

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)
Available for Appropriation	4675.88	4,436.36
Less: Interim dividends	0	817.82
Less: Tax on distributed profits	0	168.11
Surplus Carried Forward	4675.88	3,450.43

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 ^[1].

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

^[1] 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^[2].

^[2] <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^[3].

^[3] <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^[4]. 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^[5].

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

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

^[5] 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^[6].

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^[7].

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

^[6] https://www.godrejcp.com/public/pdfs/codes_policies/legal/Policy-on-Material-Subsidiaries.pdf

^[7] <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^[8]. 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^[9]. 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

^[8] https://www.godrejcp.com/public/pdfs/codes_policies/people/Whistle_Blower_Policy.pdf

^[9] 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^[10].

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 17th AGM on July 31, 2017 until the conclusion of the 22nd 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.

^[10] <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 75th 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.