

# Report on Corporate Governance

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Clause 49 of the listing agreement with the Indian Stock Exchanges stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by listed Indian companies.

## 1. The Company's Philosophy

The Company is a part of the Godrej Group which has established a reputation for honesty and integrity. The Company's philosophy of corporate governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. The Company believes that corporate governance is about creating organisations that succeed in the marketplace with the right approach and values. This will enhance the value for all its stakeholders.

## THE GOVERNANCE STRUCTURE

### 2. Board of Directors

#### a) Board Structure

The Board of Directors of the Company comprises twelve Directors, which includes a Managing Director i.e. Mr. N. B. Godrej and two Whole-time Executive Directors, i.e.

Ms. T. A. Dubash and Mr. N. S. Nabar. The remaining nine are Non-Executive Directors, with six of them being Independent Directors. No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956, except (1) Mr. A. B. Godrej and Mr. N. B. Godrej, who are brothers, (2) Ms. T. A. Dubash who is the daughter of Mr. A. B. Godrej and (3) Mr. J. N. Godrej and Mr. V. M. Krishna, who are brothers-in-law. The details are given in Table 1 and 2 respectively:

#### b) Board meetings held and Directors' attendance record

The Board meets atleast once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board. During the year four Board meetings were held on May 28, 2013, August 10, 2013, November 11, 2013 and February 7, 2014. The details are given in Table 1:

**Table 1: Details about the Company's Board of Directors and meetings attended by the Directors during the year:**

Name of Director	Category	Board meetings held during the year	Board meetings attended during the year	Whether attended last AGM	Directorships held in other public companies incorporated in India as at year- end \$	Number of Chairmanship/ membership in Board Committees in other companies as at the year-end@	
						Chairmanship (excluding membership of committees )	Membership
Mr. A. B. Godrej	Chairman , Non-Executive, Promoter	4	4	Yes	5(2)	1	1
Mr. J. N. Godrej	Non-Executive, Promoter	4	3	Yes	7(4)	1	2
Mr. N. B. Godrej	Managing Director, Promoter	4	4	Yes	9(5)	1	1
Ms. T. A. Dubash	Whole-time Director, Promoter	4	2	Yes	5(1)	-	-
Mr. S. A. Ahmadullah	Non-Executive, Independent	4	4	Yes	-	-	-
Mr. V. M. Crishna	Non-Executive, Promoter	4	2	No	3(1)	-	-
Mr. K. K. Dastur	Non-Executive, Independent	4	4	Yes	3	1	-
Dr. N. D. Forbes	Non-Executive, Independent	4	1	Yes	1(1)	-	-
Mr. A. B. Choudhury	Non-Executive, Independent	4	4	Yes	4(2)	-	4
Mr. K. N. Petigara	Non-Executive, Independent	4	3	No	3	1	1
Mr. N. S. Nabar*	Whole-time Director	4	4	Yes	2(1)	1	1
Mr. K. M. Elavia*	Non-Executive, Independent	4	4	Yes	8(6)	4	3
Mr. M. Eipe*	Whole-time Director	-	-	NA	NA	NA	NA
Mr. J. S. Bilimoria*	Non-Executive, Independent	-	-	NA	NA	NA	NA

**Note:**

- (i) \$ Alternate Directorships and Directorships in private companies, foreign companies and associations are excluded.
- (ii) Figures in ( ) denote listed companies.
- (iii) Board Meetings held during the year represent the number of meetings held during the tenure of that director.
- (iv) \* Mr. J. S. Bilimoria passed away on May 3, 2013. Mr. M. Eipe retired on April 30, 2013. Mr. N. S. Nabar was appointed w.e.f. May 1, 2013 and Mr. K. M. Elavia was appointed w.e.f. May 28, 2013.
- (v) @ In accordance with Clause 49, Membership / Chairmanship of only the Audit Committee and Shareholders Committee in all public limited companies (except Godrej Industries Limited) have been considered.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

### c) Information supplied to the Board

Among others, this includes:

- Annual operating plans and budgets, capital budgets, and any updates thereon,
- Quarterly results of the Company,
- Minutes of meetings of audit committee and other committees,
- Information on recruitment and remuneration of senior officers just below the Board level,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially significant effluent or pollution problems,
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions,
- Significant development in the human resources and industrial relations front,

- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business,
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement,
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of the Company is presented with all information under the above heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board meeting or are tabled in the course of the Board meeting.

### d) Directors with materially significant related party transactions, pecuniary or business relationship with the Company

Except for drawing remuneration, none of the Independent Directors have any other materially significant related party transactions, pecuniary or business relationship with the Company. Attention of Members is drawn to the disclosures of transactions with related parties set out in note no. 46 to the Financial Statements (standalone), forming part of the Annual Report.

### e) Remuneration of Directors: sitting fees, salary, perquisites and commissions and Number of Shares held by Non-Executive Directors

The details of remuneration package of Directors and their relationships with each other are given in Table 2. The number of shares held and dividend paid are given in Table 3.

**Table 2 : Details of Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2014**

(Amount in ₹)

Name of Director	Relationship with Directors	Sitting fees	Salary & Allowances	Perquisites	Provident Fund	Total
Mr. A. B. Godrej	Brother of Mr. N. B. Godrej & Father of Ms. T. A. Dubash	1,75,000	Nil	Nil	Nil	1,75,000
Mr. J. N. Godrej	Brother-in law of Mr. V. M. Crishna	Nil	Nil	Nil	Nil	Nil
Mr. N. B. Godrej	Brother of Mr. A. B. Godrej	NA	2,12,64,580	1,32,93,996	13,68,000	3,59,26,576
Ms. T. A. Dubash	Daughter of Mr. A. B. Godrej	Nil	2,40,03,485	39,24,248	10,44,000	2,89,71,733
Mr. S. A. Ahmadullah	None	1,40,000	Nil	Nil	Nil	1,40,000
Mr. A. B. Choudhury	None	1,40,000	Nil	Nil	Nil	1,40,000
Mr. V. M. Crishna	Brother-in-law of Mr. J. N. Godrej	Nil	Nil	Nil	Nil	Nil
Mr. K. K. Dastur	None	1,30,000	Nil	Nil	Nil	1,30,000
Mr. N. D. Forbes	None	20,000	Nil	Nil	Nil	20,000
Mr. K. N. Petigara	None	1,05,000	Nil	Nil	Nil	1,05,000
Mr. N. S. Nabar	None	Nil	73,62,575	21,94,324	3,76,200	99,33,099
Mr. K. M. Elavia	None	80,000	Nil	Nil	Nil	80,000
Mr. M. Eipe	None	Nil	1,24,03,009	4,52,543	95,040	1,29,50,592
Mr. J.S. Bilimoria*	None	Nil	Nil	Nil	Nil	Nil

**Notes:**

1. Remuneration to Mr. N. B. Godrej and Ms. T. A. Dubash, includes a performance linked variable remuneration of ₹ 45,54,083 each for the year ended March 31, 2014 payable in 2014-15.
2. The service contract of Mr. N. B. Godrej is for a period of three years beginning from April 1, 2011. The service contract of Mr. N. B. Godrej has been renewed for a period of three years beginning from April 1, 2014 at the Annual General Meeting held on August 10, 2013. The service contract of Ms. T. A. Dubash is for a period of three years beginning from April 1, 2013. The service contract of Mr. N. S. Nabar is from May 1, 2013 for a period upto March 31, 2016.
3. The remuneration of Mr. M. Eipe is for a period of one month upto April 30, 2013, being the date of his retirement. Salary includes gratuity ₹1,00,98,385 and leave encashment ₹ 6,00,816.
4. The remuneration of Mr. N. S. Nabar is for a period of 11 months from May 1, 2013 to March 31, 2014. Salary includes leave encashment of ₹ 4,99,130.
5. \*Mr. J. S. Bilimoria passed away on May 3, 2013.

**Table 3: Number of shares held by Non-Executive Directors and dividend paid**

Name of Non-Executive Director	Shares held as on March 31, 2014	Dividend paid during the year (₹)
Mr. A. B. Godrej *	1,121,226	Nil
Mr. J. N. Godrej *	3,221,472	Nil
Mr. S. A. Ahmadullah	6,000	10,500
Mr. S. A. Ahmadullah *	11,700	Nil
Mr. V. M. Crishna	Nil	Nil
Mr. J.S. Bilimoria	Nil	Nil
Mr. N.D. Forbes	5,000	8,750
Mr. A .B. Choudhury	Nil	Nil
Mr. K. N. Petigara	Nil	Nil
Mr. K. K. Dastur	3,606	6,311
Mr. K. K. Dastur **	9,570	Nil
Mr. K. K. Dastur *	27,900	Nil
Mr. K. M. Elavia	Nil	Nil

\* Shares held as second holder

\*\* Shares held as third holder

## f) Stock Options

The Company has not granted any Stock Options to any of its Promoter Directors and Independent Directors. Mr. N. S. Nabar, Executive Director & President (Chemicals) was allotted 5,574 equity shares under the Employee Stock Option Plan Scheme/Employee Stock Grant Scheme.

meetings are placed before the Board Meeting. Mr. K. R. Rajput, Company Secretary acts as a secretary to the audit committee. The Audit Committee met five times during the year i.e. on May 28, 2013, August 10, 2013, November 11, 2013 and February 7, 2014 (two meetings). Table 4 gives the attendance record.

## COMMITTEES OF THE BOARD

### 3. Audit Committee

The Company's Audit Committee comprises of four Independent, Non-Executive Directors. They are Mr. K. K. Dastur, (Chairman), Mr. S. A. Ahmadullah, Mr. K. N. Petigara and Mr. A. B. Choudhury. All the members of the committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. Minutes of each of the audit committee

**Table 4: Attendance record of audit committee members**

Name of Director	No. of meetings held	Meetings attended
Mr. K. K. Dastur	5	5
Mr. S. A. Ahmadullah	5	5
Mr. K. N. Petigara	5	4
Mr. A. B. Choudhury	5	5

The Audit Committee of the Company performs the following functions:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/removal of external auditor, fixation of audit fees and approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board for approval with particular reference to:
  - » Matters that needs to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of the Section 217 of the Companies Act, 1956.
  - » Change, if any, in accounting policies and practices and reasons for the same.
  - » Major accounting entries involving estimates based on exercise of judgement by the management.
  - » Significant adjustments made in the financial statements arising out of audit findings.
  - » Compliance with listing and other requirements relating to financial statements.
  - » Disclosure of any related party transactions.
  - » Any qualification in the draft audit report.
- Reviewing with the management, the quarterly/ annual financial statement before submission to the Board for approval.
- Reviewing with the management, performance of the statutory and internal auditors, and adequacy of the internal control system.
- Reviewing the adequacy of internal audit function, if any, including the structure of Internal Audit Department, staffing and

seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- Looking into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- Reviewing the functioning of Whistle Blower mechanism.
- Approval of appointment of CFO (i.e. the person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

#### 4. Nomination and Compensation Committee

Setting up of a Nomination and Compensation Committee for determining a Company's policy on remuneration packages for Executive Directors constitutes a non-mandatory provision of Clause 49. The Company set up its Remuneration Committee on February 22, 2002 to review the human resources policies and practices of the Company and in particular, policies regarding remuneration of Whole-Time Directors. The Committee discusses human resources policies such as compensation and performance management. The Remuneration Committee was renamed as Compensation Committee by the Board of Directors at its meeting held on October 24, 2005 and again

as Nomination and Compensation Committee by the Board of Directors at its meeting held on February 7, 2014.

The Nomination and Compensation Committee consists of the following directors: Mr. S. A. Ahmadullah (Chairman and Independent Director); Mr. A. B. Choudhury (Independent Director); Mr. K. N. Petigara (Independent Director) and Mr. N. B. Godrej (Managing Director). During the year ended March 31, 2014, the committee met on May 28, 2013, and August 10, 2013. The attendance details are given in Table 5.

**Table 5: Attendance record of Nomination and Compensation Committee members**

Name of Director	No. of meetings held	Meetings attended
Mr. S. A. Ahmadullah	2	2
Mr. A. B. Choudhury	2	2
Mr. K. N. Petigara	2	1
Mr. N. B. Godrej	2	2

Mr. K. R. Rajput, Company Secretary acts as the secretary to the Committee.

The Company has adopted EVA as a tool for driving performance and has linked improvements in EVA to Performance Linked Variable Remuneration (PLVR) of Managing Director, Whole-Time Directors, Managers and Officers of the Company.

## 5. Stakeholders Relationship / Shareholders Committee

This Committee was originally constituted as Shareholders Committee by the Board of Directors on May 7, 2001. The Shareholders Committee was renamed as Stakeholders Relationship / Shareholders Committee by the Board of Directors on February 7, 2014. Among other functions, this committee looks into redressal of shareholder complaints regarding transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, as

required in Clause 49 of the Listing Agreement. The Committee consists of the following members: Mr. A. B. Godrej (Chairman), Mr. N. B. Godrej, Ms. T. A. Dubash, and Mr. N. S. Nabar. Mr. M. Eipe, retired as a Whole-time Director, with effect from April 30, 2013 and consequently ceased to be a member of the Committee from that date. Mr. N.S. Nabar was appointed as a member of the Committee with effect from May 1, 2013. During the year, 10 meetings of the Committee were held. The attendance details are given in Table 6.

**Table 6: Attendance record of Stakeholders Relationship / Shareholders Committee members**

Name of Director	No. of meetings held	Meetings attended
Mr. A. B. Godrej	10	8
Mr. N. B. Godrej	10	6
Ms. T. A. Dubhash	10	9
Mr. N. S. Nabar	9	9
Mr. M. Eipe	1	1

Mr. K. R. Rajput, Company Secretary acts as the secretary to the Committee.

### Name and designation of Compliance Officer:

Mr. K. R. Rajput, Company Secretary

### Number of complaints regarding shares for the year ended March 31, 2014

Complaints outstanding as on April 1, 2013	Nil
Complaints received during the year ended March 31, 2014	31
Complaints resolved during the year ended March 31, 2014	31
Complaints outstanding as on March 31, 2014	Nil

There are no pending share transfers as on March 31, 2014.

## 6. General Body Meetings

### a) Details of last three Annual General Meetings

Year	Venue	Date	Time
2010-11	Y. B. Chavan Centre, Nariman Point, Mumbai 400 021.	July 30, 2011	4.30 P.M.
2011-12	- do -	August 11, 2012	3.00 P.M.
2012-13	- do -	August 10, 2013	3.30 P.M.

### b) Details of Special Resolutions Passed in previous three Annual General Meetings

Date of AGM	Number of Special Resolutions passed	Details of Special Resolutions Passed
July 30, 2011	2	<ol style="list-style-type: none"><li>1) To revise the terms of appointment and remuneration of Ms. Nisaba Godrej.</li><li>2) Investment in Godrej Consumer Products Ltd. u/s 372A of the Companies Act, 1956.</li></ol>
August 11, 2012	4	<ol style="list-style-type: none"><li>1) Re-appointment of and remuneration payable to Ms. T. A. Dubash, as a Whole-time Director.</li><li>2) Re-appointment of and remuneration payable to Mr. M. Eipe, as a Whole-time Director.</li><li>3) Modification of Godrej Industries Limited Employee Stock Option Plan I.</li><li>4) Modification of Godrej Industries Limited Employee Stock Option Plan II.</li></ol>
August 10, 2013	4	<ol style="list-style-type: none"><li>1) Appointment of and remuneration payable to Mr. N. S. Nabar as a Whole-time Director.</li><li>2) Reappointment of and remuneration payable to Mr. N. B. Godrej, Managing Director.</li><li>3) Modification of Godrej Industries Limited Employee Stock Option Plan I.</li><li>4) Modification of Godrej Industries Limited Employee Stock Option Plan II.</li></ol>

### c) Details of Special Resolutions passed at the Extraordinary General Meetings (EGM) in the last three years

Date of EGM	Number of Special Resolutions passed	Details of Special Resolutions Passed
July 7, 2012	1	Approved issue of equity shares under Institutional Placement Programme.

### d) Postal Ballot

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, certain resolutions were passed by shareholders by postal ballot. The Notice of postal ballot was mailed to all shareholders along with postage prepaid envelopes. E-voting facility was also offered to eligible shareholders to enable them to cast their votes electronically. Mr. Bharat Shemlani, Chartered Accountant, had been appointed as scrutinizer for the postal ballots, who submitted his reports to the Chairman, Mr. A. B. Godrej. The details of the postal ballots are given below:-

Sr. No.	Date of announcement of results	Nature of resolution	Item	Total no. of votes polled	No. of votes in favour %	No. of votes against %	No. of invalid votes %
1	October 9, 2013	Special	To further invest in the securities of Godrej Consumer Products Ltd. upto a sum of ₹150 crore, under Section 372A of the Companies Act, 1956.	268,015,747	95.43	4.42	0.15

#### e) Procedure adopted for Postal Ballot

- (i) The Board at its meeting approves the items to be passed through postal ballot and authorizes one of the functional Directors and the Company Secretary to be responsible for the entire process of postal ballot.
- (ii) A professional such as a Chartered Accountant/ Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of postal ballot along with the ballot papers are sent to the shareholders along with a self-addressed envelope addressed to the Scrutinizer. E-voting facility is also offered to eligible shareholders to enable them to cast their votes electronically.
- (iv) An advertisement is published in a National newspaper about the dispatch of ballot papers and notice of postal ballot.
- (v) The duly completed postal ballot papers are received by the Scrutinizer.
- (vi) Scrutinizer gives his report to the Chairman.
- (vii) The Chairman announces the results of the postal ballot in a meeting convened for the same
- (viii) Results are intimated to the Stock Exchange and are put up on the Notice Board of the Company as well as on the Company's Website.

## 7. Disclosures

#### a) Materially significant related party transaction that may have potential conflict of interests of Company at large

During the year 2013-14, there were no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Financial Statements, forming part of the Annual Report.

#### b) Whistle Blower Policy

With a view to establish a mechanism for protecting the employees reporting unethical behaviour, fraud, violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy. During the year 2013-14, no personnel has been denied access to the Audit Committee.

### c) Policy to Prevent Sexual Harassment at the work place

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behaviour is prohibited both by law and by the Godrej group. The Company has formed an Internal Complaints Committee headed by Ms. T. A. Dubash, Executive Director & Chief Brand Officer, pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. While the Act is applicable only to the women employees, our Company policy would be covering all employees and all premises of the Company in India.

### d) Details of compliance with mandatory requirement

Particulars	Clause of Listing Agreement	Compliance Status Yes / No
<b>I. Board of Directors</b>	<b>49 I</b>	
(A) Composition of Board	49 (IA)	Yes
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
<b>II. Audit Committee</b>	<b>49 (II)</b>	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes
(B) Meeting of Audit Committee	49 (IIB)	Yes
(C) Powers of Audit Committee	49 (IIC)	Yes
(D) Role of Audit Committee	49 (IID)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
<b>III. Subsidiary Companies</b>	<b>49 (III)</b>	<b>Yes</b>
<b>IV. Disclosures</b>	<b>49 (IV)</b>	
(A) Basis of related party transactions	49 (IVA)	Yes
(B) Disclosures of Accounting treatment	49 (IVB)	Yes
(C) Board Disclosures	49 (IVC)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IVD)	Yes
(E) Remuneration of Directors	49 (IVE)	Yes
(F) Management	49 (IVF)	Yes
(G) Shareholders	49 (IVG)	Yes
<b>V. CEO/CFO Certification</b>	<b>49 (V)</b>	<b>Yes</b>
<b>VI. Report on Corporate Governance</b>	<b>49 (VI)</b>	<b>Yes</b>
<b>VII. Compliance</b>	<b>49 (VII)</b>	<b>Yes</b>

#### **e) Details of Non-compliance**

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

#### **f) Declaration by Chairman & Managing Director**

The declaration by the Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the laid down code of conduct for the year ended March 31, 2014, is annexed to the Corporate Governance Report.

### **8. Shareholders and Means of communication**

#### **a) Disclosures regarding appointment or reappointment of Directors**

Mr. J. N. Godrej and Ms. T. A. Dubash, both Directors, retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment.

The Company had appointed Mr. S. A. Ahmadullah, Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara as Non-Executive Directors, liable to retire by rotation. They are also the Independent Directors pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges.

As per section 149 of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. These Independent Directors are not liable to retire by rotation. Accordingly, it is proposed to appoint Mr. S. A. Ahmadullah,

Mr. A. B. Choudhury, Mr. K. K. Dastur, Mr. K. M. Elavia, Dr. N. D. Forbes and Mr. K. N. Petigara as Independent Directors, in accordance with the provisions of section 149 of the Act, to hold office as per their tenure of appointment mentioned in the Notice of the Annual General Meeting of the Company. Information about the Directors who are being appointed/ reappointed is given as an annexure to the Notice of the AGM.

#### **b) Communication to shareholders**

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the website of the Company. The Company's website address is [www.godrejinds.com](http://www.godrejinds.com). The quarterly and annual results of the Company's performance are published in leading English dailies like Economic Times, Business Line, etc. The quarterly results of the Company are also available on the websites of BSE Ltd. and National Stock Exchange of India Ltd viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

The Company files electronically the quarterly results, Corporate Governance report, Share holding pattern, etc in the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

#### **c) Investor grievances**

As mentioned before, the Company has constituted a Stakeholders Relationship/ Shareholders Committee to look into and redress Shareholders and investor complaints. Mr. K. R. Rajput, Company Secretary, is the compliance officer.

#### **d) Share transfer**

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

## 9. MANAGEMENT

### a) Management discussion and analysis

This annual report has a detailed chapter on Management Discussion and Analysis.

### b) Disclosures by management to the Board

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

## 10. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES – 2009

Your Company is committed to maintaining highest standards of Corporate Governance by adhering to the requirements set out by SEBI.

With a view to strengthening the Corporate Governance framework, the Ministry of Corporate Affairs has issued voluntary guidelines in December 2009 for adoption by the companies. These guidelines are intended to serve as a benchmark for Corporates to help them to adopt the highest standards. Corporate Governance guidelines do not substitute any extant law or regulation but are essentially for voluntary adoption by Corporates.

Your Company is already in compliance with most of these requirements and continually reviews for enhancements as appropriate.

## 11. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

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

## 12. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

Date : August 9, 2014

Time : 3.30 p.m.

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

### ii. Financial Calendar :

Financial year: April 1 to March 31  
For the Year Ended March 31, 2014,  
results announced on:

- August 10, 2013 : First quarter
- November 11, 2013: Half year
- February 7, 2014 : Third quarter
- May 28, 2014 : Annual

### iii. Record Date/Book Closure

A dividend of ₹ 1.75 per equity share of ₹ 1 each has been recommended by the Board of Directors of the Company. For payment of dividend, the book closure is from August 2, 2014 to August 9, 2014 (both days inclusive).

### iv. Listing information

The Company's equity shares are listed on The Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd.

Name of the Stock Exchange	Stock code
BSE Ltd. (BSE)	500164
National Stock Exchange of India Ltd. (NSE)	GODREJIND

The ISIN Number of the Company for both NSDL and CDSL is INE233A01035.

### v. Stock Data

Tables 1 and 2 respectively give the monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended March 31, 2014. Chart A compares the Company's share price at the BSE versus the Sensex.

**Table 1: Monthly high and low prices and trading volumes of equity shares of the Company at BSE for the year ended March 31, 2014**

Month	High (₹)	Low (₹)	Volume (No. of Shares)
April 2013	317.45	285.80	9,96,252
May 2013	323.00	287.15	6,60,805
June 2013	310.15	285.00	8,48,162
July 2013	324.50	247.20	6,24,258
August 2013	269.85	218.50	6,47,735
September 2013	299.25	236.15	36,25,097
October 2013	299.00	261.55	7,24,613
November 2013	306.50	263.95	8,25,752
December 2013	286.65	248.15	6,97,460
January 2014	295.80	258.40	6,99,418
February 2014	283.95	260.55	20,51,051
March 2014	316.80	275.15	8,18,205

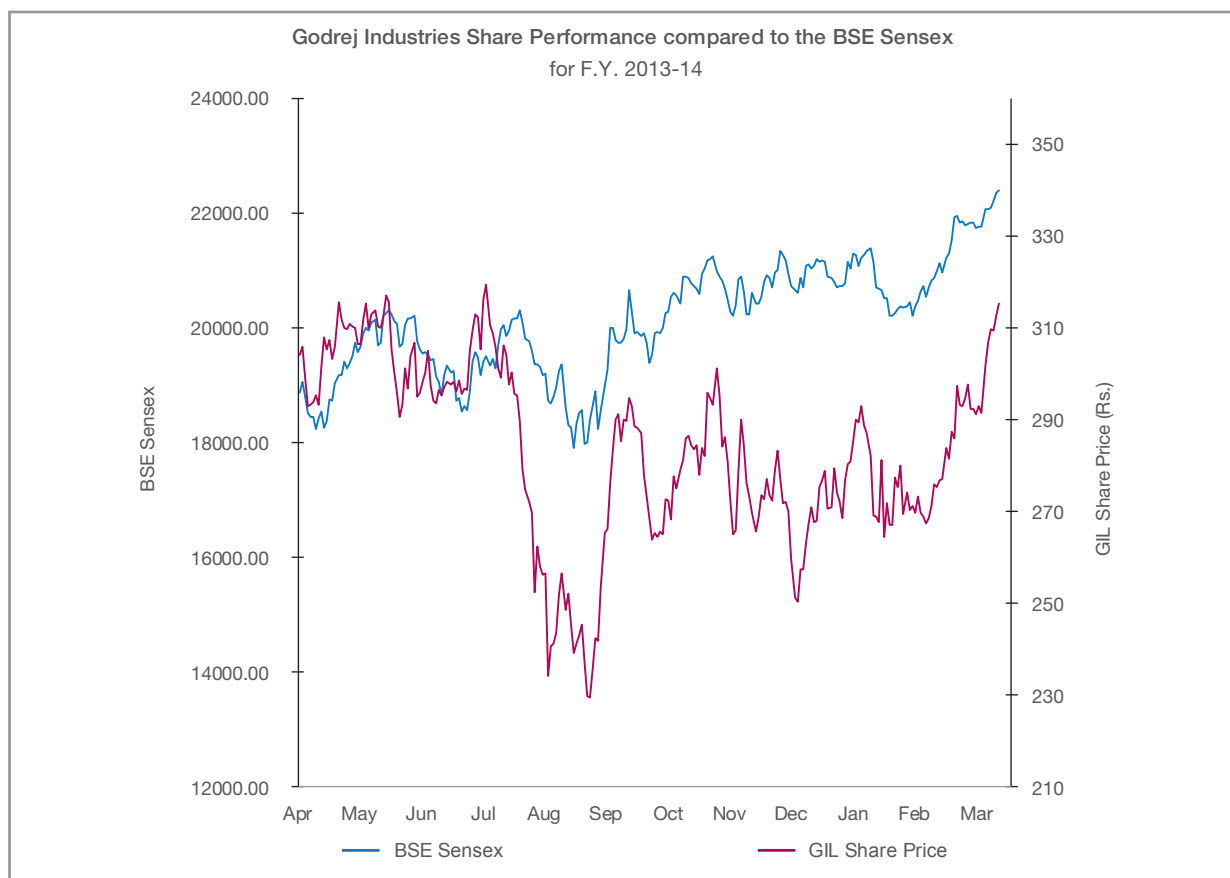
**Note:** High and low are in Rupees per traded share. Volume is the total monthly volume of trade (in numbers) in equity shares of the Company on the BSE.

**Table 2: Monthly high and low prices and trading volumes of equity shares of the Company at NSE for the year ended March 31, 2014**

Month	High (₹)	Low (₹)	Volume (No. of Shares)
April 2013	318.00	285.75	58,12,744
May 2013	322.80	287.45	48,43,715
June 2013	310.90	285.20	48,12,873
July 2013	324.20	245.65	49,09,899
August 2013	269.90	217.65	42,69,945
September 2013	299.45	236.00	49,81,492
October 2013	299.00	260.00	46,96,908
November 2013	306.40	263.75	47,44,835
December 2013	287.95	248.50	73,67,729
January 2014	298.10	259.10	70,98,962
February 2014	283.90	260.10	50,79,669
March 2014	317.60	275.00	76,61,644

**Note:** High and low are in Rupees per traded share. Volume is the total monthly volume of trade (in numbers) in equity shares of the Company on the NSE.

**Chart A – The Company’s share performance compared to the BSE Sensex for FY 2013-14**



**vi. Distribution of shareholding:**

Tables 3 and 4 give the distribution pattern of shareholding of the Company by size and ownership respectively as on March 31, 2014.

**Table 3: Distribution of shareholding by size as on March 31, 2014**

Number of shares	Number of share-holders	Shareholders %	Number of shares held	Shareholding %
1 - 500	39,552	88.92%	40,63,613	1.21%
501 - 1000	2,645	5.95%	20,54,727	0.61%
1001 - 2000	1,101	2.48%	16,42,113	0.49%
2001 - 3000	375	0.84%	9,68,339	0.29%
3001 - 4000	162	0.36%	5,88,013	0.18%
4001 - 5000	121	0.27%	5,64,438	0.17%
5001 - 10000	244	0.55%	17,95,835	0.54%
10001 & above	282	0.63%	32,37,78,182	96.52%
<b>Total</b>	<b>44,482</b>	<b>100.00%</b>	<b>33,54,55,260</b>	<b>100.00%</b>

**Table 4: Distribution of shareholding by ownership as on March 31, 2014**

Category (as being reported to Stock Exchanges)	No. of shares	% of share holding
<b>Promoter's holding</b>		
-Indian Promoters	25,12,34,174	74.89%
-Foreign Promoters	0	0.00%
Persons deemed to act in concert with promoters	0	0.00%
<b>Institutional Investors</b>		
Mutual Funds & UTI	14,28,013	0.43%
Banks, Financial Institutions and Insurance Companies	1,06,55,687	3.18%
Foreign Institutional Investors	3,75,74,223	11.20%
<b>Others</b>		
Private Corporate Bodies	1,38,18,917	4.12%
Indian Public	2,00,49,336	5.98%
NRIs/OCBs	6,94,910	0.21%
Others	0	0.00%
<b>Total</b>	<b>33,54,55,260</b>	<b>100.00%</b>

**vii. Shares held in physical and dematerialized form**

As on March 31, 2014, 99.78 percent of the Company's shares were held in dematerialized form and the remaining 0.22 percent in physical form. The break up is listed below:

Category	Number of shareholders	Shareholders %	Number of shares held	Shareholding %
Physical	2,084	4.69%	7,39,552	0.22%
Electronic	42,398	95.31%	33,47,15,708	99.78%
<b>Total</b>	<b>44,482</b>	<b>100.00%</b>	<b>33,54,55,260</b>	<b>100.00%</b>

**viii. Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on equity**

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

**ix. Share Transfer**

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

**x. Plant locations**

<b>Location</b>	<b>Address</b>
Vikhroli	Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079. (Till 28th February, 2014)
Valia (DTA & EOU)	Burjorjinagar, Plot No. 3, Village Kanerao, Taluka - Valia, District Bharuch, Gujarat 393 135.
Wadala	L.M. Nadkarni Marg, Near M.P.T. Hospital, Wadala (East), Mumbai 400 037.
Ambernath	Plot No.N - 73, Additional Ambernath Industrial Area, Village Jambivali, Taluka Ambernath East, District Thane, Maharashtra. 421 506.

**xi. Investor correspondence should be addressed to:**

**Computech Sharecap Limited**

147, M.G. Road,  
Opp. Jehangir Art Gallery, Fort,  
Mumbai 400 001.  
Tel: 022-22635000 to 22635002;  
Fax: 022-22635001  
Email: helpdesk@computechsharecap.com

## Declaration by Managing Director

I, N. B. Godrej, Managing Director of Godrej Industries Limited (GIL), hereby confirm pursuant to clause 49(1)(D) of the listing agreement that:

The Board of Directors of GIL has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website viz. [www.godrejinds.com](http://www.godrejinds.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, 2014.

Mumbai, May 28, 2014

**N. B. Godrej**  
Managing Director

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To the Members of  
Godrej Industries Limited  
Mumbai.

## Auditors' Report on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Godrej Industries Limited (the Company) for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. 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.

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 the above-mentioned Listing Agreement.

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.

For and on behalf of  
**KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No.: 104607 W

Daraius Z. Fraser  
**PARTNER**  
M. No.: 42454  
Place : Mumbai  
Date : May 28, 2014.