

**GODREJ CONSUMER PRODUCTS LIMITED**

**MINUTES OF TWENTY FIRST ANNUAL GENERAL MEETING HELD ON WEDNESDAY, AUGUST 4, 2021**

<i>Date</i>	<i>Wednesday, August 4, 2021</i>
<i>Time</i>	<i>4.00 p.m. to 5.15 p.m.</i>
<i>Held through</i>	Video conferencing

**Present**

<b>Name of Directors</b>	<b>Designation</b>	<b>Attending through VC from</b>
Mr. Adi Godrej	Chairman Emeritus	Mumbai
Ms. Nisaba Godrej	Chairperson & Managing Director	Mumbai
Mr. Nadir Godrej	Director, Chairman of Stakeholders' Relationship Comm. & CSR Committee	Mumbai
Mr. Jamshyd Godrej	Director	Mumbai
Ms. Tanya Dubash	Director	London
Mr. Pirojsha Godrej	Director	Italy
Mr. Narendra Ambwani	Independent Director, Chairman of Nomination & Remuneration Committee	New York
Dr. Omkar Goswami	Independent Director, Chairman of Risk Management Committee	Delhi
Mr. Aman Mehta	Independent Director, Chairman of the Audit Committee	Delhi
Ms. Ndidi Nwuneli	Independent Director	Washington DC
Ms. Ireena Vittal	Lead Independent Director	Gurgaon
Ms. Pippa Armerding	Independent Director	Johannesburg
Mr. Sumeet Narang	Independent Director	New York

Mr. V Srinivasan	Chief Financial Officer & Company Secretary	Mumbai
Mr. Vijay Mathur	Engagement Partner, B S R & Co., Statutory Auditors of the Company	Mumbai
Mr. Jaymin Sheth	Director, B S R & Co., Statutory Auditors of the Company	Mumbai
Mr. Ashok Ramani	Partner from A N Ramani & Co, Secretarial Auditors	Mumbai
Ms. Bhavana Shewakramani	Partner from A N Ramani & Co, Secretarial Auditors	Kanpur
Mr. Kalidas Vanjpe	Practicing Company Secretary (Scrutinizer for remote e-voting and e-voting at the meeting)	Mumbai

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**Shareholders' Attendance**

Category	In Person (No. of folio)			Through video conferencing (no of folio)
	Individuals	Bodies Corporate (through Authorised representative)	Total	
Promoter & Promoter group	0	0	0	11
Public	0	0	0	56
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67</b>

The statutory registers, Auditors' Report, Secretarial Audit Report and Certificate by Statutory Auditors on compliance with Employee (Share Based Employee Benefits) Regulations, 2014 were made available for inspection on the website of the Company during the AGM.

**E-AGM**

In view of the restrictions due to outbreak of the Coronavirus pandemic, the Ministry of Corporate Affairs and SEBI had permitted the holding of AGM through Video Conferencing means, without the physical presence of the shareholders at a common venue. Accordingly, this meeting was convened and conducted through Video Conferencing.

**Chairperson of the meeting and commencement of proceedings**

At approximately five minutes past 4.00 p m, Ms. Nisaba Godrej, Chairperson & Managing Director, welcomed the shareholders and after ascertaining that the requisite quorum was present, declared that the meeting was validly constituted and commenced the proceedings of the meeting. The Chairperson also informed the shareholders that the Statutory Registers and documents are available for inspection by the members on the website of the Company during the AGM.

Ms. Nisaba Godrej announced the names of Directors attending the meeting.

**Notice convening the meeting and the Auditors Report**

The Chairperson informed the meeting that the notice of the Annual General Meeting ('AGM') along with the Annual & Integrated Report for FY 2020-201 has already been circulated to the members and with the permission of the members present, the notice of the meeting was taken as read.

The Chairperson further informed the meeting that, the Auditors' Report on the Financial Statements of the Company for the financial year ended March 31, 2021 did not have any qualifications, observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company and accordingly, the same was not required to be read out before the meeting. With the permission of the members present, the Auditors' Report was taken as read.

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Since the Secretarial Audit Report did not contain any qualifications, observations or comments or other remarks, there was no requirement to read the Secretarial Audit Report at the meeting.

The Chairperson requested Mr. V Srinivasan, Chief Financial Officer & Company Secretary to explain to the members, the process of voting on the resolutions.

Mr. V. Srinivasan explained to the members the process for participating in the meeting and in particular the members were informed that in terms the Companies Act, 2013, the Rules thereunder, and the provisions of the Listing Regulations, the Company had provided electronic voting facility to its members to exercise their right to vote by electronic means on all the businesses specified in the Notice. Additionally, those who could not cast their vote through e-voting can do so during the AGM and the e-voting process will continue for 15 minutes after the conclusion of the meeting and will be disabled thereafter.

Ms. Nisaba Godrej then addressed the members, *inter alia*, covering the following points viz. macro-economic environment, impact of COVID-19 on the business, GCPL's performance during the fiscal year 2020-21 and for Q1 of Financial Year 2021-22.

The members were informed that Mr. Adi Godrej has resigned as Executive Director with effect from the close of business hours of September 30, 2021 and Mr. Aman Mehta is retiring on August 31, 2021. The Chairperson thanked both for their contributions to GCPL and wished them success and healthy life ahead.

**Queries by shareholders and e-voting**

Thereafter, the Chairperson invited the shareholders to speak or ask questions pertaining to the performance of the Company during the year under review and they were given sufficient time for engagement.

Following shareholders viz. Dr. Arun Bopanna (IN30267931255589), Mr. Manoj Kumar Gupta (IN30045011218986), Mr. Shailesh Mahadevia (IN30012610537621), Ms. Hutokshi Patel (1203710000018446), Mr. Agarwal Saraf (1205450000030146) and Mr. Dipankar Purkayastha (1204720009417188) raised their queries on operations and business strategies of the Company.

Brief summary/ gist of queries and responses given by the Chairperson is given below:

**Q.** What are employment opportunities for young job seekers in India?

**A.** We hire the best amongst the applicants who apply for the Jobs.

**Q.** In 150 years, for the first time Urban development is now designed around people and not roads. What are GCPL plans to face challenges in Warehousing and logistics?

**A.** GCPL has its warehouses closer to the market. We also use technology to optimize the routes we serve.

**Q.** With increasing raw material costs, how does GCPL manage the price hike?

**A.** GCPL takes calibrated price increases balancing demand, competitive intensity and margins.

**Q.** With an array of products, brands, how does GCPL retain their customer loyalty?

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**A.** Products offered by GCPL are of good quality and value for money and we constantly focus on meeting the needs of consumers in a cost effective manner.

**Q.** Is GCPL planning for online sales/home deliveries? With pandemic lockdowns etc, If not why?

**A.** GCPL has strong presence in E-Com channels through partners like Amazon, Grofers, Nykaa and Flipkart, etc. 5% of India business sales were through E-commerce channel.

**Q.** Has rural demand increased more than urban in this pandemic, what will be future?

**A.** In 2020-21, urban has grown faster than rural. Both urban and rural would continue to grow. Rural continues to outpace urban growth for GCPL. In FY21, our Rural growth was 2.3X Urban growth.

**Q.** World over there is a shift to clean and green energy, that's the seismic shift energy majors set of target to go net zero carbon by 2035 in this context what are GCPL plans to go to RE and reduce carbon foot print

**A.** Yes, we are shifting towards clean and green energy sources. We already replaced coal with renewable fuel. As of now, the major fuel we use is natural gas followed by biomass. We are also buying solar based electricity for our largest manufacturing facility located in Madhya Pradesh. Overall, 30% of energy for India operations is contributed from renewable sources.

**Q.** What is future outlook of the co for next 2-3 years about consumer product business?

**A:** It's difficult to give exact guidance on this but we are very positive about GCPL's future, our categories and markets where we operate in have significant growth potential.

**Q.** Kindly give details of our association with Walmart.

**A.** We have business with all the Modern trade/ Cash & Carry partners. Walmart is also one of them.

**Q.** How many employees are eligible for Stock Options?

**A.** Around 40 senior level employees like function and business heads are eligible.

**Q.** How many patents are granted? How many patents we have applied for?

**A.** We have been granted ~35 design & product patents. ~15 patents are applied for and in various stages in the approval process.

**Q.** COVID 19 situation is changing regularly in different parts of the world & the rate of Vaccination is also poor in many parts of Africa, Latin America & South East Asian countries where we have large interests. Can you share the latest information you have on the subject?

**A:** Our main focus is on getting maximum number of our employees fully vaccinated. We are facilitating vaccination in collaboration with local agencies and hospitals.

**Q.** Products not available in Mumbai market? (Cinthol, BBlunt, Professional etc)

**A.** Our products are available in all the key retail outlets, modern trade chains and e-commerce platforms. Professional products are available in Salons and on e-commerce channel.

**Q.** Why was no dividend declared for FY 21 even though there were adequate profits during the year and adequate cash on the Balance Sheet.

**A.** The Board believes that given the uncertainties, it would be more appropriate to conserve cash and strengthen the Balance Sheet and prioritize repayment of our borrowings and also have adequate reserves to fund any interesting investment opportunities.

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**Q.** There is an addition of 69.15 cr during the year on account of leased buildings. What is this for?

**A.** This relates to the renewal of leases of our office buildings in India and warehouse in the USA.

**Q.** What was the rationale for making a 28% investment in the equity of Bhabhani Blunt Hairdressing Pvt Ltd.? What was the credit rating of the convertible debentures of Bhabhani Blunt Hairdressing Pvt Ltd? What is the credit rating of these debentures now? What is the current status of the operations of Bhabhani Blunt Hairdressing Pvt Ltd? Is it still a going concern?

**A.** Rationale – GCPL is a market leader in mass hair colouring segment and this investment was primarily to enter into premium hair colour segment. Compulsory convertible debentures is not mandatorily required to be rated. The salon services business was impacted during covid as most salons were either shut or operating below optimal capacity. It's still a going concern and the business is expected to pick up as normalcy returns post Covid.

**Q.** What was the credit rating of the NCDs of the NBFCs invested in by the Company? What are the names of the these NBFCs?

**A.** We invest only in AAA (indicating highest level of safety and security) NBFCs like Bajaj Finance Limited, HDFC Limited, LIC Housing Finance Limited, Tata Capital Financial Services Limited, etc.

After the required clarifications were given, the Chairperson informed the members that the Company had appointed Mr. Kalidas Vanjpe, Practicing Company Secretary as Scrutinizer for remote e-voting and e-voting at the AGM.

**Conclusion**

The Chairperson thanked all the members for attending the meeting through Video Conference. She also thanked and expressed her gratitude to the team members for their passion and drive to build a stronger more purposeful Company. She also expressed her deep gratitude to all the customers, business partners, shareholders, investors, and communities, for their continued support through the year.

The Chairperson informed the members that the e-voting facility would be kept open for 15 minutes to enable the members to cast their votes and the results of voting would be announced within 48 hours, by intimation to the Stock Exchanges as well as uploading on the Company website.

The meeting concluded at around 5.15 pm.

The Ordinary and Special Businesses as mentioned in the Notice of the AGM, on which remote E-voting and e-voting during the AGM was conducted are as below:

<b>Item No.</b>	<b>Resolutions</b>
<b>Ordinary Business</b>	
1	To receive, consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the financial year ended March 31, 2021 and Report of the Board of Directors and Auditors' Report thereon;

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Item No.	Resolutions
<b>Ordinary Business</b>	
2	To appoint a Director in place of Mr. Nadir Godrej (DIN: 00066195), who retires by rotation, and being eligible, offers himself for reappointment;
<b>Special Business</b>	
3	Ordinary Resolution for the ratification of remuneration payable to M/s. P. M. Nanabhoy & Co. (Firm Membership number 000012), appointed as Cost Auditors of the Company for the fiscal year 2021-22
4	Ordinary Resolution for appointment of Mr. Sudhir Sitapati (DIN: 09197063) as Managing Director and CEO for a period of five years with effect from October 18, 2021

**Results of remote e-voting and e-voting during the AGM:**

The results of remote e-voting (conducted from July 31, 2021 to August 3, 2021) and e-voting conducted at the AGM on August 4, 2021, was announced on August 6, 2021 and uploaded on the Company website, which are annexed herewith. Accordingly, the following resolutions for businesses as per the notice of the AGM were passed with requisite majority.

**Ordinary Business**

**1) Ordinary Resolution for Adoption of Accounts & Reports thereon**

**“RESOLVED THAT** the audited financial statements (both standalone and consolidated) of the Company for the year ended March 31, 2021 which includes the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2021, the Balance Sheet as at that date, the Auditors’ Report thereon and the Boards’ Report, placed before this meeting, be and are hereby adopted.”

**2) Ordinary Resolution for re-appointment of retiring Director- Mr. Nadir Godrej**

**“RESOLVED THAT** Mr. Nadir Godrej (DIN: 00066195), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company, liable to retire by rotation.”

**Special Business**

**3) Ordinary Resolution for ratification of remuneration payable to M/s. P. M. Nanabhoy & Co., appointed as Cost Auditors of the Company for FY 2021-22**

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P. M. Nanabhoy & Co. (Firm Membership number 000012), Cost Accountants, appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the fiscal year 2021-22, be paid a remuneration of ₹6,39,000/- per annum plus applicable taxes and out-of-pocket expenses that may be incurred.

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**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to perform all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

**4) Ordinary Resolution for appointment of Mr. Sudhir Sitapati (DIN: 09197063) as Managing Director and CEO for a period of five years with effect from October 18, 2021**

“**RESOLVED THAT** in accordance with the provisions of Sections 196,197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules thereunder, Mr. Sudhir Sitapati (DIN: 09197063) is hereby appointed as the Managing Director and CEO of the Company, on the following terms and conditions:

**I. Period of appointment: October 18, 2021 to October 17, 2026**

**II. Remuneration**

**A. Fixed Compensation**

Fixed Compensation shall include Basic Salary, Company’s Contribution to Provident Fund and Gratuity. The annual increments will be decided by the Board of Directors and will be merit based and take into account other relevant factors. The Company’s contribution to Gratuity shall be according to the rules of the Company, in force from time-to-time.

**B. Flexible Compensation**

In addition to the fixed compensation, Mr. Sudhir Sitapati will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called “perquisites and allowances”). These allowances may be granted to Mr. Sudhir Sitapati in such form and manner as the Board may decide.

- Housing as per rules of the Company (i.e. unfurnished residential accommodation as per Company’s rules OR House Rent Allowance as per Company’s rules);
- Supplementary allowance;
- Leave Travel Allowance in accordance with the rules of the Company;
- Payment/ reimbursement of club fees, food vouchers, petrol reimbursement, car maintenance as per rules of the company;
- Payment/ reimbursement of telephone expenses;
- Housing Loan as per rules of the Company, Contingency Loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Such other perquisites and allowances as per the policy/ rules of the Company in force and/or as may be approved by the Board from time to time. The annual fixed remuneration which includes fixed and flexible remuneration shall be within the range of INR 6 crores p.a. to INR 12 crores p.a.

**C. Variable Pay and Incentives**

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- (i) Performance Linked Variable Remuneration (PLVR) relating to the financial years during the period of appointment shall be according to the applicable scheme of the Company or as may be decided by the Board of Directors.
- (ii) Long Term Incentives as may be approved by the Board of Directors.
- (iii) Stock Grants under the Company' Employee Stock Grant Scheme (ESGS).

**D. Other Benefits**

- Company car with driver
- Furnishing at residence as per rules of the Company;
- Payment/ reimbursement of medical/ hospitalization expenses in accordance with the rules of the Company;
- Group insurance cover, group mediclaim cover in accordance with the rules of the Company;
- Consolidated privilege leave, on full pay and allowance, Encashment/ accumulation of leave will all be permissible in accordance with the rules specified by the Company. Sick leave as per the rules of the Company;

**Explanation:** Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

**III. Overall Remuneration**

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion may pay to Mr. Sitapati from time-to-time, shall not exceed the limits prescribed from time to time under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may for the time being, be in force.

**IV. Minimum Remuneration**

Notwithstanding the foregoing, where in any financial year during the tenure of Mr. Sudhir Sitapati, the Company has no profits or its profits are inadequate, the remuneration will be subject to the limits specified in Schedule V to the Companies Act, 2013.

**Notes:**

- a) Mr. Sudhir Sitapati is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.
- b) Mr. Sudhir Sitapati shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment, and it shall be Mr. Sitapati's endeavour, during the continuance of his employment, to prevent any other person from disclosing the aforesaid information.
- c) If Mr. Sitapati is guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as director

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or any breach of these terms, as in the opinion of all other Directors renders his retirement from the office desirable, the opinion of such other Directors shall be final, conclusive and binding on him, and the Company may, by giving thirty days' notice in writing to him, terminate the appointment and he shall cease to be the Managing Director & CEO of the Company, upon expiration of such notice.

d) In the event of any reenactment or re-codification of the Companies Act, 2013 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 2013 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.

**RESOLVED FURTHER THAT**

- i) the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force)
- ii) Any Key Managerial Personnel of the Company or any other person duly authorised by the Board be and are hereby severally authorised to take all such steps as may be necessary and expedient to give effect to this resolution and do all such acts including execution of agreement with Mr. Sudhir Sitapati.

**Chairperson**

**Date of Entry: August 18, 2021**

**Signed on:**

**Place: Mumbai**

Chairperson's initial