

# Board's Report

Dear Members,

Your Directors, with great pleasure, present the Annual and Integrated Report for the year ended March 31, 2020.

## 1. Results of Our Operations

The financial performance of your Company for the fiscal year under review is given below.

An overview of the performance of the Company's

subsidiaries in various geographies is given separately in the Board's Report.

The shareholders may also refer to the Management Discussion and Analysis section that gives more details on the functioning of the Company.

₹ (Crore)

Financials: Abridged Profit and Loss Statement	Consolidated		Standalone	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Total revenue from operations	9,910.80	10,314.34	5,474.45	5,679.31
Other income	112.30	108.76	91.26	94.45
Total income	10,023.10	10,423.10	5,565.71	5,773.76
Total expenses, including depreciation and finance costs	8,182.46	8,590.96	4,166.08	4,300.68
Profit/loss before exceptional items, share of profit of equity accounted investees, and tax	1,840.64	1,832.14	1,399.63	1,473.08
Exceptional items	(81.05)	252.56	-	-
Share of profit of equity accounted investees (net of income tax)	0.81	0.63	-	-
Profit/loss before tax	1,760.40	2,085.33	1,399.63	1,473.08
Tax expense	263.82	(256.20)	219.74	(281.90)
Profit/loss after tax	1,496.58	2,341.53	1,179.89	1,754.98
Other comprehensive income	223.20	138.51	(0.97)	(0.17)
Total comprehensive income attributable to owners of the Company	1,719.78	2,480.04	1,178.92	1,754.81

## 2. Appropriation

Your Directors recommend appropriation as given below:

Appropriation	Fiscal Year 2019-20	Fiscal Year 2018-19
	₹ (Crore)	₹ (Crore)
Surplus at the beginning of the year	3,258.64	2,982.46
Less: Transition impact of lease as per IND AS 116 (net of tax)	1.20	-
Restated balance at the beginning of the year	3,257.44	2,982.46
Add: Net profit for the year	1,179.89	1,754.98
Less: Remeasurements of defined benefit plans (net of tax)	0.97	0.17
<b>Available for Appropriation</b>	<b>4,436.36</b>	<b>4,737.27</b>
Less: Interim dividends	817.82	1,226.52
Less: Tax on distributed profits	168.11	252.11
<b>Surplus Carried Forward</b>	<b>3,450.43</b>	<b>3,258.64</b>

## 3. Dividend

### A. Dividend Declared

During the fiscal year 2019-20, the following interim dividends were declared on shares of face value of ₹ 1 each:

Declared at the Board Meeting Dated	Dividend Rate Per Share on Shares of Face Value of ₹1 Each	Record Date
May 3, 2019	2	May 13, 2019
August 1, 2019	2	August 9, 2019
November 6, 2019	2	November 15, 2019
January 29, 2020	2	February 6, 2020

### B. Dividend Distribution Policy

The Board of Directors adopted the Dividend Distribution Policy pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (Listing

Regulations), which requires the top 500 listed companies (by market capitalisation) to formulate the same. The Company's Dividend Distribution Policy may also be accessed through the following link <sup>[1]</sup>.

## 4. COVID-19

The novel coronavirus outbreak in the last quarter of fiscal year 2020 has significantly affected the consumer goods industry across the globe. We at Godrej Consumer Products Limited (GCPL), have been working on a safety first principle,

<sup>[1]</sup> <https://godrejcp.com/sustainability/codes-and-policies>

ensuring that our employees and business partners are safe, and taking all necessary precautions to control the spread of Coronavirus. In view of the lockdown in many of the States/Union Territories across India, operations in many of the Company's locations (manufacturing, warehouses, offices, etc.) had to be scaled down or shut down from the second half of March 2020. The operations at several of the overseas locations were also shut down/scaled down over various periods and are being operated as per the local guidelines complying with the required social distancing and high hygiene standards. While this has adversely impacted the sales performance in various geographies, we continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per our current assessment, other than the impairment recorded in the financial statements, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of the financial statements.

From a risk management perspective, we are monitoring and acting against the outbreak in line with our internal crisis management plan, which is overseen by the Risk Committee. More details regarding our response is available in the 'Risks and Opportunities' section and in the message from our Executive Chairperson.

**5. Board of Directors**  
**A. Number of Meetings**

Four Board meetings were held during the year. The details of the meetings and the attendance record of the Directors are given in the Corporate Governance section of the Annual Report.

**B. Changes in the Board of Directors**

At the Board meeting held on January 29, 2019, Mr Sumeet Narang was appointed as an Independent Director with effect from April 1, 2019, for a period of 5 years, and the shareholders approved his appointment through postal ballot held on March 20, 2019. In the opinion of the Board of Directors, he possesses the requisite integrity, expertise, and experience to guide the Company's growth strategy.

Mr Bharat Doshi's tenure of 5 years ended on September 25, 2019, and he had expressed his desire to not offer himself

for reappointment for another term. The Board places on record its sincere appreciation of the contribution made by Mr Doshi during his tenure on the Board. Ms Ireena Vittal was appointed to act as the Lead Independent Director in place of Mr Bharat Doshi.

After the end of the financial year, Mr Vivek Gambhir tendered his resignation as Managing Director of the Company with effect from the close of business hours of June 30, 2020 for personal reasons. His resignation was accepted by the Board of Directors at their meeting held on June 9, 2020. The Board has requested Mr Vivek Gambhir to continue as a Whole-time Director up to September 30, 2020. The Board members place on record their sincere appreciation for Mr Gambhir's contributions to the Company's growth during his tenure as the Managing Director.

At the meeting held on June 9, 2020, the Board approved the appointment of Ms Nisaba Godrej as the Managing Director of the Company, subject to approval of the shareholders at the Annual General Meeting (AGM). The Board of Directors also requested her to continue as the Chairperson of the Board till March 31, 2022 and accordingly, designated her as the Chairperson and Managing Director.

In the forthcoming AGM, Mr Pirojsha Godrej and Ms Tanya Dubash will retire by rotation, and being eligible, they will be considered for reappointment.

#### **C. Audit Committee of the Board of Directors**

Your Company has an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The Committee consists entirely of the Independent Directors, viz., Mr Aman Mehta, Chairman of the Committee, and, Mr Narendra Ambwani, Dr Omkar Goswami, Ms Ireena Vittal, Ms Ndidi Nwuneli, Ms Pippa Armerding, Mr Sumeet Narang, all being members of the Committee.

#### **D. Declaration from Independent Directors**

All the Independent Directors have given their declaration confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 and the Listing Regulations, and the same has been noted by the Board of Directors.

#### **E. Enrolment of Directors in Independent Directors Data Bank**

The Ministry of Corporate Affairs (MCA) vide its notification dated October 22, 2019, has amended Rule 6 of

the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, and accordingly, every individual appointed/to be appointed as an Independent Director is required to enrol his/her name for inclusion in the 'Independent Director's Data Bank' to be maintained by the Indian Institute of Corporate Affairs, Manesar. All the Independent Directors of your Company have successfully registered their names for inclusion in the said 'Independent Director's Data Bank'.

#### **F. Familiarisation Programmes**

Several familiarisation programmes for the Independent Directors were conducted during the year, covering topics such as the Annual Operating Plan for the fiscal year 2019-20, update on key amendments to the SEBI Listing Regulations, and actionables for the Company arising out of the amendments. Additionally, at all the Board meetings, detailed presentations covering business performance and financial updates were made. The number of hours of the familiarisation programmes conducted may be accessed through the following link<sup>[2]</sup>.

#### **G. Board Diversity Policy**

The Company has in place a Board Diversity Policy, which

is attached as **Annexure 'A'**. The criteria for determining qualification, positive attributes, and independence of Directors are as per the Board Diversity Policy, Listing Regulations, and the Companies Act, 2013.

#### **H. Remuneration Policy**

The Company's Remuneration Policy for Directors, Key Managerial Personnel (KMP), and other employees is attached as **Annexure 'B'**. The Company's total rewards framework aims at holistically using elements such as fixed and variable compensation, long-term incentives, benefits and perquisites, and non-compensation elements (career development, work-life balance, and recognition). The Non-Executive Directors receive sitting fees and commission in accordance with the provisions of the Companies Act, 2013.

#### **I. Remuneration to Directors**

The remuneration of Directors is in accordance with the Remuneration Policy formulated in accordance with various rules and regulations for the time being in force. The disclosure on the details of remuneration to Directors and other employees pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given under **Annexure 'C'**. The information required under

<sup>[2]</sup> <https://godrejcp.com/investors/stock-exchange-filings>

Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not being sent along with this report. Members interested in obtaining these particulars may request the same by sending an email to the Company at investor.relations@godrejcp.com from their registered email ID, quoting their name and Folio No.

Mr Adi Godrej, Chairman Emeritus; Ms Nisaba Godrej, Executive Chairperson; and Mr Vivek Gambhir, Managing Director and CEO, receive remuneration from your Company.

#### **J. Performance Evaluation of the Board of Directors, its Individual Members, and its Committees**

We conducted a formal Board effectiveness review, as part of our efforts to evaluate the performance of our Board and identify areas that need improvement in order to enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The Corporate HR team of Godrej Industries Limited and Associate Companies worked directly with the Chairperson and the Nomination and Remuneration Committee of the Board to design and execute this process. It was later adopted by the Board.

Each Board Member completed a confidential online questionnaire, sharing vital feedback on how the Board currently operates and how its effectiveness could be improved. This survey included four sections on the basis of which feedback and suggestions were compiled:

- Board Processes
- Individual Committees
- Individual Board Members
- Chairperson

The criteria for Board processes included Board composition, strategic orientation and team dynamics. Evaluation of each of the Board Committees covered whether they have well-defined objectives and the correct composition, and whether they achieved their objectives. The criteria for Individual Board Members included skills, experience, level of preparedness, attendance, extent of contribution to Board debates and discussion, and how each Director leveraged their expertise and networks to meaningfully contribute to the Company. The criteria for the Chairperson's evaluation included leadership style and conduct of Board meetings. The performance evaluation criteria for Independent Directors included a check on their fulfilment of the independence criteria and their independence from the management.

The following reports were created as part of the evaluation:

- Board Feedback Report
- Individual Board Member Feedback Report
- Chairperson's Feedback Report

The overall Board Feedback was facilitated by Ms Ireena Vittal with the Independent Directors. The Directors put forth their views regarding the Board functioning effectively and identified areas that showed scope for improvement. Feedback from the Committees and Individual Board Members was shared with the Chairperson. Following her evaluation, a Chairperson's Feedback Report was compiled.

#### **K. Directors' Responsibility Statement**

Pursuant to the provisions contained in Section 134 (5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due inquiry, confirm the following points:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.

- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the fiscal year and of the profit of the Company for that period.
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) They have prepared the annual accounts on a going concern basis.
- e) They have laid down internal financial controls to be followed by the Company, and such internal financial controls are adequate and operating effectively.
- f) They have devised a proper system to ensure compliance with the provisions of all applicable laws, and this system is adequate and operating effectively.

## 6. Transfer to Investor Education and Protection Fund (IEPF)

In accordance with the applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules), all unclaimed dividends are required to be transferred by the Company to the IEPF after completion of 7 years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for 7 consecutive years or more shall be transferred to the demat account of the IEPF authority. Accordingly, ₹ 1,07,15,412 of unpaid/unclaimed dividends were transferred during the financial year 2019-20 to IEPF.

The Company has appointed a Nodal Officer under the provisions of IEPF Regulations, the details of which are available on the Company website and can be accessed through the following link<sup>[3]</sup>.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2019 on the Company website, which can be accessed through the following link<sup>[4]</sup>. The details of

unpaid and unclaimed amounts lying with the Company as March 31, 2020 will be available on the same link within 60 days of the AGM.

## 7. Finance

### A. Loans, Guarantees, and Investments

The details of loans, guarantees, and investments as required by the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder are set out in the Notes to the Standalone Financial Statements of the Company.

### B. Related Party Transactions

In compliance with the Listing Regulations, the Company has a Policy for Transactions with Related Parties (RPT Policy). During the year, the Company has revised its Policy on dealing with Materiality of Related Party Transactions, in accordance with the amendments to the applicable provisions of the Listing Regulations. The RPT Policy is available on the Company website and can be accessed through the following link<sup>[5]</sup>.

Apart from the Related Party Transactions in the ordinary course of business and on arm's length basis, the details of which are given in the Notes to Financial Statements,

<sup>[3]</sup> <https://godrejcp.com/investors>

<sup>[4]</sup> <https://godrejcp.com/investors/unclaimed-dividend>

<sup>[5]</sup> <https://godrejcp.com/sustainability/codes-and-policies>

no other related party transactions require disclosure in the Board's Report for complying with Section 134(3)(h) of the Companies Act, 2013. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

## 8. Subsidiaries, Associates and Joint Venture

During the year, the following companies ceased to be the subsidiaries of your Company:

- Godrej Household Insecticide Nigeria Limited on account of its dissolution with effect from March 19, 2020
- Godrej Consumer Products Malaysia Limited on account of its dissolution with effect from October 7, 2019

Post the completion of financial year 2019-20, the following companies ceased to be the subsidiaries of the Company:

- Godrej Hair Care Nigeria Limited on account of its dissolution with effect from April 15, 2020
- Godrej Hair Weave Nigeria Limited on account of its dissolution with effect from April 24, 2020

During the year, Godrej Africa Holdings Limited, a wholly owned subsidiary of your Company acquired additional 5 per cent stake in the Darling Group Holding Company, namely Godrej West Africa Holdings Limited, which is a 100 per cent holding Company of Subinite (Pty) Limited and Weave Mozambique LDA. Post this acquisition, the total stake of your Company in Godrej West Africa Holdings Limited increased from 90 per cent to 95 per cent.

Similarly, Godrej Mauritius Africa Holdings Limited, a wholly owned subsidiary of your Company acquired additional 5 per cent stake in the Darling Trading Company Mauritius Limited which is a 100 per cent holding Company of Godrej Consumer Products International FZCO. Post this acquisition, the total stake of your Company in Darling Trading Company Mauritius Limited increased from 90 per cent to 95 per cent.

### A. Report on the Performance of Subsidiaries and Associates

The brief details of the cluster-wise performance is given below:

#### Indonesia

Our Indonesia business posted a strong performance in the fiscal year 2019-20, growing the top line by 8 per cent

in constant currency terms, continuing strong momentum from the previous year with a 2-year CAGR of 10 per cent. Our growth this year was led by HIT and Mitu. HIT continued a strong share momentum, backed by at-scale media investments, break-the-clutter communication, and strategic trade spends. We continued the strong momentum on innovation—we had 8 launches this year, all aimed at category development and with strong product differentiation. In household insecticides, we strengthened our foray into other pests by launching Roach Gel, a DIY solution with an impact similar to professional pest services and a mechanical rat trap, a first-to-market non-invasive rat trap. In air care, we launched "Minimatic", a premium fragrancing solution for smaller spaces at an affordable price and renovated our fragrance portfolio by launching strongly differentiated fragrances. We bolstered our play in the functional air care space by launching Stella Fabric Spray and Disinfectant to create the category for fabric disinfection, increasingly relevant in the post-COVID new normal. Q4 was challenging due to COVID. We responded with unprecedented agility by launching "Saniter", a hygiene brand from scratch in record 30 days. We also launched a no-ammonia hair colour bleach solution, a first ever to the

market, to gain share in the fast-growing fashion colouring space. We backed all our new products with strong media and trade investments and made strong inroads in strengthening our channel fundamentals in both Modern Trade & General Trade.

We also continued our focus on cost savings through direct cost and fixed overhead optimisation to enable strong investments in brand and channel building. Our margins expanded this fiscal, with the bottom line growing well ahead of the top line. We continue to focus sharply on category development with breakthrough innovation, strong brand building, and driving balanced growth across our portfolio.

#### **Africa, Middle East and USA**

The fiscal year 2020 continued to be challenging for our Africa, Middle East, and US business cluster. The overall business top line declined 1 per cent in constant currency terms. We faced adverse currency movement due to which the rupee translation was weaker, making the top line decline by 6 per cent. Most countries faced challenges, given strong macro headwinds, culminating in the COVID blow in Q4. However, South Africa recovered strongly from the previous year, growing at 10 per cent

in constant currency terms. Our margins expanded due to trade spend and fixed overhead rationalisation. Despite a challenging year, we focused on strengthening the fundamentals for future. We established a braid portfolio across markets to address key portfolio gaps, which enabled share gain.

We also accelerated our fast fashion model that delivered strong innovation rates on non-brands across markets. We strengthened our category leadership by strengthening our back end on technical and consumer understanding. Going forward, our focus would be to continue improving margins, strengthening our portfolio by addressing whitespaces in dry hair, accelerating Wet Hair and FMCG in the post-COVID new normal, and strengthening GTM.

#### **Latin America**

Our Argentina business recovered strongly this year despite continued macroeconomic challenges. The business grew 67 per cent in constant currency terms, while the currency devaluation impacted the rupee translation, reducing the top line growth to 13 per cent. Our top line growth was driven by our focus on value growth and price growth ahead of inflation and improved distribution. We turned around the business profitability through strategic cost rationalisation.

Our Chile business, however, faced challenges due to continued competitive intensity and political unrest, resulting in share loss. As a result, our top line declined 1 per cent in constant currency terms with further erosion in margins, driven by increased trade spends to counter competition and working capital requirements.

Looking ahead, we will continue focusing disproportionately on margin improvement and working capital management to strengthen our Latin America businesses.

#### **B. Policy on Material Subsidiaries**

In compliance with the Listing Regulations, the Board has adopted a policy for determining material subsidiaries. This policy is available on the Company website and can be accessed through the following link<sup>[6]</sup>.

#### **C. Financial Performance**

A statement containing the salient features of the financial statements of subsidiary/joint venture /associate companies, of the Company in the prescribed Form AOC-1 forms a part of consolidated financial statements (CFS) in compliance with Section 129(3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014.

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<sup>[6]</sup> <https://godrejcp.com/sustainability/codes-and-policies>

The said form also highlights the financial performance of each of the subsidiaries and joint venture companies included in the CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

## **9. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has complied with the provisions relating to the constitution of the Internal Committee in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to consider and resolve all sexual harassment complaints reported by women. During the year, in-person and e-learning workshops were conducted to create awareness regarding sexual harassment among employees. No complaint was reported during calendar year 2019, and hence, the Committee has not filed any complaint report with the concerned authorities, in accordance with Section 22 of the aforementioned Act.

## **10. Talent Management and Succession Planning**

Your Company has the talent management process in place with an objective of developing a robust talent pipeline for the organisation, which includes the senior leadership team. As part of the talent process, we identify critical positions and assess the succession coverage for them annually. During this process, we also review the supply of talent, identify high-potential employees, and plan talent actions to meet the organisation's talent objectives. We continue to deploy leadership development initiatives to build succession for key roles.

## **11. Extract of Annual Return**

In compliance with the provisions Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as per Section 92(3) of the Act is available on the Company website, which can be accessed through the following link<sup>[7]</sup>.

## **12. Risk Management**

The Company has a well-defined process in place to ensure appropriate identification and mitigation of risks. The Risk Management Committee of the Company

has been entrusted by the Board with the responsibility of identification and mitigation plans for the 'Risks that Matter'.

Elements of risks to the Company are listed in the Management Discussion and Analysis Section of the Annual and Integrated Report.

## **13. Vigil Mechanism**

Your Company has adopted a Whistle Blower Policy as a part of its vigil mechanism. The purpose of the policy is to enable any person (employees, customers, or vendors) to raise concerns regarding unacceptable improper practices and/or any unethical practices in the organisation without the knowledge of the management. All employees shall be protected from any adverse action for reporting any unacceptable or improper practice and/or any unethical practice, fraud, or violation of any law, rule, or regulation. This policy is also applicable to the Directors of the Company.

Mr V Swaminathan, Head Corporate Audit and Assurance, has been appointed as the 'Whistle Blowing Officer', and his contact details have been mentioned in the policy. Furthermore, employees are free to communicate their complaints directly to the Chairman/Member of the Audit Committee, as stated in the

<sup>[7]</sup> [https://godrejcp.com/public/uploads/reports/2019-20/AnnualReturn\\_201920.pdf](https://godrejcp.com/public/uploads/reports/2019-20/AnnualReturn_201920.pdf)

policy. The policy is available on the internal employee portal as well as the Company website and can be accessed through the following link<sup>[8]</sup>. The Audit Committee reviews reports made under this policy and implements corrective actions wherever necessary.

## 14. Annexures

### A. Disclosure on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings, and Outgo

**Annexure 'D'** of this Report provides information on the conservation of energy, technology absorption, foreign exchange earnings, and outgo required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, which forms a part of the Board's Report.

### B. Corporate Social Responsibility

Your Company has a well-documented Corporate Social Responsibility (CSR) Policy, which is available on the Company website under the following link<sup>[9]</sup>. The CSR Report, along with details of CSR projects, are provided in **Annexure 'E'** to this report.

### C. Employee Stock Option Scheme

The Company has a stock option scheme named as 'Employee Stock Grant Scheme, 2011'. The number and the resulting value of stock grants to be given to eligible employees are decided by the Nomination and Remuneration Committee, which are based on the closing market price on the date of the grants. The grants vest in one or more tranches as per the decision of the Nomination and Remuneration Committee with a minimum vesting period of 1 year from the grant date. Upon vesting, the eligible employee can exercise the grants and acquire equivalent shares of face value of ₹ 1. The difference between the market price at the time of grant and that on the date of exercise is the gross gain/loss to the employee. The details of the grants allotted under the Godrej Consumer Products Limited Employee Stock Grant Scheme, 2011 and the disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 and Section 62 1 (b) read with Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 are set out in **Annexure 'F'**. Your Company has not given loan to any person under any scheme for or in connection with the subscription or purchase of

shares in the Company or the holding Company. Hence, there are no disclosures on voting rights not directly exercised by the employees.

## 15. Listing

The shares of your Company are listed at the BSE Limited and National Stock Exchange of India Limited. The applicable annual listing fees have been paid to the stock exchanges before the due dates. Your Company is also listed on the Futures and Options Segment of the National Stock Exchange of India.

## 16. Business Responsibility Report

Pursuant to Regulation 34 of the Listing Regulations, the Business Responsibility Report highlighting the initiatives taken by the Company in the areas of environment, social, economic, and governance is available on the website of the Company and can be accessed through the following link<sup>[10]</sup>.

## 17. Auditors and Auditors' Report

### A. Statutory Auditors

In accordance with Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. B S R and Co.,

<sup>[8]</sup> <https://godrejcp.com/sustainability/codes-and-policies>

<sup>[9]</sup> <https://godrejcp.com/sustainability/codes-and-policies>

<sup>[10]</sup> [https://godrejcp.com/public/uploads/reports/2019-20/GCPL\\_BRR\\_FY\\_201920.pdf](https://godrejcp.com/public/uploads/reports/2019-20/GCPL_BRR_FY_201920.pdf)

LLP, Chartered Accountants (Firm Regn. No. 101248W/W-100022) have been appointed as the statutory auditor to hold the office from the conclusion of the 17<sup>th</sup> AGM on July 31, 2017 until the conclusion of the 22<sup>nd</sup> AGM in the year 2022 at a remuneration as may be approved by the Board.

#### **B. Cost Auditors**

The Company is maintaining requisite cost records for the applicable products of the Company. Pursuant to directions from the Department of Company Affairs, M/s. P. M. Nanabhoy and Co., Cost Accountants, were appointed as cost auditors for the applicable products of the Company for the fiscal year 2018-19. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

#### **C. Secretarial Auditors**

The Board had appointed M/s. A. N. Ramani and Co., Company Secretaries, Practising Company Secretary, to conduct a secretarial audit for the fiscal year 2019-20. The Secretarial Audit Report for the fiscal year ended March 31, 2020 is attached herewith as **Annexure 'G'**. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

## **18. Corporate Governance**

Your Company continues to enjoy a Corporate Governance Rating of CGR2+ (pronounced CGR 2 plus) and a Stakeholder Value Creation and Governance Rating of SVG1 (pronounced SVG one). The '+' sign indicates a relatively high standing within the category indicated by the rating. The aforementioned ratings are on a scale of 1 to 6, where 1 is the highest rating. The two ratings indicate 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 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 of the quality of corporate governance. The SVG1 rating is on a scale of SVG1 to SVG6, where SVG1 denotes the highest rating.

The SVG1 rating implies that according to ICRA's current opinion, the company belongs to the highest category of the composite parameters of stakeholder value creation

and management as well as corporate governance practices.

Pursuant to the Listing Regulations, the Report on Corporate Governance is included in the Annual and Integrated Report. The Practising Company Secretary's Certificate certifying the Company's compliance with the requirements of corporate governance, in terms of the Listing Regulations, is attached as **Annexure 'H'**.

## **19. Management Discussion and Analysis**

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming a part of this Annual and Integrated Report. The details pertaining to internal financial control and their adequacy are also part of the Annual and Integrated Report.

## **20. Confirmations**

- Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

- There have been no material changes and commitments affecting the financial position of the Company that have occurred between March 31, 2020 and the date of this Board's Report.
- There have been no instances of frauds reported by the auditors under Section 143 (12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.
- The Company has not accepted any deposits from public, and as such, no amount on the account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.
- During the Financial Year 2019-20, there were no significant and material orders passed by the regulators or Courts or Tribunals that can adversely impact the going concern status of the Company and its operations in future.

## 21.Appreciation

Your Directors wish to extend their sincere thanks to the employees of the Company, central and state governments, as well as government

agencies, banks, customers, shareholders, vendors, and other related organisations that have helped in your Company's progress, as partners, through their continued support and co-operation.

**For and on behalf of the Board of Directors**

**Nisaba Godrej  
Executive Chairperson**

Mumbai, June 9, 2020

### ANNEXURE 'A'

#### BOARD DIVERSITY POLICY

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age, or marital status. The Company recognises merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for an effective corporate governance, the Board should have the appropriate balance of skills, experience, and diversity of perspectives. Board appointments will be made on merit basis, and candidates will be considered on the basis of objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders. The Board will regularly review this policy to ensure its effectiveness.

### ANNEXURE 'B'

#### GCPL TOTAL REWARDS POLICY

GCPL's Total Rewards Framework aims at holistically using elements such as fixed and variable compensation, long-term incentives, benefits and perquisites, and non-compensation elements (career development, work-life balance, and recognition).

#### Highlights

The rewards framework offers employees the flexibility to customise different elements based on need. The framework is also integrated with GCPL's performance and talent management processes and is designed to ensure sharply differentiated rewards for our best performers.

The total compensation for a given position is influenced by three factors: position, performance, and potential. As a broad principle, for high performers and potential employees, GCPL strives to deliver total compensation at the 90<sup>th</sup> percentile of the market.

#### Total Cash Compensation

The employees' total cash compensation has the following three components:

1. 'Fixed Compensation' comprising the basic salary and retirement benefits such as the provident fund and gratuity
2. 'Flexible Compensation' comprising a fixed predetermined component

of employees' compensation. The employees can allocate this amount to different components, as per their grade eligibility, defined at the start of each fiscal year.

3. 'Variable Compensation (Performance-Linked Variable Remuneration)' comprising employee rewards for delivering superior business results and individual performance. It is designed to provide a significant upside earning potential without a

cap for overachieving business results. It has a 'Collective' component, linked to the achievement of specified business results, measured by 'Economic Value Added' or other related metrics, relative to the target set for a given fiscal year, and an 'Individual' component, based on an employee's performance, as measured by the performance management process.

### **Long-Term Incentives (Employee Stock Grant Scheme)**

This scheme aims at driving a culture of ownership and focus on long-term results. It is applicable to Godrej Leadership Forum members. Under this scheme, performance-based stock grants are awarded. The value of the stock grant is proposed by the management and approved by the Nomination and Remuneration Committee.

## ANNEXURE 'C'

### INFORMATION PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the fiscal year 2019-20; the percentage increase in the remuneration of each Director, Chief Financial Officer, and Company Secretary during the fiscal year 2019-20; and the comparison of remuneration of each KMP against the performance of the Company are as follows:

#### A. Whole-Time Directors, Chief Financial Officer, and Company Secretary

Sr. No.	Name of the KMP	Designation	Per Cent Increase/ (Decrease) in Remuneration in the Fiscal Year 2019-20	Ratio of Median Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2019-20
1	Adi Godrej	Chairman Emeritus	9.00	157.91
2	Nisaba Godrej	Executive Chairperson	(11.00)	109.87
3	Vivek Gambhir	Managing Director and CEO	(19.00)	253.64
4	V Srinivasan	Chief Financial Officer and Company Secretary	(11.00)	Not applicable

In case of Mr Vivek Gambhir and Mr V Srinivasan, the remuneration includes the actual performance-linked variable remuneration payable for the fiscal year on the basis of performance, profitability, and optimum utilisation of capital. Ms Nisaba Godrej has voluntarily waived the PLVR for the financial year 2019-20 due to the grave situation caused by the outbreak of the COVID 19 pandemic and suspension of business activities due to the lockdown imposed by the Government of India and the likely impact of the same on the Company's performance.

#### B. Non-Executive Directors

Sr. No.	Name of Director	Per Cent Increase/(Decrease) in Remuneration in the Fiscal Year 2019-20	Ratio of Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2019-20
1	Jamshyd Godrej	4.35 %	5.71
2	Nadir Godrej	4.17 %	5.95
3	Tanya Dubash	-	5.71
4	Pirojsha Godrej	-	5.71
5	Narendra Ambwani	-	9.75
6	Pippa Armerding	(17.50 %)	7.85
7	Bharat Doshi*	-	-
8	Omkar Goswami	21.21 %	9.51
9	Aman Mehta	-	9.51
10	Ndidi Nwuneli	-	9.51
11	Ireena Vittal	5.26 %	9.51
12	Sumeet Narang **	-	---

\* In the current financial year, Mr Bharat Doshi was on the Board till Sep 25, 2019. For FY 2018-19, he was on the Board for the full financial year. Hence per cent change is not comparable.

\*\* Mr Sumeet Narang's appointment in the Board is from April 1, 2019. Also, he has voluntarily waived the remuneration receivable from the Company.

**Note:**

- (i) The median remuneration of all the employees of the Company for the fiscal year 2019-20: ₹ 4.21 lakh.
- (ii) The percentage decrease in the median remuneration of employees in the fiscal year 2019-20: 0.12 per cent.
- (iii) The number of permanent employees on the payrolls of the Company as on March 31, 2020: 2768
- (iv) The average percentile increase already made in the salaries of the employees, other than the Managerial Personnel, in the last fiscal year and its comparison with the percentile increase in the managerial remuneration and justification thereof: Total managerial remuneration comprises the remuneration of the Whole-Time Directors and commission paid to Non-Executive Directors. The Whole-Time Directors' remuneration is as per the resolution approved by the shareholders and will not exceed 10 per cent of the Company's net profits as permitted by the Companies Act, 2013. The Non-Executive Directors are also eligible for a sitting fees of ₹ 1 lakh per Board meeting attended

and ₹ 20,000 per Committee meeting attended. The shareholders at the AGM held on July 30, 2018, has authorised the payment of commissions on profits to the Non-Executive Directors at the rate not exceeding 1 per cent of net profits of the Company with authority to the Board to determine the manner and proportion in which the amount be distributed among the Non-Executive Directors. The Board has authorised a base commission of ₹ 20 lakhs per annum to each Non-Executive Director. All the Independent Directors are paid an additional commission linked to their attendance at the Audit Committee meeting, Nomination & Remuneration Committee meeting, and Independent Directors' meeting. There is no change in the base amount of the commission on profits or sitting fees payable to Non Executive Directors for attending meetings of the Board/ Committee thereof. The per cent change in remuneration represents change in the payout based on actual attendance at meetings of the Board or Committee thereof for each of the Non Executive Directors, compared to the previous year.

The average change in the salary of employees other than the Managerial Personnel is a decline of 9.12 per cent whereas that in salary of the Managerial Personnel is a decline of 10.08 per cent. The decline is largely on account of performance-linked variable remuneration.

- (v) The remuneration is as per the Remuneration Policy of the Company.

**ANNEXURE 'D'****INFORMATION PURSUANT TO SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014, WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO****A. Conservation of Energy**

Steps taken or impact of initiatives for conservation of energy, and steps taken by the Company to use alternate sources of energy.

**I. North East Cluster**

The total capital investment on energy saving initiatives is ₹ 22 lakh. The energy conservation initiatives undertaken are as follows:

- Installation of a screw conveyor in stamping machine Line 1: It reduced the wet dough moisture

content hence increased the drier efficiency at Meghalaya coil, which resulted in briquette savings of 100 t per annum.

- Capacitor installation in 2 radiator motors of 30HP to improve the power factor and reduction in current at the Meghalaya unit. Annual energy savings—45,792 KWh.
- Condensate recovery in a packaged baby boiler at the New Conso unit with a huge saving of HSD 8616 L/annum.
- Drive installation with an ID fan motor of 50 HP to improve the load factor as well as result in energy savings at the Meghalaya coil, resulting in saving of 36,000 KWh.
- Few small modifications in ARG and Crème line and switching from pneumatic to mechanical (low energy-intensive), such as wick pressing in refill line, leading to a reduction in compressed air pressure setting from 7.5 bar to 6.5 bar at the New Conso unit, resulting in saving of 18,163 KWh.
- Regulating running hours of exhaust fans and few ACs through the Arduino board at the New Conso unit, resulting in saving of 57,870 KWh.

- Eco 365 valve installation in wash basins at New Guwahati, New Conso, and AER units, leading to a water saving of around 2,600 KL/annum.

#### CSR Project

This year, we invested ₹ 8.66 lakh on community projects in the North East Cluster. As there was huge pressure from the Sikkim Government and other local bodies from the last few years, this year we decided to conduct all our projects in Sikkim. The Community projects conducted in Sikkim are as follows:

- Donation of 4 desktops to Mamring High School: Because of the insufficient number of desktops, the school authorities are unable to properly conduct computer classes for students. This project cost is around ₹ 63,340.
- Improvement in the sanitisation facility of LP School at Pasi by constructing 2 separate biotoilets for girls and boys. The total cost of the project is ₹ 2,50,000.
- Construction of boundary fencing throughout LP School to secure the school campus and kids. The total investment for the project is ₹ 5,53,550.

#### National Convention on Quality Concepts (NCQC)

We received the following awards in NCQC where

around 500 companies had participated, with around 10,000 participants, and where more than 1600 case studies were presented with great enthusiasm and competitive spirit.

- Par Excellence awards—3
- Excellence awards—4
- Best model awards in (awards in the best project category) model presentation—2.

## II. North Cluster Energy Conservation

The total capital investment on energy saving initiatives is ₹ 63 lakh, and savings in energy consumption is 6.84 lakh KWh/annum, which is equivalent to ₹ 53 Lakh per annum. The energy conservation initiatives undertaken are as follows:

- Replacement of high-load motors with energy-efficient IE4
- Downsize of the heater assembly in a wrapping machine
- Automation in the BOPP tape machine
- Downsize of TRM and the stamping machine motor
- Interlocking of the BOPP taping machine
- Unification of chiller plants
- Two-pole station to minimise DG usage

### Water Conservation

The total capital investment on water conservation initiatives is ₹ 2.5 lakh, and savings in water consumption is 750 KL/annum. The water conservation initiatives undertaken are as follows:

- Softner rejected water re-routed through flush in toilet
- Reuse of condensate water in Boiler
- ETP treated water using gardening and toilet

### Awards Won

- Thana unit received the 'National Safety Council appreciation certificate'
- Par excellence award for 7 teams and excellence award for 9 teams during NCQC 2019

### III. Central- West Cluster Energy Conservation

The total capex utilised for energy conservation measures is ₹ 126 lakh. The energy conservation measures undertaken are as follows:

#### Power Saving

- Installation of an energy-efficient air compressor resulted in saving in power consumption by 289,407 KWh/annum

- Installation of an energy-efficient chilling compressor in soap finishing lines, which lead to saving in power consumption by 79,200 KWh/annum

#### Fuel Saving

- Installation of a water-based vacuum system in FADP1 for reducing steam consumption, which lead to saving of fuel by 58MT/annum
- Installation of a vapour-liquid separator for improving noodle productivity, which will reduce energy consumption

#### Water Conservation

- Installation of a water treatment tank with an agitator for coagulating dissolved soap particles in the cooling water of soap driers, thus reducing fresh water intake and saving by 24 KL/day.
- Installation of an automatic level control system for reducing water wastage during makeup in cooling tower, which results in saving of water by 100 KL/annum
- Provision of 3 rainwater harvesting pits covering a roof surface area of 2,600 sq m, which results in the recharging of a borewell by 1,350 KL/annum

- Usage of effluent-treated water in dirty cooling towers and process pump cooling, which results in a reduction in freshwater consumption by 2,000 KL/annum

#### Awards won by the Malanpur unit

- GOLD award at SEEM National Energy Management Awards 2019 held at New Delhi
- FICCI award for efficiency in energy usage—in chemicals—in a summit on 'Global Chemicals & Petrochemicals Award 2019' held at Mumbai
- Successfully cleared the certification of IMS ISO 9001/14001/45001

### IV. South Cluster

The total CAPEX utilised for energy conservation measures is ₹ Rs.50.8 lakh. The energy conservation measures undertaken are as follows:

- Reduction in energy consumption by the installation of energy-efficient LED lightings, solar-based lightings, Encon devices in ACs and by using servo-based coil stamping cylinders has resulted in saving of 4,25,611 KWh/annum, covering 5 factories in Pondicherry, Karaikal, and MM Nagar

- Use of biowaste fuels in our hot air generators to the extent of 4,331 MT instead of furnace oil in our Pondicherry coil factory

#### Awards

1. 5S Award from QCFI and Union of Japanese Scientist Engineers (JUSE), received by the MMN unit
2. The CONSO unit, which won the QCFI JUSE 5S Award last year, successfully completed the surveillance audit by the official team.
3. CII EHS Excellence Audit— one 4-star rating and three 3-star rating awards won
4. National Safety Councils Safety Award 2019—4<sup>th</sup> level 'PRASHANSHA PATRA' award won by the CONSO unit
5. All our 5 units are certified for ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards and have completed 2 surveillance audits with NIL non-conformance in this year.
6. South cluster won the Godrej Safety Awards 2019 for the best celebration of National Road Safety Week in 2019

#### B. Technology Absorption

The R&D function of our organisation played a key role in ensuring the successful launches of the following products during the year 2019-20:

1. Good Knight – Gold Flash LV
2. Natural House Hold Insecticides.
3. AER Smart Matic Room Freshener
4. Premium AER Fresheners
5. Expert Crème – re launch
6. Cinthol Charcoal Soap
7. Shampoo Hair Colour
8. Keratin Range under Godrej Professional
9. Protekt Hand Sanitiser
10. E-commerce led products

The current year, like previous years, also saw a sharp focus on consumer-centric and relevant design-led innovations. The company has placed a lot of focus on innovation in new technologies, which gives value for money to the consumer.

#### I. R&D product categories initiated by the Company:

1. Hair Care
2. Skin Care
3. Household Insecticides

4. Customer Centricity
5. Packaging Development
6. Fabric Care
7. Health & Hygiene Products
8. Air Care
9. Dry Hair

#### II. Benefits derived as a result of the aforementioned R&D efforts

R&D has played pivotal role in developing new technologies in AER, Hair Colours, Personal Wash and HI areas. Strong R&D led initiatives with innovative projects have led to successful launches of several new products in the marketplace in the current financial year. The Company has launched break through Innovation first of its kind in HI category, Good Knight Gold Flash LV. This is first of its kind in terms of design and product delivery. R&D is continuously protecting its Innovations through Design and Product patents. R&D has played a pivotal role in improving cost optimization across product categories by contributing through both product and process related innovations and improvements.

We believe that the three key pillars of consumer centricity, new product Innovation & Development and training-led skill up-gradation will continue to propel your Company ahead of competition in its strategy of innovation led value creation.

### III. Future plan of action

R&D shall continue to play a key role in the advancement and successful execution of newer innovations in the marketplace for both domestic and international businesses. Our R&D team shall constantly endeavour to deliver superior innovative products, thereby delighting domestic and international customers by—

1. Ensuring successful commercial launches within Hair Care,

Household Insecticides, Room Freshener and Personal Care categories for the coming year;

2. Engaging in providing support on global innovation strategies for various product categories within our international businesses and extending support on relevant product development for international markets;
3. Focusing on newer

consumer relevant product experiences within all categories such as Skin Care, Household Insecticides, Hair Care, Air Care, Fabric Care and Health & Hygiene;

4. Maintaining a strong focus on R&D training needs and people development;
5. Partnering collaborations with external stakeholders and leading institutions.

### IV. Expenditure on R&D

	₹ Crore	
	Fiscal Year 2019-20	Fiscal Year 2018-19
Capital	0.09	0.12
Recurring	18.12	16.38
<b>Total</b>	<b>18.21</b>	16.50
Total R&D expenditure as a percentage of total sales turnover	<b>0.34 per cent</b>	0.30 per cent

### C. Foreign Exchange Earnings and Outgo

	₹ Crore	
	Fiscal Year 2019-20	Fiscal Year 2018-19
I. Foreign exchange used	458.39	448.53
II. Foreign exchange earned	204.22	219.82

## ANNEXURE 'E'

### CSR REPORT

#### A brief outline of the Company's CSR Policy, including an overview of projects or programmes proposed to be undertaken, with a URL to the CSR Policy and initiatives

GCPL is committed to the Godrej Group's 'Good & Green' vision

of creating a more inclusive and greener India. The Good & Green CSR policy focuses on addressing the critical social, environmental, and economic needs of the marginalised and less privileged sections of society. Through our Good & Green CSR Policy, we align our CSR strategy with the Godrej Group's Good & Green vision and goals. We adopt an approach that integrates the solutions to these problems

into the strategy of the Company to benefit communities at large and deliver social and environmental impacts. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The policy as well as projects and programmes under the CSR Policy are available on the Company website and can be accessed through the following link.<sup>[11]</sup>

<sup>[11]</sup> <https://www.godrejcp.com/sustainability>

An overview of the projects or programmes undertaken during the fiscal year 2019-20 is given below. We have aligned our programmes to national missions and priorities, and they are categorised as follows.

## A. National Skills Mission

### I. Employability and Livelihoods

At Godrej, we collaborate with non-profit organisations and social enterprises to design and run several employability training programmes for youth from low-income sections of society. We aim to improve the earning potential of our trainees by building their skills and by empowering them. Apart from core domain skills, our programmes also focus on life skills training, entrepreneurship development, and postplacement support.

As of March 2020, we have trained over 4,33,435 young people in skills that will enhance their earning potential. Our projects include the following factors:

- Salon-i—our beauty and hair care training
- Beauty-preneur and Homepreneur platform for micro entrepreneurs in beauty industry

Salon-i trains young girls and women in beauty and hair care. In the fiscal year

2019-20, over 9000 women have been trained across India. The curriculum is integrated with life skills and entrepreneurial modules to equip the candidates in starting their own enterprise if they are interested. The curriculum has been digitised through the learning management system (LMS). The LMS enables blended learning by using multimedia formats, such as audio, video, PDFs, and presentations.

We have developed a life skills curriculum for all our employability programmes across our businesses. The life skills curriculum supplements the current employability courses. The modules equip our trainees with financial literacy, work readiness, and critical skills, which will enable them to build stronger and more productive careers and lives. Interactive games and activities have been developed for different target audiences under this project.

Our learnings from CSR programmes in skills and livelihoods development report revealed that after the Salon-i training, the proportion of women in paid work has increased from 14 per cent to 45 per cent, of which 78 per cent were first time entrants in the workforce. The trainees also increased their earnings

by three-fold although from a lower base.

Our beauty-preneur platform reaches out to women micro entrepreneurs in the beauty and wellness industry across India. This programme promotes entrepreneurship and enables women to start training other girls as well as empowers these women entrepreneurs through life skills and entrepreneurship modules. In the fiscal year 2019-20, 2665 women have been supported through our beauty-preneur programme, which supports those who run micro salons as well as those who provide home services.

### II. Community Development

Sustainability is an integral part of our business and value chain, and it helps us provide high-quality and affordable goods to our 1.1 billion people globally who use our products on any given day. Our stakeholders are also the communities that border our plant locations. To align our CSR activities with community needs and our Good & Green strategy, we conducted third-party community needs assessments at our priority plant locations.

On the basis of valuable stakeholder input, we are

now implementing a range of high-impact community development programmes primarily to improve the quality of education in government schools around our manufacturing sites. We have primarily invested in education, water, sanitation, and skill building initiatives across 8 villages in and around our manufacturing facilities.

Our interventions help to improve the infrastructure in schools as well as the overall teaching–learning environment. Following are our key initiatives in the fiscal year 2019-20:

- In the north cluster, we have partnered with government schools in Himachal Pradesh and Jammu. In Baddi, we have provided a sanitary napkin vending machine in a senior secondary school and supported the complete flooring of assembly area. We have also supported the construction of a playground in the Himachal Pradesh Police Line. In Thana senior secondary school, we have supported the repairs of toilets and installed a sanitary napkin vending machine. In Kathua, we have supported the repairs and maintenance of Chack Ram

Singh government primary school, installed a reverse osmosis system, and provided utensils for mid-day meals. In Bari Brahmana, we have renovated 2 classrooms of government girls middle school and installed a water filter.

- In the North East cluster, we are working with schools in Sikkim. We have provided computers to the Mamring high school, supported construction of biotoilets in LP school at Pasi, and constructed a fence around the school to ensure safety of the children.
- In the central cluster, we are working with the community around our flagship plant in Malanpur. We have supported painting and levelling work at local middle school. We have supported the local community hospital in plumbing, lighting, painting, and furniture. We are also implementing a ‘Youth ki awaaz’ programme, a water, health, and sanitation behaviour change programme, that works with young

people to drive change.

## B. Swachh Bharat Mission

### I. Elimination of Vector-Borne Endemic Diseases

Elimination of Vector-Borne Endemic Diseases (EMBED) is an intensive community awareness and behaviour change communication programme to combat malaria in regions that report high annual parasite index (API). Under the EMBED programme, we collaborate with NGOs and governments in an effort to reduce morbidity and mortality due to malaria. The approach towards this project is as follows:

- Implement community need-based behaviour change communication interventions at the village and household levels to spread awareness and encourage appropriate healthcare-seeking behaviour for prevention and control of mosquito-borne diseases
- Strengthen links with public and private health services in the prioritised blocks to improve access to preventive,

diagnostic, and curative services

- Evaluate data to support scalability and replicability of the project in other geographies
- In the fiscal year 2019-20, we expanded our footprint to 11 districts across Madhya Pradesh, Uttar Pradesh, and Chhattisgarh and are currently covering 830 villages and close to 10,00,000 people. We have signed MoUs with the governments of UP and Chhattisgarh and are supporting them in their endeavour to eliminate malaria by 2030.

#### **Impact:**

- An independent social return on investment study of the programme has revealed that every ₹ 1 invested in the programme created social impact worth ₹ 8.38.
- Close to 63 per cent of the community is taking steps to prevent malaria after increasing their awareness by participating in sessions.
- Around 75 per cent of the community healthcare workers

reported an increase in their knowledge and diagnosis and treatment of malaria.

- Post malaria treatment, a 32 per cent improvement in overall health was reported, which resulted in a 17 per cent increase in productivity and 22 per cent decrease in school/work absenteeism.

## **II. Waste Management**

We have initiated various community waste management projects across India. Some of these projects are as follows:

In the past, we have collaborated with Hyderabad and Kalyan-Dombivali municipal corporations for urban waste management. We are working with a social enterprise in Guwahati to convert plastic waste into fuel. Further, we are partnering with an enterprise in Assam that is recycling forest and agri-residue into briquettes for biofuel. Altogether, through these projects, we aim to process up to 150 MT of solid waste per day.

### **C. Watershed Management**

Our integrated watershed development project will help restore the ecological balance

in the drought-prone district of Siddipet in Telangana. Our efforts are designed to recharge groundwater and make more water available for irrigation over a total area of more than 3,300 hectares by the fiscal year 2022. As of March 2020, we have treated 880 hectares of land and carried out over 3,00,000 plantations through seed dibbling and over 38,000 plantations through direct saplings. We have worked with over 300 farmers to build their capacity on sustainable farming and livelihood diversification.

### **D. Donations**

I. Green chemistry: With the funding from GCPL, the Institute of Chemical Technology, Mumbai, has proposed to set up a skill development centre. The proposed centre has the following three objectives:

- To develop training programmes for the characterisation of biologics and biopharmaceuticals
- To establish a state-of-the-art centre for biophysical and biochemical analysis for skill development for training students and provide a resource to the Indian biotechnology industry
- To develop back-to-school programmes for industrial

- participants to hone their skills
- II. Olympic Gold Quest: The project aims to support 49 senior Indian athletes aspiring to participate in commonwealth games, Asian games, and Olympics by funding their training and sport equipment purchase as well as by providing them medical support
  - III. Promote culture and music among children: GCPL supports the National Centre for Performing Arts in Mumbai to run school programmes to promote Indian music and dance
  - IV. Support ARMMAN for their Kilkari programme to improve national maternal and child health indicators
  - V. Support SEEDS for Kerala flood relief by building shelters for tribal families in Wayanad
  - VI. Support Shrimati Pushpa Wati Loomba Memorial Foundation to train youth in hospitality, tourism, tailoring, and retail sector skills

- VII. Support Rotary Club Bombay to set up solar-powered irrigation and water facilities for rural households in Palghar, Maharashtra
- VIII. Support the Corbett Foundation to provide skill development training to forest-dependent communities and to empower and encourage them to lead a sustainable and environment-friendly lifestyle with minimum dependency on forest resources in the Raigad district of Maharashtra
- IX. Support Dream Girl foundation to provide medical services for children suffering from cancer
- X. Support Aamcha Ghar to provide education for underprivileged children
- XI. Support Operation ASHA to provide tuberculosis treatment for underprivileged communities
- XII. Support Sharda education society to support HIV/AIDS-affected people in

commercial sex work and transgender communities

#### **E. Composition of CSR Committee**

The composition of the CSR Committee is as follows:

1. Mr Nadir Godrej, Chairman of the Committee
  2. Ms Tanya Dubash, Director
  3. Ms Nisaba Godrej, Executive Chairperson
  4. Mr Vivek Gambhir, Managing Director and CEO
  5. Mr Narendra Ambwani, Independent Director
- F. Average net profit of the company in the last 3 fiscal years: ₹ 1,267 crores.
- G. Prescribed CSR expenditure (2 per cent of the amount as in item F above): ₹ 25.34 crores.

### Details of CSR expenditure for the fiscal year

a)	Total amount to be spent for the fiscal year	A total of ₹ 19.49 crore was spent, against the mandated amount of ₹ 25.34 crore.
b)	Amount unspent, if any	₹ 5.85 crores
		Projects worth this amount had been sourced and committed, with signed MoUs and deliverables agreed during the financial year itself. In order to ensure proper utilisation of funds and high-quality results from our CSR initiatives, we believe in funding projects on tranche basis. The whole grant is not given upfront in advance and is instead given in stages when certain milestones are achieved. This led to an underspend of Rs.5.85 crore during the financial year. The Company is committed to spend the unspent funds specifically for the selected projects in FY 20-21. The CSR Committee has approved that the unspent funds be carried forward to FY20-21 in addition to the prescribed 2% CSR budget for FY 20-21.
c)	Manner in which the amount is spent during the fiscal year	As given below in Table 1

**Table -1 Details of CSR expenditure for the fiscal year 2019-20**

Sr. No.	CSR Project/Activity Identified	Sector in which the Project is Covered	Projects/Programmes 1) Local Area/Other 2) Specify the District and State Where the Project/Programme was Undertaken	Amount Outlay (Budget) Project/Programme wise	Amount Spent on the Project/Programmes		Cumulative Expenditure Up to the Reporting Period	Amount Spent (Direct/ Implementing Agency)
					Direct Expenditure on Projects/ Programmes	Overheads		
1	Project Salon-i: skill training for employability and entrepreneurship, leading to women empowerment	Schedule VII (ii) livelihood enhancement projects	States in India, namely Gujarat, Maharashtra, Uttar Pradesh, Bihar, Chhattisgarh, Assam, Nagaland, Manipur, Mizoram, and Delhi	8.70	8.70	0.32	9.02	Multiple Agencies: Saath, Yuva, Dhriti, DDJF, Don Bosco Tech Society, Pratham, Save the Children India, Youthnet, Vrutti, Delhi Council of Child Welfare, Collective Good Foundation, QUEST Alliance
2	Behaviour change communication on malaria and vector-borne diseases	Schedule VII (i) promoting preventive healthcare	Dindori and Mandla districts of Madhya Pradesh	4.64	4.64	0.17	4.81	Multiple agencies: Family Health India, CIDS, Sustainable Square
3	Community development around factories	Schedule VII(x) rural development projects	Jammu, Himachal Pradesh, Madhya Pradesh, Sikkim, Pondicherry, and Tamil Nadu	0.31	0.31	0.01	0.32	Direct intervention
4	Waste management	Schedule VII (iv) environment sustainability	Guwahati and Assam	1.26	1.22	0.05	1.27	Maa Kamakhya Disposable Works

Sr. No.	CSR Project/Activity Identified	Sector in which the Project is Covered	Projects/Programmes 1) Local Area/Other 2) Specify the District and State Where the Project/Programme was Undertaken	Amount Outlay (Budget) Project/Programme wise	Amount Spent on the Project/Programmes		Cumulative Expenditure Up to the Reporting Period	Amount Spent (Direct/Implementing Agency)
					Direct Expenditure on Projects/Programmes	Overheads		
5	Carbon mitigation project	Schedule VII (iv) environment sustainability	Assam and Meghalaya	2.10	0.48	0.02	0.50	Dharthi Sustainables Private Limited
6	Watershed management	Schedule VII (iv) environment sustainability	Siddipet district, Telangana	0.70	0.46	0.02	0.48	Peoples Action for Creative Education
7	Disaster relief in response to Kerala floods	Schedule VII (i) promoting preventive healthcare and sanitation and making available safe drinking water	Wayanad, Kerala	0.20	0.20	0.01	0.21	Sustainable Environment and Ecological Development Society
8	Support to train fellows to teach in government-funded schools across India	Schedule VII (ii) promoting education	PAN India	1.00	1.00	0.00	1.00	Teach to Lead
9	Green chemistry	Schedule VII (ii) promoting education	Institute of Chemical Technology	0.60	0.60	0.00	0.60	Donation to Institute of Chemical Technology
10	Promotion of sports	Schedule VII(vii) promoting nationally recognised sports	PAN India	0.35	0.35	0.00	0.35	Foundation for promotion of sports and games
11	Promotion of Indian music and dance by training children in government schools	Schedule VII (v) promoting traditional arts	Mumbai, Maharashtra	0.30	0.30	0.00	0.30	National Centre for Performing Arts
12	Awareness raising and training of young mothers to improve maternal and child health through technology	Schedule VII (i) promoting preventive healthcare	PAN India	0.25	0.25	0.00	0.25	ARMMAN

Sr. No.	CSR Project/Activity Identified	Sector in which the Project is Covered	Projects/Programmes 1) Local Area/Other 2) Specify the District and State Where the Project/Programme was Undertaken	Amount Outlay (Budget) Project/Programme wise	Amount Spent on the Project/Programmes		Cumulative Expenditure Up to the Reporting Period	Amount Spent (Direct/Implementing Agency)
					Direct Expenditure on Projects/Programmes	Overheads		
13	Training youth and young women in job skills	Schedule VII (ii) livelihood enhancement projects	West Bengal, Maharashtra, Bihar, Madhya Pradesh, and Delhi	0.15	0.15	0.00	0.15	The Shrimati Pushpa Wati Loomba Memorial Foundation
14	Solar-powered irrigation and water facilities for rural households	Schedule VII(x) rural development projects	Palghar, Maharashtra	0.10	0.10	0.00	0.10	Rotary Club Bombay Charities Trust
15	Skill development training to youth and women in forest-dependent communities	Schedule VII (ii) livelihood enhancement projects	Raigad, Maharashtra	0.05	0.05	0.00	0.05	The Corbett Foundation
16	Medical services for children suffering from cancer	Schedule VII (i) promoting healthcare	Mumbai, Maharashtra	0.04	0.04	0.00	0.04	Dream Girl Foundation
17	Support education for underprivileged children	Schedule VII (ii) promoting education	Mumbai, Maharashtra	0.02	0.02	0.00	0.02	Amcha Ghar
18	Support tuberculosis treatment for underprivileged communities	Schedule VII (i) promoting preventive healthcare	PAN India	0.01	0.01	0.00	0.01	Operation ASHA
19	Support HIV/AIDS-affected people in commercial sex work and transgender communities	Schedule VII (i) promoting preventive healthcare	Mumbai, Maharashtra	0.01	0.01	0.00	0.01	Sharda Education Society
<b>Total</b>				<b>20.79</b>	<b>18.89</b>	<b>0.60</b>	<b>19.49</b>	

The implementation and monitoring of this CSR policy is in compliance with the CSR objectives and policy of the Company.

**Nadir Godrej**  
Chairman of the CSR Committee

**Vivek Gambhir**  
Managing Director and CEO  
(Member of the CSR Committee)

## ANNEXURE 'F'

AS PER THE DISCLOSURE REQUIREMENT SPECIFIED UNDER THE SEBI (SHARE-BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND SECTION 62 (1) (B) OF THE COMPANIES ACT, 2013 READ WITH RULE 12 (9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES), RULES, 2014, THE FOLLOWING INFORMATION IS DISCLOSED IN RESPECT OF EMPLOYEE STOCK BENEFIT PLANS:

Sr. No.	Particulars	Godrej Consumer Products Limited Employee Stock Grant Scheme
1	Date of shareholders' approval for the options granted under the scheme	March 18, 2011
2	Total number of options approved for grants under the scheme	25,00,000
3	Vesting requirements	As specified by the Nomination and Remuneration Committee, subject to minimum 1 year from the date of grant
4	Exercise price or pricing formula	₹. 1 per share
5	Maximum term of options granted	As may be decided by the Nomination and Remuneration Committee as per the prevalent regulatory provisions
6	Source of shares	Direct allotment
7	Variation of terms of options	None
8	Number of options outstanding as on April 1, 2019	2,95,015
	Number of fresh options granted during the year	1,62,917
9	Number of options lapsed during the year	17,543
	Number of options vested during the year	1,50,256
	Number of options exercised during the year	1,50,256
	Number of shares arising as a result of exercise of options	1,50,256
	Money realised by exercise of options	₹. 1,50,256
18	Number of options outstanding and exercisable at the end of the year	2,90,133
20	Method used to account for the options	The company has calculated the employee compensation cost using the fair value of stock options, in accordance with IND AS
21	Weighted-average exercise prices and weighted-average fair values of options (shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock)	Exercise price: ₹ 1.00 per share Fair value: ₹ 660.17
22	Employee-wise details of options granted to—	
	i) Senior Managerial Personnel	As per Note 1 below
	ii) Any other employee who receives a grant in any one year of option amounting to 5 per cent or more of the option granted during that year	Nil
	iii) Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	

Sr. No.	Particulars	Godrej Consumer Products Limited Employee Stock Grant Scheme
23	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'EPS'	₹ 11.54 per share (standalone) ₹ 14.64 per share (consolidated)
24	Description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value of the options granted has been calculated using the Black-Scholes Options pricing formula, and the significant assumptions made in this regard are as follows:
i)	Risk-free interest rate	6.44 per cent
ii)	Expected life	2 years
iii)	Expected volatility	28.16 per cent
iv)	Expected dividends	2.28 per cent
v)	The price of the underlying share in the market at the time of option grant	₹ 658.45

**Note 1: Employee-wise details of options granted to Senior Managerial Personnel and details of options granted more than 5 per cent in 1 year**

Name and Designation of Senior Managerial Personnel to Whom Stock Options Have Been Granted	Granted in Fiscal Year 2017-18 and Outstanding as on March 31, 2020	Granted in Fiscal Year 2018-19 and Outstanding as on March 31, 2020	Granted in Fiscal Year 2019-20 and Outstanding as on March 31, 2020	Total Outstanding Options as on March 31, 2020
Vivek Gambhir, Managing Director and CEO	12,042*	21,940*	37,946*	71,928
V Srinivasan, Chief Financial Officer and Company Secretary	2,031	3,510	6,071	11,612
Akhil Chandra, Business Head—ASEAN	2,676	4,388	7,589	14,653
Naveen Gupta, Cluster Head—Africa	2,676	4,388	7,589	14,653
Sunil Kataria, Business Head—India	3,213*	6,004*	10,382*	19,599*
Omar Momin, Business Head Darling and M&A	3,213	5,266	3,036	11,515
Rahul Gama, Head—Human Resources	1,605	2,950	5,100	9,655
Sunder Mahadevan, Head—R&D	1,605	2,897	5,009	9,511
Darshan Gandhi, Head—Design	642	2,633	4,554	7,829
Anirban Banerjee, Head—Innovation	642	1,054	1,821	3,517
Jishnu Batabyal, Head—Strategy & Planning	-	878	1,518	2,396

\*Option granted was more than 5 per cent of the options granted in 1 year

The above disclosures can also be accessed through the Company website—<http://godrejcp.com/annual-reports.aspx>

## ANNEXURE 'G'

### Form No MR – 3

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

The Members,  
Godrej Consumer Products Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godrej Consumer Products Limited (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company as well as the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance

mechanism in place to the extent, in the manner reported and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations, 2018;

- (d) The Securities and Exchange Board of India (Share based Employee Benefit) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; (not applicable)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing Agreements entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are:

- a. Insecticide Act, 1968 and rules made thereunder.
- b. Legal Metrology Act and rules made thereunder.
- c. Drugs & Cosmetics Act, 1940.

**We report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the above laws applicable specifically to the Company.

**We further report that:**

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings; the agenda and related detailed notes on agenda were sent at least seven days in advance.

Furthermore, a system for seeking and obtaining further information and clarifications on the agenda items before the meeting exists for meaningful participation at the meeting.

All the decisions were passed by majority in the meetings of the Board and there were no dissenting views from the Board members

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- i. issued shares on exercise of options under the Employee Stock Grant Scheme.
- ii. issued and listed commercial papers with National Stock Exchange of India Limited.

For A. N. Ramani & Co.,  
Company Secretaries  
Unique Code - P2003MH000900

Ashok N. Ramani  
Partner  
FCS - 6808, COP -5342

UDIN - F006808B000274526

Place: Thane

Date : 24<sup>th</sup> May 2020

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure to the Secretarial Audit Report**

The Members

Godrej Consumer Products Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of Accounts of the company. We have relied on the report of the Statutory Auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. In view of lockdown due to COVID 19, we have conducted part of our audit on the basis of details / documents provided by company through email and/ or other digital mode.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Company is following a system of obtaining reports from various departments to ensure compliance with applicable laws. The company is following an electronic compliance management system for compliance management to ensure compliance with applicable laws, rules, regulations and guidelines.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
8. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For A. N. Ramani & Co.,  
Company Secretaries  
Unique Code - P2003MH000900

Ashok N. Ramani  
Partner  
FCS - 6808, COP -5342

UDIN - F006808B000274526

Place: Thane  
Date : 24<sup>th</sup> May 2020

## ANNEXURE 'H'

### Practising Company Secretary's Certificate on Corporate Governance

To the members of  
Godrej Consumer Products Limited

We have examined the compliance of conditions of corporate governance by Godrej Consumer Products Limited ('the company') to the year ended on March 31<sup>st</sup> 2020, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulation')

#### Management Responsibility

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management including the preparation and maintenance of all relevant supporting records and documents.

#### PCS Responsibility

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations as applicable during the year ended March 31, 2020.

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

#### Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable any other purpose.

For A. N. Ramani & Co.,  
Company Secretaries  
Unique Code - P2003MH000900

Ashok Naran Ramani  
Partner  
FCS - 6808, COP -5342

Place : Thane  
Date : 24<sup>th</sup> May 2020

UDIN: F006808B000274548