

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, Members and the Board of Directors to help ensure that all the stake holders – 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 the 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; and
- 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 the 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 Independent Directors bring external perspective and independence to decision making. Mr. R. A. Shah and Mr. B. S. Mehta are 'Non-Executive Independent Directors' as per Clause 49 I(A) of the Listing Agreement with the Stock Exchanges. Except 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

Five (5) Board Meetings were held during the period July 1, 2011 to June 30, 2012. These Meetings were held on August 25, 2011, November 9, 2011, February 2, 2012 (Two Board Meetings were held on the same day) and April 30, 2012. The Annual General Meeting for the Financial Year ended June 30, 2011 was held on November 23, 2011.

(c) Directors' attendance record and Directorships held

The attendance of Directors at the Board Meetings and at the last Annual General Meeting is as under:

Name of Director	No. of Board meetings held during the tenure	No. of Board meetings attended	Last AGM Attendance
Mr. R. A. Shah	5	5	Present
Mr. S. Khosla	5	5	Present
Mr. B. S. Mehta	5	5	Present
Mr. D. Acharya #	2	2	Present
Ms. D. Henretta *	5	None	Not Present
Mr. P. Agarwal †	5	2	Not Present
Mr. A. Vyas £	3	2	Present

Mr. D. Acharya ceased to be a Director of the Company w.e.f. December 1, 2011, consequent to his resignation.

* Ms. D. Henretta ceased to be a Director of the Company w.e.f. August 1, 2012, consequent to her resignation.

† Alternate Director to Ms. D. Henretta, Mr. Agarwal ceased to be Alternate Director w.e.f. August 1, 2012 consequent to cessation of Ms. D. Henretta from Directorship of the Company and was appointed as an Additional Director of the Company w.e.f. August 13, 2012.

£ Mr. A. Vyas was appointed as an Additional Director of the Company w.e.f. December 22, 2011. Prior to this, he was functioning as the Company Secretary of the Company upto the close of business hours on 30th November, 2011.

(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. 38 forming part of the Financial Statements.

(e) Remuneration of Directors

The Members of the Company at their 47th Annual General Meeting held on November 23, 2011 had passed a Special Resolution according approval for payment of commission to the Non Executive Independent Directors of the Company upto a maximum of 1% of the net profits of the Company per annum in the aggregate, for a period of 5 years w.e.f. July 1, 2011 or such other date which the Board of Directors may approve. The Board of Directors had at its 351st Meeting held on January 29, 2007 accorded approval for payment of Annual Commission of ₹ 10 Lacs to be paid to each of the Non Executive Independent Directors of the Company, for a period of 5 years w.e.f. July 1, 2006. This Board resolution expired on June 30, 2011. In view of the above, the Board of Directors has at its 377th meeting held on August 23, 2012 accorded approval for payment of Annual Commission of ₹ 10 Lacs to each of the Non Executive Independent Directors for the period July 1, 2011 to June 30, 2012.

The composition and other required details of the Board of Directors as on June 30, 2012 are given below:

Name of the Director	Category	Designation	Other Directorships *	Membership of other Board Committees**	
				Member	Chairman
Mr. R. A. Shah	NED/ID	Chairman	14	8	3
Mr. S. Khosla	ED	Managing Director	2	2	1
Mr. B. S. Mehta	NED/ID	Director	14	9	5
Mr. A. Vyas £	NED	Director	1	1	None
Ms. D. Henretta #	NED	Director	1	None	None
Mr. P. Agarwal †	NED	Alternate to Ms. D. Henretta	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 Committees of Public Companies.

£ Mr. A. Vyas was appointed as an Additional Director of the Company w.e.f. December 22, 2011. Prior to this, he was functioning as the Company Secretary of the Company upto the close of business hours on 30th November, 2011.

Ms. D. Henretta resigned from Directorship of the Company w.e.f. August 1, 2012.

† Alternate Director to Ms. D. Henretta, Mr. P Agarwal ceased to be Alternate Director w.e.f. August 1, 2012 consequent to cessation of Ms. D. Henretta from Directorship of the Company and was appointed as an Additional Director of the Company w.e.f. August 13, 2012.

Details of the remuneration paid/provided to the Directors of the Company during the Financial Year ended June 30, 2012 are given below:

Name of Director	Relationship with other Directors	Salary including Bonus + PF contribution (₹)	Perquisites (₹)	Commission* (₹)	Total (₹)	Shares held (Equity Shares of ₹10/- each)
Mr. R. A. Shah	None	—	—	10,00,000	10,00,000	5,550
Mr. S. Khosla	None	5,20,68,948	5,19,996	—	5,25,88,944	67
Mr. B. S. Mehta	None	—	—	10,00,000	10,00,000	3,799
Mr. D. Acharya	None	—	—	—	—	—
Ms. D. Henretta	None	—	—	—	—	—
Mr. P. Agarwal	None	—	—	—	—	—
Mr. A. Vyas	None	—	—	—	—	—
TOTAL		5,20,68,948	5,19,996	20,00,000	5,45,88,944	9,416

* The above Commission excludes service tax amounting to ₹ 2,47,200/-

NOTE – No sitting fee is payable to any Director.

The said commission is restricted to 1% of the net profits of the Company in the aggregate, as calculated as per the provisions of sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956. The Non Executive Independent Directors are paid remuneration based on their responsibility and performance.

Your Company also pays fees for the professional services, if availed, to the firm of Chartered Accountants of which one of the two Non Executive Independent Directors is the Chief Mentor and to the firm of Solicitors & Advocates of which the other Non Executive Independent Director is a partner. Considering the amounts normally involved, the Company is of the view that there is no material pecuniary relationship/ association with the said firms.

Mr. Shantanu Khosla has been re-appointed as the Managing Director of the Company by the Board of Directors for a period of five years w.e.f. June 1, 2012. No fee/compensation is payable to the Directors on severance of directorship of the Company.

The re-appointment and remuneration paid to the Managing Director subsequent to the date of re-appointment i.e. June 1, 2012 amounting to ₹ 33.12 lakhs is subject to the approval of the Members of the Company at the ensuing 48th Annual General Meeting. Refer Note No. 36 to the Accounts in the Annual Report.

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 the 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. 27 forming part of the Financial Statements.

(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. Amit Vyas (Member). The Audit Committee met on August 25, 2011, November 9, 2011, February 2, 2012 and April 30, 2012.

Directors	Designation	Category	Profession	No. of Meetings held during tenure	No. of Meetings attended
Mr. R. A. Shah	Chairman	NED/ID	Solicitor	4	4
Mr. B. S. Mehta	Member	NED/ID	Chartered Accountant	4	4
Mr. D. Acharya**	Member	NED	In Service	2	2
Mr. A. Vyas***	Member	NED	In Service	2	1

** Mr. D. Acharya ceased to be a Director of the Company on December 1, 2011, consequent to his resignation.

*** Mr. A. Vyas was inducted into the Audit Committee on February 2, 2012.

During the Financial Year under review, Mr. Amit Vyas resigned as the Company Secretary and Compliance Officer of the Company with effect from December 01, 2011. Mr. Sachin Harlalka has been appointed as the Company Secretary and Compliance Officer of the Company with effect from December 22, 2011.

Presently, Mr. Sachin Harlalka 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 quorum for the Committee is two members, who are independent directors.

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 the Stock Exchange and Legal requirements concerning the 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 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, Members (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. Shantanu Khosla (Chairman) and Mr. Amit Vyas (Member). Mr. Sachin Harlalka, Company Secretary acts as the Compliance Officer. During the Financial Year, four meetings were held on August 25, 2011, November 9, 2011, February 2, 2012 and April 30, 2012.

Directors	No. of Meetings held during tenure	No. of Meetings attended
Mr. S. Khosla*	4	4
Mr. D. Acharya**	2	2
Mr. A. Vyas***	2	2

* Mr. S. Khosla was appointed as the Chairman of the Shareholders' Grievance Committee on February 2, 2012.

** Mr. D. Acharya ceased to be the Director of the Company w.e.f. December 1, 2012.

*** Mr. A. Vyas was inducted into the Shareholders' Grievance Committee on February 2, 2012.

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 Financial Year under review, the Company received 192 shareholder complaints. These complaints have been resolved to the satisfaction of the shareholders except for disputed cases and sub-judice matters, which would be resolved on final disposal by Courts. There were no pending share transfers as on June 30, 2012.

SHAREHOLDERS

(a) Disclosures regarding appointment/re-appointment of Directors

- (i) **Mr. Shantanu Khosla** was appointed as the Managing Director of the Company for a period of five years w.e.f. June 1, 2007. The said term expired on June 1, 2012. Hence, the Board of Directors, subject to the approval of the Members of the Company, has re-appointed Mr. Shantanu Khosla as the Managing Director of the Company for a period of five years w.e.f. June 1, 2012.

Mr. Khosla is a B.Tech (Mechanical Engg) with post graduation in Business Management (MBA). He has been with P&G since 1983. Mr. Khosla has over the period gained valuable experience by leading and managing P&G's international businesses in UK, Malaysia, Japan and Singapore.

Mr. Khosla is also the Managing Director of Gillette India Limited and Procter & Gamble Home Products Limited.

- (ii) **Mr. R. A. Shah**, Director, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming 48th Annual General Meeting.

Mr. Shah is the Chairman of the Company. Mr. Shah is a leading Solicitor and a senior partner of M/s. Crawford Bayley & Co., a firm of Solicitors and Advocates. He specializes in a broad spectrum of corporate laws. Mr. Shah has been associated with the Company since its inception.

Mr. Shah is the Chairman of Clariant Chemicals (India) Limited, Godfrey Phillips India Limited and Pfizer Limited. He is the Vice-Chairman of Colgate Palmolive India Limited. Mr. Shah is also a Director on the Boards of Abbott India Limited, Asian Paints Limited, ACC Limited, The Bombay Dyeing & Manufacturing Co.

Limited, BASF India Limited, Century Enka Limited, Deepak Fertilizers & Petrochemicals Corporation Limited, Jumbo World Holdings Limited (Foreign Company), Lupin Limited, Workhardt Limited and Modicare Limited.

Mr. Shah is also a Committee Member of Bombay Chamber of Commerce and Indo German Chamber of Commerce and the President of Society of Indian Law Firms (western region).

- (iii) **Mr. Pramod Agarwal** was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from August 13, 2012. As an Additional Director, he holds office upto the date of the 48th Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a Member proposing his candidature as a Director of the Company, liable to retire by rotation, along with a deposit of ₹ 500/-.

Mr. Pramod Agarwal, a Bachelor of Commerce from Kanpur University and a Post Graduate Diploma holder in Management from Indian Institute of Management, Ahmedabad, is the Vice President – Finance & Accounting Asia of P&G International Ops. SA. Mr. Agarwal is an expert in Finance with deep knowledge of Asia business and rich experience in pulling the business out of Asian economic crisis in 1997 as well as the global financial crisis in 2008 and enabled strong growth of P&G business in Asia.

Mr. Agarwal joined Procter & Gamble India in 1987. He has worked across multiple geographies including Thailand, Japan, Philippines, USA and Singapore. Mr. Agarwal has worked on variety of businesses including Hair care, Laundry and Feminine care. Mr. Agarwal will assume responsibility as Vice President Finance for Global Hair Care & Color business based out of Geneva starting October 1, 2012.

Mr. Agarwal has an avid interest in building Asian talent and invests significant time and energy on training the young talent. Mr. Agarwal has been selected as Member of the Indian Institute of Management Ahmedabad Society.

Mr. Agarwal is also a Director on the Board of Gillette India Limited.

- (iv) **Mr. Amit Vyas** was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from December 22,

2011. As an Additional Director he holds office upto the date of the 48th Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a Member proposing his candidature as a Director of the Company, liable to retire by rotation, along with a deposit of ₹ 500/-.

Mr. Vyas is a law graduate from Delhi University and is a Fellow Member (FCS) of the Institute of the Company Secretaries of India. Mr. Vyas has a rich corporate experience of over 18 years in the area of Corporate and Securities Laws. Mr. Vyas has been with the P&G Group since 2007.

Mr. Vyas is also a Director on the Board of Procter & Gamble Home Products Limited.

(b) Communication to shareholders

- (i) The Company does not send its Quarterly or Half-yearly report to its Members.
- (ii) The Quarterly Results of the Company are announced within 45 days of completion of the Quarter, as prescribed under the Listing Agreement. Audited Annual Results are announced within Sixty days of the end of Financial Year which are published in The Economic Times, Mumbai Lakshadeep and The Asian Age.
- (iii) The Company’s results and official news releases are published on Company’s website: www.pg.com/en_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 been provided for shareholders to send in their suggestions/ grievances, which are immediately responded to.
- (iv) No presentations were made to Analysts and Institutional Investors during the course of the Financial Year.
- (v) The Annual Report and Quarterly Financial Results of the Company are also posted on the Corpfilng website viz. www.corpfilng.co.in.
- (vi) Your Company has taken requisite steps to ensure compliance with the **Circular No. 17/2011 dated April 24, 2011 and Circular No. 18/2011 dated April 29, 2011** issued by the Ministry of Corporate Affairs, propagating the ‘Green Initiative’. This initiative involves paperless compliances by serving documents on the Members through the electronic mails (e-mails). Specific details of

the steps taken by the Company in this regard are given in the notes to the Notice convening the 48th Annual General Meeting of the Company.

- (vii) The recorded version of the proceedings of the 48th Annual General Meeting would be webcast at the Company’s website: www.pg.com/en_IN.

(c) Statutory Compliance

The Company has complied with all the 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 (AGMs):

Year	Type	Location	Date	Time
2011	AGM	Y. B. Chavan Hall	Nov 23, 2011	3.30 p.m.
2010	AGM	Y. B. Chavan Hall	Oct 8, 2010	3.30 p.m.
2009	AGM	Patkar Hall	Oct 15, 2009	3.30 p.m.

At the previous 47th Annual General Meeting held on November 23, 2011, a Special Resolution under Section 309(4) of the Companies Act, 1956 was passed by the Members of the Company according their approval for payment of Commission to Non-Executive Independent Directors of the Company upto 1% of the net profits of the Company per annum in the aggregate for a period of five years with effect from July 1, 2011.

Postal Ballot

No postal ballot was undertaken during the Financial Year ended June 30, 2012.

(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 ‘*The Worldwide Business Conduct Helpline (previously called the 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 *Worldwide Business Conduct Helpline* is not staffed or monitored by the Company personnel. All calls can be completed anonymous if the caller desires. The *Helpline* can take calls in most languages spoken by employees around the world.

Calls made to the *Helpline* are reported to the Company’s Corporate Security and Legal personnel, who ensure

appropriate investigation and follow-up of all such calls. Callers are given a confidential identification number so that they can inquire about the status of their reported concerns.

The 'Wordwide Business Conduct Helpline' is 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 Financial Year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

(g) Adoption of non-mandatory requirements

- (i) Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.
- (ii) 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 value to the Company.
- (iii) There are no audit qualifications in the Company's financial statements for the Financial Year under reference.
- (iv) 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.
- (v) The Company has not adopted any mechanism for evaluating individual performance of Non-Executive Directors.
- (vi) Of the non-mandatory requirements, currently the Company has adopted the Whistle Blower Policy, as described above.

(h) 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.pg.com/en_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.

GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting

The 48th Annual General Meeting will be held on **Thursday, December 6, 2012 at 3.30 pm** at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai - 400 021.

II. Financial Calendar

The Company follows July-June Financial Year. The Unaudited Results in respect of 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 Dates: Thursday, November 22, 2012 to Thursday, December 6, 2012 (both days inclusive).

The said book closure is for payment of dividend.

IV. Dividend Payment Date: On or around December 13, 2012.

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

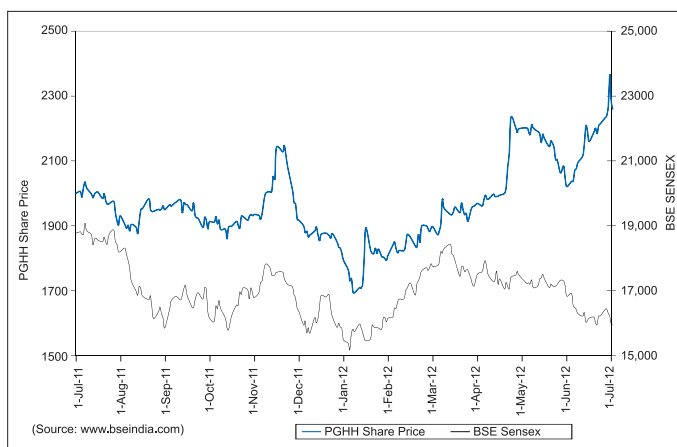
VII. Stock Price Data (₹)

MONTH	Bombay Stock Exchange Ltd., Mumbai		National Stock Exchange of India Ltd.	
	High	Low	High	Low
July - 2011	2,075.00	1,893.00	2,100.00	1,900.10
August - 2011	2,009.95	1,865.00	2,000.00	1,808.00
September - 2011	1,990.00	1,850.00	2,000.00	1,875.00
October - 2011	2,010.00	1,851.00	2,115.00	1,850.00
November - 2011	2,172.50	1,851.05	2,172.00	1,843.00
December - 2011	1,915.00	1,663.00	1,909.00	1,577.60
January - 2012	1,896.65	1,600.00	1,915.20	1,775.00
February - 2012	2,020.00	1,817.00	2,015.00	1,811.45
March - 2012	2,270.00	1,901.00	2,280.00	1,920.05
April - 2012	2,300.00	2,000.00	2,285.00	2,051.05
May - 2012	2,388.00	2,000.00	2,410.90	1,827.40
June - 2012	2,380.00	2,090.10	2,394.00	2,090.00

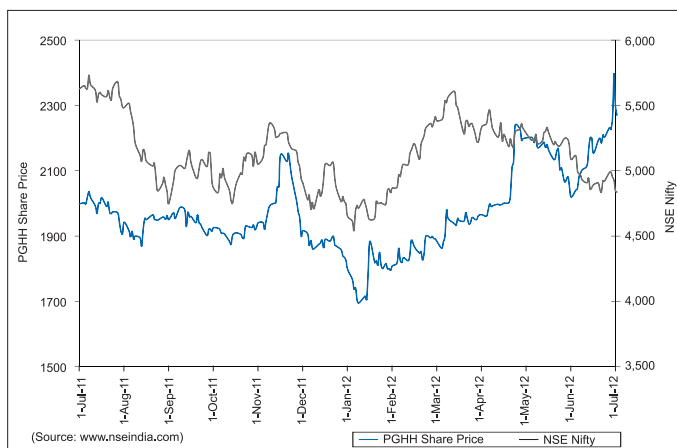
(Source: www.bseindia.com & www.nseindia.com)

VIII. Stock Performance in comparison to the BSE Sensex and NSE Nifty

The following chart shows the performance of the Company’s shares as compared to the BSE Sensex during the Financial Year 2011-12:



The following chart shows the performance of the Company’s shares as compared to the NSE Nifty during the Financial Year 2011-12:



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

Agents as per the terms of the Listing Agreements, if the documents are 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 as on June 30, 2012

Share holding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	20,981	92.13	18,86,565	5.81
501 – 1000	999	4.39	6,99,450	2.15
1001 – 2000	475	2.09	6,57,039	2.02
2001 – 3000	114	0.50	2,78,596	0.86
3001 – 4000	49	0.21	1,73,769	0.54
4001 – 5000	32	0.14	1,45,555	0.45
5001 – 10000	56	0.25	3,84,666	1.19
10001 and above	67	0.29	282,35,096	86.98
TOTAL	22,773	100.00	324,60,736	100.00

Distribution of shareholding by ownership as on June 30, 2012

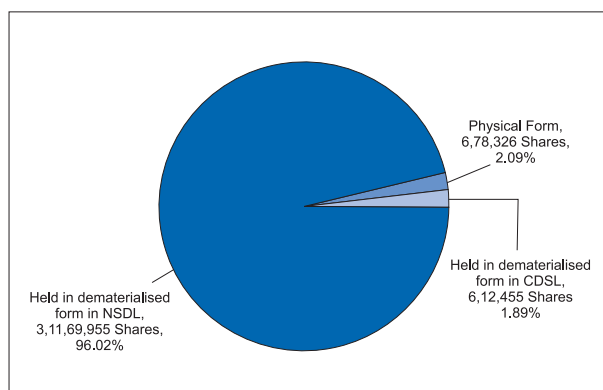
Category	Number of Shares held	% of Shares held
Foreign & Indian promoters	2,29,29,773	70.64
Resident Individuals and others	43,73,843	13.47
Mutual Funds & UTI	24,20,516	7.46
Financial Institutions/Banks	2,01,618	0.62
Insurance Companies	9,28,135	2.86
Foreign Institutional Investors	6,45,724	1.99
Private Corporate Bodies	8,53,071	2.63
NRIs	92,672	0.29
Directors and their relatives	15,384	0.04
TOTAL	3,24,60,736	100.00

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, 2012 the number of shares in dematerialized and physical mode is as under:

Particulars	No. of shares	% to total capital issued
Held in dematerialised form in NSDL	3,11,69,955	96.02
Held in dematerialised form in CDSL	6,12,455	1.89
Physical	6,78,326	2.09
TOTAL	3,24,60,736	100.00

Shares held in demat/physical form as on June 30, 2012



XIII. In terms of Circular No. Cir/ISD/3/2011 dated June 17, 2011 SEBI, has notified that the securities of Companies shall be traded in the normal segment of the Stock Exchanges, if and only if, the Company has achieved 100% of the Promoter's and Promoter group's shareholding in the dematerialized form. Accordingly the Company has achieved 100% of the Promoter's and Promoter group's shareholding in the dematerialized form during the Financial Year.

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

XV. Unclaimed/Unpaid Dividends

The amount of the unclaimed dividends for and upto the Financial Year ended June 30, 2004, 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 dividend 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 Year ended June 30, 2005 and for the 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 India Private Limited.

Dividend No.	Date of Declaration	For the Financial Year ended	Due for transfer to IEPF
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
57	08.10.2010	30.06.2010	13.11.2017
58	23.11.2011	30.06.2011	29.12.2018

During the Financial year 2011-12, unclaimed final dividend amount for the Financial Year ended June 30, 2004 of ₹ 17,94,980/- was transferred to the Investor Education and Protection fund on January 7, 2012.

The Ministry of Corporate Affairs (MCA) has issued the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 vide its Notification No. G.S.R. 352(E) dated May 10, 2012, pursuant to which the Company has filed the details of unpaid/unclaimed dividend as on date of previous Annual General Meeting, i.e., November 23, 2011, with the Ministry of Corporate Affairs (MCA) as required. The said details have also been posted on the website of the Company, viz., www.pg.com/en_IN.

XVI. Plant Locations

Goa Plants:

- (1) 173, 314, 315, Kundaim Industrial Estate, Kundaim, Goa - 403 115
- (2) Plot 2, GDDIDC Honda, Bhuipal, Sattari, Goa - 403 506

Baddi Plants:

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

XVII. 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) 2826 6000, Fax: (91-22) 6693 9698.
Email: pginvestors@linkintime.co.in

XVIII. Compliance Officer

Mr. Sachin Harlalka
Company Secretary
Ph: (91-1493) 304600; (91-22) 2826 6000;
Fax: (91-22) 28267337
Email: harlalka.s@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 Financial Year ended June 30, 2012 and the Senior Management has confirmed compliance with the Business Conduct Manual for the Financial Year ended June 30, 2012.

For **Procter & Gamble Hygiene
and Health Care Limited**

Mumbai
August 23, 2012

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 (the "Company"), for the Financial Year ended June 30, 2012, 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, except that:

As stated in Para (e) under 'Board of Directors' to the Corporate Governance report of the Company, the re-appointment of and the remuneration paid to the Managing Director, subsequent to the date of his re-appointment i.e. June 1, 2012 amounting to ₹ 33 12 159 is subject to the approval of the Members at the ensuing Annual General Meeting of the Members of the Company.

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)

K. A. Katki
Partner
Membership No. 038568

Mumbai,
August 23, 2012