

# **REPORT ON CORPORATE GOVERNANCE**

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# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance refers to the framework of rules and practices through which the board of directors ensures accountability, fairness, and transparency in a company's relationship with all its stakeholders.

The Company is a part of the 121-year-old Godrej Group, which has established a reputation for honesty, integrity, and sound governance. The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability, and equity in all facets of its operations and 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 the overall stakeholder value over a sustained period of time.

Every year, since the fiscal year 2002-03, the Company has subjected itself to a voluntary review of its corporate governance practices by an external rating agency, namely the Investment Information and Credit Rating Agency (ICRA). The Company continues to enjoy the Corporate Governance Rating of CGR2+ (pronounced CGR two plus) and the Stakeholder Value

Creation and Governance Rating of SVG1 (pronounced SVG one).

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 according to ICRA's current opinion, the rated company has adopted and follows such practices, conventions, and codes that 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 well as corporate governance practices.

### 1. Board of Directors

GCPL's corporate governance practices are shaped by its Board of Directors. The Board is committed to protecting the long-term interests of all our stakeholders, and considering this, it provides objective

and prudent guidance to the management. The information related to the procedures, composition, committees, and several other factors of the Board is provided below.

### A. Board Procedures

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

The Board meets at least once in a quarter to review the Company's quarterly performance and financial results. Board meetings are governed with a structured agenda. The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. Before the commencement of the Audit Committee meeting,

the members of the Audit Committee-which entirely consists of Independent Directors-have a discussion with Statutory Auditors, in the absence of the management team and Whole-time Directors. For all major items, comprehensive background information is provided to the Board members to enable them to take an informed

decision. Once a year, the Board members participate in a strategy meeting, in which they also interact with the management team of the Company. The Independent Directors also have a meeting among themselves, after which they provide their insights to the entire Board and the management team.

During the year, the Company has conducted the familiarisation program for all the Independent Directors to assist them in performing their role as Independent Directors. The details of the same are available on the website of the company which can be accessed through the following link<sup>[1]</sup>.

### (i) Composition of the Board

The Board composition is as follows:

Category	No. of Directors as on March 31, 2018
<b>i) Non-Independent Directors</b>	
Executive Chairperson	1
Managing Director	1
Executive Director	1
Non-Executive Promoter Directors	4
<b>Sub Total</b>	<b>7</b>
<b>ii) Independent Directors</b>	<b>7</b>
<b>Total Strength (i + ii)</b>	<b>14</b>

### (ii) Other relevant details of the Directors

Name of Directors	Date of Original Appointment	Relationship With other Directors	Category	Number of Directorships Held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL		Shares Held
					Committee Member (Excluding Committee Chairperson)**	Committee Chairperson**	
Adi Godrej	November 29, 2000	Brother of Nadir Godrej and Father of Tanya Dubash, Nisaba Godrej, and Pirojsa Godrej	Promoter/ Executive	4 (3)	1	1	1000
Jamshyd Godrej	March 1, 2001	None	Promoter/ Non-Executive	6 (4)	1	0	32,13,616***
Nadir Godrej	November 29, 2000	Brother of Adi Godrej	Promoter/ Non-Executive	10 (7)	3	3	18,34,908
Tanya Dubash	May 2, 2011	Daughter of Adi Godrej and Sister of Nisaba Godrej and Pirojsa Godrej	Promoter/ Non-Executive	7 (3)	1	1	21,42,108

<sup>[1]</sup> [http://godrejcp.com/Resources/uploads/compliance\\_other\\_updates/FamiliarisationProgrammeforIDs201718.pdf](http://godrejcp.com/Resources/uploads/compliance_other_updates/FamiliarisationProgrammeforIDs201718.pdf)

Name of Directors	Date of Original Appointment	Relationship With other Directors	Category	Number of Directorships Held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL		Shares Held
					Committee Member (Excluding Committee Chairperson)**	Committee Chairperson**	
Nisaba Godrej	May 2, 2011	Daughter of Adi Godrej and Sister of Tanya Dubash and Pirojsha Godrej	Promoter/ Executive Chairperson	4 (2)	0	0	21,42,122
Pirojsha Godrej	Apr 01, 2017	Son of Adi Godrej and Brother of Tanya Dubash and Nisaba Godrej	Promoter/ Non- Executive	2 (2)	1	0	21,42,150
Vivek Gambhir	April 30, 2013	None	Managing Director & CEO	2 (1)	2	0	1,14,522 ****
Narendra Ambwani	May 2, 2011	None	Non- Executive/ Independent	6 (4)	6	0	2,000
Pippa Tubman Armerding	January 30, 2018	None	Non- Executive/ Independent	1 (1)	1	0	Nil
Bharat Doshi	April 01, 2001	None	Non- Executive/ Independent	4 (2)	2	1	27,428
Omkar Goswami	June 18, 2008	None	Non- Executive/ Independent	8 (7)	7	0	Nil
Aman Mehta	April 26, 2006	None	Non- Executive/ Independent	6 (6)	6	1	Nil
Ndidi Nwuneli	April 01, 2017	None	Non- Executive/ Independent	1 (1)	1	0	Nil
Ireena Vittal	April 30, 2013	None	Non- Executive/ Independent	6 (6)	7	0	Nil

\*Does not include Directorships in Private Companies, Section 8 Companies, and Foreign Companies.

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

\*\*\*Held as one of the Trustee of Raika Godrej Family Trust.

\*\*\*\*Under the Employee Stock Grant Scheme of the Company, Mr. Vivek Gambhir additionally holds 53,938 options that are convertible into equivalent equity shares on their vesting and exercise. The options will vest in tranches, and the same has to be exercised within 1 month of the respective vesting dates.

**Notes:**

- Figures in brackets denote Directorships in listed companies

**(iii) Re-appointment of**

**Directors liable to retire by rotation**

The Board has five Directors whose period of office is liable to be determined for retirement by rotation, and of these five directors, one-third, i.e. two Directors, shall retire at the Annual General Meeting. Thus, Ms. Tanya Dubash and Mr. Vivek Gambhir will retire at the ensuing Annual General Meeting of the Company and will be considered for re-appointment because of their eligibility. Their brief resume is annexed to the notice of the Annual General Meeting.

**(iv) Changes in Independent Directors on the Board**

Mr. D Shivakumar resigned as the Independent Director of the Company with effect from November 1, 2017. The Board, at its meeting held on January 30, 2018, approved the appointment of Ms. Pippa Tubman Armerding as the

additional Independent Director of the Company. Ms. Pippa meets the criteria for Independent Director as per the provisions of the Companies Act, 2013 and the Listing Regulations. Her appointment will be regularised in the ensuing Annual General Meeting. Post this appointment, the Board composition has changed to 14 Directors comprising 7 independent directors and 7 non-independent directors.

**(v) Change in Leadership Positions**

The Board, at its meeting held on May 09, 2017, approved the changes in the leadership positions of the Company. Ms. Nisaba Godrej, who was an Executive Director, is now the Executive Chairperson, and Mr. Adi Godrej is continuing as the Whole-time Director assuming the position of Chairman Emeritus with effect from May 10, 2017. Mr. Vivek Gambhir, Managing Director, has been

designated as Managing Director and CEO with effect from May 09, 2017.

**B. Committees of the Board**

The Company has constituted an Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Stakeholders Relationship Committee formed in accordance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 inter alia looks into investor grievances. The Company has also formed a Nomination & Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which look after the appointment, remuneration, and performance evaluation of Directors. The Company also has a Risk Management Committee in accordance with Regulation 21 of the Listing Regulations.

**The composition of the Committees is as below:**

Name of the Directors	Category of the Directors	Position in the Committee				
		Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
Adi Godrej	Promoter and Executive	None	None	Member	None	None
Jamshyd Godrej	Promoter and Non-Executive	None	None	Member	None	None
Nadir Godrej	Promoter and Non-Executive	None	None	Chairman	None	Chairman
Nisaba Godrej	Promoter and Executive Chairperson	None	None	None	Member	Member
Tanya Dubash	Promoter and Non-Executive	None	None	None	None	Member
Pirojsha Godrej	Promoter and Non-Executive	None	None	None	None	None
Vivek Gambhir	Executive	None	None	Member	Member	Member
Narendra Ambwani	Independent	Member	Chairman	None	None	Member
Pippa Armerding	Independent	Member	Member	None	None	None
Bharat Doshi	Independent	Chairman	Member	None	None	None
Omkar Goswami	Independent	Member	Member	None	Chairman	None
Aman Mehta	Independent	Member	Member	None	None	None
Ndidi Nwuneli	Independent	Member	Member	None	None	None
Ireena Vittal	Independent	Member	Member	None	None	None
Total Strength of the Committee		7	7	4	5	5
No. of Independent Directors in the Committee		7	7	-	1	1
No. of Non-Independent Directors in the Committee		-	-	4	2	4
Members of Senior Management in the Committee		-	-	-	2	-

**The composition of the Committees is as below:**

Mr. V. Srinivasan, Chief Financial Officer & Company Secretary, is the Secretary of all the Board Committees. He is also the Compliance Officer of the Company and responsible for redressing investor grievances.

**C. Attendance details at Board/Committee meetings and at the last Annual General Meeting**

Name of Meeting	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility	Stakeholders' Relationship Committee	Risk Management Committee	AGM July 31, 2017
No. of Meetings held>	4	4	2	2	12	1	1
Attendance of the Director							
Adi Godrej	4	NA	NA	NA	11	NA	Yes
Jamshyd Godrej	3	NA	NA	NA	8	NA	No
Nadir Godrej	4	NA	NA	2	9	NA	Yes
Tanya Dubash	3	NA	NA	1	NA	NA	Yes
Nisaba Godrej	4	NA	NA	2	NA	1	Yes
Pirojsha Godrej	4	NA	NA	NA	NA	NA	Yes

Name of Meeting	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility	Stakeholders' Relationship Committee	Risk Management Committee	AGM July 31, 2017
Vivek Gambhir	4	NA	NA	2	9	1	Yes
Narendra Ambwani	4	4	2	2	NA	NA	Yes
Pippa Armerding**	1	NA	NA	NA	NA	NA	NA
Bharat Doshi	4	4	2	NA	NA	NA	Yes
Omkar Goswami	4	4	2	NA	NA	1	Yes
Aman Mehta	4	4	2	NA	NA	NA	Yes
Ndidi Nwuneli	4	4	2	NA	NA	NA	Yes
Ireena Vittal	4	4	2	NA	NA	NA	Yes
D Shivakumar*	2	2	1	NA	NA	NA	No

**Notes:**

\* D Shivakumar resigned as the Independent Director of the Company with effect from November 01, 2017.

\*\* Pippa Armerding was appointed as the additional Independent Director at the Board Meeting held on January 30, 2018.

**Notes:**

- Board & Audit Committee meetings were held on May 09, 2017; July 31, 2017; November 01, 2017, and January 30, 2018.
- Nomination and Remuneration Committee meetings were held on May 09, 2017 and January 30, 2018.
- Stakeholders' Relationship Committee meetings were held on April 14, 2017; May 11, 2017; May 30, 2017; July 10, 2017; August 14, 2017; September 04, 2017; October 12, 2017; November 07, 2017; November 29, 2017; January 10, 2018; February 21, 2018; and March 21, 2018.
- Risk Management Committee meeting was held on January 29, 2018.
- The maximum gap between any two Board meetings did not exceed 120 days during the year.
- Leave of absence was granted to the Directors whenever they could not be physically present for the Board/ Committee meeting.
- 'NA' indicates not a member of the Committee.

**D. Terms of reference of Board Committees**

**(i) Audit Committee:**

The terms of reference for the Audit Committee includes the matters specified in Section 177 of the Companies Act, 2013 as well as Part C of Schedule II of Listing Regulations such as:

- (1) oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct,

- sufficient, and credible;
- (2) recommendation for appointment, remuneration, and terms of appointment of auditors of the Company;
- (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 and auditor's report thereon 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 (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the



- exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements related to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) 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 statement of uses/application of funds raised through an issue, such as public, rights, or preferential issues, the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to initiate steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance as well as the effectiveness of the audit process;
- (8) approval or any subsequent modification of the transactions of the Company with related parties;
- (9) scrutiny of intercorporate loans and investments;
- (10) valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, the performance of statutory and internal auditors and the adequacy of internal control systems;
- (13) reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting the structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by 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;
- (16) 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;
- (17) identification of the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors;
- (18) review the functioning of the Whistle Blower mechanism;
- (19) approval of the appointment of Chief Financial Officer after assessing the qualifications, experience, and background of the candidate;
- (20) performing any other function as is mentioned in the terms of reference of the Audit Committee.
- (ii) Nomination & Remuneration Committee:**
- The terms of reference of the Nomination & Remuneration Committee are as follows:
- (1) formulation of criteria for determining qualifications, positive attributes, and independence of a Director and recommend to the Board of Directors a policy related to the remuneration of the Directors, key managerial personnel, and other employees;

- (2) formulation of criteria for the evaluation of performance of Independent Directors and the Board of Directors;
- (3) devising a policy on the diversity of Board of Directors;
- (4) identifying individuals who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- (5) Deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors. The criteria for the evaluation of Independent Directors include skills, experience, and level of preparedness of the directors, attendance and extent of contribution to Board debates and

discussion, and how the director leverages his/her expertise and networks to meaningfully contribute to the Company.

**(iii) Stakeholders' Relationship Committee**

The terms of reference of the Stakeholders' Relationship Committee is redressing grievances of shareholders, debenture holders, and other security holders. The Committee shall consider and resolve the grievances of the security holders of the Company, including complaints like transfer/ transmission of shares, non-receipt of the Annual Report, and non-receipt of declared dividends as well as those required under Companies Act, 2013.

**(iv) Risk Management Committee**

The terms of reference of the Committee are as follows:

- a) Spearhead risk management initiative within the Company;

- b) Review status of actions planned;
- c) Review progress and status of mitigation for the 'Risk That Matter';
- d) Set standards for risk documentation and monitoring;
- e) Improve risk management techniques and enhance awareness.

**(v) Corporate Social Responsibility Committee**

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- b) Recommend the amount of expenditure to be incurred on activities referred to;
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

## 2. Remuneration Policy

The Remuneration Policy of the Company has been provided in the Directors' Report section of the Annual Report as Annexure 'B'.

### Remuneration to Directors:

The details of the remuneration to Directors are as follows:

₹ in crore

Name of Director	Sitting Fees	Commission on Profits	Salary, Allowances and Other Benefits	Company's Contribution to PF	PLVR	Monetary Value of Perquisites	Total
<b>Whole-Time Directors</b>							
Adi Godrej	-	-	4.47	0.21	1.44	1.46	7.58
Nisaba Godrej			3.49	0.17	2.30	0.49	6.45
Vivek Gambhir			7.06	0.31	8.85	3.47	19.69
<b>Non-Executive Directors</b>							
Jamshyd Godrej	0.03	0.20	-	-	-	-	0.23
Nadir Godrej	0.04	0.20	-	-	-	-	0.24
Tanya Dubash	0.03	0.20	-	-	-	-	0.23
Pirojsha Godrej	0.04	0.20	-	-	-	-	0.24
Narendra Ambwani	0.06	0.20	-	-	-	-	0.26
Bharat Doshi	0.05	0.20	-	-	-	-	0.25
Omkar Goswami	0.05	0.20	-	-	-	-	0.25
Aman Mehta	0.05	0.20	-	-	-	-	0.25
D Shivakumar	0.03	0.12	-	-	-	-	0.15
Ireena Vittal	0.05	0.20	-	-	-	-	0.25
Ndidi Nwuneli	0.05	0.20	-	-	-	-	0.25
Pippa Armerding	0.00	0.03	-	-	-	-	0.03
<b>Total</b>	<b>0.48</b>	<b>2.15</b>	<b>15.02</b>	<b>0.69</b>	<b>12.59</b>	<b>5.42</b>	<b>36.35</b>

### Notes:

- In the case of Mr. Adi Godrej, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites includes accommodation, car, electricity expenses, reimbursement of medical/hospitalisation expenses incurred for self and family and medical insurance premium paid by the Company.
- In the case of Ms. Nisaba Godrej and Mr. Vivek Gambhir, salary includes basic salary and various elements of flexible compensation. Additionally, the perquisites received by Mr. Vivek Gambhir include value of stock grants.
- The Performance Linked Variable Remuneration (PLVR) Ms. Nisaba Godrej, and Mr. Vivek Gambhir is the amount payable for FY 2017-18, as per the scheme of the Company. The same is based on the profitability and optimum utilisation of capital employed over the last year.
- The service contract of Mr Adi Godrej is for a period of three years with effect from April 1, 2016. The service contracts of Ms. Nisaba Godrej and Mr Vivek Gambhir are for a period of three years with effect from July 1, 2016. All the three contracts are terminable from either side with three months notice.
- Non-Executive Directors are paid commission on profits at a rate not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 197 and 198 of the Companies Act, 2013) or ₹ 20 lakh per director per annum, whichever is lower.
- All the Independent Directors except Ms. Ndidi Nwuneli and Ms. Pippa Armerding were originally appointed in terms of the erstwhile Listing Agreement (refer the table containing other relevant details of the Directors under Para 1 of Board of Directors for the original date of appointment). After the notification of Companies Act, 2013, these Independent Directors have been appointed for period of 5 years.

- Mr. Vivek Gambhir has been granted stock options, the details of which are as follows:

Grant year	No. of options	Options exercised	Options outstanding	Vesting dates of outstanding options
2015-16	29,663	17,799	11,864	31.05.2018
2016-17	26,992	8998	8998	31.05.2018
			8996	31.05.2019
2017-18	24,080	Nil	8026	19.06.2018
			8026	31.05.2019
			8028	31.05.2020

### 3. Details of stakeholder complaints

Sr. No.	Nature of Complaint/Query	Total Complaints Pending at the Beginning of the Year	Total Complaints Received During the Year	Total Complaints Replied During the Year	Total Complaints Pending at the End of the Year	Complaints Not Resolved to the Satisfaction of Shareholders
1.	Non-receipt of Dividend	Nil	96	96	0	0
2.	Non-receipt of shares lodged for transfer/exchange	Nil	100	100	0	0
3.	Non-receipt of the Annual Report	Nil	11	11	0	0
4.	Others	Nil	6	6	0	0
	<b>Total</b>	<b>Nil</b>	<b>213</b>	<b>213</b>	<b>0</b>	<b>0</b>

### 4. General Body Meetings

#### A. Annual General Meeting

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

Date	Time	Venue	Details of special resolutions passed
July 29, 2015	3.30 p.m.	Y. B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai: 400021	<ul style="list-style-type: none"> <li>• Private placement of Non-Convertible Debentures up to an amount of ₹ 300 crore</li> <li>• Approval for acquiring and holding of equity shares by Foreign Institutional Investors up to a limit of 40 per cent of the paid-up equity share capital of the Company</li> </ul>
July 29, 2016	4.00 p.m.	Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Adi Godrej as Whole-time Director, designated as Chairman</li> </ul>
July 31, 2017	3.00 p.m.	Godrej One, 1st Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	<ul style="list-style-type: none"> <li>• Ratification of remuneration payable to M/s. P. M. Nanabhoy &amp; Co., appointed as Cost Auditors of the Company for fiscal year 2017-18</li> <li>• Appointment of Mr. Pirojsha Godrej as a Non-Executive Director</li> <li>• Appointment of Ms. Ndidi Nwuneli as an Independent Director</li> <li>• To fix commission on profits for Non-Executive Directors and Independent Directors of the Company</li> </ul>

## B. Postal Ballot

During FY 2017-2018, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, and any other applicable provisions of the Companies Act, 2013, one special

resolution was passed by the members through postal ballot for alteration of Articles of Association of the Company.

The notice of the postal ballot dated May 12, 2017 was sent to all shareholders of the Company along with postage prepaid envelopes. Mr. Kalidas Vanjpe, Practicing Company

Secretary, was appointed as the Scrutiniser for the Postal Ballot and submitted his report to Ms. Nisaba Godrej, Chairperson.

The results of the Postal Ballot were announced on June 19, 2017, and the details are as follows:

Category	Mode of Voting	No. of shares held -1	No. of votes cast -2	% of Votes cast on outstanding shares (3)=[(2)/(1)]*100	No. Of Votes – in favour -4	No. of Votes – against -5	% of Votes in favour on votes cast (6)=[(4)/(2)]*100	% of Votes against on votes cast (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting		20,97,49,130	97.33%	20,97,49,130	-	100.00%	0.00%
	Poll	21,54,96,082			NA			
	Postal Ballot		57,46,952	2.67%	57,46,952	-	100.00%	0.00%
	<b>Total</b>	<b>21,54,96,082</b>	<b>21,54,96,082</b>	<b>100.00%</b>	<b>21,54,96,082</b>	<b>-</b>	<b>100.00%</b>	<b>0.00%</b>
Public-Institutions	E-Voting		8,16,15,538	78.17%	8,15,81,051	34,487	99.96%	0.04%
	Poll	10,44,10,129			NA			
	Postal Ballot		0	0.00%	0	-	0.00%	0.00%
	<b>Total</b>	<b>10,44,10,129</b>	<b>8,16,15,538</b>	<b>78.17%</b>	<b>8,15,81,051</b>	<b>34,487</b>	<b>99.96%</b>	<b>0.04%</b>
Public-Non Institutions	E-Voting		8,54,692	4.13%	8,54,000	692	99.92%	0.08%
	Poll	2,06,94,605			NA			
	Postal Ballot		23,332	0.11%	23,067	265	98.86%	1.14%
	<b>Total</b>	<b>2,06,94,605</b>	<b>8,78,024</b>	<b>4.24%</b>	<b>8,77,067</b>	<b>957</b>	<b>99.89%</b>	<b>0.11%</b>
<b>Total</b>		<b>34,06,00,816</b>	<b>29,79,89,644</b>	<b>87.49%</b>	<b>29,79,54,200</b>	<b>35,444</b>	<b>99.99%</b>	<b>0.01%</b>

## 5. Means of Communication

GCPL has sent a quarterly newsletter on registered email addresses of the investors. Moreover, all vital information related to the Company and its performance, including quarterly results, press releases, and performance updates/ corporate presentations, and the information required by the Listing Regulations are posted on the Company's website - [www.godrejcp.com](http://www.godrejcp.com). The quarterly,

half-yearly, and annual results of the Company's performance are generally published in leading English dailies, such as The Economic Times, Business Line, and Mint, as well as in the Marathi newspaper Maharashtra Times. The Chairperson holds conference calls/meetings with financial analysts once in a quarter, and their transcripts are posted on the website soon after. The presentations made to financial analysts and institutional

investors are being shared with the Stock Exchanges and also being uploaded on the Company's website. The same may be accessed through the link given below<sup>[2]</sup>. The Company files its quarterly results on the Electronic filing system of the BSE and NSE. The same are also available on the websites of the BSE Limited and National Stock Exchange of India Limited (NSE), viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

<sup>[2]</sup> <http://godrejcp.com/investor-meet-presentations.aspx>

## 6. General Shareholder Information

### A. Annual General Meeting

**Date and Time:** Monday, July 30, 2018, at 3.00 p.m.

**Venue :** Godrej One, 1<sup>st</sup> Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079

### B. Financial Calendar

**Financial year:** April 1, 2017 to March 31, 2018

### C. Interim Dividends during FY 2017–18

Declared at Board Meeting dated	Dividend rate per share on shares of face value ₹ 1 each	Record date
May 9, 2017	₹ 12.00*	May 17, 2017
July 31, 2017	₹ 1.00	August 8, 2017
November 1, 2017	₹ 1.00	November 9, 2017
January 30, 2018	₹ 1.00	February 7, 2018
	₹ 15.00	

\*Note: The dividend declared on May 9, 2017 is on the pre-bonus paid up capital and all the subsequent dividends are on the post-bonus paid up capital. Subsequent to the close of FY 2017-18, the Board has declared an Interim Dividend of ₹ 7 per equity share. The Record date for the same is May 16, 2018. This dividend will be accounted in FY 2018-19.

### D. Listing

The Company's shares are listed and traded on the following Stock Exchanges:

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

The applicable listing fees has been paid to the Stock Exchanges before the due date.

### E. Market Price Data

The monthly high and low prices of GCPL at the BSE Limited and the National Stock Exchange of India Limited in Equity series for the year ended March 31, 2018, are as follows:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-17	1795.00	1633.35	1798.00	1631.10
May-17	1956.20	1727.80	1958.35	1727.00
Jun-17*	1964.00	937.00	1965.50	936.00
Jul-17	1083.65	943.95	1083.00	941.65
Aug-17	1037.00	860.65	1020.00	859.15
Sep-17	960.05	889.55	960.00	888.45
Oct-17	997.35	910.00	997.40	910.00
Nov-17	1027.15	902.35	1029.00	900.40
Dec-17	1034.00	959.10	1037.00	959.05
Jan-18	1124.70	972.20	1128.00	971.00
Feb-18	1099.60	985.05	1099.45	996.60
Mar-18	1123.05	1042.45	1125.10	1042.60

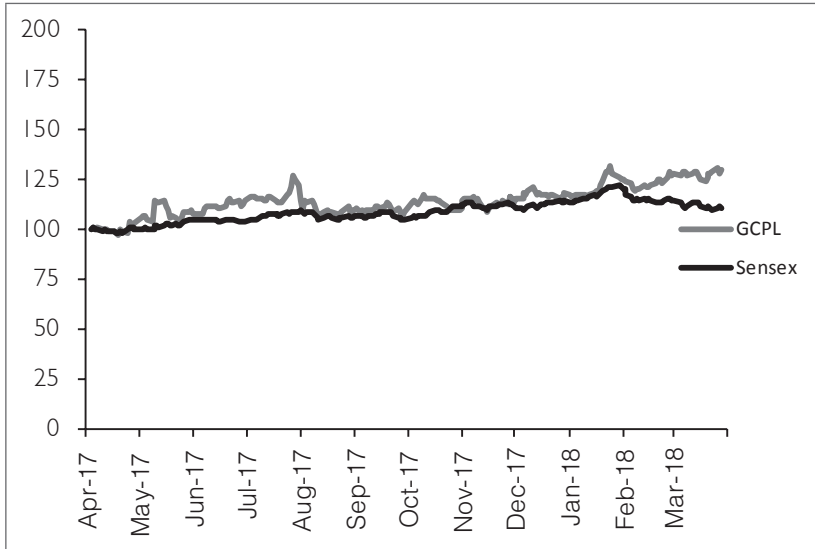
\*The data with effect from June 2017 reflects the position post listing of Bonus Equity Shares by the Company in a ratio of 1:1. The High and Low in prices post June 2017 are not comparable with pre-June data due to bonus price.

**Source: Websites of the respective stock exchanges**

Note: High and low are in rupees per traded share

## F. GCPL's share price at BSE versus the Sensex

GCPL's share performance compared with the BSE Sensex for FY 2017 -18 is as follows:



Note:

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

## G. Registrar and Transfer Agents

Computech Sharecap Limited,  
147, M.G. Road, Opp.  
Jehangir Art Gallery, Mumbai -  
400001

Tel. No.: 022 22635000/01 Fax:  
022 22635005 Email ID:

[gcpl@computechsharecap.in](mailto:gcpl@computechsharecap.in)  
Website: [www.computechsharecap.com](http://www.computechsharecap.com)

## H. Share Transfer

GCPL's share transfers and other related operations are performed by Computech Sharecap Limited, registered

with SEBI as a Category I Registrar. Share transfer is normally effected within a maximum of 15 days from the date of receipt, if all the required documentation is submitted.

## I. Distribution of Shareholding

Distribution of shareholding by size class as on March 31, 2018

Number of shares	Number of shareholders	Shareholders %	Number of shares held	Shareholding %
1-500	75,468	83.95%	10,19,92,77	1.50%
501-1,000	7,238	8.05%	5,26,00,70	0.77%
1,001-2,000	4,310	4.79%	58,47,278	0.86%
2,001-3,000	995	1.11%	24,72,479	0.36%
3,001-4,000	414	0.46%	14,97,158	0.22%
4,001-5,000	215	0.24%	9,76,423	0.14%
5,001-10,000	414	0.46%	29,59,904	0.43%
10,001 & above	843	0.94%	65,21,16,929	95.71%
<b>Total</b>	<b>89,897</b>	<b>100.00%</b>		<b>100.00%</b>

Distribution of shareholding by ownership as on March 31, 2018:

Category	Shares held (No.)	% of holding
<b>Promoter's Holding</b>		
Promoters	43,09,92,164	63.26%
<b>Institutional Investors</b>		
Mutual Funds	46,91,636	0.69%
Banks/Financial Institutions	13,25,372	0.19%
Insurance Companies	92,56,228	1.36%
Foreign Institutional Investors	19,08,24,502	28.01%
<b>Others</b>		
Private Corporate Bodies	94,72,571	1.39%
Indian Public	30,14,93,21	4.43%
NRI/OCB's	4,61,77,24	0.68%
<b>Total</b>	<b>68,13,29,518</b>	<b>100.00%</b>

#### J. Shares held in the Physical and Dematerialised Forms

Breakup of physical and dematerialised shares as on March 31, 2018:

	Number of shares	%	Number of folios	%
Physical	80,70,443	1.19%	22,894	25.47%
Demat	673,259,075	98.81%	67,003	74.53%
<b>Total</b>	<b>68,13,29,518</b>	<b>100.00%</b>	<b>89,897</b>	<b>100.00%</b>

Shares held in the Demat mode have more liquidity compared with those held in physical mode. Therefore, the Company urges shareholders holding shares in the physical form to convert their shareholdings to the demat mode.

#### K. Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their Impact on Equity

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

#### L. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company has foreign exchange risk and the mitigation of the same is managed by the FOREX Committee. The Company

has entered into forward contracts to hedge some of the risks. Details of hedged and unhedged positions are available in the Notes to Financial Statements in the Annual Report.

#### M. Plant Locations

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

Name of the State	Location of Plant
Jammu & Kashmir	SICOP Industrial Estate-Kathua, Hatli Moth-Kathua, Bari Brahmana-Samba Dist.
Himachal Pradesh	Thana-Baddi, Katha-Baddi
Sikkim	Namchi
Assam	Village Sila, Kalapahar, Lokhra
Meghalaya	Byrnihat, Rebhoi District
Madhya Pradesh	Malanpur Industrial Area, District Bhand
Pondicherry	Kattukuppam - Manpet Post, Nallur Village-Mannadipet Commune, Nedungadu Commune-Karaikal, Thirunallar Commune-Karaikal
Tamil Nadu	Maraimainagar-Kanjipuram Dist.



## N. Address for Correspondence

Members can contact us at our Registered Office:

Godrej Consumer Products Limited, 4th Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079

Tel. No. : 022 25188010/20/30  
Fax No. : 022 25188040;  
Email ID: investor.relations@godrejcp.com

Website: www.godrejcp.com  
CIN: L24246MH2000PLC129806

Investor correspondence should be addressed to M/s. Computech Sharecap Limited, whose address is provided in this section of the Annual Report. To allow us to serve shareholders with greater speed and efficiency, the Company strongly recommends email-based correspondence on all issues, which do not require signature verification for being processed.

Shareholders are expected to update any change in their residential address with our RTA to avoid non-receipt of dividends, annual reports, etc. You can download the form through the link given below<sup>[3]</sup> and submit it with our RTA.

## O. Electronic Credit of Dividend

The Company would encourage the shareholders to opt for electronic credit of dividend. The system is administered by the RBI, which ensures faster credit of dividends as dividends are directly credited in the electronic form to the bank

accounts of the shareholder. Moreover, by availing this facility, shareholders avoid the risk of loss of dividend warrants in transit or fraudulent encashment. Shareholders holding shares in the physical form and who have not opted for the above system may provide the required data to Computech Sharecap Limited in the requisite form, which can be obtained either from GCPL's registered office or Computech Sharecap Limited or downloaded from the link given below<sup>[3]</sup>. Shareholders holding shares in the 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 the demat form provide the details directly to the Company, the Company will not be able to act on the same and consequently dividends cannot be remitted through electronic credit.

## P. Consolidation of Shares under one folio

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

## 7. Other Disclosures

### A. Materially significant related party transaction that may potentially conflict with the Company's interest

During FY 2017-18, there were no materially significant related party transactions; that is, transactions of the Company of material nature with bodies including its subsidiaries, promoters, directors, management, and relatives, which may have potential conflict with the interests of Company at large. Attention of members is drawn to disclosures of transactions with related parties, as set out in Notes to Accounts.

### B. Details of Non-compliance

There has not been any noncompliance of mandatory requirements, expected of the Company. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI, or any statutory authority for matters related to capital markets during the last 3 years.

### C. Vigil Mechanism/ Whistle Blower policy

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, the Board of Directors have adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee.

### D. Web link for Policies

The Whistle Blower Policy, the Policy for determining Material Subsidiaries, and the Policy

<sup>[3]</sup> <http://godrejcp.com/investor-faq.aspx>

on dealing with Related Party Transactions are available on the link given below<sup>[4]</sup>.

#### **E. Details of Compliance with Corporate Governance Requirements**

The Company has complied with the requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

#### **8. Practicing Company Secretary's Certificate on Corporate Governance**

As stipulated in Para E of Schedule V of the Listing

Regulations, the Practicing Company Secretary's Certificate regarding the compliance of conditions of corporate governance is attached with the Directors' Report.

#### **Declaration by the Managing Director & CEO**

I, Vivek Gambhir, Managing Director & CEO of Godrej Consumer Products Limited (GCPL) hereby confirm pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, that

- The Board of Directors of GCPL has laid down a Code of Conduct for all the Board members and senior management of the

Company. The said Code of Conduct has also been posted on the Investors page of the Company website [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 the year ended March 31, 2018.

**For Godrej Consumer Products Ltd.**

sd/-

**Vivek Gambhir**  
**Managing Director & CEO**

Mumbai, May 8, 2018

<sup>[4]</sup> <http://godrejcp.com/codes-and-policies.aspx>