

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

Your Directors are pleased to give below 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 *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

As on date, the Board has one Managing Director and five 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, Mr. B. S. Mehta and Mr. A. K. Gupta 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 of the Company.

#### (b) Number of Board meetings

Four (4) Board Meetings were held during the period July 1, 2012 to June 30, 2013. These meetings were held on August 23, 2012, October 26, 2012, February 6, 2013 and April 25, 2013. The Annual General Meeting for the Financial Year ended June 30, 2012 was held on December 6, 2012.

**(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 (Whether attended)
Mr. R. A. Shah	4	4	Yes
Mr. S. Khosla	4	4	Yes
Mr. B. S. Mehta	4	4	Yes
Mr. P. Agarwal †	4	1	No
Mr. A. Vyas	4	4	Yes
Mr. A. K. Gupta €	2	2	No
Ms. D. Henretta *	—	—	—

† Mr. P. Agarwal ceased to be an Alternate Director to Ms. D. Henretta w.e.f. August 1, 2012 consequent to cessation of Ms. D. Henretta as a Director of the Company. Mr. Agarwal was appointed as an Additional Director of the Company w.e.f. August 13, 2012 and held office till the date of the 48<sup>th</sup> Annual General Meeting held on December 6, 2012. He was then appointed as a Director liable to retire by rotation under Section 255 of the Companies Act, 1956 at the said Annual General Meeting.

€ Mr. A. K. Gupta was appointed as an Additional Director of the Company w.e.f. January 18, 2013.

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

**(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 47<sup>th</sup> 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. 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 has at its 381<sup>st</sup> meeting held on August 14, 2013 accorded approval for payment of Annual Commission of ₹ 10 Lacs to each of the Non-Executive Independent Directors for the period July 1, 2012 to June 30, 2013. The said commission is within the limits of 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.

The composition and other required details of the Board of Directors as on June 30, 2013 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	13	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
Mr. P. Agarwal †	NED	Director	1	None	None
Mr. A. K. Gupta €	NED/ID	Director	1	2	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. P. Agarwal ceased to be an Alternate Director to Ms. D. Henretta w.e.f. August 1, 2012 consequent to cessation of Ms. D. Henretta as a Director of the Company. Mr. P. Agarwal was appointed as an Additional Director of the Company w.e.f. August 13, 2012 and held office till the date of the 48<sup>th</sup> Annual General Meeting held on December 6, 2012. He was then appointed as a Director liable to retire by rotation under Section 255 of the Companies Act, 1956 at the said Annual General Meeting.

€ Mr. A. K. Gupta was appointed as an Additional Director of the Company w.e.f. January 18, 2013.

Details of the remuneration paid/provided to the Directors of the Company during the Financial Year ended June 30, 2013 are given below:

Name of Director	Relationship with other Directors	Salary including Bonus + PF contribution (₹)	Perquisites (₹)	Commission (₹)	Service Tax	Total Cost to Company (₹)	Shares held (Equity Shares of ₹ 10/- each)
Mr. R. A. Shah	None	—	—	10,00,000	1,23,600	11,23,600	5,550
Mr. S. Khosla ~	None	7,29,57,170	—	—	—	—	67
Mr. B. S. Mehta	None	—	—	10,00,000	1,23,600	11,23,600	3,799
Mr. P. Agarwal	None	—	—	—	—	—	—
Mr. A. Vyas #	None	—	—	—	—	—	—
Mr. A. K. Gupta*	None	—	—	5,00,000	61800	5,61,800	—
<b>TOTAL</b>		<b>7,29,57,170</b>	—	<b>25,00,000</b>	<b>3,09,000</b>	<b>28,09,000</b>	

\* Mr. A. K. Gupta was appointed as an Additional Director of the Company w.e.f. January 18, 2013

~ Employee benefit expenses under Note No. 22 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 574 Lakhs (Previous Year : ₹ 420 Lakhs) cross charged to Gillette India Limited and Procter and Gamble Home Products Limited in terms of the common service agreement.

# Employee benefit expenses under Note No. 22 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 13 Lakhs (Previous Year : ₹ 13 Lakhs) cross charged from Gillette India Limited in terms of the common service agreement.

NOTE – No sitting fee is payable to any Director.

Your Company also pays fees for the professional services, if availed, to the firm of Chartered Accountants of which Mr. B. S. Mehta, Non-Executive Independent Director is the Chief Mentor and to the firm of Solicitors & Advocates of which Mr. R. A. Shah, 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 was re-appointed as the Managing Director of the Company on completion of his five year term, for a period of five years with effect from June 1, 2012 by the Board of Directors of the Company at their meeting held on April 30, 2012, which was subject to the approval of the Members at the 48<sup>th</sup> Annual General Meeting of the Company. The Members of the Company at their 48<sup>th</sup> Annual General Meeting held on December 6, 2012 have approved the said re-appointment of Mr. Khosla as the Managing Director of the Company with effect from June 1, 2012 for a period of five years on such terms and conditions as the Board may consider appropriate, provided, that the terms of remuneration of Mr. Khosla shall not exceed the ceilings as set out in schedule XIII of the Companies Act, 1956 as amended from time to time and such other guidelines as may be issued hereafter in this behalf. Further, the Members at the said meeting also ratified the remuneration paid to Mr. Khosla in respect of the previous year subsequent

to the date of his re-appointment on June 1, 2012 amounting to ₹ 33,12,159/-.

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 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 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), Mr. A. K. Gupta (Member) and

Mr. Amit Vyas (Member). The Audit Committee met on August 23, 2012, October 26, 2012, February 6, 2013 and April 25, 2013.

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. A. K. Gupta*	Member	NED/ID	Consultant	2	2
Mr. A. Vyas	Member	NED	In Service	4	4

\* Mr. A. K. Gupta was inducted into the Audit Committee on January 18, 2013.

During the Financial Year, Mr. Sachin Harlalka resigned as the Company Secretary and Compliance Officer with effect from November 7, 2012. Ms. Preeti Bishnoi has been appointed as the Company Secretary and Compliance Officer with effect from February 11, 2013.

Presently, Ms. Preeti Bishnoi 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; and
- (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 Section 217(2AA) of the Companies Act, 1956
- Any changes in accounting policies and practices
- Major accounting entries based on exercise of judgement 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, 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. Amit Vyas (Chairman) and Mr. Shantanu Khosla (Member). Ms. Preeti Bishnoi, Company Secretary acts as the Compliance Officer. During the Financial Year, four meetings were held on August 23, 2012, October 26, 2012, February 6, 2013 and April 25, 2013.

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

\* Mr. S. Khosla ceased to be the Chairman of the Shareholders' Grievance Committee on October 26, 2012.

\*\* Mr. A. Vyas was appointed as the Chairman of the Shareholders' Grievance Committee on October 26, 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, the Company received 218 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, 2013.

## SHAREHOLDERS

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

- (i) **Mr. B. S. Mehta**, Director, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming 49<sup>th</sup> Annual General Meeting.  
Mr. Mehta is a graduate in commerce and a Fellow Member of the Institute of Chartered Accountants of India. Mr. Mehta is an accountant in practice dealing with taxation, accountancy and valuation of mergers and acquisitions. He is a director on the boards of several prominent companies in India.  
Mr. Mehta is also a Director on the Board of Atul Limited, Bharat Bijlee Limited, Century Enka

Limited, CEAT Limited, Housing Development Finance Corporation Limited, IL&FS Investment Managers Limited, J B Chemicals & Pharmaceuticals Limited, Pidilite Industries Limited, Sasken Communication Technologies Limited, SBI Capital Markets Limited, Gillette India Limited, NSDL E-Governance Infrastructure Limited and Sudarshan Chemicals Industries Limited.

- (ii) **Mr. A. K. Gupta** was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from January 18, 2013. As an Additional Director, he holds office upto the date of the 49<sup>th</sup> 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. Gupta is an Engineer from IIT, Delhi besides holding a PG Diploma in Industrial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai. Mr. Gupta is an expert in the field of manufacturing and supply chain management. He has vast experience of over 34 years in India and abroad in the field of manufacturing and product supply and had held various senior management positions.

Mr. Gupta is also a Director on the Board of Gillette India 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](http://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.
- (iv) No presentations were made to Analysts and Institutional Investors during the course of the Financial Year.

(v) 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 e-mail.

Accordingly, this Annual Report comprising of Notice calling the General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. for the Financial Year 2012-13, 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.

(vi) The recorded version of the proceedings of the 49<sup>th</sup> Annual General Meeting would be posted at the Company's website: [www.pg.com/en\\_IN](http://www.pg.com/en_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**

AGM	Date	Time	Venue	No. of special resolutions passed
48 <sup>th</sup>	Dec 6, 2012	3.30 p.m.	All the three	—
47 <sup>th</sup>	Nov 23, 2011	3.30 p.m.	Annual General Meetings	1
46 <sup>th</sup>	Oct 8, 2010	3.30 p.m.	were held at Y. B. Chavan Pratisthan, Gen. Jagannathrao Bhonsle Marg, Mumbai 400 021	—

At the 47<sup>th</sup> 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 (one) percent 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, 2013.

**(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 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.

**(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**

- 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 value to the Company.
- c. There are no audit qualifications in the Company's financial statements for the Financial 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 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](http://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 49<sup>th</sup> Annual General Meeting will be held on **Monday, December 9, 2013 at 3.30 p.m.** at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai – 400 021.

### II. Financial Calendar

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, November 25, 2013 to Monday, December 9, 2013 (both days inclusive).

The said book closure is for payment of dividend.

### IV. Dividend Payment Date: On or around December 18, 2013.

### 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 Limited, Mumbai - Code : 500459

National Stock Exchange of India Ltd - Code : PGHH

The dematerialization ISIN Code is **INE 179A01014**

## VII. Stock Price Data

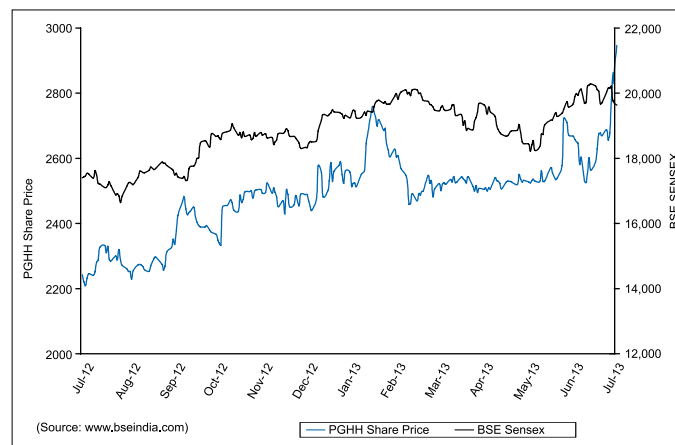
(₹)

MONTH	BSE Ltd		National Stock Exchange of India Ltd.	
	High	Low	High	Low
July – 2012	2,369.95	2,130.65	2,391.60	2,162.65
August – 2012	2,470.00	2,220.00	2,466.35	2,216.75
September – 2012	2,524.35	2,319.00	2,570.20	2,318.00
October – 2012	2,544.00	2,380.05	2,540.00	2,416.65
November – 2012	2,669.85	2,402.00	2,674.00	2,420.00
December – 2012	2,784.95	2,475.00	2,798.00	2,465.05
January – 2013	2,777.00	2,420.70	2,944.00	2,451.00
February – 2013	2,619.00	2,475.00	2,617.00	2,470.00
March – 2013	2,573.70	2,449.90	2,570.00	2,456.40
April – 2013	2,750.00	2,468.50	2,767.00	2,468.00
May – 2013	2,925.00	2,451.60	2,944.00	2,525.00
June – 2013	3,180.00	2,721.00	3,184.20	2,755.05

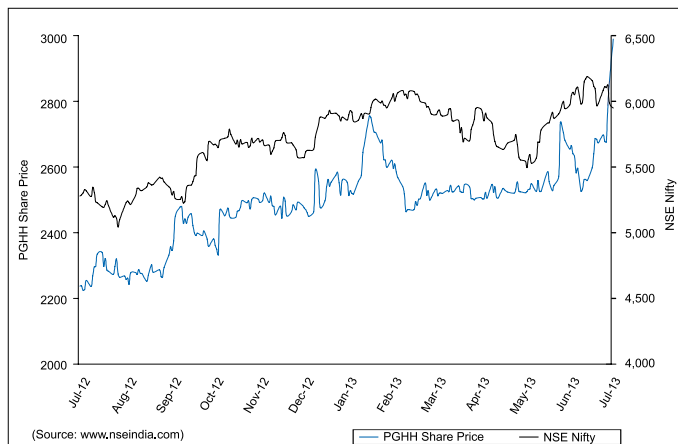
(Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com))

## 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 2012-13:



The following chart shows the performance of the Company's shares as compared to the NSE Nifty during the Financial Year 2012-13:



**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

**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 class as on June 30, 2013**

Share holding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	20,818	92.23	18,31,361	5.64
501 – 1000	983	4.35	6,90,028	2.13
1001 – 2000	453	2.01	6,24,466	1.92
2001 – 3000	108	0.48	2,63,582	0.81
3001 – 4000	52	0.23	1,84,765	0.57
4001 – 5000	35	0.16	1,59,222	0.49
5001 – 10000	52	0.23	3,49,452	1.08
10001 and above	72	0.32	2,83,57,860	87.36
<b>TOTAL</b>	<b>22,573</b>	<b>100.00</b>	<b>3,24,60,736</b>	<b>100.00</b>

**Distribution of shareholding by ownership as on June 30, 2013**

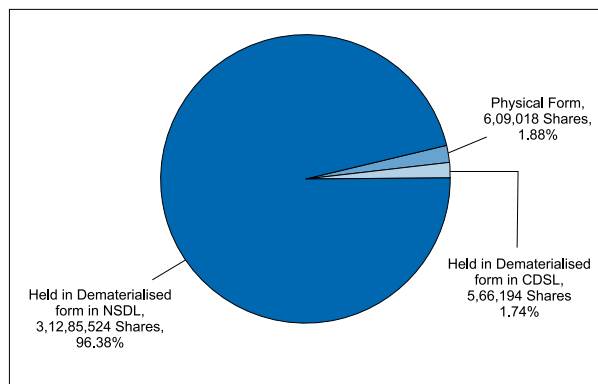
Category	Number of Shares held	% of Shares held
Foreign & Indian promoters	2,29,29,773	70.64
Resident Individuals and others	42,78,331	13.18
Mutual Funds & UTI	28,07,733	8.65
Financial Institutions/Banks	1,54,895	0.48
Insurance Companies	9,03,940	2.78
Foreign Institutional Investors	7,84,242	2.42
Private Corporate Bodies	4,68,202	1.44
NRI's	1,18,236	0.36
Directors and their relatives	15,384	0.05
<b>TOTAL</b>	<b>3,24,60,736</b>	<b>100.00</b>

**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, 2013, 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	3,12,85,524	96.38
Held in dematerialised form in CDSL	5,66,194	1.74
Held in Physical form	6,09,018	1.88
<b>TOTAL</b>	<b>3,24,60,736</b>	<b>100.00</b>

**Shares held in demat/physical form as on June 30, 2013**





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

**XIV. Unclaimed/Unpaid Dividends**

The amount of the unclaimed dividend for and upto the Financial Year ended June 30, 2005, 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, 2006 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
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
59	06.12.2012	30.06.2012	11.01.2020

During the Financial year 2012-13, unclaimed final dividend amount for the year ended June 30, 2005 of ₹ 19,28,440/- was transferred to the Investor Education and Protection fund on January 29, 2013.

The Ministry of Corporate Affairs (MCA) had 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., December 6, 2012 with MCA as required. The said details have also been posted on the website of the Company, viz., [www.pg.com/en\\_IN](http://www.pg.com/en_IN).

**XV. 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

**XVI. Address for Correspondence**

Company Secretary  
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 9696.  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**XVII. Compliance Officer**

Ms. Preeti Bishnoi  
Company Secretary  
Ph: (91-22) 2826 6000; Fax (91-22) 28269696  
Email: [bishnoi.p@pg.com](mailto:bishnoi.p@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, 2013 and the Senior Management has complied with the Business Conduct Manual for the Financial Year ended June 30, 2013.

For Procter & Gamble Hygiene  
and Health Care Limited

Mumbai  
August 14, 2013

Shantanu 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 year ended on June 30, 2013, 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)

**K. A. Katki**  
*Partner*  
Membership No. 038568

Mumbai,  
August 14, 2013