

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Your Directors are pleased to present the Corporate Governance Report:

Corporate Governance is the interaction of the Management, Members and the Board of Directors to help ensure that all 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, which is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct.

Further, your Company reinforces responsibilities on all its 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 connection 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 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:

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors. As on date, the Board is headed by a Non-Executive Independent Chairman, a Managing Director (Executive) and six other Non-Executive Directors.

The Non-Executive Independent Directors bring independence and external perspective to decision making. Mr. B. S. Mehta (Chairman), Mr. C. R. Dua, Mr. Gurcharan Das, Mr. A. K. Gupta, have been appointed as Non-Executive Independent Directors for a period of five years w.e.f. September 29, 2014 by the Members at the Annual General Meeting held on September 29, 2014. Mr. Narendra P. Sarda has been appointed as Non-Executive Independent Director for a period of five years w.e.f. August 29, 2015 by the Board of Directors, subject to the approval of the Members at the ensuing 31st Annual General Meeting. They have provided certificate of independence to the Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement. The terms & conditions of appointment of Independent Directors is available on the website of the Company. All other Directors, except the Managing Director and the Non-Executive Independent Directors, are Directors liable to retire by rotation.

Annual Report 2014-2015

The composition and other required details of the Board of Directors as on date are given below:

Name of the Director	Category	Designation	Directorships in other Companies*	Membership of Board Committees of other Companies **	
				Member	Chairman
Mr. B. S. Mehta	NED/ID	Chairman	8	8	3
Mr. Al Rajwani*	ED	Managing Director	1	1	Nil
Mr. C. R. Dua	NED/ID	Director	6	3	Nil
Mr. G. Das	NED/ID	Director	1	Nil	Nil
Mr. A. K. Gupta	NED/ID	Director	1	2	Nil
Mr. P. Agarwal **	NED	Director	1	Nil	Nil
Ms. S. Dhawan	NED	Director	1	Nil	Nil
Mr. N. P. Sarda ***	NED/ID	Director	2	1	Nil

NED - Non-Executive Director

ED - Executive Director

ID - Independent Director

* Excludes Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

** Includes memberships of only Audit Committees and Stakeholders' Relationship Committees of Public Companies.

Mr. Al Rajwani was appointed as an Additional Director and Managing Director of the Company w.e.f. August 29, 2015

Mr. P. Agarwal ceased to be Director of the Company w.e.f. March 31, 2015. Mr. Agarwal was appointed as an Additional Director w.e.f. May 8, 2015.

Mr. N. P. Sarda has been appointed as an Additional Director and Independent Director of the Company w.e.f. August 29, 2015.

NOTE: Mr. S. Khosla resigned as Director and Managing Director of the Company w.e.f. June 30, 2015.

(b) Number of meetings of the Board:

Five (5) meetings of the Board were held during the period July 1, 2014 to June 30, 2015. These meetings were held on August 12, 2014, September 28, 2014, October 30, 2014, February 12, 2015 and May 8, 2015. The Annual General Meeting for the Financial Year ended June 30, 2014 was held on September 29, 2014.

(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 Annual General Meeting (Whether Attended)
Mr. B. S. Mehta	5	5	Yes
Mr. S. Khosla*	5	5	Yes
Mr. C. R. Dua	5	4	Yes
Mr. G. Das	5	4#	No
Mr. A. K. Gupta	5	5	Yes
Mr. P. Agarwal**	5	—	Yes
Ms. S. Dhawan	5	4	Yes

Mr. Das attended the Board meeting held on February 12, 2015 via video-conferencing.

* Mr. S. Khosla resigned as Director and Managing Director of the Company w.e.f. June 30, 2015.

** Mr. P. Agarwal ceased to be Director of the Company w.e.f. March 31, 2015. Mr. Agarwal was appointed as an Additional Director w.e.f. May 8, 2015.

(d) Separate meeting of Independent Directors:

The Independent Directors of the Company met separately without the presence of Non-Independent Directors or management representatives on March 24, 2015, to review the performance of Non-Independent Directors; the Board & the Chairperson of the Company, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

(e) Related Party Transactions:

The Company has adopted Related Party Transaction Policy ('RPT Policy') to ensure that all Related Party Transactions entered into by the Company shall be in the best interest of the Company and in accordance with the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement. The RPT Policy is available on the Company's website at http://www.pg.com/en_IN/invest/gillette/corporate_governance/policy.shtml.

Gillette India Limited

Prior approval of the Audit Committee is obtained for all related party transactions. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are of repetitive nature. All related party transactions are reviewed by external chartered accounting firm to ensure transactions are in ordinary course of business, at arm's length and are placed before the Audit Committee for quarterly review.

There are no material pecuniary relationships/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 39 forming part of the Financial Statements.

(f) Remuneration of Directors

The Members of the Company at their 28th Annual General Meeting held on December 11, 2012, have accorded approval for payment of commission upto 1% of the net profits per annum in the aggregate to the Non-Executive Directors of the Company for a period of five years w.e.f. from January 1, 2013 by way of a Special Resolution. The said resolution had also empowered the Board of Directors and/

or a Committee thereof to fix the quantum of commission payable to each of the Non-Executive Directors and to also determine the period for which the said commission is payable. In view of the above, the Board of Directors had accorded approval for payment of Annual Commission of ₹ 11 Lakhs to each of the Non-Executive Independent Directors for the Financial Year 2014-15. The said commission is within the limits of 1% of the net profits of the company in the aggregate, as calculated as per applicable statutory provisions. The Non-Executive Directors are paid to compensate their valuable contribution to the Company owing to their wealth of experience and knowledge.

Mr. Al Rajwani has been appointed as the Managing Director of the Company for a period of five years w.e.f. August 29, 2015, by the Board of Directors, subject to the approval of the Members of the Company at the ensuing 31st Annual General Meeting and Central Government, if applicable, on such terms and conditions as the Board may consider appropriate, provided, that the terms of remuneration of Mr. Rajwani shall not exceed the statutory ceilings.

No fee/compensation is payable to the Directors on severance of Directorship of the Company.

Details of the remuneration paid/provided to the Directors of the Company during the Financial Year ended June 30, 2015 are given below:

Name of Director	Relationship with other Directors	Salary including Bonus + PF contribution	Commission	Sitting Fees	Amount in ₹
					Shares held (Equity Shares of ₹ 10/- each)
Mr. B. S. Mehta	None	—	11,00,000	2,60,000	—
Mr. S. Khosla*	None	— [§]	—	—	—
Mr. C. R. Dua	None	—	11,00,000	2,60,000	—
Mr. G. Das	None	—	11,00,000	2,90,000	—
Mr. A. K. Gupta	None	—	11,00,000	3,80,000	—
Mr. P. Agarwal **	None	—	—	—	—
Ms. S. Dhawan	None	— ^{§§}	—	—	—
TOTAL		—	44,00,000	11,90,000	—

§ Employee benefits expense under Note 21 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 250 Lakhs (Previous Year: ₹ 123 Lakhs) cross charged from Procter & Gamble Hygiene and Health Care Limited in terms of the common service agreement.

§§ Employee benefits expense under Note 21 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 55 Lakhs (Previous Year: ₹ 13 Lakhs) cross charged from Procter & Gamble Home Products Private Limited in terms of the common service agreement.

* Mr. S. Khosla resigned as Director and Managing Director of the Company w.e.f. June 30, 2015.

** Mr. P. Agarwal ceased to be Director of the Company w.e.f. March 31, 2015. Mr. Agarwal was appointed as an Additional Director w.e.f. May 8, 2015.

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 Holding Company – The Procter & Gamble Company, USA under its 'International Stock Ownership Plan.' Certain employees of the Company are also entitled to Stock Option of the ultimate Holding Company under its Employee Stock Option Plan. Details as regards the same are disclosed vide Note 27 forming part of the Financial Statements.

(g) Committees of the Board:

Audit Committee

The Audit Committee comprises of Non-Executive Directors namely Mr. C. R. Dua (Chairman), Mr. B. S. Mehta (Member), Mr. G. Das (Member), Mr. A. K. Gupta (Member) and Mr. N. P. Sarda (Member). The Audit Committee met on August 12, 2014, September 28, 2014, October 30, 2014, February 12, 2015 and May 8, 2015.

Directors	Designation	Category	Profession	No. of meetings held during tenure	No. of meetings attended
Mr. C. R. Dua	Chairman	NED/ID	Advocate	5	4
Mr. B. S. Mehta	Member	NED/ID	Chartered Accountant	5	5
Mr. G. Das	Member	NED/ID	Management Consultant	5	4#
Mr. A. K. Gupta	Member	NED/ID	Consultant	5	5
Mr. N. P. Sarda*	Member	NED/ID	Chartered Accountant	Nil	Nil

NED – Non-Executive Director

ID – Independent Director

* Mr. N. P. Sarda was inducted as a Member of the Audit Committee on August 29, 2015.

Mr. Das attended the Audit Committee meeting held on February 12, 2015 via video-conferencing.

Ms. Jessica Rastogi is the Secretary to the Committee.

The Audit Committee plays the role as is contemplated under Section 177 of the Companies Act, 2013 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; and
- (d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee role includes the following:

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Approval or any subsequent modification of transactions of the company with related parties;
- iv. Scrutiny of inter-corporate loans and investments;

- v. Valuation of undertakings or assets of the company, wherever it is necessary;
- vi. Evaluation of internal financial controls and risk management systems;
- vii. Oversight 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;
- viii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ix. Examination and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management

- Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- x. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - xi. Monitoring the end use of funds raised through public offers and related matters and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - xiii. Reviewing the adequacy of internal audit function, if any, 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;
 - xiv. Discussion with internal auditors of any significant findings and follow up there on;
 - xv. 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;
 - xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - xvii. 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;
 - xviii. To review the functioning of the Whistle Blower mechanism;

- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
- xx. Reviewing any other areas which may be specified as role of the Audit Committee under the listing agreement, Companies Act and other statutes, as amended from time to time.

The minutes of the Committee are placed before the Board

Stakeholder Relationship Committee

The nomenclature of Shareholders' Grievance Committee was changed to Stakeholder Relationship Committee by the Board of Directors on August 12, 2014. The Committee presently comprises of Mr. A. K. Gupta (Chairman), Mr. Al Rajwani (Member) and Ms. Sonali Dhawan (Member). Ms. Jessica Rastogi is the Secretary to the Committee. During the Financial Year, four meetings were held on August 12, 2014, October 30, 2014, February 12, 2015 and May 8, 2015.

Directors	No. of meetings held during tenure	No. of meetings attended
Mr. S. Khosla*	4	4
Mr. A. K. Gupta	4	4
Mr. Al Rajwani**	Nil	Not applicable
Ms. S. Dhawan***	Nil	Not applicable

* Mr. S. Khosla resigned as Director and Managing Director of the Company w.e.f. June 30, 2015 and consequently ceased to be Member of the Stakeholder Relationship Committee w.e.f. June 30, 2015.

** Mr. Al Rajwani was inducted as a Member of the Stakeholder Relationship Committee w.e.f. August 29, 2015.

*** Ms. S. Dhawan was inducted as a Member of the Stakeholder Relationship Committee on August 29, 2015.

The role of the Committee is as follows:

- ❖ Resolving the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.
- ❖ Overseeing transfer/transmission of shares, issue of duplicate share certificates, and dematerialization/dematerialization of shares.

During the Financial Year, the Company received 23 complaints from Members. These complaints have been resolved. There were no pending share transfers as on June 30, 2015.

Nomination and Remuneration Committee

During the Financial Year, the Company constituted a Nomination and Remuneration Committee. The committee comprises of Mr. Gurcharan Das (Chairman), Mr. A. K. Gupta (Member), Mr. C. R. Dua (Member) and Ms. Sonali Dhawan (Member). During the Financial Year, two meetings were held on October 30, 2014 and May 8, 2015.

Directors	No. of meetings held during tenure	No. of meetings attended
Mr. G. Das	2	2
Mr. A. K. Gupta	2	2
Ms. S. Dhawan	2	2
Mr. C. R. Dua	Nil	Nil

* Mr. C. R. Dua was inducted as a Member of the Nomination and Remuneration Committee on August 29, 2015

The role of the Committee is as follows:

- Formulation of criteria for determining qualifications, positive attributes and independence of Directors;
- Formulation of evaluation criteria for performance evaluation of Independent Directors and the Board;
- Recommendation to the Board of a Policy, relating to the remuneration of Directors, key managerial personnel and senior management;
- Identification of persons who are qualified to become directors and who may be appointed in senior management and recommendation to the Board their appointment and removal;
- Carrying out evaluation of every Director's performance; and
- Devise a policy on Board diversity; and
- Any other role & responsibility, as may be mandated by any statutory legislation, from time to time.

The Company has adopted Nomination and Remuneration Policy. The Nomination and Remuneration Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Clause 49 of the Listing Agreement. The Policy is designed to attract, motivate and retain leadership members in a competitive and international market. The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Company has also adopted a Board Diversity Policy which is based on the principle that the Company's Board of Directors should have a balance of skills, experience and diversity of perspectives appropriate to the Company's business. The Company recognizes that a Board composed of appropriately qualified people with a broad spectrum of experience relevant to the business is important for effective corporate governance and sustained commercial success of the Company. The Company aims to achieve a sustainable and balanced development by building a diverse and inclusive culture.

Corporate Social Responsibility Committee

During the Financial Year, the Company constituted a Corporate Social Responsibility Committee. The committee comprises of Mr. A. K. Gupta (Chairman), Mr. Al Rajwani (Member) and Ms. Sonali Dhawan (Member). During the Financial Year, two meetings were held on October 30, 2014 and February 12, 2015.

Directors	No. of meetings held during tenure	No. of meetings attended
Mr. A. K. Gupta	2	2
Mr. S. Khosla *	2	2
Ms. S. Dhawan	2	2
Mr. Al Rajwani **	Nil	Not applicable

* Mr. S. Khosla resigned as Director and Managing Director of the Company w.e.f. June 30, 2015 and consequently ceased to be Member of the Corporate Social Responsibility Committee w.e.f. June 30, 2015.

** Mr. Al Rajwani was inducted as a Member of the Corporate Social Responsibility Committee w.e.f. August 29, 2015.

The role of the Committee is as follows:

- ❖ Formulation and recommendation to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
- ❖ Recommendation of the amount of expenditure to be incurred on the CSR activities;
- ❖ Monitoring the CSR Policy of the Company from time to time.

The Company has adopted a Corporate Social Responsibility Policy ('CSR Policy'). In line with the global principles followed by the Procter & Gamble group and the terms of Companies Act, 2013, the CSR policy is broadly framed taking into account the following:

- ❖ We believe it's essential to run our business responsibly and our operating practices reflect this commitment.

Gillette India Limited

- ❖ We are focused on making every day better for people and the planet through our innovations and our actions:
 - Environment by- conservation of resources, using renewable resources, generating worth from waste;
 - Social by-providing the comforts of home, improving health and hygiene of people, social and cultural development, imparting education, training and social awareness.

Risk Management Committee

During the Financial Year, the Company constituted a Risk Management Committee to monitor and the review the Risk Management Policy and plans of the Company.

The composition of the Risk Management Committee is as follows:

Name of Member	Category	Designation
Mr. S. Khosla *	MD	Chairman
Mr. Al Rajwani **	MD	Chairman
Mr. S. Dhawan	NED	Member
Mr. K. Natarajan	CFO	Member

MD – Managing Director

NED – Non Executive Director

CFO – Chief Financial Officer

- * Mr. S. Khosla resigned as Director and Managing Director of the Company w.e.f. June 30, 2015 and consequently ceased to be Member of the Risk Management Committee w.e.f. June 30, 2015.
- ** Mr. Al Rajwani was inducted as a Member of the Risk Management Committee w.e.f. August 29, 2015.

The Company has adopted a Risk Management Policy in compliance with Clause 49 of the Listing Agreement, which aims to create a standard, structured and efficient approach to identify, assess and mitigate risks. Our Company meetings are structured to plan, assess and mitigate risks. These include annual & monthly business planning meetings as well as specific category and go-to-market assessments.

Whistle Blower Policy

The Company being a part of the Procter & Gamble group is guided by 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 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 concerns.

The '*Worldwide Business Conduct Helpline*' is accessible to all employees.

In compliance with the requirement under the listing agreement and Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Company has adopted the Whistle Blower Policy as the Vigil Mechanism for Directors and employees to report genuine concerns or grievances such as unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The Audit Committee oversees the Vigil Mechanism and number of cases reported alongwith the status report and action taken (if any) are reported to the Committee. No personnel has been denied access to the Audit Committee.

The Vigil Mechanism is available on the Company's website at http://www.pg.com/en_IN/invest/gillette/corporate_governance/policy.shtml.

(h) Familiarization programme for Independent Directors

The familiarization programme aims at familiarizing the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the Company.

The Company conducts presentations at meetings of the Board and meeting of various Committees of the Board periodically to familiarize the Independent Directors with the business performance, business strategy, operations and functions of the Company. Such presentations help the Independent Directors to understand the Company's strategy, business model, operations, market, competition, organization structure, risk analysis and such other areas.

The Company updates the Independent Directors on changes in relevant laws / regulations from time to time. Each member of the Board, including the Independent Directors, are given any information relating to the Company, whenever they so request. Independent Directors have the freedom to interact with the Company's management.

In case of appointment of new Independent Director on the Board of the Company, the Company would:

- Issue a formal letter of appointment containing roles and responsibilities at the time of appointment;
- Provide introductory documents including Annual Report, Board committee framework, codes of conducts as may be applicable to the Director, various Policies and procedures adopted by the Company.

The familiarization programme is available on the Company's website at http://www.pg.com/en_IN/invest/gillette/corporate_governance/index.shtml.

(i) Annual Evaluation of the Directors (under Section 134(3)(p) of the Companies Act, 2013)

Pursuant to the captioned requirements, an annual evaluation has been carried out and the Board is happy to report that the result thereof shows that the Company is well-equipped in the management as well as the governance aspects.

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

- i. **Mr. Pramod Agarwal**, Non-Executive Director, is a Bachelor of Commerce from Kanpur University and a Post Graduate in Management from Indian Institute of Management, Ahmedabad. He is Vice President – Finance & Accounting / Chief Financial Officer for Global Hair Care & Color Business of Procter & Gamble based out of Geneva, Switzerland. Mr. Agarwal is an expert in Finance with deep knowledge of the business in various geographies and product categories. Prior to the current role, he was the Vice President Finance & Accounting for 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 has an experience of over 28 years and has worked across multiple geographies including Thailand, Japan, Philippines, USA, Singapore and now in Switzerland.

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 Procter & Gamble Hygiene and Health Care Limited.

Mr. Agarwal was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from May 8, 2015. As an Additional Director he holds office upto the date of the 31st Annual General Meeting. A notice under Section 160 of the Companies Act, 2013, has been received from him proposing his candidature as a Director of the Company, liable to retire by rotation, along with a deposit of ₹ 1 Lakh. Resolution in respect of his appointment as a Director, liable to retire by rotation forms part of the Notice of the ensuing 31st Annual General Meeting.

- ii. **Mr. Al Rajwani**, Managing Director, an American citizen, has obtained a degree in Chemical Engineering from the University of Calgary (Canada) in 1981. He has more than 34 years experience working for Procter & Gamble in a variety of roles, i.e, product supply, marketing and general management positions in the US, Canada, China, Korea and Arabian Peninsula.

In his previous role, as General Manager / Vice President of P&G's Arabian Peninsula & Pakistan Operations, he was responsible for developing P&G's extensive portfolio of brands in Saudi Arabia, the Gulf, Yemen and Pakistan. In addition to his brand building responsibilities, he was responsible for overseeing all functional and personnel matters in these countries.

Mr. Rajwani has been appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from August 29, 2015. As an Additional Director he holds office upto the date of the 31st Annual General Meeting. A notice under Section 160 of the Companies Act, 2013 has been received from him proposing his candidature as a Director of the Company along with a deposit of ₹ 1 Lakh.

Further, Mr. Rajwani has also been appointed as the Managing Director of the Company for a period of five years with effect from August 29, 2015, subject to the approval of the Members of the Company at ensuing 31st Annual General Meeting and the approval of the Central Government, if applicable.

Gillette India Limited

Mr. Rajwani is also Managing Director of Procter & Gamble Hygiene and Health Care Limited and the Advertising Standard Council of India.

- iii. **Ms. Sonali Dhawan** is a graduate from Lady Shriram College, with a B.Com (Hons.) in Business Studies. She has completed her MBA in Marketing from the Indian Institute of Management, Ahmedabad.

Ms. Dhawan joined Procter & Gamble in 1998. She has handled various roles in Marketing across different regions which include ASEAN, India & Australia. Through a career spanning 15 years, she brings with her a wealth of experience.

Ms. Dhawan is also a Director on the Board of Procter & Gamble Hygiene and Health Care Limited and The Indian Society of Advertisers.

Ms. Dhawan, retires by rotation and being eligible, offers herself for re-appointment at the forthcoming 31st Annual General Meeting.

- iv. **Mr. Narendra P. Sarda**, is a commerce graduate and a fellow Chartered Accountant holding about 40 years of rich experience in the field of finance, accounting and auditing. He has contributed to various prestigious organisations such as the Institute of Chartered Accountants of India (President – 1993-94); the Stock Exchange, Mumbai (public representative Director – 1999-2000); erstwhile International Accounting Standards Committee, London (Member on the Board – 1993-95) and the International Financial Reporting Standards Advisory Council (Member – 2009-11).

He has delivered lectures on professional subjects at various conferences / seminars of ICAI, Bombay Chartered Accountants Society, other Professional Institutes and various Chambers of Commerce.

He was the Chairman of M/s. Deloitte Haskin & Sells and Affiliates, India during 2007 to 2011. He is presently on the Board of Directors of Kotak Mahindra Bank Limited and Blue Dart Express Limited.

Mr. Sarda was appointed as an Additional Director of the Company by the Board of Directors on August 29, 2015. Mr. Sarda holds such office till the date of ensuing 31st Annual General Meeting of the Company.

Further, Mr. Sarda meets the criteria of independence laid down in Section 149 of the Companies Act, 2013 ("Act") and has furnished a declaration to the Company in this respect. In the opinion of the Board, Mr. Sarda fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the management. Accordingly, the Board recommends appointment of Mr. Narendra P. Sarda as the Non-Executive Independent Director for a period of five years with effect from August 29, 2015, not being liable to retire by rotation.

COMMUNICATION TO SHAREHOLDERS

- (i) 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 60 days of the end of Financial Year which will be published in The Economic Times, Mumbai Lakshadeep and The Asian Age.
- (ii) The Company's results and official news releases are published on Company's website: www.pg.com/en_IN.
- (iii) No presentations were made to Analysts and Institutional Investors during the course of the Financial Year.
- (iv) This Annual Report comprising of Notice calling the General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. for the Financial Year 2014-15, in electronic form, is being sent to the Members at the email address provided / updated by the Members with the Depository Participants / RTA, as applicable.

STATUTORY COMPLIANCE

In terms of the amendments to the Securities Contracts (Regulation) Rules, 2010 (SCRR), all listed companies (private sector) were required to achieve Minimum Public Shareholding (MPS) of 25% by June 3, 2013. As the Company's public shareholding was lesser than stipulated, SEBI had passed an interim order dated July 5, 2013, imposing restrictions against the Company & its promoters. The Company achieved compliance with MPS requirement on December 31, 2013. Post which, vide letter dated February 10, 2014, SEBI revoked the restrictions imposed by the interim order.

Save as aforesaid, the Company was compliant with applicable requirements prescribed by the regulatory and statutory authorities including the Stock Exchanges and the SEBI during the preceding three financial years on all matters related to capital markets and no penalties/strictures in this respect have been imposed on the Company.

GENERAL MEETINGS

AGM	DATE	TIME	VENUE	No. of special resolutions passed
30 th	29.09.2014	11.00 a.m.	All the three Annual General Meetings were held at SPA-65A, Bhiwadi Industrial Area, Bhiwadi, Dist. Alwar, Rajasthan - 301 019	—
29 th	19.11.2013	11.00 a.m.		1
28 th	11.12.2012	11.00 a.m.		3

At the 29th Annual General Meeting held on November, 19, 2013, the following Special Resolution was passed:

- i. Approval of Members under Section 309 of the Companies Act, 1956, subject to the approval of the Central Government, for waiver of recovery from the Non-Executive Directors, of the amounts of commission paid to them in excess of 1% of the net profits of the Company for the Financial Year ended June 30, 2013.

At the 28th Annual General Meeting held on December 11, 2012, the following Special Resolutions were passed:

- i. Approval of Members under Section 309 of the Companies Act, 1956, subject to the approval of the Central Government, for waiver of recovery from the Non-Executive Directors, of the amounts of commission paid to them in excess of 1% of the net profits of the Company for the Financial Year ended June 30, 2012.
- ii. Approval of Members for payment of commission to the Non-Executive Directors of the Company for a period of Five Years with effect from January 1, 2013.
- iii. Approval of Members under Section 31 of the Companies Act, 1956 for Alteration of Articles of Association for enabling participation of Directors in Meetings through electronic mode.

POSTAL BALLOT

During the Financial Year, a Special Resolution for shifting registered office of the Company from the State of Rajasthan to the State of Maharashtra and consequent change in Clause II of the Memorandum of Association of the Company was passed by the Members of the Company through Postal Ballot. The Board had appointed Mr. B. V. Dholakia, Practising Company Secretary, as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The results of the postal ballot were declared on March 16, 2015. Details of the voting pattern were as under:

Description of Resolution: Shifting registered office from the State of Rajasthan to the State of Maharashtra and consequent change in Clause II of the Memorandum of Association of the Company

Particulars	No. of Votes (Physical ballots and e-voting)	Votes Cast (No. of Shares)	% of Valid Votes
No. of total valid Postal Ballot Forms / e-votes received	769	2,64,68,303	100.00
Assented to the resolution	725	2,64,67,335	99.99
Dissented to the resolution	44	968	0.01

Accordingly the said Resolution was approved by the Members of the Company, with requisite and overwhelming majority.

CEO / CFO CERTIFICATION

In terms of requirement of Clause 49(V) of the Listing Agreement, the Managing Director and the Chief Financial Officer 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.

ADOPTION OF NON-MANDATORY REQUIREMENTS

The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

- a. The Company has provided an office to the Chairman for his use, during his visit to the registered office of the Company.
- b. There are no audit qualifications in the Company's financial statements for the Financial Year 2014-15.
- c. The Company has appointed separate persons as Chairman and Managing Director of the Company.

Gillette India Limited

CODE OF CONDUCT

(i) Code of Conduct for Directors

The Company has in place a Code of Conduct for its Directors and Senior Management. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct and a CEO certificate to that effect is annexed to this Corporate Governance Report. The Code of Conduct has been posted on the Company's website at http://www.pg.com/en_IN/invest/gillette/corporate_governance/code_of_conduct.shtml.

(ii) Code of Conduct for Prohibition of Insider Trading

The Board of the Company has adopted the Code of Conduct modified in terms of amendments notified by SEBI under the SEBI (Prohibition of Insider Trading) Regulations, 2015 on May 8, 2015. The code has been posted on the Company's website at http://www.pg.com/en_IN/invest/gillette/corporate_governance/code_of_conduct.shtml.

GENERAL SHAREHOLDER INFORMATION

I Annual General Meeting

The 31st Annual General Meeting will be held on **Monday, October 26, 2015, at 3.30 p.m.** at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai-400 021.

II Financial Calendar

Presently, the Company follows July-June Financial Year. The Unaudited Financial 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 Financial Results are declared by August, as permitted under the Listing Agreement.

III Book Closure Dates: Monday, October 19, 2015, to Monday, October 26, 2015 (both days inclusive).

The said book closure is for payment of dividend.

IV Dividend Payment Date: Between November 2, 2015 to November 10, 2015.

V Listing of Equity Shares on Stock Exchange

The Company's shares are listed on the BSE 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

BSE Ltd, Mumbai — Code : 507815

National Stock Exchange of India Limited — Code : GILLETTE

The dematerialization ISIN Code is INE322A01010

VII Stock Price Data

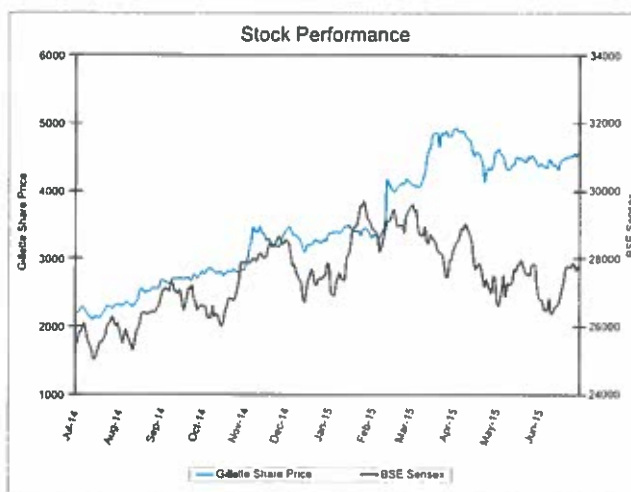
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July – 2014	2362.00	2050.05	2380.00	2055.65
August – 2014	2600.80	2218.90	2600.00	2240.95
September – 2014	2859.45	2567.00	2860.00	2506.25
October – 2014	2898.00	2711.15	2900.00	2723.75
November – 2014	3705.00	2794.00	3699.00	2788.00
December – 2014	3656.60	3009.00	3650.00	3001.00
January – 2015	3575.00	3250.00	3590.00	3239.90
February – 2015	4366.00	3285.00	4367.00	3081.50
March – 2015	4997.00	4021.60	4994.00	4035.00
April – 2015	4999.00	4125.90	4999.00	4142.00
May – 2015	4874.90	4230.95	4869.00	4220.00
June – 2015	4630.00	4250.00	4640.00	4250.00

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

Note: High and low are in Rupees (₹) per traded share.

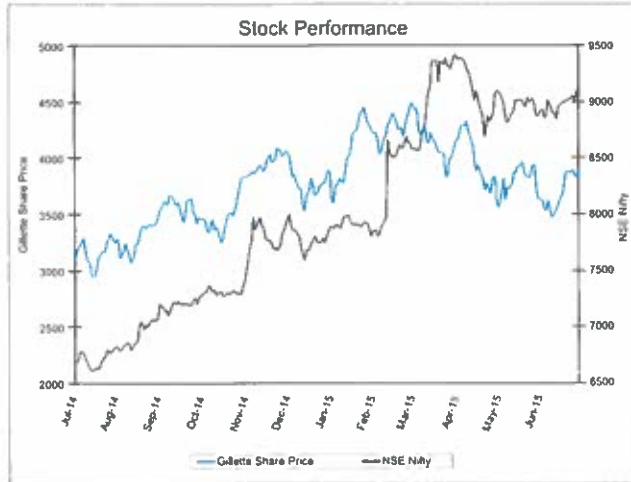
VIII Performance in comparison to the BSE Sensex and NSE Nifty

The following chart shows the performance of the Company's shares as compared to the BSE Sensex during the Financial Year 2014-15:



(Source: www.bseindia.com)

The following chart shows the performance of the Company's shares as compared to the NSE Nifty during the Financial Year 2014-2015:



(Source: www.nseindia.com)

IX Registrar and Transfer Agents

MAS Services Limited
 T-34, 2nd floor, Okhla Industrial Area, Phase II
 New Delhi – 110 020
 Ph: 011-26387281-3 Fax: 011-26387384
 E - Mail : info@masserv.com
 Contact person: Mr. Sharwan Mangla

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. 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 number of shares held as on June 30, 2015

Shareholding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto – 500	20,876	96.51	11,45,662	3.52
501 – 1000	342	1.58	2,51,771	0.77
1001 – 2000	193	0.89	2,73,507	0.84
2001 – 3000	65	0.30	1,63,808	0.50
3001 – 4000	34	0.16	1,20,559	0.37
4001 – 5000	28	0.13	1,29,492	0.40
5001 – 10000	32	0.15	2,31,363	0.71
10001 and above	61	0.28	3,02,69,055	92.89
Total	21,631	100.00	3,25,85,217	100.00

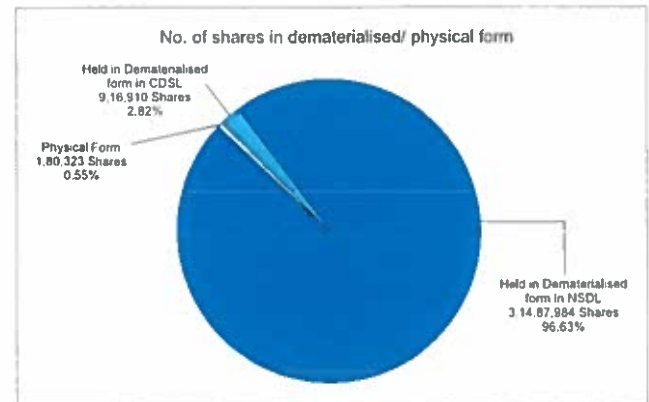
XII Distribution of shareholding by ownership as on June 30, 2015

Category	Number of Shares held	% of Shares held
Foreign & Indian promoters	2,44,37,803	75.00
Resident Individuals and others	21,18,807	6.50
Mutual Funds & UTI	6,59,352	2.02
Financial Institutions/ Banks	4,572	0.01
Foreign Institutional Investors	21,39,599	6.57
Private Corporate Bodies	23,27,353	7.14
NRIs	8,97,731	2.76
TOTAL	3,25,85,217	100.00

XIII Dematerialization of shares and liquidity

The Company's shares are required to be compulsorily traded on the Stock Exchange(s) in dematerialized form. As on June 30, 2015, the number of shares in dematerialized and physical mode is as under:

	No. of shares	% to total capital issued
Held in dematerialised form in CDSL	9,16,910	2.82
Held in dematerialised form in NSDL	3,14,87,984	96.63
Held in physical form	1,80,323	0.55
Total	3,25,85,217	100.00



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 dividend for and upto the Financial Year ended June 30, 2007, has been transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. 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.

Gillette India Limited

Final dividend for the Financial Year ended June 30, 2008 and for the subsequent years, which remain unpaid or unclaimed, will be due for transfer to the IEPF 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 Mas Services Limited.

Dividend No.	Date of Declaration	For the Financial Year ended	Due for transfer to IEPF
16	22.10.2008	30.06.2008	28.11.2015
17	27.10.2009	30.06.2009	02.12.2016
18	18.11.2010	30.06.2010	24.12.2017
19	31.10.2011	30.06.2011	06.12.2018
20	11.12.2012	30.06.2012	16.01.2020
21	19.11.2013	30.06.2013	25.12.2020
22	29.09.2014	30.06.2014	04.11.2021

During the Financial Year 2014-15, unclaimed final dividend amount for the Financial Year ended June 30, 2007 of ₹ 5,11,534/- was transferred to the IEPF on December 27, 2014.

The details of unpaid / unclaimed dividend as on date of previous Annual General Meeting, i.e., September 29, 2014 have been posted on the website of the Company, viz., www.pg.com/en_IN.

XVI Plant Locations

- (i) **Bhiwadi Plant**
SPA – 65A, Bhiwadi Industrial Area,
Bhiwadi, (Dist. Alwar)
Rajasthan – 301019
- (ii) **Baddi Plant**
Plot no. 4, Industrial Area
Village Katha, Bhatoli Kalan
Baddi – 173205
Dist. Solan, Himachal Pradesh

XVII Addresses for Correspondence:

Gillette India Limited
P&G Plaza,
Cardinal Gracias Road,
Chakala, Andheri (East)
Mumbai – 400 099
Ph : 022-28266000; Fax : 022-28267303

Compliance Officer:
Ms. Jessica Rastogi,
Dy. Company Secretary
& Compliance Officer
Ph : 022-28266000; Fax : 022-28267303
e-mail : rastogi.j@pg.com

