian Public* Companies	Other Companies	Chairmanship	Membership
Adi Godrej	Promoter, Chairman and Whole-Time Director	5	5	Yes	12 (4)	3	2	3
Jamshyd Godrej	Promoter, Non-Executive Director	5	4	Yes	11 (5)	9	2	5
Nadir Godrej	Promoter, Non-Executive Director	5	5	Yes	14 (4)	5	3	7
Bala Balachandran	Non-Executive and Independent Director	5	2	No	3 (2)	2	Nil	1
Rama Bijapurkar	Non-Executive and Independent Director	5	5	Yes	5 (5)	2	1	5
Bharat Doshi	Non-Executive and Independent Director	5	5	Yes	11 (2)	3	1	8
Anupam Puri	Non-Executive and Independent Director	5	5	Yes	6 (5)	Nil	2	5
Hoshedar Press	President and Whole-Time Director	5	5	Yes	2 (1)	Nil	Nil	1

\* Figures in ( ) denotes listed companies.

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

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

**d) Information Supplied to the Board**

Among others, this includes :

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

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

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

### 3. Committees of the Board

#### **Audit Committee**

##### *Brief description of terms of reference*

The Audit Committee of GCPL performs the following functions :

- Oversight of the Company's financial report process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgement by the management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchanges and legal requirements concerning financial statements.
  - Any related party transactions, i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management & external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussing with internal auditors any significant findings and following up.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.

- Discussing with external auditors before the audit commences, the nature and scope of audit as well as conducting post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Looking into the reasons for substantial defaults in payment to depositors, debentureholders, shareholders (in case of non-payment of declared dividend) and creditors.

*Composition, names of members and Chairperson*

The GCPL Audit Committee consists of five Non-executive Directors, four of whom are independent. They are Mr. Bharat Doshi (Chairman of the Committee and Independent Director); Mr. Nadir Godrej (Non-Executive Director); Mr. Bala Balachandran (Independent Director); Ms. Rama Bijapurkar (Independent Director) and Mr. Anupam Puri (Independent Director). Mr. Doshi, the Chairman of the Audit Committee is knowledgeable in all areas of finance, accounts, Company law and has vast experience in corporate affairs. All the members of committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance, information systems, marketing and corporate strategy. Minutes of each Audit Committee Meeting are placed before, and discussed in, the meeting of the Board of Directors. The Company Secretary acts as secretary to the Audit Committee.

*Meetings and attendance during the year*

The Audit Committee met four times during the year : April 29, 2002; July 22, 2002; October 22, 2002 and January 21, 2003. Table 2 gives attendance record.

**Table 2 : Attendance record of Audit Committee Members**

<b>Name of the Director</b>	<b>No. of Meetings</b>	<b>Meetings attended</b>
Bharat Doshi ( <i>Chairman of the Committee</i> )	4	4
Nadir Godrej	4	4
Bala Balachandran	4	1
Rama Bijapurkar	4	4
Anupam Puri	4	4

**Human Resources Committee**

*Brief description of terms of reference and Remuneration Policy*

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. GCPL has set up a human resources committee to review the human resources policies and practices of the Company and, in particular, policies regarding remuneration of Whole-Time Directors and Senior Managers. The committee discusses human resources policies such as compensation and performance management.

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.

*Composition, name of members and Chairperson*

GCPL's Human Resources Committee consists of the following Directors : Mr. Anupam Puri (Chairman of the committee and Independent Director); Ms. Rama Bijapurkar (Independent Director); Mr. Jamshyd Godrej (Non-Executive Director) and Mr. Adi Godrej (Chairman and Managing Director).

*Meetings and attendance during the year*

During the year ended March 31, 2003, the committee met two times on April 29, 2002 and January 21, 2003. Table 3 gives attendance record of the Human Resources Committee.

**Table 3 : Attendance record of Human Resources Committee Members**

Name of the Director	No. of Meetings held	Meetings attended
Anupam Puri ( <i>Chairman of the Committee</i> )	2	2
Rama Bijapurkar	2	2
Jamshyd Godrej	2	2
Adi Godrej	2	2

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

Table 4 gives the details of the remuneration package of Directors and their relationships with each other.

**Table 4 : Remuneration to Directors for the year ended March 31, 2003**

**Rs.**

Name of the Director	Relationship with other Directors	Sitting fees	Commission on profits	Salary	Performance linked variable remuneration	Monetary value of Perquisites	Total
Adi Godrej	Brother of Nadir Godrej	NA	NA	2925000	2078170	4146000	9149170
Jamshyd Godrej	None	Nil	NA	NA	NA	NA	Nil
Nadir Godrej	Brother of Adi Godrej	Nil	NA	NA	NA	NA	Nil
Bala Balachandran	None	15000	600000	NA	NA	NA	615000
Rama Bijapurkar	None	55000	600000	NA	NA	NA	655000
Bharat Doshi	None	45000	600000	NA	NA	NA	645000
Anupam Puri	None	55000	600000	NA	NA	NA	655000
Hoshedar Press	None	NA	NA	2133600	2078170	526019	4737789
<b>Total</b>		<b>170000</b>	<b>2400000</b>	<b>5058600</b>	<b>4156340</b>	<b>4672019</b>	<b>16456959</b>

NA denotes 'Not Applicable'

**Notes :**

1. In the case of Mr. Adi Godrej, salary includes Basic Salary and Leave Travel Allowance. The monetary value of perquisites include perquisite value of Car, Accommodation, Furnishing, Electricity and Telephone Expenses, Reimbursement of Medical /Hospitalisation Expenses incurred for self and family, Medical and Personal Accident Insurance Premium paid by the Company, Club Fees and Company's Contribution to Provident Fund.
2. In the case of Mr. Hoshedar Press, salary includes Basic salary and House Rent Allowance. The monetary value of perquisites include perquisite value for provision of Car, Accommodation, Furnishing, Reimbursement of Medical Expenses, Club Fees and Company's Contribution to Provident Fund.
3. The Performance linked variable remuneration to Mr. Adi Godrej and Mr. Hoshedar Press is the amount paid during the year for the financial year 2001-02. The same is based on the Economic Value Added in the business and other relevant

factors. The Performance linked variable remuneration payable to Mr. Adi Godrej and Mr. Hoshedar Press for 2002-03 will be payable in 2003-04 and will be included in the remuneration for the year 2003-04.

4. The service contracts of Mr. Adi Godrej and Mr. Hoshedar Press are for a period of three years beginning from April 1, 2001. The contracts are terminable with a notice period of three months by either side.
5. The Independent Directors are eligible for a Commission on Profits at the rate of 1% of the net profits or Rs. 6 lac for each Director, whichever is less. Accordingly, the Company has provided as of March 31, 2003 an amount of Rs. 6 lac for each Independent Director which will be paid during the year 2003-04.

### Shareholders Committee

#### *Composition, name of members and Chairperson*

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

Mr. Nadir Godrej (Non-Executive Director)	-	Chairman of the Committee
Mr. Jamshyd Godrej (Non-Executive Director)	-	Member
Mr. Adi Godrej (Chairman and Managing Director)	-	Member
Mr. Hoshedar Press (Whole-time Director)	-	Member

During the year the committee met on April 2, 2002; May 6, 2002; June 11, 2002; July 9, 2002; August 19, 2002; September 30, 2002; October 24, 2002; November 28, 2002; January 9, 2003; February 20, 2003; March 13, 2003 and March 25, 2003.

#### *Name and designation of Compliance Officer*

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

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

Sr. No.	Nature of Complaint/Query	Total received	Total replied
1	Non- Receipt of Dividend	405	405
2	Non-Receipt of shares lodged for transfer/exchange	78	78
3	Other(buyback/TDS etc)	155	155
		638	638

There are no pending share transfers as on March 31, 2003.

Based on the Company's request, the Stock Exchange, Mumbai and the National Stock Exchange have reported that there were no pending complaints registered against the Company's name as on March 31, 2003. In SEBI's records one complaint was shown as unresolved as on March 31, 2003 which relates to non receipt of dividend. The Company has sent a letter of undertaking to the shareholder to enable issue of duplicate dividend warrant. Since the letter of undertaking has not been received back from the shareholder, the complaint is shown as pending as at March 31, 2003.

### 4. General Body Meetings

GCPL was incorporated on November 29, 2000, and commenced operations on April 1, 2001 with the transfer of the consumer products business of the then Godrej Soaps Ltd., subsequent to its de-merger. It was first listed on the BSE on June 18, 2001, and has thereafter held only one AGM since it became a listed Company.

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GCPL held its first AGM after listing on July 22, 2002. Details are as follows :

Time : 3.30 p.m.

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

GCPL will hold its second AGM after listing on July 22, 2003. Details are as follows :

Time : 3.30 p.m.

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

An Extraordinary General Meeting (EGM) of the Company's shareholders was held on January 9, 2002, at the Y.B.Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai and on January 8, 2003 at the Registered Office of the Company. The purpose of both the EGMs was to announce the results of the postal ballot in respect of the special resolution for approval of buyback of equity shares of the Company. The details of the postal ballot during the year are discussed below.

#### *Postal ballot*

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, GCPL conducted voting through postal ballot on two separate special resolutions under Section 77A for approval of buyback of shares of the Company.

Mr. B.M. Shemlani, a Practising Chartered Accountant, was appointed as the scrutiniser for the purpose of conducting both the above Postal Ballot Exercise.

1. The notice of the first postal ballot dated May 22, 2002, the relevant explanatory statement and the postal ballot form were sent to all the Company's shareholders and the shareholders were requested to return duly completed postal ballot form to the Company not later than July 10, 2002.

The Company received 13,443 ballot forms, comprising an aggregate of 4,38,48,008 equity shares of the face value of Rs. 4/- each. Out of these, 11,750 forms comprising 4,37,13,172 equity shares (99.69%) are in favour of the resolution and 1,064 forms comprising 89,782 equity shares (0.21%) are against the resolution. 629 forms comprising 45,054 equity shares were found to be invalid. The results of the postal ballot were announced in the AGM held on July 22, 2002. However, since the maximum price for the buyback in terms of this resolution was about the same as the market price at that time, the Board of Directors had in their Meeting held earlier on the day of the annual general meeting, decided not to proceed with the Buyback in terms of the above resolution passed through the Postal Ballot.

2. The notice of second postal ballot dated November 1, 2002, the relevant explanatory statement and the postal ballot form were sent to all the Company's shareholders and the shareholders were requested to return duly completed postal ballot form to the Company not later than December 23, 2002.

The Company received 9,955 ballot forms comprising an aggregate of 4,10,38,933 equity shares of the face value of Rs. 4/- each. Out of these, 8,487 forms comprising 4,09,24,839 equity shares (99.72 per cent) were in favour of the resolution and 1,134 forms comprising 95,557 equity shares (0.23 per cent) were against the resolution. The remaining 334 forms comprising 18,537 equity shares were invalid. An EGM of the shareholders was held on January 8, 2003 to announce the results of the postal ballot.

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

## 5. Disclosures

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

<b>Name of the Director</b>	<b>Shares held as on March 31, 2003</b>	<b>Dividend paid during the year (Rs.)</b>
Adi Godrej	25	238
Jamshyd Godrej	Nil	Nil
Nadir Godrej	747415	7100443
Bala Balachandran	Nil	Nil
Rama Bijapurkar	1000	9500
Bharat Doshi	1000	9500
Anupam Puri	Nil	Nil
Hoshedar Press	1115	10572
<b>Total</b>	<b>750555</b>	<b>7130253</b>

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

During 2002-03, there were no materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the Directors of the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

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

*Details of non-compliance*

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

## 6. Means of Communication

GCPL has its own web-site and all vital information relating to the company and its performance, including quarterly results, official press releases and presentations to analysts are posted on the web-site. The company's web-site address is [www.godrejcp.com](http://www.godrejcp.com). The quarterly, half-yearly and annual results of the company's performance are published in leading English dailies such as *The Economic Times* and *Business Standard* and the Marathi newspaper *Maharashtra Times*.

Pursuant to Clause 51 of the listing agreement the company files quarterly results, annual report, corporate governance report and the shareholding pattern statement on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC). The information filed by the Company can be accessed in the EDIFAR website viz. [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in) or through a link in the website of SEBI viz. [www.sebi.gov.in](http://www.sebi.gov.in)

## 7. Management

### a) *Management discussion and analysis*

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

**b) Disclosures by Management to the Board**

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

**8. Shareholders**

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

According to the Articles of Association of GCPL, at every annual general meeting of the company one-third of the Directors are liable to retire by rotation. Thus, Mr. Bala Balachandran and Ms. Rama Bijapurkar shall retire at the annual general meeting of the Company and being eligible, offer themselves for re-election to shareholders. Given below are the abbreviated resumes of the two Directors seeking re-election.

<b>Name of the Director</b>	Mr. Bala Balachandran	Ms. Rama Bijapurkar
<b>Date of Birth</b>	July 5, 1934	February 12, 1957
<b>Date of Appointment</b>	April 1, 2001	April 1, 2001
<b>Specialised Expertise</b>	Dr. Bala Balachandran is the Professor of Accounting Information Systems and Decision Sciences at J. L. Kellogg Graduate School of Management, USA. He specialises in the areas of Business Effectiveness, Accounting Systems, Decision Science and the evolving subject of fusion of technology with matters relating to finance.	Rama Bijapurkar specialises in marketing strategy and consumer related issues in India.
<b>Qualification</b>	B.Sc. (Hons.) 1959 Mathematics/Statistics, 1961 M.A., Mathematics/Statistics, 1963, M.S. Applied Statistics, Annamalai University, MSE 1969, Engineering, University of Dayton; MSIA 1972, Business Administration, Ph.D. 1973, Industrial Administration, Carnegie-Mellon University; CPA 1978; CMA, 1979.	PGDM from Indian Institute of Management, Ahmedabad .
<b>Directorships in Companies</b>	<ol style="list-style-type: none"> <li>Godrej Consumer Products Ltd.</li> <li>Credit Rating Information Services of India Ltd.</li> <li>Allsec Technologies Ltd., Chennai.</li> <li>Solid Systems Engineering Pvt. Ltd., Boulder, Colorado, USA.</li> <li>Air Control Boulder Colorado Systems Pvt. Ltd., Boulder, Colorado, USA.</li> </ol>	<ol style="list-style-type: none"> <li>Godrej Consumer Products Ltd.</li> <li>Infosys Technologies Ltd.</li> <li>Titan Industries Ltd.</li> <li>Arvind Mills Ltd.</li> <li>Credit Rating Information Services of India Ltd.</li> <li>Ambit Corporate Finance Pte Ltd.</li> <li>Give Foundation (Section 25 Company).</li> </ol>
<b>Chairman/Member of Board Committees</b>	<p><b>Member</b> <u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>Godrej Consumer Products Ltd.</li> </ol>	<p><b>Chairman :</b> <u>Investor Grievances Committee</u></p> <ol style="list-style-type: none"> <li>Arvind Mills Ltd.</li> </ol> <p><b>Member :</b> <u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>Godrej Consumer Products Ltd.</li> <li>Infosys Technologies Ltd.</li> </ol> <p><u>Human Resource Committee</u></p> <ol style="list-style-type: none"> <li>Godrej Consumer Products Ltd.</li> </ol> <p><u>Remuneration Committee</u></p> <ol style="list-style-type: none"> <li>Arvind Mills Ltd.</li> </ol> <p><u>Investor Grievances Committee</u></p> <ol style="list-style-type: none"> <li>Infosys Technologies Ltd.</li> </ol>

**b) Disclosures regarding re-appointment of Mr. Adi Godrej, Chairman and Managing Director and Mr. Hoshedar Press, Executive Director and President.**

The existing agreements with Mr. Adi Godrej, Chairman and Managing Director and Mr. Hoshedar Press, Executive Director and President are valid till March 31, 2004. The Board of Directors have proposed the reappointments of Mr. Adi Godrej as Chairman and Managing Director and Mr. Hoshedar Press as Executive Director and President for a further period of three years from April 1, 2004.

A brief resume of Mr. Adi Godrej and Mr. Hoshedar Press and other information as required under Clause 49 of the listing agreement is given below :

<b>Name of the Director</b>	Mr. Adi Burjorji Godrej	Mr. Hoshedar Kersasp Press
<b>Date of Birth</b>	April 3, 1942	June 1, 1949
<b>Date of Appointment</b>	November 29, 2000	November 29, 2000
<b>Specialised Expertise</b>	Industrialist having rich business experience	Marketing and General Management
<b>Qualification</b>	B.S., M.S., Massachusetts Institute of Technology, U.S.A.	B. Tech. (Hons) (IIT, Bombay) P.G.D.B.A. (IIM, Ahmedabad)
<b>Directorships in other Companies</b>	<ol style="list-style-type: none"> <li>1. Godrej Consumer Products Ltd.</li> <li>2. Godrej Industries Ltd</li> <li>3. Godrej &amp; Boyce Mfg. Co. Ltd.</li> <li>4. Godrej Agrovet Ltd.</li> <li>5. Godrej Properties &amp; Investments Ltd.</li> <li>6. Godrej Sara Lee Ltd.</li> <li>7. Godrej Tea Ltd.</li> <li>8. Godrej Foods Ltd.</li> <li>9. Godrej Photo-Me Ltd.</li> <li>10. Swadeshi Detergents Ltd.</li> <li>11. Vora Soaps Ltd.</li> <li>12. McDowell &amp; Co. Ltd.</li> <li>13. Godrej Investments Pvt. Ltd.</li> <li>14. Godrej Global Mideast FZE</li> <li>15. Godrej International Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Godrej Consumer Products Ltd.</li> <li>2. Hybrigene Biotechnology Ltd.</li> </ol>
<b>Chairman/Member of Board Committees</b>	<p><b>Chairman</b> <u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>1. Godrej Sara Lee Ltd.</li> <li>2. Godrej Properties &amp; Investments Ltd.</li> </ol> <p><b>Member</b> <u>Audit Committee</u></p> <ol style="list-style-type: none"> <li>1. Godrej Foods Ltd.</li> </ol> <p><u>Shareholders' Committee</u></p> <ol style="list-style-type: none"> <li>2. Godrej Consumer Products Ltd.</li> </ol> <p><u>Human Resource Committee</u></p> <ol style="list-style-type: none"> <li>3. Godrej Consumer Products Ltd.</li> </ol>	<p><b>Member</b> <u>Shareholders' Committee</u></p> <ol style="list-style-type: none"> <li>1. Godrej Consumer Products Ltd.</li> </ol>

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**c) Communication to shareholders**

The quarterly and annual results, official press releases and presentations to analysts are posted on the web-site i.e. [www.godrejcp.com](http://www.godrejcp.com) and a copy of the same is sent to the stock exchanges.

**d) Investor grievances**

As mentioned before, the company has constituted Shareholder and Investor Grievances 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.

**e) 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.

**9. Auditor's Certificate on Corporate Governance**

As stipulated in Clause 49 of the Listing Agreement, the auditors' certificate regarding compliance of conditions of corporate governance is annexed to the Directors' Report.

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**Annexure to the Directors' Report**  
**Auditors' Certificate on Corporate Governance**

To the Members of,  
Godrej Consumer Products Limited,  
Mumbai.

We have reviewed the relevant records of Godrej Consumer Products Limited (the company) for the year ended on March 31, 2003 relating to compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The Compliance of the conditions of Corporate Governance is the responsibility of the management.

Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements.

In our opinion and according to the information and explanations given to us, we state that to the best of our knowledge the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

Based on the report given by the Company's Registrar and Share Transfer Agents to the Shareholders' Committee, we state that no investors grievance matters are pending for a period exceeding one month, against the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**Kalyaniwalla & Mistry**  
*Chartered Accountants*

**Viraf Mehta**  
*Partner*

Mumbai, April 28, 2003