



Godrej Consumer Products Ltd.

Registered Office: Pirojshanagar, Eastern Express Highway, Vikhroli (East) Mumbai – 400079
Tel: 25188010/20/30, Fax: 25188040, website: www.godrejcp.com, e-mail: investor.relations@godrejcp.com

NOTICE OF EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-ordinary general meeting of the members of GODREJ CONSUMER PRODUCTS LIMITED will be held on Tuesday, February 21, 2012 at 11.30 a.m. at the registered office of the Company viz. Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079, to transact the following special business:

SPECIAL BUSINESS

1. Preferential Allotment of Equity shares:

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force (the **"Act"**), and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the **"SEBI ICDR Regulations"**), the Foreign Exchange Management Act, 2000, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, including any amendment, modification, variation or re-enactment thereof, and the provisions of any rules/regulations/guidelines issued/framed by the Central Government, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, the stock exchange where the shares of the company are listed and any other appropriate authorities (hereinafter collectively referred to as the **"Appropriate Authorities"**), enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange(s) where the shares of the Company are listed and subject to the Company obtaining all approvals from the Appropriate Authorities; and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the **"requisite approvals"**), which may be agreed to by the Board of Directors of the Company (hereinafter called the **"Board"** which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue, and allot upto an aggregate of 16,707,317 equity shares of Re. 1 each (each an **"Equity Share"** and collectively the **"Issue Shares"**) at a premium of Rs. 409 per Equity Share aggregating to Rs. 685 crore) to the investor named below (the **"Investor"**) on preferential allotment basis, at such time or times and on such terms and conditions and in such manner as may be decided by the Board in this connection:

Name of the Investor	Equity Shares	Issue Size (Rs.)
Baytree Investments (Mauritius) Pte Ltd	16,707,317	685 crore

"RESOLVED FURTHER THAT the Issue Shares shall be issued and allotted by the Company to the above-mentioned Investor, inter alia, subject to the following:

- The Issue Shares shall be allotted within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Issue Shares is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval; and
- The Issue Shares to be issued and allotted in the manner aforesaid shall rank pari passu with the existing equity shares of the Company in all respects".

"RESOLVED FURTHER THAT the price of the Issue Shares has been calculated in accordance with provisions of Chapter VII of the SEBI ICDR Regulations. The "Relevant Date" for the purpose of calculating the price of the Issue Shares is the date 30 days prior to the date of this Extraordinary General Meeting i.e. January 22, 2012

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of the Issue Shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of the Issue Shares, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, liaising with appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing, listing and trading of Issue Shares, to appoint such consultants, legal advisors, advisors and all such agencies as may be required for the issuance of the Issue Shares".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) of the Company and to generally do all such acts, deeds and things as may be necessary or incidental to give effect to the aforesaid resolutions".

"RESOLVED FURTHER THAT all actions taken by the Board or Committees duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

2. Commission on Profits to Non Executive Directors

To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:-

"Resolved that pursuant to Section 309 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company and within the limits stipulated in section 309(4) of the said Act, the Company be and is hereby authorized to pay to its Directors (other than a Managing Director and Whole-time Director of the Company) for a period of three years commencing from April 1, 2011, such commission as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time and in default of such determination equally), but so that such commission shall not exceed 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 349 & 350 of the Companies Act, 1956) or Rs.12.50 lac per director per annum, whichever is less."

By order of the Board
For Godrej Consumer Products Limited

P Ganesh
Executive Vice President (Finance & Commercial) & Company Secretary

Mumbai, January 24, 2012

Notes.

1. The relevant explanatory statement in respect of business under Item No. 1 and item 2 of the notice is annexed here to.
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.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESSES:

ITEM 1

MATERIAL FACTS RELATING TO THE PREFERENTIAL ALLOTMENT.

The Company is a leader among India's Fast Moving consumer Goods (FMCG) companies, with leading household & personal care products. It also has a strong emerging presence in markets outside India. To support its growth plans the Company proposes to increase its capital base by way of infusion of equity. The Board of Directors of the Company (hereinafter called the **"Board"** which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution), has received a binding offer from Baytree Investments (Mauritius) Pte Ltd (the **"Investor"**) to subscribe to 16,707,317 equity shares of the Company of Re.1 each at a premium of Rs. 409 per equity share for an aggregate issue size of Rs. 685 crore (each an **"Equity Share"** and collectively the **"Issue Shares"**). The Board has accepted this offer at its meeting held on January 21, 2012. The investment is subject to customary conditions including receipt of shareholders approval and signing a mutually agreeable Share Subscription Agreement between the Company and the Investor (**"SSA"**) and the terms and conditions contained in the SSA. The Issue Shares allotted to the investors shall rank pari passu with all other equity shares of the Company in respect of all rights including dividend.

Baytree Investments (Mauritius) Pte Ltd is an indirect wholly-owned subsidiary of Temasek, an Asia investment company incorporated in 1974. Temasek is headquartered in Singapore and supported by 12 affiliates and offices in Asia and Latin America.

The Board has the necessary authority to issue, offer and allot 16,707,317 equity shares to the Investor. It may be noted that in terms of Chapter VII of the SEBI ICDR Regulations, it is necessary to disclose the details of investor and certain other terms to the shareholders while seeking their approval for issuing the equity shares on preferential basis. Hence, the requisite approval of the shareholders is being sought and terms of the provisions of the Companies Act, 1956, and the SEBI ICDR Regulations, the relevant disclosures/details of which are given below:

Object of the preferential issue:

General Corporate Purpose including retirement of debt.

Type of security offered and the number of security offered:

The Company proposes to offer, issue and allot 16,707,317 equity shares of Re.1 each at a premium of Rs. 409 per Equity Share aggregating to approximately Rs. 685 crore to the Investor on the terms and conditions determined by the Board.

Important terms and conditions

- The total subscription amount, payable by the Investor, shall be payable at the time of allotment of the Issue Shares.
- The allotment of Issue Shares are subject to the Investor not having sold any Equity Shares during the six months preceding the Relevant Date (defined below) and the Investor not acquiring or selling any equity shares until completion of the allotment of the Issue Shares under the proposed preferential issue;
- Under Chapter VII of the SEBI ICDR Regulations, issue of equity shares on a preferential basis shall be made at a price not less than higher of: (a) the average of the weekly high and low of the closing prices of the equity shares quoted on a recognized stock exchange during the six months preceding the Relevant Date or (b) the average of the weekly high and low of the closing prices of the equity shares quoted on a recognized stock exchange during the two weeks preceding the Relevant Date;
- The "Relevant Date" for determining the issue price of the equity shares shall be January 22, 2012 being the date which is 30 days prior to the date of shareholders resolution i.e. February, 21, 2012.

Information about the proposed investor.

Baytree Investments (Mauritius) Pte Ltd is an indirect wholly-owned subsidiary of Temasek, an Asia investment company incorporated in 1974. Temasek is headquartered in Singapore and supported by 12 affiliates and offices in Asia and Latin America

Intention of promoter / directors / key management personnel to subscribe to the offer:

None of the promoters, directors or key management persons intend to subscribe to the offer.

Pre-issue and Post-issue Shareholding Pattern of the Company:

Shareholder category	% of shareholding before the proposed preferential allotment (as on January 22, 2012)		% of shareholding after the proposed preferential allotment	
	No. of shares	%	No. of shares	%
Promoter and Promoter group	217,701,174	67.28%	217,701,174	63.97%
Mutual Funds	5,842,610	1.81%	5,842,610	1.72%
Banks/Financial Institutions	742,686	0.23%	742,686	0.22%
Insurance Companies	1,022,716	0.32%	1,022,716	0.30%
FII	65,152,581	20.13%	81,859,898	24.06%
Non Resident Individual shareholders	1,684,427	0.52%	1,684,427	0.49%
Bodies Corporate	10,278,644	3.18%	10,278,644	3.02%
Resident Individual Shareholders	21,165,306	6.54%	21,165,306	6.22%
TOTAL	323,590,144	100.00%	340,297,461	100.00%

Proposed time within which the allotment shall be complete:

As required under the SEBI ICDR Regulations, the allotment of issue shares will be completed within 15 days from the date of the passing of the resolution. Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 days from date of such approval.

Identity of the proposed allottees and percentage of post preferential issue capital that may be held by them and change in control, if any, consequent to the preferential issue:

Sr. no.	Identity of proposed allottees	The maximum number of Equity Share proposed to be allotted	Post issue shareholding on a fully diluted basis
1	Baytree Investments (Mauritius) Pte Ltd	16,707,317	4.91%
TOTAL		16,707,317	4.91%

There will be no change in control of the Company consequent to the preferential issue.

Lock in:

The equity shares being allotted on preferential basis under the SEBI ICDR regulation shall be locked in for a period of 1 year from the date of allotment.

The entire pre preferential allotment shareholding of the allottees, if any, shall be locked in from the relevant date up to a period of six months from the date of preferential allotment.

Auditor's Certificate:

The Company is in the process of obtaining a certificate from Kalyaniwalla & Mistry, Statutory Auditors of the Company, certifying that the issue of the Issue Shares is being made in accordance with requirements of SEBI ICDR Regulations. A copy of this certificate shall be placed before the shareholders' at the extra-ordinary general meeting and the same will also be made available for inspection at the registered office of the Company during the hours between 10.00 a.m. and 5.00 p.m until 15 days after date of EGM.

Further, under section 81(A) of the Companies Act, 1956, approval of the members is required for allotment of securities on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 1956, and SEBI ICDR Regulations to issue and allot equity shares on preferential basis as stated in the resolutions.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investor who may or may not be an existing shareholder of the Company.

None of the Directors of the Company is in any way concerned or interested in the resolution.

The Board of Directors of the Company recommends passing of the resolution as set out at item no.1 of the notice.

Item 2

The Non Executive Directors and the Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, corporate strategy, information systems and finance.

The Board is of the view that it is necessary that adequate compensation should be given to the Non-Executive Directors and the Independent Directors so as to compensate them for their time and efforts and also to retain and attract the pool of talent for the growth and prosperity of the Company.

The shareholders in the Annual General Meeting held on August 24, 2010 passed a special resolution for approving the payment of commission to the Non-Executive Directors and Independent Directors at a rate not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 198 and 309(4) of the Companies Act, 1956) or Rs. 10 lac per director, whichever is less for a period of three years from April 1, 2010 till March 31, 2013.

For the Financial year 2011-12, it is proposed to increase the above maximum commission amount of Rs.10 lac per director to Rs.12.50 lac per director and also proposed to keep the increased maximum amount of Rs.12.50 lac per director for the financial year 2012-13 and 2013-2014.

This proposal is subject to the approval of members by way of Special Resolution.

The four Non-Executive Directors viz. Mr. Jamshyd Godrej, Mr. Nadir Godrej, Ms Tanya Dubash, Ms Nisaba Godrej and all the Independent Directors viz. Mr Narendra Ambwani, Mr. Bala Balachandran, Mr. Bharat Doshi, Dr. Omkar Goswami, Mr. Aman Mehta and Mr. D Shivakumar are concerned or interested in the resolution to the extent of the payment that they may receive by way of commission on profits. Mr. Adi Godrej, being the brother of Mr. Nadir Godrej and the father of Ms Tanya Dubash and Ms Nisaba Godrej, may also be deemed to be interested in this resolution.

No other Director of the Company is in any way concerned or interested in the resolution.

The Board of Directors recommends the passing of the resolution as set out at item no. 2 of the notice.

**By order of the Board
For Godrej Consumer Products Limited**

**P Ganesh
Executive Vice President (Finance & Commercial) & Company Secretary**

Mumbai, January 24, 2012