

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Your Directors are pleased to give below the Corporate Governance report:

We believe that Corporate Governance is the interaction of the management, shareholders and the Board of Directors to help ensure that – both shareholders and creditors are protected against managers acting solely in their own best interest. Governance process has to ensure that the societal measures employed by the Company are utilized in a manner that meets with the stakeholders' aspirations and societal expectations. Corporate governance consists of laws, policies, procedures, and, most importantly, practices, that ensure the well being of the assets of the Company. Corporate governance is at its highest levels when management is acting as if they are long-term investors in the Company.

Your Company has a strong history of operating with integrity – at all levels, both internally and externally. Our actions and the actions of all our employees are governed by our Purpose, Values and Principles (PVP). Our commitment to operate responsibly is reflected in the steps we have in place to ensure rigorous financial discipline and corporate governance.

We have a highly experienced Board of Directors, which helps us maintain the highest standards of corporate governance. Our Audit Committee is comprised of independent directors, with appropriate financial skills to provide good oversight. We have in place strong internal controls to ensure compliance with all relevant regulations and standards. Our rigorous business process controls include ongoing programs of self-assessment, controls, as well as internal and external audits. Your Company has adopted a Code of Conduct for its Directors. It is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct.

Further, your Company reinforces responsibilities of all our employees, including key employees, of observing high standards of corporate governance through the Company's "Worldwide Business Conduct Manual," which sets forth management's commitment to conduct its business affairs with high ethical standards. This manual flows from our PVP which is the umbrella for our critical policy areas, which in turn create specific guidelines and standards. This manual enables the Company's employees to make easier connections to relevant policies and the tools that support them. This manual describes the Company's "Worldwide Business Conduct Standards". These standards flow from the following core values of the Company:

- Treat the Company's assets as you would treat your own;
- Behave with the Company's long term success in mind;
- Always do the right thing;
- Operate within the letter and spirit of law.

The "Worldwide Business Conduct Manual" also details the policy statements, operating policies/procedures/practices and internal controls being followed by the Company with specific emphasis on ethical behaviour of employees, compliance with all applicable laws in letter and spirit, ensuring accuracy of books and records, maintaining confidentiality of corporate data, avoidance of conflict of interest, fair dealings, fair competition, following best practices for safety and health of Company personnel, environmental protection, trading in securities and a host of special legal issues.

Our reputation is earned by our conduct: what we say, what we do, the products we make, the services we provide, and the way we act and treat others. As conscientious citizens and employees, we want to do what is right. For your Company, this is the only way to do business.

BOARD OF DIRECTORS

(a) Composition of the Board

As on date, the Board has one Managing Director (MD), and four non-executive Directors. The Managing Director is involved in the day-to-day management of the Company while the non-executive Directors bring external perspective and independence to decision making. Mr. R. A. Shah and Mr. B. S. Mehta are 'independent directors' as per explanation to clause 49I(A) of the listing agreement with stock exchanges. Except for the Managing Director, all the non-executive Directors are liable to retire by rotation. As per Article 131 of the Articles of Association of the Company, The Procter & Gamble Company, USA has the right to designate one or more of the members of the Board as Managing Director(s) of the Company.

(b) Number of Board meetings

Four Board meetings were held during the period July 1, 2009 to June 30, 2010. They were held on August 27, 2009, October 29, 2009, January 29, 2010 and April 23, 2010.

(c) Directors' attendance record and Directorships held

The attendance record of all Directors is as under:

Directors	No. of Board meetings attended	Last AGM Attendance
Mr. R. A. Shah	4	Present
Mr. S. Khosla	4	Present
Mr. B. S. Mehta	4	Present
Mr. D. Acharya	4	Present
Ms. D. Henretta	None	Not Present
Mr. P. Agarwal †	None	Not Present

† Alternate Director to Ms. Henretta.

Procter & Gamble Hygiene and Health Care Limited

The composition and other required details of the Board of Directors as on June 30, 2010 are given below:

Name of the Director	Category	Designation	Other Directorships *		Membership of other Board Committees**	
			Member	Chairman	Member	Chairman
Mr. R. A. Shah	NED/ID	Chairman	14	3	9	4
Mr. S. Khosla	ED	Managing Director	2	1	2	None
Mr. B. S. Mehta	NED/ID	Director	14	None	9	5
Mr. D. Acharya	NED	Director	1	None	1	None
Ms. D. A. Henretta	NED	Director	1	None	None	None
Mr. P. Agarwal	NED	Alternate to Ms. D. Henretta	None	None	None	None

NED – Non Executive Director

ED – Executive Director

ID – Independent Director

* excludes directorships in private limited companies, bodies corporate, foreign companies, memberships of managing committees of various chambers/bodies and alternate directorships.

** includes memberships of only Audit Committees and Share Transfer and Investor Grievance Committee of public companies.

(d) Material significant related party transaction

There are no materially significant transactions made by the Company with its promoters, directors, or management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note No. B.12 of Schedule 17 to the Accounts in the Annual Report.

Your Company also pays fees for the professional services to the firm of chartered accountants and firm of solicitors and advocates of which two of the Non-Executive Directors are respectively partners. Considering the amounts involved, the Company is of the opinion that there is no material pecuniary relationship/association with these firms. The non-executive Independent Directors are paid remuneration based on their responsibility and performance and in terms of the resolution as passed by the members at the general meeting.

(e) Remuneration of Directors

The non-executive independent Directors are paid annual commission of ₹10 lakhs each w.e.f. July 1, 2006 for a period of 5 years, subject to deduction of tax at source.

The remuneration of the Managing Director comprises salary, house rent allowance, perquisites, performance linked incentives, contribution to provident and other funds, gratuity and leave travel allowance and other perquisites and benefits as per the policy of the Company.

The above commission is restricted to one percent of the net profits of the Company per annum in the aggregate as calculated as per the provisions of sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956.

The term of the Managing Director is for a period of five years from the date of his respective appointment/

Details of the remuneration paid to the Directors of the Company during the year ended June 30, 2010 are given below:

Name of Director	Relationship with other Directors	Salary including Bonus+PF contribution (₹)	Perquisites (₹)	Commission (₹)	Shares held (Equity Shares of ₹10/- each)
Mr. R. A. Shah	None	—	—	10,00,000	5,550
Mr. S. Khosla	None	3,84,89,012	90,26,428	—	67
Mr. B. S. Mehta	None	—	—	10,00,000	3,799
Mr. D. Acharya	None	—	—	—	—
Ms. D. A. Henretta	None	—	—	—	—
Mr. P. Agarwal †	None	—	—	—	—
TOTAL		3,84,89,012	90,26,428	20,00,000	—

† Alternate Director to Ms. D. A. Henretta. Details as regards to the remuneration are disclosed vide Note No. B.15 of Schedule 17 to the Accounts in the Annual Report.

NOTE – No sitting fees are payable to any Director.

re-appointment. No fee/compensation is payable to the Directors on severance of directorship of the Company.

The Company has not set up a Remuneration Committee. However, the Company, for paying its employees, is guided by the principles of paying competitively to match industry levels and for individual performances and their contribution to the business.

STOCK OPTIONS

The Company does not have any Stock Option Plan for its employees. However, all employees of the Company including its Managing Director are given the right to purchase shares of the ultimate parent company – The Procter & Gamble Company, USA under its International Stock Ownership Plan. Certain employees of the Company are also entitled to Stock Options of the parent company under its Employee Stock Option Plan. Details as regards the same are disclosed vide Note No. B.14 (a) and (b) of Schedule 17 to the Accounts in the Annual Report.

(f) Committees of the Board

Audit Committee

The Audit Committee comprises of Non-Executive Directors namely Mr. R. A. Shah (Chairman), Mr. B. S. Mehta (Member) and Mr. D. Acharya (Member). The Audit Committee met on August 27, 2009, October 29, 2009, January 29, 2010 and April 23, 2010.

Directors	No. of meetings held during tenure	No. of meetings attended
Mr. R. A. Shah	4	4
Mr. B. S. Mehta	4	4
Mr. D. Acharya	4	4

Mr. A. Vyas is the Secretary of the Audit Committee.

The Audit Committee enjoys the powers and plays the role as is contemplated under Section 292A of the Companies Act, 1956 read with the Listing Agreement as amended from time to time, with the Stock Exchanges.

The Audit Committee powers include the following:

- (a) to investigate any activity within its terms of reference.
- (b) to seek information from any employee.
- (c) to obtain outside legal or other professional advice.
- (d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee role includes the following:

- (a) Overseeing 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.
- (b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with management the annual financial statement/s before submission to the Board, focusing primarily on:
 - Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- (d) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- (e) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- (f) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (g) Discussion with internal auditors of any significant findings and follow up thereon.
- (h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (i) Discussion with external auditors before the audit commences about nature and scope of audit as

Procter & Gamble Hygiene and Health Care Limited

well as have post-audit discussion to ascertain any area of concern.

- (j) Reviewing the Company's financial and management policies.
- (k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (l) Reviewing the functioning of the Whistle Blower mechanism.
- (m) Carrying out any other function as required in the terms of reference of the Audit Committee in the Listing Agreement as may be amended from time to time.

The minutes of the committee are placed before the Board.

Shareholders'/Investors' Grievance Committee

The Shareholders' Grievance Committee comprises of Mr. S. Khosla (Member) and Mr. D. Acharya (Chairman). Mr. A. Vyas, Company Secretary acts as the Compliance Officer. During the year four meetings were held on August 27, 2009, October 29, 2009, January 29, 2010 and April 23, 2010.

Directors	No. of meetings held during tenure	No. of meetings attended
Mr. S. Khosla	4	4
Mr. D. Acharya	4	4

The Committee redresses shareholder complaints like delays in transfer of shares, non-receipt of dividend warrants, non-receipt of annual report etc. The Committee considers and approves transfer/transmission of shares, issue of duplicate share certificates, and dematerialization of shares.

During the year, the Company received 172 shareholder complaints. The complaints have generally been resolved to the satisfaction of the shareholders except for dispute cases and sub-judice matters, which would be resolved on final disposal by courts. There were no pending transfers as on June 30, 2010. The pending share transfers have since been acted upon by the Registrar and Share Transfer Agents.

SHAREHOLDERS

(a) Disclosures regarding re-appointment of Director

- (i) **Mr. R. A. Shah** is a leading solicitor and a senior partner of M/s. Crawford Bayley & Co., a firm of

solicitors and advocates. He specialises in broad spectrum of corporate laws. Mr. Shah has been associated with the Company since its inception.

Mr. Shah is a Chairman of Clariant Chemicals (India) Limited, Godfrey Phillips India Limited, Pfizer Limited and Vice-Chairman of Colgate Palmolive India Limited. He is a Director in Abbott India Limited, Asian Paints Limited, ACC Limited, The Bombay Dyeing & Mfg. Co. Limited, BASF India Limited, Century Enka Limited, Deepak Fertilizers and Petrochemicals Corporation Limited, Lupin Limited, Piramal Healthcare Limited and Wockhardt Limited. He holds alternate directorships in Atul Limited, BASF Polyurethanes India Limited, Modicare Limited, RPG Life Sciences Limited, Schrader Duncan Limited and Uhde India Limited.

Mr. Shah is also the Chairman/Member of the following Board committees: Chairman of Audit Committee of Colgate Palmolive India Limited, Pfizer Limited, Piramal Healthcare Limited and Clariant Chemicals (India) Limited and Member of Audit Committee of The Bombay Dyeing & Mfg. Co. Limited, Abbott India Limited, BASF India Limited, Century Enka Limited and Wockhardt Limited.

(b) Communication to shareholders

- (i) The Company does not send its quarterly or half-yearly report to its shareholders.
- (ii) The quarterly results of the Company are generally published in The Economic Times and Mumbai Lakshadeep.
- (iii) The Company's results and official news release are published on Company's website: www.pghhcl.in. It contains data on various topics related to transfers, transmission of shares, dematerialisation, nomination, change of address, loss of physical share certificates, dividend etc. Also, a special facility has also been provided for shareholders to send in their suggestion/grievances, which are immediately responded to.
- (iv) No presentations were made to analysts and institutional investors.
- (v) Annual Report and quarterly results of the Company are also posted on the Corpfilng site viz. www.corpfilng.co.in
- (vi) The recorded version of the proceedings of the 46th Annual General Meeting would be webcast at the Company's website : www.pghhcl.in.

(c) Statutory Compliance

The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and SEBI on all matters related to capital markets and no strictures or penalty was imposed on the Company in past three years.

(d) Annual General Meetings

Year	Type	Location	Date	Time
2009	AGM	Patkar Hall	Oct. 15, 2009	3.30 p.m.
2008	AGM	Y. B. Chavan Hall	Oct. 10, 2008	3:30 p.m.
2007	AGM	Patkar Hall	Oct. 12, 2007	3:30 p.m.

No special resolution was passed at the last Annual General Meeting.

Postal Ballot

No postal ballot was undertaken during the year.

(e) Whistle Blower Policy

The Company follows a Whistle Blower Policy as laid down in its "Worldwide Business Conduct Manual". Any employee or other interested person can call on an 'Alertline', twenty-four hours a day, seven days a week, to report any concerns about violations of the Company's "Worldwide Business Conduct Standards".

The Alertline is not staffed or monitored by the Company personnel. All calls can be completed anonymous if the caller desires. The Alertline can take calls in most languages spoken by employees around the world.

Calls made to the Alertline are reported to the Company's Corporate Security and Legal personnel, who will ensure appropriate investigation and follow-up of all calls. Callers are given a confidential identification number so they can inquire about the status of their reported concern.

The Audit Committee was accessible to all employees.

(f) CEO/CFO Certification

In terms of requirement of clause 49(V) of the Listing Agreement, the Managing Director (CEO) and the Chief Financial Officer (CFO) have made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

(g) Adoption of non-mandatory requirements

(a) Adoption of non-mandatory requirements under clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

(b) There is no fixed tenure for independent directors. The Board of Directors ensures that the person being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company.

(c) There are no audit qualifications in the Company's financial statements for the year under reference.

(d) No specific training program was arranged for the Board members. However, at the Board meetings, detailed presentations are made by senior managerial personnel on the business related matters.

(e) The Company has not adopted any mechanism for evaluating individual performance of non-executive directors.

(f) Of the non-mandatory requirements, currently the Company has the Whistle Blower Policy, as described above.

(h) Compliance with the Voluntary Code of Corporate Governance:

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on "Corporate Governance" and "Corporate Social Responsibility" in December 2009. These guidelines are expected to serve as a benchmark for the corporate sector and also help them in achieving the highest standard of corporate governance.

Some of the provisions of these guidelines are already in place as reported elsewhere in this Report. The other provisions of these guidelines are being evaluated for adoption in future.

(i) Code of Conduct

(i) Code of Conduct for Directors

The Company has in place a Code of Conduct for its Directors. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Code of Conduct has been posted on the Company's website at www.pghhcl.in.

(ii) Code of Conduct for Prevention of Insider Trading

The Board of the Company has adopted the Insider Trading Code modified in terms of amendments notified by SEBI under the SEBI (Prohibition of Insider Trading) Regulations, 1992 on November 19, 2008.

Procter & Gamble Hygiene and Health Care Limited

GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting

The 46th Annual General Meeting will be held on **Friday, October 8, 2010 at 3.30 p.m.** at **Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Mumbai 400 021.**

II. Financial Calendar

The Company follows July-June financial year. The unaudited results for every quarter beginning from July are declared in the month following the quarter except for the last quarter, for which the audited results are declared by August, as permitted under the Listing Agreement.

III. Book Closure Date: September 25, 2010 to October 8, 2010 (both days inclusive).

The said book closure is for payment of dividend.

IV. Dividend Payment Date on or around October 15, 2010.

V. Listing of Equity Shares on Stock Exchanges

The Company's shares are listed on the Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective Stock Exchanges.

VI. Stock Code

Bombay Stock Exchange Ltd., Mumbai –
Code: 500459 (physical & demat)

National Stock Exchange of India Ltd – Code: PGHH
The dematerialization ISIN Code is INE 179A01014.

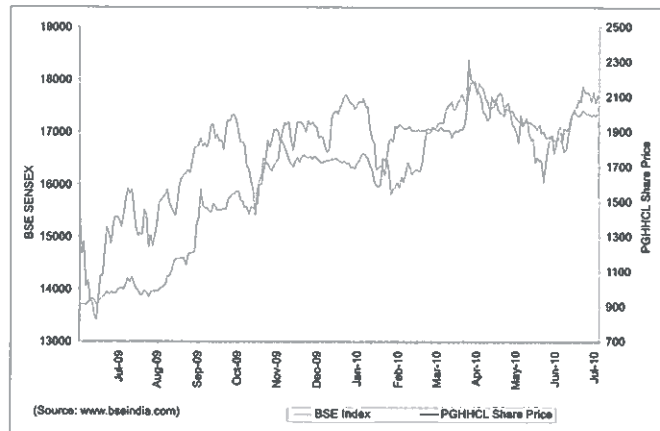
VII. Stock Price Data

MONTH	Bombay Stock Exchange Ltd, Mumbai		National Stock Exchange of India Ltd.	
	₹High	₹Low	₹High	₹Low
July – 2009	1,040	892	1,029	890
August – 2009	1,100	945	1,098	952
September – 2009	1,675	1,080	1,640	1,055
October – 2009	1,578	1,358	1,629	1,402
November – 2009	1,899	1,441	1,900	1,434
December – 2009	1,800	1,709	1,850	1,702
January – 2010	1,800	1,555	1,800	1,560
February – 2010	1,966	1,605	1,969	1,645
March – 2010	2,219	1,840	2,218	1,814
April – 2010	2,372	1,956	2,373	1,725
May – 2010	2,053	1,850	2,060	1,800
June – 2010	2,049	1,826	2,060	1,812

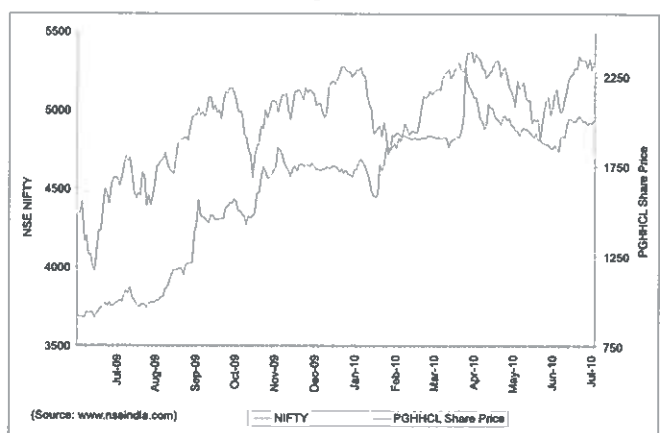
(Source: www.bseindia.com & www.nseindia.com)

VIII. Stock Performance

PGHHCL Share price vs BSE Index



PGHHCL Share price vs NSE NIFTY



IX. Registrar & Transfer Agents

LINK INTIME PRIVATE LIMITED, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078

Tel – (022) 2596 3838, Fax – (022) 2594 6969,

e-mail – rnt.helpdesk@linkintime.co.in

pginvestors@linkintime.co.in

X. Share Transfer System

All shares sent for transfer in the physical form are registered by the Registrar and Share Transfer Agent within 30 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

XI. Distribution of shareholding by size class as on June 30, 2010

Share holding	Shareholders		Shares Amount	
	Number	% to Total	Number	% to Total
Upto 500	20,716	91.52	19,80,299	6.10
501 – 1000	1,081	4.78	7,59,481	2.34
1001 – 2000	508	2.24	7,05,922	2.17
2001 – 3000	116	0.51	2,84,360	0.88
3001 – 4000	58	0.26	2,03,592	0.63
4001 – 5000	34	0.15	1,54,341	0.48
5001 – 10000	60	0.27	4,16,787	1.28
10001 and above	62	0.27	2,79,55,954	86.12
TOTAL	22,635	100.00	3,24,60,736	100.00

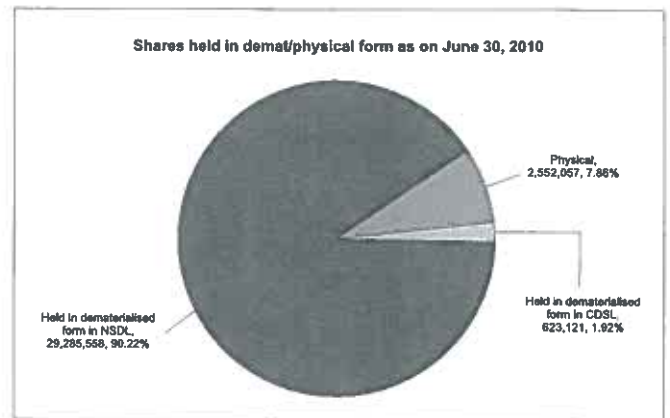
Distribution of shareholding by ownership as on June 30, 2010

Category	Number of Shares held	% of Shares held
Foreign & Indian promoters	2,29,29,773	70.64
Resident Individuals	48,02,407	14.79
Mutual Funds & UTI	17,26,671	5.32
Financial Institutions/Banks	9,913	0.03
Insurance Companies	9,28,335	2.86
Foreign Institutional Investors	7,88,386	2.43
Foreign Companies	1,08,189	0.33
Private Corporate Bodies	10,46,334	3.22
NRIs/OCBs	1,05,344	0.32
Directors and their relatives	15,384	0.05
TOTAL	3,24,60,736	100

XII. Dematerialization of shares and liquidity

The Company's shares are required to be compulsorily traded in the stock exchanges in dematerialised form. As on June 30, 2010 the number of shares in dematerialized and physical mode is as under:

	No. of shares	% to total capital issued
Held in dematerialised form in NSDL	2,92,85,558	90.22
Held in dematerialised form in CDSL	6,23,121	1.92
Physical	25,52,057	7.86
TOTAL	3,24,60,736	100.00



XIII. As on date, the Company has not issued GDR/ADR/warrants or any convertible instruments.

XIV. Unclaimed/Unpaid Dividends

The amount of unclaimed dividends for and upto the year ended 2002 has been transferred to the Investor Education and Protection Fund established by the Central Government. Pursuant to Section 205C of the Companies Act, 1956, those members who have not claimed their dividends for the said periods shall not be entitled to claim the same either from the Company or from the said Fund.

Final dividend for the financial years ended June 30, 2003 and subsequent years, which remain unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's RTA M/s Link Intime Private Limited.

Dividend No.	Date of Declaration	For the year ended	Due for transfer to IEPF
50	10.10.2003	30.06.2003	15.11.2010
51	15.10.2004	30.06.2004	20.11.2011
52	25.11.2005	30.06.2005	31.12.2012
53	06.10.2006	30.06.2006	11.11.2013
54	12.10.2007	30.06.2007	17.11.2014
55	10.10.2008	30.06.2008	15.11.2015
56	15.10.2009	30.06.2009	20.11.2016

During the financial year 2009-10, unclaimed final dividend amount for the year ended June 30, 2002 of ₹1,214,363/- was transferred to the Investor Education and Protection fund on November 27, 2009.

Procter & Gamble Hygiene and Health Care Limited

XV. Plant Locations

Goa Plant: 173, 314, 315, Kundaim Industrial Estate,
Kundaim, Goa 403 115.

Baddi Plants:

- (1) Khasara, No. 1808-09, Village-Doria, Export Park, Thana, Near Ino Pharma, P.O. Baddi, Tehsil - Nalagarh, Dist.: Solan Himachal Pradesh - 173 205.
- (2) Village Katha, Near Charak Pharma, P.O. Baddi, Tehsil - Nalagarh, Dist.: Solan Himachal Pradesh - 173 205.

XVI. Address for Correspondence:

Secretarial Dept.,
Procter & Gamble Hygiene and Health Care Limited,
P&G Plaza, Cardinal Gracias Road,
Chakala, Andheri (East), Mumbai 400 099.
Tel: (91-22) 28266000, Fax (91-22) 66939696.
Email: pginvestors@linkintime.co.in

XVII. Compliance Officer:

Mr. Amit K. Vyas
Company Secretary
Ph.: (91-22) 2826 6000, Fax (91-22) 6693 9696
Email: vyas.a@pg.com

Declaration

As provided under clause 49 of the Listing Agreement with Stock Exchanges, the Board members have confirmed compliance with the Directors' Code of Conduct for the year ended June 30, 2010 and the Senior Management has confirmed compliance with the Business Conduct Manual for the year ended June 30, 2010.

For Procter & Gamble Hygiene
and Health Care Limited

Mumbai,
August 18, 2010

S. Khosla
Managing Director

Auditors' Certificate on Compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
The Members of
Procter & Gamble Hygiene and Health Care Limited

We have examined the compliance of conditions of Corporate Governance by Procter & Gamble Hygiene and Health Care Limited, for the year ended on June 30, 2010, as stipulated in clause 49 of the Listing Agreement 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 the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Mumbai,
August 18, 2010.

K. A. Katki
Partner
Membership No. 038568