



Vision

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Godrej Consumer Products Limited
ANNUAL REPORT 2002-2003



The cover encapsulates Godrej Consumer Products Ltd's
unwavering focus on its vision

which captures the essence of the company:

People-focus and Consumer-orientation.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the THIRD ANNUAL GENERAL MEETING of the members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Tuesday, July 22, 2003 at 3.30 p.m. at Y.B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2003, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Bala Balachandran, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Ms. Rama Bijapurkar, who retires by rotation and being eligible, offers herself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to authorise the Board of Directors of the Company to fix their remuneration. M/s. Kalyaniwalla & Mistry, Chartered Accountants, the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS :

6. **To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :-**

RESOLVED that pursuant to Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. A. B. Godrej be and is hereby reappointed as Managing Director designated as "Chairman and Managing Director" of the Company with effect from April 1, 2004 to hold office for a period of three years upon the remuneration by way of salary, and other perquisites as may be determined and agreed to between the Board of Directors and Mr. A. B. Godrej, from time to time within the limits specified below :

I. Remuneration

- I) Basic Salary: In the scale of Rs.2,50,000 to Rs. 4,50,000 per month, payable monthly.
The Annual increments will be decided by the Board of Directors and will be merit based and will take into account other relevant factors.
- II) Performance linked variable remuneration according to applicable scheme of the Company for each of the financial years 2004-05, 2005-06 and 2006-07 or as may be decided by the Board of Directors.
- III) Perquisites and Allowances :
Classified into three categories as detailed below :

Category A

- (1) Housing :
Furnished residential accommodation, provision of or reimbursement of expenditure incurred on gas, electricity, water and furnishings.

OR

- House rent allowance equivalent to 60% of the basic salary.
- (2) Medical Benefits
Payment/Reimbursement of actual medical and hospitalization expenses incurred by Mr. A. B. Godrej for self and his family subject to a limit of two month's average basic salary in a financial year in accordance with the rules of the Company.
 - (3) Leave Travel Assistance
Leave Travel Assistance (for the Managing Director and his family once in a financial year incurred in accordance with the Rules specified by the Company) subject to a ceiling of one month's average basic salary in a financial year.
 - (4) Club
Payment/Reimbursement of Club Fees of a maximum of two clubs and subject to a limit of Rs.1,00,000/- (excluding entrance fees/life membership fees) in a financial year.

Category B

- (1) Company's contributions towards Provident Fund, Superannuation Fund or Annuity Fund as per the Rules framed under the Company's relevant Scheme.

- (2) Gratuity according to the Rules of the Company.
- (3) Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company.

Category C

The following shall not be included in the computation of perquisites :-

- (1) Provision of Company's car(s) with driver for official use.
- (2) Provision of free telephone facilities or reimbursement of telephone expenses at residence including payment of local calls and long distance official calls.

Explanation

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalization expenses, 'family' means the spouse and dependent children of Mr. A. B. Godrej.
- ii) For the purpose of calculation of gratuity and other retirement benefits, the tenure of Mr. A. B. Godrej as an employee in the erstwhile Godrej Soaps Ltd. till 31.3.2001 shall also be taken into account.
- iii) For the purpose of accumulation of leave, the balance of leave to the credit of Mr. A. B. Godrej as on 31.3.2001 in the erstwhile Godrej Soaps Ltd. will be carried forward to Godrej Consumer Products Ltd.
- iv) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

II. 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 pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being be in force.

III. Minimum Remuneration

Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary and perquisites will be subject to Schedule XIII to the Companies Act, 1956.

Notes :

- i) The Managing Director 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 with the business or affairs or other matters whatsoever of the Company and the Managing Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other person from disclosing the aforesaid information.
- ii) If the Managing Director be 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 Managing Director or any breach of this Agreement, as in the opinion of all other Directors renders his retirement from the office of the Managing Director desirable, the opinion of such other Directors shall be final, conclusive and binding on the Managing Director and the Company may, by giving thirty days notice in writing to the Managing Director, determine this Agreement and he shall cease to be a Director and Managing Director of the Company, upon expiration of such notice.

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :-

RESOLVED that pursuant to Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. H. K. Press be and is hereby reappointed as Whole-Time Director designated as "Executive Director & President" of the Company with effect from April 1, 2004 to hold office for a period of three years upon the remuneration by way of salary, and other perquisites as may be determined and agreed to between the Board of Directors and Mr. H. K. Press, from time to time within the limits specified below :

I. Remuneration

- i) Basic Salary:
In the scale of Rs. 1,50,000 to Rs. 3,00,000 per month, payable monthly.

The Annual increments will be decided by the Board of Directors and will be merit based and take into account other relevant factors.

- II) Performance linked variable remuneration according to the applicable scheme of the Company for each of the financial years 2004-05, 2005-06 and 2006-07 or as may be decided by the Board of Directors.

- III) Perquisites and other matters :

Classified into four categories A, B, C and D as detailed below :

Category A

- (1) Housing as per the Company's rules which are currently :

A) Unfurnished residential accommodation and House Rent Allowance equivalent to 30% of Basic salary.

OR

House rent allowance equivalent to 55% of the Basic salary.

B) Furnishing at residence subject to a ceiling of Rs.2,00,000 for a period of 3 years in accordance with the Company's scheme as amended from time to time.

- (2) Medical Benefits as per the Company's rules which are currently :

Reimbursement of domiciliary medical expenses incurred/insurance premium for the Whole-time Director and his family (excluding hospitalisation, nursing home and surgical charges), subject to a ceiling of one month's average basic salary in a financial year.

Reimbursement of hospitalisation, nursing home and surgical charges for the Whole-time Director and his family subject to a limit of Rs. 1 lac per financial year which can be accumulated and/or amended according to the Company's Rules from time to time.

- (3) Leave Travel Assistance

Leave Travel Assistance for the Whole-time Director and his family once in a financial year subject to a ceiling of 10% of basic salary in a financial year and in accordance with the Rules specified by the Company from time to time.

- (4) Club

Reimbursement of Club fees of a maximum of two Clubs subject to a ceiling of Rs. 1,00,000/- (excluding entrance fees/life membership fees) in a financial year.

Category B

- (1) Company's contribution towards Provident Fund, Superannuation Fund or Annuity Fund as per the Rules framed under the Company's relevant Scheme.

- (2) Gratuity according to the rules of the Company.

- (3) Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company.

Category C

The following shall not be included in the computation of perquisites :

- (1) Provision for use of Company's car(s) with driver for official use.
(2) Provision of free telephone facilities or reimbursement of telephone expenses at residence, including payment of local calls and long distance official calls.

Category D - Loans

- (a) Granting of Housing loans according to Company's scheme.
(b) Granting of Contingency loans subject to a limit of Rs.3 lacs according to Company's Scheme and subject to the provisions of Section 295 and/or other applicable provisions of the Companies Act, 1956.

Explanation

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse and dependent children and dependent parents of the Whole-Time Director.
ii) For the purpose of calculation of gratuity and other retirement benefits, the tenure of Mr. H. K. Press as an employee in the Godrej Group and associate companies till 31.3.2001 shall also be taken into account.
iii) For the purpose of accumulation of leave, the balance of leave to the credit of Mr. H. K. Press as on 31.3.2001 in the erstwhile Godrej Soaps Ltd. will be carried forward to Godrej Consumer Products Ltd.

- iv) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

II. 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 pay to the Whole-time Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being be in force.

III. Minimum Remuneration

Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary and perquisites will be subject to Schedule XIII to the Companies Act, 1956.

Notes :

- i) The Whole-time Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(i) of the Act, while at the same time the Whole-time Director is liable to retire by rotation. The appointment is terminable by giving three months notice in writing on either side.
- ii) The Whole-time Director 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 with the business or affairs or other matters whatsoever of the Company and the Whole-time Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other person from disclosing the aforesaid information.
- iii) If the Whole-time Director be 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 Whole-time Director or any breach of this Agreement, as in the opinion of all other Directors renders his retirement from the office of the Whole-time Director desirable, the opinion of such other Directors shall be final, conclusive and binding on the Whole-time Director and the Company may by giving thirty days notice in writing to the Whole-time Director determine this Agreement and he shall cease to be a Director and Whole-time Director of the Company, upon expiration of such notice.

By Order of the Board of Directors

Sunil Sapre

Vice President (Finance & Commercial)
& Company Secretary

Mumbai, June 10, 2003

Registered Office :

Pirojshanagar,
Eastern Express Highway,
Vikhroli (East), Mumbai 400 079.

NOTES :

1. The relative Explanatory Statement in respect of business under Item Nos. 6 & 7 set out in the Notice is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll, to vote instead of himself. Such a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy so appointed shall not have any right to speak at the meeting.
3. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
4. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
5. In terms of Section 205A of the Companies Act, 1956, any dividend which has not been paid or claimed within thirty days from the date of declaration shall be transferred within seven days from the date of expiry of thirty days to an unclaimed dividend account with a scheduled bank. In terms of sub-section 5 of Section 205A any money transferred to the unpaid

dividend account which remains unpaid or unclaimed for a period of seven years from the date of transfer shall be transferred to the fund established under Section 205C viz. Investors' Education and Protection Fund. The dates of payment in respect of dividend paid till March 31, 2003, their dates of transfer to the unclaimed dividend account with a scheduled bank and the due dates for remittance to the Investors' Education and Protection Fund is given below :

	Date of Declaration	Date from which amount is in unclaimed account	Date by which the amount is to be transferred to Investors' Education & Protection Fund
1st Interim Dividend 2001-02	October 15, 2001	November 21, 2001	November 20, 2008
2nd Interim Dividend 2001-02	April 29, 2002	June 5, 2002	June 4, 2009
1st Interim Dividend 2002-03	July 22, 2002	August 28, 2002	August 27, 2009
2nd Interim Dividend 2002-03	October 22, 2002	November 28, 2002	November 27, 2009
3rd Interim Dividend 2002-03	January 21, 2003	February 27, 2003	February 26, 2010

Shareholders who have not encashed the dividend warrants are requested to send back their warrants or make their claims to our Registrar viz. Computech Sharecap Ltd., 147, M. G. Road, Fort, Mumbai 400 023. Tel.: 22671824/1825. It may be noted that once the unclaimed dividend is transferred to the above fund, no claim from the shareholder shall lie in respect thereof.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item 6

The shareholders in the Annual General Meeting held on April 11, 2001 appointed Mr. A. B. Godrej as "Managing Director" designated as "Chairman & Managing Director" with effect from April 1, 2001 to hold office for a period of three years till March 31, 2004.

It is proposed to reappoint Mr. A. B. Godrej as the "Chairman & Managing Director" of the Company to hold office for a period of three (3) years with effect from April 1, 2004.

The personal profile of Mr. A. B. Godrej is given below :

Name	: Adi Burjorji Godrej
Date of Birth	: April 3, 1942
Date of appointment as director in the Company	: November 29, 2000
Qualification	: BS, MS (MIT, USA)
Specialised Expertise	: Industrialist having rich business experience

The details of directorships held by Mr. A. B. Godrej is given in the corporate governance section of the Annual Report of the Company for 2002-03.

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. A. B. Godrej are not being set out in the explanatory statement and the members are requested to refer to the same as set out in the body of the resolution.

These particulars also constitute the abstract of the terms of the contract proposed to be entered into with Mr. A. B. Godrej which is required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

Mr. A. B. Godrej himself and Mr. N. B. Godrej may be deemed to be interested in this resolution.

None of the other directors are in any way concerned or interested in the resolution. The Board of Directors recommends the passing of the said resolution.

Item 7

The shareholders in the Annual General Meeting held on April 11, 2001 appointed Mr. H. K. Press as Whole-time Director designated as "Executive Director & President" with effect from April 1, 2001 to hold office for a period of three years till March 31, 2004.

It is proposed to reappoint Mr. H. K. Press as a Whole-time Director designated as "Executive Director & President" of the Company to hold office for a period of three (3) years with effect from April 1, 2004.

Mr. H. K. Press, an Electrical Engineer from IIT Bombay (1970) and a Management graduate from IIM Ahmedabad (1972), joined Godrej Soaps as a "Management Trainee" in 1972. He has held various positions in Sales and Marketing to rise to the position of "Senior Vice-President" in charge of the Consumer Products Division in 1991.

He was with Procter & Gamble Godrej, the joint venture between Procter & Gamble and the Godrej Group, from 1993 to 1996. He returned to Godrej Soaps in 1996 and was instrumental in restarting the consumer business there. He was appointed President of the Consumer Products Division in 1999.

Mr. Press joined the Board of Godrej Consumer Products Ltd. in 2001 as "Executive Director and President" and has been running its operations.

The personal profile of Mr. H. K. Press is given below:

Name	: Mr. Hoshedar Kersasp Press
Date of Birth	: June 1, 1949
Date of appointment as director in the Company	: November 29, 2000
Qualification	: B.Tech (Hons), (IIT, Bombay), P.G.D.B.A (IIMA)
Specialised Expertise	: Marketing and General Management

The details of directorships held by Mr. H. K. Press is given in the corporate governance section of the Annual Report of the Company for 2002-03.

For the sake of brevity the particulars of the proposed remuneration, perquisites and benefits of Mr. H. K. Press are not being set out in the explanatory statement and the members are requested to refer to the same as set out in the body of the resolution.

These particulars also constitute the abstract of the terms of the contract proposed to be entered into with Mr. H. K. Press which is required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

Mr. H. K. Press may be deemed to be concerned or interested in this resolution.

None of the other directors are in any way concerned or interested in this resolution. The Board of Directors recommends the passing of the said resolution.

By Order of the Board of Directors

Sunil Sapre

Vice President (Finance & Commercial)
& Company Secretary

Mumbai, June 10, 2003

Registered Office :

Pirojshanagar,
Eastern Express Highway,
Vikhroli (East),
Mumbai 400 079.

Third Annual General Meeting to be held on July 22, 2003 at 3.30 p.m. at Y.B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai - 21

PROXY FORM

Regd. Folio No./DP Client ID											
No. of Shares held											

I/we
of

being a member of the Company hereby appoint the following as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, July 22, 2003 at 3.30 p.m at Y.B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai 400 021 and at any adjournment thereof :

Mr/Ms Signature or failing him/her

Mr/Ms Signature or failing him/her

Mr/Ms Signature or failing him/her

I/We direct my/our proxy to vote on the Resolution in the manner as indicated below :

Item No.	Resolution	Vote Tick (✓) against 1 choice only	
		For	Against
1	To receive, consider and adopt the Audited Accounts as at March 31, 2003, the balance sheet as at that date and the Auditors' Report thereon and the Directors' Report.		
2	To declare dividend on equity shares.		
3	To appoint a Director in place of Mr. Bala Balachandran, who retires by rotation and being eligible offers himself for reappointment.		
4	To appoint a Director in place of Ms. Rama Bijapurkar, who retires by rotation and being eligible offers herself for reappointment.		
5	To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to authorise the Board of Directors of the Company to fix their remuneration.		
6	To reappoint Mr. A. B. Godrej as Managing Director designated as Chairman & Managing Director for period of three years with effect from April 1, 2004 on the terms and conditions as specified in the resolution.		
7	To reappoint Mr. H. K. Press as Whole-time Director designated as Executive Director & President for period of three years with effect from April 1, 2004 on the terms and conditions as specified in the resolution.		

Dated this day of 2003

Signature of Member

Note: This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

Rupee one
Revenue
Stamp

Godrej Consumer Products Limited

Registered Office : Pirojshanaagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079.

Third Annual General Meeting to be held on July 22, 2003 at 3.30 p.m. at Y.B. Chavan Centre, General Jagannath Bhosale Marg, Nariman Point, Mumbai - 21

ATTENDANCE SLIP

Name of Member	Folio No./DP Client ID	No. of Shares held

Name of the proxy (to be filled in if proxy attends instead of the Member)

I/We hereby record my/our presence at the Third Annual General Meeting of the Company held on Tuesday, July 22, 2003 at 3.30 p.m. at Y. B. Chavan Centre, General Jaganath Bhosale Marg, Nariman Point, Mumbai 400 021.

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

- Notes:** 1. Shareholder/Proxyholder wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand it over at the entrance of the meeting hall duly signed.
2. Shareholder/Proxyholder are requested to bring his/her copy of the Annual Report at the Meeting.

Our Vision

"We are dedicated to

DELIVER SUPERIOR STAKEHOLDER VALUE

by providing solutions to existing and

emerging consumer needs in the

Household and Personal Care business.

We will achieve this through

ENDURING TRUST and RELENTLESS INNOVATION

delivered with

PASSION and ENTREPRENEURIAL SPIRIT."

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