

CORPORATE GOVERNANCE

6

Company's Philosophy on Corporate Governance:

At Godrej, Corporate Governance has been practiced over the past 115 years.

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

The Company continues to enjoy a corporate governance rating of CGR2+ (pronounced as CGR two plus) and Stakeholder Value Creation and Governance Rating of SVG1 (pronounced as SVG 1) assigned by ICRA.

The two ratings evaluate whether a Company is being run on the principles of Corporate Governance and whether the practices followed by the Company lead to value creation for all its shareholders.

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

The SVG1 rating is on a rating scale of SVG1 to SVG6 where SVG1 denotes the highest rating.

The SVG1 rating implies that in ICRA's current opinion, the Company belongs to the Highest Category on the composite parameters of stakeholder value creation and management as also corporate governance practices.

1. Board of Directors:

Board Procedures

GCPL currently has a 12 member Board, with six independent directors. The independent directors are eminent professionals from diverse fields such as finance, information systems, marketing and corporate strategy. None of the independent directors have been associated with the Godrej group in the past. GCPL's Board has a lead independent director, in line with accepted best practices, to strengthen the focus and quality of discussion at the Board level.

The Board meets at least once in a quarter to review the quarterly performance and financial results. Board meetings are governed with a structured agenda. The Board periodically reviews compliance reports in respect of laws and regulations applicable to the Company. Before the commencement of the Audit Committee meeting, the members of the Audit Committee which consists entirely of independent directors, have discussions with the statutory auditor without the management team or whole time directors being present in that meeting. For all major items, discussed at the Board meeting, comprehensive background information is provided to the Board to enable them to take an informed decision. Once in a year, the Board members participate in a strategy meeting in which it also interacts with the management teams of the Company. During the strategy meeting process, the independent directors also

have a meeting amongst themselves after which they provide their valuable insight to the entire Board and the management team.

a. Composition of the Board:

The composition of the Board as on March 31, 2012 was as under:

| Category | No of Directors |
|--|-----------------|
| (i) Non Independent Directors | |
| Executive Chairman | 1 |
| Managing Director | 1 |
| Other Non Executive Promoter Directors | 4 |
| Sub. Total | 6 |
| (ii) Independent Directors | 6 |
| Total Strength (i + ii) | 12 |

b. Directors' Profile:

Mr. Adi Godrej:

Adi Godrej is the chairman of the Godrej Group. He is also chairman of Godrej Industries Ltd., Godrej Consumer Products Ltd., Godrej Properties Ltd., Godrej Hershey Ltd., The Godrej Group is one of India's largest conglomerates.

Mr. Godrej is a Director in numerous companies, including Godrej & Boyce Mfg. Co. Ltd., Godrej Agrovet Ltd., Godrej International Ltd. He is the former Chairman and President of the Indian Soap & Toiletries Makers' Association, The Central Organisation for Oil Industry and Trade, The Solvent Extractors' Association of India, The Compound Livestock Feeds Manufacturers' Association, the Indo-American Society and the Governing Council of the Narsee Monjee Institute of Management Studies and former member of the Dean's Advisory Council of the MIT Sloan School of Management and the Wharton Asian Executive Board. Mr. Godrej is a member of Tau Beta Pi (The

Engineering Honor Society). Mr. Godrej is Chairman of the Board of the Indian School of Business; President, Confederation of Indian Industry; Mr. Godrej is a patron of the Himalayan Club. He is a recipient of several awards and recognitions including the Rajiv Gandhi Award 2002, the Entrepreneur of the Year for the Asia Pacific Entrepreneurship Awards 2010, Best Businessman of the Year for the GQ Men of the Year Awards 2010, Chemexcil's Life Time Achievement Award 2010, AIMA-JRD Tata Corporate Leadership Award 2010, BMA-Management Man of the Year Award 2010-2011, Qimpro Platinum Standard award for business in 2011.

Mr. Godrej received his undergraduate and Master's degree in management from the Massachusetts Institute of Technology.

Mr. Jamshyd Godrej:

Mr. Jamshyd N. Godrej is the Chairman and Managing Director of Godrej & Boyce Manufacturing Company Limited, the holding company of the Godrej group. Godrej and Boyce has diverse businesses ranging from refrigerators, washing machines, air-conditioners, office and home furniture, security equipment for banks (such as safes, strong room doors, bank lockers, etc.) and for commercial establishments and homes, locks and latches, forklift trucks and warehousing equipment, to process equipment for chemical, petrochemical, refineries and allied industries, precision tools for sheet metal, zinc, aluminium and real estate development.

The Godrej group is a leader in home appliances, consumer durables, office equipment, industrial products, consumer products and services.

Jamshyd is the Chairman Emeritus of Aspen Institute India. He is the Trustee and President Emeritus of World Wide Fund for Nature – India.

He is the Chairperson of the Board of Directors of Shakti Sustainable Energy Foundation and Chairman of India Resources Trust. He is a Director of World Resources Institute, USA, Director of Climate Works Foundation, USA and Director of Global Footprint Network, USA. He is a member of the Toyota Motor Asia Pacific Regional Advisory Committee. He is the Past President of Confederation of Indian Industry and also the Past President of the Indian Machine Tool Manufacturers' Association.

Jamshyd is the Chairman of the CII Sohrabji Godrej Green Business Centre. The Centre is housed in a LEED Platinum demonstration building which is the first green building in India and the greenest building in the world at the time when it was rated. The Green Business Centre is a Centre of Excellence for green buildings, energy efficiency, energy conservation, non-conventional energy sources, water policy, water conservation, etc.

Jamshyd is an ardent yachting enthusiast and has done extensive cruising along the west coast of India, the Baltic & North Sea, the Atlantic Ocean and in the Mediterranean Sea.

For his contribution to Indian industry Jamshyd has been the recipient of several awards and recognitions including the 'Padma Bhushan', conferred upon him by the President of India on 3rd April, 2003.

Jamshyd received his graduate degree in Mechanical Engineering from Illinois Institute of Technology, USA.

Mr. Nadir Godrej :

Nadir Godrej is the Managing Director of Godrej Industries and Chairman, Godrej Agrovet. He is also a Director in many companies including Godrej & Boyce, Godrej Properties, Godrej

Consumer Products, Mahindra & Mahindra and Tata Teleservices (Maharashtra) Ltd.

A veteran of Indian industry, Nadir has played an important role in developing the animal feed, agricultural input and chemicals businesses owned by Godrej. His active interest in research related to these areas has resulted in several patents in the field of agricultural chemicals and surfactants.

With his tremendous experience and expertise Nadir has also contributed to the development of a variety of industries by participating keenly in industry bodies such as the Compound Livestock Feed Manufacturers Association of India, Indian Chemical Manufacturers Association and Oil Technologists' Association of India.

Currently, Nadir is the President of Alliance Francaise Mumbai. For his contribution to Indo-French relations, the French Government has honored Mr. Godrej with the awards of "Chevalier de L'Ordre National due Merite" and "The National Order of the Legion of Honour".

A Bachelor of Chemical Engineering from the Massachusetts Institute of Technology and a Master of Chemical Engineering from Stanford University, Nadir has also done his MBA from the Harvard Business School.

Ms. Tanya Dubash :

Tanya Dubash is on the boards of several Godrej Group companies including Godrej Consumer Products Ltd., Godrej Industries Ltd., and Godrej Agrovet Ltd. As Executive Director & Chief Brand Officer of Godrej Industries Limited, she is also charged with enhancing the value of the Godrej Brand and evolving the Group to a more Brand driven organization.

She heads the Strategic Marketing Group (SMG) that guides the Godrej Masterbrand and portfolio strategy, and chairs a Marketing Council comprising of Group Marketing Heads. She also heads Corporate Communications and Media for the Group and oversees Godrej Nature's Basket, a gourmet food retailing chain.

She is AB cum laudé, Economics & Political Science, Brown University, USA, and an alumnus of the Harvard Business School. She was recognized by the WEF as a YGL in 2007. She is a Trustee of the Brown University and a member of the Brown - India Advisory Council..

Ms. Nisaba Godrej :

Nisa is the President, Human Capital & Innovation for Godrej Industries and associate companies. She is responsible for driving the Group's transformation efforts including efforts to attract and develop outstanding talent and make the culture more agile and innovative. Nisa instituted a design and innovation cell in 2010 and is working very closely with the Godrej Consumer Products (GCPL) team on the innovation strategy for the Company.

Nisa's previous assignments within the Godrej Group have included the successful turnaround of Godrej Agrovet. She has also led the creation of a strategy cell for the group and the development of the FMCG strategy for the Group. This has included creating a five year roadmap for Godrej's FMCG portfolio, outlining category choices and instituting a M & A cell with a focused playbook that led to eight acquisitions between 2009 and 2011.

Nisa drives the Group's CSR strategy and is the point person for the operations of the Godrej

Family Council. She is on the Board of Directors of Godrej Consumer Products, Godrej Agrovet, Teach For India and the Heroes Project. Nisa has a B.Sc. degree from The Wharton School, University of Pennsylvania and an MBA from Harvard Business School. She is passionate about girl's education, the human mind, trekking, equestrian and water sports.

Mr. Narendra Ambwani :

Narendra is a professionally trained executive coach and business advisor. He brings with him experience of over 34 years of work with renowned multinational Johnson & Johnson. He was Managing Director in Indonesia for 5 years followed by appointment as MD in India in 1995. He led the rapid growth of Indian operations of Johnson & Johnson by building hugely successful and strong brand names like Johnsons' Baby and Stayfree. His strong focus on people engagement and development made J & J India as one of the "Best Companies to work for in India.

Narendra has impeccable academic background having graduated in Electrical Engineering from IIT Kanpur followed by post graduate management training from IIM, Ahmedabad. He recently completed professional program for Executive Coaching from CFI, Chennai.

He serves on boards of leading corporates in India and acts as business strategy advisor.

Prof. Bala Balachandran :

A teacher by qualification and an academic entrepreneur by vocation, Bala Balachandran is one of the best known names in the Indian Management Education landscape. His teaching days began as early as in 1960 while as a student at Annamalai University, India from where he

moved to Carnegie Mellon, Dayton and finally Kellogg at Northwestern University in the USA where he served as Distinguished Professor for almost 35 years till his retirement in 2008.

With more than 85 research publications to his credit and several books currently on the anvil, Prof. Bala's research interests focus on Strategic Profitability through Customer Centric business strategies. His groundbreaking work in the areas of accounting, forecasting, and strategic decision support systems has earned him numerous scholastic honors, awards, and fellowships. He serves as a consultant to the senior management of many Companies, Educational Institutions as well as the Governments of the United States, India and Malaysia.

Prof. Bala has been actively involved in setting up Management Institutes in India and was part of the team that recruited the first set of faculty members for IIM Bangalore in the late 60's. He has been instrumental in designing the MBA Programs at MDI, Gurgaon in early 90s and ISB at Hyderabad at the turn of this century and Great Lakes Institute of Management at Chennai in 2004.

Great Lakes is Prof. Bala's dream project of putting Chennai on the International Management Education Map. He is a full time faculty member in the area of Accounting and Finance and chairs the Academic Advisory Council at Great Lakes. The Government of India conferred on him, the 'Padmashri' in 2001, in recognition of his contribution towards higher education in India.

Mr. Bharat Doshi :

Mr. Bharat Doshi is presently Executive Director & Group Chief Financial Officer (Group CFO), of Mahindra & Mahindra Limited (M & M), flagship company of the US \$ 15.4 billion Mahindra

Group, one of the leading industrial houses in India. M & M is the largest manufacturer of multi-utility vehicles and agricultural tractors in India.

He holds a Bachelor's Degree in Commerce and Master's Degree in Law from the Bombay University, and is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has participated in the Program for Management Development (PMD) at the Harvard Business School. Mr. Doshi was also a Fellow of the Salzburg Seminar on "Asian Economies: Regional and Global Relationships", held in December 2000.

Mr. Bharat Doshi joined Mahindra & Mahindra Limited in 1973 and has held various senior managerial positions over the past 38 years and was elevated to the Company's Board in 1992.

He is Chairman of Mahindra & Mahindra Financial Services Limited, and Mahindra Intertrade Limited. He also serves on the Boards of Tech Mahindra Limited, Mahindra Holdings Limited, Mahindra Navistar Automotives Limited., Mahindra Navistar Engines Private Limited, Mahindra USA Inc. and SsangYong Motor Company Limited.

He serves as an independent director on the Board of NSE.IT Ltd. He is on the Board of Governors of the Mahindra United World College of India and a Director on the Board of Indian Council on Global Relations. He is also on the Board of Governors of Indian Institute of Management, Tiruchirappalli. He was the President of Bombay Chamber of Commerce and Industry (BCCI) for the year 2009-10 and presently he is a member of the Managing Committee of BCCI. He was a Founding Member and member of the Governing Council of InAct (Indian Association of Corporate

CFOs & Treasurers), now renamed Association of Finance Professionals of India (AFPI).

He is actively involved with the work of several Chambers of Commerce and Industry in India and is a member of various Expert Committees, which influence economic and business policies of the Government. He was the Chairman of Expert Committee on Economic Affairs of Bombay Chamber of Commerce & Industry (BCCI) during 1996-97. He was also the Convenor of the BCCI "Think Tank", constituted as a special body to support the Chamber's initiatives on policy issues. In 1991, he was selected by the World Bank to attend a course on 'Development Policy & Management - The Role of the Public Sector in Development', which was held in Washington and Tokyo under the joint auspices of the Economic Development Institute of the World Bank and the Japanese Foundation for Advanced Studies on International Development.

Mr. Bharat Doshi was a member of the High Powered Expert Committee constituted by the Ministry of Finance, Government of India, on Making Mumbai an International Financial Centre and was a member of the SEBI (Securities and Exchange Board of India) Committee on Disclosures and Accounting Standards (SCODA). Mr. Doshi was a member of the Working Group constituted by Reserve Bank of India (RBI) to examine a range of emerging issues pertaining to regulation of the NBFCs (Non-Banking Financial Companies) Sector. He is presently a Member of CII National Council on Corporate Governance & Regulatory Affairs.

Mr. Bharat Doshi was adjudged 'India's Best CFO' by the leading business fortnightly Business Today (India Today Group Publication)

in April 2005. He was also conferred the 'CFO of the Year' Award, honouring financial excellence, by IMA India, an associate of The Economist Group, in December 2005. In November 2007, Mr. Doshi was honoured with the prestigious CNBC CFO of the Year 2007 award. In March, 2011, he has been inducted by CFO India as a Founding Member to the CFO Hall of Fame in recognition of an exemplary career and a lifetime of contribution to the field of Finance.

Dr. Omkar Goswami :

Dr. Omkar Goswami is the Founder and Chairman of CERG Advisory Private Limited. CERG is the acronym for the Corporate and Economic Research Group. Its objectives are to use Indian as well as international resources to provide best in class service in the following areas:

- Corporate advisory and consulting services for companies and industries in India and abroad.
- Research and analytics on markets, industries and businesses.
- Economic and policy analyses of different markets, regions, countries, industries, as well as trade, monetary, fiscal and exchange rate regimes.
- Strategic profiling of countries, regions and international institutions for clients.
- Research, surveys and analytical work for governments, companies, banks, investors, international multilateral institutions and NGOs.
- International and national workshops, conferences and roundtables on focused policy areas.

A professional economist, Goswami did his Masters in Economics from the Delhi School of Economics in 1978 and his D. Phil (Ph.D) from Oxford in 1982. He taught and researched economics for 18 years at Oxford, Delhi School of Economics, Harvard, Tufts, Jawaharlal Nehru University, Rutgers University and the Indian Statistical Institute, New Delhi.

In March 1997 he moved away from formal academics to become the Editor of Business India, one of the country's prestigious business magazines. From August 1998 up to March 2004, Goswami served as the Chief Economist of the Confederation of Indian Industry & the premier apex industry organisation of India.

Dr. Goswami has served on several government committees. He was the Chairman of the Committee on Industrial Sickness and Corporate Restructuring in 1993, which recommended revamping India's bankruptcy laws and procedures; member of the Working Group on the Companies Act; the CII Committee on Corporate Governance; the Rakesh Mohan Committee on Railway Infrastructure Reform; the Vijay Kelkar Committee on Direct Tax Reforms; the Naresh Chandra Committee on Auditor-Company Relationship; the N.R. Narayana Murthy SEBI Committee on Corporate Governance Reforms; and others.

Dr. Goswami has been a consultant to the World Bank, the IMF, the Asian Development Bank and the OECD. He serves on the board of Dr. Reddy's Laboratories and Infosys Technologies — two of India's most prestigious knowledge-based companies. He also serves on the board of Infrastructure Development Finance Company, Crompton Greaves, Cairn India Ltd. and DSP-Merrill Lynch Fund Managers.

Other than his regular columns for newspapers and magazines, Goswami has authored three books and over 70 research papers on economic history, industrial economics, public sector, bankruptcy laws and procedures, economic policy, corporate finance, corporate governance, public finance, tax enforcement and legal reforms.

Mr. A. Mahendran :

A. Mahendran is Managing Director of Godrej Consumer Products Ltd. He is also Director of Godrej Hershey. In addition to his current profile, he is Director for the Godrej group's FMCG portfolio and, as part of the group's leadership team, plays a key role in the areas of M&A, Leadership Development, Strategy, Channel Development and Finance.

In his earlier role as the Managing Director of Godrej Sara Lee, Mahendran has played a pivotal role and steered the fortunes of the Company since its inception and has nurtured the Good Knight brand into an acknowledged 'Super Brand' every year.

He was the architect of the merger between Godrej Tea and Godrej Industries Foods Division to create Godrej Beverages & Foods (GBFL) in 2006 (since renamed as Godrej Hershey).

Prior to his association with the Godrej Group, Mahendran was a partner with M/s R G N Price & Co. before joining Transelektra Domestic Products Limited, as an Executive Director in 1987. On Transelektra's takeover by the Godrej Group in 1994, he was nominated as Managing Director of the Company by the Godrej Group and continued in this capacity after Sara Lee Corp. acquired a 51% stake in 1995.

Mr. Mahendran is a founder member and President of the Home Insect Control Association (HICA) and an acknowledged authority on

household pest control. He is also a Promoter-Director of Harvey Heart Hospitals, Chennai, a super-specialty hospital in cardiac care, and a founder member of the Great Lakes Institute of Management. He served on the board of the Multi Commodity Exchange (MCX) and is on several industry forums such as FICCI, CII, Crop Care Federation of India and the Pest Control Association of India.

Mr. Mahendran graduated from Madras Loyola College in 1976 and proceeded to complete his Chartered Accountancy in 1979.

Mr. Aman Mehta :

Mr. Aman Mehta has over 35 years of experience in various positions with the HSBC Group. He was the Manager, Corporate Planning at The Hong Kong and Shanghai Banking Corporation's headquarters in Hong Kong.

He was the Chairman and Chief Executive Officer of HSBC USA Inc., the New York -based arm of HSBC Holdings plc which oversaw HSBC group companies in the Americas, before being appointed as Deputy Chairman of HSBC Bank Middle East, based in Dubai with responsibility for the Group's operations in the Middle East region. He was re-appointed General Manager International of the Hong Kong and Shanghai Banking Corporation in February 1998, Executive Director International in May 1998 and Chief Executive Officer in January 1999.

Mr. Aman Mehta also became Chairman of HSBC Bank Malaysia Berhad on January 1, 1999 and a Director of HSBC Bank Australia Limited. He retired from HSBC in December 2003 and presently is an independent non-executive director of several public companies in India such as Tata Consultancy Services Ltd., Wockhardt Ltd, Max India Ltd. and Jet Airways Ltd. and overseas companies such as PCCW Ltd. and Vedanta Resources PLC.

Mr. Aman Mehta has a Bachelor's degree in Economics from Delhi University.

Mr. D. Shivakumar :

Shivakumar or 'Shiv' as he is popularly known is currently the Managing Director and VP of Nokia India. From January 1, 2012, Shiv handles India, Middle East and Africa for Nokia as the Senior VP, based out of Dubai.

Shiv is an Engineer and an MBA.

Shiv is essentially a Marketer and a General Manager. Shiv has run more than 34 brands in his career over two decades. Shiv is a 'growth' manager, having grown every brand and business he has been associated with. He has a track record of building brands, developing people and bringing creative and innovative business model solutions in the categories and industries he has worked in. Shiv is an avid reader, he writes regularly for business magazines and teaches regularly at all the top business schools across the world. The achievements of the Nokia India team under Shiv have been case studies at Harvard, ISB and the Ivey School of Business. In the last six years, Nokia has become India's largest multinational and also was the most trusted brand between 2007 and 2010, surpassing many hundred and fifty year old household brands in India.

Shiv is on the board of Godrej Consumer Products and is also the Senior Vice President of the All India Management Association. Shiv has received many awards, One of top five Marketers in India 2003, Brand Builder of the year in 2008, Best CEO in 2009 and recently his alma mater IIM Calcutta awarded him the most distinguished alumnus award in November 2011 during their golden jubilee celebrations, one of nine alumni to get this in the history of IIM Calcutta. Shiv follows sport and is a keen sportsman himself.

c) Board Meetings held during the year :

| Dates on which the Board meetings were held | Total Strength of the Board | No. of Directors Present |
|---|-----------------------------|--------------------------|
| May 2, 2011 | 12 | 10 |
| July 23, 2011 | 12 | 11 |
| October 21, 2011 | 12 | 8 (and 1 one telephone) |
| January 21, 2012 | 12 | 12 |

The maximum gap between any two board meetings during the year was 99 days (calculated with respect to the gap between January 22, 2011 board meeting and May 2, 2011 board meeting)

d) Other Relevant Details of the Directors

| Name of Director | Date of appointment | Relationship with other Directors | Category | Number of Directorships held in Indian Public Limited Companies (including GCPL)* | Committee Positions including GCPL** | |
|-----------------------|---------------------|---|--------------------------------|---|--------------------------------------|-------------------------|
| | | | | | (excluding Committee Chairmanship)** | Committee Chairperson** |
| Mr. Adi Godrej | November 29, 2000 | Brother of Mr. Nadir Godrej, Father of Ms. Tanya Dubash and Ms. Nisaba Godrej | Promoter/ Chairman/ Whole-time | 10 (3) | 1 | 3 |
| Mr. Jamshyd Godrej | March 1, 2001 | None | Promoter/ Non-Executive | 9 (5) | 2 | 1 |
| Mr. Nadir Godrej | November 29, 2000 | Brother of Mr. Adi Godrej | Promoter/ Non-Executive | 12 (6) | 1 | 1 |
| Ms. Tanya Dubash | May 2, 2011 | Daughter of Mr. Adi Godrej, Sister of Ms Nisaba Godrej | Promoter/ Non-Executive | 6 (2) | 1 | - |
| Ms. Nisaba Godrej | May 2, 2011 | Daughter of Mr. Adi Godrej, Sister of Ms. Tanya Dubash | Promoter/ Non-Executive | 2 (1) | - | - |
| Mr. Narendra Ambwani | May 2, 2011 | None | Non-Executive/ Independent | 3 (3) | 4 | - |
| Mr. Bala Balachandran | April 1, 2001 | None | Non-Executive/ Independent | 3 (3) | 2 | - |
| Mr. Bharat Doshi | April 1, 2001 | None | Non-Executive /Independent | 8 (4) | 1 | 3 |

| Name of Director | Date of appointment | Relationship with other Directors | Category | Number of Directorships held in Indian Public Limited Companies (including GCPL)* | Committee Positions including GCPL [~] | |
|-------------------|---------------------|-----------------------------------|--------------------------------|---|--|-------------------------------------|
| | | | | | (excluding Committee Chairmanship) ^{**} | Committee Chairperson ^{**} |
| Dr. Omkar Goswami | June 18, 2008 | None | Non-Executive/Independent | 10 (8) | 4 | 5 |
| Mr. A. Mahendran | June 18, 2008 | None | Managing Director / Whole-time | 7 (1) | 2 | 1 |
| Mr. Aman Mehta | April 26, 2006 | None | Non-Executive/Independent | 6 (6) | 3 | 2 |
| Mr. D. Shivakumar | April 1, 2009 | None | Non-Executive/Independent | 1 (1) | 1 | - |

Notes:

* Does not include Directorships in Private Companies, Section 25 Companies and Foreign Companies.
Figures in brackets denote Directorships in listed companies

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

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

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

e) Re-appointment of Directors Liable to Retire by Rotation

According to the Articles of Association of GCPL, at every annual general meeting of the Company one-third of the Directors are liable to retire by rotation.

Thus Prof. Bala Balachandran, Mr. Aman Mehta and Mr. D. Shivakumar shall retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The abbreviated resumes of the Directors seeking reappointment are as mentioned above in the Directors Profile.

The composition of the Committees are as below:

| Name of the Director | Category of the Director | Name of the Committee and Position held in that Committee | | | |
|---|--------------------------|---|-----------------------------|----------------------|-------------------------|
| | | Audit Committee | HR & Compensation Committee | Nomination Committee | Shareholders' Committee |
| Mr. Adi Godrej | Promoter, Executive | None | None | None | Member |
| Mr. Nadir Godrej | Promoter, Non-Executive | None | None | None | Chairman |
| Mr. Jamshyd Godrej | Promoter, Non-Executive | None | None | None | Member |
| Mr. Tanya Dubash | Promoter, Non-Executive | None | None | None | None |
| Ms. Nisaba Godrej | Promoter, Non-Executive | None | None | None | None |
| Mr. A. Mahendran | Executive | None | None | None | Member |
| Mr. Narendra Ambwani | Independent | Member | Member | Member | None |
| Prof. Bala Balachandran | Independent | Member | Chairman | Chairman | None |
| Mr. Bharat Doshi | Independent | Chairman | Member | Member | None |
| Dr. Omkar Goswami | Independent | Member | Member | Member | None |
| Mr. Aman Mehta | Independent | Member | Member | Member | None |
| Mr. D. Shivakumar | Independent | Member | Member | Member | None |
| Total Strength of the Committee | | 6 | 6 | 6 | 4 |
| No. of Independent Directors in the Committee | | 6 | 6 | 6 | - |
| No. of Non-Independent Directors in the Committee | | - | - | - | 4 |

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

2. Committees of the Board

The Company has set up an Audit Committee in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement with the stock exchanges. The Shareholders' Committee formed in accordance with Clause 49 of the listing agreement inter alia looks into Investor Grievances. Apart from these, the Company has also formed two non mandatory committees viz. Nomination committee and HR & Compensation Committee.

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

| | Name of Meeting | | | | | |
|-----------------------------------|-----------------|-----------------|-----------------------------|----------------------|-------------------------|--------------------|
| | Board | Audit Committee | HR & Compensation Committee | Nomination Committee | Shareholders' Committee | AGM- July 23, 2011 |
| No of Meetings held -----> | 4 | 4 | 3 | 1 | 15 | |
| Attendance of the Director | | | | | | |
| Mr. Adi Godrej | 4 | NA | NA | NA | 14 | Yes |
| Mr. Nadir Godrej | 4 | NA | NA | NA | 13 | Yes |
| Mr. Jamshyd Godrej | 1 | NA | NA | NA | 5 | No |
| Mr. Tanya Dubash | 3 | NA | NA | NA | NA | Yes |
| Ms. Nisaba Godrej | 4 | NA | NA | NA | NA | Yes |
| Mr. A Mahendran | 4 | NA | NA | NA | 10 | Yes |
| Mr. Narendra Ambwani | 4 | 3* | 2* | - | NA | Yes |
| Prof. Bala Balachandran | 3(1) | 3(1) | 2(1) | 1 | NA | Yes |
| Mr. Bharat Doshi | 3 | 3 | 2(1) | (1) | NA | Yes |
| Dr. Omkar Goswami | 4 | 4 | 3 | 1 | NA | Yes |
| Mr. Aman Mehta | 4 | 4 | 3 | 1 | NA | Yes |
| Mr. D Shivakumar | 3 | 3 | 2 | 1 | NA | Yes |

Notes:

- 1) Board Meetings and Audit Committee meetings held on May 2, 2011, July 23, 2011, October 21, 2011 and January 21, 2012
- 2) HR & Compensation Committee meetings were held on May 2, 2011, July 23, 2011 and October 21, 2011
- 3) Nomination Committee meeting was held on May 2, 2011
- 4) Shareholders' Committee meetings were held on April 7, 2011, May 12, 2011, May 23, 2011, June 9, 2011, July 7, 2011, July 21, 2011, August 25, 2011, September 12, 2011, September 29, 2011, October 13, 2011 and November 3, 2011, December 12, 2011, January 12, 2012, February 13, 2012 and March 13, 2012.
- 5) *Joined the Committee with effect from May 2, 2011 (after the Committee meeting held on that day). 3 Audit Committee meeting, 2 HR & Compensation Committee meetings held after he joined the Board.
- 6) Figures in bracket indicates participation through concall
- 7) Leave of absence was granted to the directors whenever they could not be physically present for the Board/Committee meeting.
- 8) NA indicates not a member of the Committee.

4. Constitution and Terms of Reference of Board Committees

A. Audit Committee:

The Audit Committee, constituted by the Board of Directors at its meeting held on April 28, 2001, in accordance with Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement with the stock exchanges, was last reconstituted on May 2, 2011. Mr. Bharat Doshi, the Chairman of the Audit Committee, is knowledgeable in

all areas of finance, accounts, company law and has vast experience in corporate affairs. All the members of the committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance, information systems, marketing and corporate strategy.

Minutes of each Audit Committee meeting are placed before and discussed in the full Board.

The terms of reference of the Audit Committee includes the matters specified in Section 292A of the Companies Act, 1956, as well as clause 49 of the listing agreement with the stock exchanges such as:

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

12. To review the functioning of the Whistle Blower mechanism.

B. Human Resources and Compensation Committee (Non-Mandatory Committee):

Setting up of a remuneration committee for determining the Company's policy on remuneration packages for Executive Directors constitutes a non-mandatory provision of Clause 49 of the listing agreement with stock exchanges.

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

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

- Review of human resource policies and practices of the Company and in particular, policies regarding remuneration of whole-time Directors and Senior Managers.
- In principle approval of Compensation Philosophy.
- Review of senior management compensation.
- Induction of new people, attrition, etc.
- To formulate detailed terms and conditions of Employee Stock Option Plan (ESOP), Employee Stock Purchase Plan (ESPP)

and Employee Stock Grant Plan (ESGP) (collectively referred to as 'Employee stock benefits' including -

- The quantum of Employee stock benefits to be granted under the relevant plans per Employee and in aggregate.
- The eligibility criteria.
- The conditions under which the Employee stock benefits vested in Employees may lapse in case of termination of employment for misconduct.
- The exercise period within which the employee should exercise the Employee stock benefits and the stock benefits that would lapse on failure to exercise the same within the exercise period.
- The specified time period within which the employee shall exercise the vested stock benefits in the event of termination or resignation of an employee.
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate action such as rights issues, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the Compensation Committee:
 - the number and the price of the stock benefits shall be adjusted in a manner such that the total value of the stock benefits remains the same after the corporate action;

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

C. Nomination Committee (Non-Mandatory Committee):

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

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

- Periodically review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.
- Board Evaluation.

D. Shareholders' Committee:

The terms of reference of the Shareholders Committee include looking into redressing of shareholder complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends, as required in clause 49 of the Listing Agreement.

5. Remuneration Policy

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

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

b) Non Executive Directors

At the Extra Ordinary General meeting held on February 21, 2012 the shareholders of the Company have approved such commission as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time and in default of such determination equally), but so

that such commission shall not exceed 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 349 & 350 of the Companies Act, 1956) or ₹12.50 lac per director per annum, whichever is less. The above approval is for a period of three

c) Remuneration of Directors:

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

₹ Lac

| Name of Director | Sitting Fees | Commission | Salary, Allowances and other benefits | Company's contribution to PF | PLVR | Monetary value of perquisites | Total |
|-----------------------|--------------|---------------|---------------------------------------|------------------------------|---------------|-------------------------------|----------------|
| Mr. Adi Godrej | - | - | 174.05 | 11.05 | 249.64 | 308.62 | 743.36 |
| Mr. Jamshyd Godrej | 0.20 | 12.50 | - | - | - | - | 12.70 |
| Mr. Nadir Godrej | 0.80 | 12.50 | - | - | - | - | 13.30 |
| Ms. Tanya Dubash* | 0.60 | 11.44 | - | - | - | - | 12.04 |
| Ms. Nisaba Godrej* | 0.80 | 11.44 | - | - | - | - | 12.24 |
| Mr. Narendra Ambwani* | 1.05 | 11.44 | - | - | - | - | 12.49 |
| Mr. Bala Balachandran | 0.90 | 12.50 | - | - | - | - | 13.40 |
| Mr. Bharat Doshi | 0.85 | 12.50 | - | - | - | - | 13.35 |
| Dr. Omkar Goswami | 1.20 | 12.50 | - | - | - | - | 13.70 |
| Mr. A Mahendran | - | - | 343.65 | 16.80 | 213.20 | 56.27 | 629.92 |
| Mr. Aman Mehta | 1.20 | 12.50 | - | - | - | - | 13.70 |
| Mr. D Shivakumar | 0.90 | 12.50 | - | - | - | - | 13.40 |
| Total | 8.50 | 121.82 | 517.70 | 27.85 | 462.84 | 364.89 | 1503.60 |

*Appointed with effect from May 2, 2011.

Notes:

- In the case of Mr. Adi Godrej, salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites include accommodation, furnishing, car, electricity and telephone expenses, reimbursement of medical/hospitalisation expenses incurred for self and family, medical insurance premium paid by the Company.
- In the case of Mr. A Mahendran salary includes basic salary and various elements of flexible compensation. The monetary value of perquisites includes accommodation, expenses on car, club fees and interest on housing loan.
- The Performance Linked Variable Remuneration to Mr. Adi Godrej and Mr A. Mahendran is the amount payable for the financial year 2011-12. The same is based on the Economic Value Added (EVA) in the business and other relevant factors.
- The service contract of Mr. Adi Godrej is for a period of three years beginning from April 1, 2010. The service contract of Mr. A. Mahendran is for a period of three years beginning from July 1, 2010. The contracts are terminable with a notice period of three months by either side.
- The Non-Executive Directors are eligible for a Commission on Profits at the rate of 1% of the net profits, or ₹ 12.50 lac for each director, whichever is lower.
- The Board of Directors in its meeting held on January 22, 2011 had approved an Employee Stock Purchase Plan for Mr. A. Mahendran which is administered by the GCPL ESOP

years from financial year 2011-12 to financial year 2013-14. Accordingly the Company pays commission on profits within the said limits. In case appointment/cessation of Directors during the year, they are entitled for a pro-rata amount for the period during which they are in the Board.

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

Under the plan, 10,00,000 shares have been granted to Mr Mahendran.

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

6. Details of Shareholder Complaints

| Sr. No. | Nature of Complaint/ Query | Total Received | Total Replied |
|---------|--|----------------|---------------|
| 1. | Non-Receipt of Dividend | 85 | 85 |
| 2. | Non-Receipt of shares lodged for transfer / exchange | 73 | 73 |
| 3. | Non-receipt of Annual Report | 17 | 17 |
| 4 | Others | 1 | 1 |

There are no pending share transfers as on March 31, 2012.

7. General Body Meetings

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

| Date | Time | Venue | Details of Special Resolutions passed |
|---------------|----------|--|--|
| July 25, 2009 | 3.30 p.m | Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021. | Appointment of Mr. Dalip Sehgal as Managing Director Appointment of Mr. Adi Godrej as Whole-time Director designated as “Chairman” Utilisation of the remainder of Rights issue proceeds in the manner and within the time frame provided in the resolution. Modification of GCPL Employee Stock Option Plan. |
| July 24, 2010 | 3.30 p.m | Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021. | Payment of commission on profits to non-executive directors |
| July 23, 2011 | 3.30 p.m | Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai – 400 021. | None |

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

| Date | Time | Venue | Purpose of the meeting |
|-------------------|-----------|--|--|
| May 25, 2010 | 11.00 a.m | Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079 | To announce the results of postal ballot in respect of resolutions passed for: <ul style="list-style-type: none"> Utilisation of rights issue proceeds for inter alia funding the acquisition of Tura, Nigeria / Megasari, Indonesia Acquisition of balance 51% stake in Godrej Sara Lee Ltd. at a revised consideration amount not exceeding ₹1200 crore. |
| March 18, 2011 | 11.00 a.m | Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079 | To announce the results of postal ballot in respect of resolutions passed for: <ul style="list-style-type: none"> Approval of Employee Stock Grant Scheme 2011(GCPL ESGS) and allotment of equity shares thereunder to the Employees of the Company Extension of the benefits of GCPL ESGS to employees of subsidiary companies Appointment of Mr. A Mahendran as Managing Director |
| February 21, 2012 | 11.30 a.m | Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai 400 079 | To accord consent for <ul style="list-style-type: none"> Preferential allotment of shares to Baytree Investments (Mauritius) Pte. Ltd. Payment of commission on profits to non executive Directors |

8. Postal Ballot

No postal ballots were conducted during the year 2011-12

9. Disclosures

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

| Name of Director | Shares held as on March 31, 2012 | Dividend paid during the year (₹) |
|-----------------------|----------------------------------|-----------------------------------|
| Mr. Adi Godrej | 500 | 2250 |
| Mr. Jamshyd Godrej | Nil | Nil |
| Mr. Nadir Godrej * | 2,055,744 | 9,250,848.00 |
| Ms Tanya Dubash | 1,370,990 | 6,169,455.00 |
| Ms Nisaba Godrej | 1,370,999 | 6,169,495.50 |
| Mr Narendra Ambwani | 1,500 | 4,500.00 |
| Mr. Bala Balachandran | Nil | Nil |
| Mr. Bharat Doshi | 13,714 | 61,713.00 |
| Dr. Omkar Goswami | Nil | Nil |
| Mr. A Mahendran | 147,247 | 1,300,000.00 |
| Mr. Aman Mehta | Nil | Nil |
| Mr. D Shivakumar | Nil | Nil |
| Total | 4,960,694 | 22,958,261.5 |

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

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

During 2011-12, there were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors, or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in note number 39 of notes to accounts.

c) Whistle Blower Policy

With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds or violation of Company's

Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy (a non-mandatory requirement as per clause 49 to the listing agreement). No person has been denied access to the Audit Committee.

d) Policy to prevent sexual harassment at the work-place

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

e) Details of Compliance with Mandatory Requirements

| Particulars | Clause of Listing Agreement | Compliance Status Yes / No |
|---|-----------------------------|----------------------------|
| I. Board of Directors | 49 I | |
| (A) Composition of Board | 49 (IA) | Yes |
| (B) Non-executive Directors' compensation & disclosures | 49 (IB) | Yes |
| (C) Other provisions as to Board and Committees | (49 IC) | Yes |
| (D) Code of Conduct | 49 (ID) | Yes |
| II. Audit Committee | 49 (II) | |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes |
| (B) Meeting of Audit Committee | 49 (IIB) | Yes |
| (C) Powers of Audit Committee | 49 (IIC) | Yes |
| (D) Role of Audit Committee | 49 II(D) | Yes |
| (E) Review of Information by Audit Committee | 49 (IIE) | Yes |

| Particulars | Clause of Listing Agreement | Compliance Status Yes / No |
|--|-----------------------------|----------------------------|
| III. Subsidiary Companies | 49 (III) | Yes |
| IV. Disclosures | 49 (IV) | |
| (A) Basis of related party transactions | 49 (IV A) | Yes |
| (B) Disclosure of Accounting treatment | 49 (IV B) | Yes* |
| (C) Board Disclosures | 49 (IV C) | Yes |
| (D) Proceeds from public issues, rights issues, preferential issues etc. | 49 (IV D) | Yes |
| (E) Remuneration of Directors | 49 (IV E) | Yes |
| (F) Management | 49 (IV F) | Yes |
| (G) Shareholders | 49 (IV G) | Yes |
| V. CEO/CFO Certification | 49 (V) | Yes |
| VI. Report on Corporate Governance | 49 (VI) | Yes |
| VII. Compliance | 49 (VII) | Yes |

*Refer Note 13 and Note 45 of the Notes to the Financial Statements for the year ended March 31, 2012 for Management explanation on Accounting Treatment.

f) Details of Non-compliance:

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges, or SEBI, or any statutory authority, on any matter related to capital markets except for delay in submission of the quarterly compliance report to the stock exchanges on two occasions ranging from two days to ten days.

10. Means of Communication

GCPL has sent the Chairman's statement and unaudited financial results for the half-year ended September 30, 2011, to all the shareholders. Moreover GCPL has its own website www.godrejcp.com. All vital information relating to the Company and its performance, including quarterly results, press releases and performance updates/ corporate presentations are posted on the web-site. The quarterly, half-

yearly and annual results of the Company's performance are generally published in leading English dailies such as *The Economic Times*, *Business Standard*, and *Business Line* and also in the Marathi newspaper *Maharashtra Times*. The Chairman holds conference calls / meetings with financial analyst once a quarter and their transcripts are posted on the website soon thereafter.

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

11. Management

a) Management Discussion and Analysis:

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

b) Disclosures by Management to the Board:

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

12. Shareholders

a) Communication to Shareholders:

The Chairman's statement and unaudited financial results for the half year ended September 30, 2011, was sent to all the shareholders. The quarterly and annual results, official press releases and

presentations to analysts/performance updates are posted on the web-site i.e. www.godrejcp.com and a copy of the same are sent to the stock exchanges.

b) Investor Grievances:

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

c) Share Transfer:

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

13. Declaration by Chairman for compliance with Code of Conduct

The declaration by the Chairman pursuant to Clause 49(1)(D) of the listing agreement, stating that all the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for year ended March 31, 2012, is annexed to the corporate governance report.

14. Auditor's Certificate on Corporate Governance

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

15. General Shareholder Information

a) Annual General Meeting:

Date and time : Saturday, August 4, 2012 at 3.30 p.m.

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

b) Financial Calendar:

| | |
|---|--|
| Financial year | April 1 to March 31 |
| Board Meeting for consideration of unaudited quarterly results for the financial year ending March 31, 2013 | Within forty-five days from the end of the quarter as stipulated under the Listing Agreement with the Stock Exchanges |
| Board meeting for consideration of Audited results for the financial year ending March 31, 2013 | Within two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. |

c) Book Closure:

There was an annual book closure on March 27, 2012, pursuant to Clause 16 of the listing agreement. There will be no book closure at the time of the Annual General Meeting.

d) Dividends for Financial Year 2011-12:

| Dividend Type | Declared at Board Meeting Dated | Dividend rate per share on shares of face value ₹1 each | Record Date |
|---|---------------------------------|---|------------------|
| 1 st Interim for FY 2011-12 | July 23, 2011 | ₹ 1.00 | August 1, 2011 |
| 2 nd Interim for FY 2011-12 | October 21, 2011 | ₹ 1.00 | November 2, 2011 |
| 3 rd Interim for FY 2011-12 | January 21, 2012 | ₹ 1.00 | January 31, 2012 |
| Proposed 4 th Interim for FY 2011-12 | April 30, 2012 | ₹ 1.75 | May 10, 2012 |
| TOTAL | | ₹ 4.75 | |

e) Listing:

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

| Name & Address of the stock exchange | Stock/Scrip Code | ISIN number for NSDL/CDSL |
|--|------------------|---------------------------|
| BSE Limited Phiroze Jeejeebhoy, Towers, Dalal Street Mumbai 400 001 | 532424 | INE102D01028. |
| The National Stock I Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 | GODREJCP | |

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

| | |
|---|--------------|
| ISIN Numbers for 2250 redeemable non-convertible debentures issued on Private Placement basis | INE102D08080 |
| ISIN Numbers for 500 redeemable non-convertible debentures issued on Private Placement basis | INE102D08098 |

f) Market Price Data:

The monthly high and low prices and volumes of GCPL at The Bombay Stock Exchange Ltd., (BSE) and the National Stock Exchange of India Ltd. (NSE) for the year ended March 31, 2012, are as under:

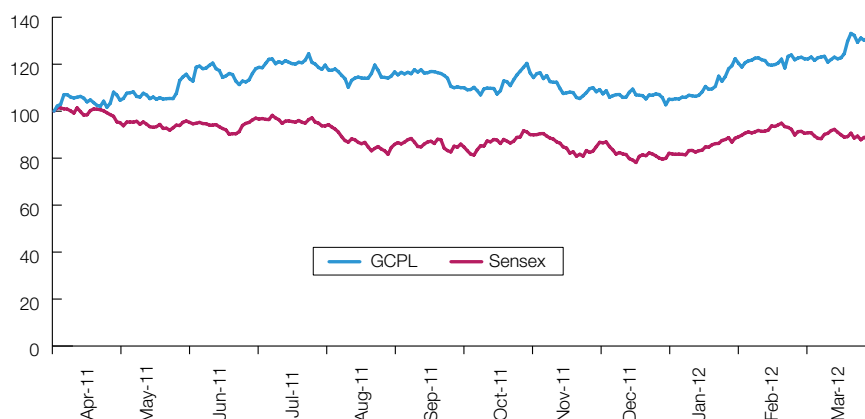
| Month | Price in BSE | | | Price in NSE | | |
|----------------|--------------|---------|------------------------|--------------|---------|------------------------|
| | High (₹) | Low (₹) | Volume (No. of shares) | High (₹) | Low (₹) | Volume (No. of shares) |
| April 2011 | 398.60 | 363.15 | 1,33,370 | 410.00 | 364.45 | 1,754,533 |
| May 2011 | 424.00 | 373.05 | 4,74,643 | 432.00 | 372.10 | 3,737,155 |
| June 2011 | 445.00 | 401.25 | 1,057,364 | 446.55 | 400.50 | 8,829,590 |
| July 2011 | 463.95 | 425.05 | 572,546 | 470.00 | 425.00 | 4,579,550 |
| August 2011 | 443.00 | 398.00 | 389,673 | 441.00 | 393.30 | 5,092,793 |
| September 2011 | 434.00 | 399.00 | 1,575,963 | 438.00 | 380.00 | 5,346,852 |
| October 2011 | 455.55 | 387.00 | 281,787 | 441.80 | 355.00 | 3,698,424 |
| November 2011 | 437.90 | 374.15 | 137,629 | 437.50 | 375.00 | 2,822,244 |
| December 2011 | 408.70 | 376.95 | 1,139,308 | 422.25 | 376.55 | 3,804,816 |
| January 2012 | 450.00 | 370.00 | 504,146 | 451.00 | 368.05 | 4,473,976 |
| February 2012 | 459.00 | 420.55 | 278,647 | 460.00 | 429.00 | 4,270,099 |
| March 2012 | 494.00 | 431.00 | 1,503,656 | 494.90 | 391.60 | 4,759,226 |

Source: websites of the respective stock exchanges.

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

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

GCPL share performance compared to the BSE Sensex for FY 2011-12



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

h) Registrar and Share Transfer Agents:

Computech Sharecap Ltd.
 147, M.G. Road, Opp. Jehangir Art Gallery, Mumbai - 400 001.
 Tel.No. : +91 22 22635000/01
 Fax No. : +91 22 22635005
 E-mail ID: gcpl@computechsharecap.com
 Website : www.computechsharecap.com

i) Share Transfer:

Share transfers and related operations for GCPL are conducted by Computech Sharecap Ltd., which is registered with the SEBI as a Category 1 registrar. Share transfer is normally effected within the maximum period of 30 days from the date of receipt, if all the required documentation is submitted.

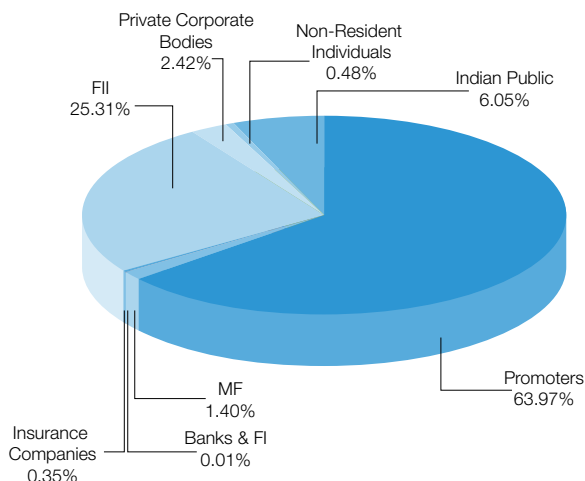
j) Distribution of Shareholding:

Distribution of shareholding by size class as of March 31, 2012

| Number of Shares | Number of Shareholders | Shareholders % | Number of shares held | Shareholding % |
|------------------|------------------------|----------------|-----------------------|----------------|
| 1 – 500 | 75,935 | 89.65% | 9,485,041 | 2.79% |
| 501 – 1000 | 5,988 | 7.07% | 4,037,316 | 1.19% |
| 1001 – 2000 | 1691 | 2.00% | 2,379,954 | 0.70% |
| 2001 – 3000 | 378 | 0.45% | 943,868 | 0.28% |
| 3001 – 4000 | 140 | 0.17% | 505,481 | 0.15% |
| 4001 – 5000 | 101 | 0.12% | 466,816 | 0.14% |
| 5001 – 10000 | 160 | 0.19% | 1,123,258 | 0.33% |
| 10001 & above | 310 | 0.37% | 321,355,727 | 94.43% |
| Total | 84,703 | 100.00% | 340,297,461 | 100.00% |

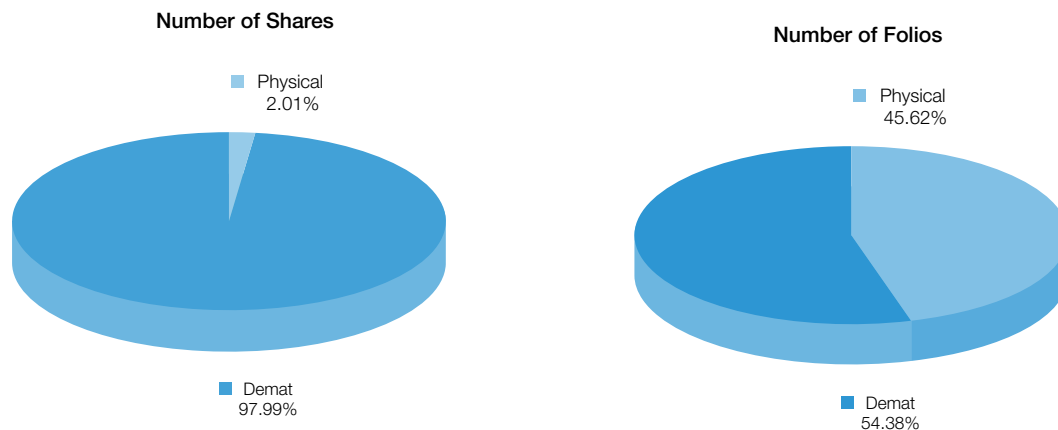
Distribution of shareholding by ownership as of March 31, 2012:

| Category | Shares held (Nos.) | % of holding |
|----------------------------------|--------------------|----------------|
| Promoter's Holding | | |
| Promoters | 217,701,174 | 63.97% |
| Institutional Investors | | |
| Mutual Funds | 4,775,639 | 1.40% |
| Financial Institutions and Banks | 41,208 | 0.01% |
| Insurance Companies | 1,177,221 | 0.35% |
| Foreign Institutional Investors | 86,144,068 | 25.31% |
| Others | | |
| Private Corporate Bodies | 8,245,778 | 2.42% |
| Indian Public | 20,585,078 | 6.05% |
| NRI | 1,627,295 | 0.48% |
| Total | 340,297,461 | 100.00% |



k) Shares held in Physical and Dematerialised Form :

Break up of physical and dematerialised shares as on March 31, 2012:



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

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

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

During the financial year 2011-12, the Company had issued 16,707,310 equity shares of face value ₹ 1 each at a premium of ₹ 409 per equity share on a preferential basis to Baytree Investments (Mauritius) PTE Ltd. The pricing was higher than the floor price calculated in accordance with SEBI guidelines.

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

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

n) Plant Locations:

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

- **Jammu & Kashmir** - Kathua
- **Himachal Pradesh** - Thana, Baddi; Katha, Baddi
- **Sikkim** - Namchi
- **Assam** - Village Sila, Guwahati; Bamauni Maidan, Guwahati; Kalapahar, Guwahati ; Lokhara, Guwahati
- **Meghalaya** - Burnihat, Rebhoi District

- **Madhya Pradesh** - Malanpur, Dist Bhind
- **Goa** - Bardez; Corlim
- **Pondicherry** - Kattukuppam Manpet Post; Mannadipet Commune
- **Tamil Nadu** - Nedungadu Commune, Karaikal; Thirunallar Commune, Karaikal; Maraimalainagar

o) Address for Correspondence:

Members can contact us at our Registered Office:

Godrej Consumer Products Limited,
Pirojshanagar, Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.

Tel. No. : +91 22 25188010/20/30

Fax No. : +91 22 25188040

E-mail ID: investor.relations@godrejcp.com

Website : www.godrejcp.com

Investor correspondence should be addressed to:

Computech Sharecap Ltd.

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

Tel. No. : +91 22 22635000/01

Fax No. : +91 22 22635005

E-mail ID : gcpl@computechsharecap.com

Website : www.computechsharecap.com

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

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

The NECS facility administered by RBI ensures faster credit of dividends as dividends are directly credited in electronic form to the bank accounts of the shareholders. Moreover, by availing this facility, shareholders avoid the risk

of loss of dividend warrants in postal transit or fraudulent encashment.

Shareholders holding shares in physical form and who have not opted for NECS may post NECS declaration form to Computech Sharecap Ltd. (at above mentioned address). Shareholders can obtain the NECS declaration form either from GCPL's registered office or from Computech Sharecap Ltd. or download the same from the Investors page of the Company's website www.godrejcp.com.

Shareholders holding shares in demat form are requested to provide details to NSDL/CDSL through their respective depository participants. It may be noted that if the shareholders holding shares in demat form provide the NECS data directly to the Company, the Company will not be able to act on the same and consequently dividends cannot be remitted through NECS.

q) Demerger: Computation of Acquisition Cost for Capital Gains:

With effect from April 1, 2001, the consumer products division of Godrej Soaps Limited (GSL) was de-merged and transferred to Godrej Consumer Products Limited (GCPL), and Godrej Soaps Limited was renamed Godrej Industries Limited (GIL). As a consequence, the face value of each equity share of GIL was reduced from ₹ 10 to ₹ 6, and each equity shareholder in GSL

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

In respect of shares of GCPL allotted to erstwhile shareholders of GSL, for the purpose of computing capital gains, the date of acquisition will be the same as the date of acquisition of GSL shares. Thus, the cost of acquisition of GCPL shares will differ with respect to each shareholder, and is equal to: cost of acquisition of GSL shares x (net book value of assets transferred to GCPL, i.e. ₹ 45.6 crore) / (net worth of GSL immediately before de-merger i.e. ₹ 286.9 crore). i.e 15.89% of the cost of acquisition of GSL shares.

r) Consolidation of Shares Under One Folio:

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