

# Board's Report

Dear Members,

Your Directors, with great pleasure, present the Annual and Integrated Report for the year ended March 31, 2021.

## 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total revenue from operations	11028.62	9,910.80	6,254.33	5,474.45
Other income	67.07	112.30	64.74	91.26
Total income	11095.69	10,023.10	6319.07	5,565.71
Total expenses, including depreciation and finance costs	8,970.85	8,182.46	4,709.77	4,166.08
Profit/loss before exceptional items, share of profit of equity accounted investees, and tax	2124.84	1,840.64	1,609.30	1,399.63
Exceptional items	(44.87)	(81.05)	(15.38)	-
Share of profit of equity accounted investees (net of income tax)	(0.01)	0.81	-	-
Profit/loss before tax	2080.36	1,760.40	1,593.92	1,399.63
Tax expense	359.54	263.82	369.58	219.74
Profit/loss after tax	1720.82	1,496.58	1,224.34	1,179.89
Other comprehensive income	(163.63)	223.20	1.11	(0.97)
Total comprehensive income attributable to owners of the Company	1557.19	1,719.78	1225.45	1,178.92

## 2. Appropriation

The surplus available for appropriation is as given below:

Appropriation	Fiscal Year 2020-21	Fiscal Year 2019-20
	₹ (Crore)	₹ (Crore)
Surplus at the beginning of the year	3450.43	3,258.64
Less: Transition impact of lease as per IND AS 116 (net of tax)	0	1.20
Restated balance at the beginning of the year	3450.43	3,257.44
Add: Net profit for the year	1224.34	1,179.89
Add: Remeasurements of defined benefit plans (net of tax)	1.11	(0.97)
<b>Available for Appropriation</b>	<b>4675.88</b>	<b>4,436.36</b>
Less: Interim dividends	0	817.82
Less: Tax on distributed profits	0	168.11
<b>Surplus Carried Forward</b>	<b>4675.88</b>	<b>3,450.43</b>

## 3. Dividend

### A. Dividend Declared

The Board did not declare any Interim Dividends during Fiscal Year 2020-21, and also has not recommended any final dividend for the fiscal year.

### 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 1000 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>.

the attendance record of the Directors are given in the Corporate Governance section of the Annual Report.

## 4. COVID-19

The Materiality study was carried out in fiscal year 2019-20. The COVID-19 pandemic had not spread at that point and so it does not appear as a material aspect. In FY20-21, however, the COVID-19 pandemic has had a multi-fold impact on the business and this impact and our mitigation strategies are discussed in detail in our Chairperson's message and our seven Strategic Pillars.

## 5. Board of Directors

### A. Number of Meetings

Five Board meetings were held during the year. The details of the meetings and

### B. Changes in the Board of Directors

During 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 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 & CEO. Consequent to the resignation

<sup>[1]</sup> [https://www.godrejcp.com/public/pdfs/codes\\_policies/legal/Dividend-Distribution-Policy.pdf](https://www.godrejcp.com/public/pdfs/codes_policies/legal/Dividend-Distribution-Policy.pdf)

of Mr. Gambhir, the Board, at the same meeting approved the appointment of Ms Nisaba Godrej as the Managing Director of the Company. 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. The shareholders approved her appointment at the Annual General Meeting (AGM) of the Company held on August 4, 2020.

At the Board meeting held on May 11, 2021, the Board approved the appointment of Mr. Sudhir Sitapati as the Managing Director & CEO of the Company with effect from October 18, 2021, subject to shareholder's approval. The terms and conditions of appointment and the other details required pursuant to Listing Regulations and Secretarial Standards is available in Notice of the Annual General Meeting. At the same meeting, the Board also approved the continuation of Ms. Nisaba Godrej as Whole-time Director of the Company, designated as Executive Chairperson for the period from October 18, 2021 till March 31, 2022 and thereafter carry the designation as Executive Director for her remaining term till September 30, 2022.

Mr. Aman Mehta's second term is ending on August 31, 2021. The Board of Directors place on record their sincere appreciation of the contribution made by Mr. Mehta during his tenure on the Board.

In the forthcoming AGM, Mr. Nadir Godrej will retire by rotation, and being eligible, he 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. During the year, Mr. Pirojsha Godrej has been appointed as the member of the Committee with effect from October 1, 2020. The Committee consists of following 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, Mr. Pirojsha Godrej, 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. The Independent Directors also confirmed the compliance with code of conduct for directors and senior management.

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

As per the notification of Ministry of Corporate Affairs (MCA) dated October 22, 2019, all the Independent Directors of your Company have registered their names for inclusion in the 'Independent Director's Data Bank' maintained by IICA.

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

During the year the Independent Directors were familiarised with the Annual Operating Plan for the fiscal year 2020-21. Additionally, at all the Board meetings, detailed presentations covering business performance and financial updates were made. The programmes were conducted by the members of Company management. The details of the same are available on the website of the Company and can be accessed through the following link<sup>[2]</sup>.

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

### 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'**. With respect to the information under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, members 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 and Ms Nisaba Godrej, Chairperson & Managing Director, voluntarily waived off their remuneration for the year 2020-21 due to the lockdown imposed by the Government of India and the likely impact of the same on the Company's performance. Mr Vivek Gambhir, who resigned during the year, received remuneration for the period till he acted as a director in the 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, ₹ 1,16,91,295 of unpaid/unclaimed dividends were transferred during the financial year 2020-21 to IEPF. No shares were required to be transferred during the current year.

The Company has appointed a Nodal Officer and Deputy 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>.

<sup>[3]</sup> <https://godrejcp.com/investors/details-of-shares-to-iepf>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2020 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, 2021 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). 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, 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 Hair Care Nigeria Limited on account of its voluntary dissolution with effect from April 15, 2020.
- Godrej Hair Weave Nigeria Limited on account of its voluntary dissolution with effect from April 24, 2020.
- Godrej International Trading Company on account of its voluntary dissolution with effect from January 20, 2021.
- SON South Africa (Pty) Limited on account of its voluntary dissolution with effect from November 11, 2020.

During the year, the Company acquired balance 25% stake

in Canon Chemicals, Kenya on May 15, 2020.

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

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

#### Indonesia

The fiscal year 2021 was a challenging one for Indonesia, with the Covid-19 pandemic challenging the business environment through the year. The overall business top line grew at 4 percent in INR terms (2 percent constant currency), but at 8 per cent over a 2 year period. Despite a challenging year, we focused on strengthening the fundamentals for the future. We made a strong foray into the Hygiene segment with growing global relevance, with our new brand Saniter launched within a month, with a portfolio across personal and home hygiene. HIT continued to deliver strong growth with innovations in burning format and launches in Aerosol segment. We bolstered category relevance for Air Fresheners in the new normal, with the launch of Stella Fresh & Protect with a functional / germ-kill proposition. We faced strong headwinds in our Baby wipes segment, with significantly heightened

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

<sup>[5]</sup> [https://www.godrejcp.com/public/pdfs/codes\\_policies/legal/Related-Party-Transactions-Policy.pdf](https://www.godrejcp.com/public/pdfs/codes_policies/legal/Related-Party-Transactions-Policy.pdf)

competitive intensity from new / smaller players, but we have focused on rejuvenating our portfolio to clawback share in the coming year. We also significantly accelerated our Go-To-Market efforts with strong distribution expansion in General Trade, continued to strengthen our in-store execution in Modern Trade and also doubled down into ecommerce which grew at break out pace for us.

We also continued our focus on cost savings to fuel our growth investments, field macro environment & also strengthen profitability. Our margins expanded this fiscal, with the bottom line growing well ahead of the top line. We will continue to focus sharply on category development with breakthrough innovation, strong brand building and strengthening GTM.

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

The fiscal year 2021 witnessed strong revival in growth for our Africa, Middle East, and US business cluster. The overall business top line grew by 9 per cent in constant currency terms. While all countries faced a challenging macro environment due to COVID-19, West and South clusters bounced back from the crisis strongly and grew at break-out pace at 38 and 21 per cent in constant currency terms. US market also witnessed green shoots in latter part of the year as it recovered

from macro shocks in the first half. We faced significant cost headwinds across markets - input cost increases, adverse forex movement, factory shut downs & consumers shifting away from value-added products resulting in adverse portfolio mix. However, our robust cost optimisation programs helped minimise impact on margins, with our EBITDA margins diluting only by ~0.5%. Overall, despite a challenging year, we focused on strengthening the fundamentals for future. We have established a braid portfolio across markets to address key portfolio gaps, and have seen early momentum on braid premiumization in South Africa. We entered the ~0.5 Billion Dollar & fast growing human-hair-feel weave category across different markets, and managed to gain strong early momentum in Nigeria. We have entered the HI category in Nigeria and had strong early momentum. We also strengthened our US portfolio, by entering the >1 Billion Dollar ethnic hair fashion category, through an exclusive partnership with Walmart. We also significantly accelerated our GTM efforts in Nigeria particularly last mile distribution. Going forward, our focus would be to strengthen GTM across markets, continue improving margins by driving operational excellence, strengthening our portfolio by addressing whitespaces in hair fashion & accelerating Wet Hair / FMCG in the post-COVID

new normal. We will also ensure strong governance controls and maintain an unrelenting focus on employee / consumer safety.

#### **Latin America**

Our Latin America cluster closed a strong year in a challenging environment. Net Sales (INR) grew 17 per cent while EBITDA grew at 126 per cent versus last year.

Argentina business closed another year of profitable growth. In a context of COVID restrictions and lockdowns, the team delivered a Top Line growth of 60 per cent in constant currency (17 per cent in INR), driven by Distribution, COMEX expansion and Innovation. EBITDA grew 166% percent in constant currency (89 per cent in INR) achieving an EBITDA margin of 14%, the highest ever for the market. Profit improvements led to a healthy NWC reduction.

Our Chile business grew Net Sales at 22 percent (CC and INR) driven by a strong performance of Hair Color, Hair Removal and Traditional Channel. EBITDA grew by 255 per cent (in INR) driven by efficiencies and better absorption of fixed costs.

Looking ahead, we will continue focusing on profitable growth 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 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.

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**

Your 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, e-learning modules were made available to create awareness regarding sexual harassment among employees. No complaint was reported during calendar year 2020, 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. Annual Return**

In compliance with the provisions Section 134(3)(a) of the Companies Act, 2013, the Annual Return as per Section 93(3) of the Companies Act, 2013 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

<sup>[6]</sup> [https://www.godrejcp.com/public/pdfs/codes\\_policies/legal/Policy-on-Material-Subsidiaries.pdf](https://www.godrejcp.com/public/pdfs/codes_policies/legal/Policy-on-Material-Subsidiaries.pdf)

<sup>[7]</sup> <https://godrejcp.com/investors/annual-reports>



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 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 (CSR)

During the year, there was an amendment in CSR Regulations, which required amendments in the CSR Policy of the Company. The revised Policy 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

<sup>[8]</sup> [https://www.godrejcp.com/public/pdfs/codes\\_policies/people/Whistle\\_Blower\\_Policy.pdf](https://www.godrejcp.com/public/pdfs/codes_policies/people/Whistle_Blower_Policy.pdf)

<sup>[9]</sup> [https://www.godrejcp.com/public/pdfs/codes\\_policies/sustainability/CSR-Policy.pdf](https://www.godrejcp.com/public/pdfs/codes_policies/sustainability/CSR-Policy.pdf)

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., 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 2020-21. 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 2020-21. The Secretarial Audit Report for the fiscal year ended March 31, 2021 is attached herewith as **Annexure 'G'**. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

## 18. Corporate Governance

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 applicable Secretarial Standards 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, 2021 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 2020-21, 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.

<sup>[10]</sup> <https://godrejcp.com/investors/annual-reports>

## 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  
Chairperson & Managing Director**

Mumbai, May 11, 2021

### 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 customize 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 75<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, HRA 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 2020-21; the percentage increase in the remuneration of each Director, Chief Financial Officer, and Company Secretary during the fiscal year 2020-21; 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 2020-21	Ratio of Median Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2020-21
1	Adi Godrej	Chairman Emeritus	-40.06	81.22
2	Nisaba Godrej	Chairperson & Managing Director	-76.84	21.84
3	Vivek Gambhir*	Whole -time Director	36.87	297.76
4	V Srinivasan	Chief Financial Officer and Company Secretary	100.00	Not applicable

\* Mr. Vivek Gambhir ceased to be the Managing Director of the Company with effect from close of June 30, 2020. He continued as Whole -time Director till September 30, 2020 and ceased to be a member of the Board thereafter.

Mr. Adi Godrej and Ms. Nisaba Godrej had voluntarily waived their remuneration for the year 2020-21 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. In case of Mr. V Srinivasan, remuneration includes the provisional amount of Performance Linked Variable Remuneration payable for the fiscal year on the basis of performance, profitability and optimum utilisation of capital. The actual payment will happen in FY 2021-22 and could be lower as the

multipliers (both individual driven and organization performance driven) applied to arrive at actual payout are determined post entire organization's performance is assessed and plotted on the bell curve which typically closes by third week of May every year.

**B. Non-Executive Directors**

Sr. No.	Name of Director	Per Cent Increase/(Decrease) in Remuneration in the Fiscal Year 2020-21	Ratio of Remuneration of Each Director to the Median Remuneration Paid/Payable to all Employees for the Fiscal Year 2020-21
1	Jamshyd Godrej	4.17 %	5.10
2	Nadir Godrej	4.00 %	5.31
3	Tanya Dubash	4.17 %	5.10
4	Pirojsha Godrej	4.17 %	5.10
5	Narendra Ambwani	2.44 %	8.57
6	Pippa Armerding	27.27 %	8.57
7	Omkar Goswami	5.00 %	8.57
8	Aman Mehta	5.00 %	8.57
9	Ndidi Nwuneli	5.00 %	8.57
10	Ireena Vittal	5.00 %	8.57
11	Sumeet Narang *	-	-

\* Mr Sumeet Narang 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 2020-21: ₹ 4.90 lakh.
- (ii) The percentage increase in the median remuneration of employees in the fiscal year 2020-21: 16.53 per cent.
- (iii) The number of permanent employees on the payrolls of the Company as on March 31, 2021: 2698
- (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 an increase of 33.69 per cent whereas that in salary of the Managerial Personnel is decrease of 10.40% per cent. The changes are on account of two of the promoter directors voluntarily waiving of the remuneration for reasons

already explained in the previous page, Cessation of Mr.Vivek Gambhir from the Board during the year and increase in the provision for performance linked variable remuneration for FY 20-21 to the other employees.

- (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 savings initiatives is ₹20 lakh. The major energy conservation initiatives are as follows:

- Auto Heater cut off mechanism during idle condition installed in Packaging & filling machine at Lokhra II unit.

- Annual Energy Savings – 17952 KWH
- Additional Crème line shifted from 2<sup>nd</sup> floor to 1<sup>st</sup> floor at Lokhra II unit, resulting in reduction of consumption of all non-process energy consumption like light, fan and exhaust. Annual Energy Savings – 30722 KWH
- VFD installation in 15 HP hopper motor and 10 HP dust collector motor at Kalapahar Coil unit. Annual Energy Savings – 87816 KWH
- Bulk recycle conveyor motor reduced from 3HP to 1.5 HP at Meghalaya Coil unit. Annual Energy Savings – 3488 KWH
- Change in refill manufacturing batch size from 3 MT to 4.5 MT at New Conso unit. Annual Energy Savings – 30722 KWH
- Timer for vertical Lift for cutting off Power in case idle for more than 80 Sec at New Conso unit. Annual Energy Saving – 15694 KWH.
- Change in nozzle size (9.5 to 7.5 GPH), infeed pump VFD and pneumatic valve in the steam header line, causing reduction in per hour diesel consumption

in baby boiler from 32 ltr/hr to approx. 28 ltr/Hr. at Lokhra II unit. Annual Saving in Diesel – 19 kl.

#### Awards

- National Safety Councils Safety Award 2020—4<sup>th</sup> level 'PRASHANSHA PATRA' award won by the GCPL Lokhra II unit.
- NE Cluster won the Godrej Corporate Safety Awards 2020 for outstanding performance for the celebration of National Road Safety Week 2020.
- Mr. Debasish Das Gupta won the Godrej Corporate Safety Awards 2020 for Safety Ambassador of the year 2020.
- Lokhra II unit won the Godrej Corporate Good & Green Awards 2020 for "Maximum number of initiative taken".
- 6 teams from North East cluster had participated in "National Convention on Quality Concept (NCQC) 2020" and won 3 Par Excellent award & 3 Excellent Award.

#### CSR

- North East cluster have supported Guwahati Medical College Hospital

by donating 38 ICU beds & 7000 Ltrs of Protekt sanitizer. Assam Health Minister Mr. Himanta Biswa Sarma have personally recognised our CSR activity during a large event in the Guwahati Medical College Hospital and thanked Godrej for the support.

- During Covid19 lockdown and just after the lockdown we distributed around 850 food packets to our casual employees and 240 food packets to families of nearby villages who have not received any help from Govt. & NGO
- 2400 nos. of Covid19 Care safety packets distributed to truck drivers & helpers coming to factories

## II. North Cluster

### Energy Conservation

The total capital investment on energy savings initiatives is ₹ 130 lakh, and savings in energy consumption is 7.92 lakh KWH per annum, which is equivalent to ₹ 72 lakh per annum. Some of energy conservation initiatives are as follows:

- Replacement of heater assembly in wrapping machine with reducing heaters.
- Optimization of lights on the shop floor.

- V belts to be replaced with Cogged Belts.
- Motor rating reduction on duplex plodder.
- Vacuum pumps to be replaced with venturi arrangement.
- Installing VFD and Energy efficient motors on utilities pump with pressure transmitter.
- Energy monitoring System in Soap plant.
- Bypassing hot well pump in Brine & Water chiller.
- Replacement of ordinary common AC with Individual 5-star rating AC.
- Direct Mixing of RED Premix at Kneading section.
- Replacement of HT line with dedicated industrial feeder for less operation of DG at C11.

#### **Water Conservation**

The total capital investment on water conservation initiatives is 2.8 lakh, and savings in water consumption is 824 KL per annum. The water conservation initiatives are as follows:

- Sensor water taps installed in the plants for conservation of water.
- ETP treated water using for gardening and in toilet for flushing.
- Water Management by Level sensors for Water Storage tanks.

#### **Award Won**

- Excellence award for 6 Team and 2 teams with par excellence award during NCQC 2020.

### **III. Central West Cluster**

The total capex utilized for energy conservation measures is ₹ 148 lakh. The energy conservation measures undertaken are as follows:

- Installed & commissioned a IOT based instrumentation system in RO1 & part of RO3 for reduction of steam consumption, resulted in saving of fuel consumption by 73 MT/ annum.
- Installed & commissioned bottom sampling system for reducing steam consumption & saving time and efforts for bottom sampling, this has resulted in saving of fuel consumption by 43.3 MT/ annum
- Provided single nozzle in place of multiple nozzle in booster of precut tower in FADP2, this has resulted in reducing fuel consumption by 30.7 MT/ annum
- Replaced 6 old motors with energy efficient motors IE3, this has resulted in reducing power consumption by 41000 kwh/annum

- Provided LED lights in plants in place of conventional lights, resulted in reducing power consumption by 112000 units/annum
- Installed solar street lights in place of conventional lights, resulted in saving of 9000 kwh/annum and also help in utilizing natural resources
- Installed a bucket type strainer in cooling tower for ease of cleaning and getting full suction to the pump. This has resulted in saving of power consumption by 6600 kwh/annum
- Installed two SS oil feed tanks in CP3 for reducing steam consumption which are directly feeding oil in FSP3, resulted in reduction of fuel consumption by 25 MT
- Initiated IOT projects for monitoring of various critical parameters in Boiler, Chiller and soap noodle plant in order to take action immediately

#### **Water & Legal compliance**

- Installed Telemetric & piezometer for ground water level & flowmeters for bore-well water extraction under CGWA for legal compliance



### **Awards won by the Malanpur unit**

- GCPL Malanpur unit received following awards held virtually first time in NCQC 2020
  - o 9 Par Excellence
  - o 6 Excellence
  - o 2 for Essay & Slogan
  - o Ranked in top 10 in QC quiz
- GCPL Malanpur unit received a PRASANSHA PATRA - 2020" by National Safety council for the period of 2017, 2018 & 2019 for team for their active participation and contribution to level up safety performance.

## **IV. South Cluster**

### **Energy Conservation**

- The total CAPEX utilized for energy conservation measures in FY21 was ₹ 49.8 lakh.
- Reduction in energy consumption by the installation of energy efficient LED lightings, Solar based lightings, Timer for Exhaust fans, Installation of Servo based Coil punching cylinders and Servo based mould bed pushers, have all resulted in savings of 6,63,000 KWh/Year, covering all units.
- Use of Bio waste fuels, instead of Furnace oil, in

our Hot air generators in our Pondicherry Coil Factory, to the extent of 3,939MT.

- Pre heating of raw water using flue gas before letting it to Hot water generator system has given the Natural gas fuel saving of 82800 SCM.

### **Awards**

- 4 Members of our Karaikal Coil units have received the "Best Energy Saving Team Award" from our HO Good and Green team.
- Quality Circles: Teams from MMN unit, Conso unit, Coil units-6, 7 & 9 participated in the Chennai Quality Circle and 5S competition in the month of October / November 2020 & National Convention of Quality Circle during December 2020.

Conso unit: 2 Teams participated in CCQC and won two Gold Awards and in NCQC two Excellence Awards. Participated 5S competition and won the Par-Excellence Award.

MMN unit: 2 Teams Participated in CCQC and won 2 Gold Awards & in NCQC won 1 Par Excellence and 1 Distinguish Awards.

Coil6 unit: 2 Teams Participated in CCQC and won 2 Gold Awards & in NCQC won 1 Par Excellence and 1 Excellence Awards.

Coil7 unit: 1 Team Participated in CCQC and won 1 Gold Award & in NCQC won 1 Par Excellence Award.

- CII-EHS: MMN unit, Conso unit, Coil units-6, 7 & 9 participated in the CII- EHS Assessment 2020 and got awarded 4-Star Rating for CONSO, MMN, COIL9 & COIL6 & 3-Star Rating for COIL7 in March 2021.
- National Safety Councils Safety Awards: CONSO unit and MMN Unit received "Certificate of Appreciation" towards NSCI Safety Award 2020.
- The South Cluster Safety Lead won the "Safety Professional of the year 19-20 Award" at GILAC level.

### **Audits**

- Integrated Management Systems (IMS): South Units have successfully completed 4<sup>th</sup> and 5<sup>th</sup> IMS surveillance audits without any NCs (ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018).



- 5S Award: 5S Award from QCFI and Union of Japanese Scientist Engineers (JUSE), received by the Conso and MMN units in 2018 and 2019 respectively. First Surveillance Audit by the QCFI / JUSE committee was completed successfully and the Award was retained.
- COVID-19 Audits: Various Government Officials like Tahsildars, Revenue Inspectors, VAOs, Commune Panchayat authorities, Health Department, Primary Health Centre, Police & Labour Department visited our factories to audit the implementation and compliance to MHA Covid Safety guidelines and they appreciated the various initiatives taken and protocols followed by the units.

#### Events

- Nivar Cyclone safety measures were implemented in all units and ensured there were no property damages.
- COVID-19 medical camp was done by the Health Department of Karaikal in Coil7 unit. There were no single POSITIVE cases found and all were NEGATIVE

(128 employees were tested). Based on this, received the "Certificate of Appreciation" from the Deputy Director (Immunization), Karaikal, for very good COVID safety control measures implementation in the unit.

- Using Drone Technology for the first time, Chimney stack stability inspection was done in Coil9 unit in a safe manner using Thermal Imaging technique.
- Safety Theme based monthly celebrations organized in all units for the last 6 years.

#### CSR

- 2 Numbers of ICU Cots with 5 function remote were handed over to the Government Hospital, Karaikal through the District Collector in April 2020.
- Covid Care Packages containing essential grocery items were distributed to Contract Workers and the Local Community in April / May 2020 from our Conso, Coil 9, Coil 6 Units, while distribution to Contract Workers only were done from our MMN and Coil 7 Units.

- 10000 Masks were handed over to Deputy Director, Public Health Department of Puducherry in July 2020 to support their frontline workers' protection from Covid. Also 11000 Masks were provided to Health Department, Karaikal in August 2020 and in November 2020.
- All units handed over Covid Safety Kits to the Truck Drivers in November / December 2020, who brought materials to the units and who transported our FG out of the units.
- Distributed Protekt Hand Sanitizers to the baseline workers of Puducherry Municipality in March 2021, through ReCity NGO.

#### B. Technology Absorption

The Research and Development function of your organization played a key role in ensuring the successful launches of following products during the year 20-21:

1. Protekt – Hygine Range
2. HIT Roach Bomb
3. Good Knight Smart Spray
4. AER Power Pocket
5. AER disinfectant sprays
6. Expert Fashion range

7. Health Soaps
8. BBlunt range extension
9. Godrej Professional new shades
10. Proclean range
11. Protekt Hand washes/ Cinthol Hand wash
12. E-commerce led products – Good Knight Mosquito repellent cream/Good Knight anti mosquito skin spray etc.
13. Magic hand wash across our geographies
14. Sanitor range of hygiene products
15. Styling gels

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

**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. AER Care
9. Dry Hair

**II. Benefits derived as a result of the above R&D efforts:**

R&D has played pivotal role in developing new technologies in Hygiene, 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 range of health & Hygiene products under different brands and has shown strong agility in development & technology commercialisation. R&D is continuously protecting its Innovations through Design and Product patents. The company has filed several patents both in India and abroad. 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.

**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 business. Our R&D team shall constantly endeavor to deliver superior innovative products thereby delighting, both domestic and international customers by:

1. Ensuring successful commercial launches within Hair Care, Household Insecticides, Room Freshner 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 Household Insecticides, Hair Care, AER, Fabric Care and Health & Hygiene
4. Maintaining a strong focus on R&D training needs and people development.
5. Partnering collaborations with external stake holders and leading Institutions.

### C. Expenditure on R&D

	₹ Crore	
	Fiscal Year 2020-21	Fiscal Year 2019-20
Capital	0.72	0.09
Recurring	22.68	18.12
<b>Total</b>	<b>23.40</b>	<b>18.21</b>
Total R&D expenditure as a percentage of total sales turnover	<b>0.38 per cent</b>	<b>0.34 per cent</b>

### D. Foreign Exchange Earnings and Outgo

	₹ Crore	
	Fiscal Year 2020-21	Fiscal Year 2019-20
I. Foreign exchange used	487.16	458.39
II. Foreign exchange earned	232.93	204.22

#### 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 GCPL CSR policy focuses on addressing the critical social, environmental, and economic needs of the marginalised and less privileged sections of society. 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>.

An overview of the projects or programmes undertaken during the fiscal year 2020-21 is given below. We have aligned our programmes to national missions and priorities, and they are categorised as follows.

#### A. 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 2021, we have trained over 4,51,342 young people in skills that will enhance their earning potential. This includes the young women trained by our beautypreneurs. Our projects are:

- Salon-i—our beauty and hair care training
- Beauty-preneur (BP) and Home-preneur (HP) platform for nano and micro entrepreneurs in beauty industry

In FY21, given the Covid-19 lockdown and ensuing slowdown, all training programmes were paused across partners and we did not work with any new students. Our focus was instead on 1,633 beauty entrepreneurs who were part of our programme in FY20 and we worked with them to ensure that they would

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

be able to successfully navigate the challenges due to the pandemic.

We provided online training and handholding support to our entrepreneurs and ensured that of 1,875 entrepreneurs, 1,633 stayed in business. Our implementation partners provided them with over 50 hours of online training and innumerable one on one calls to help them with covid safety strategies, SOP for reopening salons post lockdown, alternative business ideas, attracting clients back to the salon, etc. 79% of beauty-entrepreneurs joined the online sessions and 32% started alternate businesses due to inputs from the training. We provided returnable grants (between INR 5,000 to 20,000) to over 440 of our entrepreneurs to help them revive their businesses. Overall net revenue grew three fold between the October 2020 to March 2021 period.

## **B. Covid Relief and Community Development**

The impact of COVID-19 has not only been felt in terms of a public health crisis of unprecedented proportions, but also as a longer-term economic disaster impacting the lives and livelihoods of billions of people worldwide. We channeled most of our resources to address the urgent need for relief at the start of the pandemic between March and September 2020.

We took on the responsibility to provide food and hygiene essentials to communities around our operations across the world.

In India, we provided food supplies and safety kits to over 1,37,000 migrant labourers and urban poor through our NGO partners. Our partners also helped in unlocking funds from the government relief packages for vulnerable members in our ecosystem. Further, we supported the public healthcare system in Mumbai, Maharashtra, and Guwahati, Assam, by donating medical equipment (beds, ventilators, ICU equipment, testing kits, and mobile testing auto rickshaws, among other support). In addition, we provided safety kits to over 46,120 people, including contract workers, GCPL transporters, field sales personnel, and Godrej Professional salonists. We also made direct cash transfers to 250 market research agents to help meet the basic needs of their families.

Our stakeholders are also the communities that border our plant locations. Our communities were impacted by the pandemic and hence our focus in FY21 was primarily Covid19 relief and recovery projects.

We realized the need for swift action on ground and an urgent need of philanthropic and corporate support to

ensure immediate relief efforts and medium to long term recovery initiatives. Our initiatives to date have taken this into consideration and have been implemented with a wide range of on-ground partners from government and municipal bodies, to civil society organisations and citizen initiatives in order to reach the largest number of the most vulnerable communities in our ecosystem.

Supporting the most vulnerable in our ecosystem: We provided food and safety kits to frontline workers and most vulnerable groups such as contract workers, poor communities around our factories and warehouses, migrant workers, urban casual workers, sex workers, transgender groups, people with disability, people living with HIV/AIDS, and other vulnerable communities. In addition, we provided local authorities with sanitation essentials to support them in their battle against Covid19.

Strengthening public healthcare: We are supporting the public healthcare system in key geographies as healthcare institutions are facing a shortage of personal protective equipment (PPEs), gloves, masks, and other basic equipment. In addition, we supported the set-up of municipal quarantine centres, mobile testing vehicles, and ICU units. Many of our products are essential to fight

the battle against Covid19 and hence we have freely donated our products to governments, frontline departments such as police and municipalities, hospitals, civil society bodies and citizen efforts to manage the pandemic across all our locations worldwide. These have included soaps, hand wash, sanitisers, masks, household insecticide products, etc.

Enabling economic relief and supporting livelihoods recovery: National and state governments have announced relief packages for those who have been hit the hardest and we are working with our non-profit partners to unlock these funds through government schemes. Post lockdown, we have also started providing need based livelihoods support such as zero interest loans, insurance cover against Covid related medical expenses, training on business recovery post lockdown, and incubating nano and micro entrepreneurs in key geographies.

Assist learning: Children are one of the most impacted groups, especially those belonging to economically weak families. Not only are they unable to attend school but they are also unable to continue learning due to lack of digital devices and/or access to Internet in their homes and communities. In response to this, GCPL is supporting a range of

initiatives such as funds to provide Internet enabled digital devices, continued learning engagement in the community, and safety kit donation to schools to ensure a safe learning environment to those going back to school.

### **C. 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

In the fiscal year 2020-21, we worked in 9 districts across Madhya Pradesh, Uttar

Pradesh, and Chhattisgarh covering 824 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.

### **D. Waste Management**

We have initiated various community waste management projects across India. 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. In FY21, we have started another waste management programme in Pondicherry where we are working with the citizens, Municipal Corporation, and other stakeholders to divert waste from landfill. Altogether, through these projects, we aim to process up to 150 MT of solid waste per day.

#### E. 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.

#### F. 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 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. Support SEEDS for Kerala flood relief by building shelters for tribal families in Wayanad

IV. Support Habitat for Humanity to respond to the 2019 Assam,

Bihar and Maharashtra floods by repairing and rebuilding schools and Anganwadis.

- V. Support to Asha Sadan in Mumbai to provide overall care for orphans and destitute children and their education.
- VI. Support to Mahendra and Young Knowledge Foundation to support sustainable development.
- VII. Support to Public Health Foundation of India for prevention and control of vector borne diseases in India.

#### G. 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, Chairperson & Managing Director
4. Mr Narendra Ambwani, Independent Director

H. Average net profit of the company in the last 3 fiscal years: ₹ 1,402.41 crores.

I. Prescribed CSR expenditure (2 per cent of the amount as in item H above): ₹ 28.05 crores.

**ANNEXURE -II FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES**

1. Brief outline on CSR Policy of the Company.

GCPL is committed to the Godrej Group's 'Good & Green' vision of creating a more inclusive and greener

India. The GCPL CSR policy focuses on addressing the critical social, environmental, and economic needs of the marginalised and less privileged sections of society. 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>.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Nisaba Godrej	Chairperson and Managing Director	2	2
2	Nadir Godrej	Non-Executive Director	2	2
3	Tanya Godrej	Non-Executive Director	2	1
4	Narendra Ambwani	Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.godrejcp.com/sustainability/codes-and-policies>

sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

The report is available on the website of the Company under the following link:

Saloni and BP: <https://www.godrejcp.com/public/pdfs/salon-i-and-beautypreneur-sroi-and-impact-assessment-report.pdf>

EMBED: <https://www.godrejcp.com/public/pdfs/embed-impact-assessment-and-sroi-report.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

S. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any (in ₹)
1	FY19-20	₹ 5.85 crore	-

6. Average net profit of the company as per section 135(5) – ₹ 1402.41 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL

(d) Total CSR obligation for the financial year (7a+7b+7c) – ₹ 33.90 crore

7. (a) Two percent of average net profit of the company as per section 135(5) – ₹ 28.05 crore

(c) Amount required to be set off for the financial year, if any – ₹ 5.85 crore

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

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
34.09	-	-	-	-	-



(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementing Agency Name CSR Registration No.
1	Salon-i	Schedule VII (ii) livelihood enhancement projects	No	Delhi NCR, UP, Rajasthan, Gujarat, Maharashtra, Karnataka	Varanasi, Jaipur Ahmedabad, Baroda, Palanpur, Mumbai, Pune, Aurangabad, Hoskote, Chitradurga, Mysore, Hasan	1 year	2.27	2.27	No	Saath Dhriti Pratham Vrutti YUVA Vision India CSR0000021 CSR00001800 CSR00000258 CSR00000538 CSR00004731
2	EMBED	Schedule VII (i) promoting preventive healthcare	No	Madhya Pradesh, Uttar Pradesh, Chattisgarh	Shivpuri, Sheopor and Balaghat, Bareilly Budaun, Bastar, Kondagaon	3 years	4.93	4.93	No	FHI CSR00001169
3	Watershed Management	Schedule VII (iv) environment sustainability	No	Telangana	Siddipet	5 years	0.22	0.22	No	PEACE
4	Waste management	Schedule VII (iv) environment sustainability	Yes	Pondicherry	Pondicherry	3 years	1.45	1.45	No	Recity
5	Carbon Mitigation project	Schedule VII (iv) environment sustainability	No	Assam	Tezpur	3 years	0.35	0.35	No	Dharti Sustainables Pvt Ltd
6	Covid19 livelihood recover project	Schedule VII (ii) livelihood enhancement projects; (xii) disaster relief	Yes	J&K, Himachal Pradesh, Uttar Pradesh, West Bengal, Assam, Madhya Pradesh, Maharashtra	Jammu, Baddi, Lucknow, Pune, Guwahati, Kolkata, Bhind, Mumbai, Palghar	1.5 years	1.88	1.88	No	Magic Bus Access Dev Apnalaya Agrani Grassroutes Janvikas CSR00001330 CSR00002703 CSR00003515 CSR00000790 CSR00002913
7	Promotion of handwashing	Schedule VII(i) promoting preventive healthcare	No	Maharashtra	Mumbai	1 year	0.57	0.57	No	Save the Children India CSR00000158
8	Community development around factories	Schedule VII (i) Promoting preventive healthcare (x) Rural Development Projects	Yes	Madhya Pradesh	Bhind	2 years	0.05	0.05	No	Family Health India CSR00001169
<b>Total</b>							<b>11.72</b>	<b>11.72</b>		

(Amount ₹ in crore)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(Amount ₹ in crore)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project State	District	Amount spent in the current financial Year	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name	CSR registration no.
1	Covid19 relief and recovery	Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities	Yes	Jammu, Himachal Pradesh, Madhya Pradesh, Sikkim, Pondicherry, Karaikal, Mumbai Tami Nadu, Maharashtra	Jammu, Baddi, Bhind, Guwahati, Pondicherry, Karaikal, Mumbai	8.60	Yes	-	-
2	Covid19 relief and recovery	Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities	Yes	Gujarat, Uttar Pradesh, Karnataka, Delhi NCR, Telengana	Ghaziabad, Pune, Bangalore, Hyderabad, Ahmedabad, Delhi	10.43	No	Anant University Jan Sahas Dharthi Sustainables Habitat for Humanity Rubabbai Ameerji Foundation YUVA Stree Mukti Sangathan Vikalp Foundation Akanksha Foundation STCI Anudip Foundation Akhil Bhartiya Marathi Natya Parishad Collective Good Foundation TISS Humsafar Trust Sneha Samarthanam Swasti Teach to Lead PM Cares Fund	CSR00002869 CSR00001303 CSR00000402 CSR00004731 CSR00001126 CSR00003592 CSR00001286 CSR00000158 CSR00000060 CSR00001648 CSR00003475 CSR00001950 CSR00002137 CSR00000063 CSR00000549 CSR00002271
3	Disaster relief in response to Kerala floods	Schedule VII (i) Promoting preventive healthcare and sanitation and making available safe drinking water	No	Kerala	Wayanad	0.20	No	Sustainable Environment and Ecological Development Society	

(Amount ₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project State	Amount spent in the current financial Year	Mode of Implementation – Direct (Yes/No)	Mode of Implementation Agency Name	CSR registration no.
4	Disaster relief in response to Assam Bihar and Maharashtra floods	Schedule VII (i) Promoting preventive healthcare and sanitation and making available safe drinking water	No	Assam Bihar Maharashtra	0.13	No	Habitat for Humanity	CSR00000402
5	Green Chemistry	Schedule VII (ii) Promoting Education	No	Maharashtra	0.40	No	Institute for Chemical Technology	
6	Promotion of Sports	Schedule VII (vii) Promoting nationally recognised sports	No	Pan-India	0.35	No	Olympic Gold Quest	CSR00001100
7	Support to orphans and destitute children in Mumbai	Schedule VII (i) Eradicating hunger (ii) Promoting education	No	Maharashtra	0.50	No	Asha Sadan	
8	Promoting sustainable development	Schedule VII (iv) Ensuring environmental sustainability	No	Pan-India	0.20	No	Mahendra and Young Knowledge Foundation	CSR000003531
9	Vector borne disease control and management	Schedule VII (i) Promoting healthcare	No	Pan-India	0.20	No	Public Health Foundation of India	CSR000001071
<b>TOTAL</b>					21.01			

(d) Amount spent in Administrative Overheads – ₹ 1.36 crore

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent during the Financial Year (8b+8c+8d+8e) – ₹ 34.09 crore

(g) Excess amount for set off, if any:

S. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	28.05
(ii)	Unspent CSR amount for the preceding financial year	5.85
(iii)	Total CSR obligation for the financial year [(i)+(ii)]	33.90
(iv)	Total Amount spent during the Financial Year	34.09
(v)	Excess amount spent for the financial year [(iv)-(iii)]	0.19
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(vii)	Amount available for set off in succeeding financial years [(iv)-(iii)]	0.19

10. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount remaining to be spent in succeeding financial years
1	FY 19-20	5.85	5.85	Not Applicable	Nil

(Amount ₹ in crore)

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project –Completed / Ongoing
1	-	Disaster relief in response to Kerala floods	FY20	1 year	0.20	0.20	0.20	Completed
2	-	Disaster relief in response to Assam Bihar and Maharashtra floods	FY20	1 year	0.13	0.13	0.13	Completed
3	-	Watershed Management	FY2016-17	~ 5 years	2.17	0.22	1.96	Ongoing
4	-	Waste management	FY2019-20	~ 5 years	2.10	0.35	0.83	Ongoing

(Amount ₹ in crore)

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

**Mr. Nadir Godrej**

Chairman of the CSR Committee

**Ms. Nisaba Godrej**

Chairperson & Managing Director  
(Member of the 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:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Godrej Consumer Products Limited Employee Stock Grant Scheme</b>
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, 2021	2,90,133
9	Number of fresh options granted during the year	97,653
10	Number of options lapsed during the year	30,444
11	Number of options vested during the year	1,69,921
12	Number of options exercised during the year	1,69,921
13	Number of shares arising as a result of exercise of options	1,69,921
14	Money realised by exercise of options	₹1,69,921
15	Number of options outstanding and exercisable at the end of the year	1,87,421
16	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
17	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: ₹ 652.19
18	Employee-wise details of options granted to —	
	i) Senior Managerial Personnel	
	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	As per Note 1 below
	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	Nil
19	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'EPS'	₹ 11.19 per share (standalone) ₹ 16.83 per share (consolidated)
20	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	4.12 per cent
	ii) Expected life	2 years
	iii) Expected volatility	38.12 per cent
	iv) Expected dividends	1.20 per cent
	v) The price of the underlying share in the market at the time of option grant	₹ 666.58

**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**

<b>Name and Designation of Senior Managerial Personnel to Whom Stock Options Have Been Granted</b>	<b>Granted in Fiscal Year 2018-19 and Outstanding as on March 31, 2021</b>	<b>Granted in Fiscal Year 2019-20 and Outstanding as on March 31, 2021</b>	<b>Granted in Fiscal Year 2020-21 and Outstanding as on March 31, 2021</b>	<b>Total Outstanding Options as on March 31, 2021</b>
V Srinivasan, Chief Financial Officer and Company Secretary	1,755	4047	6001	11,803
Akhil Chandra, Business Head—ASEAN	2193	5059	7501	14,753
Venkateswara Yadlapalli, Head - R&D	527	1214	1800	3,541
Sunil Kataria, CEO – India & SAARC*	3002	6921	10,261	20,184
Omar Momin, Head - M&A	2633	2024	3000	7,657
Rahul Gama, Head—Human Resources	1475	3400	5041	9,916
Darshan Gandhi, Head—Design	1316	3036	4501	8,853
Anirban Banerjee, Head—Innovation	527	1214	1800	3,541
Jishnu Batabyal, Head—Strategy & Planning	438	1012	3188	4,638

\*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— <https://godrejcp.com/investors/annual-reports>

**ANNEXURE 'G'**

**Form No MR – 3**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

[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, 2021 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, 2021 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,

<p>Overseas Direct Investment and External Commercial Borrowings;</p> <p>(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-</p>	<p>(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable) and</p> <p>(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable)</p>	<p>b. Legal Metrology Act and rules made thereunder.</p> <p>c. Drugs &amp; Cosmetics Act, 1940.</p>
<p>(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</p>	<p>We have also examined compliance with the applicable clauses of the following:</p>	<p><b>We report that</b>, 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.</p>
<p>(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</p>	<p>(i) Secretarial Standards issued by The Institute of Company Secretaries of India.</p>	<p><b>We further report that</b></p> <p>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.</p>
<p>(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;</p>	<p>(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.</p>	<p>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.</p>
<p>(d) The Securities and Exchange Board of India (Share based Employee Benefit) Regulations, 2014;</p>	<p>During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above except signing of register of contracts, Board has noted to sign the register of contracts in physical Board meeting to be held in future.</p>	<p>Further, since all the Board and committee meetings were held virtually, attendance for all the meetings were recorded in the minutes itself as physical signatures could not be obtained. Also, signed minutes could not be circulated to the Board members as Board has approved to sign the minutes at a future date. 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.</p>
<p>(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(not applicable)</p>	<p>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:</p>	<p></p>
<p>(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)</p>	<p>a. Insecticide Act, 1968 and rules made thereunder.</p>	<p></p>

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:

1. Accepted resignation from Mr. Vivek Gambhir from the office of Managing Director and CEO of the company and appointed Ms. Nisaba Godrej as Managing Director.
2. Issued shares on exercise of options under the Employee Stock Grant Scheme.
3. Acquired balance 25% stake in Canon Chemicals, Kenya.

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

Mital Pawar  
Partner  
ACS - 57478, COP – 23424  
UDIN - A057478C000271087

Place: Thane

Date : 11<sup>th</sup> May, 2021

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 A'**

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 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

Mital Pawar  
Partner  
ACS - 57478, COP – 23424  
UDIN - A057478C000271087

Place: Thane

Date : 11<sup>th</sup> May, 2021



## **ANNEXURE 'H'**

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

The Members,  
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> 2021, 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, 2021.

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

Mital Pawar  
Partner  
ACS -57478, COP -23424

Place: Thane  
Date : 11<sup>th</sup> May, 2021

UDIN:- A057478C000271120

# Report on Corporate Governance

## Company's Philosophy On Corporate Governance

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

The Company is a part of the 124-year young Godrej Group, which has established a reputation for honesty, integrity, and sound governance. Its philosophy on corporate governance envisages attaining the highest levels of transparency, accountability, and equity in all facets of its operations and interactions - whether it is with shareholders, employees, lenders, or the government. The Company is committed to achieve and maintain the highest standards of corporate governance. It believes that all its actions must serve the underlying goal of enhancing the overall stakeholder value over a sustained period.

### 1. Board of Directors

Godrej Consumer Products Limited's (GCPL) corporate governance practices are shaped by its Board of Directors. The Board is committed to protect the long-term interests of all our

stakeholders, and considering this, it provides objective and prudent guidance to the management. Information related to the procedures, composition, committees, and several other factors of the Board is provided below.

#### A. Board procedures

GCPL currently has a 13-member Board, with 7 Independent Directors who are eminent professionals from diverse fields, with expertise in finance, information systems, marketing, and corporate strategy. None of the Independent Directors have had any material association with the Godrej Group in the past. The Board of Directors also confirms that Independent Directors fulfil conditions specified in Listing Regulations and are independent of management. In line with the accepted best practices, to strengthen the focus and quality of discussion at the Board, GCPL's Board has appointed Ms Ireena Vittal as the lead Independent Director.

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

Before the commencement of the Audit Committee meeting, the Independent Directors are given an opportunity to have a discussion with Statutory Auditors without the presence of the management team. For all major items, comprehensive background information is provided to the Board members to enable them to take an informed decision.

Once a year, the Board members participate in a strategy meeting, in which they also interact with the management team of the Company. The Independent Directors also have

a meeting among themselves, after which they provide their insights to the entire Board and the management team.

Familiarisation programmes for the Independent Directors covered topics such as the Annual Operating Plan for the fiscal year 2020-21, performance and financial updates by Chief Financial Officer. The details of the same are available on the website of the Company and can be accessed through the following link<sup>[1]</sup>

#### **B. Matrix on skill sets possessed by the Board of Directors**

At GCPL, we recognise the importance of having a Board comprising of directors who have a range of experiences, capabilities, and diverse viewpoints. This helps us create an effective and well-rounded board. The capabilities and experiences sought in our Directors are outlined here:

- **Strategy and Business**—Is or has been the Chief Executive Officer (CEO) or Chief Operating Officer, or has

held any other leadership position in an organisation, leading to significant experience in strategy or business management. Brings the ability to identify and assess strategic opportunities and threats in the context of the business.

- **Industry Expertise**—Has expertise with respect to the sector the organisation operates in. Has an understanding of the 'big picture' in the given industry and recognises the development of industry segments, trends, emerging issues, and opportunities.
- **Market Expertise** – Has expertise with respect to the geography the organisation operates in. Understands the macroeconomic environment, nuances of the business, and consumers and trade in the geography. Has the knowledge of

the regulations and legislations of the market/(s) the business operates in.

- **Technology Perspective** – Has expertise with respect to business-specific technologies such as in the field of research and development and manufacturing. Has experience and adds perspective on the future-ready skills required by the organisation such as e-commerce, digital, and sustainability.
- **People and Talent Understanding** –Has experience in human resource management such that they bring in a considered approach to the effective management of people in an organisation.
- **Governance, Finance, and Risk** – Has an understanding of the law and application of corporate governance

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

principles in a commercial enterprise of a similar scale. Capability to provide inputs for strategic financial planning, assess financial statements, and oversee budgets for the efficient use of resources. Ability to identify key risks for the business in a wide range of areas

including legal and regulatory.

- **Diversity of Perspective –**

Provides diverse views to the Board that is valuable for managing our customers, consumers, employees, key stakeholders, and shareholders.

**used for appointing new directors**

The Nomination and Remuneration Committee evaluates the candidature of a new director in line with the Board Diversity Policy and the aforementioned skill sets and makes suitable recommendation to the Board for final approval. The appointment of all Directors is also subject to shareholders' approval.

**C. Process and criteria**

Director Names/Skills	Age (Years)	Appointment Year	Gender	Committee Membership as on March 31, 2021	Strategy and Business	Industry Expertise	Market Expertise	Tech and Future Perspective	People and Talent Understanding	Governance, Finance, and Risk	Diversity of Perspective
Mr Adi Godrej	79	Nov 2000	M	SRC	√	√	√			√	
Ms Nisaba Godrej	43	May 2011	F	CSR, RMC	√	√	√		√	√	
Mr Jamshyd Godrej	72	Mar 2001	M	SRC	√		√			√	√
Mr Nadir B. Godrej	70	Nov 2000	M	SRC, CSR, RMC	√		√	√		√	√
Ms Tanya Dubash	53	May 2011	F	CSR	√		√			√	√
Mr Pirojsha Godrej	41	Apr 2017	M	AC, SRC	√		√			√	√
Mr Narendra Ambwani	73	May 2011	M	AC, NRC, CSR, SRC	√	√	√		√	√	
Mr Sumeet Narang	45	Apr 2019	M	AC, NRC	√		√	√		√	√
Mr Omkar Goswami	65	Jun 2008	M	AC, NRC, RMC			√			√	√
Mr Aman Mehta	75	Apr 2006	M	AC, NRC	√					√	√
Ms Ireena Vittal	53	Apr 2013	F	AC, NRC	√	√	√		√	√	
Ms Nididi Nwuneli	46	Apr 2017	F	AC, NRC	√		√		√	√	√
Ms Pippa Armerding	53	Jan 2018	F	AC, NRC	√		√		√	√	√

**D. Detailed reasons for resignation of Independent Director, if any**

No Independent Director resigned before the expiry of his tenure during this financial year.

**(i) Composition of the Board**

The Board composition is as follows:

Category	Number of Directors as on March 31, 2021
<b>i) Non-Independent Directors</b>	
Chairperson & Managing Director	1
Executive Director	1
Non-Executive Promoter Directors	4
Subtotal	6
<b>ii) Independent Directors</b>	7
<b>Total Strength (i + ii)</b>	<b>13</b>

(ii) Other relevant details of the Directors as on March 31, 2021

Name of Directors	Date of Original Appointment	Relationship With other Directors	Category	Number of Directorships Held in Indian Public Limited Companies (including GCPL)*	Committee Positions including GCPL		Shares Held
					Committee Member (Excluding Committee Chairperson)**	Committee Chairperson**	
Adi Godrej	November 29, 2000	Brother of Nadir Godrej and Father of Tanya Dubash, Nisaba Godrej, and Pirojsha Godrej	Promoter/ Executive	3 (2)	2	1	1500#
Jamshyd Godrej	March 01, 2001	None	Promoter/ Non-Executive	5 (4)	1	0	0#
Nadir Godrej	November 29, 2000	Brother of Adi Godrej	Promoter/ Non-Executive	8 (5)	3	2	63#
Tanya Dubash	May 02, 2011	Daughter of Adi Godrej and Sister of Nisaba Godrej and Pirojsha Godrej	Promoter/ Non-Executive	8 (5)	1	0	66#
Nisaba Godrej	May 02, 2011	Daughter of Adi Godrej and Sister of Tanya Dubash and Pirojsha Godrej	Promoter/ Chairperson & Managing Director	5 (4)	0	0	3,70,087#
Pirojsha Godrej	April 01, 2017	Son of Adi Godrej and Brother of Tanya Dubash and Nisaba Godrej	Promoter/ Non-Executive	4 (3)	3	0	3,70,129#
Narendra Ambwani	May 02, 2011	None	Non-Executive/ Independent	5 (4)	8	1	3,000
Pippa Armerding	January 30, 2018	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Sumeet Narang	April 01, 2019	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Omkar Goswami	June 18, 2008	None	Non-Executive/ Independent	5 (4)	6	1	Nil
Aman Mehta	April 26, 2006	None	Non-Executive/ Independent	4 (4)	5	2	Nil
Ndidi Nwuneli	April 01, 2017	None	Non-Executive/ Independent	1 (1)	1	0	Nil
Ireena Vittal	April 30, 2013	None	Non-Executive/ Independent	3 (3)	3	0	Nil

#This shareholding reflects holding in their own name and does not include shares held as one of the trustee of family trusts.

\*Does not include directorships in private companies, Section 8 companies, and foreign companies.

\*\*Does not include chairmanship/membership in Board Committees other than the Audit Committee and Shareholders' Grievance Committee and chairmanship/membership in board committees in companies other than public limited companies registered in India.

**Note:** Figures in brackets denote directorships in listed companies.

(iii) Details of directorship in other listed companies including category of their directorship as on March 31, 2021

Names of Directors	Directorship in Other Listed Companies	Category of Directorship
Adi Godrej	1. Godrej Industries Limited	Chairman
Jamshyd Godrej	1. Godrej Industries Limited	Director
	2. Godrej Agrovat Limited	Director
	3. Godrej Properties Limited	Director
Nadir Godrej	1. Godrej Industries Limited	Managing Director
	2. Astec Lifesciences Limited	Chairman
	3. Godrej Agrovat Limited	Chairman
	4. Godrej Properties Limited	Director
Tanya Dubash	1. Godrej Industries Limited	Director
	2. Godrej Agrovat Limited	Director
	3. Britannia Industries Ltd	Independent Director
	4. Escorts Limited	Independent Director
Nisaba Godrej	1. Godrej Agrovat Limited	Director
	2. VIP Industries Limited	Independent Director
	3. Mahindra and Mahindra Limited	Independent Director
Pirojsha Godrej	1. Godrej Agrovat Limited	Director
	2. Godrej Properties Limited	Chairman
Narendra Ambwani	1. Parag Milk Foods Limited	Independent Director
	2. Agro Tech Foods Limited	Independent Director
	3. RPG Life Sciences Limited	Independent Director
Pippa Tubman Armerding	NIL	-
Sumeet Narang	NIL	-
Ndidi Nwuneli	NIL	-
Omkar Goswami	1. Bajaj Finance Limited	Independent Director
	2. Ambuja Cements Limited	Independent Director
	3. Bajaj Auto Limited.	Independent Director
Aman Mehta	1. Wockhardt Limited	Independent Director
	2. Max Financial Services Limited	Independent Director
	3. Tata Steel Limited	Independent Director
Ireena Vittal	1. Housing Development Finance Corporation Limited	Independent Director
	2. Wipro Limited	Independent Director

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

Names of Meetings	Board	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility	Stakeholders' Relationship Committee	Risk Management Committee	AGM August 4, 2020
Number of Meetings held	5	4	4	2	1	2	1
Attendance of Directors							
Adi Godrej	5	NA	NA	NA	1	NA	Yes
Jamshyd Godrej	5	NA	NA	NA	1	NA	Yes

Names of Meetings	Board	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility	Stakeholders' Relationship Committee	Risk Management Committee	AGM August 4, 2020
Nadir Godrej	5	NA	NA	2	0	1**	Yes
Tanya Dubash	5	NA	NA	1	NA	NA	Yes
Nisaba Godrej	5	NA	NA	2	NA	2	Yes
Pirojsha Godrej	5	1#	NA	NA	1	NA	Yes
Narendra Ambwani	5	4	4	2	1	NA	Yes
Pippa Armerding	5	4	4	NA	NA	NA	Yes
Sumeet Narang	5	4	4	NA	NA	NA	Yes
Omkar Goswami	5	4	4	NA	NA	2	Yes
Aman Mehta	5	4	4	NA	NA	NA	Yes
Ndidi Nwuneli	5	4	4	NA	NA	NA	Yes
Ireena Vittal	5	4	4	NA	NA	NA	Yes
Vivek Gambhir*	3	NA	NA	1	NA	NA	Yes

**Notes:**

\*Mr Vivek Gambhir ceased to be Director with effect from September 30, 2020.

\*\*Mr Nadir Godrej became member of Risk Management Committee with effect from December 24, 2020.

#Mr Pirojsha Godrej became member of Audit Committee and Stakeholders Relationship Committee with effect from October 1, 2020.

'NA' indicates not a member of the committee.

- The maximum gap between any two board meetings did not exceed 120 days during the year.
- Leave of absence was granted to the Directors whenever they could not be present for the Board/ Committee meeting.
- All the meetings were held through video conferencing as permitted by the MCA.
- Board meetings were held on May 13, 2020, June 9, 2020, Aug 4, 2020, Nov 5, 2020 and Feb 8, 2021.
- Audit Committee meetings were held on May 13, 2020, Aug 4, 2020, Nov 5, 2020 and Feb 8, 2021.
- Nomination and Remuneration Committee meetings were held on May 13, 2020, June 9, 2020, Aug 4, 2020 and Feb 8, 2021.
- The Independent Directors meeting was held on May 13, 2020.
- The Stakeholders' Relationship Committee meeting was held on Nov 5, 2020.
- Risk Management Committee meetings were held on Nov 3, 2020 and March 26, 2021.
- Corporate Social Responsibility Committee meetings were held on May 13, 2020 and Nov 5, 2020.

(i) Reappointment of Directors liable to retire by rotation

The Board has four Directors whose period of office is liable to be determined for retirement by rotation, and of these four directors, one-third, i.e. one Director, shall retire at the Annual General Meeting. Thus, Mr Nadir Godrej will retire at the ensuing Annual General Meeting of the Company and, being eligible, will be considered for reappointment. His brief resume is annexed to the notice of the Annual General Meeting.

18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Stakeholders' Relationship Committee formed in accordance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 inter alia looks into investor grievances. The Company has also formed a Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which looks after the appointment, remuneration, and performance evaluation of Directors. The criteria for performance evaluation of Independent Directors includes skills, experience, level of preparedness, attendance, extent of contribution to board

debates and discussion, and how each Director leverages his/ her expertise and networks to meaningfully contribute to the Company. The Company also has a Risk Management Committee in accordance with Regulation 21 of the Listing Regulations.

GCPL has also formed a new Committee called 'Sustainability Committee' with effect from April 1, 2021 in order to strengthen oversight and governance of Sustainability risks, opportunities and progress against goals. The Sustainability Committee consist of Ms. Nisaba Godrej, Ms. Tanya Dubash, Mr. Nadir Godrej, Mr. Narendra Ambwani and Ms. Ndidi Nwuneli as Members. The Committee will meet at least twice in a year.

#### F. Committees of the Board

The Company has constituted an Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation

#### Composition of the Committees as on March 31, 2021

Names of Directors	Position in the Committee					
	Category	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
Adi Godrej	Promoter and Executive	None	None	Member	None	None
Jamshyd Godrej	Promoter and Non-Executive	None	None	Member	None	None
Nadir Godrej	Promoter and Non-Executive	None	None	Chairman	Member*	Chairman
Nisaba Godrej	Promoter and Executive Chairperson	None	None	None	Member	Member
Tanya Dubash	Promoter and Non-Executive	None	None	None	None	Member
Pirojsha Godrej	Promoter and Non-Executive	Member#	None	Member#	None	None
Narendra Ambwani	Independent	Member	Chairman	Member	None	Member
Pippa Armerding	Independent	Member	Member	None	None	None
Sumeet Narang	Independent	Member	Member	None	None	None
Omkar Goswami	Independent	Member	Member	None	Chairman	None
Aman Mehta	Independent	Chairman	Member	None	None	None



Names of Directors	Category	Position in the Committee				
		Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility Committee
Ndidi Nwuneli	Independent	Member	Member	None	None	None
Ireena Vittal	Independent	Member	Member	None	None	None
Total Strength of the Committee		8	7	5	5	4
Number of Independent Directors in the Committee		7	7	1	1	1
Number of Non-Independent Directors in the Committee		1	-	4	2	3
Members of Senior Management in the Committee		-	-	-	2	-

\*Mr Nadir Godrej became member of Risk Management Committee with effect from December 24, 2020.

#Mr Pirojsha Godrej became member of Audit Committee and Stakeholders Relationship Committee with effect from October 1, 2020.

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

disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.

(b) Changes, if any, in accounting policies and practices and reasons for the same.

#### G. Terms of reference of Board Committees

##### (i) Audit Committee

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

Financial Statements

- Overseeing the Company's financial reporting process and

- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(a) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013.

(c) Major accounting entries involving estimates based on the exercise of judgment by the 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) Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Scrutiny of intercorporate loans and investments.

**Review of Information**

- Reviewing, with the management, the statement of uses/ application of funds raised through an issue, such as public, rights, or preferential issues; the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice; and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to initiate steps in this matter.
- Reviewing the management discussion and analysis of financial condition and results of operations.

- Statement of deviations:
  - quarterly statement of deviation(s) including the report of the monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
  - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

**Internal Control**

- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
- Evaluation of internal financial controls and risk management systems.
- 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.

**External and Internal Audit**

- Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing of management letters/ letters of internal control weakness issued by the statutory auditors.
- Reviewing the appointment, removal, and terms of remuneration of the chief internal auditor.
- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit.
- Reviewing internal audit reports relating to internal control weakness.
- Discussion with internal auditors of any significant findings and follow-up thereon.

- 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.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process.
- Periodical discussions with the auditors about internal control systems and the scope of audit including the observations of the auditors and review of the quarterly, half yearly, and annual financial statements before submission to the Board. Overseeing compliance of internal control systems.
- Reviewing the utilisation of loans and/or advances from/ investment in the subsidiary exceeding ₹ 100 crore or 10 per cent of the asset size of the subsidiary, whichever is lower, including existing loans and advances.
- Reviewing on a quarterly basis, the statement of such significant related party transactions as may be specified by the Committee and the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

#### **Related Party Transactions**

- Approval or any subsequent modification of transactions of the Company with related parties.
- Formal approval or omnibus approval of transactions with related parties or any subsequent modification of transactions of the Company with related parties including their basis.
- Laying down criteria for granting omnibus approval to related party transactions.
- Satisfy itself of the need for omnibus approval of related party transactions so that that the approval is in the interest of the Company.
- Granting omnibus approval for related party transactions not exceeding ₹ 1 crore per transaction in a financial year.
- Recommending the revision in the Policy on Material-Related Party Transactions and on dealing with Related Party Transactions to align it with the extant applicable provisions.

#### **Compliance**

- Looking 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, if any.
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Reviewing the findings of any examinations by regulatory agencies and any auditor observations.

#### **Subsidiary Companies**

- The Committee shall have access to the Audit Committee minutes of the subsidiary companies.
- Reviewing the financial statements, in particular the investments made by the subsidiary companies.
- Recommending the revision in the Policy for determining Material Subsidiaries to align it with the extant applicable provisions.

- Reviewing the process for communicating the Code of Conduct to Company personnel and for monitoring compliance therewith.
- Reviewing compliance with respect to the provisions of Insider Trading Regulations at least once in a financial year and verifying that the systems for internal control for compliance with these regulations are adequate and operating effectively.
- Obtaining regular updates from the management regarding compliance matters.

#### **Other Responsibilities**

- Reviewing the functioning and compliances as regards the Company's Whistle Blower Policy.
- Approval of the appointment of the Chief Financial Officer after assessing the qualifications, experience, and background of the candidate.
- Valuation of undertakings or assets of the Company, wherever it is necessary by appointing a Registered Valuer in terms of Section 247 of the Companies Act, 2013.

- Instituting and overseeing special investigations as needed.
- Performing any other functions and activities related to this terms of reference as requested by the Board of Directors.
- Performing any other functions as required to be done by the Audit Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

#### **(ii) Nomination and Remuneration Committee**

The terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommendation to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel, and other employees.
- Formulation of criteria for the evaluation of performance of Independent Directors and the Board of Directors.

- Devising a policy on the diversity of Board of Directors.
- Identifying individuals who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board of Directors their appointment and removal.
- Deciding whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.
- Recommending to the Board, all remuneration, in whatever form, payable to senior management.
- Administering the Employee Stock Grant Scheme of the Company and render all such functions required to be done under the SEBI (Share-Based Employee Benefit) Regulations, 2015.
- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.

- Performing any other functions as required to be done by the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

**(iii) Stakeholders' Relationship Committee**

- Resolving the grievances of the security holders of the Company, including complaints relating to transfer/transmission of shares, non-receipt of Annual Report, and non-receipt of declared dividends; issue of new/duplicate certificates; and general meetings.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual

reports/statutory notices by the shareholders of the Company.

- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.
- Performing any other functions as required to be done by the Stakeholders' Relationship Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

**(iv) Risk Management Committee**

- The terms of reference of the Committee are as follows:
- Spearhead the risk management initiative within the Company.
- Review status of actions planned.
- Review progress and status of mitigation for the 'Risks That Matter'.
- Set standards for risk documentation and monitoring.
- Improve risk management techniques and enhance awareness.

- Review and manage risks relating to cyber security.
- Performing any other functions and activities related to the terms of reference as requested by the Board of Directors.
- Performing any other functions required to be done by the Risk Management Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.

**(v) Corporate Social Responsibility Committee**

- Formulate and recommend to the Board a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred above.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Perform any other functions and activities related to the terms of reference as requested by the Board of Directors.

- Perform any other functions as required to be done by the Corporate Social Responsibility Committee as per the provisions of the Companies Act, 2013, the Listing Regulations, and any other laws or regulations from time to time.
- Review progress against Sustainability goals across the company
- Review key Sustainability risks for GCPL, set standards for monitoring, and sign off mitigation measures
- Frame key long-term Sustainability opportunities for GCPL and align Board of Directors as required
- Formulate and recommend to the Board of Directors, key Sustainability policies, as required
- Performing any other functions and activities related to these terms of reference as requested by the Board of Directors.

**(vi) Sustainability Committee**

- Spearhead GCPL's overall Sustainability ambition, strategy and long-term thinking

**2. REMUNERATION POLICY**

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

**Remuneration to Directors:**

Details of the remuneration to Directors are as follows:

Names of Directors	Sitting Fees	Commission on Profits	Salary, Allowances and Other Benefits	PLVR	Company's Contribution to PF	Amount (₹) crore	
						Monetary Value of Perquisites	Total
<b>Whole-Time Directors</b>							
Adi Godrej	-	-	1.38	0.00	0.02	2.58	3.98
Nisaba Godrej	-	-	0.49	0.00	0.01	0.57	1.07
Vivek Gambhir	-	-	9.50	0.00	0.16	4.93	14.59
<b>Subtotal</b>	-	-	11.37	0.00	0.19	8.08	19.64
<b>Non-Executive Directors</b>							
Jamshyd Godrej	0.05	0.20	-	-	-	-	0.25
Nadir Godrej	0.06	0.20	-	-	-	-	0.26
Tanya Dubash	0.05	0.20	-	-	-	-	0.25
Pirojsha Godrej	0.05	0.20	-	-	-	-	0.25
Narendra Ambwani	0.07	0.35	-	-	-	-	0.42
Pippa Armerding	0.07	0.35	-	-	-	-	0.42
Omkar Goswami	0.07	0.35	-	-	-	-	0.42
Ndidi Nwuneli	0.07	0.35	-	-	-	-	0.42
Aman Mehta	0.07	0.35	-	-	-	-	0.42
Sumeet Narang	0.00	0.00	-	-	-	-	0.00
Ireena Vittal	0.07	0.35	-	-	-	-	0.42
<b>Subtotal</b>	0.63	2.90	0.00	0.00	0.00	0.00	3.53
<b>Total</b>	0.63	2.90	11.37	0.00	0.19	8.08	23.17

**Notes:**

- Mr. Adi Godrej and Ms. Nisaba Godrej drew salary for only one month (basic salary and various elements of flexible compensation). The net salary for this month was remitted to PM Cares fund as desired by them. For the rest of the year, Mr. Adi Godrej and Ms. Nisaba Godrej had voluntarily waived the remuneration receivable (including Performance Linked variable remuneration) due to the grave situation in the country caused by the outbreak of the COVID 19 pandemic and the 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. They drew only the perquisites. In case of Mr. Adi Godrej, the monetary value of perquisites includes maintenance of accommodation, car, electricity expenses, perquisite tax borne by the Company and medical insurance premium paid by the Company. In case of Ms. Nisaba Godrej, the monetary value of perquisites includes reimbursement of medical expenses, accommodation, water and electricity perks, car and perquisite tax borne by the Company.
- Mr Vivek Gambhir was the Managing Director & CEO till June 30, 2020 and Whole-time Director till September 30, 2020. He ceased to be a Director thereafter. The salary includes basic salary various elements of flexible compensation, Gratuity paid. The perquisites received by Mr Vivek Gambhir include the perquisite value of stock grants exercised during the financial year.
- The Board of Directors had reappointed Mr Adi Godrej for a further period of 5 years beginning from April 1, 2019 to March 31, 2024. The same was approved by shareholders by postal ballot on March 20, 2019. The office of Mr Adi Godrej is terminable with a notice period of 3 months by either side.
- Ms. Nisaba Godrej was Whole time director designated as Executive Chairperson till June 30, 2020. The Board at its meeting held on June 9, 2020, appointed her as the Managing Director with effect from July 1, 2020 to Sept 30, 2022 upon remuneration by way of salary and other perquisites as may be determined and agreed to between the Board of Directors and Ms. Nisaba Godrej from time to time. This above appointment was approved by the shareholders at the AGM held on August 4, 2020. The Board of Directors at its meeting held on May 11, 2021 approved the appointment of Mr. Sudhir Sitapati as the Managing Director with effect from October 18, 2021 (appointment subject to approval of the members). Accordingly, Ms. Nisaba Godrej will serve as a Whole time Director for the remainder of her term till Sep 30, 2022. She will also be the Executive Chairperson till March 31, 2022.
- The shareholders have authorised the payment of commissions on profits to Non-Executive Directors at a 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 is 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 Audit Committee meetings, Nomination and Remuneration Committee meeting, and Independent Directors' meeting. In addition, all the Non-Executive Directors are paid sitting fees for attending the meetings of the Board or Committees thereof.
- Mr Sumeet Narang has voluntarily waived the remuneration receivable from the Company.
- All the Independent Directors except Ms Ndidi Nwuneli, Ms Pippa Armerding, and Mr Sumeet Narang were originally appointed in terms of the erstwhile Listing Agreement (refer to the table containing other relevant details of the Directors under Para 1 of Board of Directors for the original date of appointment). After the notification of Companies Act, 2013, these Independent Directors have been appointed for a period of 5 years. Upon completion of the first term, Dr. Omkar Goswami and Ms Ireena Vittal have been reappointed for a second term of five years. Mr. Aman Mehta has been reappointed for the period till August 31, 2021 and Mr. Narendra Ambwani has been reappointed for the period till November 14, 2023.

### 3. Details of Stakeholder Complaints and Stakeholders' Grievance Committee

Sr. No.	Nature of Complaint/Query	Total Complaints Pending at the Beginning of the Year	Total Complaints Received During the Year	Total Complaints Replied During the Year	Total Complaints Pending at the End of the Year	Complaints Not Resolved to the Satisfaction of Shareholders
1.	Non-receipt of dividend	Nil	126	126	0	0
2.	Non-receipt of shares lodged for transfer/exchange	Nil	24	24	0	0
3.	Non-receipt of the Annual Report	Nil	0	0	0	0
4.	Others	Nil	0	0	0	0
	Total	Nil	150	150	0	0

### 4. GENERAL BODY MEETINGS

#### A. Annual General Meeting

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

Date	Time	Venue	Details of Special Resolutions Passed
July 30, 2018	3:00 p.m.	Godrej One, 1 <sup>st</sup> Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	NIL
August 1, 2019	1.30 p.m.	Godrej One, 1 <sup>st</sup> Floor Auditorium, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079	Reappointment of Mr Narendra Ambwani, Mr Aman Mehta, Dr. Omkar Goswami, and Ms Ireena Vittal as Independent Directors for a second term of 5 years.
August 4, 2020	04:00 p.m.	Video conferencing	NIL

No postal ballot was conducted during the FY 2020-2021.

### 5. MEANS OF COMMUNICATION

GCPL sends quarterly newsletters to the registered email addresses of the investors. Moreover, all vital information related to the Company and its performance, including quarterly results, press releases, and performance updates/ corporate presentations, and the information required by

the Listing Regulations are posted on the Company's website– [www.godrejcp.com](http://www.godrejcp.com). The quarterly, half yearly, and annual results of the Company's performance are generally published in leading English dailies, such as Business Line as well as in the Marathi newspaper Lokmat. The Chairperson holds conference calls/meetings with financial analysts once in a quarter, and their transcripts

are posted on the website. The presentations made to financial analysts and institutional investors are shared with the Stock Exchanges and uploaded on the Company's website. The same may be accessed through the link given below<sup>[2]</sup> The Company files its quarterly results on the electronic filing system of the Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India Limited (NSE). The

[2] <https://godrejcp.com/investors>



same are also available on the websites of the BSE Limited and NSE, namely <https://www.bseindia.com/> and [www.nseindia.com](http://www.nseindia.com), respectively.

not registered their email addresses are requested to do so for receiving communications from the Company.

update their email addresses by writing a letter to the Company under the signature of the first named shareholder. Shareholders who are holding shares in a demat form can do so by contacting their Depository Participant.

#### **Reminders to Investors**

Shareholders who are holding shares in a physical form can

Shareholders who have

## **6. GENERAL SHAREHOLDER INFORMATION**

### **A. Annual General Meeting**

Date and Time: Wednesday, August 4, 2021, 4.00 p.m. (IST)  
Venue: Video Conferencing/ Other audio visual means

### **B. Financial Calendar**

Financial Year: April 1, 2020 to March 31, 2021

### **C. The Board did not declare any Interim Dividends during Fiscal Year 2020-21, and also has not recommended any final dividend for the fiscal year.**

### **D. Listing**

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

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

The applicable listing fees has been paid to the stock exchanges before the due date.

## E. Market Price Data

The monthly high and low prices of GCPL at the BSE Limited and the NSE in Equity series for the year ended March 31, 2021, are as follows:

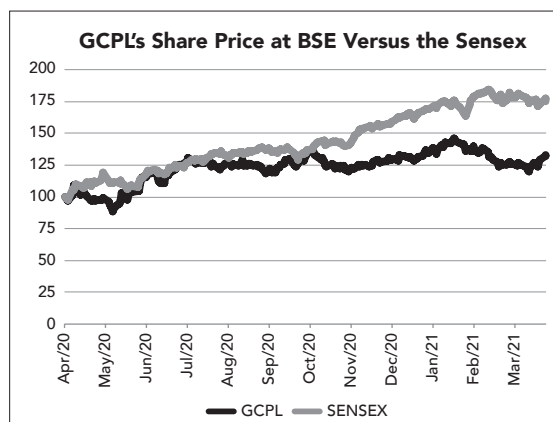
Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-20	639.35	515.55	639.80	515.35
May-20	639.90	484.05	639.95	484.05
Jun-20	697.15	592.40	697.70	591.25
Jul-20	720.65	663.00	721.70	663.50
Aug-20	716.40	647.40	716.70	647.00
Sep-20	736.25	641.65	736.95	641.00
Oct-20	761.50	661.40	762.00	661.00
Nov-20	719.40	654.05	719.60	653.60
Dec-20	756.95	683.50	756.90	683.10
Jan-21	808.00	731.60	808.35	731.25
Feb-21	773.70	644.00	773.80	676.00
Mar-21	734.45	646.25	734.65	646.15

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

**Note:** High and low are in rupees per traded share

## F. GCPL's Share Price at BSE Versus the Sensex

GCPL's share performance compared with the BSE Sensex for fiscal year 2020-21 is as follows:



**Note:**

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

## G. Registrar and Share Transfer Agent

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

Tel. No.: 022 22635000/01; Fax: 022 22635005

Email ID: gcpl@computechsharecap.in

Website: www.computechsharecap.com

Note: As per the announcement done on Nov 5, 2020, the Company will be moving to a new Registrar and Share Transfer Agent viz. Link Intime India Private Limited. The transition date has got delayed to restrictions in office attendance due to COVID. The Company will be announcing the transition date as soon as normalcy is restored.

The shareholders are requested to check stock exchange or Company's website for update on RTA transition before sending any communication to Computech Sharecap Limited.

## H. Share Transfer

In terms of amendments to Regulation 40 of Listing Regulations w.e.f. 1<sup>st</sup> April, 2019, transfer of securities in physical form has been stopped by SEBI.

SEBI has given the following clarifications:

1. The above decision does not prohibit the investor

from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019.

2. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

The above decision by SEBI is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

## I. Distribution of Shareholding

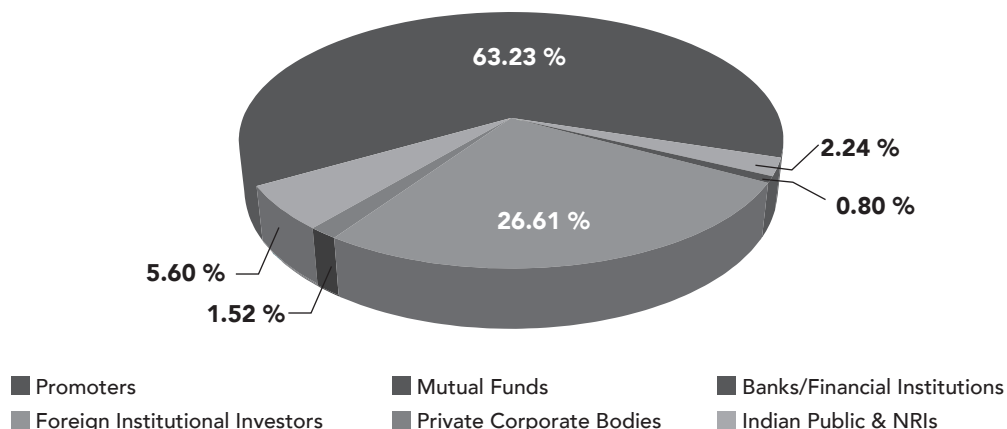
Distribution of shareholding by size class as on March 31, 2021

Number of Shares	Number of Shareholders	Shareholders %	Number of shares held	Shareholding %
1-500	1,63,401	88.03%	1,34,56,758	1.32%
501-1,000	11,427	6.16%	79,85,210	0.78%
1,001-2,000	6,503	3.50%	93,97,498	0.92%
2,001-3,000	1,554	0.84%	37,93,509	0.37%
3,001-4,000	726	0.39%	25,66,893	0.25%
4,001-5,000	371	0.20%	16,62,345	0.16%
5,001-10,000	654	0.35%	44,76,560	0.44%
10,001 and above	994	0.54%	97,91,47,500	95.76%
<b>Total</b>	<b>1,85,630</b>	<b>100.00%</b>	<b>1,02,24,86,273</b>	<b>100.00%</b>

Distribution of shareholding by ownership as on March 31, 2021:

Category	Shares Held (Number)	Per Cent of Holding
<b>Promoter's Holding:</b>		
Promoters	64,64,88,267	63.23%
<b>Institutional Investors:</b>		
Mutual Funds	2,29,10,450	2.24%
Banks/Financial Institutions	82,29,003	0.80%
Insurance Companies	0	0.00%
Foreign Institutional Investors	27,21,17,174	26.61%
<b>Others:</b>		
Private Corporate Bodies	1,55,00,367	1.52%
Indian Public	5,31,45,880	5.20%
NRI/OCB's	40,95,132	0.40%
<b>Total</b>	<b>1,02,24,86,273</b>	<b>100.00%</b>

## Shares held (Nos.)



### J. Shares Held in Physical and Dematerialised Forms

Breakup of physical and dematerialised shares as on March 31, 2021:

	Number of Shares	Per Cent	Number of Folios	Per Cent
Physical	81,08,356	0.79	16,589	8.94
Demat	1,01,43,77,917	99.21	1,69,041	91.06
<b>Total</b>	<b>1,02,24,86,273</b>	<b>100.00</b>	<b>1,85,630</b>	<b>100.00</b>

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

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

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

GCPL is exposed to commodity risks mainly due to imported palm oil derivatives. We enter into fixed price contracts with overseas suppliers in order to hedge price volatility.

Regarding commodities that are imported at a contracted fixed price, there is a foreign exchange currency risk and the mitigation of the same is managed by the FOREX

Committee of the Company. The Committee periodically meets and reviews the overall foreign exchange currency exposure and enters into forward contracts to hedge the currency risk. Details of hedged and unhedged positions for foreign currency exposures are available in the Notes to the Financial Statement of the Annual Report

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

Details of the exposure of the Company to palm oil derivatives are given below:

Commodity Name	Exposure in ₹ (Purchase orders raised during the year)	Exposure in Qty	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International Market		
			OTC	Exchange	OTC	Exchange	
Palm Oil Derivatives	840.84 crore	1.32 Lac MT	Nil	Nil	Nil	Nil	Nil

#### M. Plant Locations

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

Names of States /Union Territory	Location of Plants
Jammu & Kashmir	SICOP Industrial Estate-Kathua, Hatli Moth-Kathua, Industrial Area Phase III Lane 2, Bari Brahmana- Distt Sambha
Himachal Pradesh	Thana-Baddi, Katha-Baddi
Sikkim	Mamring, South Sikkim
Assam	Kalapahar-Guwahati, Lalung gaon-lokhra, Brahmaputra industrial park-village silla, Sarusajai-lokhra
Meghalaya	Byrnihat, Rebhoi District
Madhya Pradesh	Malanpur Industrial Area, District Bhind
Pondicherry	Kattukuppam-Manpet Post, Nallur Village-Mannadipet Commune, Nedungadu Commune-Karaikal, Thirunallar Commune-Karaikal
Tamil Nadu	Maraimalai nagar-Kanjipuram District

#### N. Address for Correspondence relating to queries of GCPL shares

Shareholders can contact us at our Registered Office: Godrej Consumer Products Limited, 4<sup>th</sup> Floor, Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079

Tel. No.: 022 25188010/20/30  
Fax No.: 022 25188040; Email

ID: investor.relations@godrejcp.com

Website: www.godrejcp.com

CIN:  
L24246MH2000PLC129806

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

Since, the Company has announced RTA change but transition is yet to be effected as on the date of this Report. Hence, the shareholders are requested to check stock exchange or Company's website to know the address of RTA for sending any communication to Registrar and Share Transfer Agent.

#### O. List of Credit Ratings Obtained during the Year

During the year, rating agencies have reaffirmed the following existing credit ratings of the Company.

[ICRA] A1+ (pronounced as ICRA A one plus) for ₹ 750 crore Commercial paper

Crisil A1+ for ₹ 750 crore Commercial paper

Long-term rating at [ICRA] AA+ (pronounced as ICRA double A plus) for unsecured fund-based and non-fund-based facilities and short-term rating at [ICRA] A1+ (pronounced as ICRA A one plus) aggregating to ₹1800 crore.

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

Long-term rating at [ICRA] AA+ (pronounced as ICRA double A plus) for secured fund-based and non-fund-based facilities and short-term rating at [ICRA] A1+ (pronounced as ICRA A one plus) aggregating to ₹ 200 crore.

**P. Electronic Credit of Dividend**

The Company encourages the shareholders to opt for electronic credit of dividends. The system is administered by the RBI, which ensures faster credit of dividends as dividends are directly credited in the electronic form to the bank accounts of the shareholder. Moreover, by availing this facility, shareholders avoid the risk of loss of dividend warrants in transit or fraudulent encashment. Shareholders holding shares in the physical form and who have not opted for the aforementioned system may download the form from the link given below<sup>[4]</sup>. Shareholders holding shares in the demat form are requested to provide details to NSDL/ CDSL through their respective depository participants.

It may be noted that if the shareholders holding shares in the demat form provide the details directly to the Company, the Company will not be able to act on the same, and consequently dividends cannot be remitted through

electronic credit.

**Q. Consolidation of Shares under One Folio**

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

**7. OTHER DISCLOSURES**

**A. Materially Significant Related Party Transactions That May Potentially Conflict with the Company's Interest**

During fiscal year 2020-21, there were no materially significant related party transactions; that is, transactions of the Company of material nature with bodies including its subsidiaries, promoters, directors, management, and relatives, which may have potential conflict with the interests of the Company at large.

Attention of members is drawn to disclosures of transactions with related parties, as set out in Notes to Accounts.

**B. Details of Non-Compliance**

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

**C. Vigil Mechanism/ Whistle Blower Policy**

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

**D. Web Link for Policies**

The Whistle Blower Policy, the Policy for determining Material Subsidiaries, and the Policy on dealing with Related Party

[4] <https://godrejcp.com/investors/investors-faqs>

<p>Transactions are available on the link given below<sup>[5]</sup></p>	<p>under Regulation 32 (7A) during this financial year.</p>	<p>the unclaimed shares into a demat account, namely the 'Unclaimed Suspense Account'. As and when an allottee approaches the Company, after proper verification, the shares are credited into the demat account of the allottee.</p>
<p><b>E. Utilisation of Funds</b></p> <p>There were no funds raised through preferential allotment or qualified institutions' placement as specified</p>	<p><b>F. Unclaimed Suspense Account</b></p> <p>In compliance with the Listing Regulations, your Company has transferred</p>	

Particulars	No. of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year (April 1, 2020)	1,521	871,344
Number of shareholders and aggregate shares transferred to the Unclaimed Suspense Account during the year on account of unclaimed share certificates pertaining to the bonus issue	0	0
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year and aggregate shares transferred	8	6915
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year and the aggregate shares transferred	0	0
Number of shareholders to whose shares were transferred from the Unclaimed Suspense Account to the IEPF Account during the year and the aggregate shares transferred	8	6915
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year (March 31, 2021)	1,513	864,429

**G. Certificate from Practicing Company Secretary on Director's Eligibility**

The Company has received a certificate from a company secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being

appointed or continuing as Directors of the Companies by the SEBI, Ministry of Corporate Affairs, or any such other statutory authority. The certificate is enclosed with this section as Annexure A.

**H. Details of Total Fees Paid to Statutory Auditors**

Details of total fees for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in network firms/ network entity of which the statutory auditor is a part are as follows:

Type of Services	Amount ₹ crore	
	2020-21	2019-20
Audit Fees	6.75	8.17
Tax Fees	0.20	0.29
Others	0.45	0.23
Total	7.40	8.69

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

**I. Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013:**

	Received during Financial year 2020-21	Disposed during Financial year 2020-21	Pending at the end of Financial year 2020-21
Number of Complaints	0	0	0

**J. Details of Compliance with Corporate Governance Requirements**

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

Regulations, the practicing Company Secretary's certificate regarding the compliance of conditions of corporate governance is attached to the Board's Report.

website [www.godrejcp.com](http://www.godrejcp.com)

All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2021.

**DECLARATION BY THE MANAGING DIRECTOR**

**For Godrej Consumer Products Ltd.**

**K. Recommendation by the Board Committees**

There have been no instances of rejection by the Board for any recommendations by the Board Committees during this financial year.

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

sd/-  
**Nisaba Godrej**  
**Chairperson and Managing Director**  
Mumbai, May 11, 2021

**8. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

As stipulated in Para E of Schedule V of the Listing

The Board of Directors of GCPL has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company



## ANNEXURE A:

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Godrej Consumer Products Limited  
4<sup>th</sup> Floor, Godrej One, Pirojshanagar,  
Eastern Express Highway, Vikhroli  
(East), Mumbai-400079

I/We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Godrej Consumer Products Limited having CIN - L24246MH2000PLC129806 and having a registered office at Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai-400079 (hereinafter referred to as 'the Company'), produced before us (including soft copies in some cases due to lockdown) by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C Subclause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015.

In our opinion, to the best of our knowledge, and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

Sr. No.	Names of Directors	DIN	Date of Appointment in Company
1	Adi Barjorji Godrej	00065964	November 29, 2000
2	Tanya Arvind Dubash	00026028	May 2, 2011
3	Nadir Burjor Godrej	00066195	November 29, 2000
4	Jamshyd Naoraji Godrej	00076250	March 1, 2001
5	Pirojsha Adi Godrej	00432983	April 1, 2017
6	Nisaba Adi Godrej	00591503	May 2, 2011
7	Narendra Kumar Anand Ambwani	00236658	May 2, 2011
8	Sumeet Subhash Narang	01874599	April 1, 2019
9	Aman Mehta	00009364	April 26, 2006
10	Omkar Goswami	00004258	June 18, 2008
11	Ireena Vittal	05195656	April 30, 2013
12	Ndidi Okonkwo Nwuneli	07738574	April 1, 2017
13	Pippa Fametta Tubman Amerding	08054033	January 30, 2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is

neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. N. Ramani & Co.,  
Company Secretaries  
UNIQUE CODE-P2003MH000900  
Mital Pawar  
Partner  
ACS-57478, COP-23424

Date : 11<sup>th</sup> May, 2021

Place : Thane