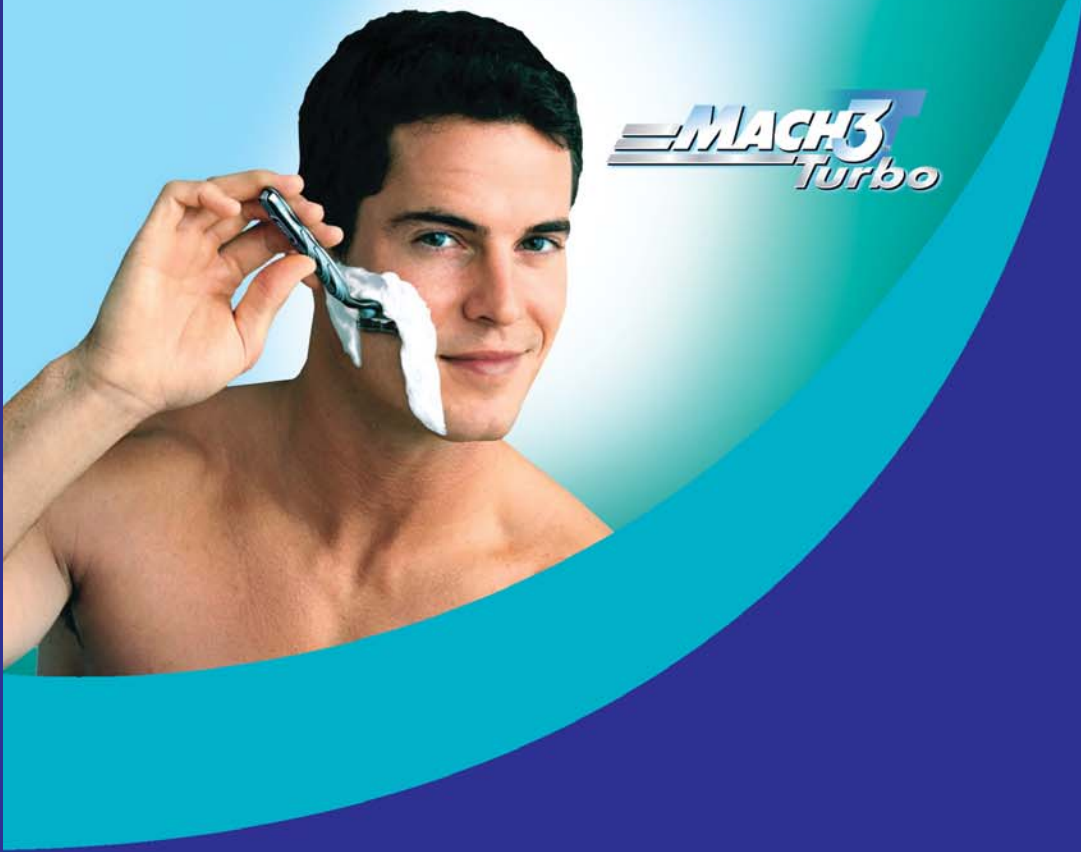


P&G

Gillette India Limited

ANNUAL REPORT
2008-2009

BOARD OF DIRECTORS

Mr. S. K. Poddar
Chairman

Mr. S. Khosla
Managing Director

Mr. S. Bansal
Whole-time Director

Mr. B. S. Mehta

Mr. C. R. Dua

Mr. G. C. Das

Mr. J. Sagar

Mr. A. Poddar

Ms. D. A. Henretta

Mr. A. K. Gupta

Mr. D. Acharya
Company Secretary

Dear Shareholders,

It gives me great pleasure to share your Company's annual performance for the financial year 2008-09.

The last twelve months have been challenging to say the least. An unprecedented sense of gloom seemed to have prevailed over the world economy which has severely impacted both business and consumer sentiment. In the ensuing depressing scenario the two largest economies of the world - India and China – are expected to assist global recovery by achieving strong growth rates. India has voted for stability in the recent elections and the national economy is expected to grow in excess of 6% going up to 9% by the end of the current 11th Five Year plan. It is in this context that I report to you with great pride that your Company continued its strong performance with sales growing to Rs.662 crores, an increase of 12%, from Rs.589 crores achieved during last year. The performance in the last quarter of the year viz. April to June, 2009 was illustrative of the resilient nature of your Company attaining a high growth rate of 27% in net profit over the same quarter last year.

This year, in sum, has been a landmark one for your Company. In the Blades & Razors category, we grew sales ahead of category growth and *Mach3* registered its highest ever growth in the past 5 years, helping the Company achieve overall market leadership in the category. I believe our success was driven by a combination of factors, prime among which remained our deep consumer understanding and our ability to engage with him via innovative and world class communication campaigns.

In fact, this year, our campaign came in for praise from some very illustrious quarters. The well known Cannes Advertising Festival, held annually in France and widely acknowledged as the Oscars of Advertising, felicitated Gillette's "*India Votes: To shave or not*" campaign with a Gold as well as a Silver Lion. This campaign, widely seen by Indian consumers across television, newspapers, malls and internet, was also recognized by a long list of global platforms, including the People's Choice award in Spain, the Asia Marketing Effectiveness awards in Hong Kong, the Mediacom Global awards and, closer home, at the P&G Global Media awards.

Vector Plus complemented the fast paced growth of *Mach3* and made quick shaving a tension free exercise for millions of men in India. The brand continues to ride high on strategic distribution expansion initiatives and commercial innovations. In Oral Care too, we were able to consolidate leadership position by delivering robust double digit growth. The outstanding profits for the last quarter of the financial year is indicative of the growth potential and strong performance that the Company can aspire to achieve in the year ahead. An important part of this growth has come from synergies with P&G's operational and organizational excellence as we continue to benefit from the integration.

As India makes a determined effort to emerge from the recessionary pressures of the last few quarters, aided by the phenomenal success of the NREGA (National Rural Employment Guarantee Act) program of Govt. of India, we can expect consumer sentiment to get better and demand stronger. I am confident that your Company will continue to deliver propositions that have come to define "*The Best A Man Can Get*" and as a consequence be rewarded by consumers in the market place. We have been resilient under pressure, now we will lead from the front and touch new heights.

The story of success is incomplete if it is only about sales and profit numbers. As a Company that lives and breathes the philosophy of *Touching Lives, Improving Life,* we are committed to making a difference beyond providing superior quality brands. This is the purpose of P&G and the inspiration for our growth comes from this Purpose.

Your Company's signature cause marketing program *Shiksha* continued to reach out to underprivileged children in India and provide them with access to education. In its fifth year, *Shiksha* will touch the lives of over 96,000 children in 432 communities across India.

In conclusion, I would like to thank all our employees and valued shareholders for their continued trust and support in Gillette India Limited.

Mumbai
August 27, 2009

S.K. Poddar
Chairman

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting their Twenty-fifth Annual Report together with the Audited Accounts for the financial year ended June 30, 2009.

FINANCIAL RESULTS

(Figures in Rs. Crores)

	2008-09	2007-08
Sales (less excise duty)	**661.51**	588.84
Other Income	**30.01**	19.13
Profit before tax & exceptional items	**177.02**	167.74
Exceptional Items	**-**	14.45
Profit before tax	**177.02**	182.19
Provision for tax	**(62.89)**	(64.82)
Profit after tax	**113.13**	117.37
Transfer to General Reserve	**11.32**	11.75
Proposed dividend plus tax thereon	**47.65**	47.65
Balance carried forward	**222.17**	177.01

DIVIDEND

Your Directors are pleased to recommend, subject to the approval of the members, a dividend @ 125% (Rs.12.50 per equity share of Rs.10 each) amounting to Rs.40.73 Crores, for the financial year ended June 30, 2009.

OPERATIONS

Your Company achieved a healthy double-digit growth during the year ended June 30, 2009. The total sales (net of excise) at Rs.662 crores are up by 12% when compared to Rs.589 crores of the previous year. The sales in all three business categories have grown with Oral Care leading by 25%, Personal Grooming by 9% and Portable Power by 10%.

Profit before tax (PBT) at Rs.177 crores, grew by 5% when compared to PBT of Rs.168 crores of the previous year. Profit after tax (PAT) at Rs.113 crores is up 10% when compared to last year's PAT of Rs.103 crores (excluding the exceptional item of Rs.14 crores earned through sale of Company's Mysore property).

Your Directors are of the view that against the backdrop of the challenging economic environment, the overall results of the Company are satisfactory.

PERSONAL GROOMING

During the year under review, *Mach3* the high-end blades posted double-digit value growth despite the category growing at only 3%, which speaks volumes for the consumer's confidence in this brand. The strong sales enabled *Mach3* to consolidate its market leadership further. This year was also the best ever year for *Mach3* razor sales which registered a significantly high growth behind formidable marketing programs while recording the strongest growth in the last 5 years. Razor placements in top metros grew even faster on the back of innovative distribution and marketing programs. The *"India Votes"* campaign in the first quarter of the financial year generated high recall and brand awareness via a contest on shaving held nation-wide. The *"Gillette Mach3 India Gaming Championship"* undertaken in the third quarter of the financial year to mark the launch of the *Red Mach3 Turbo Winner Razor* had participation of over a million gamers effectively engaging them with the brand. This continues to build on *Gillette's* edge in leveraging emerging media, like digital, successfully.

Gillette Vector – the entry-level system – continued to rapidly expand its user base by shipping significant higher volumes of razors resulting in a higher off-take of blades. The brand has held strong and delivered record value shares versus previous year. *Vector Plus* blades' consumption, driven by consistent focus on communicating the benefit of *'fast shave without nicks and cuts'* through television and successful commercial innovations like the "*Satasat Shave Challenge"* and "*Vector Speed*" – grew significantly. Distribution expansion initiatives with enhanced coverage also helped in the growth of *Vector* razors and blades business.

The double-edge blade business also broke trends and made a robust growth in volume mainly driven by *Wilkinson Sword* consumer and barber packs. This was despite double-edge category in the grooming market declining in value, as per the market research data.

Your Directors are of the view that the Personal Grooming sector represents a sizable business opportunity for your Company as the market research data estimates the blades and razors market alone to be of Rs.1000 crores and 5 billion units in terms of volume. The double-edge faction comprises 62% of the Indian blades and razor market in value and 86% in volume, half of which is accounted for by in-salon usage. The entry level system is the second biggest opportunity in this category. Your Company therefore has an integrated strategy that seeks to win with consumers in this market landscape.

ORAL CARE

Oral-B registered a healthy value growth of 19% over the already high growth of 27% in the previous year. This growth was ahead of category volume growth of 10% and category value growth of 8%. *Oral-B* continued to strengthen its leadership by growing its value share behind fundamental brand building initiatives.

It is encouraging to note that *Oral-B's* growth was strengthened by strong performance across price tiers. The innovative *Oral-B* Cross Action family promotion and successful launch of *Oral-B* Cross *Action ProHealth* and *Oral-B 123* helped create a strong platform for the brand to win over consumers into the premium tier. The robust value offtake of *Fresh Clean* and *Shiny Clean* helped the brand further reinforce its position in mid-tier segment. Further, multiple initiatives were undertaken to expand *Oral-B* distribution which also resulted in the brand being widely available to the consumers across India.

PORTABLE POWER

Duracell continues to enjoy value share leadership in the alkaline segment. The growing usage of the high and mid-drain devices like toys and cameras and increased purchasing power in India indicate a huge potential in the coming years for alkaline batteries and thus for *Duracell*. Sustained media support has ensured that *Duracell* enjoys a very good equity, even over some leading zinc players in India. Purchase of *Duracell* is a great value proposition as its lasts upto 10 times longer at less than 3 times the price of an ordinary battery. To tap this potential, your Company continues to invest in driving alkaline penetration through insightful marketing plans and program for educating the users on the benefits of alkaline.

MANUFACTURING

The Directors have pleasure to inform you that during the year under review, Bhiwadi and Baddi plants have continued to produce at record levels. Last year, we informed you that Bhiwadi plant had embarked on a new initiative called Integrated Work Systems (IWS). This new initiative has helped the plant to achieve higher efficiencies on our bottleneck and focus processes. It has also helped to achieve significant improvements in quality systems while maintaining highest level of meeting customer requirements and safety records. The Directors take pleasure to inform you that there has not been any accident in the plant and also no critical quality defect has taken place for more than two years.

During the year under review, SAP system was successfully implemented at the Bhiwadi plant without any business disruption. This will further help us towards integrating our systems with P&G and benefit from synergies. The Company also has renewed its initiative to help conserve environment and is now aggressively working to reduce energy and water consumption, carbon emissions and waste generation.

Gillette India wins its first Gold Lion at Cannes Ad Fest in June 2009

Your Company's campaign *"India Votes: To shave or not"* won both a Gold and a Silver Lion at Cannes Ad Fest in June 2009. It also won the People's Choice Award at the Festival of Media, Valencia, Silver at the Asia Marketing Effectiveness, Hongkong, Silver at Goafest, Best Communication Planning at P&G Global Media Awards and the Grand Prix at Mediacom Global Awards.

CORPORATE SOCIAL RESPONSIBILITY

Shiksha: Padhega India, Badhega India

Touching lives, improving Life has always been at the core of P&G's Corporate Social Responsibility (CSR) program which revolves around the commitment of P&G in making sure its brands live up to their promise in making everyday life a little better. P&G globally is committed to the cause of development of children in need via its corporate cause.

P&G India's flagship CSR program *'Shiksha'* in partnership with CRY empowers consumers across the country to participate and support the education of marginalized and underprivileged children with a simple purchase of any of the large P&G products. *Shiksha* is a National Consumer Movement – that allows consumers to support the education of children in need by making simple brand choices. *Shiksha* celebrated its 5th Anniversary this year having touched over 96,000 children in 432 communities across India. *Shiksha* is spearheaded by its motto and slogan *"Padhega India Badhega India"* with an underlying strong belief that the secret to a brighter India lies in the quality education of our children.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956("the Act"), with respect to Directors' Responsibility Statement, it is hereby confirmed:

i. that in the preparation of the annual accounts for the financial year ended June 30, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. that the Directors had prepared the accounts for the financial year ended June 30, 2009, on a "going concern" basis.

DIRECTORS

Mr. B.S. Mehta and Ms. D.A. Henretta retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

Mr. Anil Kumar Gupta was appointed as an Additional Director on the Board of the Company with effect from March 28, 2009. As Additional Director he holds office upto the date of the ensuing Annual General Meeting. A notice has been received from a member proposing his candidature as Director of the Company, liable to retire by rotation.

Mr. Ashok Chhabra retired as an Alternate Director to Ms. Deb Henretta pursuant to his retirement from P&G. The Board wishes to place on record its sincere appreciation of the services rendered by Mr. Chhabra during his tenure on the Board.

Appropriate resolutions for the appointment/ re-appointment of the aforesaid Directors are being moved at the ensuing Annual General Meeting, which the Board recommends for your approval.

AUDITORS

The Auditors, M/s. Deloitte Haskins & Sells, Mumbai, retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

A classroom in progress, courtesy Shiksha.

COST AUDITORS

The Company has appointed M/s. Ashwin Solanki & Associates, as the Cost Auditors for "Shaving Systems" manufactured at the Bhiwadi plant for the year ending June 30, 2010, subject to the approval of the Central Government.

CONSERVATION OF ENERGY & FOREIGN EXCHANGE

The information, in accordance with the provisions of Section 217(i)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgoings, are attached as Annexure to this Report.

HUMAN RESOURCE DEVELOPMENT

Your Company has continued to focus on building employee capability and commitment, critical for sustaining business growth and profitability. Competence enhancement initiatives to lead and manage change, develop team and to coach individuals have led to higher levels of employee productivity. The culture of innovation has been strengthened by building innovation skills and processes to facilitate developments and successful implementation of new ideas.

Proactive communication programs, employees' engagement, activities and high quality HR service support has resulted in a high level of employee morale and commitment to your Company.

Your Directors wish to place on record their appreciation for the strong contribution made by employees who have through consistent and highly motivated performance enabled your Company to achieve these results.

The information as per Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules 1975 forms part of this Report. As per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the members of the Company excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the corporate office of the Company.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the services rendered by its suppliers, distributors, wholesalers, retailers, clearing and forwarding agents and all other business associates and acknowledge their efficiency and continued support in producing such healthy growth in the Company's business.

For and on behalf of the Board

S.K. Poddar
Chairman

Mumbai
August 27, 2009

ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

The Company has an efficient energy conservation task force, which is actively involved in continuous monitoring of energy usage and its conservation.

1. Measures taken this year were-

Bhiwadi Plant

(a) Significant power consumption reduction by aggressively working on compressed air leakages and optimizing compressor usage requirements;

(b) Project of optimizing lighting loads to save energy has been completed;

(c) Reduced power consumption by using localized air conditioning in production floor office area instead of central packaged AC unit after normal office hours;

(d) Installation of capacitor banks to improve power factor and thereby reducing energy losses is in progress.

Baddi Plant

(a) Use of HPSEB supply for lighting loads during peak hours;

(b) Improved efficiency of diesel generators;

(c) Additional investments / proposals –

i. Explore the possibility of using more energy efficient air compressors at Bhiwadi plant

ii. Work on feasibility of using solar powered lighting for open areas at Bhiwadi plant.

iii. Optimization of lighting loads at Baddi plant

iv. Improving power factor improvement and reducing energy losses at Baddi plant.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B.

Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Efforts and initiatives in relation to exports.

   The Company's products continue to be accepted in overseas markets. Efforts are on to further increase exports of personal grooming products to other countries.

2. The particulars of foreign exchange earned/ utilized during the year are given in Schedule 17.B.10(j) and (h) to the Accounts, respectively.

For and on behalf of the Board

S.K. Poddar
Chairman

Mumbai
August 27, 2009

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

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

We believe that Corporate Governance is the interaction of the management, shareholders and the Board of Directors to help ensure that all stakeholders 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 help 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 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 connections to relevant policies and the tools that support them. This Manual describes the Company's *"Worldwide Business Conduct Standards"*. These standards flow from the following core values of the Company:

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

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, we want to do what is right. For your Company this is the only way to do business.

2. 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 headed by a Non-Executive Chairman. The independent directors do not have any material pecuniary relationships or transactions either with the Company or with the promoters/ management that may affect their judgment in any manner. The Directors are experienced and eminent professionals in business, law, finance, public enterprise and corporate management. The Board meets at least once in a quarter to review, amongst other business, the quarterly performance of the Company and financial results. The Directors actively participate in the deliberations at these meetings.

The composition and other details of the Board of Directors as on June 30, 2009 are given below:

Name of the Director	Category	Designation	Other Directorships#		Membership of other Board Committees ##	
			Member	Chairman	Member	Chairman
Mr. S.K. Poddar	NED	Chairman	10	9	4	3
Mr. Shantanu Khosla	ED	Managing Director	2	1	2	1
Mr. Subhash Bansal	ED	Whole-time Director	None	None	None	None
Mr. B.S. Mehta	ID	Director	14	None	9	5
Mr. C.R.Dua	ID	Director	5	None	3	None
Mr. Gurcharan Das	ID	Director	4	None	None	None
Mr. Akshay Poddar	NED	Director	8	None	5	1
Ms.Deborah Henretta	NED	Director	1	None	None	None
Mr. M.K. Kumar	NED	Alternate to Mr. Akshay Poddar	1	None	2	1
Mr. Ashok Chhabra*	NED	Alternate to Ms. Deborah Henretta	None	None	None	None
Mr. Jyoti Sagar	ID	Director	None	None	None	None
Mr. Anil Kumar Gupta**	ID	Director	None	None	None	None

NED – Non Executive Director
ED – Executive Director
ID – Independent Director

* Retired as Alternate Director with effect from August 31, 2009.
** Appointed as Additional Director with effect from March 28, 2009.
# Excludes directorships of private limited companies, foreign companies and alternate directorships, companies under Section 25 of the Companies Act, 1956, bodies corporate and membership of managing committee of various chambers/bodies.
Includes memberships of only Audit Committees and Share Transfer and Investor Grievance Committees of public limited companies.

(b) Number of Board Meetings:

During the financial year 2008-09, four (4) Board meetings were held on August 29, 2008, October 22, 2008, January 30, 2009 and April 28, 2009 respectively. The Annual General Meeting for the financial year ended June 30, 2008 was held on October 22, 2008.

(c) Directors' attendance record:

The attendance of directors at the board meetings and at the last Annual General Meeting held on October 22, 2008 was as under:

Name of Director	No. of Board Meetings attended	Whether attended the AGM held on October 22, 2008
Mr. S.K. Poddar	4	Yes
Mr. Shantanu Khosla	4	Yes
Mr. Subhash Bansal	2	Yes
Mr. B.S. Mehta	3	No
Mr. C.R. Dua	3	Yes
Mr. Gurcharan Das	4	Yes
Mr. Akshay Poddar	3	Yes
Ms. Deborah Henretta	NIL	No
Mr. M.K. Kumar*	NIL	No
Mr. Ashok Chhabra**	2	Yes
Mr. Jyoti Sagar	2	Yes
Mr. Anil Kumar Gupta #	1	N.A

* *Alternate to Mr. Akshay Poddar*

** *Alternate to Ms. Deborah Henretta*

\# *Appointed as Additional Director with effect from March 28, 2009.*

(d) Material significant related party transactions:

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 B-16 of Schedule 17 to the Accounts in the Annual Report.

(e) Directors Remuneration:

In terms of the resolution passed at the 24th Annual General Meeting of the members of the Company held on October 22, 2008, all the non-executive directors are entitled to commission upto one per cent of the net profits of the Company for each financial year.

The remuneration of executive directors comprises salary, house rent allowance, perquisites, performance linked incentive, contribution to provident and other funds, gratuity and leave travel allowance and other perquisites and benefits as per the policy of the Company. The details of remuneration paid/ provided to the executive/non-executive directors during the financial year 2008-09 are as under:

Amount in Rs.

Name of Director	Relationship with other directors	Salary including Bonus + PF contribution	Perquisites	Commission	Total
Mr. S.K. Poddar	Father of Mr. Akshay Poddar	Nil	Nil	60,00,000	60,00,000
Mr. Shantanu Khosla	None	Nil*	Nil	Nil	Nil
Mr. Subhash Bansal	None	1,11,83,610	4,56,076	Nil	1,16,39,686
Mr. C.R.Dua	None	Nil	Nil	10,00,000	10,00,000
Mr. B.S. Mehta	None	Nil	Nil	10,00,000	10,00,000
Mr. Gurcharan Das	None	Nil	Nil	10,00,000	10,00,000
Mr. Akshay Poddar	Son of Mr. S.K. Poddar	Nil	Nil	10,00,000	10,00,000
Ms. Deborah Henretta	None	Nil	Nil	Nil	Nil
Mr. M.K. Kumar	None	Nil	Nil	Nil	Nil
Mr. Ashok Chhabra	None	Nil	Nil	Nil	Nil
Mr. Jyoti Sagar	None	Nil	Nil	838,356	838,356
Mr. Anil Kumar Gupta**	None	Nil	Nil	260,959	260,959

* Remuneration charged to the accounts in respect of the Managing Director: Rs.1,09,93,015/-.

** Appointed as Additional Director with effect from March 28, 2009.

The term of the Managing Director (MD) and Whole-time Director (WTD) is for a period of five years from the date of their respective appointment. No fee/ compensation is payable to the directors on severance of their directorship with the Company.

The Company has not issued stock options to any of its Directors. However, all employees of the Company including its Whole-time Directors are given the right to purchase shares of the 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 nos. B-17 and B-18 of Schedule 17 to the Accounts in the Annual Report.

Number of Shares held by Non Executive Directors:

Mr. S.K.Poddar	-	2,25,480
Mr. Akshay Poddar	-	76,923

(f) Committees of the Board:

(i) Audit Committee

The Audit Committee comprises of Mr. C.R. Dua (Chairman), Mr. S.K. Poddar, Mr. B.S. Mehta, Mr. J. Sagar and Mr. G. Das. During the financial year 2008-09, four Audit Committee Meetings were held on August 29, 2008, October 22, 2008, January 30, 2009 and April 28, 2009 respectively. Mr. J. Sagar and Mr. G. Das were co-opted as members of the Audit Committee vide Board resolutions passed on October 22, 2008 and January 30, 2009 respectively.

The attendance of each member of the Committee is given below:

Name	Designation	Category	Profession	No. of meetings attended
Mr. C.R. Dua	Chairman	Independent Director	Advocate	3
Mr. S.K. Poddar	Member	Non-Executive Director	Business	4
Mr. B.S. Mehta	Member	Independent Director	Chartered Accountant	3
Mr. Jyoti Sagar	Member	Independent Director	Advocate	2*
Mr. Gurcharan Das	Member	Independent Director	Management Consultant	1**

* *Mr. Jyoti Sagar was appointed member of the Audit Committee on October 22, 2008.*

** *Mr. Gurcharan Das was appointed member of the Audit Committee on January 30, 2009.*

All the members of the Committee have extensive financial and accounting knowledge and background. The terms of reference of the Audit Committee are in line with revised Clause 49 II (C) and (D) of the Listing Agreement with the stock exchanges and Section 292A of the Companies Act, 1956. The Audit Committee *inter alia*, provides reassurance to the Board on the existence of an effective internal control environment. The quorum for the Committee is two members, who are independent directors.

The term of reference of Audit Committee is as per the Audit Charter which amongst other things includes the following:

(a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;

(c) Reviewing with the management, the financial statements before submission to the Board, focusing primarily on:
   - Any change in accounting policies and practices;
   - Major accounting entries based on the exercise; of judgment by management;
   - Qualifications in the draft audit report;
   - Significant adjustments arising out of audit;
   - The going concern assumption;
   - Compliance with accounting standards;
   - Compliance with the stock exchange regulations and legal requirements concerning the financial statements;
   - Related party transactions;

(d) Reviewing with the management, external and internal auditors, the adequacy of internal control system and the Company's statement on the same prior to endorsement by the Board;

(e) Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow-up thereon;

(f) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;

(g) Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;

(h) Reviewing the Company's financial and risk management policies;

(j) Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(k) Considering such other matters as may be required by the Board;

(l) Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act, 1956 and other statutes, as amended from time to time.

The minutes of the Committee are placed before the Board. The Company Secretary is the Secretary of the Committee.

(ii) Remuneration Committee

The Remuneration Committee comprises of the following Non-Executive Directors namely Mr. Akshay Poddar, Mr. C.R. Dua and Mr. B.S. Mehta.

The Chairman is elected from amongst the members of the Committee, being an Independent Director.

The scope of the Remuneration Committee includes finalising the remuneration packages for the Executive Director(s) of the Company.

No meeting of this Committee was held during the year.

(iii) Share Transfer and Shareholders' / Investors' Grievance Committee

The Shareholders' Committee comprises of Mr. Akshay Poddar, Mr. Subhash Bansal and Mr. Shantanu Khosla.

Mr. Akshay Poddar is the Chairman of the Committee. The various issues addressed in connection with shareholders and investors' services and complaints are:

a) Approve and register transfer and transmission of shares, wherever applicable;

   Sub – division/consolidation/ rematerialisation of share certificates;

   Issue of duplicate share certificates in lieu of lost share certificates;

   Affix common seal on share certificates and maintain safe custody of the common seal;

b) Shareholders / Investors complaints pertaining to:

   i) Non receipt of shares after transfer/ annual report/ dividend;

   ii) Other matters related to or arising out of shareholders'/investors' services;

The minutes of the Committee are placed before the Board. The present quorum for this Committee is two members. The Committee meets regularly to effect share transfers and for other related matters as referred in point (a) and (b) above. The Company Secretary is the Compliance Officer. He regularly addresses shareholders complaints, oversees the share transfer process and liaises with the regulatory authorities.

During the financial year, 16 meetings of the Committee were held. The attendance of each member of the Committee is given below:

Name	No. of Committee meetings attended
Mr. Akshay Poddar	16
Mr. Shantanu Khosla	16
Mr. Subhash Bansal	16

3. MANAGEMENT DISCUSSION AND ANALYSIS

Review of Economic Scenario and impact of Union Budget '09

As per the Economic Survey 2008-09 released by the Ministry of Finance, Govt. of India on July 2, 2009, despite global financial crises, India has still registered a growth of 6.7% though there has been a deceleration in said growth rate from the average growth rate of 8.8% during 2003-04 to 2007-08. The said Survey further observes that the Indian economy has shock absorbers that are likely to facilitate early revival of growth. India has a strong banking sector – the Banks are financially sound and well capitalized. The foreign exchange position remains comfortable and the external debt position has been in the comfort zone. The said Survey further observes that the deceleration of growth during 2008-09 was spread across all sectors except mining and quarrying, community, social and personal services. During 2008-09 the growth in exports was robust till August 2008. However due to recessionary trends in the developed markets where the demand has plummeted, the export growth declined sharply.

The Union Budget was announced by the Hon'ble Finance Minister (FM) on July 6, 2009 treading relatively cautious though solid path for social enlistment, infrastructure development and tax administration reforms. The FM has set a target of achieving a sustained annual growth rate of 9% with a medium term strategy, clearly setting out that this challenging task cannot be achieved in a single budget.

Some of the budget proposals are likely to benefit the FMCG sector in India. Mainly, higher disposable income, increased capital formation in rural areas through NREGA (National Rural Employment Guarantee Act) and Bharat Nirman, the promised jobs to millions will be the growth factor for the FMCGs. Rural focus, employment generation and infrastructure spending will improve rural income. Rural India accounts for more than 40% consumption for major FMCG categories. FMCG companies are witnessing a 40% growth in rural sales as against 25% in urban areas. Further, on account of low penetration, these companies are banking on rural areas for volume growth. Hence, continued focus on rural development would benefit the sector.

The FMCG sector reported strong growth last year. As per an A.C. Nielsen report, FMCG sales grew 16.2% YoY over April-May 2009, lower than the 19% YoY growth achieved in FY09. Price-cuts on account of lower inflation and excise duty reduction from 14% to 8% led the FMCG companies to reduce their product prices in a bid to boost volumes. The volume growth has continued to remain strong. As per FICCI, the FMCG industry is set to grow 20-30% in 2009-10, up from 10-20% in 2008-09. The growth would be driven by the launch of new products and increasing rural consumption.

Business Review

Personal Grooming

Your Directors are of the view that the personal grooming sector represents a sizable business opportunity for your Company. According to market research data, the Blades and Razors market alone is estimated at over Rs.1000 crores, and about 5 billion units in terms of volume. Your Company therefore has an integrated strategy that seeks to win with the consumers in this market landscape.

Oral Care

Manual toothbrushes continue to dominate the Oral Care market in India. According to market research data, the toothbrush market is estimated at over Rs.800 crores and growing at a rate of 7% per year. *Oral-B* continued to strenghten its leadership by growing its value share behind fundamental brand building initiatives.

Portable Power

The growing usage in the high and mid drain devices like toys and cameras and increased purchasing power in India indicate a huge potential in the coming years for alkaline batteries and thus for *Duracell*.

Outlook and Opportunities

The Government's continued focus on liberalization, trade friendly policies and improvement in infrastructure have resulted in a steady inflow of global investments into the Indian market. This, in turn, has translated into immense employment opportunities and a sustained economic boom. The disposable income has gone up and as a result people working in old manufacturing sector as well as new emerging sectors such as BPOs, IT, ITES, retail etc. are open to invest in their grooming needs. Organized retailing continues to make progress in India and we expect it to continue to strengthen in years to come, which in turn will benefit your Company.

Cable television has penetrated in to the smallest of Indian towns and has taken with it awareness of latest lifestyle trends and brands, which have become an aspiration for many consumers. This increased awareness coupled with the increase in disposable incomes has translated into a desire to upgrade lifestyles through owning and using better quality brands. All this has positively impacted the brands of your Company.

Threats, Risks & Concerns

One of the hurdles faced by your Company is that the market is largely price driven as consumers do not perceive any benefit in paying incremental price for a quality product. Your Company has taken this as a challenge and has attempted to upgrade its consumers to better technology products through various campaigns which have been successful.

Some other barriers include low frequency of shaving, low attention to oral hygiene habits, low priced but unhygienic barbers and emergence of rechargeable batteries. The attempt to change lifestyles and spending pattern will be gradual, but your Company has achieved significant success in its endeavours in this direction and will continue to address and overcome these issues.

Risk Management

Business, Finance & Operational risks

The Company‘s risk management policy is in line with the parent company's global guidelines on risk management and adequate measures have been adopted by the Company to combat the various risks including business risks(competition, consumer preferences, technology changes), finance risks (cost, credit, liquidity, foreign exchange) and so on. The Company has adopted a focused approach towards risk management in form of a Corporate Insurance Program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer techniques. This Program duly covers any risks relating to business interruption resulting from property damage and legal liability resulting from property damage or personal injury.

The Company has in place a very stringent and responsive system under which all its distributors and vendors are assessed before being selected. Further, there exists a system by which all distributors' and vendors' site and operations are periodically reviewed by the Company for managing risks, if any.

Regulatory and Compliance risks

Your Company operates within the letter and spirit of all applicable laws. General compliance with legal requirements is an important component of the *Worldwide Business Conduct Manual* and the same directs the following action from every employee:

- To obey all legal requirements at all times;
- To understand exactly what legal requirements apply to the work function;
- To consult the Legal Personnel if there are conflicting legal requirements in different jurisdictions;
- To strictly follow the directions from the Legal Personnel;
- To address and resolve, in a timely manner, any legal compliance issues that have been identified;
- Absolutely no violation of any law;
- To immediately report any instance of violations to the Legal Department.

Your Company has set in place the requisite mechanism for meeting with the compliance requirements, periodic monitoring of compliance to avoid any deviations and regular updations to keep pace with the regulatory changes.

Security Risks

Your Company has installed comprehensive security programs to protect employees and assets at all its offices and plants. Security measures are overseen by a specially designated Global Security Manager – South Asia and a reputed security agency has been appointed to guard our premises. There is also a system for continuous monitoring of security alerts across the country. Training is given regularly to all security guards who are on duty 24x7. Evacuation drills are conducted twice a year. A global policy is in place to issue travel advisories to all employees in case there is any adverse situation at any place in the world. If the situation warrants, travel bans are imposed.

HR Initiatives

The Company operates in a highly competitive environment vis-à-vis attracting the best talent for its operations and therefore the human resources management has assumed vital importance in your Company. Your Company focuses on attracting, motivating and retaining the best talent. Its people systems like recruiting, training, performance management and talent development are robust and competitive.

Attracting Talent: Recruiting is a key focus – Your Company has a well established campus recruitment process that currently visits some of the top business schools and engineering campuses for both the summer internship and final hiring cycles. Your Company runs function-wise pre-placement talks and activities to help students gain an understanding of the roles, responsibilities and the organisation to enable them to make informed choices. Compensation and benefits is another key part to attracting the best talent. Your Company's benefit programs are best in class giving it a competitive advantage.

Motivating and Retaining Talent: Strong induction and training systems for new hires is a key part of retention program. Your Company allows new hires to handle responsible and large roles consistent with their capability, thus allowing exposure to decision making and strategy. Clearly defined functional career paths help employees to plan their career goals and understand the skills needed to be built. Your Company's annual performance management system is very robust and clearly assesses and differentiates amongst employees on the basis of performance and potential. Your Company leverages its size as a global organisation in giving employees the opportunity to work across regions and business units, as well as moving them to international assignments on a regular, planned basis. Your Company is committed to providing meaningful, fast growing, international careers to employees and this is a key part of our retention efforts.

Your Company has been ranked 2nd most preferred employer as per A. C. Nielsen Survey and has also improved its standing on a majority of campuses. Internal surveys indicate that the various H.R initiatives undertaken during the year have received considerable appreciation across the organization and encouraged by this fact the priorities planned for the F.Y 2009-2010 by the H.R include initiating action on key capability areas, driving better employer-employee relationship/career guidance and many more.

Employee and Trade Relations related developments are covered in the Directors' Report.

The Statements in the Management Discussion and Analysis Report may be seen as forward looking statements. The actual results may differ materially from those expressed or implied in the statement depending on circumstances.

Internal Controls & their adequacy

Internal control systems have been a core focus for the Company. Internal audits and process checks are carried out regularly in important areas and are supplemented with checks by outside agencies.

4. SHAREHOLDERS

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

During the year, Mr. B.S Mehta and Ms. Deb Henretta, Directors, retire by rotation and being eligible, offer themselves for re-appointment. Mr. Anil Kumar Gupta was appointed as an Additional Director of the Company with effect from March 28, 2009.

Brief resumes of the Directors are given hereunder:

Mr. B.S. Mehta is a leading practicing Chartered Accountant and a Senior Partner of M/s B.S. Mehta & Company, a firm of Chartered Accountants. Mr. Mehta specializes in the area of taxation and financial management. Mr. Mehta is a member of various bodies including the Institute of Chartered Accountants of India.

Presently, he is a Director of the following public companies: Atul Limited, Bharat Bijlee Limited, Century Enka Limited, CEAT Limited, Clariant Chemicals (India) Limited, Procter & Gamble Hygiene and Health Care Limited, Housing Development Finance Corporation Limited, IL&FS Investment Managers Limited, J.B Chemicals & Pharmaceuticals Limited, National Securities Depository Limited, Pidilite Industries Limited, Sasken Communication Technologies Limited, SBI Capital Markets Limited, and Sudarshan Chemical Industries Limited.

Mr. Mehta is an Alternate Director in Uhde India Private Limited and a Director in Jumbo World Holdings Limited (Foreign Company).

Mr. Mehta is also the Chairman and/or Member of the following Audit Committees: Housing Development Finance Corporation Limited, Atul Limited, Century Enka Limited, Procter & Gamble Hygiene and Health Care Limited, IL&FS Investment Managers Limited, J.B Chemicals & Pharmaceuticals Limited, Sudarshan Chemicals Limited, Sasken Communication Techologies Limited and Pidilite Industries Limited.

Ms. Deborah Henretta, holds a Masters degree in Advertising Research and has held senior positions in Procter & Gamble since her joining the P&G Group in 1985. Ms. Deborah Henretta is the Group-President of Procter & Gamble, Asia. In her two decades' association with the P&G Group, Ms. Henretta has held significant key positions in Procter & Gamble locations around the globe. She was recognized as one of the "World's Powerful Women" for 2009 by the Forbes Magazine.

Presently, Ms. Henretta is also on the Board of Procter & Gamble Hygiene and Health Care Limited.

Mr. Anil Kumar 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 not a Director in any other public limited company nor a member of any Committee.

(b) Communication to shareholders:

i) The quarterly results of the Company are announced within a month of completion of the quarter. Audited annual results are announced within three months of the end of financial year. Such results are published in the following newspapers:

Business Standard (English), Dainik Navjyoti, Jaipur (Hindi)

ii) Half yearly reports are not sent to each household of the shareholders at present.

iii) The Company has created a website viz. http://www.pg-india.com/gillette2/index.html on which which the Company's results and official news releases are published.

iv) The quarterly financial results and shareholding pattern are posted on Electronic Data Information Filing and Retrieval (EDIFAR) website namely www.sebiedifar.nic.in.

v) An archived webcast of the proceedings of the Annual General Meeting will be available at our website viz. http://www.pg-india.com/gillette2/index.html 48 hours after the Annual General Meeting.

(c) Disclosures:

i) *Materially significant related party transactions:*

There are no material transactions during the year that have a potential conflict with the interests of the Company.

ii) *Compliance by the Company:*

The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and 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.

iii) *Whistle Blower policy:*

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

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

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

The Audit Committee was accessible to all employees.

iv) *CEO/ CFO Certification:*

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

Audit Committee and taken on record by the Board.

v) *Compliance with mandatory and adoption of non mandatory requirements:*

The Company has complied with all mandatory requirements and with the following non-mandatory requirements of Clause 49 of the Listing Agreement.

Compliance with Non Mandatory Requirements

a) (i) The Company has provided an office to the Chairman for his use, during his visits, at the Corporate Office at Mumbai.

(ii) There is no fixed tenure for independent directors.

(iii) The Board of Directors ensures that the person being appointed as an independent director has the requisite qualifications and experience which would be of use to the Company.

b) The Company has constituted a Remuneration Committee.

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

d) The Board comprises of professionals with expertise in their respective fields. They endeavor to keep themselves updated with changes in global economy and legislation. Moreover, 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) The Company follows a Whistle Blower Policy as laid down in its *"Worldwide Business Conduct Manual"*.

(d) General Meetings of members:

AGM	Date	Time	No. of special resolutions passed
24th	22.10.2008	11.00 a.m.	2
23rd	25.10.2007	11.00 a.m.	1
22nd	29.04.2006	3.30 p.m.	1

All the three Annual General Meetings were held at SPA-65A, Bhiwadi Industrial Area, Bhiwadi, Dist. Alwar, Rajasthan 301 019.

No special resolution was put through postal ballot in the financial year 2008-09.

(e) Code of conduct:

(i) Code of conduct for Directors and Senior Management

The Company has adopted a Code of Conduct for its directors and senior management. The code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct and it is applicable to all directors and senior management of the Company. 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.

(ii) Code of conduct for Prevention of Insider Trading:

The Company vide the *Worldwide Business Conduct Manual* has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company, its suppliers or associate companies. This Code, among others, prohibits the purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company. The *Worldwide Business Conduct Manual* has been posted on the parent company's website at www.pg.com. The Company has during the year adopted the revised Insider Trading Code modified in terms of amendments notified by SEBI(Prohibition of Insider Trading) Regulations, 1992.

5. GENERAL SHAREHOLDERS INFORMATION:

(i) *Annual General Meeting*

The Annual General Meeting will be held on Tuesday, October 27, 2009 at 11.00 a.m. at the Company's registered office at SPA- 65A, Bhiwadi Industrial Area, Bhiwadi, (Distt. Alwar) Rajasthan – 301 019.

(ii) *Financial Calendar*

Financial Year	:	July to June
Accounts Finalisation	:	August – September
Annual General Meeting	:	October – November
Dividend Dispatch	:	Within 30 days of Annual General Meeting.
Quarterly Results	:	Normally before the end of the following month, except 4th quarter when audited annual results are declared within 3 months as permitted under the Listing Agreement.

(iii) *Book Closure Date*

October 17 to October 27, 2009 (both days inclusive).

(iv) *Dividend Payment Details*

Dividend, if declared : Will be paid on or around November 4, 2009

(v) *Listing of equity shares on Stock Exchanges*

The Company's shares are listed on the Bombay Stock Exchange Limited 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 Limited:	-	507815
National Stock Exchange of India Limited:	-	GILLETTE
ISIN CODE:	-	INE322A01010

(vii) *Stock Price Data*

Monthly high and low quotation of shares traded on BSE and NSE during the financial year 2008-09.*

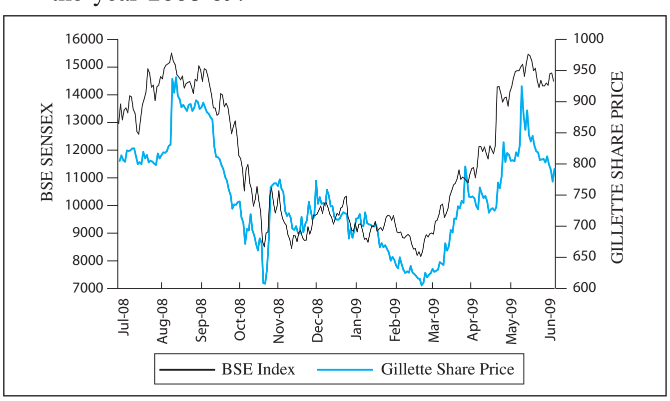
Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
July 2008	840.00	789.05	849.00	787.25
August 2008	961.70	801.75	964.60	800.70
September 2008	909.00	690.55	949.00	691.80
October 2008	750.55	520.00	795.85	520.00
November 2008	810.00	672.00	803.00	674.00
December 2008	790.00	687.25	798.80	666.00
January 2009	734.95	660.00	735.00	555.25
February 2009	705.00	616.05	709.60	615.00
March 2009	688.00	601.00	688.90	600.00
April 2009	814.00	650.00	820.00	575.25
May 2009	850.00	712.00	860.00	712.50
June 2009	958.65	766.75	963.95	765.00

* source: www.bseindia.com and www.nse-india.com

Note: High and low are in rupees per traded share.

(viii) *Performance in comparison to the BSE Sensex*

The following chart shows the performance of the Company's shares as compared to the BSE Sensex during the year 2008-09:



Year –July 1, 2008 to June 30, 2009(Source: www.bseindia.com)

(ix) *Registrar and Share 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 and Shareholders Complaints*

The Company's share transfers are handled by MAS Services Ltd., Registrar and Share Transfer Agents (RTA). The shares received in physical mode by the Company/ RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories - National Securities Depository Limited/ Central Depository Services (India) Limited within 15 days.

During the financial year 2008-09, the Company had received 75 shareholder complaints, which were resolved expeditiously. The time taken to resolve shareholder complaints is 1 to 10 days. As on June 30, 2009, there are no complaints pending.

There are no pending share transfers as on June 30, 2009.

(xi) *Distribution of shareholding by size class as on June 30, 2009*

	No. of Shareholders		No. of Shares	
No. of Shares held	Total	% of Share-holders	Total	% to Share Capital
1 – 500	15006	95.867	1088350	3.340
501 – 1000	335	2.140	247167	0.759
1001 – 2000	151	0.971	221629	0.680
2001 – 3000	43	0.275	104303	0.320
3001 – 4000	24	0.153	82142	0.252
4001 – 5000	23	0.147	108027	0.332
5001 – 10000	20	0.128	143608	0.441
10001 and above	50	0.319	30589991	93.877
Total	**15652**	**100.00**	**32585217**	**100.00**

Distribution of shareholding by ownership as on June 30, 2009

Category	Number of Shares held	% of Shares held
Indian & Foreign Promoters	28911849	88.73
Resident Individuals and others	2222453	6.82
Mutual Funds & UTI	154159	0.47
Financial Institutions/ Banks	2960	0.01
Foreign Institutional Investors	235875	0.72
Private Corporate Bodies	912729	2.80
NRIs	145192	0.45
Directors and their Relatives	0	0
TOTAL	**32585217**	**100.00**

(xii) *Dematerialisation of shares and liquidity*

The shares of the Company are compulsorily traded in the dematerialized form only. The Company has an agreement with the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) to provide trading facilities to the shareholders/ investors in the dematerialized form.

As on June 30, 2009 a total of 2,76,95,263 shares constituting 85% of the share capital of the Company stand dematerialized and 13062 shareholders are holding shares in the dematerialized form.

(xiii) *Outstanding GDRs/ADRs, warrants or any convertible instruments, conversion date and likely impact on equity*

The Company has not issued any GDR/ADRs/ warrants or any convertible instruments till date.

(xiv) *Unclaimed/ Unpaid Dividends*

The amount of unclaimed dividends for and upto the year ended 1999 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 so far claimed their dividends for the said periods shall not be entitled to claim the same from the Company or the said Fund.

Final dividend for the financial year ended December 31, 2002 and 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 the year ended December 31, 2002, or any subsequent year(s), are requested to seek issue of duplicate warrants on or before the due dates mentioned there against, by writing to the RTA.

Pursuant to Section 205A(5) of the Companies Act, 1956, the following unpaid dividends are due for transfer to the Investor Education and Protection Fund:

Dividend No.	Date of Declaration	For the year ended	Due Date for transfer to IEPF
10	09.05.2003	31.12.2002	15.06.2010
11	29.04.2004	31.12.2003	05.06.2011
12	27.04.2005	31.12.2004	03.06.2012
13	29.04.2006	31.12.2005	05.06.2013
14(Interim)	27.02.2007	30.06.2007	05.04.2014
15(Final)	25.10.2007	30.06.2007	01.12.2014
16	22.10.2008	30.06.2008	28.11.2015

(xv) Plant Locations

India Bhiwadi Manufacturing Centre
SPA – 65A, Bhiwadi Industrial Area,
Bhiwadi, (Distt. Alwar)
Rajasthan – 301019

India Baddi Packing Centre
Plot no. 4, Industrial Area
Village Katha, Bhatoli Kalan,
Baddi 173205, Dist. Solan,
Himachal Pradesh

(xvi) *Address for Correspondence*

Gillette India Limited
P&G Plaza,
Cardinal Gracias Road
Chakala, Andheri (East)
Mumbai 400 099
Ph : 022-28266000; Fax 022-66939696

Gillette India Limited
SPA – 65A,
Bhiwadi Industrial Area, Bhiwadi
(Distt. Alwar), Rajasthan – 301019
Compliance Officer:
Mr. Deepak Acharya,
Company Secretary
Ph : 022-28266000 Fax : 022-66939696
e-mail : acharya.d@pg.com

Declaration

As provided under Clause 49 of the Listing Agreement with stock exchanges, the Board members have confirmed compliance with the Directors' Code of Conduct for the year ended June 30, 2009 and the Senior Management has complied with the Business Conduct Manual for the year ended June 30, 2009.

For **GILLETTE INDIA LIMITED**

S. Khosla
Managing Director

Mumbai
August 27, 2009

Auditors' Certificate on compliance of conditions of Corporate Governance under clause 49 of the listing agreement.

To,

The Members
Gillette India Limited

We have examined the compliance of conditions of Corporate Governance by Gillette India Limited for the financial year ended June 30, 2009 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

N.P. Sarda
Partner
Membership No. 9544

Mumbai,
August 27, 2009

AUDITORS' REPORT TO THE MEMBERS OF GILLETTE INDIA LIMITED

1. We have audited the attached Balance Sheet of Gillette India Limited ("the Company") as at June 30, 2009, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003 (the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (v) On the basis of written representations received from Directors as on June 30, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on June 30, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2009;

      (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N.P. Sarda
Partner
Membership No. 9544

Mumbai,
August 27, 2009

Annexure referred to in paragraph 3 of the Auditors' Report on the Accounts of Gillette India Limited

In our opinion and according to the information and explanations given to us, the nature of the Company's business / activities during the year are such that clauses vi, xii, xiii, xiv, xv, xvi, xviii, xix and xx of Para 4 of the said Order are not applicable to the Company.

1. In respect of its fixed assets:
   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
   b. Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
   c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. In respect of its inventories:
   a. As explained to us, inventories were physically verified by the management at reasonable intervals during the year.
   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on verification between physical stocks and book records.
3. In our opinion and according to the information and explanations given to us, the Company has not granted or taken any loan secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control systems.
5. According to the information and explanations given to us, there are no contracts or arrangements the particulars of which needs to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
6. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
7. We have broadly reviewed the books of account and records maintained by the Company in respect of manufacture of shaving systems, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
8. In respect of statutory dues:

a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities during the year.

b. According to the information and explanations given to us, the details of disputed excise duty, sales tax, service tax and custom duty dues which have not been deposited as on June 30, 2009 on account of dispute are given below:

Sr. No.	Name of the Statute	Amount under dispute not yet deposited. (Rs. in Lakhs)	Year to which the amount relates	Forum where dispute is pending
1	Excise duty *	26.05	May - 1996, Jul'97, Apr'04 - Sep'04, Sept-1995 - Nov-1995, Apr'02 - Jan'03, Dec'04 - Sept'07, Sept'06 - Jan'07, Aug'08	Appellate Authorities
		12719.20	Apr'94 - Sep'96, Nov'96 - May'98, Sept'03 - July'05	Tribunal
		8.92	1991	High Court
	Sub-total	12754.17		
2	Sales Tax	1363.37 14.36	1997-1998 to 2006-2007 1997-1998, 1999-2000, 2000-2001, 2002-2003 & 2003-2004	Appellate Authorities Tribunal
	Sub-total	1377.73		
3	Custom Duty	1528.06	May05 to Dec06	Appellate Authorities
		26.53	1996	CESTAT
	Sub-total	1554.59		
4	Service Tax	49.55	2000-02, Jan'04 - Dec'04, Apr'05 - Mar'06, Apr'05 - Sept'05	Appellate Authorities
		49.55		
	Grand total	**15736.04**		

* This excludes disputed unpaid demands of Rs.2227.77 lakhs raised by the authorities on the third parties with

whom the Company has business transactions / contractual obligations.

There were no disputed dues remaining unpaid in respect of Income Tax, Wealth Tax and Cess during the year.

9. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding accounting period.

10. During the year, the Company has not taken any loans from financial institutions or banks or debenture holders and hence the question of default in repayment of dues does not arise.

11. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.

12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N.P. Sarda
Partner
Membership No. 9544

Mumbai,
August 27, 2009

Balance Sheet as at June 30, 2009

	Schedule No.	As at June 30, 2009 Rs.	As at June 30, 2009 Rs.	As at June 30, 2008 Rs.	As at June 30, 2008 Rs.
Sources of Funds					
Shareholders' funds					
Share Capital	1	32 58 52 170		32 58 52 170	
Reserves and Surplus	2	4 58 30 14 822		3 92 82 48 329	
			4 90 88 66 992		4 25 41 00 499
Deferred Tax Liability - Net	3		4 86 27 810		4 73 18 810
TOTAL			4 95 74 94 802		4 30 14 19 309
Application of Funds					
Fixed Assets	4a				
Gross Block		2 46 01 45 938		2 53 07 82 539	
Less : Depreciation/Amortization		1 57 49 91 877		1 61 88 81 131	
Net Block		88 51 54 061		91 19 01 408	
Capital work-in-progress (including advances on capital account)		2 43 21 939		3 00 40 148	
			90 94 76 000		94 19 41 556
Fixed Assets held for disposal	4b		58 75 761		60 00 116
Current Assets, Loans and Advances					
Inventories	5	1 00 95 53 383		1 03 19 81 479	
Sundry Debtors	6	60 56 96 745		64 35 33 798	
Cash and Bank Balances	7	92 62 44 885		76 44 46 344	
Other Current Assets	8	1 59 57 649		4 72 08 493	
Loans and Advances	9	2 99 10 16 359		2 66 47 62 086	
		5 54 84 69 021		5 15 19 32 200	
Less : Current Liabilities and Provisions					
Current Liabilities	10	97 96 58 822		1 25 96 57 294	
Provisions	11	52 66 67 158		53 87 97 269	
		1 50 63 25 980		1 79 84 54 563	
Net Current Assets			4 04 21 43 041		3 35 34 77 637
TOTAL			4 95 74 94 802		4 30 14 19 309
Significant Accounting Policies and Notes to Accounts	17				

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. P. Sarda
Partner

Mumbai, August 27, 2009

For and on behalf of Board of Directors

S.K. Poddar
Chairman

S. Khosla
Managing Director

D. Doss
Finance Manager

D. Acharya
Company Secretary

Mumbai, August 27, 2009

Profit and Loss Account for the year ended June 30, 2009

	Schedule No.	For the year ended June 30, 2009 Rs.	For the year ended June 30, 2008 Rs.
Income			
Sales - Gross		6 73 09 79 314	6 05 82 68 860
Less : Excise duty (Refer Note B20 of Schedule 17)		11 58 45 399	16 98 42 905
Net Sales		6 61 51 33 915	5 88 84 25 955
Other Income	12	30 01 26 658	19 12 73 987
		6 91 52 60 573	6 07 96 99 942
Expenditure			
Raw and packaging materials consumed		1 56 30 59 844	1 50 88 96 158
Purchase of finished goods		98 24 19 454	72 44 09 096
Decrease/(Increase) in finished goods and work-in-process	13	4 25 34 881	3 44 85 696
Payments to and provisions for employees	14	45 66 68 895	35 79 57 756
Operating and other expenses	15	1 98 64 72 142	1 63 66 97 062
Interest	16	2 83 985	790
Depreciation/Amortization	4a, 4b	11 36 68 446	13 98 33 580
		5 14 51 07 647	4 40 22 80 138
Profit Before Taxation and Exceptional items		1 77 01 52 926	1 67 74 19 804
Exceptional items - Profit on sale of property		—	14 45 15 031
Profit Before Taxation and after Exceptional items		1 77 01 52 926	1 82 19 34 835
Provision for taxation :			
Income Tax			
Current Tax		62 65 39 000	65 79 65 000
Deferred Tax expense/(credit) - (Net)		13 09 000	(2 47 37 000)
Fringe Benefit tax		1 10 00 000	1 50 00 000
Profit After Taxation		1 13 13 04 926	1 17 37 06 835
Balance brought forward from previous year		1 77 00 85 921	1 25 04 17 519
Amount available for appropriation		2 90 13 90 847	2 42 41 24 354
Appropriations			
Transfer to Contingency Reserve		9 00 00 000	6 00 00 000
Proposed dividend		40 73 15 213	40 73 15 213
Corporate tax on dividend		6 92 23 220	6 92 23 220
Transfer to General Reserve		11 32 00 000	11 75 00 000
		67 97 38 433	65 40 38 433
Balance carried forward		2 22 16 52 414	1 77 00 85 921
Number of equity shares outstanding during the year of Rs.10/- each		3 25 85 217	3 25 85 217
Basic and diluted earnings per share:			
- after exceptional items (Rs.) (Refer Note B12 of Schedule 17)		34.72	36.02
- before exceptional items (Rs.) (Refer Note B12 of Schedule 17)		34.72	32.87
Significant Accounting Policies and Notes to Accounts	17		

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. P. Sarda
Partner

Mumbai, August 27, 2009

For and on behalf of Board of Directors

S.K. Poddar
Chairman

S. Khosla
Managing Director

D. Doss
Finance Manager

D. Acharya
Company Secretary

Mumbai, August 27, 2009

Cash Flow Statement for the year ended June 30, 2009

		Rs.	For the year ended June 30, 2009 Rs.	Rs.	For the year ended June 30, 2008 Rs.
A.	**Cash Flow from Operating Activities**				
	Profit Before Taxation and after Exceptional items		1 77 01 52 926		1 82 19 34 835
	Adjustments for:				
	Depreciation/Amortisation	11 36 68 446		13 98 33 580	
	Provision for Employee Benefits	(1 21 30 111)		(79 73 688)	
	Write- back of liabilities no longer required	(64 47 000)		(20 47 484)	
	Interest expense	2 83 985		790	
	Interest income	(23 76 47 341)		(17 26 12 335)	
	Unrealised Foreign Exchange Loss/(Gain)	(30 22 351)		79 48 933	
	Write-back of provision for doubtful debts	(2 52 26 803)		—	
	Inventories written off	5 45 58 917		5 67 02 841	
	Loss/(Profit) on sale of fixed assets (net)	13 97 599		(13 97 87 989)	
			(11 45 64 659)		(11 79 35 352)
	Operating profit before working capital changes		1 65 55 88 267		1 70 39 99 483
	Adjustments for :				
	Decrease/(Increase) in Trade and other receivables	12 04 60 227		(32 36 70 718)	
	Decrease/(Increase) in Inventories	(3 21 30 821)		(26 19 33 857)	
	(Decrease)/Increase inTrade and other payables	(25 97 70 794)		20 46 29 809	
			(17 14 41 388)		(38 09 74 766)
	Cash generated from operations		1 48 41 46 879		1 32 30 24 717
	Direct taxes paid (net)		(76 18 03 618)		(87 42 47 096)
	Business Restructuring expenses (Refer note B2 of Schedule 17)		—		(3 89 97 098)
	Net Cash generated from Operating Activities		72 23 43 261		40 97 80 523
B.	**Cash Flow from Investing Activities**				
	Purchase of Fixed Assets	(8 42 90 124)		(5 44 11 775)	
	Sale of fixed assets	18 13 989		17 73 15 123	
	Interest received	26 88 98 177		13 33 14 263	
	Loan to fellow subsidiary	10 04 30 497		(1 74 50 00 000)	
	Inter Corporate Deposits placed/repaid (net)	(37 00 00 000)		40 00 00 000	
	Net Cash used in Investing Activities		(8 31 47 461)		(1 08 87 82 389)
C.	**Cash Flow from Financing Activities**				
	Dividend paid	(40 73 15 213)		(24 43 89 128)	
	Corporate Tax on Dividend paid	(6 92 23 220)		(4 15 33 932)	
	Interest paid	(2 83 985)		(790)	
	Net Cash used in Financing Activities		(47 68 22 418)		(28 59 23 850)
D.	**Net Increase/(Decrease) in Cash and Cash Equivalents**		16 23 73 382		(96 49 25 716)
E.	**Cash and Cash Equivalents at the beginning of the year**		76 38 09 533		1 72 87 35 249
F.	**Cash and Cash Equivalents at the end of the year(D+E)**		92 61 82 915		76 38 09 533

Notes:

1. The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in Accounting Standard - 3 Cash Flow Statements.

	As at June 30, 2009 Rs.	As at June 30, 2008 Rs.
2. Cash & Cash equivalents include balances		
Cash on hand	—	50 000
With Scheduled Banks :		
On Current Accounts*	1 17 69 885	4 37 96 344
On Deposit Accounts:		
Maturing less than 3 months	91 44 00 000	72 06 00 000
Maturing beyond 3 months	75 000	—
	92 62 44 885	76 44 46 344
Effect of exchange rate changes- gain unrealised	(61 970)	(6 36 811)
Cash and Cash equivalents as restated	92 61 82 915	76 38 09 533

* Includes an amount of Rs.51 93 086 (Previous year Rs.43 61 104) being balance in Unclaimed Dividend Accounts.

3 Previous year’s figures have been regrouped or rearranged wherever considered necessary.

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. P. Sarda
Partner

Mumbai, August 27, 2009

For and on behalf of Board of Directors

S.K. Poddar
Chairman

S. Khosla
Managing Director

D. Doss
Finance Manager

D. Acharya
Company Secretary

Mumbai, August 27, 2009

Schedules forming part of the accounts

		As at June 30, 2009		As at June 30, 2008	
		Rs.	Rs.	Rs.	Rs.
(1)	**Share Capital**				
	Authorised				
	3 30 00 000 (Previous year: 3 30 00 000) equity shares of Rs. 10 each		33 00 00 000		33 00 00 000
	Issued and subscribed				
	3 25 85 217 (Previous year: 3 25 85 217) equity shares of Rs. 10 each fully paid up		32 58 52 170		32 58 52 170

Of the above shares

a) 1 97 18 532 equity shares (Previous year: 1 97 18 532 equity shares) have been allotted as fully paid up to the shareholders of erstwhile Wilkinson Sword India Limited and erstwhile Duracell (India) Limited

b) 2 47 31 080 equity shares (Previous year: 2 47 31 080 equity shares) are held by the ultimate holding company, The Procter & Gamble Company, USA and its subsidiaries, of which 1 33 66 742 equity shares (Previous year: 1 33 66 742 equity shares) are held by Procter & Gamble India Holdings B.V., Netherlands

		As at June 30, 2009		As at June 30, 2008	
		Rs.	Rs.	Rs.	Rs.
(2)	**Reserves and Surplus**				
	Capital Reserve				
	As per last Balance Sheet	1 25 88 91 513		1 10 01 62 679	
	Add : Transfer from Reconstruction Reserve on completion of business restructuring pursuant to order of the High Court of Rajasthan (Refer Note B2 of Schedule 17)	—		15 87 28 834	
			1 25 88 91 513		1 25 88 91 513
	Reconstruction Reserve				
	(Refer Note B2 of Schedule 17)				
	As per last Balance Sheet	—		19 77 25 932	
	Utilised for Business Restructuring Expenses	—		(3 89 97 098)	
	Transfer to Capital Reserve	—		(15 87 28 834)	
			—		—
	Contingency Reserve				
	(Refer Note B3 of Schedule 17)				
	As per last balance sheet	6 00 00 000		—	
	Transfer from Profit and Loss Account	9 00 00 000		6 00 00 000	
			15 00 00 000		6 00 00 000
	Securities Premium				
	As per last balance sheet		32 90 16 500		32 90 16 500
	General Reserve				
	As per last Balance Sheet	51 02 54 395		39 27 54 395	
	Transfer from Profit and Loss Account	11 32 00 000		11 75 00 000	
			62 34 54 395		51 02 54 395
	Profit and Loss Account				
	Surplus as per Profit and Loss Account		2 22 16 52 414		1 77 00 85 921
			4 58 30 14 822		3 92 82 48 329
(3)	**Deferred Tax Liability - Net**				
	Deferred Tax Assets				
	Voluntary retirement scheme		14 367		7 97 264
	Provision for doubtful debts and advances		1 73 19 879		2 58 94 470
	Other timing differences		5 20 47 662		5 54 46 785
			6 93 81 908		8 21 38 519
	Deferred tax liability				
	Depreciation		(11 80 09 718)		(12 94 57 329)
			(11 80 09 718)		(12 94 57 329)
	Net deferred tax liability		(4 86 27 810)		(4 73 18 810)

Schedules forming part of the accounts

(4a) Fixed Assets

Particulars	Gross Block at Cost				Depreciation/Amortization				Net Block	
	As at July 1 2008 Rs.	Additions/ Transfers during the year Rs.	Deletions/ Transfers during the year Rs.	**As at June 30 2009 Rs.**	As at July 1 2008 Rs.	For the year Rs.	On Deletions/ Transfers Rs.	**As at June 30 2009 Rs.**	**As at June 30 2009 Rs.**	As at June 30 2008 Rs.
Land - Freehold	7 26 567	-	-	**7 26 567**	-	-	-	**-**	**7 26 567**	7 26 567
Land - Leasehold	9 62 17 660	-	-	**9 62 17 660**	1 14 53 435	11 24 787	-	**1 25 78 222**	**8 36 39 438**	8 47 64 225
Buildings	29 12 98 533	-	8 27 138	**29 04 71 395**	6 70 26 028	1 08 25 490	1 51 150	**7 77 00 368**	**21 27 71 027**	22 42 72 505
Plant and Machinery	1 97 95 37 559	6 05 95 923	4 64 43 899	**1 99 36 89 583**	1 38 91 44 308	8 49 67 658	4 59 37 224	**1 42 81 74 742**	**56 55 14 841**	59 03 93 251
Furniture, Fittings and Office Equipment	16 05 66 735	2 94 12 409	11 33 48 083	**7 66 31 061**	15 03 02 268	1 64 36 623	11 13 19 158	**5 54 19 733**	**2 12 11 328**	1 02 64 467
Motor vehicles	24 35 485	-	25 813	**24 09 672**	9 55 092	1 89 533	25 813	**11 18 812**	**12 90 860**	14 80 393
	2 53 07 82 539	**9 00 08 332**	**16 06 44 933**	**2 46 01 45 938**	**1 61 88 81 131**	**11 35 44 091**	**15 74 33 345**	**1 57 49 91 877**	**88 51 54 061**	
Previous Year	2 52 63 42 280	3 02 63 808	2 58 23 549	2 53 07 82 539	1 50 17 21 893	13 74 50 196	2 02 90 958	1 61 88 81 131		91 19 01 408
Capital work in progress (including advances on capital account)									**2 43 21 939**	3 00 40 148
									90 94 76 000	94 19 41 556

(4b) Fixed Assets held for disposal

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at July 1 2008 Rs.	Additions/ Transfers during the year Rs.	Deletions/ Transfers during the year Rs.	**As at June 30 2009 Rs.**	As at July 1 2008 Rs.	For the year Rs.	On Deletions/ Transfers Rs.	**As at June 30 2009 Rs.**	**As at June 30 2009 Rs.**	As at June 30 2008 Rs.
Buildings	76 12 154	-	-	**76 12 154**	16 12 038	1 24 355	-	**17 36 393**	**58 75 761**	60 00 116
	76 12 154	**-**	**-**	**76 12 154**	**16 12 038**	**1 24 355**	**-**	**17 36 393**	**58 75 761**	
Previous Year	5 32 35 122	-	4 56 22 968	76 12 154	1 28 57 080	23 83 383	1 36 28 425	16 12 038		60 00 116
									58 75 761	60 00 116

	As at June 30, 2009 Rs.	As at June 30, 2008 Rs.
(5) Inventories (At lower of cost or net realisable value)		
Raw materials (including Goods-in-transit Rs. Nil (Previous year Rs.17 40 880))	**35 22 96 692**	35 34 65 228
Packaging materials	**1 79 23 516**	1 43 73 813
Stores and spare parts	**4 56 74 288**	2 79 48 670
Work-in-process	**4 33 04 958**	3 63 92 594
Finished goods	**55 03 53 929**	59 98 01 174
	1 00 95 53 383	1 03 19 81 479
(6) Sundry Debtors - Unsecured		
Debts outstanding for a period exceeding six months		
- Considered good	**2 65 09 748**	76 21 562
- Considered doubtful	**5 09 55 809**	7 61 82 612
	7 74 65 557	8 38 04 174
Other debts - Considered good	**57 91 86 997**	63 59 12 236
	65 66 52 554	71 97 16 410
Less: Provision for doubtful debts	**5 09 55 809**	7 61 82 612
Total	**60 56 96 745**	64 35 33 798

(Refer Note B14 of Schedule 17- Dues from Companies under the same management)

Schedules forming part of the accounts

	As at June 30, 2009 Rs.	As at June 30, 2008 Rs.
(7) Cash and Bank Balances		
Cash on hand	—	50 000
Bank Balances with scheduled banks on :		
Current accounts	1 17 69 885	4 37 96 344
Deposit accounts	91 44 75 000	72 06 00 000
	92 62 44 885	76 44 46 344
(8) Other Current Assets		
Interest accrued on Loan to fellow subsidiary	1 09 92 108	4 60 95 548
Interest accrued on inter-corporate deposits	35 24 384	4 27 410
Interest accrued on bank deposits	14 41 157	6 85 535
	1 59 57 649	4 72 08 493
(9) Loans and Advances - Unsecured, considered good		
Loans and Advances recoverable in cash or in kind or for value to be received (Refer Note B15(b) of Schedule 17)	44 57 80 631	49 65 30 464
Loan to Fellow Subsidiary (Refer Note B15(a) of Schedule 17)	1 80 25 69 503	1 90 30 00 000
Inter-corporate deposits	45 00 00 000	8 00 00 000
Other deposits	7 91 29 075	7 73 62 701
Balance with customs and excise	74 73 750	2 60 70 139
Taxes paid less provisions (Advance Income tax net of provisions Rs.3 17 68 95 685 (Previous year Rs.2 55 03 56 685))	20 60 63 400	8 17 98 782
	2 99 10 16 359	2 66 47 62 086
(Refer Note B15(b) of Schedule 17 - Directors Loan)		
(10) Current Liabilities		
Sundry creditors		
Total Outstanding dues to Micro Enterprises and Small Enterprises (Refer note B11 of Schedule 17)	—	—
Total Outstanding dues to Creditors other than Micro Enterprises and Small Enterprises	82 48 88 863	1 06 17 81 858
Investor Education Protection Fund		
- Unclaimed dividends*	51 93 086	43 61 104
Other current liabilities	14 95 76 873	19 35 14 332
	97 96 58 822	1 25 96 57 294
*There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund		
(11) Provisions		
Provision for Employee Benefits	4 51 28 725	5 72 58 836
Provision for Fringe Benefit Tax (Net of Advance Fringe Benefit tax Rs.7 12 00 000 (Previous year Rs.6 02 00 000))	50 00 000	50 00 000
Proposed dividend	40 73 15 213	40 73 15 213
Corporate tax on dividend	6 92 23 220	6 92 23 220
	52 66 67 158	53 87 97 269

Schedules forming part of the accounts

	For the year ended June 30, 2009		For the year ended June 30, 2008	
	Rs.	Rs.	Rs.	Rs.
(12) Other Income				
Interest on Fixed Deposits/ Inter-Corporate Deposits (gross) (tax deducted at source Rs.98 64 677) (Previous year : Rs.1 36 21 770)		4 35 33 439		6 01 13 725
Interest on loan from Fellow Subsidiaries (tax deducted at source Rs.4 33 25 251) (Previous year : Rs.2 50 76 534)		19 11 97 048		11 06 64 315
Interest income - Others		29 16 853		18 34 295
Write- back of liabilities no longer required		64 47 000		20 47 484
Write- back of provision for doubtful debts		2 52 26 803		-
Sale of Scrap		1 07 46 021		1 13 00 245
Rental Income		3 32 195		7 62 218
Miscellaneous Income		1 97 27 299		45 51 705
		30 01 26 658		19 12 73 987
(13) Decrease/(Increase) in finished goods and work-in-process				
Opening Balance				
Work-in-process	3 63 92 594		2 14 48 942	
Finished goods (including excise duty Rs.1 70 59 529 (Previous year Rs.3 44 99 862))	59 98 01 174		64 92 30 522	
		63 61 93 768		67 06 79 464
Closing Balance				
Work-in-process	4 33 04 958		3 63 92 594	
Finished goods (including excise duty Rs.1 32 75 540 (Previous year Rs.1 70 59 529))	55 03 53 929		59 98 01 174	
		59 36 58 887		63 61 93 768
		4 25 34 881		3 44 85 696
(14) Payments to and provisions for employees				
Salaries, wages and bonus		25 85 74 378		24 86 69 362
Contribution to provident and other funds		6 77 76 792		5 00 20 029
Staff welfare expenses		2 79 16 371		1 71 93 296
Add: Reimbursement of Salary and Benefits shared by group companies (Refer Note B5 of Schedule 17)		10 24 01 354		4 20 75 069
		45 66 68 895		35 79 57 756

Schedules forming part of the accounts

	For the year ended June 30, 2009 Rs.	Rs.	For the year ended June 30, 2008 Rs.	Rs.
(15) Operating and other expenses				
Consumption of Stores and spare parts		4 08 65 744		4 32 86 590
Rent (Refer Note B6 of Schedule 17)		99 52 917		1 04 74 648
Rates and Taxes				
Excise Duty (Refer Note B20 of Schedule 17)		(37 83 988)		(1 74 40 333)
Others		10 25 649		13 89 905
Insurance		38 87 247		65 73 568
Power and fuel		4 99 72 450		4 97 76 358
Repairs and maintenance:				
Plant and machinery		1 62 53 531		1 01 56 302
Buildings		18 91 370		60 28 153
Others		9 57 169		4 13 723
Processing charges		5 65 64 685		2 74 89 632
Auditor's remuneration:				
As Auditor	66 54 400		67 25 000	
Tax Audit and Certification	9 75 000		9 60 000	
Reimbursement of Out-of-pocket expenses	1 81 653		1 20 000	
Service Tax	8 04 847		9 64 698	
		86 15 900		87 69 698
Trade Incentives		36 39 02 549		26 33 76 663
Advertising expenses		73 06 99 271		67 32 21 946
Freight, transport, warehousing and distribution charges		31 60 01 953		17 65 04 730
Directors' sitting fees		—		20 000
Commission to Directors		1 10 99 315		95 00 000
Turnover and Resale Tax		9 13 30 823		3 60 04 454
Travelling, conveyance and vehicle expenses		3 02 15 954		3 51 29 932
Communications		50 02 465		48 00 313
Business process outsourcing expenses		7 16 05 397		5 22 85 448
Computer expenses		92 32 040		2 19 258
Inventories Written-off		5 45 58 917		5 67 02 841
Loss on sale/scrapping of fixed assets (Net)		13 97 599		47 27 042
Exchange Loss(Net)		5 86 40 087		64 37 779
Distributor Coverage Expenses		3 94 87 723		5 46 61 595
Professional Fees		2 52 51 054		7 64 53 225
Others		6 03 80 203		7 92 52 215
		2 05 50 08 024		1 67 62 15 685
Add/(Less): Reimbursement of expenses shared by group companies -Net		(6 85 35 882)		(3 95 18 623)
(Refer Note B5 of Schedule 17)		1 98 64 72 142		1 63 66 97 062
(16) Interest				
Bank Interest		2 83 985		790
		2 83 985		790

Schedules forming part of the accounts

(17) Significant Accounting Policies and Notes to Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

Accounting Convention

The financial statements are prepared under the historical cost convention, on an accrual basis, in accordance with the Generally Accepted Accounting Principles and applicable Accounting Standards as notified under the Companies (Accounting Standards) Rules 2006.

Use of estimates

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles requires making of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual result and estimates are recognised in the period in which the results are known/ materialised.

Revenue Recognition

Sale of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on the despatch of goods. Sales are exclusive of sales tax.

Fixed assets

Fixed assets are stated at the cost of acquisition less accumulated depreciation and impairment, if any. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation / Amortisation

Depreciation is charged using straight-line method based on the useful lives of the fixed assets as estimated by the management as specified below, or the rates specified in accordance with the provisions of Schedule XIV of the Companies Act, 1956, whichever is higher.

- Computer software – 20% per annum
- Furniture and fixtures – 6.67% per annum
- Office equipment :
    - Other office equipment - 20% per annum
    - Fire Fighting Equipments - 10% per annum

Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual fixed assets costing less than Rs.5 000 are depreciated in full, in the year of purchase. Cost of leasehold land is amortised over the year of the lease or management estimate whichever is lower.

Assets which were purchased by erstwhile Sharpedge Limited prior to January 1, 1983, and acquired on amalgamation, and still existing are being depreciated on written down value basis at rates specified in Schedule XIV to the Companies Act, 1956.

Assets acquired on amalgamation of erstwhile Wilkinson Sword India Limited and erstwhile Duracell (India) Limited with the Company and still existing are being depreciated on straight line basis at rates derived on the basis of remaining estimated economic useful life. The derived rates, which are higher than the minimum prescribed rates under Schedule XIV to the Companies Act, 1956, are as follows:

- Leasehold land over the remaining period of the lease
- Plant and machinery - at rates varying from 4.75% to 12.26% per annum
- Furniture, fittings and office equipment – at rates varying from 6.67% to 41.56% per annum
- Factory buildings - at rates varying from 3.34% to 5.38% per annum
- Motor vehicles - at rates varying from 9.5% to 19.40% per annum

Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Inventories

Inventories are valued at the lower of cost and net realisable value. Raw materials (excluding bulk raw materials), stores and spare parts and traded finished goods which were determined on First In First Out basis have w.e.f current financial year been determined based on weighted average basis. Bulk raw materials are valued on weighted average basis. Cost of manufactured finished goods and work-in-progress includes material cost determined on weighted average basis and also includes an appropriate portion of allocable overheads.

Schedules forming part of the accounts

Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items in foreign currencies are stated at the closing exchange rate. In the case of Monetary items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract and the difference between the year end rate and rate on the date of the contract is recognised as exchange difference in the Profit and Loss Account. Gains/Losses on conversion/ translation have been recognised in the Profit and Loss Account.

Employee benefits

i) Post-employment Benefits

a) Defined Contribution Plans:

The Company has Defined Contribution Plans for post employment benefits charged to Profit and loss account, in the form of

- Superannuation Fund as per Company policy administered by the Life Insurance Corporation of India.
- State Defined Contribution Plans: Employer's Contribution to Employees' State Insurance

b) Defined Benefit Plans:

Funded Plan: The Company has Defined Benefit Plan for post employment benefits in the form of

- Gratuity for all employees administered through a Trust. The Company contributes to the Trust, which has taken group policies with the Life Insurance Corporation of India to cover its liabilities towards employees' gratuity.
- Provident Fund for all permanent employees is administered through a Trust.The Provident Fund is administered by trustees of an independently constituted common trust recognised by the Income Tax authorities where two other group Companies are also participants. Periodic contributions to the Fund are charged to revenue. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government.

Unfunded Plan: The Company has unfunded Defined Benefit Plans in the form of

- Post Retirement Medical Benefits (PRMB) as per its policy.

  Liability for the above defined benefit plans is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

ii) Liability for Compensated Absences and Leave Travel Allowance which are in the nature of short term benefits is provided for as per company rules on an accrual basis.The liability for compensated absences for its employees at its Bhiwadi plant is in the nature of long term benefits and the same is provided on the basis of an atuarial valuation carried out at the year end.

iii) Termination benefits are recognised as an expense as and when incurred.

iv) The actuarial gains and losses arising during the year are recognised in the Profit and Loss Account for the year.

Taxation

Income-tax expense comprises current tax, fringe benefit tax (i.e. amount of tax for the period determined in accordance with the Income-Tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities and / or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance sheet date and are written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the Income-Tax Act, 1961 and the guidance note on Accounting for Fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

Borrowing cost

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

Leases

Lease payments under operating lease are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

Contingent Assets are not recognized in financial statements as they may never be realized.

Schedules forming part of the accounts

B. NOTES TO ACCOUNTS

1. a. **Contingent Liabilities:**

(i) In respect of Income tax demands for which the Company has preferred appeals with appropriate authorities - Rs.11 21 29 632 (Previous year: Rs.23 31 59 637). The contingent liability is in respect of matters related to: Income tax dispute on inventory write-off, allowability of losses carried forward from merged entities and others.

(ii) In respect of Sales tax matters for which the Company has preferred appeals with appropriate authorities - Rs.13 50 65 417(Previous year : Rs.8 37 56 877). The contingent liability is in respect of matters related to: non submission of “C” Forms/ “F” Forms Rs.12 85 81 880 and Interest demand on VAT rate difference Rs.56 85 537.

(iii) In respect of Excise and Customs matters for which the company has preferred appeals with appropriate authorities - Rs.1 67 99 51 934 (Previous year : Rs.1 65 45 65 620). The contingent liabilities are in respect of denial of excise duty benefits at excise exempt location Rs.126.77 crores; denial of Cenvat credit Rs.22.53 crores and Customs valuation disputes Rs.15.28 crores.

(iv) In respect of counter guarantees given to bank against guarantees given by bank -Rs.7 10 73 988 (Previous year : Rs.5 49 43 695). At the request of the Company, its banks have issued guarantees in the event of the Company failing to fulfil its performance obligation under various commercial agreements. The Company has issued counter guarantees to the banks in respect of these guarantees.

(v) In respect of other claims - Rs.1 53 00 000 (Previous year : Rs.1 53 00 000)

The Company is a party to various legal proceedings in the normal course of business. The Company does not expect the outcome of these proceedings to have a material adverse effect on the Company’s financial conditions, results of operations or cash flows.

b. Estimated amount of contracts remaining to be executed on capital account (net of advances)-Rs.51 72 799 (Previous year: Rs.89 02 918)

2. Consequent upon the scheme of arrangement under Section 391 of the Companies Act, 1956 as approved by the shareholders and confirmed by the Hon’ble High Court of Rajasthan a sum of Rs.85 00 00 000 was transferred from the Amalgamation Reserve forming part of the Capital Reserves of the Company to a Reconstruction Reserve Account during the period of eighteen months from January 1, 2006 to June 30, 2007. Further vide a clarification dated December 4, 2006, the Hon’ble High Court had clarified that the transfer of expenses to the Reconstruction Reserve Account should be gross of tax.

The Business Restructuring exercise got completed on June 30, 2008. Expenses related to the said business restructuring exercise for the period from January 1, 2006 to June 30, 2008 amounted to Rs.69 12 71 166. Upon completion of the Scheme of Arrangement the balance amount of Rs.15 87 28 834 as remaining in the Reconstruction Reserve Account was transferred back to the Amalgamation Reserve forming part of the Capital Reserves during the previous year.

A detailed break-up of Rs.69 12 71 166 as has been utilised towards the Business Restructuring expenses upto June 30, 2008 is given below:

One Time Expenditure for the Restructuring	**Maximum amount as sanctioned by the Court Rs.**	Actual expenses upto June 30, 2008 Rs.
Employee Separation, Relocation and related costs	**53 60 00 000**	52 98 32 607
Costs associated with change in Go to Market and Distribution model	**21 20 00 000**	13 94 15 791
Estimated value of asset write down w.r.t. the restructure	**4 35 00 000**	81 17 433
Transition Costs including Travel/Training/Communication and other related costs	**3 50 00 000**	1 39 05 335
Other miscellaneous restructuring items including contingencies	**2 35 00 000**	—
Total	**85 00 00 000**	69 12 71 166

3. As informed in the last Financial Statements, the Company had filed a writ petition in the High Court of Himachal Pradesh at Shimla challenging the premature withdrawal of Excise duty exemption for packing/repacking activities at its Baddi manufacturing facility. The High Court has since passed an order in favour of your Company and has struck down the notification withdrawing the excise exemption.The Excise department has preferred an appeal with the Hon’ble Supreme Court of India against the said order of the High Court. The Company has as a matter of prudence, created a Contingency Reserve of Rs.9 00 00 000 (Previous year Rs.6 00 00 000) by way of appropriation of profits to the extent of excise duty payable on despatches made from the Baddi plant. These Reserves will be reviewed as and when this litigation is finally decided.

Schedules forming part of the accounts

4. During the current year the Company has changed the method of valuation of raw materials(excluding bulk raw materials), stores and spare parts and traded finished goods from First In First Out basis to Weighted Average basis.

As a result of the said change, the inventory as at June 30, 2009 is higher by Rs.22 50 927 and consequently the consumption is lower by Rs.22 50 927 and profits for the year are higher by Rs.22 50 927.

5. Common service expenses paid/recovered include payment/recoveries on account of finance, personnel, secretarial, administration and planning services rendered under common services agreement of the Company with Procter and Gamble Hygiene and Healthcare Limited and Procter and Gamble Home Products Limited w.e.f July 1, 2006.

6. The Company has taken on lease for guesthouses, accomodation for employees and godowns for storage of inventories, with an option of renewal at the end of the lease term and escalation clause in some of the cases. These leases can be terminated with a prior notice as per terms and conditions of the respective lease agreements. Lease payments amounting to Rs.1 25 14 117 (Previous year : Rs.1 04 74 648) have been charged to the Profit and Loss Account for the year.

7. Computation of Net Profit in accordance with Section 349 and Section 309(5) of the Companies Act, 1956:

	2008-2009 Rs.	2007-2008 Rs.
Profit Before Tax	1 77 01 52 926	1 82 19 34 835
Add: Managerial Remuneration	2 25 03 835	2 15 28 616
	1 79 26 56 761	1 84 34 63 451
Less: Profit/(Loss) on sale of assets (Net)	(13 97 599)	13 97 87 989
Net profit u/s 349 for the purpose of Directors' Commission	1 79 40 54 360	1 70 36 75 462
Maximum remuneration permissible to whole-time Directors under the Act at 10%	17 94 05 436	17 03 67 546
Total managerial remuneration charged to accounts	1 14 04 520	1 20 28 616
Commission payable to non-whole time Directors at 1%	1 79 40 544	1 70 36 755
Commission restricted as determined by the Board of Directors	1 10 99 315	95 00 000

The above computation excludes Rs.Nil (Previous year Rs.3 89 97 098) of business restructuring expenses directly charged to Reconstruction Reserve in terms of the Court Order. However, even if these expenses are considered in the computation, the remuneration and commission charged in the accounts are within the permissible limits.

8. Managerial Remuneration under Section 198 of the Companies Act, 1956:

	2008-2009 Rs.	2007-2008 Rs.
Salary	95 74 748	94 04 946
Contribution to Provident Fund and other Funds (excluding gratuity)	16 08 862	16 55 327
Perquisites in cash or in kind	4 56 076	9 68 343
Commission to Non-Executive Directors	1 10 99 315	95 00 000
Total Managerial Remuneration	2 27 39 001	2 15 28 616

Previous year commission includes an amount of Rs.5 00 000 payable to a Director which was subject to the approval of the members of the Company at the Annual General Meeting held on October 22, 2008. The same has since been approved.

The above excludes expenses in respect of managerial personnel Rs.1 09 93 015 (Previous year Rs.57 06 907) cross charged from Procter and Gamble Hygiene and Healthcare Ltd in terms of the common services agreement referred to in note 5 above.

9. Employee Benefits:

The Company has classified the various benefits provided to employees as under:

I. Defined Contribution Plans

a. Superannuation Fund

b. State Defined Contribution Plans: Employer's contribution to Employees' State Insurance

During the year, the Company has recognized the following amounts in the Profit and Loss Account:

	2008-2009	2007-2008
- Employer's contribution to Superannuation Fund	1 78 92 730	1 46 70 920
- Employer's contribution to Employees' State Insurance	6 63 744	4 72 579

The above amounts are included in Contribution to Provident and other Funds (Refer Schedule 14)

Schedules forming part of the accounts

II Defined Benefit Plans

a. Gratuity Fund (Funded Scheme): Gratuity is payable to all eligible employees of the Company on superannuation, death, permanent disablement or resignation in terms of the provisions of the Payment of Gratuity Act or Company's scheme whichever is more beneficial. Benefits would be paid at the time of separation based on the last drawn base salary.

b. Provident Fund (Funded Scheme): Provident Fund for all permanent employees is administered through a Trust.The Provident Fund is administered by trustees of an independently constituted common Trust recognised by the Income tax authorities where two other group companies are also participants. Periodic contributions to the Fund are charged to revenue. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the Trust and notified interest rate by the Government. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

c. Post Retirement Medical Benefit (PRMB) (Non-funded Scheme): Under this scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade at the time of retirement. Employees separated from the Company as part of early separation scheme are also covered under the Scheme. The liability for post retirement medical scheme is based on an independent actuarial valuation.

d. Compensated absences for Bhiwadi plant employees(Non-funded Scheme): Eligible employees can carry forward and encash leave as per Company policy.

The disclosures as required under AS-15 are as under.

A) Changes in the Present Value of Obligation

		Funded Scheme - Gratuity Rs.	Funded Scheme - Provident Fund Rs.	Non-Funded Scheme - Post Retirement Medical Benefit Rs.	Non-Funded Scheme - Leave Encashment for Bhiwadi Plant employees Rs.
Present Value of Obligation as at opening date	**2008-2009**	**8 42 49 756**	**16 85 60 031**	**28 27 000**	**59 72 686**
	2007-2008	7 39 46 000	17 00 17 557	23 63 000	56 03 660
Interest Cost	**2008-2009**	**66 88 667**	**—**	**2 21 445**	**4 18 088**
	2007-2008	59 71 494	—	2 17 214	4 49 521
Current Service Cost	**2008-2009**	**55 06 484**	**1 56 69 599**	**2 16 265**	**4 46 762**
	2007-2008	60 55 262	1 42 81 496	2 10 691	3 64 191
Service Contribution - Employee	**2008-2009**	**—**	**3 32 74 415**	**—**	**—**
	2007-2008	—	2 47 51 743	—	—
Interest Cost - earned	**2008-2009**	**—**	**1 76 39 244**	**—**	**—**
	2007-2008	—	1 26 07 727	—	—
Benefits Paid	**2008-2009**	**(1 20 14 695)**	**(2 66 55 628)**	**—**	**(3 06 961)**
	2007-2008	(1 01 25 000)	(5 30 98 491)	—	(1 86 554)
Acquisitions/Transfer in	**2008-2009**	**—**	**31 44 000**	**—**	**—**
	2007-2008	—	—	—	—
Actuarial (gain) on Obligations	**2008-2009**	**1 07 20 787**	**3 37 09 339**	**2 88 290**	**11 72 934**
	2007-2008	84 02 000	—	36 095	(2 58 132)
Present Value of Obligation as at closing date	**2008-2009**	**9 51 51 000**	**24 53 41 000**	**35 53 000**	**77 03 509**
	2007-2008	8 42 49 756	16 85 60 032	28 27 000	59 72 686

B) Changes in the Fair Value of Plan Assets

(For Funded Scheme)

		Funded Scheme - Gratuity Rs.	Funded Scheme - Provident Fund Rs.	Non-Funded Scheme - Post Retirement Medical Benefit Rs.	Non-Funded Scheme - Leave Encashment for Bhiwadi Plant employees Rs.
Fair Value of Plan Assets as at opening date	**2008-2009**	**5 04 07 869**	**16 85 60 031**	**—**	**—**
	2007-2008	2 90 93 381	17 00 17 557	—	—
Expected Actual Return on Plan Assets	**2008-2009**	**48 33 332**	**5 13 48 583**	**—**	**—**
	2007-2008	30 27 631	1 26 07 727	—	—
Actuarial Gains and (Losses)	**2008-2009**	**(18 24 823)**	**—**	**—**	**—**
	2007-2008	(35 66 143)	—	—	—
Contributions	**2008-2009**	**3 87 13 756**	**5 20 88 014**	**—**	**—**
	2007-2008	3 19 78 000	3 90 33 239	—	—
Benefits Paid	**2008-2009**	**(1 20 14 695)**	**(2 66 55 628)**	**—**	**—**
	2007-2008	(1 01 25 000)	(5 30 98 491)	—	—
Fair Value of Plan Assets as at closing date	**2008-2009**	**8 01 15 439**	**24 53 41 000**	**—**	**—**
	2007-2008	5 04 07 869	16 85 60 032	—	—

Schedules forming part of the accounts

		Funded Scheme - Gratuity Rs.	Funded Scheme - Provident Fund Rs.	Non-Funded Scheme -Post Retirement Medical Benefit Rs.	Non-Funded Scheme - Leave Encashment for Bhiwadi Plant employees Rs.
C) Amount recognized in the Balance Sheet					
Present Value of Obligation as at	as at June 30, 2009	9 51 51 000	24 53 41 000	35 53 000	77 03 509
	as at June 30, 2008	8 42 49 756	16 85 60 032	28 27 000	59 72 686
Fair Value of Plan Assets as at	as at June 30, 2009	8 01 15 439	24 53 41 000	—	—
	as at June 30, 2008	5 04 07 869	16 85 60 032	—	—
Liability recognized in the Balance Sheet included in Loans and Advances (Refer Schedule 9) & provisions (Refer Schedule 11)					
	as at June 30, 2009	1 50 35 561	—	35 53 000	77 03 509
	as at June 30, 2008	3 38 41 887	—	28 27 000	59 72 686
D) Expenses recognized in the Profit and Loss Account					
Current Service Cost	2008-2009	55 06 484	1 56 69 599	2 16 265	4 46 762
	2007-2008	60 55 262	1 42 81 496	2 10 691	3 64 191
Interest Cost	2008-2009	66 88 667	1 76 39 244	2 21 445	4 18 088
	2007-2008	59 71 494	1 26 07 727	2 17 214	4 49 521
Expected Return on Plan Assets	2008-2009	(48 33 332)	(5 13 48 583)	—	—
	2007-2008	(30 27 631)	(1 26 07 727)	—	—
Net actuarial (gain)/loss recognized	2008-2009	1 25 45 611	3 37 09 339	2 88 290	11 72 934
	2007-2008	1 19 68 143	—	36 095	(2 58 132)
Total Expenses recognized in the Profit and Loss Account	2008-2009	1 99 07 430	1 56 69 599	7 26 000	20 37 784
	2007-2008	2 09 67 267	1 42 81 496	4 64 000	5 55 580

Included in Contribution to Provident and Other Funds (Refer Schedule 13)

E) Category of Plan Assets

The Company's Plan Assets in respect of Gratuity, alongwith two other group companies, are funded through the group scheme of the Life Insurance Corporation of India.

Plan assets as a percentage of Total plan assets in respect of Provident Fund are as follows:

Public Sector Unit	2008-2009	40%
	2007-2008	34%
Government Of India Securities	2008-2009	45%
	2007-2008	51%
State Government Securities	2008-2009	15%
	2007-2008	15%

F) Sensitivity of Results to Medical Inflation Rate

Medical Inflation Rate		Current Service+ Interest Cost Rs.	Present Value of Defined Benefit Obligation Rs.
Effect of 1% increase (5%)	2008-2009	5 63 973	44 79 442
Effect of 1% decrease (3%)	2008-2009	3 43 823	28 54 954
Effect of 1% increase (5%)	2007-2008	5 53 621	35 56 015
Effect of 1% decrease (3%)	2007-2008	3 35 242	22 77 545

Schedules forming part of the accounts

G) Actuarial Assumptions

In respect of the aforesaid defined benefit plans, the management has estimated the liability based on actuarial valuation and is based on following assumptions:

		Funded Scheme - Gratuity	Funded Scheme - Provident Fund	Non-Funded Scheme - Post Retirement Medical Benefit	Non-Funded Scheme - Leave Encashment for Bhiwadi Plant employees
Discount rate (per annum)	**2008-2009**	**8.20%**	**8.20%**	**8.20%**	**8.00%**
	2007-2008	8.70%	8.70%	8.70%	8.00%
Average Salary increase rate	**2008-2009**	**7.00%**	**7.00%**	**N/A**	**8.00%**
	2007-2008	8.00%	8.00%	N/A	8.00%
Rate of Return on Plan Assets (For funded scheme)	**2008-2009**	**8.00%**	**8.50%**	**N/A**	**N/A**
	2007-2008	8.00%	8.50%	N/A	N/A
Medical Inflation Rate	**2008-2009**	**N/A**	**N/A**	**4.00%**	**N/A**
	2007-2008	N/A	N/A	4.00%	N/A
Expected Retirement age of employees (years)	**2008-2009**	**60**	**60**	**60**	**58**
	2007-2008	60	60	60	58

Withdrawal : Plan Members are assumed to withdraw in accordance with the following table:

	Age	Withdrawal Rate(%)			
2008-2009	Upto 30 years	**N/A**	**N/A**	**N/A**	**3%**
2007-2008		N/A	N/A	N/A	3%
2008-2009	Upto 44 years	**N/A**	**N/A**	**N/A**	**2%**
2007-2008		N/A	N/A	N/A	2%
2008-2009	Above 44 years	**N/A**	**N/A**	**N/A**	**1%**
2007-2008		N/A	N/A	N/A	1%
2008-2009	Upto 45 years	**5%**	**N/A**	**5%**	**N/A**
2007-2008		5%	N/A	5%	N/A
2008-2009	Above 45 years	**3%**	**N/A**	**3%**	**N/A**
2007-2008		3%	N/A	3%	N/A

Mortality rates considered are as per the published rates in the Life Insurance Corporation (1994-96) Mortality table.

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

Experience History

		Funded Scheme - Gratuity	Non-Funded Scheme - Post Retirement Medical Benefit	Non-Funded Scheme - Leave Encashment for Bhiwadi Plant employees
		Rs.	Rs.	Rs.
Defined Benefit Obligation at end of the period				
	2008-2009	**9 51 51 000**	**35 53 000**	**77 03 509**
	2007-2008	8 42 49 756	28 27 000	59 72 686
Plan Assets at end of the period				
	2008-2009	**8 01 15 439**	**—**	**—**
	2007-2008	5 04 07 869	—	—
Funded Status				
	2008-2009	**1 50 35 561**	**35 53 000**	**77 03 509**
	2007-2008	3 38 41 887	28 27 000	59 72 686
Experience Gain/(Loss) adjustments on plan liabilities				
	2008-2009	**(1 24 82 391)**	**3 10 074**	**6 41 268**
	2007-2008	(58 84 685)	—	—
Experience Gain/(Loss) adjustments on plan assets				
	2008-2009	**(19 90 938)**	**—**	**—**
	2007-2008	35 18 585	—	—
Actuarial Gain/(Loss) due to change on assumptions				
	2008-2009	**49 61 294**	**(3 74 358)**	**6 41 268**
	2007-2008	17 47 654	—	—

Schedules forming part of the accounts

As this is the second year in which the AS-15 has been applied, the amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous four years have not been furnished.

The contribution expected to be made by the Company during financial year ending June 30, 2010 has not been ascertained.

The Company's Provident Fund is administered by Company's own Trust Fund. The Company has an obligation to service the shortfall on account of interest generated by the Fund and on maturity of Fund investments and hence the same has been classified as Defined Benefit Obligation. Having regard to the assets of the Fund and the return on investments, the Company does not expect any deficiency in the forseeable future.

10. (a) Sales:

Class of Goods	Units	2008-2009 Quantity*	2008-2009 Value (Rs.)	2007-2008 Quantity*	2007-2008 Value (Rs.)
Shaving system and cartridges	Millions	214.84	2 40 29 49 426	209.00	2 16 26 47 824
Safety razor blades	Millions	807.39	1 87 61 14 849	758.18	1 78 80 60 150
Tooth brushes	Millions	95.64	1 35 05 15 381	96.58	1 06 87 92 896
Batteries	Millions	19.19	35 42 26 907	23.25	32 25 15 305
Toiletries	Millions	12.15	63 93 94 060	11.48	60 40 56 153
Oral care products	Millions	1.26	3 33 27 595	0.85	3 63 48 241
Shaving brushes	Millions	3.22	6 60 40 448	1.11	5 49 97 231
Components			84 10 648		2 08 51 060
			6 73 09 79 314		6 05 82 68 860

* includes items given as samples/gifts and shortages/damages

(b) Purchase of finished goods:

	Units	2008-2009 Quantity	2008-2009 Value (Rs.)	2007-2008 Quantity	2007-2008 Value (Rs.)
Shaving system and cartridges	Millions	1.48	10 45 53 670	—	—
Tooth brushes	Millions	91.93	52 53 51 019	91.18	49 72 46 532
Toiletries	Millions	13.23	28 07 97 235	11.13	18 87 59 240
Oral care products	Millions	0.81	2 49 23 186	0.98	3 53 56 339
Shaving brushes	Millions	3.52	3 23 63 080	1.07	2 20 73 432
Batteries	Millions	0.19	2 26 03 167	—	—
Less : Consumption of free issues / inventories written off			(81 71 903)		(1 90 26 447)
			98 24 19 454		72 44 09 096

(c) Opening and closing stock of Finished Goods:

	Units	Year	Opening Quantity	Opening Value (Rs.)	Closing Quantity	Closing Value (Rs.)
Shaving system and cartridges	Millions	2008-2009	17.73	21 94 24 021	17.08	20 78 45 194
		2007-2008	25.76	25 08 64 073	17.73	21 94 24 021
Safety razor blades	Millions	2008-2009	103.91	9 54 01 573	107.69	11 34 00 460
		2007-2008	77.91	7 17 11 957	103.91	9 54 01 573
Tooth brushes	Millions	2008-2009	13.78	11 52 43 240	23.90	10 85 63 158
		2007-2008	13.90	9 61 58 060	13.78	11 52 43 240
Batteries	Millions	2008-2009	1.96	4 31 06 933	4.93	4 83 93 073
		2007-2008	8.93	9 61 43 284	1.96	4 31 06 933
Toiletries	Millions	2008-2009	1.85	9 27 15 054	2.93	5 03 24 808
		2007-2008	2.20	10 81 66 629	1.85	9 27 15 054
Oral care products	Millions	2008-2009	0.78	3 10 24 072	0.40	1 53 16 771
		2007-2008	0.65	2 30 07 394	0.78	3 10 24 072
Shaving brushes	Millions	2008-2009	0.16	28 86 281	0.46	65 10 465
		2007-2008	0.20	31 79 125	0.16	28 86 281
Total		2008-2009		59 98 01 174		55 03 53 929
		2007-2008		64 92 30 522		59 98 01 174

Schedules forming part of the accounts

(d) Production in respect of Goods Manufactured - Licensed and installed capacities and actual production:

Particulars of goods manufactured	Units of measurement		Licensed capacity	Installed capacity	Actual production
Razors and Cartridges					
Twin type shaving system	Millions	2008-2009	N.A.	234	213
and cartridges	Millions	2007-2008	N.A.	234	201
Blades					
Safety razor blades	Millions	2008-2009	N.A.*	886	811
	Millions	2007-2008	N.A.*	886	784
Tooth brushes**	Millions	2008-2009	N.A.	—	14
	Millions	2007-2008	N.A.	—	5
Batteries**	Millions	2008-2009	N.A.	—	22
	Millions	2007-2008	N.A.	—	16

Installed capacities are as at June 30, 2009 and being a technical matter, are as certified by the management.

*These items have been de-licensed as per Government of India Notification No. S.O.477(E) dated July 25, 1991.

**Production through job work only.

(e) Consumption of Raw materials and Packing materials:
(Excluding loss on write down of inventories)

	Units	2008-2009 Quantity	2008-2009 Value (Rs.)	2007-2008 Quantity	2007-2008 Value (Rs.)
Steel strips	M.T.	670	18 51 36 236	632	15 48 78 238
Shaving system and cartridges#	Millions	206	98 25 15 324	189	96 62 75 155
Batteries#	Millions	22	17 58 89 724	16	17 26 15 211
Others			21 95 18 560		21 51 27 554
			1 56 30 59 844		1 50 88 96 158

#Bulk raw materials

(f) Percentage of materials consumed:

	2008-2009 Rs.	2008-2009 Percentage	2007-2008 Rs.	2007-2008 Percentage
a) Raw materials and consumables				
i) Imported	92 17 82 817	59.0	1 14 37 68 954	75.8
ii) Indigenous	64 12 77 027	41.0	36 51 27 204	24.2
	1 56 30 59 844	100.00	1 50 88 96 158	100.00
b) Stores and spare parts				
i) Imported	1 64 54 751	40.3	1 50 62 972	34.8
ii) Indigenous	2 44 10 993	59.7	2 82 23 618	65.2
	4 08 65 744	100.00	4 32 86 590	100.00

(g) CIF value of imports:

	2008-2009 Rs.	2007-2008 Rs.
i) Raw materials	1 25 11 70 436	98 88 76 202
ii) Stores and spare parts	2 11 50 930	3 14 14 596
iii) Capital goods	38 29 757	2 05 80 841
	1 27 61 51 123	1 04 08 71 639

(h) Expenditure in foreign currency:

	2008-2009 Rs.	2007-2008 Rs.
i) Travel	52 13 466	33 21 656
ii) Business process outsourcing expenses	7 16 05 397	5 22 85 448
iii) Others	2 09 02 130	3 60 754
	9 77 20 993	5 59 67 858

Schedules forming part of the accounts

(i) Remittance made on account of dividend in foreign currency:

i) Amount remitted	**(Rs.)**	**18 02 81 850**	10 81 68 660
ii) Number of non resident shareholders	**(nos.)**	**28**	28
iii) Number of shares held by them	**(nos.)**	**1 44 22 548**	1 44 22 488
iv) Period to which the dividend relates		**2008**	2007

The Company does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by non-resident shareholders.

	2008-2009	2007-2008
	Rs.	Rs.
(j) Earnings in foreign exchange:		
Exports of goods calculated on f.o.b. basis (excludes Rupee exports to Nepal and Bhutan Rs.3 32 61 962 (Previous year Rs.3 71 56 854))	**33 13 66 636**	15 60 49 898
Others (freight, insurance etc.)	**30 47 794**	17 70 052
	33 44 14 430	15 78 19 950

11. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:

(a) There were no amounts due and outstanding to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at the end of the current year and previous year on account of principal and interest.

(b) No interest was paid during the year and in the previous year.

(c) No interest is payable at the end of the current accounting year and at the end of the previous year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.

(d) No amount of interest was accrued and unpaid at the end of the current accounting year and at the end of the previous year.

The above information and that given in Schedule 10 "Current Liabilities" regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

12. Earnings per share (EPS):

	For the year ended June 30, 2009		For the year ended June 30, 2008	
	Rs.	**Rs.**	Rs.	Rs.
Basic and diluted EPS after exceptional items				
Profit After Taxation		**1 13 13 04 926**		1 17 37 06 835
Weighted average number of equity shares outstanding for Basic / Diluted EPS		**3 25 85 217**		3 25 85 217
Nominal value of equity per share		**10**		10
Basic/Diluted EPS		**34.72**		36.02
Basic and diluted EPS before exceptional items				
Profit After Taxation		**1 13 13 04 926**		1 17 37 06 835
Less: Exceptional items - Income				
- Profit on sale of property	**—**		14 45 15 031	
- Tax on exceptional items	**—**	**—**	(4 19 57 233)	10 25 57 798
Profit after Taxation but before Exceptional items		**1 13 13 04 926**		1 07 11 49 037
Weighted average number of equity shares outstanding for Basic / Diluted EPS		**3 25 85 217**		3 25 85 217
Nominal value of EPS		**10**		10
Basic/Diluted EPS		**34.72**		32.87

Schedules forming part of the accounts

13. There are no outstanding derivative instruments as at June 30, 2009.

Foreign currency exposures as at the year end that have not been hedged by the company by a derivative instrument or otherwise are given below:

a. Amounts receivable in foreign currency on account of the following:

	Currency	As at June 30, 2009	Currency	As at June 30, 2008
Export of goods	Rs.	9 48 65 736	Rs.	3 81 03 361
	USD	19 79 687	USD	9 57 821
	GBP	1 237	GBP	—
Reimbursable expenses receivable	Rs.	51 04 962	Rs.	23 34 852
	USD	1 06 643	USD	54 604

b. Amounts payable in foreign currency on account of the following:

	Currency	As at June 30, 2009	Currency	As at June 30, 2008
Import of goods and services	Rs.	29 86 90 632	Rs.	49 59 69 154
	USD	62 19 377	USD	1 12 36 730
	JPY	19 42 592	JPY	—
	GBP	—	GBP	2 08 175
Capital and Spares	Rs.	18 99 769	Rs.	—
	EUR	21 630	EUR	—
	USD	9 172	USD	—
Reimbursable expenses payable	Rs.	4 89 17 868	Rs.	1 90 66 206
	USD	8 39 721	USD	4 51 908
	GBP	1 08 916	GBP	—
	SGD	1 460	SGD	—

14. Sundry debtors include amounts due from companies under the same management as follows:

	As at June 30, 2009 Rs.	As at June 30, 2008 Rs.
The Gillette Company, USA	32 97 999	16 00 405
P&G Ceemea	72 97 274	1 55 14 628
Procter & Gamble International	6 83 89 622	91 52 509
Procter & Gamble Bangladesh Private Limited	1 65 74 251	83 98 363
Gillette UK Ltd.	98 509	—
Procter & Gamble Lanka Private Limited	—	34 37 455
	9 56 57 655	3 81 03 360

15. (a) Loans and advances include the following amounts due from companies under the same management as follows:

	As at June 30, 2009 Rs.	Maximum Balance Rs.	As at June 30, 2008 Rs.	Maximum Balance Rs.
Procter & Gamble Distributing Co.	1 65 915	14 96 960	14 96 960	14 96 960
Gillette Diversified Operations Private Limited - Loan A/C	23 91 38 107	23 91 38 107	15 80 00 000	15 80 00 000
Gillette Diversified Operations Private Limited - Others	8 74 085	49 76 838	11 92 808	20 67 808
Procter & Gamble Asia Pte. Ltd.	8 96 874	8 96 874	8 04 289	8 04 289

Schedules forming part of the accounts

	As at June 30, 2009 Rs.	Maximum Balance Rs.	As at June 30, 2008 Rs.	Maximum Balance Rs.
The Gillette Company	2 11 496	6 60 311	—	—
Procter & Gamble Hygiene & Healthcare Limited	1 27 11 741	5 92 11 535	5 92 11 535	5 92 11 535
Procter & Gamble Home Products Limited - Loan A/C	1 56 34 31 396	1 89 00 00 000	1 74 50 00 000	1 84 00 00 000
Procter & Gamble Home Products Limited - Others	6 04 35 434	14 09 84 788	14 09 84 788	14 09 84 788
Procter & Gamble International	40 42 173	40 42 173	33 604	31 28 809
	1 88 19 07 221		2 10 67 23 984	

(b) Directors' Loan:

Loans and advances include Housing Loans to the directors amounting to Rs.23 72 153 (Previous year: Rs.34 42 565).

The maximum balance outstanding during the year amounted to Rs.34 42 565 (Previous year: Rs.44 71 073).

16. Related Party Disclosures:

The Group Companies of The Procter & Gamble Company, USA include, among others, Gillette Worldwide Holding LLC; Procter & Gamble India Holding BV; Procter & Gamble Iron Horse Holding BV; Procter & Gamble Eastern Europe LLC; Procter & Gamble Nordic LLC; Procter & Gamble Global Holding Limited; Procter & Gamble Luxembourg Global SARL; Procter & Gamble International SARL; Procter & Gamble India Holdings Inc.; Procter & Gamble International Operations, SA; Gillette Group (Europe) Holdings, BV; Procter & Gamble Canada Holding BV; Procter & Gamble Overseas Canada, BV.

Name of the companies with whom transactions have taken place:

a) **Ultimate holding company :** The Procter & Gamble Company, USA

b) **Fellow subsidiary companies :**

Gillette Diversified Operations Private Limited	Gillette Deutschland GmbH & Co. oHG.
Gillette Group India Private Limited	Gillette Group South Africa (Pty) Ltd.
Gillette Products Private Limited	Duracell (China) Ltd.
Mining Consultants (India) Private Limited	Gillette Poland S.A.
Nexus Mercantile Private Limited	Gillette Management Inc.
Gillette UK Limited	Gillette Group International, SARL
N. V. Duracell Batteries S.A.	P&G Ceemea
Gillette Shanghai Limited	Procter & Gamble Home Products Limited
Gillette Egypt S.A.E.	Procter & Gamble Hygiene & Healthcare Limited
Braun GmbH	Procter & Gamble International
Gillette Lanka (Private) Limited	Procter & Gamble Asia Pte. Ltd.
Gillette Bangladesh Private Limited	The Gillette Company, USA
Procter & Gamble Lanka (Private) Limited	

c) **Investing company in respect of which the Company is an associate:** Gillette Group India Private Limited (GGIPL) #

 # Also being a fellow subsidiary Company

d) **Key Management Personnel:**

Mr. Shantanu Khosla	Managing Director
Mr. Subhash Bansal	Whole-time Director

Schedules forming part of the accounts

e) **Transactions:**

(Amount in Rs.)

Nature of transactions		**Holding Company & Ultimate Holding Company**	**GGIPL**	**Fellow Subsidiary Companies**	**Key Management Personnel**	**Total**
Sales & Income						
Goods						
- The Gillette Company, USA	**2008-2009**	—	—	**2 43 72 595**	—	**2 43 72 595**
- Procter & Gamble CEEMEA	**2008-2009**	—	—	**1 14 96 917**	—	**1 14 96 917**
- Procter & Gamble Bangladesh Pvt. Ltd.	**2008-2009**	—	—	**7 09 13 765**	—	**7 09 13 765**
- Procter & Gamble International	**2008-2009**	—	—	**19 16 62 268**	—	**19 16 62 268**
- Procter & Gamble Lanka (Private) Limited	**2008-2009**	—	—	**3 59 68 885**	—	**3 59 68 885**
- Others	**2008-2009**	—	—	**—**	—	**—**
- The Gillette Company, USA	2007-2008	—	—	3 33 62 196	—	3 33 62 196
- Procter & Gamble CEEMEA	2007-2008	—	—	2 79 53 869	—	2 79 53 869
- Procter & Gamble Bangladesh Pvt. Ltd.	2007-2008	—	—	4 70 94 504	—	4 70 94 504
- Procter & Gamble International	2007-2008	—	—	3 56 28 144	—	3 56 28 144
- Procter & Gamble Lanka (Private) Limited	2007-2008	—	—	1 81 41 273	—	1 81 41 273
- Others	2007-2008	—	—	7 56 090	—	7 56 090
Relocation and other reimbursements						
- Procter & Gamble Home Products Ltd.	**2008-2009**	—	—	**7 10 95 180**	—	**7 10 95 180**
- Procter & Gamble Hygiene and Healthcare Ltd.	**2008-2009**	—	—	**2 44 29 496**	—	**2 44 29 496**
- Others	**2008-2009**	—	—	**99 99 969**	—	**99 99 969**
- Procter & Gamble Home Products Ltd.	2007-2008	—	—	8 77 64 368	—	8 77 64 368
- Procter & Gamble Hygiene and Healthcare Ltd.	2007-2008	—	—	6 05 74 716	—	6 05 74 716
- Others	2007-2008	—	—	48 06 583	—	48 06 583
Retirals reimbursements						
- Procter & Gamble Distributing Co.	**2008-2009**	—	—	**3 20 752**	**—**	**3 20 752**
- Procter & Gamble Asia Pte. Ltd.	**2008-2009**	—	—	**3 65 758**	**—**	**3 65 758**
- Procter & Gamble International	**2008-2009**	—	—	**7 84 417**	**—**	**7 84 417**
- Others	**2008-2009**	—	**1 99 981**	**—**	**—**	**1 99 981**
- Procter & Gamble Distributing Co.	2007-2008	—	—	1 47 542	—	1 47 542
- Procter & Gamble Asia Pte. Ltd.	2007-2008	—	—	1 69 205	—	1 69 205
- Others	2007-2008	—	52 842	36 902	—	89 744
Reimbursement of Expenses shared by Group Companies						
- Procter & Gamble Hygiene and Healthcare Ltd.	**2008-2009**	—	—	**5 30 16 592**	—	**5 30 16 592**
- Procter & Gamble Home Products Ltd.	**2008-2009**	—	—	**11 96 08 807**	—	**11 96 08 807**
- Procter & Gamble Hygiene and Healthcare Ltd.	2007-2008	—	—	1 76 21 456	—	1 76 21 456
- Procter & Gamble Home Products Ltd.	2007-2008	—	—	2 48 38 469	—	2 48 38 469
Interest income						
- Procter & Gamble Home Products Ltd.	**2008-2009**	—	—	**17 44 72 165**	—	**17 44 72 165**
- Gillette Diversified Operations Pvt. Ltd.	**2008-2009**	—	—	**1 67 24 882**	—	**1 67 24 882**
- Others	**2008-2009**	—	—	—	**1 18 220**	**1 18 220**
- Procter & Gamble Home Products Ltd.	2007-2008	—	—	10 13 50 616	—	10 13 50 616
- Gillette Diversified Operations Pvt. Ltd.	2007-2008	—	—	93 13 699	—	93 13 699
- Others	2007-2008	—	—	—	1 60 123	1 60 123

Schedules forming part of the accounts

(Amount in Rs.)

Nature of transactions		Holding Company & Ultimate Holding Company	GGIPL	Fellow Subsidiary Companies	Key Management Personnel	Total
Loans Given						
- Procter & Gamble Home Products Ltd.	2008-2009	—	—	—	—	—
- Gillette Diversified Operations Pvt. Ltd.	2008-2009	—	—	8 11 38 107	—	8 11 38 107
- Procter & Gamble Home Products Ltd.	2007-2008	—	—	1 84 00 00 000	—	1 84 00 00 000
Loans Repaid						
- Procter & Gamble Home Products Ltd.	2008-2009	—	—	18 15 68 604	—	18 15 68 604
- Others	2008-2009	—	—	—	10 70 411	10 70 411
- Procter & Gamble Home Products Ltd.	2007-2008	—	—	9 50 00 000	—	9 50 00 000
- Others	2007-2008	—	—	—	10 28 508	10 28 508
Purchases & Expenses						
Goods						
- The Gillette Company, USA	2008-2009	—	—	1 19 14 71 481	—	1 19 14 71 481
- Others	2008-2009	—	—	5 26 35 756	—	5 26 35 756
- The Gillette Company, USA	2007-2008	—	—	97 12 59 845	—	97 12 59 845
- Others	2007-2008	—	—	71 56 431	—	71 56 431
Assets/Spares						
- The Gillette Company, USA	2008-2009	—	—	1 28 39 343	—	1 28 39 343
- Gillette UK Ltd.	2008-2009	—	—	55 87 854	—	55 87 854
- The Gillette Company, USA	2007-2008	—	—	1 60 90 837	—	1 60 90 837
- Gillette UK Ltd.	2007-2008	—	—	2 53 16 747	—	2 53 16 747
Reimbursement of Expenses shared by Group Companies						
- Procter & Gamble Hygiene and Healthcare Ltd.	2008-2009	—	—	15 41 14 378	—	15 41 14 378
- Procter & Gamble Home Products Ltd.	2008-2009	—	—	5 23 76 494	—	5 23 76 494
- Procter & Gamble Hygiene and Healthcare Ltd.	2007-2008	—	—	11 80 55 188	—	11 80 55 188
- Procter & Gamble Home Products Ltd.	2007-2008	—	—	7 11 88 059	—	7 11 88 059
Business Process Outsourcing expenses						
- Procter & Gamble Asia Pte. Ltd.	2008-2009	—	—	7 16 05 397	—	7 16 05 397
- Procter & Gamble Asia Pte. Ltd.	2007-2008	—	—	5 22 85 448	—	5 22 85 448
Relocation and other reimbursements						
- Procter & Gamble Hygiene and Healthcare Ltd.	2008-2009	—	—	12 95 49 215	—	12 95 49 215
- Procter & Gamble Home Products Ltd.	2008-2009	—	—	19 69 21 395	—	19 69 21 395
- Others	2008-2009	—	—	1 58 08 486	—	1 58 08 486
- Procter & Gamble Hygiene and Healthcare Ltd.	2007-2008	—	—	19 03 07 032	—	19 03 07 032
- Procter & Gamble Home Products Ltd.	2007-2008	—	—	25 33 63 559	—	25 33 63 559
- Others	2007-2008	—	79 47 836	21 97 187	—	1 01 45 023
Remuneration (Refer Note B8 of Schedule 17)	2008-2009	—	—	—	2 27 39 001	2 27 39 001
	2007-2008	—	—	—	2 15 28 616	2 15 28 616
Dividend Remitted/Paid	2008-2009	16 70 84 275	8 28 40 675	5 92 09 800	—	30 91 34 750
	2007-2008	10 02 50 565	4 97 04 405	3 55 25 880	—	18 54 80 850

Schedules forming part of the accounts

f) **Outstandings:**

(Amount in Rs.)

Nature of transactions	as on	Holding Company & Ultimate Holding Company	GGIPL	Fellow Subsidiary Companies	Key Management Personnel	Total
Payable						
- The Gillette Company, USA	30.06.2009	—	—	29 15 22 003	—	29 15 22 003
- Procter & Gamble Hygiene and Healthcare Ltd.	30.06.2009	—	—	2 06 81 403	—	2 06 81 403
- Procter & Gamble Home Products Ltd.	30.06.2009	—	—	10 69 90 150	—	10 69 90 150
- Others	30.06.2009	—	12 130	5 42 09 761	—	5 42 21 891
- The Gillette Company, USA	30.06.2008	—	—	47 91 74 769	—	47 91 74 769
- Procter & Gamble Hygiene and Healthcare Ltd.	30.06.2008	—	—	9 59 34 903	—	9 59 34 903
- Procter & Gamble Home Products Ltd.	30.06.2008	—	—	8 62 51 862	—	8 62 51 862
- Others	30.06.2008	—	—	3 55 50 419	—	3 55 50 419
Receivables/Advances						
- Procter & Gamble Home Products Ltd.	30.06.2009	—	—	6 04 35 434	—	6 04 35 434
- Procter & Gamble Hygiene and Healthcare Ltd.	30.06.2009	—	—	1 27 11 741	—	1 27 11 741
- Procter & Gamble CEEMEA	30.06.2009	—	—	72 97 274	—	72 97 274
- Procter & Gamble Bangladesh Pvt. Ltd.	30.06.2009	—	—	1 65 74 251	—	1 65 74 251
- Procter & Gamble International Operations Pte. Ltd.	30.06.2009	—	—	7 24 31 796	—	7 24 31 796
- Others	30.06.2009	—	—	55 44 878	—	55 44 878
- Procter & Gamble Home Products Ltd.	30.06.2008	—	—	14 09 84 788	—	14 09 84 788
- Procter & Gamble Hygiene and Healthcare Ltd.	30.06.2008	—	—	5 92 11 535	—	5 92 11 535
- Procter & Gamble CEEMEA	30.06.2008	—	—	1 55 14 628	—	1 55 14 628
- Procter & Gamble Bangladesh Pvt. Ltd.	30.06.2008	—	—	83 98 363	—	83 98 363
- Procter & Gamble International Operations Pte. Ltd.	30.06.2008	—	—	91 52 509	—	91 52 509
- Others	30.06.2008	—	—	85 65 521	—	85 65 521
Loans						
- Procter & Gamble Home Products Ltd.	30.06.2009	—	—	1 56 34 31 396	—	1 56 34 31 396
- Gillette Diversified Operations Pvt. Ltd.	30.06.2009	—	—	23 91 38 107	—	23 91 38 107
- Others	30.06.2009	—	—	—	23 72 153	23 72 153
- Procter & Gamble Home Products Ltd.	30.06.2008	—	—	1 74 50 00 000	—	1 74 50 00 000
- Gillette Diversified Operations Pvt. Ltd.	30.06.2008	—	—	15 80 00 000	—	15 80 00 000
- Others	30.06.2008	—	—	—	34 42 565	34 42 565

17. Global Employee Stock Ownership Plan (Stocks of the parent company):

The Gillette Company, USA (TGC) had a "Global Employee Stock Ownership Plan" (employee share purchase plan) whereby all permanent employees of the Company had been given a right to purchase shares of TGC.

Every employee who opted for the scheme contributed up to a specified percentage (upto 10%) of his gross salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 1% of gross salary). Such contribution is charged to staff cost.

Subsequent to the worldwide merger of Aquarium Acquisition Corporation (wholly owned subsidiary of the Procter & Gamble Company, USA) with TGC on October 1, 2005, the shares of TGC got delisted from the Securities Exchange Commission and the share purchase plan has been adopted by the Procter & Gamble Company, USA.

The shares of TGC (till 30 September 2005) / The Procter & Gamble Company, USA are listed with Securities Exchange Commission of USA and are purchased on behalf of the employees at market price on the date of purchase.

Schedules forming part of the accounts

During the year 2 063 shares (Previous year 1 999.77 shares) were purchased by employees at weighted average fair value of Rs.2 799 (Previous year Rs.2 722) per share.

The Company's contribution during the year on such purchase of shares amounting to Rs.13 74 350 (Previous year Rs.12 57 473) has been charged to the Profit and Loss Account.

18. Employees Stock Options Plan (Stocks of the parent company):

The Gillette Company, USA (TGC) had an "Employees Stock Options Scheme" whereby employees of the Company covered by the plan were granted an option to purchase shares of the then parent company i.e. The Gillette Company, USA at a fixed price (grant price) for a fixed period of time.

Subsequent to the worldwide merger of Aquarium Acquisition Corporation (wholly owned subsidiary of the Procter & Gamble Company, USA) with TGC on October 1, 2005, the shares of TGC got delisted from the Securities Exchange Commission.

Upon this change in control the 2005 Gillette Option award got automatically converted into P&G options at the established conversion ratio of 0.975 shares in the Procter and Gamble Company, USA for every share held in TGC.

The shares of TGC (till September 30, 2005) / The Procter & Gamble Company, USA were/are listed with Securities Exchange Commission of USA. The options were issued to key employees of the Company with exercise price equal to the market price of the underlying shares on the date of the grant. Accordingly no stock compensation expenses have been incurred by the Company during the year. The grants issued are vested after 3 years/5 years and have a 10 years life cycle.

Fair Value of shares at Grant dates:

2008-2009		2007-2008	
Amount in US Dollar		Amount in US Dollar	
15-Sep-08	**72.14**	14-Sep-07	67.81
27-Feb-09	**48.17**	29-Feb-08	66.18

The other disclosures in respect of the plans are:

	Shares arising out of option		Amount in US Dollar		Remaining contractual life (Years)	
	2008-2009	2007-2008	**2008-2009**	2007-2008	**2008-2009**	2007-2008
Outstanding at the beginning of the year	**57 533**	53 996	**60.81**	61.19	**7.73**	8.30
Granted during the year						
15-Sep-08	**1 100**		**72.14**		**10.00**	
27-Feb-09	**8 387**		**48.17**		**10.00**	
14-Sep-07		987		67.81		10.00
29-Feb-08		6 158		66.18		10.00
Forfeited during the year	—	975	—	—	—	—
Transferred/Adjustments during the year	**5 576**	—	—	—	—	—
Exercised during the year	—	2 633	**68.50**	72.09	—	—
Expired during the year	—	—	—	—	—	—
Outstanding at the end of the year	**69 671**	57 533	**51.10**	60.81	**7.21**	7.73
Exercisable at the end of the year	**52 128**	36 347	**51.10**	60.81	—	—

Schedules forming part of the accounts

19. Segment Information:

(a) Primary Segment Information (by Business Segments)

	2008-2009 Rs.	2007-2008 Rs.
Segment Revenue		
- Grooming	4 87 70 64 030	4 46 11 15 851
- Portable Power	35 42 26 908	32 25 45 885
- Oral Care	1 38 38 42 977	1 10 47 64 219
Total	6 61 51 33 915	5 88 84 25 955
Segment Results (before interest and unallocated income/expense)		
- Grooming	1 31 05 41 364	1 45 57 39 909
- Portable Power	4 72 54 671	7 24 54 189
- Oral Care	21 84 27 711	15 28 04 192
Total	1 57 62 23 746	1 68 09 98 290
Add/(Less) : Unallocated corporate non interest income/ (expenses) (net of non interest income)	(4 34 34 175)	(3 16 75 000)
Operating Profit	1 53 27 89 571	1 64 93 23 290
Less : Unallocated Interest Expenses	2 83 985	790
Add : Unallocable Interest Income	23 76 47 340	17 26 12 335
Total Profit Before Tax	1 77 01 52 926	1 82 19 34 835
Segment Assets		
- Grooming	1 43 32 07 353	1 62 65 08 520
- Portable Power	9 18 05 562	7 24 97 089
- Oral Care	29 99 37 160	18 59 24 376
- Unallocated Corporate Assets	4 63 88 70 707	4 21 49 43 887
Total	6 46 38 20 782	6 09 98 73 872
Segment Liabilities		
- Grooming	12 41 35 621	20 56 36 192
- Portable Power	1 24 42 136	1 95 75 798
- Oral Care	11 39 04 471	5 70 30 326
- Unallocated Corporate Liabilities	1 30 44 71 561	1 56 35 31 057
Total	1 55 49 53 789	1 84 57 73 373
Capital Expenditure		
- Grooming	8 42 90 124	5 44 11 775
- Unallocated	—	—
Total	8 42 90 124	5 44 11 775
Depreciation		
- Grooming	10 03 06 375	12 96 17 856
- Unallocated	1 33 62 071	1 02 15 724
Total	11 36 68 446	13 98 33 580
Non-cash expenses other than depreciation		
- Grooming	3 95 52 618	2 78 59 977
- Portable Power	1 00 01 707	—
- Oral Care	50 04 592	1 72 92 267
- Unallocated	—	—
Total	5 45 58 917	4 51 52 244

Schedules forming part of the accounts

(b) Secondary Segment Information (by Geographic Segments)

	2008-2009 Rs.	2007-2008 Rs.
Segment Revenue - net of excise		
- Within India	6 24 74 57 523	5 74 79 05 293
- Outside India	36 76 76 392	14 05 20 662
Total	6 61 51 33 915	5 88 84 25 955
Segment Assets		
- Within India	6 36 28 46 668	6 05 94 35 659
- Outside India	10 09 74 114	4 04 38 213
Total	6 46 38 20 782	6 09 98 73 872
Capital Expenditure		
- Within India	8 42 90 124	5 44 11 775
- Outside India	—	—
Total	8 42 90 124	5 44 11 775

Notes on Segment Information:

1) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisation structure as well as the differential risks and returns of these segments. Business segments have been considered as primary segments.
2) Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Unallocable income/expenses include income/expenses incurred at a corporate level which relate to the company as a whole. Unallocable income/expenses mainly includes income from investment of surplus funds, gain/(loss) on sale of property and exchange gain/(loss).
3) Details of type of products included in each segment :

Grooming	Blades, Razors and Toiletries
Portable Power	Batteries
Oral Care	Tooth brushes, and Oral Care products

4) Unallocable Corporate assets include Cash and Bank balances, Debtors and Loans and Advances
5) Unallocable Corporate liabilities include Creditors and Provisions

20. Excise duty deducted from turnover represents amount of excise duty collected by the Company on sale of goods. Excise duty shown under Schedule 15 - "Operation and other expenses" represents difference in amount of excise duty on closing stock and opening stock of finished goods.

21. Previous year's figures have been rearranged / regrouped wherever necessary.

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. P. Sarda
Partner

Mumbai, August 27, 2009

For and on behalf of Board of Directors

S.K. Poddar
Chairman

S. Khosla
Managing Director

D. Doss
Finance Manager

D. Acharya
Company Secretary

Mumbai, August 27, 2009

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956 for the year ended June 30, 2009

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details	
Registration No.	2890
State Code	017
Balance Sheet Date	June 30, 2009
II. Capital Raised during the Year (Rs.)	Nil
III. Position of Mobilisation and Deployment of Funds	Amount (In Rs. Thousands)
Total Liabilities	4 95 74 95
Total Assets	4 95 74 95
Sources of Funds :	
Paid-up Capital	32 58 52
Reserves & Surplus	4 58 30 15
Secured Loans	Nil
Unsecured Loans	Nil
Application of Funds :	
Net Fixed Assets	91 53 52
Investments	Nil
Net Current Assets	4 04 21 43
Misc. Expenditure	Nil
Accumulated Losses	Nil
IV. Performance of Company	
Turnover & other income	6 91 52 61
Total Expenditure	5 14 51 08
Profit Before Tax	1 77 01 53
Profit After Tax	1 13 13 05
Earning Per Share (Rs.)	34.72
Dividend Rate	125%
V. Generic Names of Three Principal Products/Service of Company (as per monetary terms)	
Item Code No. (ITC Code)	82121001
Product Description	Shaving System
Item Code No. (ITC Code)	82122001
Product Description	Safety Razor Blades
Item Code No. (ITC Code)	96032100
Product Description	Toothbrushes

Gillette India Limited

SPA-65A, Bhiwadi Industrial Area, Bhiwadi (Distt. Alwar), Rajasthan-301 019

ATTENDANCE SLIP

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company.

I hereby record my presence at the Twenty-fifth ANNUAL GENERAL MEETING of the members of the Company at the registered office of the Company at SPA-65A, Bhiwadi Industrial Area, Bhiwadi (Dist. Alwar), Rajasthan 301 019 on Tuesday, October 27, 2009 at 11.00 a.m.

Name of the attending Member ....
(in Block Letters)

Member's Folio Number ....

Name of the Proxy (in Block Letters, to be filled
in if the Proxy attends instead of the Member) ....

No. of Shares held ....

....
*Member's/Proxy's Signature

*To be signed at the time of handing over the slip.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP AT THE MEETING.
NO DUPLICATE WILL BE ISSUED

Gillette India Limited

SPA-65A, Bhiwadi Industrial Area, Bhiwadi (Distt. Alwar), Rajasthan-301 019

PROXY FORM

Folio No. ....

I / We..of...

in the district of ....being a member / members

of **GILLETTE INDIA LIMITED** hereby appoint ....

of .... in the district of ....

or failing him...as my/our proxy to attend and vote for me/us, on my/our behalf at the Twenty-fifth ANNUAL GENERAL MEETING of the members of the Company to be held on Tuesday, October 27, 2009 at 11.00 a.m. at the registered office of the Company at SPA- 65A, Bhiwadi Industrial Area, Bhiwadi (Distt. Alwar), Rajasthan 301 019 and at any adjournment thereof.

Signed this .... day of ...., 2009.

Signature(s) .... Affix 0.15 p Revenue Stamp ....

Note: This proxy form duly completed and signed, should be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.

Sustainability at P&G

At P&G, we focus our sustainability efforts on improvements that matter, making the most meaningful impact possible. Our commitment begins with our Purpose, Values and Principles, where sustainability is embedded, manifesting itself in a systemic and long-term approach. From product innovations and operational improvements to social responsibility, employee engagement and stakeholder partnerships, we pursue our sustainability goals with the aim of improving quality of life, now and for generations to come.

To learn more, please visit www.pg.com/sustainability.

Strategy 1:
Products
Delight the consumer with sustainable innovations that improve the environmental profile of our products.

Strategy 2:
Operations
Improve the environmental profile of P&G's own operations.

Strategy 3:
Social Responsibility
Improve children's lives through P&G's social responsibility programs.

Strategy 4:
Employees
Engage and equip all P&Gers to build sustainability thinking and practices into their everyday work.

Strategy 5:
Stakeholders
Shape the future by working transparently with our stakeholders to enable continued freedom to innovate in a responsible way.

P&G

Gillette India Limited

Registered Office:
SPA-65A, Bhiwadi Industrial Area, Bhiwadi, District Alwar, Rajasthan 301 019

Corporate Office:
P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai 400 099
Tel: (91-22) 2826 6000 Fax: (91-22) 66939696