

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



**ANNUAL REPORT
2014-15**

P&G

BOARD OF DIRECTORS

Mr. R. A. Shah
Chairman

Mr. Al Rajwani
Managing Director

Mr. B. S. Mehta
Mr. A. K. Gupta
Ms. S. Dhawan

Mr. S. Singh
Mr. P. Agarwal
Mr. K. Natarajan

.....
Ms. P. Bishnoi
(Company Secretary)

Mr. P. Bhatnagar
(Chief Financial Officer)

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Dear Shareholders,

I am pleased to share with you that this Financial Year 2014-15, despite economic slowdown, your Company delivered another year of sustained growth and strong results. We all are aware that the FMCG industry is facing consumption blues due to the impact of slow economic growth. However, your Company delivered consistent growth by providing consumer-preferred brands and products that are leading value creators in their categories.

Your Company's strong performance results for the Financial Year 2014-15, against a backdrop of economic uncertainty, are testament to our focus on winning with the consumer.

- The Company delivered total net sales of ₹ 2332 crores, up 14% versus year ago behind strong volume growth and focus on improving mix
- Profit After Tax (PAT) for the Financial Year stood at ₹ 346 crores, up 15% versus year ago behind continued focus on productivity and cost efficiency

Both the Feminine Care and Health Care businesses continued to deliver strong sales growth in a competitive market environment behind superior value propositions and strength of product portfolio.

Feminine Hygiene business recorded the 12th consecutive year of double-digit growth. This growth was led by all the variants of *Whisper* which continues to be the market leader despite stiff competition from other category players. As the business grows, we continue to improve more lives with P&G's *National Parivartan Programme (Whisper School Girl Programme)* in schools. The program reaches 4 million girls annually, providing them with timely menstrual education and product samples. Over the past 2 decades, this program has protected millions of adolescent girls in India from getting trapped in traditional practices of using unhygienic cloth for sanitary protection.

The Company's Health Care sales posted a double digit growth again this Financial Year behind the strength of its strong portfolio, which includes *Vicks VapoRub*, *Vicks Cough Drops*, *Vicks Action 500* and *Vicks Inhaler*. *Vicks VapoRub* had a record year posting the highest ever market share.

Old Spice is delivering in line with expectations. It continues to grow value sales behind investments on core business drivers and new premium fragrance launches, scaling up distribution and presence in stores.

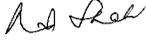
As a company, we are keenly working to innovate so that we grow sales, profit and cash more consistently and more sustainably to create value more reliably for you, the Shareholders. Innovation is integral to every aspect of your Company's business, and this is also reflected in the way we take our products to our consumers. Engaging communication has resulted in best-in-class output and rewarding results right through the value chain. For example, on *Whisper*, '*Touch the Pickle*' movement was conceived when we realized that majority of Indian women were following irrelevant period taboos that restricted them from achieving their dreams. Women across India overwhelmingly responded to our campaign with their own stories of breaking taboos, their personal tales of achievement and an overall movement to be unstoppable. The result was not only our consumers rewarding us by choosing *Whisper*, but the movement was recognised at the *Cannes Festival of Creativity*. It won two awards; a *Grand Prix in the Glass Lions Category for creativity of communication that encourages gender equality and a Bronze Lion for Use of Integrated Media*.

We are rededicating ourselves to the power of execution and raising our standards to be the best at execution with renewed focus on gaining trial among consumers at the point of market entry. The Company is recommitting to superior advertising to create awareness and sampling for superior-performing products to attract consumers to our brands.

At P&G, sustainability means making every day better for people through how we innovate and how we act. This strategy has inspired an enduring CSR strategy supported by two pillars – *P&G Shiksha* and Timely Disaster Relief. P&G's signature corporate sustainability program *P&G Shiksha* has till date built and supported over 450 (+120 since last year) schools across the country that will impact the lives of over 800,000 (+200,000 since last year) children. In this last year, *P&G Shiksha* initiated new frontiers in early childhood education to set up children for success as they enter the 1st standard. In line with *P&G Shiksha*'s commitment towards improving the quality of education, this year we also forayed into improving learning effectiveness across their primary and secondary education. P&G, over the past year, continued its efforts to provide timely aid and relief to families affected by natural disasters. P&G sent out relief aid to over 5,000 families affected by the J&K floods comprising of P&G products.

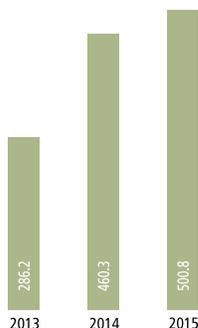
Lastly, I would also like to express my gratitude to all our consumers, customers, employees, business partners and YOU, our valued Shareholders for your unwavering trust in the Company. I look forward to your sustained support and participation in the growth of your Company as we continue to touch and improve lives.

Mumbai
August 28, 2015


R. A. Shah
Chairman

REPORT OF THE DIRECTORS

Profit Before Tax (₹ crores)



Your Directors have the pleasure of presenting the 51st Annual Report and the Audited Accounts of the Company for the Financial Year ended June 30, 2015.

FINANCIAL RESULTS

(Figures in ₹ crores)

	2014-15	2013-14
Sales including Excise	2358	2064
Net Sales (less excise duty)	2332	2047
Profit before tax	501	460
Profit after tax	346	302
Proposed Dividend plus tax thereon	118	104
Transfer to General Reserve	35	30
Balance carried forward	854	663

DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 30.25 per Equity Share of ₹ 10 each for the Financial Year ended June 30, 2015.

BUSINESS PERFORMANCE

Your Company delivered another year of strong performance in the Financial Year 2014-15, with double digit growth on both top and bottom line in a competitive market environment. This was achieved behind superior value propositions and strength of product portfolio.

Sales for the Financial Year increased by 14% to ₹ 2,332 crores as against ₹ 2,047 crores during the previous Financial Year. Earnings after tax increased by 15% to ₹ 346 crores as against ₹ 302 crores during the previous Financial Year behind continued focus on productivity and cost efficiency.

Feminine Hygiene Business

Feminine Hygiene business recorded the 12th consecutive year of double-digit growth. This business has been a growth engine for your Company, with all the variants of *Whisper* sanitary napkins posting strong growth. *Whisper* continues to be the market leader despite stiff competition from other category players.

During the Financial Year under review, a number of strategic initiatives were designed to meet the consumers' needs across segments. The top-tier consumers were delighted by our *Whisper Ultra*

Clean product, with the promise of superior benefits like dual protection (wetness and odour) and long-lasting protection. Continuing our strong focus on offering products serving the needs of our consumers, your Company also drove the *Whisper Ultra Nights* line-up providing protection that lasts all night. On *Whisper Choice*, your Company continues to drive increased usage of sanitary napkins particularly among non-users and increased availability. Your Company also drove the innovative "thin" product form within the existing mid-tier consumers and non-users in the form of *Whisper Choice Ultra*.

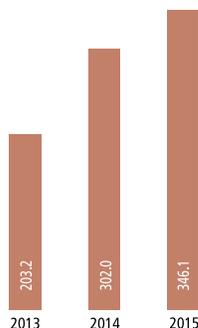


Your Company also continued its disproportionate focus on the 'Point of Market' Entry consumer. The *Whisper* school program reached nearly 4 million menstruating girls across private and government schools, educating them about sanitary hygiene and its importance. Not only did the program reach out to more potential consumers, but it also increased its depth by reaching out to smaller towns.

Health Care Business

The Company's Health Care sales posted double digit growth again this Financial Year behind the strength of its strong portfolio, which includes *Vicks VapoRub*, *Vicks Cough Drops*, *Vicks Action 500* and *Vicks Inhaler*. The growth was driven by combination of product initiatives and increased

Profit After Tax (₹ crores)



investment behind proven equity advertising. *Vicks VapoRub* had a record year posting the highest ever market share. *Vicks Action 500* business was the fastest growing in the Vicks franchise. *Vicks* will continue to innovate to ensure it stays the *most trusted cough and cold care solution* in India.



Overall, the Company continued to focus on driving consumer meaningful innovations backed by distribution expansion and strong advertising support thereby delivering consistent growth. Earnings have also benefited from focus on mix, pricing and productivity.

Cash generation continued to be strong, arising from significant improvements in the business performance, efficiencies cost savings across the organization and an efficient collection system. Your Company managed investments prudently by deployment of the surplus funds after ensuring that such investments satisfy the Company's criteria of safety and security.

Financial Year 2014-15 on *Old Spice* was a year of consolidating the gains made in Financial Year 2013-14. *Old Spice* continues to grow value sales behind investments on core business drivers, namely, product upgrades and new premium fragrance launches, advertising to build consumer awareness, scaling up distribution and presence in stores.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The only way to build a sustainable business is to improve lives

At P&G, sustainability means, making every day better for people through how we innovate and how we act. As one of the world's largest consumer products company, we have both a responsibility and an opportunity to do the right thing and lead change. P&G's sustainability objective is to create long-term value for our

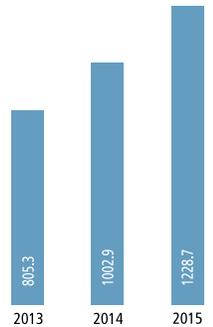
consumers and shareholders by growing our brands and operations responsibly to conserve resources and improve life in the communities we impact across the world. This strategy has inspired an enduring CSR strategy supported by two pillars – *P&G Shiksha* and *Timely Disaster Relief*. While *P&G Shiksha* provides children from underprivileged backgrounds with an access to a holistic education, P&G's disaster relief activities aim to rehabilitate and empower the victims of natural disasters by providing them with daily essential commodities and safe drinking water.

P&G's signature corporate sustainability program *P&G Shiksha* has till date built and supported over 450 (+120 since last year) schools across the country that will impact the lives of over 800,000 (+200,000 since last year) children over a period of time, in partnership with a number of NGOs like - Round Table India, Save the Children, Pratham, Army Wives Welfare Association, Navy Wives Welfare Association, Air Force Wives Welfare Association amongst others. These partners serve as specialists, lending their expertise to particular aspects of the education system. The NGO Round Table India is dedicated towards constructing educational infrastructure and supporting schools across India. The NGO Save the Children focuses on girl child's education by aiding government funded programs like the Kasturba Gandhi Balika Vidhyalayas. Pratham has special expertise in remedial learning to help bring children up to speed with the learning levels in their curriculum. Similarly, the NGOs Army Wives Welfare Association and Navy Wives Welfare Association are experts in serving the educational needs of disabled children.

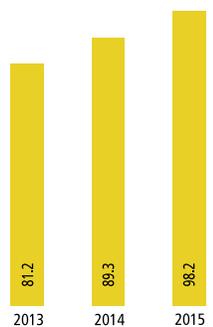
Since its commencement in 2005, P&G Shiksha has also empowered consumers to contribute towards the education of underprivileged children by making conscious brand choices, which has enabled P&G to share a part of the sales towards this movement. P&G Shiksha has till date made a cumulative donation of over ₹ 40 crores towards building new schools, providing critical infrastructural amenities at existing schools or reviving non-operational government schools.

During the Financial Year, Save the Children in partnership with P&G Shiksha has continued to empower girls through improving learning effectiveness and has also expanded its impact. Thirteen Kasturba Gandhi Balika Vidyalayas (KGBV) and eighteen primary and middle schools were supported through the provision of sports

Networth
(₹ crores)



Outflow of Dividend
(₹ crores)



Procter & Gamble Hygiene and Health Care Limited

kits and laboratory equipment. Initiatives to bring a positive change in overall teaching environment have led to teachers practicing pedagogical methods (such as promoting an effective use of the library facility, project work, story building as well as an overall better planning and execution of multi-level teaching).



In partnership with Save The Children, we work on education of girl children in KGBV schools in Rajasthan and Jharkhand

P&G continued to impact the communities around its plants in a holistic manner throughout the Financial Year. At Goa, in association with *Matruchhaya*, a local public charitable trust, P&G is providing educational and infrastructural support to a school for the orphaned, destitute and abandoned children. The P&G Baddi plant continued its association with Himachal Pradesh Voluntary Health Association with Lodhimajra Village School in order to make infrastructure additions to school while organizing health check-ups for the students. In Mandideep, the Company also built on its association with *Arushi*, a local NGO, to provide infrastructure, nutrition and hygiene support to the Satlapur Government School. P&G Shiksha in the last year enabled the school with nutrition supplement by providing fruits along with mid-day meals, health and eye checkup for students, construction of toilets, construction of a boundary wall and refurbishment of the roof.

P&G partnered with *Pratham Education Foundation*, a leading NGO in India in the educational space to foray into remedial learning and early childhood education thereby increasing our focus on learning outcomes via improving learning effectiveness. P&G Shiksha is partnering with Pratham's Read India initiative that aims to bridge the existing gap between current and existing learning levels on scale. The methodology

combines reading, speaking, practical application and writing, in a variety of ways, to enhance learning.

P&G has also identified a need for early childhood education to set children up for success when they begin primary school. For this, P&G is partnering with Pratham's interventions to ensure that children receive support to facilitate holistic social and cognitive development. Through Pratham's partnership with the Government (ICDS), P&G Shiksha will impact early childhood learning in Anganwadi centers and Pratham's Balwadi centers.

P&G continued its efforts to provide timely aid and relief to families affected by natural disasters. P&G sent out relief aid to over 5,000 families affected by the J&K floods comprising of P&G products. During the Nepal Earthquake, P&G also collaborated with the Indian Government and addressed the dire need for sanitary napkins by sending out 20,000 *Whisper* packs to Nepal through National Disaster Relief Authority (NDMA) to the affected families. At P&G, Corporate Social Responsibility has and will remain an important component of our ability to improve consumers' lives and to create value for our Members.

Your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee are provided in the Corporate Governance Report annexed to this report.

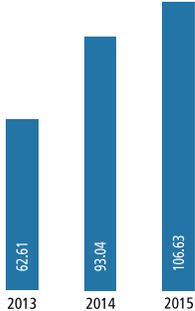
Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure I to this Report.

ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

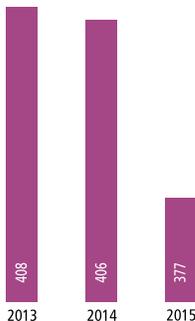
Environmental sustainability is embedded in our *Purpose, Values, Principles*, and our business. In order to improve lives, now and for generations to come, we ensure that our products, packaging and operations are safe for employees, consumers and the environment. Your Company ensures this with a focus on technologies, processes and improvements that matter for the environment.

At P&G, sustainability inspires and guides everything we do. Moreover, we ensure environmental friendly practices at our sites. These include reduction in

E.P.S.



Employees (Nos.)



power consumption, optimal water consumption and eliminating excess use of paper.

Your Company's head office at Mumbai reduced its annual energy consumption by over 39.2% over the last 11 years, saving over 2214 gigajoules of energy.

During the Financial Year, your Company's plant in Goa has reduced diesel generation utilization by 5% versus last year for plant operations, resulting in reduction of diesel consumption and reduced carbon footprint by 90% versus year ago.

Goa plant has introduced LED Lights to almost 50% of the operations floor, variable frequency drives to high power consumption blowers and all air handling units in utilities and pumps. Analysis of air leakages across operations and timely corrections, LED Lighting to 60% of street lightings, cool light energy savers to plant lighting help to stable voltage control and reduction of failures and energy consumptions.

We have undertaken capital investment of approx. ₹ 1.5 crores towards installation of LED lights and variable frequency drives at our plants which will help in energy conservation.

TECHNOLOGY ABSORPTION

i. Efforts made towards technology absorption:

Continued implementation of quality control/quality assurance procedures of products and processes were successfully adapted on commercial scale to utilize local raw materials and machinery; technical services for reliability, quality, cost savings and technology transfer from overseas.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

All the above efforts resulted in improving process efficiencies, consistent quality of our products, introduction of new products and import substitution and successful absorption of technology.

iii. Imported technology (Imported during the last three years reckoned from the beginning of the Financial Year):-

The Company has the advantage of availing advanced technology and continuous upgradation thereof from The Procter & Gamble Company, USA and its subsidiaries.

This is an unmatched competitive advantage that helps the Company deliver strong business results.

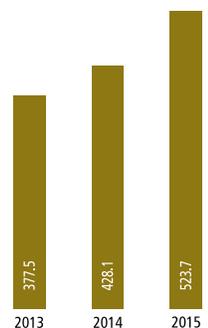
In the Financial Year 2013-14, the Company had imported new converting machine & packing machine. The new converting machine introduction helped to get higher capacity & also a new topsheet introduction for better performance. The introduction of online packing machine has improved the packaging quality & has led to reduction in packing cost.

iv. Expenditure incurred on Research and Development:

₹ Lakhs

		2014-15	2013-14
a	Capital	—	—
b	Recurring	5.43	160.26
c	Total	5.43	160.26

Fixed Assets (₹ crores)



FOREIGN EXCHANGE EARNINGS AND OUTGO

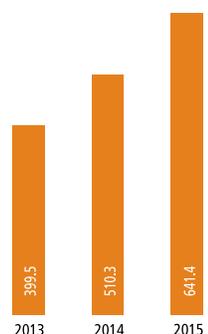
The particulars of foreign exchange earned/ utilized during the Financial Year are given in Note No. 30 & 31 respectively forming part of the Financial Statements.

RELATED PARTY TRANSACTIONS

Your Company has formulated a policy on related party transactions which is also available on Company's website at http://www.pg.com/en_IN/invest/pghh/corporate_governance/policies.shtml/. This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are subjected to independent review by external chartered accountancy firm to confirm compliance with the requirements under the Companies Act, 2013 and the Listing Agreement.

All related party transactions entered during the Financial Year were in ordinary course of the business and on arm's length basis. No material related party transactions were entered during the Financial Year by your Company. Accordingly, the disclosure of

Net Current Assets (₹ crores)



Procter & Gamble Hygiene and Health Care Limited

Net Sales (₹ crores)



related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company.

PUBLIC DEPOSITS

Your Company has not accepted any Public Deposits under Chapter V of Companies Act, 2013, during this Financial Year.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

In line with P&G's Worldwide Business Conduct Manual, your Company treats all its employees and business partners with dignity and respect. Your Company is committed to provide a harassment-free environment, in which all have an opportunity to contribute at their highest potential. As a part of our commitment to providing a safe work environment, we never engage in or tolerate any form of harassment

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the Financial Year, no complaints with allegations of sexual harassment were filed with the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Sections 134 (3) (c) of the Companies Act, 2013, with respect to the Directors' Responsibilities Statement, it is hereby confirmed:

- that in the preparation of the Annual Accounts for the Financial Year ended June 30, 2015, the applicable accounting standards had

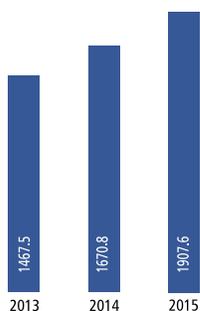
been followed along with proper explanation relating to material departures;

- 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 Financial Year under review;
- 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, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the accounts for the Financial Year ended June 30, 2015, on a "going concern" basis;
- that the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

Total Expenditure (₹ crores)



LOANS GIVEN DURING THE FINANCIAL YEAR 2014-15

Details of loans given by your Company under Section 186 of the Companies Act, 2013 during the Financial Year 2014-15 are as follows:

Name of Borrowing Company	Relation	Amount (₹ In Crores)	Particulars of Loan	Purpose for which the loans are proposed to be utilized	
Prior to October 1, 2014					
Wella India Haircosmetics Private Ltd	Fellow Subsidiary	120.49	Interest rate of 12%	General business purpose	
Procter & Gamble Home Products Pvt Ltd		438.20	Interest rate of 12%	General business purpose	
Post October 1, 2014					
Gillette Diversified Operations Pvt Ltd		13.00	Interest rate of 9.33%	General business purpose	
Procter & Gamble Home Products Pvt Ltd		200.00	Interest rate of 9.33%	General business purpose	
Wella India Haircosmetics Private Ltd		200.00	Interest rate of 9.33%	General business purpose	

MANAGEMENT & PERSONNEL

The strong growth over the past few years demonstrates the core strengths of our employees to stay reality-based and proactively influence the course of business. In a diverse organization & competitive environment, the efforts of our organization, strong capability plans and HR innovation accelerated our growth. Our productivity continues to be best-in-class with major progress in Leadership and Talent Development.

The statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure III to the Report.

The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. As per the provisions of first proviso to Section 136(1) of the Act, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS

Mr. Karthik Natarajan has been appointed as an Additional Director of the Company with effect from October 1, 2014 and holds office upto the date of the ensuing 51st Annual General Meeting of the Company. Notice under Section 160 of the Companies Act, 2013 has been received from him proposing his candidature as Director of the Company, liable to retire by rotation.

During the Financial Year, Mr. Pramod Agarwal ceased to be a Director effective from March 31, 2015. Subsequently, he was appointed as an Additional Director of the Company with effect from May 8, 2015 and holds office upto the date of the ensuing 51st Annual General Meeting of the Company. Notice under Section 160 of the Companies Act, 2013 has been received from him proposing his candidature as Director of the Company, liable to retire by rotation.

Mr. Shantanu Khosla ceased to be the Managing Director and Director of the Company effective from June 30, 2015. The Board of Directors place on record its appreciation for his long service and contribution to the Company.

Mr. Al Rajwani was appointed as an Additional Director and Managing Director of the Company effective August 28, 2015, subject to the approval of the Members and the Central Government if applicable. Notice under Section 160 of the Companies Act, 2013 has been received from him proposing his candidature as Director of the Company.

Mr. Shailyamanyu Singh, Director, retires by rotation and, being eligible, offers himself for re-appointment.

The Independent Directors of your Company have given certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The details of training and familiarization programmes and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees forms part of Corporate Governance Report of this Annual Report.

The brief resumes of Directors proposed to be appointed/reappointed at the ensuing 51st Annual General Meeting and the details of the Directorships held by them in other companies are given in the "Corporate Governance" section of the Annual Report.

Appropriate resolutions for the appointment/re-appointment of the aforesaid Directors are being moved at the ensuing 51st Annual General Meeting, which the Board recommends for your approval.

AUDITORS

M/s. Deloitte Haskins & Sells LLP were appointed as Statutory Auditors of your Company at the previous 50th Annual General Meeting held on September 24, 2014, for a term of three consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting. Resolution for the said ratification is being moved at the ensuing 51st Annual General Meeting.

Procter & Gamble Hygiene and Health Care Limited

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation or adverse remark given by the Auditors in their Report.

COST AUDITORS

M/s. Ashwin Solanki & Associates, Cost Accountants carried out the cost audit for applicable business during the Financial Year. The Board of Directors has appointed M/s. Ashwin Solanki & Associates, Cost Accountants as Cost Auditors for the Financial Year 2015-16.

SECRETARIAL AUDIT

Secretarial Audit was carried out by M/s. Dholakia & Associates LLP, Company Secretaries for the Financial Year 2014-15. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company. The Secretarial Audit report is annexed to this report.

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure II to this Report.

POLICIES

During the Financial Year, your Company has adopted the policies on related party transactions, corporate social responsibility and vigil mechanism, which are available on the website of

the Company at http://www.pg.com/en_IN/invest/pghh/corporate_governance/policies.shtml/.

The details of all the policies adopted by the Company are provided in the Corporate Governance Report annexed to this Report.

TRADE RELATIONS

The Directors wish to thank the retailers, wholesalers, distributors, suppliers of goods & services, clearing and forwarding agents and all other business associates and acknowledge their efficiency and continued support in promoting such healthy growth in the Company's business.

ACKNOWLEDGEMENT

We are grateful to the Procter & Gamble Company USA and its subsidiaries for their invaluable support in terms of access to the latest information/knowledge in the field of research & development for products, ingredients and technologies; timely inputs to exceptional marketing strategies; and the goodwill of its world-renowned trademarks and superior brands. We are proud to acknowledge this unstinted association that has vastly benefited the Company.

On behalf of the Board of Directors



**Mumbai
August 28, 2015**

**R. A. Shah
Chairman**

ANNEXURE I

**Annual Report on Corporate Social Responsibility
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]**

1. Brief outline of the Company's CSR policy

Doing the right thing is the foundation of Procter & Gamble's Purpose, Values, and Principles. It is naturally woven into the way we work every day — paying competitive wages, working consistently with our retailers and suppliers, preventing conflicts of interest, ensuring consumer privacy and maintaining financial stewardship. This approach to business is at the heart of all we do at P&G. Doing the right thing also includes investing in the communities in which we live, work, and serve. At its core, P&G's Social Responsibility efforts aim to improve lives.

Companies Act, 2013 ("Act") highlights the importance of Corporate Social Responsibility ("CSR") as a strategic tool for sustainable growth of the people, the communities we operate in and the Company as a whole. In line with the global principles followed by the Procter & Gamble group and the terms of Act, the policy on Corporate Social Responsibility is broadly framed taking into account the following:

1. We believe it's essential to run our business responsibly, and our operating practices reflect this commitment.
2. P&G is focused on making every day better for people and the planet through our innovations and our actions;
 - i) Environment by-Conservation of Resources, Using Renewable Resources, Generating Worth from Waste;
 - ii) Social by-providing the comforts of home, improving health and hygiene of people, social and cultural development, imparting education, training and social awareness.

The Corporate Social Responsibility activities to be undertaken by the Company, include, but are not limited to the following:

- a. Social and cultural development by:
 - Imparting education, training (vocational and skill based) and creating social awareness;
 - Awareness programs on girl education;
 - Empowerment of women for education/health & self- employment;
 - Empowerment of differentially abled children and their self- development;
 - Skill development and generation of employment by locally driven initiatives;
 - Promoting preventive health care and sanitation by providing health and hygiene products;
 - Making available safe drinking water;
 - Promoting sports and cultural activities,
 - Creating awareness and development of infrastructure for sports and cultural activities;
 - Measures for the benefit of armed forces veterans, war widows and their dependents; and
 - Relief and support to victims of natural calamities in any part of the Country.
- b. Ensuring Environmental Sustainability by-
 - Conservation of resources by design and manufacture of products that maximize the conservation of resources;
 - Utilization of renewable energy and renewable or recycled materials; and
 - Generating Worth from Waste.
- c. Any other objectives as mentioned under Section 135 of Companies Act, 2013 and/or relevant Rules and Schedules.

The Corporate Social Responsibility Policy is available on the website of the Company at http://www.pg.com/en_IN/invest/pghh/corporate_governance/policies.shtml.

The composition of the CSR Committee as on date:-

Mr. A. K. Gupta	Chairman	Ms. Sonali Dhawan **	Member
Mr. Shantanu Khosla *	Member	Mr. Al Rajwani ***	Member
Mr. Karthik Natarajan	Member		

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

** Ms. Sonali Dhawan was inducted as a Member of the Corporate Social Responsibility Committee on August 28, 2015. In absence Mr. A. K. Gupta, Ms. Dhawan was appointed Chairperson of the meeting of the CSR committee held on August 28, 2015

*** Mr. Al Rajwani was inducted as a Member of the Corporate Social Responsibility Committee w.e.f. August 28, 2015.

Procter & Gamble Hygiene and Health Care Limited

2. Average net profit of the Company for last three Financial Years – ₹ 325.86 Crores
3. Prescribed CSR expenditure (2% of amount as in item 3) – ₹ 6.52 Crores
4. Details of CSR spent during Financial Year:
 - a) Total amount to be spent for the Financial Year – ₹ 6.52 Crores
 - b) Amount unspent, if any – **Not applicable**
 - c) Manner in which the amount spent during the Financial Year as detailed below:-

Sr. no.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify State & district where projects/ programs were undertaken	Amount outlay (budget) project or program wise (₹ in Crores)	Amount spent on the projects or programs			Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
					Total	Direct expenditure	Overheads		
1	P&G Shiksha: Read India Program	Education: Remedial Learning	Maharashtra, Rajasthan and Chhattisgarh	1.00	1.00	93%	7%	1.00	Implementing agency: Pratham Education Foundation
2	P&G Shiksha: Build & Support Schools	Education: Infrastructure Interventions	Pan-India	1.27	1.27	100%	Nil	1.27	Implementing agency: Round Table India Trust
3	P&G Shiksha: Early Childhood Education	Education: Foraying into early childhood education focused on motor and cognitive skills	Maharashtra, Bihar	2.00	2.00	93%	7%	2.00	Implementing agency: Pratham Education Foundation
4	P&G Shiksha: Supporting communities around P&G plants	Education: Interventions in a Govt. School in Mandideep	Mandideep (MP)	0.10	0.10	94%	6%	0.10	Implementing agency: Arushi Society
5	P&G Shiksha: Supporting communities around P&G plants	Education: Interventions in a Govt. Girls School in Baddi	Baddi (HP)	0.35	0.35	85%	15%	0.35	Implementing agency: Himachal Pradesh Voluntary Health Association
6	P&G Shiksha: Supporting communities around our plants	Education: Interventions in a Public Charitable Trust for orphan, destitute and abandoned children	Goa	0.05	0.05	100%	Nil	0.05	Implementing agency: Matruchhaya
7	P&G Shiksha: Read India Program	Education: Remedial Learning	Mysore	0.10	0.10	93%	7%	0.10	Implementing agency: Pratham Mysore
8	P&G Shiksha: Supporting Defence NGOs to educate underprivileged children	Education: Support Sankalp School Mumbai - a special school for differently abled children	Mumbai (Maharashtra)	0.15	0.15	90%	10%	0.15	Implementing agency: Navy Wives Welfare Association
9	P&G Shiksha: Supporting Defence NGOs to educate underprivileged children	Education: Support Umeed Schools- school for the underprivileged	Delhi	0.10	0.10	90%	10%	0.10	Implementing agency: Air Force Wives Welfare Association
10	P&G Shiksha: Supporting Education of Marginalised Girls and children in rural areas	Education: Support Girl Child Education through KGBV Schools in Rajasthan and Jharkhand	Rajasthan, Jharkhand	1.40	1.40	93%	7%	1.40	Implementing agency: Save The Children

5. In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: **Not applicable**
6. The CSR Committee confirms that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and policy of the Company.

Sd/-

Al Rajwani
Managing Director

Sd/-

Sonali Dhawan
Chairperson of meeting of the CSR Committee
held on August 28, 2015

ANNEXURE II

Extract of Annual Return

Form No. MGT-9

(As on the Financial Year ended on June 30, 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L24239MH1964PLC012971
ii)	Registration Date	:	July 20, 1964
iii)	Name of the Company	:	Procter & Gamble Hygiene and Health Care Limited
iv)	Category/Sub-Category of the Company	:	Company limited by shares/Indian Non-Government Company
v)	Address of the Registered Office and contact details	:	P & G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai - 400 099 Tel: 022-2826 6000 Fax: 022-2826 7303 Website: www.pg.com/en_IN
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Tel – (022) 2596 7799, Fax – (022) 2594 6969 e-mail – rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of Products	NIC Code of the Product	% to total turnover of the Company
1	Ayurvedic pharmaceutical products	21003	28%
2	Sanitary napkins	13996	65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Holding Company [Section 2(46)]:

Sr. No.	Name and address of the Company	CIN/GLN	% of Shares held
1	The Procter & Gamble Company, USA (Ultimate holding Company)	Not applicable (Foreign Company)	Holds 70.64% through its subsidiaries
2	Procter & Gamble India Holdings B.V., Netherlands (Holding Company)	Not applicable (Foreign Company)	Holds 65.38% directly

The Company does not have any subsidiary companies or associate companies.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise Shareholding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
1.	Indian									
	Bodies corporate	619683	—	619683	1.91	619683	—	619683	1.91	0.00
2.	Foreign									
	Bodies corporate	22310090	—	22310090	68.73	22310090	—	22310090	68.73	0.00
	Total Promoter Shareholding (A)	22929773	—	22929773	70.64	22929773	—	22929773	70.64	0.00
B.	Public Shareholding									
1.	Institutions									
	Mutual funds	2949119	2671	2951790	9.09	2549572	2671	2552243	7.86	-1.23
	Financial Institutions/Banks	155058	2360	157418	0.48	69578	2360	71938	0.22	-0.26
	Insurance Companies	875429	—	875429	2.70	856686	—	856686	2.64	-0.06
	Foreign Institutional Investors	784253	543	784796	2.42	836158	543	836701	2.58	0.16
	Sub Total (B)(1)	4763859	5574	4769433	14.69	4311994	5574	4317568	13.30	-1.39
2.	Non-Institutions									
	Bodies Corporate									
	- Indian	589353	7263	596616	1.84	915974	7263	923237	2.84	1.00
	- Overseas	—	—	—	—	—	—	—	—	0.00
	Individuals									
	- Individual shareholders holding nominal share capital up to ₹ 1 lakh	3128200	532956	3661156	11.28	3145826	488349	3634175	11.20	-0.08
	- Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	337219	—	337219	1.04	357107	—	357107	1.10	0.06
	Others									
	- Clearing Members	7604	—	7604	0.02	8173	—	8173	0.03	0.01
	- HUF	14737	5875	20612	0.06	11933	5875	17808	0.05	-0.01
	- Foreign National	583	—	583	0.00	190	—	190	0.00	0.00
	- NRI	21330	30	21360	0.07	23551	30	23581	0.07	0.00
	- NRN	93420	4988	98408	0.30	121733	4988	126721	0.39	0.09
	- Director/Relatives	13413	3866	17279	0.05	17326	67	17393	0.05	0.00
	- Trust	693	—	693	0.00	343	—	343	0.00	0.00
	- Foreign Portfolio Investor (Corporate)	—	—	—	—	104667	—	104667	0.32	0.32
	Sub Total (B)(2)	4206552	554978	4761530	14.67	4706823	506572	5213395	16.06	1.39
	Total Public Shareholding (B)	8970411	560552	9530963	29.36	9018817	512146	9530963	29.36	0.00
	Shares held by Custodian for GDRs & ADRs (C)	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	31900184	560552	32460736	100.00	31948590	512146	32460736	100.00	—

ii. Shareholding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Procter and Gamble Asia Holding BV	21221953	65.38	—	21221953	65.38	—	0.00
2	Rosemount LLC	1088137	3.35	—	1088137	3.35	—	0.00
3	Temple Trees Impex & Investment Pvt Ltd	619683	1.91	—	619683	1.91	—	0.00
		22929773	70.64	—	22929773	70.64	—	0.00

iii. Change in Promoters' Shareholding:

There is no change in the Promoter's Shareholding during the Financial Year 2014-15.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on June 30, 2015:

Sr. No.	Name of Shareholder	Shareholding at the beginning and end of the year		Date of change in shareholding	Increase/decrease in shareholding	Reason for increase/decrease	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1.	HDFC Trustee Company Limited-Mutual Funds	1895544	5.84	01/07/2014				
				30/09/2014	-10000	Transfer	1885544	5.81
				03/10/2014	-90000	Transfer	1795544	5.53
				10/10/2014	-14907	Transfer	1780637	5.49
				24/10/2014	-1800	Transfer	1772537	5.46
				31/10/2014	-25000	Transfer	1747537	5.38
				07/11/2014	-130000	Transfer	1617537	4.98
				21/11/2014	-5000	Transfer	1612537	4.97
				05/12/2014	-12000	Transfer	1600537	4.93
				12/12/2014	-18000	Transfer	1582537	4.88
				19/12/2014	-52000	Transfer	1530537	4.71
				31/12/2014	-9500	Transfer	1521037	4.69
				09/01/2015	-105000	Transfer	1416037	4.36
				16/01/2015	-5000	Transfer	1411037	4.35
				23/01/2015	-8300	Transfer	1402737	4.32
		06/02/2015	-37000	Transfer	1365737	4.21		
		20/02/2015	-13000	Transfer	1352737	4.17		
		27/02/2015	8000	Transfer	1360737	4.19		
		06/03/2015	-24400	Transfer	1336337	4.12		
		13/03/2015	-13000	Transfer	1326337	4.09		

Procter & Gamble Hygiene and Health Care Limited

Sr. No.	Name of Shareholder	Shareholding at the beginning and end of the year		Date of change in shareholding	Increase/ decrease in shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
				20/03/2015	-8600	Transfer	1317737	4.06
				27/03/2015	-10000	Transfer	1307737	4.03
				10/04/2015	-5000	Transfer	1302737	4.01
				24/04/2015	-181575	Transfer	1121162	3.45
				08/05/2015	-5000	Transfer	1116162	3.44
				15/05/2015	-47100	Transfer	1069062	3.29
				22/05/2015	-14719	Transfer	1054343	3.25
				29/05/2015	-7700	Transfer	1046643	3.22
				05/06/2015	-23000	Transfer	1023643	3.15
				19/06/2015	-21200	Transfer	1002443	3.09
				26/06/2015	-4700	Transfer	997743	3.07
		997743	3.07	30/06/2015				
2.	SBI Mutual Funds	535252	1.65	01/07/2014				
				04/07/2014	-80	Transfer	535172	1.65
				11/07/2014	-4839	Transfer	530333	1.63
				29/08/2014	-606	Transfer	529727	1.63
				12/09/2014	23266	Transfer	552993	1.70
				19/09/2014	9000	Transfer	561993	1.73
				10/10/2014	35000	Transfer	596993	1.84
				24/10/2014	-720	Transfer	596273	1.84
				05/12/2014	8000	Transfer	604273	1.86
				12/12/2014	8000	Transfer	612273	1.89
				19/12/2014	539	Transfer	612812	1.89
				16/01/2015	100000	Transfer	712812	2.20
				30/01/2015	2106	Transfer	714918	2.20
				06/02/2015	4400	Transfer	719318	2.22
				27/02/2015	-4239	Transfer	715079	2.20
				06/03/2015	-4000	Transfer	711079	2.19
				20/03/2015	-700	Transfer	710379	2.18
				10/04/2015	900	Transfer	711279	2.19
				24/04/2015	69000	Transfer	780279	2.40
				05/06/2015	24183	Transfer	804462	2.48
				12/06/2015	13000	Transfer	817462	2.52
				19/06/2015	200	Transfer	817662	2.52
		817662	2.52	30/06/2015				
3	General Insurance Corporation of India	517195	1.59	01/07/2014	—	No change during the year	517195	1.59
		517195	1.59	30/06/2015				
4	Pari Washington Company Pvt. Ltd. A/c Pari Washington India Master Fund, Ltd.	229418	0.71	01/07/2014	—	No change during the year	229418	0.71
		229418	0.71	30/06/2015				

Sr. No.	Name of Shareholder	Shareholding at the beginning and end of the year		Date of change in shareholding	Increase/ decrease in shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
5	IDFC - Equity Funds	201592	0.62	01/07/2014				
				29/08/2014	-1859	Transfer	199733	0.62
				05/09/2014	-733	Transfer	199000	0.61
				13/02/2015	-2000	Transfer	197000	0.61
				20/03/2015	-18527	Transfer	178473	0.55
				27/03/2015	-5989	Transfer	172484	0.53
				10/04/2015	-4592	Transfer	167892	0.52
		167892	0.52	30/06/2015				
6	UTI Mutual Funds	185696	0.57	01/07/2014				
				14/11/2014	-3063	Transfer	182633	0.56
				19/12/2014	-9000	Transfer	173633	0.53
				31/12/2014	-2859	Transfer	170774	0.53
				30/01/2015	-2541	Transfer	168233	0.52
				06/02/2015	3000	Transfer	171233	0.53
				27/02/2015	-1800	Transfer	169433	0.52
				22/05/2015	-63	Transfer	169370	0.52
				26/06/2015	-3125	Transfer	166245	0.51
				30/06/2015	-4012	Transfer	162233	0.50
		162233	0.50	30/06/2015				
7	The New India Assurance Company Limited	156625	0.48	01/07/2014	—	No change during the year	156625	0.48
		156625	0.48	30/06/2015				
8	United India Insurance Company Limited	151132	0.47	01/07/2014	—	No change during the year	151132	0.47
		151132	0.47	30/06/2015				
9	Acacia Partners, LP*	135200	0.42	01/07/2014				
				05/09/2014	-34520	Transfer	100680	0.31
				12/09/2014	-16080	Transfer	84600	0.26
				30/09/2014	-48600	Transfer	36000	0.11
		36000	0.11	30/06/2015				
10	Acacia Institutional Partners, LP*	112100	0.35	01/07/2014				
				12/09/2014	-20000	Transfer	92100	0.28
				19/09/2014	-8591	Transfer	83509	0.26
				30/09/2014	-53509	Transfer	30000	0.09
		30000	0.09	30/06/2015				
11	HDFC Standard Life Insurance Company Limited #	56886	0.18	01/07/2014				
				18/07/2014	155	Transfer	57041	0.18
				01/08/2014	916	Transfer	57957	0.18
				22/08/2014	196	Transfer	58153	0.18
				05/09/2014	18730	Transfer	76883	0.24
				12/09/2014	12003	Transfer	88886	0.27
				19/09/2014	6000	Transfer	94886	0.29
				30/09/2014	60971	Transfer	155857	0.48
		24/10/2014	10255	Transfer	166112	0.51		

Procter & Gamble Hygiene and Health Care Limited

Sr. No.	Name of Shareholder	Shareholding at the beginning and end of the year		Date of change in shareholding	Increase/ decrease in shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
				31/10/2014	966	Transfer	167078	0.51
				19/12/2014	2034	Transfer	169112	0.52
				31/12/2014	334	Transfer	169446	0.52
				02/01/2015	106	Transfer	169552	0.52
				09/01/2015	5000	Transfer	174552	0.54
				30/01/2015	470	Transfer	175022	0.54
				06/02/2015	1717	Transfer	176739	0.54
				13/02/2015	4435	Transfer	181174	0.56
				27/02/2015	5000	Transfer	186174	0.57
				06/03/2015	10000	Transfer	196174	0.60
				27/03/2015	1119	Transfer	197293	0.61
				10/04/2015	160	Transfer	197453	0.61
				17/04/2015	630	Transfer	198083	0.61
				22/04/2015	1756	Transfer	199839	0.62
				01/05/2015	200	Transfer	200039	0.62
				08/05/2015	150	Transfer	200189	0.62
				15/05/2015	6000	Transfer	206189	0.64
				05/06/2015	-60	Transfer	206129	0.64
				12/06/2015	-263	Transfer	205866	0.63
				19/06/2015	-29	Transfer	205837	0.63
				26/06/2015	-32	Transfer	205805	0.63
		205805	0.63	30/06/2015				
12	Goldman Sachs India Fund Limited#	32528	0.10	01/07/2014				
				05/09/2014	1739	Transfer	34267	0.11
				10/10/2014	39652	Transfer	73919	0.23
				14/11/2014	2900	Transfer	76819	0.24
				21/11/2014	4584	Transfer	81403	0.25
				12/12/2014	4067	Transfer	85470	0.26
				23/01/2015	5137	Transfer	90607	0.28
				30/01/2015	2145	Transfer	92752	0.29
				06/02/2015	28200	Transfer	120952	0.37
				13/02/2015	9824	Transfer	130776	0.40
				27/02/2015	12893	Transfer	143669	0.44
				06/03/2015	18397	Transfer	162066	0.50
				27/03/2015	9883	Transfer	171949	0.53
				24/04/2015	11096	Transfer	183045	0.56
				05/06/2015	8095	Transfer	191140	0.59
				26/06/2015	4693	Transfer	195833	0.60
		195833	0.60	30/06/2015				

Note: The above information is based on the weekly beneficiary position received from Depositories.

* Ceased to be in the list of Top 10 shareholders as on June 30, 2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on July 1, 2014.

Not in the list of Top 10 shareholders as on July 1, 2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on June 30, 2015.

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors/ Key Managerial Personnel	Shareholding at the beginning and end of the year		Date of change in shareholding	Increase/ decrease in shareholding	Reason for increase/ decrease	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Mr. Shantanu Khosla	67	0.00	01/07/2014	—	No change during the year	67	0.00
		67	0.00	30/06/2015				
2	Mr. R. A. Shah	11406	0.04	01/07/2014				
				25/07/2014	1500	Transmission of shares from Mrs. Shah due to her sad demise	12906	0.04
		12906	0.04	30/06/2015				
3	Mr. B. S. Mehta	3799	0.01	01/07/2014	—	No change during the year	3799	0.01
		3799	0.01	30/06/2015				
4	Ms. S. Dhawan	30	0.00	01/07/2014				
				04/07/2014	-20	Transfer	10	0.00
				07/07/2014	-10	Transfer	0	0.00
		Nil	Nil	30/06/2015				

Note : Mr. A. K. Gupta, Mr. Pramod Agarwal, Mr. Shailymanyu Singh, Mr. Karthik Natarajan, Mr. Prashant Bhatnagar and Ms. Preeti Bishnoi did not hold any shares of the Company during the Financial Year 2014-15.

V. INDEBTEDNESS:

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the Financial Year 2014-15.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

Sl. No.	Particulars of Remuneration	Mr. Shantanu Khosla Managing Director (Amount in ₹ Crores)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	9.61
2.	Stock Option	4.40*
3.	Sweat Equity	
4.	Commission – as % of profit – Others, specify...	
5.	Others, please specify	
	Total	14.01
	Ceiling as per the Act (5% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	25.62

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

B. REMUNERATION TO OTHER DIRECTORS

₹ in lakhs

Particulars of Remuneration	Mr. R. A. Shah	Mr. B. S. Mehta	Mr. A. K. Gupta	Total Amount
Independent Directors				
Fee for attending board/committee meetings	2.90	2.60	3.80	9.30
Commission	11.00	11.00	11.00	33.00
Total	13.90	13.60	14.80	42.30
Ceiling as per the Act (1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)				512.47

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR/MANAGER/WHOLE-TIME DIRECTOR.

₹ in lakhs

Sl. No.	Particulars of Remuneration	Ms. Preeti Bishnoi Company Secretary	Mr. Prashant Bhatnagar Chief Financial Officer	Total
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	33.16	19.36*	52.52
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission – as % of profit – others, specify	—	—	—
5.	Others, please specify			
	Total	33.16	19.36	52.52

* Mr. Prashant Bhatnagar receives salary from another group Company, Gillette India Limited and the Company contributes towards the same in proportion to its Net Outside Sales.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

No penalties/punishment/compounding of offences were imposed against the Company or its Directors or other officers in default, if any, for breach of any section of Companies Act during the Financial Year.

ANNEXURE III

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**i. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:**

Name of Director	Designation	Salary including Bonus + PF Contribution ₹ in lakhs	Commission ₹ in lakhs	Sitting Fees ₹ in lakhs	Total ₹ in lakhs	Ratio
Mr. S. Khosla*	Managing Director	1,401.63	—	—	1,401.63	113.7
Mr. R. A. Shah	Independent Director	—	11.00	2.90	13.90	1.12
Mr. B. S. Mehta	Independent Director	—	11.00	2.60	13.60	1.10
Mr. A. K. Gupta	Independent Director	—	11.00	3.80	14.80	1.20
Mr. P. Agarwal	Non-Executive Director	—	—	—	0	0
Mr. S. Singh	Non-Executive Director	—	—	—	0	0
Ms. S. Dhawan	Non-Executive Director	—	—	—	0	0
Mr. K. Natarajan	Non-Executive Director	—	—	—	0	0

ii. The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year

Designation	Name of Employee	% increase in remuneration
Managing Director	Mr. Shantanu Khosla	38.50%
Company Secretary	Ms. Preeti Bishnoi	18.00%
Chief Financial Officer	Mr. Prashant Bhatnagar	Not applicable*

* Mr. Prashant Bhatnagar was appointed as the Chief Financial Officer of the Company on October 1, 2014 hence % increase in remuneration comparing versus previous Financial Year cannot be computed

iii. The % increase in the median remuneration of employees in the Financial Year is 8.30%.**iv. The number of permanent employees on the rolls of Company is 377.****v. Explanation on the relationship between average increase in remuneration and Company performance**

The Company performance in the Financial Year was strong in terms of sales and profit growth. Overall compensation trends were consistent with the Company growth. Our compensation philosophy for all employees aims to provide opportunities for competitive compensation. The “Key Principles” of compensation at P&G are (i) pay for Performance (ii) pay competitively and (iii) design programs to support business strategies. We set our salaries in line with the pay practices of the finest global, regional and local companies with whom P&G competes for market share and people. We review our salary ranges each year to ensure competitiveness. During the Financial Year, similar approach was followed to establish the compensation increases to the employees.

vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Our fundamental and overriding objective is to create value for our shareholders at leadership levels on a consistent long-term basis. To accomplish this goal, the guidelines on executive compensation programs provide the following

guiding principles: (i) emphasize Pay for Performance (ii) pay competitively (iii) focus on Long-Term Success. This was duly reviewed by the Nomination and Remuneration Committee of the Company to ensure competitiveness. During the Financial Year, the Company's Net sales grew by 14%, Profit Before Tax grew by 9%. Overall compensation trends are consistent with the Company growth.

- vii. a) **Variations in the market capitalisation of the Company:** The market capitalisation of the Company as at the closing date of the current Financial Year and previous Financial Year has increased by 59%.
- b) **Price Earnings Ratio of the Company** was 64 on June 30, 2015 and was 46 as at June 30, 2014.
- c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer - The closing share price of the Company at BSE Limited on June 30, 2015 being ₹ 6773.45 per equity share of ₹ 10 each has grown 677 times since the last offer for sale by the Company was made in the year 1966.

viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year was 8.75% whereas the increase in managerial remuneration was 11%. The average increase every year is an outcome of Company's market competitiveness as against peer group companies

ix. Key parameters for any variable component of remuneration

Variable compensation is paid to all employees above the level of senior manager. The overall variable compensation will depend upon individual targets, business unit results and Company performance.

x. Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the Financial Year

NOT APPLICABLE

xi. It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
Procter & Gamble Hygiene and Health Care Limited
 P & G Plaza, Cardinal Gracias Road, Chakala,
 Andheri East, Mumbai – 400 099

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Procter & Gamble Hygiene and Health Care Limited** (CIN L24239MH1964PLC012971) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

- A.** In expressing our opinion it must be noted that-
- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis of our opinion.
 - iii. We have not verified the correctness and appropriateness of the financial statements of the Company.
 - iv. Wherever required, we have discussed with the management of the company and obtained the management representation pertaining to compliance of laws, rules and regulations, happening of events, etc.
 - v. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.
- Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- B.** Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 30th June, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board - process (duly evolved) and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- C.** We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 30th June, 2015, according to the provisions of:
- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and

- (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

The Company has not accepted or received or made any additional Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the audit period and hence provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to such Investment and Borrowings is not applicable to the Company.

The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the SEBI Act and hence are not relevant for the purpose of audit:

- (a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014) and
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- V. The following Acts and Rules made thereunder pertaining to Company's business are applicable to the Company:
- (a) Drugs and Cosmetics Act, 1940;
- (b) The Legal Metrology Act, 2009 and
- (c) The Legal Metrology (Packaged Commodities) Rules, 2011.
- VI. Compliance with the applicable clauses of the Equity Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

D. We further report that,

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- III. The agenda items are well deliberated before passing the same and the views / observations made by the Directors are recorded in the minutes.

E. We further report that there are adequate systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

F. We further report that during the audit period none of the following events has taken place:

- I. Public / Rights / Preferential Issue of Shares / Debentures / Sweat equity etc.
- II. Redemption / buy back of securities
- III. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- IV. Merger / Amalgamation / Reconstruction, etc.
- V. Foreign Technical Collaborations.

For **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

CS Bhumitra V. Dholakia
Designated Partner
FCS - 977 CP No. 507

Place : Mumbai
Date : 28th August, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Economic Scenario and impact of Union Budget 2015-16

The Indian economy is showing positive signals of regaining growth momentum, especially in core areas of Manufacturing and Infrastructure. Inflation coming under control, improvement in consumer sentiment and a stronger GDP growth will certainly help fuel growth for the sector while the recent volatility in currency is a cause for concern.

The Union Budget 2015-16 is forward looking and recognizes the growth opportunity in the economy while looking to contain the Fiscal Deficit.

The FMCG Sector and Indian consumers

The Indian FMCG sector is around \$15 Billion and continues to grow at a healthy pace, though it has slowed down versus the historical growth rate. The long term prospects remain bright. There is significant opportunity to grow penetration, trial and consumption. We have strong Indian companies and most major multinationals operating in this area offering a wide array of products to the Indian consumer.

Outlook, Risks and Opportunities

The Indian economy presents significant opportunity with a growing population, category whitespace and rising incomes. We do expect growth rate in the categories we compete to be around high single digits. However, currency volatility, supply bottlenecks and intense competition present significant near term challenges. Your Company endeavours to overcome these risks and to sustain and improve its market position behind superior innovation, by driving favourable price/mix, consumer relevant communication and a relentless focus on productivity.

Performance Overview

The Company operates in a single reportable business and geographical segment. The Company's core business is manufacturing, marketing and distribution of Hygiene and Health Care products. Under these businesses it has in its portfolio: *VICKS* – India's No-1 Healthcare brand, *WHISPER* – India's leading Feminine Hygiene brand (in value terms) and *OLD SPICE*. The discussion on financial performance of the Company and its various businesses is elaborated in the Directors' Report.

Risk Management

During the Financial Year, your Company has set up a Risk Management Committee in accordance with the requirements of Listing Agreement to monitor the risks and their mitigating actions. The Company has also adopted a Risk Management Policy.

Business, Finance & Operational risks

The Company's risk management policy is in line with the parent Company's global guidelines and as such adequate measures have been adopted by the Company to anticipate, plan and mitigate the spectrum of risks it faces. On business risks (competition, consumer preferences and technology changes) the Company undertakes a **Competition Response Model program**. For financing risks, it has a robust operational contingency and legal plan. It also undertakes Business Contingency Plan for key vendors and natural disasters. The Company also has adequate Insurance coverage to protect the value of its assets. This coverage 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.

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 P&G's *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 to avoid any non-compliance, and regular updates to keep pace with the regulatory changes.

Security Risks

Your Company has installed comprehensive security programs supported by latest technology and trained manpower to protect employees and assets, at all its offices and plants. Security measures are overseen by a specially designated Global Security Manager – India, and reputed security agencies has been appointed to provide guard force for ensuring asset protection, overall premises security and access control of personnel and material. Evacuation drills are conducted once a year to ensure readiness and effectiveness. There is also a system for continuous monitoring of security alerts across the country and a pan India emergency notification system for reaching out to our employees in time of crisis has been implemented. 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. During the Financial Year under review, no security breaches or major incidents occurred at any of the Company's plants. A comprehensive security risk assessment is carried out regularly and adequate security measures are implemented to cater to change security scenario. Your Company has installed the best of the security measures and processes to protect its personnel and assets.

Internal Auditor

During the Financial Year, the Board of Directors appointed Mr. Hari Shankar Dasgupta as the Internal Auditor of the Company for the Financial Year 2014-15.

Internal Controls & their adequacy

Your Company has strong Internal Controls Environment and Risk Assessment/Management systems. These systems enables Company to comply with Internal Company policies, procedures, standard guidelines and local laws to help protect Company's Assets and Confidential information against financial losses and unauthorized use.

The robust controls environment at your Company is efficiently managed through:

- o Controls Self Assessments (CSA's); are performed by the organization to assess process compliances

with standards prescribed by Company in the Controls check list and to identify process outages. The organization undertakes a process review supported by random sample checking to evaluate process effectiveness which enables organization to identify control weaknesses and initiate actions to mitigate them.

- o Stewardship Reviews, led by a team of three fulltime Internal Controls experts ensure that all key processes in the area of Selling, Distribution, Trade and Marketing Spending, Vendor Payments, and Plant Operations are reviewed and assessed at frequent intervals. The observations and findings are shared with senior management for implementing quality action plans to further enhance the strength of the process. The assessment of key areas are also supplemented by an independent internal audit by P&G's Global Internal Audit team. This team comprises of internal experts who have experience across the different markets that P&G operates in.
- o Governance and stewardship boards comprising of the Managing Director, Chief Financial Officer, Chief Human Resource Officer and Chief Legal Officer. It reviews the Key Legal issues, Ethics Culture and Internal Controls to create a standard, structured approach to identify Governance risks and proactively mitigate them.

During the Financial Year under review, the Global Internal Audit (GIA) performed audits of key areas covering marketing, distribution and legal entity stewardship. across these audits, controls were rated as '*Strong with low controls risks*'. Local management has developed and executed quality action plans to remediate all the findings reported by GIA during their engagement.

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 function has assumed vital importance in the Company. The Company focuses on attracting, motivating and retaining the best talent. Its people systems like talent supply, performance management and talent development are robust and competitive. We have put in place robust HR programs to ensure that the organization is geared up to sustain the growth.

Attracting & Retaining Talent: India continues to be a key market for Global talent. In this scenario, our recruiting focus, innovative campus initiatives (digital and face to face), foray into social media helped us reach a large number of prospective candidates. We continue to strengthen our position as *Employer of Choice*. Our policies on leadership pipeline, talent planning, mentoring and diversity & inclusion policies continued to ensure that we attract and retain the best talent. We continue to partner closely with the top institutes in India and invest in both business and technical campuses, where we are a preferred employer. Providing challenging and meaningful careers, competitive compensation & benefits, leadership development opportunities continues to enable us to attract the best talent that will keep the Company growing from strength to strength. We continued to be ranked among the top few companies in the *Annual Nielsen Campus survey*.

Developing Talent: Our organization survey scores were strong showing good increase in areas of diversity & inclusion, culture of innovation and career & guidance. New hires into the Company are given a thorough on-

boarding through our *"i-LEAD Program"* to ensure that they are early contributors in their roles and feel valued. Clear career paths help employees to plan their career goals and understand the skills needed for their development. The Company performance management system is robust, clearly assesses and differentiates employees on the basis of performance. We continue to build our talent through experiences both in India as well as internationally, ensuring that the benefits of a global organization are leveraged. A renewed leadership development program called *"P&G Leadership Academy"*, leveraging virtual learning platforms and innovative learning methodologies beyond the classroom has been launched to ensure we focus on building leadership at all levels in the organization. All these initiatives make our retention among the best in the industry. The number of employees as on June 30, 2015 was 377.

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

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Your Directors are pleased to present the Corporate Governance Report:

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

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

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

Further, your Company reinforces responsibilities on all its employees, including key employees, of observing high standards of Corporate Governance through the Company's *"Worldwide Business Conduct Manual"* which sets forth management's commitment to conduct its business affairs with high ethical standards. This Manual flows from our PVP which is the umbrella for our critical policy areas, which in turn create specific guidelines and standards. This Manual enables the Company's employees to make easier connection to relevant policies and the tools that support them. This Manual describes the Company's *"Worldwide*

Business Conduct Standards". These standards flow from the following core values of the Company:

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

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

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

BOARD OF DIRECTORS

(a) Composition of the Board

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

The Non-Executive Independent Directors bring independence and external perspective to decision making. Mr. R. A. Shah (Chairman), Mr. B. S. Mehta and Mr. A. K. Gupta have been appointed as 'Non-Executive Independent Directors' for a period of five years w.e.f. September 24, 2014 by the Members at the Annual General Meeting held on September 24, 2014. They have provided certificate of independence to the Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms & conditions of appointment of Independent Directors is available on the website of the Company. All other Directors, except the Managing Director and the Non-Executive Independent Directors, are Directors liable to retire by rotation.

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

Name of the Director	Category	Designation	Directorships in other companies *	Membership of Board Committees of other companies **	
				Member	Chairman
Mr. R. A. Shah	NED/ID	Chairman	9	7	2
Mr. Al Rajwani#	ED	Managing Director	Nil	Nil	Nil
Mr. B. S. Mehta	NED/ID	Director	8	8	3
Mr. A. K. Gupta	NED/ID	Director	1	2	1
Mr. P. Agarwal##	NED	Director	1	Nil	Nil
Mr. S. Singh	NED	Director	Nil	Nil	Nil
Ms. S. Dhawan	NED	Director	1	Nil	Nil
Mr. K. Natarajan###	NED	Director	Nil	Nil	Nil

NED – Non Executive Director

ED – Executive Director

ID – Independent Director

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

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

Mr. Al Rajwani was appointed as an Additional Director and Managing Director of the Company w.e.f. August 28, 2015

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

Mr. K. Natarajan was appointed as an Additional Director of the Company w.e.f. October 1, 2014

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

(b) Number of meetings of the Board

Five (5) meetings of the Board were held during the period July 1, 2014 to June 30, 2015. These meetings were held on August 12, 2014, September 30, 2014, October 30, 2014, February 12, 2015 and May 8, 2015. The Annual General Meeting for the Financial Year ended June 30, 2014 was held on September 24, 2014.

(c) Directors' attendance record and Directorships held

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

Name of Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Last Annual General Meeting (Whether Attended)
Mr. R. A. Shah	5	5	Yes
Mr. S. Khosla*	5	5	Yes
Mr. B. S. Mehta	5	4	Yes
Mr. A. K. Gupta	5	5	Yes
Mr. P. Agarwal**	5	—	No
Mr. S. Singh	5	3	Yes
Ms. S. Dhawan	5	4	Yes
Mr. K. Natarajan***	3	3	Not applicable

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

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

*** Mr. K. Natarajan was appointed as an Additional Director of the Company w.e.f. October 1, 2014

(d) Separate meeting of Independent Directors

The Independent Directors of the Company met separately without the presence of Non-Independent Directors or management representatives on March 31, 2015, to review the performance of Non-Independent Directors; the Board & the Chairperson of the Company, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

(e) Related Party Transactions

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

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

and are placed before the Audit Committee for quarterly review.

There are no material pecuniary relationships / significant transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 38 forming part of the Financial Statements.

(f) Remuneration of Directors

Members of the Company at their 47th Annual General Meeting held on November 23, 2011, had passed a Special Resolution according approval for payment of commission to the Non-Executive Independent Directors of the Company upto a maximum of 1% of the net profits of the Company per annum in the aggregate, for a period of 5 years w.e.f. July 1, 2011. The said resolution had also empowered the Board of Directors and/or a Committee thereof to fix the quantum of commission payable to each of the Non Executive Directors and to also determine the period

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

Mr. Al Rajwani has been appointed as the Managing Director of the Company for a period of five years w.e.f. August 28, 2015, by the Board of Directors, subject to the approval of the Members of the Company at the ensuing 51st Annual General Meeting and Central Government, if applicable, on such terms and conditions as the Board may consider appropriate, provided, that the terms of remuneration of Mr. Rajwani shall not exceed the statutory ceilings.

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

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

Amount in ₹

Name of Director	Relationship with other Directors	Salary including Bonus + PF contribution	Commission	Sitting Fees	Shares held (Equity Shares of ₹ 10/- each)
Mr. R. A. Shah	None	—	11,00,000	2,90,000	12,906 [®]
Mr. S. Khosla*	None	14,01,63,247 [§]	—	—	67
Mr. B. S. Mehta	None	—	11,00,000	2,60,000	3,799
Mr. A. K. Gupta	None	—	11,00,000	3,80,000	—
Mr. P. Agarwal **	None	—	—	—	—
Mr. S. Singh	None	— ^{§§}	—	—	—
Ms. S. Dhawan	None	— ^{§§§}	—	—	—
Mr. K. Natarajan ***	None	— ^{§§§§}	—	—	—
TOTAL			33,00,000	9,30,000	

[§] Employee benefits expense under Note 22 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 935 Lakhs (Previous Year: ₹ 532 Lakhs) cross charged to Gillette India Ltd and Procter & Gamble Home Products Private Limited

^{§§} Employee benefits expense under Note 22 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 34 Lakhs (Previous Year: ₹ 2 Lakhs) cross charged from Gillette India Limited in terms of the common service agreement

^{§§§} Employee benefits expense under Note 22 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 73 Lakhs (Previous Year : ₹ 8 Lakhs) cross charged from Procter & Gamble Home Products Private Limited in terms of the common service agreement

^{§§§§} Employee benefits expense under Note 22 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 52 Lakhs (Previous Year: ₹ Nil Lakhs) cross charged from Gillette India Ltd in terms of the common service agreement

[®] During the year, 1,500 shares held in name of late Mrs. Shah were transmitted to Mr. Shah, resulting in an increase in his Shareholding from 11,406 Shares to 12,906 Shares

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

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

*** Mr. K. Natarajan was appointed as an Additional Director of the Company w.e.f. October 1, 2014

Stock Options

The Company does not have any Stock Option Plan for its employees. However, all employees of the Company including its Managing Director are given the right to purchase shares of the ultimate Holding Company – The Procter & Gamble Company, USA under its 'International Stock Ownership Plan.' Certain employees of the Company are also entitled to Stock Option of the ultimate Holding Company under its Employee Stock Option Plan. Details as regards the same are disclosed vide Note 27 forming part of the Financial Statements.

(g) Committees of the Board

Audit Committee

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

Directors	Designation	Category	Profession	No. of Meetings held during tenure	No. of Meetings attended
Mr. R. A. Shah	Chairman	NED/ID	Solicitor	5	5
Mr. B. S. Mehta	Member	NED/ID	Chartered Accountant	5	4
Mr. A. K. Gupta	Member	NED/ID	Consultant	5	5

NED – Non Executive Director

ID – Independent Director

Ms. Preeti Bishnoi is the Secretary to the Committee.

The Audit Committee plays the role as is contemplated under Section 177 of the Companies Act, 2013 read with the Listing Agreement as amended from time to time, with the Stock Exchanges.

The Audit Committee powers include the following:

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

The Audit Committee role includes the following:

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Approval or any subsequent modification of transactions of the company with related parties;
- iv. Scrutiny of inter-corporate loans and investments;
- v. Valuation of undertakings or assets of the company, wherever it is necessary;
- vi. Evaluation of internal financial controls and risk management systems;
- vii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- viii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ix. Examination and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report

- x. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- xi. Monitoring the end use of funds raised through public offers and related matters and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the

qualifications, experience and background, etc. of the candidate;

- xx. Reviewing any other areas which may be specified as role of the Audit Committee under the listing agreement, Companies Act and other statutes, as amended from time to time.

The minutes of the Committee are placed before the Board.

Stakeholder Relationship Committee

The nomenclature of Shareholders' Grievance Committee was change to Stakeholder Relationship Committee by the Board of Directors on August 12, 2014. The Committee presently comprises of Mr. Shailymanyu Singh (Chairman), Mr. Al Rajwani (Member) and Mr. Anil Kumar Gupta (Member). Ms. Preeti Bishnoi is the Secretary to the Committee. During the Financial Year, four meetings were held on August 12, 2014, October 30, 2014, February 12, 2015 and May 8, 2015.

Directors	No. of Meetings held during tenure	No. of Meetings attended
Mr. S. Khosla*	4	4
Mr. A. K. Gupta	4	4
Mr. S. Singh	4	2
Mr. Al Rajwani**	Nil	Not applicable

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

** Mr. Al Rajwani was inducted as a Member of the Stakeholder Relationship Committee w.e.f. August 28, 2015;

The role of the Committee is as follows:

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

During the Financial Year, the Company received 83 complaints from Members. These complaints have been resolved. There were no pending share transfers as on June 30, 2015.

Nomination and Remuneration Committee

During the Financial Year, the Company constituted a Nomination and Remuneration Committee. The committee comprises of Mr. R. A. Shah (Chairman), Mr. A. K. Gupta (Member) and Mr. Karthik Natarajan (Member). During the Financial Year, two meetings were held on October 30, 2014 and May 8, 2015.

Directors	No. of Meetings held during tenure	No. of Meetings attended
Mr. R. A. Shah	2	2
Mr. A. K. Gupta	2	2
Mr. Karthik Natarajan	2	2

The role of the Committee is as follows:

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

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

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

Corporate Social Responsibility Committee

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

Directors	No. of Meetings held during tenure	No. of Meetings attended
Mr. A. K. Gupta	2	2
Mr. S. Khosla*	2	2
Mr. K. Natarajan	2	1
Mr. Al Rajwani**	Nil	Not applicable
Ms. S. Dhawan***	Nil	Not applicable

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

** Mr. Al Rajwani was inducted as a Member of the Corporate Social Responsibility Committee w.e.f. August 28, 2015;

*** Ms. S. Dhawan was inducted as a Member of the Corporate Social Responsibility Committee w.e.f. August 28, 2015;

The role of the Committee is as follows:

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

The Company has adopted a Corporate Social Responsibility Policy ('CSR Policy'). In line with the global principles followed by the Procter & Gamble

group and the terms of Companies Act, 2013, the CSR policy is broadly framed taking into account the following:

- ❖ We believe it's essential to run our business responsibly and our operating practices reflect this commitment.
- ❖ We are focused on making every day better for people and the planet through our innovations and our actions:
 - Environment by- Conservation of Resources, Using Renewable Resources, Generating Worth from Waste;
 - Social by- providing the comforts of home, improving health and hygiene of people, social and cultural development, imparting education, training and social awareness.

Risk Management Committee

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

The composition of the Risk Management Committee is as follows:

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

MD – Managing Director

NED – Non Executive Director

CFO – Chief Financial Officer

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

** Mr. Al Rajwani was inducted as a Member of the Risk Management Committee w.e.f. August 28, 2015;

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

(h) Familiarization programme for Independent Directors

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

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

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

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

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

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

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

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

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

- i. **Mr. Karthik Natarajan** is a Chartered Accountant and has completed his Bachelor of Commerce from RA Poddar College, Mumbai. Mr. Natarajan is currently the Finance head for the P&G Group in India and has been with P&G for over 15 years. Prior to this role, he has worked across multiple locations including US, China, Phillipines and Singapore. He has held global responsibilities and has led strategy development, business and financial planning and operational execution with excellence for several important P&G businesses over his tenure with P&G.

Mr. Natarajan was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from October 1, 2014. As an Additional Director he holds office upto the date of the 51st Annual General Meeting. A notice under Section 160 of the Companies Act, 2013 has been received from him proposing his candidature as a Director of the Company, liable to retire by rotation, along with a deposit of ₹ 1 Lakh. Resolution in respect of his appointment as a Director, liable to retire by rotation forms part of the Notice of the ensuing 51st Annual General Meeting.

- ii. **Mr. Pramod Agarwal**, Non-Executive Director, is a Bachelor of Commerce from Kanpur University and a Post Graduate in Management from Indian Institute of Management, Ahmedabad. He is Vice President – Finance & Accounting/Chief Financial Officer for Global Hair Care & Color Business of Procter & Gamble based out of Geneva, Switzerland. Mr. Agarwal is an expert in Finance with deep knowledge of the business in various geographies and product categories. Prior to the current role, he was the Vice President Finance & Accounting for Asia business and rich experience in pulling the business out of Asian economic crisis in 1997 as well as the global financial crisis in 2008 and enabled strong growth of P&G business in Asia.

Mr. Agarwal has an experience of over 28 years and has worked across multiple geographies including Thailand, Japan, Philippines, USA, Singapore and now in Switzerland.

Mr. Agarwal has been selected as Member of the Indian Institute of Management Ahmedabad Society.

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

Mr. Agarwal was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from May 8, 2015. As an Additional Director he holds office upto the date of the 51st Annual General Meeting. A notice under Section 160 of the Companies Act, 2013, has been received from him proposing his candidature as a Director of the Company, liable to retire by rotation, along with a deposit of ₹ 1 Lakh. Resolution in respect of his appointment as a Director, liable to retire by rotation forms part of the Notice of the ensuing 51st Annual General Meeting.

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

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

Mr. Rajwani has been appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from August 28, 2015. As an Additional Director he holds office upto the date of the 51st Annual General Meeting. A notice under Section 160

of the Companies Act, 2013 has been received from him proposing his candidature as a Director of the Company.

Further, Mr. Rajwani has also been appointed as the Managing Director of the Company for a period of five years with effect from August 28, 2015, subject to the approval of the Members of the Company at ensuing 51st Annual General Meeting and the approval of the Central Government.

Mr. Rajwani is a Director of the Advertising Standard Council of India. Mr. Rajwani is also proposed to be appointed as Managing Director of Gillette India Limited.

- iv. **Mr. Shaillyamanyu Singh** graduated in Law from Maharishi Dayanand University, Rohtak, and completed his Masters of Law from Bond University, Australia. He is a Fellow member of the Center for American and International Law, Texas.

Mr. Singh has been working with Procter & Gamble for six years now and has held various positions in the Legal department. Previously, Mr. Singh has also practiced independently. During his private practice tenure, he was appointed as a member of the Disciplinary Committee of the Bar Council of India for a six month term.

Mr. Singh, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming 51st Annual General Meeting.

Communication to Shareholders

- (i) The quarterly results of the Company are announced within 45 days of completion of the quarter, as prescribed under the Listing Agreement. Audited Annual Results are announced within 60 days of the end of Financial Year which are published in The Economic Times, Mumbai Lakshadeep and The Asian Age.
- (ii) The Company's results and official news releases are published on Company's website: www.pg.com/en_IN.
- (iii) No presentations were made to Analysts and Institutional Investors during the course of the Financial Year.

- (iv) This Annual Report comprising of Notice calling the General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. for the Financial Year 2014-15, in electronic form, is being sent to the Members at the email address provided / updated by the Members with the Depository Participants / RTA, as applicable.

Statutory Compliance

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

General Meetings

Annual General Meeting	Date	Time	Venue	No. of special resolutions passed
50 th	September 24, 2014	10.30 a.m.	All the three Annual General Meetings were held at Y. B. Chavan Pratisthan, Gen. Jagannathrao Bhonsle Marg, Mumbai-400 021	—
49 th	December 9, 2013	3.30 p.m.		—
48 th	December 6, 2012	3.30 p.m.		—

Postal Ballot

No postal ballot was undertaken during the Financial Year ended June 30, 2015.

Whistle Blower Policy

The Company being a part of the Procter & Gamble group is guided by a Whistle Blower Policy as laid down in its "Worldwide Business Conduct Manual". Any employee or other interested person can call on 'The Worldwide Business Conduct Helpline (previously called the Alertline)', twenty-four hours a day, seven days a week, to report any concerns about violations of the Company's "Worldwide Business Conduct Standards".

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

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

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

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

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

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

CEO/CFO Certification

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

Adoption of non-mandatory requirements

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

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

Code of Conduct

(i) Code of Conduct for Directors

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

(ii) Code of Conduct for Prohibition of Insider Trading

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

GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting

The 51st Annual General Meeting will be held on **Wednesday, October 28, 2015 at 3.30 p.m.** at Y. B. Chavan Pratisthan, Gen. Jagannathrao Bhonsle Marg, Mumbai – 400 021.

II. Financial Calendar

Presently, the Company follows July-June Financial Year. The Unaudited Financial Results in respect of every quarter beginning from July are declared in the month following the quarter except for the last quarter, for which the Audited Financial Results are declared by August, as permitted under the Listing Agreement.

III. Book Closure Dates: Wednesday, October 21, 2015, to Wednesday, October 28, 2015 (both days inclusive).

The said book closure is for payment of dividend.

IV. Dividend Payment Date: Between November 4, 2015 to November 12, 2015.

V. Listing of Equity Shares on Stock Exchange

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

VI. Stock Code

BSE Ltd, Mumbai - Code : 500459

National Stock Exchange of India Ltd - Code : PGHH

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

VII. Stock Price Data

Month	BSE Ltd		National Stock Exchange of India Ltd.	
	High	Low	High	Low
July – 2014	4,927.60	4,232.55	4,940.00	4,245.00
August – 2014	5,510.00	4,523.80	5,518.95	4,520.00
September – 2014	5,488.00	4,812.30	5,490.00	4,765.00
October – 2014	5,472.00	5,144.40	5,478.00	5,140.00
November – 2014	5,940.00	5,334.05	5,949.00	4,776.45
December – 2014	6,189.45	5,200.00	6,188.95	5,460.00
January – 2015	6,439.00	5,755.00	6,423.95	5,725.20
February – 2015	7,290.00	6,060.65	7,319.00	6,111.15
March – 2015	7,435.00	6,850.00	7,449.00	6,900.20
April – 2015	7,298.00	6,335.00	7,298.20	6,312.20
May – 2015	6,966.90	6,304.70	7,000.00	6,283.55
June – 2015	6,975.00	6,200.05	6,995.00	6,135.35

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

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

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

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



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



IX. Registrar & Transfer Agents

Link Intime Private Limited
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg,
 Bhandup (West),
 Mumbai - 400 078
 Tel – (022) 2596 7799
 Fax – (022) 2594 6969
 e-mail – rnt.helpdesk@linkintime.co.in

X. Share Transfer System

All Shares sent for transfer in the physical form are registered by the Registrar and Share Transfer Agents as per the terms of the Listing Agreements. Shares under objection are returned within two weeks.

All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

XI. Distribution of shareholding by size class as on June 30, 2015

Share holding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	24,828	93.42	17,97,770	5.54
501 – 1000	961	3.62	6,76,288	2.08
1001 – 2000	450	1.69	6,26,359	1.93
2001 – 3000	105	0.40	2,57,228	0.79
3001 – 4000	52	0.20	1,83,291	0.56
4001 – 5000	35	0.13	1,58,957	0.49
5001 – 10000	51	0.19	3,46,290	1.07
10001 and above	94	0.35	2,84,14,553	87.54
TOTAL	26,576	100.00	3,24,60,736	100.00

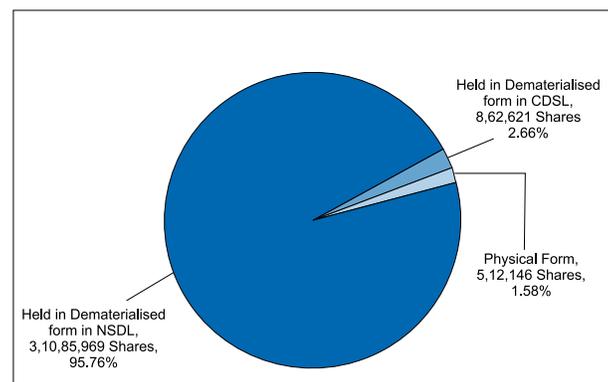
Distribution of shareholding by ownership as on June 30, 2015

Category	Number of Shares held	% of Shares held
Foreign & Indian promoters	2,29,29,773	70.64
Resident Individuals and others	40,17,606	12.39
Mutual Funds & UTI	25,52,243	7.86
Financial Institutions/Banks	71,938	0.22
Insurance Companies	8,56,686	2.64
Foreign Institutional Investors	8,36,701	2.58
Foreign Portfolio Investors	1,04,667	0.32
Private Corporate Bodies	9,23,237	2.84
NRIs & Foreign Nationals	1,50,492	0.46
Directors and their relatives	17,393	0.05
TOTAL	3,24,60,736	100.00

XII. Dematerialization of shares and liquidity

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

Particulars	No. of shares	% to total capital issued
Held in dematerialised form in NSDL	3,10,85,969	95.76
Held in dematerialised form in CDSL	8,62,621	2.66
Held in Physical form	5,12,146	1.58
TOTAL	3,24,60,736	100.00

Shares held in demat/physical form as on June 30, 2015

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

XIV. Unclaimed/Unpaid Dividends

The amount of the unclaimed dividend for and upto the Financial Year ended June 30, 2007, has been transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Those Members who have not claimed their dividend for the said periods shall not be entitled to claim the same either from the Company or from the said fund.

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

the IEPF of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's RTA M/s Link Intime India Private Limited.

Dividend No.	Date of Declaration	For the Financial Year ended	Due for transfer to IEPF
55	10.10.2008	30.06.2008	15.11.2015
56	15.10.2009	30.06.2009	20.11.2016
57	08.10.2010	30.06.2010	13.11.2017
58	23.11.2011	30.06.2011	29.12.2018
59	06.12.2012	30.06.2012	11.01.2020
60	09.12.2013	30.06.2013	14.01.2021
61	24.09.2014	30.06.2014	30.10.2021

During the Financial Year 2014-15, unclaimed final dividend amount for the Financial Year ended June 30, 2007 of ₹ 16,64,800/- was transferred to the IEPF on December 13, 2014.

The details of unpaid/unclaimed dividend as on date of previous Annual General Meeting, i.e., September 24, 2014, have been posted on the website of the Company, viz., www.pg.com/en_IN.

XV. Plant Locations

Goa Plants:

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

Baddi Plants:

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

XVI. Address for Correspondence

Ms. Preeti Bishnoi
 Company Secretary & Compliance Officer
 Procter & Gamble Hygiene and Health Care Limited,
 P&G Plaza,
 Cardinal Gracias Road,
 Chakala, Andheri (East),
 Mumbai 400 099.
 Tel: (91-22) 2826 6000,
 Fax (91-22) 2826 7303.
 Email: bishnoi.p@pg.com

Declaration

As provided under Clause 49 of the Listing Agreement with Stock Exchanges, the Board Members have confirmed compliance with the Directors' Code of Conduct for the year ended June 30, 2015 and the Senior Management has complied with the Business Conduct Manual for the Financial Year ended June 30, 2015.

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

Mumbai
August 28, 2015

sd/-
AI Rajwani
Managing Director

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

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

We have examined the compliance of conditions of Corporate Governance by Procter & Gamble Hygiene and Health Care Limited (the "Company"), for the Financial Year ended on June 30, 2015, 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 LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

MUMBAI, August 28, 2015

Shyamak R. Tata
Partner
(Membership No. 038320)

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Procter & Gamble Hygiene and Health Care Limited** ("the Company"), which comprise the Balance Sheet as at June 30, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards

on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

8. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on June 30, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with Generally Accepted accounting practice – also Refer Note 25(a) to the financial statements.
- b. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Shyamak R. Tata
Partner
(Membership No. 038320)

MUMBAI, August 28, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 (ix) and (xi) of paragraph 3 and 4 of the Order are not applicable to the Company. In respect of the other clauses, we report as under:

- (i) In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
 - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - 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 were 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 physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase 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 weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of the provisions of Sections 73 and 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company, pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, and according to the books and records as produced and examined by us, in our opinion:
 - a. The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it with the appropriate authorities.
 - b. As at June 30, 2015, the following are the particulars of dues on account of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess matters

that have not been deposited on account of any dispute:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates*	Amount involved (₹ in lakhs)
Sales Tax and VAT Laws as per statutes applicable in various states	Sales Tax and VAT	Appellate Authority –upto Commissioners/ Revisional authorities level	1997-98 to 2001-02, 2003-04 to 2013-14	2 311
		Appellate Authority – Tribunal	1996-97, 2001-02, 2002-03, 2005-06, 2006-07 and 2007-08	698
		High Court	1990-91 to 1997-98 and 2002-03	17
Sub-total				3 026
The Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2004-05 to 2008-09	10
Sub-total				10
Finance Act, 1994	Service Tax	Appellate Authority - upto Commissioners/ Revisional authorities level	2006-07 to 2012-13	1 225
Sub-total				1 225
The Income - Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2008-09 to 2009-10	4 003
Sub-total				4 003
Total				8 264

*generally, the year refers to the period April to March.

Out of the total disputed dues aggregating ₹ 8 264 lakhs as above, ₹ 4 003 lakhs has been stayed for recovery by the relevant authorities.

- c. The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Shyamak R. Tata
Partner
(Membership No. 038320)

MUMBAI, August 28, 2015

Procter & Gamble Hygiene and Health Care Limited

Balance Sheet as at June 30, 2015

	Note No.	As at June 30, 2015		As at June 30, 2014	
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
EQUITY AND LIABILITIES					
Shareholders' funds					
Share Capital	3	3 246		3 246	
Reserves and Surplus	4	1 19 622		97 044	
			1 22 868		1 00 290
Non-current Liabilities					
Other Long-Term Liabilities	6	—		28	
Long-Term Provisions	7	333		266	
			333		294
Current Liabilities					
Trade Payables	8	37 230		22 999	
Other Current Liabilities	9	8 465		6 312	
Short-Term Provisions	10	25 872		20 899	
			71 567		50 210
TOTAL			1 94 768		1 50 794
ASSETS					
Non-current Assets					
Fixed Assets	11				
Tangible Assets		30 879		23 951	
Capital work-in-progress		3 898		9 817	
Total Fixed Assets		34 777		33 768	
Deferred Tax Assets (Net)	5	396		717	
Long-Term Loans and Advances	12	23 879		15 066	
Other Non-current Assets	13	5		—	
			59 057		49 551
Current Assets					
Inventories	14	11 907		11 852	
Trade Receivables	15	11 394		8 605	
Cash and Bank Balances	16	61 858		26 908	
Short-Term Loans and Advances	17	45 116		49 348	
Other Current Assets	18	5 436		4 530	
			1 35 711		1 01 243
TOTAL			1 94 768		1 50 794

The accompanying notes 1 to 41 are an integral part of the Financial Statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Shyamak R Tata

Partner

Mumbai

August 28, 2015

For and on behalf of Board of Directors

R. A. Shah

Chairman

P. Bishnoi

Company Secretary

Al Rajwani

Managing Director

P. Bhatnagar

Chief Financial Officer

Statement of Profit and Loss for the year ended June 30, 2015

	Note No.	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
INCOME			
Revenue from sale of products (Gross)	19	2 35 838	2 06 356
Less: Excise Duty attributable to products sold		2 611	1 636
Revenue from sale of products (Net)		2 33 227	2 04 720
Other operating revenues	19	152	374
Revenue from operations	19	2 33 379	2 05 094
Other Income	20	7 464	8 020
Total Revenue		2 40 843	2 13 114
EXPENSES			
Cost of Raw and Packing Material Consumed	21a	57 886	52 450
Purchase of Stock-in-Trade	21b	34 330	28 341
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21c	(124)	488
Employee Benefits Expense	22	11 329	9 496
Finance Costs	23	572	539
Depreciation and Amortisation Expense	11	5 253	3 518
Other Expenses	24	81 516	72 250
Total Expenses		1 90 762	1 67 082
Profit before Tax		50 081	46 032
Tax Expense:			
Current tax			
– for current year		15 034	14 336
– for earlier year		—	1 916
Deferred tax charge/(credit)			
– for current year		300	(376)
– for earlier year		133	(46)
Profit after Tax for the year		34 614	30 202
Earnings per Equity share (in ₹)	40		
Basic and diluted earnings per share (₹)		106.63	93.04
Face Value of Equity Share (in ₹)		10.00	10.00

The accompanying notes 1 to 41 are an integral part of the Financial Statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Shyamak R Tata
Partner

Mumbai
August 28, 2015

For and on behalf of Board of Directors

R. A. Shah
Chairman

P. Bishnoi
Company Secretary

Al Rajwani
Managing Director

P. Bhatnagar
Chief Financial Officer

Cash Flow Statement for the year ended June 30, 2015

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. Cash Flow from Operating Activities				
Profit Before Tax		50 081		46 032
Adjustments for:				
Depreciation and Amortisation Expense	5 253		3 518	
Interest Income	(7 156)		(6 684)	
Finance Costs	572		539	
Provision for employee benefits	936		334	
Provision for doubtful trade receivable	108		—	
Unrealised Foreign Exchange - Loss / (Gain) (Net)	(36)		(221)	
Loss on sale / discard of Fixed Assets (Net)	1 107		189	
		<u>784</u>		<u>(2 325)</u>
Operating profit before working capital changes		50 865		43 707
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Long-Term Loans and Advances	107		(293)	
Inventories	(55)		38	
Trade Receivables	(2 889)		(565)	
Short-term Loans and Advances	1 051		(925)	
Other Current Assets	(1 237)		(749)	
Adjustments for increase / (decrease) in operating liabilities:				
Other Long-term Liabilities	(28)		(8)	
Trade Payables	14 259		2 816	
Other Current Liabilities	1 045		551	
		<u>12 253</u>		<u>865</u>
Cash generated from operations		63 118		44 572
Income Tax Paid (Net of refunds)		(20 561)		(11 052)
Net Cash generated from operating activities		42 557		33 520
B. Cash Flow from Investing Activities				
Capital expenditure on Fixed Assets	(7 843)		(14 710)	
Proceeds from sale of Fixed Assets	102		49	
Interest received	7 482		5 743	
Loans Realised	1 00 350		2 17 661	
Loans Given	(97 169)		(2 22 239)	
Net movement in Bank Balances not considered as cash and cash equivalents	(85)		(19)	
Net Cash generated from / (used in) investing activities		2 837		(13 515)

Cash Flow Statement for the year ended June 30, 2015

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
C. Cash Flow from Financing Activities				
Dividend paid	(8 927)		(8 115)	
Corporate Tax on Dividend paid	(1 517)		(1 379)	
Interest Paid	(85)		(7)	
Net Cash used in financing activities		(10 529)		(9 501)
Net increase in Cash and Cash Equivalents		34 865		10 504
Opening Cash and Cash Equivalents		26 640		16 131
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		—		5
Closing Cash and Cash Equivalents		61 505		26 640
 Reconciliation of cash and cash equivalents with the Balance Sheet:				
	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs		₹ in Lakhs	
Cash and Cash Equivalents as above	61 505		26 640	
Add: Bank Balances not considered as cash and cash equivalents as defined in AS 3 – Cash Flow Statements	353		268	
Cash and Bank Balances (Refer Note 16)	61 858		26 908	

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS 3) - "Cash Flow Statement".
- Cash comprises cash on hand and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

The accompanying notes 1 to 41 are an integral part of the Financial Statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Shyamak R Tata
Partner

Mumbai
August 28, 2015

For and on behalf of Board of Directors

R. A. Shah
Chairman

P. Bishnoi
Company Secretary

Al Rajwani
Managing Director

P. Bhatnagar
Chief Financial Officer

Notes forming part of the financial statements

1. CORPORATE INFORMATION

Procter & Gamble Hygiene and Health Care Limited (the Company) is a public company incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacturing and selling of branded packaged fast moving consumer goods in the femcare and healthcare businesses. The company's products are sold through retail operations including mass merchandisers, grocery stores, membership club stores, drug stores, department stores, and high frequency stores. The Company has its manufacturing locations at Goa and Baddi - Himachal Pradesh, apart from third party manufacturing locations spread across India.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.02 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.03 Revenue Recognition

Sale of products is recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on the dispatch of goods. Sales exclude trade discounts and rebate. Sales include excise duty but exclude sales tax and value added tax.

Interest income is accounted on accrual basis.

2.04 Tangible fixed assets and depreciation & amortization

Fixed assets are stated at cost of acquisition less accumulated depreciation/ amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses.

Depreciation is calculated on straight-line method over the estimated useful life of the fixed assets. These lives are in accordance with Schedule II of the Companies Act, 2013.

Leasehold land is amortised over the period of lease.

Notes forming part of the financial statements

2.05 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.06 Inventories

Inventories consist of raw and packing materials, stores and spares, work in progress and finished goods. Inventories are valued at lower of cost and net realisable value after providing for obsolescence and other losses where considered necessary. Cost of Inventories is determined 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.

2.07 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction. Monetary items in foreign currencies are stated at the closing exchange rates. 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 Statement of Profit and Loss. Gains / Losses on conversion / translation have been recognised in the Statement of Profit and Loss.

2.08 Employee benefits

(i) Post-employment Benefits

(a) Defined Contribution Plans:

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

- Provident Fund administered by the Regional Provident Fund Commissioner;
- Superannuation Fund as per Company policy administered by Company managed trust and
- 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 trust.

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

- Post Retirement Medical Benefits (PRMB) as per its policy
- Compensated Absences (Plant Technicians) 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.

Notes forming part of the financial statements

- (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.
- (iii) Termination benefits and long service awards in terms of Company policy are recognized as an expense as and when incurred.
- (iv) The Actuarial gains and losses arising during the year are recognized in Statement of Profit and Loss for the year.
- (v) The Procter and Gamble Company, USA has an "International Stock Ownership Plan (ISOP)" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of the Ultimate Holding Company i.e. The Procter and Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary) and charged to Employee Benefits Expense.
- (vi) The Procter & Gamble Company, USA has an "Employee Stock Option Plan (ESOP)" whereby specified employees covered by the plan are granted an option to purchase shares of the Ultimate Holding Company i.e. The Procter & Gamble Company, USA at a fixed price (grant price) for a fixed period of time. The difference between the market price and grant price on the exercise of the stock options issued by the Ultimate Holding Company to the employees of the Company is charged in the year of exercise by the employees. Such costs are charged under Employee Benefits Expense.

2.09 Research and Development

Capital expenditure on Research and Development is capitalized as Fixed Assets. All revenue expenditure on Research and Development is charged off to the respective heads in Statement of Profit and Loss in the year in which it is incurred.

2.10 Taxes on Income

Income-tax expense comprises current tax (i.e. amount of tax for the year 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). Provision for taxation for the Company's financial year ended on June 30 is based on the results of the period July 1 to March 31 (later part of the fiscal year ended March 31) and for the balance for the period April 1 to June 30 (beginning of the next fiscal year) as per the provisions of Income Tax Act, 1961 and other applicable tax laws. The deferred tax charge or credit and the corresponding deferred tax liabilities and / or assets are recognised using the applicable 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supporting to convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that

Notes forming part of the financial statements

reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.11 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 period in which they are incurred.

2.12 Leases

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

2.13 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be there.

2.14 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.15 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.16 Claims

The claims against the Company not acknowledged as debt are disclosed after careful evaluation of the facts and legal aspects of the matter involved.

Notes forming part of the financial statements

3. Share Capital

	As at June 30, 2015		As at June 30, 2014	
	Number of Shares	Amount (₹ in Lakhs)	Number of Shares	Amount (₹ in Lakhs)
Authorised				
Equity shares of ₹10 each	3 50 00 000	3 500	3 50 00 000	3 500
Issued, Subscribed and Paid up				
Equity shares of ₹ 10 each fully paid	3 24 60 736	3 246	3 24 60 736	3 246
Reconciliation of fully paid equity shares				
Equity shares at the beginning of the year	3 24 60 736	3 246	3 24 60 736	3 246
Equity shares of ₹ 10 each issued during the year	—	—	—	—
Equity shares at the end of the year	3 24 60 736	3 246	3 24 60 736	3 246

Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Equity shares held by Ultimate holding company, Holding company and its Subsidiaries

	As at June 30, 2015		As at June 30, 2014	
	Number of Shares	Amount (₹ in Lakhs)	Number of Shares	Amount (₹ in Lakhs)
Ultimate Holding company				
The Procter and Gamble Company, USA	—	—	—	—
Holding company				
Procter & Gamble Asia Holding BV	2 12 21 953	2 122	2 12 21 953	2 122
Subsidiaries of the Ultimate Holding Company				
Rosemount LLC	10 88 137	109	10 88 137	109
Temple Trees Impex & Investment Pvt. Ltd.	6 19 683	62	6 19 683	62

Details of shares held by each shareholder holding more than 5% equity shares:

	As at June 30, 2015		As at June 30, 2014	
	Number of Shares	% holding	Number of Shares	% holding
Procter & Gamble Asia Holding BV	2 12 21 953	65.38%	2 12 21 953	65.38%
HDFC Trustee Company Limited	9 97 743	3.07%	19 07 544	5.88%

Notes forming part of the financial statements

4. Reserves and Surplus

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Securities Premium Account				
Balance as per last balance sheet		7 519		7 519
General Reserve				
Balance as per last balance sheet	23 266		20 245	
Add: Transferred from Surplus in Statement of Profit and Loss	3 461		3 021	
		<u>26 727</u>		<u>23 266</u>
Surplus in Statement of Profit and Loss				
Balance as per last balance sheet	66 259		49 522	
Add: Profit after tax for the year	34 614		30 202	
Less:				
Depreciations as per transitional provision specified in Schedule II of the Companies Act, 2013 – (Net of tax of ₹ 112 Lakhs) (Refer note 4 of Note 11)	(218)		—	
Proposed Dividend to Equity Shareholder at ₹ 30.25 per share (Previous year ₹ 27.50 per share)	(9 819)		(8 927)	
Corporate tax on proposed dividend	(1 999)		(1 517)	
Transfer to General Reserve	(3 461)		(3 021)	
Balance as at the year end		<u>85 376</u>		<u>66 259</u>
Total Reserves and Surplus		<u>1 19 622</u>		<u>97 044</u>

5. Deferred Tax Liabilities / (Assets) (Net)

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Tax effect of items constituting deferred tax assets				
On payments made under Voluntary Retirement Scheme	246		175	
On Disallowance of payments made U/s 43 B of the Income Tax Act, 1961	658		1 560	
On Other timing differences	940		75	
		<u>1 844</u>		<u>1 810</u>
Tax effect of items constituting deferred tax liabilities				
On fiscal allowances of fixed assets	1 448		1 093	
		<u>1 448</u>		<u>1 093</u>
Net Deferred Tax Liabilities / (Assets)		<u>(396)</u>		<u>(717)</u>

6. Other Long-Term Liabilities

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs		₹ in Lakhs	
Trade / Security Deposits	—		28	
		<u>—</u>		<u>28</u>

Notes forming part of the financial statements

7. Long-Term Provisions

	As at June 30, 2015 ₹ in Lakhs	As at June 30, 2014 ₹ in Lakhs
Provision for employee benefits (Refer Note 26)		
Compensated Absences	84	49
Post Retirement Medical Benefits	249	217
	<u>333</u>	<u>266</u>

8. Trade Payables

	As at June 30, 2015 ₹ in Lakhs	As at June 30, 2014 ₹ in Lakhs
Total Outstanding dues to Micro & Small Enterprises (Refer Note 33)	157	299
Total Outstanding dues to trade payables other than Micro & Small Enterprises	37 073	22 700
	<u>37 230</u>	<u>22 999</u>

9. Other Current Liabilities

	As at June 30, 2015 ₹ in Lakhs	As at June 30, 2014 ₹ in Lakhs
Trade / Security Deposits	7	7
Gratuity (Refer Note 26)	2 415	1 394
Superannuation	17	23
Unclaimed/unpaid dividends*	145	142
Other payables		
Payables on Purchase of Fixed Assets	800	842
Others Payables (Including Statutory remittances, Excise and Sales Tax Payable)	5 081	3 904
	<u>8 465</u>	<u>6 312</u>

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

10. Short-Term Provisions

	As at June 30, 2015 ₹ in Lakhs	As at June 30, 2014 ₹ in Lakhs
Provision for Employee benefits (Refer Note 26)		
Compensated Absences	352	499
Post Retirement Medical Benefits	12	11
Provision (Others)		
Provision for tax	13 690	9 945
Proposed Equity Dividend	9 819	8 927
Corporate Tax on Proposed Dividend	1 999	1 517
	<u>25 872</u>	<u>20 899</u>

Notes forming part of the financial statements

11. Tangible Assets

Particulars – Own use assets	Gross Block at Cost			Depreciation & Amortisation			Net Block		
	As at July 1, 2014 ₹ in Lakhs	Additions/ Transfers during the year ₹ in Lakhs	Deletions/ Transfers during the year ₹ in Lakhs	As at July 1, 2014 (Refer Note 2 below) ₹ in Lakhs	Depreciations as per transitional provision specified in Schedule II of the Companies Act, 2013 (Refer Note 4) ₹ in Lakhs	For the Year ₹ in Lakhs	On Deletions/ Transfers ₹ in Lakhs	As at June 30, 2015 ₹ in Lakhs	As at June 30, 2015 ₹ in Lakhs
Land – Freehold (Refer Note 3 below)	677 (677)	—	—	—	—	—	—	—	677 (677)
Land – Leasehold	172 (172)	—	—	150 (148)	—	2 (2)	—	152 (150)	20 (22)
Buildings	10 581 (10 132)	433 (449)	110	3 268 (2 903)	—	421 (365)	29	3 660 (3 268)	7 244 (7 313)
Plant, Machinery and Equipment	25 515 (21 984)	12 253 (4 099)	3 811 (568)	12 752 (10 445)	3	3 383 (2 673)	2 695 (366)	13 443 (12 752)	20 514 (12 763)
Furniture and Fixtures	2 083 (1 099)	483 (1 049)	37 (65)	361 (337)	167	707 (81)	25 (57)	1 210 (361)	1 319 (1 722)
Office Equipment	2 431 (2 222)	301 (380)	203 (171)	1 383 (1 318)	160	494 (208)	203 (143)	1 834 (1 383)	695 (1 048)
Moulds and Dies	1 299 (1 411)	248 (243)	—	900 (1 070)	—	237 (185)	—	1 137 (900)	410 (399)
Vehicles – Forklifts	49 (50)	2	—	42 (39)	—	9 (4)	—	51 (42)	— (7)
Total	42 807 (37 747)	13 720 (6 220)	4 161 (1 160)	18 856 (16 260)	330	5 253 (3 518)	2 952 (922)	21 487 (18 856)	30 879 (23 951)
							Capital work-in-progress		3 898 (9 817)
							Grand Total		34 777 (33 768)

Notes:

- Figures in brackets pertain to previous year.
- Opening accumulated depreciation includes impairment on Land-Leasehold ₹ 91 Lakhs; on Buildings ₹ 750 Lakhs; on Plant and Machinery ₹ 205 Lakhs and on Office Equipment ₹ 0.30 Lakhs in 2002-03.
- Land - Freehold includes ₹ 667 Lakhs (Previous year ₹ 667 Lakhs) being the company's share (90%) of assets jointly owned with other parties.
- In accordance with the requirements of Companies Act, 2013 (the Act), the company has, effective July 1, 2014, reviewed and revised the estimated useful lives of its fixed assets in accordance with the provisions of Schedule II of the Act (Refer Note 2.04). In respect of assets whose useful life is exhausted as at July 1, 2014, the related carrying amount aggregating to ₹ 218 Lakhs (net of tax of ₹ 112 Lakhs) has been adjusted against the opening surplus balance in the Statement of Profit and Loss. The consequential impact on the depreciation charged to the Statement of Profit and Loss during the year on account of aforesaid change in useful lives is not material.

Notes forming part of the financial statements

12. Long-Term Loans and Advances

Unsecured, considered good unless otherwise stated

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Security Deposits		238		175
Loans and advances to employees (Refer Note (a) below)		5 417		5 461
Advance income tax		17 389		8 469
Other loans and advances (Refer Note (b) below)		835		961
Doubtful loans and advances	1 062		1 389	
Less: Provisions for doubtful loans and advances	1 062		1 389	
		<u>23 879</u>		<u>15 066</u>

Notes: a) Loans and Advances given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

b) Includes amounts deposited with Excise, Sales Tax and other authorities as demanded, pending resolution of disputes.

13. Other Non-Current Assets

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Interest accrued on time deposits with bank		5		#
		<u>5</u>		<u>—</u>

denotes amounts less than ₹ 50 000

14. Inventories (At lower of cost and net realisable value)

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Raw materials		1 540		1 938
Packing materials		704		787
Work-in-progress				
Female Hygiene Products	54		90	
Formulation	181		148	
		<u>235</u>		<u>238</u>
Stock-in-trade (goods purchased for resale)		2 955		1 614
Finished goods (manufactured)		4 802		6 016
Consumable Stores and Spares		1 671		1 259
		<u>11 907</u>		<u>11 852</u>

15. Trade Receivables – Unsecured

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Trade receivable outstanding for a period exceeding six months from the date they were due for payment				
Considered good		54		72
Considered doubtful		56		40
		<u>110</u>		<u>112</u>
Other trade receivables – considered good		11 340		8 533
		<u>11 450</u>		<u>8 645</u>
Less: Provision for doubtful Trade receivables		56		40
		<u>11 394</u>		<u>8 605</u>

Notes forming part of the financial statements

16. Cash and Bank Balances

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Cash and Cash Equivalents				
Balances with Bank				
Current accounts	2 017		632	
Deposit accounts (with original maturity less than 3 months)	59 488		26 008	
		61 505		26 640
Other Bank Balances				
Earmarked accounts				
Unpaid dividend accounts	145		142	
Other earmarked accounts (deposits with sales tax authorities)	— #		— #	
Bank deposits with original maturity more than 3 months (Refer Note 1 below)	208		126	
		353		268
		61 858		26 908

denotes amount less than ₹ 50 000

Note 1 : Balances with bank includes ₹ 83 Lakhs (Previous year ₹ 126 Lakhs) deposits with remaining maturity of more than 12 month from the balance sheet date.

17. Short-term Loans and advances

Unsecured, considered good unless otherwise stated

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Loans to related parties (Refer Note 38)	41 300		44 481	
Security Deposits	21		190	
Loans and advances to employees (Refer Note (a) & (b) below)	799		788	
Prepaid Expenses	173		103	
Balance with government authorities				
VAT Credit receivable	139		4	
CENVAT Credit Receivable	72		158	
Other loans and advances (Advances to vendors)	2 612		3 624	
	45 116		49 348	

Notes: a) Loans and advances to employees include loan to Managing Director - ₹ NIL Lakhs (Previous year ₹ 52 Lakhs)

b) Loans and Advances given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

18. Other Current Assets

	As at June 30, 2015		As at June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Interest accrued on loan to related parties (Refer Note 38)		92		620
Interest accrued on time deposits with bank		264		67
Others				
Due from related parties (Refer Note 38)	5 019		3 793	
Receivable for Scrap Sales	51		50	
Receivable – Others	10		—	
		5 080		3 843
		5 436		4 530

Notes forming part of the financial statements

19. Revenue from operations

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Sale of products (Refer Note (i) below)				
Manufactured products	1 77 178		1 62 306	
Traded products	58 660		44 050	
		2 35 838		2 06 356
Other operating revenues				
Sale of scrap	152		374	
		152		374
Revenue from operations (Gross)		2 35 990		2 06 730
Less: Excise Duty attributable to product sold		2 611		1 636
Total		2 33 379		2 05 094

Note

(i) Sale of products comprises

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Details of product sold	Manufactured	Traded	Manufactured	Traded
Ointments and Creams	38 753	567	32 756	—
Cough Drops	25 058	1 575	24 198	—
Tablets	8 318	—	6 640	—
Personal Products, Toilet Preparations, etc.	1 05 049	56 518	98 712	44 050
	1 77 178	58 660	1 62 306	44 050

20. Other Income

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in Lakhs		₹ in Lakhs	
Interest on fixed deposits with bank	2 640		1 232	
Interest on loan to related parties (Refer Note 38)	4 516		4 635	
Interest on loans given to Employees	203		214	
Interest on Income Tax refund	—		817	
Write-back of liabilities no longer required	—		808	
Research and Development and other charges	5		7	
Business process outsourcing income (Refer Note 38)	—		138	
Miscellaneous Income	100		169	
	7 464		8 020	

Notes forming part of the financial statements

21. (a) Cost of Raw and Packing Material Consumed#
(Refer Note 28 (a))

	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
Opening Stock	2 725	2 442
Add: Purchases	57 405	52 733
	<u>60 130</u>	<u>55 175</u>
Less: Closing Stock	2 244	2 725
	<u>57 886</u>	<u>52 450</u>

Includes consumption of Raw Material and Packing Material supplied by the Company in the current year to a third party manufacturer for manufacture and supply of goods purchased for resale.

Material Consumed comprises of

	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
Class of Goods		
Pulp, Chemicals, waxes and oils	42 261	36 865
Sugar and liquid glucose	3 182	3 346
Foils	2 161	1 587
Containers, cartons, boxes etc.	10 282	10 652
	<u>57 886</u>	<u>52 450</u>

(b) Purchase of Stock-in-Trade (goods purchased for resale)##

	For the year ended June 30, 2015	For the year ended June 30, 2014
Ointments and Creams	155	—
Cough Drops	921	—
Personal Products, Toilet Preparations, etc.	33 254	28 341
	<u>34 330</u>	<u>28 341</u>

Cost for Purchase of Stock in Trade excludes the cost of Raw Material and Packing Material supplied by the Company in the current year to a third party manufacturer for manufacture and supply of goods.

(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<i>Inventories at the beginning of the year:</i>				
Finished goods (manufactured)	6 016		6 394	
Work-in-progress	238		247	
Stock-in-trade (goods purchased for resale)	1 614		1 715	
		<u>7 868</u>		<u>8 356</u>
<i>Inventories at the end of the year:</i>				
Finished goods (manufactured)	4 802		6 016	
Work-in-progress	235		238	
Stock-in-trade (goods purchased for resale)	2 955		1 614	
		<u>7 992</u>		<u>7 868</u>
Net Decrease / (Increase)		<u>(124)</u>		<u>488</u>

Notes forming part of the financial statements

22. Employee Benefits Expense

	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
Salaries and Wages#	8 909	8 658
Contribution to provident and other funds (Refer Note 26)	2 073	1 302
Expense on Employee Stock Option (ISOP & ESOP) scheme (Refer Note 27)	1 173	1 159
Staff welfare expenses (Refer Note 34)	1 429	1 461
Reimbursement/(Recovery) of employee benefits expense cross charged to related parties (Refer Note 35 and 36)	<u>(2 255)</u>	<u>(3 084)</u>
	<u>11 329</u>	<u>9 496</u>

#Salaries and Wages includes ₹ 384 Lakhs (Previous year: ₹ 283 Lakhs) towards expenditure on Voluntary Retirement Scheme.

23. Finance Costs

	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
Interest expense on Income Tax	352	499
Interest expense on Entry Tax	162	—
Interest expense on Trade Payables (Refer Note 33)	50	33
Interest expense on short term bank borrowings	8	7
	<u>572</u>	<u>539</u>

24. Other Expenses

	For the year ended June 30, 2015 ₹ in Lakhs	₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs	₹ in Lakhs
Consumption of Stores and spare parts (Refer Note 28 (b))	790		932	
Rent (Refer Note 34)	608		155	
Excise Duty on increase / (decrease) of Finished goods Inventory	101		(98)	
Processing charges	4 901		4 988	
Power and fuel	1 218		1 510	
Repairs and maintenance:				
Plant and machinery	926		644	
Buildings	124		221	
Others	118		154	
Insurance	38		51	
Rates and Taxes	88		263	
Communications	557		470	
Travelling, Conveyance and Vehicle expenses	996		1 013	
Computer expenses	298		255	
Freight, transport, warehousing and distribution charges	10 703		8 103	
Trade Incentives	14 481		13 237	
Advertising expenses	18 792		17 054	
Distributor Coverage Expenses	7 386		5 316	
Royalty	11 144		9 554	
Business process outsourcing expenses	2 743		3 284	
Legal and Professional services	2 685		2 447	
Payments to auditors (Refer Note (a) below)	121		106	
Commission to directors	38		34	
Trade Receivables written off	92		14	
Less: Adjusted against Provision for earlier years	<u>(92)</u>	<u>—</u>	<u>(14)</u>	<u>—</u>
Provision for doubtful trade receivable	108		—	
Inventory written off (Net of Insurance claims recovered)	425		230	
Loss on foreign currency transactions - (Net)	189		153	
Loss on sale / discard of Fixed assets (Net)	1 107		189	
Miscellaneous expenses	3 074		2 886	
	<u>83 759</u>		<u>73 151</u>	
Reimbursement/(Recovery) of expenses cross charged to related parties (Refer Note 35)	<u>(2 243)</u>		<u>(901)</u>	
	<u>81 516</u>		<u>72 250</u>	

Notes forming part of the financial statements

Notes:

Particulars	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(a) Payments to auditors comprise :				
(i) To Statutory Auditors				
For Audit	56		49	
For Taxation Matters	18		16	
For Limited Review	17		17	
For Other services	3		3	
Reimbursement of expenses	6		4	
Service Tax	14		10	
		114		99
(ii) To Cost auditors for cost Audit		7		7
Total		121		106
(b) Miscellaneous expenses includes expenditure incurred and paid on Corporate Social Responsibility (CSR) under Sections 135 of the Companies Act, 2013 of ₹ 652 Lakhs.				

25. (a) Contingent Liabilities :

- (i) In respect of Income Tax demands for which the company has preferred appeals with appropriate authorities - ₹ 6 820 Lakhs (Previous year : ₹ 5 014 Lakhs). The liability is mainly on account of various disallowances by the Income Tax authorities on which assessee has preferred an appeal. These are on account of various grounds - primarily on account of advertisement expenses, tax holiday, etc.
- (ii) In respect of Sales Tax matters for which the company has preferred appeals with appropriate authorities - ₹ 3 206 Lakhs (Previous year : ₹ 2 991 Lakhs). The liability is in respect to matters related to non-submission of "C" Forms / "F" Forms ₹ 2 074 Lakhs (Previous year : ₹ 2 022 Lakhs), Incomplete accounts books ₹ 227 Lakhs (Previous year : ₹ 227 Lakhs), Classification issues ₹ 58 Lakhs (Previous year : ₹ 59 Lakhs), Product valuation issues ₹ 527 Lakhs (Previous year : ₹ 527 Lakhs), and other miscellaneous issues ₹ 320 Lakhs (Previous year : ₹ 156 Lakhs).
- (iii) In respect of Excise and Service Tax matters for which the company has preferred appeals with appropriate authorities ₹ 1 332 Lakhs (Previous year : ₹ 1 332 Lakhs). The liability is in respect to: classification matters ₹ 9 Lakhs (Previous year : ₹ 9 Lakhs), valuation matters ₹ 95 Lakhs (Previous year : ₹ 95 Lakhs) and applicability of service tax matters ₹ 1 226 Lakhs (Previous year : ₹ 1 226 Lakhs) and others ₹ 2 Lakhs (Previous year : ₹ 2 Lakhs).
- (iv) In respect of counter guarantees given to banks against guarantees given by banks : ₹ 9 108 Lakhs (Previous year : ₹ 3 365 Lakhs). At the request of the Company, its bankers have issued guarantees to third parties for 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 - ₹ 46 Lakhs (Previous Year : ₹ 41 Lakhs). The Company is a party to various legal proceedings in the normal course of business.

Future cash flow in respect of the above, if any, is determinable only on receipt of judgments / decisions pending with the relevant authorities. The Company does not expect the outcome of matters stated above to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(b) Commitments :

Estimated amount of contracts remaining to be executed on capital account (net of advances) - ₹ 65 Lakhs (Previous year : ₹ 188 Lakhs).

26. Employee Benefits

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

I. Defined Contribution Plans

- a. Provident Fund
- b. Superannuation Fund
- c. State Defined Contribution Plans: Employer's Contribution to Employees' State Insurance

Notes forming part of the financial statements

The Company has recognized the following amounts in Statement of Profit and Loss:

	For the year ended June 30, 2015	For the year ended June 30, 2014
	₹ in Lakhs	₹ in Lakhs
– Employer's Contribution to Provident Fund	827	752
– Employer's Contribution to Superannuation Fund	224	269
– Employer's Contribution to Employees' State Insurance	1	1

The above amounts are included in Contribution to Provident and other Funds under Employee Benefits Expense (Refer Note 22)

II. Defined Benefit Plans

- Gratuity Fund (Funded Scheme): Gratuity is payable to all eligible employees of the Company on superannuation, death, permanent disablement and resignation in terms of the provisions of the Payment of Gratuity Act, 1972 or Company's scheme whichever is more beneficial. Benefits would be paid at the time of separation based on the last drawn base salary.
- Post Retirement Medical Benefits (PRMB) (Unfunded 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.
- Compensated Absences (Unfunded Scheme): The Company provides for leave encashment on termination / retirement of service or leave with pay subject to rules. The employees are entitled to accumulate leave subject to limits for future encashment / availment. The Company makes provision for Compensated Absences based on an actuarial valuation carried out at the end of the year.

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

(A) Changes in the Present Value of Obligation

	Present Value of Obligation as at opening date	Current Service Cost	Interest Cost	Actuarial (gain) / loss on Obligations	Benefits Paid	Present Value of Obligation as at closing date
Funded Scheme (₹ in Lakhs)						
Gratuity						
For the year ended June 30, 2015	3 696	194	303	699	(497)	4 395
For the year ended June 30, 2014	3 486	273	259	(91)	(231)	3 696
Unfunded Scheme (₹ in Lakhs)						
Post Retirement Medical Benefits (PRMB)						
For the year ended June 30, 2015	228	7	20	12	(6)	261
For the year ended June 30, 2014	254	9	19	(43)	(11)	228
Compensated Absences						
For the year ended June 30, 2015	53	8	5	24	(1)	89
For the year ended June 30, 2014	—	29	—	24	—	53

(B) Changes in the Fair Value of Plan Assets

	Fair Value of Plan Assets as at opening date	Expected Return on Plan Assets	Actuarial Gains and (Losses)	Contributions	Benefits Paid	Fair Value of Plan Assets as at closing date
Funded Scheme (₹ in Lakhs)						
Gratuity						
For the year ended June 30, 2015	2 302	164	11	—	(497)	1 980
For the year ended June 30, 2014	2 372	180	(19)	—	(231)	2 302

Notes forming part of the financial statements

(C) Amount recognized in the Balance Sheet

	Present Value of Obligation as at closing date	Fair Value of Plan Assets as at closing date	Liability / (Asset) recognized in the Balance Sheet	Current Liability / (Asset) recognized in the Balance Sheet	Non-current Liability / (Asset) recognized in the Balance Sheet
Funded Scheme (₹ in Lakhs)					
Gratuity					
For the year ended June 30, 2015	4 395	1 980	2 415	2 415	—
For the year ended June 30, 2014	3 696	2 302	1 394	1 394	—
Unfunded Scheme (₹ in Lakhs)					
Post Retirement Medical Benefits (PRMB)					
For the year ended June 30, 2015	261	—	261	12	249
For the year ended June 30, 2014	228	—	228	11	217
Compensated Absences					
For the year ended June 30, 2015	89	—	89	5	84
For the year ended June 30, 2014	53	—	53	4	49

(D) Expenses recognized in Statement of Profit and Loss

	Current Service Cost	Interest Cost	Expected Return on Plan Assets	Net actuarial (gain) / loss recognized in the year	Total Expenses recognized in Statement of Profit and Loss
Funded Scheme (₹ in Lakhs)					
Gratuity					
For the year ended June 30, 2015	194	303	(164)	688	1 021
For the year ended June 30, 2014	273	259	(180)	(72)	280
Unfunded Scheme (₹ in Lakhs)					
Post Retirement Medical Benefits (PRMB)					
For the year ended June 30, 2015	7	20	—	12	39
For the year ended June 30, 2014	9	19	—	(43)	(15)
Compensated Absences					
For the year ended June 30, 2015	8	5	—	24	37
For the year ended June 30, 2014	29	—	—	24	53

Gratuity are included in Contribution to Provident and Other Funds under employee benefits expense (Refer Note 22)

(E) Category of Plan Assets

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

Category	As at June 30, 2015	As at June 30, 2014
Public Sector Unit	13%	18%
Government of India Securities	2%	7%
State Government Securities	29%	40%
Special Deposit scheme	32%	22%
Private Sector Unit	24%	13%

Notes forming part of the financial statements

(F) Sensitivity of Results to Medical Inflation Rate

Medical Inflation Rate	Current Service + Interest Cost		Present Value of Defined Benefit Obligation	
	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
Effect of 1% increase (6.5%)	31	34	299	259
Effect of 1% decrease (4.5%)	23	23	231	203

(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		Unfunded Scheme			
	For the year ended June 30, 2015	For the year ended June 30, 2014	Post Retirement Benefit	Medical Benefit	Compensated Absences	
Discount rate (per annum)	8.2%	8.8%	8.2%	8.8%	8.2%	8.8%
Average Salary increase rate	8.0%	7.0%	N/A	N/A	8.0%	7.0%
Rate of Return on Plan Assets (For funded scheme)	8.0%	8.0%	N/A	N/A	N/A	N/A
Medical Inflation Rate	N/A	N/A	5.5%	5.5%	N/A	N/A
Expected Retirement age of employees (years)	60	60	60	60	60	60
Withdrawal : Plan Members are assumed to withdraw in accordance with the following table:						
Age						
Upto 45 years	5%	5%	5%	5%	5%	5%
Above 45 years	3%	3%	3%	3%	3%	3%

Mortality rates considered are as per the published rates in Indian Assured Lives Mortality (2006-08).

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.

(H) Experience History

Funded Scheme — Gratuity (₹ in Lakhs)	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2013	For the year ended June 30, 2012	For the year ended June 30, 2011
Defined Benefit Obligation as at closing date	(4 395)	(3 696)	(3 486)	(3 061)	(2 752)
Plan Assets as at closing date	1 980	2 302	2 372	2 672	2 769
Funded Status - (Short) / Excess	(2 415)	(1 394)	(1 114)	(389)	17
Experience Gain/(Loss) adjustments on plan liabilities	(21)	(347)	(195)	(284)	(145)
Experience Gain/(Loss) adjustments on plan assets	11	(19)	86	76	(124)
Actuarial Gain/(Loss) due to change on assumptions	(678)	438	(292)	(30)	27

Notes forming part of the financial statements

Unfunded Scheme - Post Retirement Medical Benefit (₹ in Lakhs)	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2013	For the year ended June 30, 2012	For the year ended June 30, 2011
Defined Benefit Obligation as at closing date	(261)	(228)	(254)	(231)	(217)
Plan Assets as at closing date	—	—	—	—	—
Funded Status	(261)	(228)	(254)	(231)	(217)
Experience Gain/(Loss) adjustments on plan liabilities	18	11	34	(12)	(47)
Experience Gain/(Loss) adjustments on plan assets	—	—	—	—	—
Actuarial Gain/(Loss) due to change on assumptions	(30)	32	(38)	(3)	3
Unfunded Scheme - Compensated Absences (₹ in Lakhs)	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2013	For the year ended June 30, 2012	For the year ended June 30, 2011
Defined Benefit Obligation as at closing date	(89)	(53)	—	—	—
Funded Status	(89)	(53)	—	—	—
Experience Gain/(Loss) adjustments on plan liabilities	(8)	(24)	—	—	—
Actuarial Gain/(Loss) due to change on assumptions	(16)	—	—	—	—

27. (a) International Stock Ownership Plan (Stocks of the Ultimate Holding Company)

The Procter and Gamble Company, USA has an "International Stock Ownership Plan" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of the Ultimate Holding Company i.e. The Procter and Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary). Such contribution is charged to staff cost.

The shares of The Procter & Gamble Company, USA are listed with New York Stock Exchange and are purchased on behalf of the employees at market price on the date of purchase. During the year ended June 30, 2015, ₹ 3 267.28 (Previous year: ₹ 3 147.78) shares were purchased by employees at weighted average fair value of ₹ 5 239.36 (Previous year ₹ 4 904.91) per share.

The Company's contribution during the year on such purchase of shares amounting to ₹ 51 Lakhs (Previous year ₹ 41 Lakhs) has been charged under Employee Benefits Expense (Refer Note 22).

(b) Employees Stock Options Plan (Stocks of the Ultimate Holding Company)

The Procter and Gamble Company, USA has an "Employee Stock Option Plan" whereby specified employees of its subsidiaries covered by the plan are granted an option to purchase shares of the Ultimate Holding Company i.e. The Procter and Gamble Company, USA at a fixed price (grant price) for a fixed period of time. The shares of The Procter & Gamble Company, USA are listed with New York Stock Exchange. The Options Exercise price equal to the market price of the underlying shares on the date of the grant. The Grants issued are vested after 3 years and have a 5/10 years life cycle.

Stock compensation expense of ₹ 1 122 Lakhs (Previous years ₹ 1 118 Lakhs) has been charged under Employee Benefits Expense (Refer Note 22).

Fair Value of shares at Grant date	15-Sep-14	\$ 83.87
	27-Feb-15	\$ 85.13
	13-Sep-13	\$ 79.05
	28-Feb-14	\$ 78.66

Notes forming part of the financial statements

The other disclosures in respect of the plans for the year ended June 30, 2015 are:

	Shares arising out of option		Amount in US\$ per share		Remaining Contractual life (years)	
	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014
Outstanding at the beginning of the year	2 93 016	2 71 423	78.59	76.99	4.26	4.90
Granted during the year						
15-Sep-14	2 396	—	83.87	—	10.00	—
27-Feb-15	13 134	—	85.13	—	10.00	—
27-Feb-15	1 864	—	85.13	—	5.00	—
13-Sep-13	—	2 540	—	79.05	—	10.00
28-Feb-14	—	3 600	—	78.66	—	5.00
28-Feb-14	—	15 553	—	78.66	—	10.00
Forfeited during the year	—	—	—	—	—	—
Transferred/Adjustments during the year	—	—	—	—	—	—
Exercised during the year	(32 235)	(100)	84.53	73.80	—	—
Expired during the year	(6 328)	—	—	—	—	—
Outstanding at the end of the year	2 71 847	2 93 016	78.24	78.59	4.03	4.26
Exercisable at the end of the year	2 07 655	1 97 671	78.24	78.59	3.05	3.28

28. Consumption of raw & packing materials, stores & spares

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in Lakhs	Percentage	₹ in Lakhs	Percentage
(a) Raw and packing materials:				
Indigenously obtained	38 493	66.5	36 476	69.5
Imported at landed cost	19 393	33.5	15 974	30.5
	<u>57 886</u>	<u>100.0</u>	<u>52 450</u>	<u>100.0</u>
(b) Stores and spare parts:				
Indigenously obtained	420	53.2	514	55.2
Imported at landed cost	370	46.8	418	44.8
	<u>790</u>	<u>100.0</u>	<u>932</u>	<u>100.0</u>

Notes forming part of the financial statements

29. Value of Direct Imports on C.I.F. basis

	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
Raw and Packing Materials	19 337	16 221
Spare parts	553	562
Capital goods	2 453	7 242
	<u>22 343</u>	<u>24 025</u>

30. Expenditure in foreign currency

	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
Royalty	10 031	8 524
Business Process outsourcing expenses	2 276	3 040
Advertising expenses	813	817
Relocation expenses	456	672
Travelling expenses	408	558
Expenses cross charged by related parties	2 312	354
Computer expenses	291	240
Legal and Professional Services	18	32
Others	3	13
	<u>16 608</u>	<u>14 250</u>

31. Earnings in foreign exchange

	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
Business process outsourcing income	—	138
Research & Development and other cross recovery	5	7
Exports of goods calculated on F.O.B. basis (excludes Rupee exports to Nepal and Bhutan ₹ 829 Lakhs (Previous year ₹ 1 262 Lakhs))	865	2 380
Others (freight, insurance etc.)	54	110
	<u>924</u>	<u>2 635</u>

32. Remittance made on account of dividend in foreign currency during the year

	For the year ended June 30, 2015	For the year ended June 30, 2014
Number of non-resident shareholders	2	2
Number of equity shares on which dividend were paid	2 23 10 090	2 23 10 090
Dividend remitted-net of tax-in respect of year ended:		
June 30, 2014 Final (₹ in Lakhs)	6 135	—
June 30, 2013 Final (₹ in Lakhs)	—	5 578
	<u>6 135</u>	<u>5 578</u>

Notes forming part of the financial statements

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

	For the year ended June 30, 2015 ₹ in Lakhs	For the year ended June 30, 2014 ₹ in Lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	157	299
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6	33
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	77	—
(d) The amount of interest due and payable for the year	50	33
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	6	33

The above information regarding Micro and Small 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.

34. The Company has taken on lease guesthouses for accommodation of employees with an option of renewal at the end of the lease term and escalation clause in some of the cases. Leases can be terminated with a prior notice as per terms and conditions of the respective lease agreements with the lessor. Lease payments amounting to ₹ 805 Lakhs (Previous Year : ₹ 448 Lakhs) have been charged to the Statement of Profit and Loss for the year.

Future minimum rentals payable under non-cancellable operating lease are as follows:

	As at June 30, 2015 ₹ in Lakhs	As at June 30, 2014 ₹ in Lakhs
Within one year	280	140
After one year but not more than five years	532	108
More than five years	—	—
	812	248

35. (a) Reimbursement/(Recovery) of expenses cross charged to related parties include payments/recoveries on account of finance, personnel, secretarial, administration and planning services rendered under common services agreements with Procter and Gamble Home Products Private Limited and Gillette India Limited (Refer Note 36).

(b) Certain expenses in the nature of employee costs, relocation costs and other expenses are cross charged by the Company to its fellow subsidiaries at actual. Similar expenses incurred by fellow subsidiaries are cross charged to the Company at actual.

36. Employee Benefits Expense includes expenses in respect of Managerial personnel of ₹ 955 Lakhs (Previous Year : ₹ 532 Lakhs) cross charged to Gillette India Limited and Procter and Gamble Home Products Private Limited in terms of the common services agreement (Refer Note 35).

Employee Benefits Expense includes expenses in respect of Managerial personnel of ₹ 159 Lakhs (Previous Year : ₹ 20 Lakhs) cross charged from Gillette India Limited and Procter and Gamble Home Products Private Limited in terms of the common services agreement (Refer Note 35).

Notes forming part of the financial statements

37. There are no outstanding derivative instruments as at year end.

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

a. Amounts receivable in foreign currency

	As at June 30, 2015			As at June 30, 2014		
	₹ in Lakhs	Currency	In Foreign currency	₹ in Lakhs	Currency	In Foreign currency
Export of goods	122	USD	1 91 287	211	USD	3 50 612
Other Receivable	456	USD	7 14 739	118	USD	1 97 026
	—	KRW	—	19	KRW	3 12 50 000

b. Amounts payable in foreign currency

	As at June 30, 2015			As at June 30, 2014		
	₹ in Lakhs	Currency	In Foreign currency	₹ in Lakhs	Currency	In Foreign currency
Import of goods and services	1 681	USD	26 33 976	919	USD	15 30 010
	—	SGD	—	235	SGD	4 89 082
	330	EUR	4 62 086	39	EUR	47 071
Other payables	1 727	USD	27 06 918	3 163	USD	52 66 622
	280	EUR	3 93 764	141	EUR	1 72 073
	4	JPY	8 44 160	16	JPY	26 32 547
	839	CNY	81 61 151	—	CNY	—
	13	GBP	13 440	—	GBP	—
	1	SGD	2 908	—	SGD	—
	—	CAD	—	1	CAD	1 340

38. Related Party Disclosures:

The Group Companies of The Procter & Gamble Company USA include, among others,

Procter & Gamble India Holdings BV	Procter & Gamble Luxembourg Global SARL	Procter & Gamble Canada Holding BV
Procter & Gamble Iron Horse Holding BV	Procter & Gamble International SARL	Procter & Gamble Overseas Canada, BV
Procter & Gamble Eastern Europe LLC	Procter & Gamble India Holdings Inc.	Procter & Gamble Overseas India BV
Procter & Gamble Nordic LLC	Procter & Gamble International Operations, SA	Procter & Gamble Asia Holding BV
Procter & Gamble Global Holdings Limited	Gillette Group (Europe) Holdings, BV	Rosemount BV

(a) Enterprises where control exists:

The Procter and Gamble Company, USA – Ultimate Holding Company
Procter & Gamble Asia Holding BV, The Netherlands – Holding Company

Notes forming part of the financial statements

(b) Other related parties with whom the Company had transactions during the year

(i) Fellow Subsidiaries:

Fameccanica Data S.P.A.	Procter & Gamble Home Products Private Limited (Erstwhile Procter & Gamble Home Products Limited)	Procter & Gamble Product Supply (U.K.) Limited
Fameccanica Machinery (Shanghai) Co. Ltd.	Procter & Gamble Hong Kong Limited	Procter & Gamble Technical Centers Ltd.
Gillette Diversified Operations Pvt. Ltd.	Procter & Gamble International Operations Pte. Ltd.	Procter & Gamble Technology (Beijing) Co. Ltd.
Gillette India Limited	Procter & Gamble International Operations SA	Procter & Gamble Trading (Thailand) Ltd.
P&G K.K.	Procter & Gamble International Operations SA Singapore Branch	Procter & Gamble UK
Procter & Gamble (Guangzhou) Ltd.	Procter & Gamble International Operations SA-Rohq	Pt. Procter & Gamble Home Products Indonesia
Procter & Gamble (Singapore) Pte. Ltd.	Procter & Gamble Japan K.K.	Pt. Procter & Gamble Operations Indonesia
Procter & Gamble Australia Pty. Ltd.	Procter & Gamble Korea S&D, Co.	The Procter & Gamble Company
Procter & Gamble Bangladesh Private Limited	Procter & Gamble Korea, Inc.	The Procter & Gamble Distributing LLC
Procter & Gamble Distributing (Philippines), Inc.	Procter & Gamble Malaysia Sdn. Bhd.	The Procter & Gamble Manufacturing Company
Procter & Gamble Europe SA	Procter & Gamble Manufacturing (Thailand) Ltd.	The Procter & Gamble US Business Services Co.
Procter & Gamble Europe SA Singapore Branch	Procter & Gamble Manufacturing GmbH	Wella India Hair Cosmetics Pvt. Ltd.
Procter & Gamble Gulf FZE	Procter & Gamble Mataro S.L.U.	

(ii) Key Management Personnel of the Company

Mr. Shantanu Khosla (Managing Director) (upto June 30, 2015)	No. of shares held 67 (Previous year : 67)
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Note : Related parties have been identified by the management.

(c) Transactions during the year

(Amount in ₹ in Lakhs)

Nature of transactions		Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Management Personnel	Total
Sale of Products					
Procter & Gamble International Operations SA Singapore Br.	2014-2015	—	561	—	561
Procter & Gamble Bangladesh Private Limited	2014-2015	—	358	—	358
Others	2014-2015	—	56	—	56
Procter & Gamble International Operations SA Singapore Br.	2013-2014	—	1 843	—	1 843
Procter & Gamble Bangladesh Private Limited	2013-2014	—	504	—	504
Others	2013-2014	—	143	—	143

Notes forming part of the financial statements

(Amount in ₹ in Lakhs)

Nature of transactions		Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Management Personnel	Total
Sale of Assets/Spares					
Procter & Gamble Home Products Private Limited	2014-2015	—	14	—	14
Procter & Gamble Home Products Private Limited	2013-2014	—	30	—	30
Recovery of expenses cross charged					
Procter & Gamble Home Products Private Limited	2014-2015	—	4 847	—	4 847
Gillette India Limited	2014-2015	—	2 729	—	2 729
The Procter & Gamble Company	2014-2015	2 232	—	—	2 232
Others	2014-2015	—	653	—	653
Procter & Gamble Home Products Private Limited	2013-2014	—	4 599	—	4 599
Gillette India Limited	2013-2014	—	3 000	—	3 000
Others	2013-2014	185	592	—	777
Business Process Outsourcing income					
The Procter & Gamble Company	2014-2015	—	—	—	—
Procter & Gamble Europe SA Singapore Br.	2014-2015	—	—	—	—
The Procter & Gamble Company	2013-2014	110	—	—	110
Procter & Gamble Europe SA Singapore Br.	2013-2014	—	28	—	28
Reimbursement from related parties for expenses shared					
Procter & Gamble Home Products Private Limited	2014-2015	—	2 453	—	2 453
Gillette India Limited	2014-2015	—	2 045	—	2 045
Procter & Gamble Home Products Private Limited	2013-2014	—	3 236	—	3 236
Gillette India Limited	2013-2014	—	749	—	749
Interest Income					
Procter & Gamble Home Products Private Limited	2014-2015	—	2 687	—	2 687
Wella India Hair Cosmetics Pvt. Ltd.	2014-2015	—	1 738	—	1 738
Others	2014-2015	—	91	6	97
Procter & Gamble Home Products Private Limited	2013-2014	—	4 013	—	4 013
Wella India Hair Cosmetics Pvt. Ltd.	2013-2014	—	622	—	622
Others	2013-2014	—	—	6	6
Purchases of Goods					
Procter & Gamble Home Products Private Limited	2014-2015	—	29 406	—	29 406
Others	2014-2015	—	484	—	484
Procter & Gamble Home Products Private Limited	2013-2014	—	21 729	—	21 729
Others	2013-2014	—	3 008	—	3 008

Notes forming part of the financial statements

(Amount in ₹ in Lakhs)

Nature of transactions		Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Management Personnel	Total
Royalty					
The Procter & Gamble Company	2014-2015	10 031	—	—	10 031
The Procter & Gamble Company	2013-2014	8 524	—	—	8 524
Rent					
Procter & Gamble Home Products Private Limited	2014-2015	—	394	—	394
Purchase of Assets/Spares					
The Procter & Gamble Distributing LLC	2014-2015	—	1 420	—	1 420
Others	2014-2015	—	225	—	225
The Procter & Gamble Distributing LLC	2013-2014	—	6 609	—	6 609
Others	2013-2014	—	332	—	332
Business Process Outsourcing expenses					
Procter & Gamble Europe SA Singapore Br.	2014-2015	—	1 855	—	1 855
Procter & Gamble International Operations SA-ROHQ	2014-2015	—	421	—	421
Procter & Gamble Europe SA Singapore Br.	2013-2014	—	2 665	—	2 665
Procter & Gamble International Operations SA-ROHQ	2013-2014	—	375	—	375
Expenses cross charged					
The Procter & Gamble Company	2014-2015	1 219	—	—	1 219
Procter & Gamble Home Products Private Limited	2014-2015	—	1 215	—	1 215
Procter & Gamble (Guangzhou) Ltd.	2014-2015	—	996	—	996
Others	2014-2015	—	277	—	277
Procter & Gamble Home Products Private Limited	2013-2014	—	3 717	—	3 717
Gillette India Limited	2013-2014	—	557	—	557
Others	2013-2014	194	182	—	376
Computer expenses					
Procter & Gamble US Business Services Co.	2014-2015	—	289	—	289
Procter & Gamble US Business Services Co.	2013-2014	—	237	—	237
Remuneration					
Mr. S. Khosla	2014-2015	—	—	1 402	1 402
Mr. S. Khosla	2013-2014	—	—	694	694

Notes forming part of the financial statements

(Amount in ₹ in Lakhs)

Nature of transactions		Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Management Personnel	Total
Loans					
Loans Given					
Procter & Gamble Home Products Private Limited	2014-2015	—	63 820	—	63 820
Wella India Hair Cosmetics Pvt. Ltd.	2014-2015	—	32 049	—	32 049
Others	2014-2015	—	1 300	—	1 300
Procter & Gamble Home Products Private Limited	2013-2014	—	1 91 117	—	1 91 117
Wella India Hair Cosmetics Pvt. Ltd.	2013-2014	—	31 122	—	31 122
Others	2013-2014	—	—	22	22
Loans Repaid					
Procter & Gamble Home Products Private Limited	2014-2015	—	78 701	—	78 701
Wella India Hair Cosmetics Pvt. Ltd.	2014-2015	—	21 649	—	21 649
Others	2014-2015	—	—	52	52
Procter & Gamble Home Products Private Limited	2013-2014	—	1 94 539	—	1 94 539
Wella India Hair Cosmetics Pvt. Ltd.	2013-2014	—	23 122	—	23 122
Others	2013-2014	—	—	7	7
Dividend Remitted/Paid					
Procter & Gamble Asia Holding BV	2014-2015	5 836	—	—	5 836
Others	2014-2015	—	470	— @	470
Procter & Gamble Asia Holding BV	2013-2014	5 305	—	—	5 305
Others	2013-2014	—	427	— ¥	427
@ ₹ 1 843 / ¥ ₹ 1 675					

(d) Outstanding

(Amount in ₹ in Lakhs)

Nature of balance	As at	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Management Personnel	Total
Payables					
Procter & Gamble Home Products Private Limited	30-Jun-15	—	5 028	—	5 028
The Procter & Gamble Company	30-Jun-15	4 300	—	—	4 300
Procter & Gamble (Guangzhou) Ltd.	30-Jun-15	—	1 215	—	1 215
Others	30-Jun-15	—	1 263	—	1 263
Procter & Gamble Home Products Private Limited	30-Jun-14	—	2 104	—	2 104
The Procter & Gamble Company	30-Jun-14	1 807	—	—	1 807
Procter & Gamble Europe SA Singapore Br.	30-Jun-14	—	1 594	—	1 594
Others	30-Jun-14	—	1 676	—	1 676

Notes forming part of the financial statements

(Amount in ₹ in Lakhs)

Nature of balance	As at	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Management Personnel	Total
Trade Receivables					
Procter & Gamble Bangladesh Private Limited	30-Jun-15	—	59	—	59
Procter & Gamble International Operations SA Singapore Br.	30-Jun-15	—	63	—	63
Others	30-Jun-15	—	8	—	8
Procter & Gamble Bangladesh Private Limited	30-Jun-14	—	115	—	115
Procter & Gamble International Operations SA Singapore Br.	30-Jun-14	—	88	—	88
Others	30-Jun-14	—	47	—	47
Other Current Assets					
Procter & Gamble Home Products Private Limited	30-Jun-15	—	3 102	—	3 102
Gillette India Limited	30-Jun-15	—	1 440	—	1 440
Others	30-Jun-15	213	264	—	477
Procter & Gamble Home Products Private Limited	30-Jun-14	—	2 388	—	2 388
Gillette India Limited	30-Jun-14	—	1 088	—	1 088
Others	30-Jun-14	65	252	—	317
Interest income accrued					
Procter & Gamble Home Products Private Limited	30-Jun-15	—	83	—	83
Others	30-Jun-15	—	9	—	9
Procter & Gamble Home Products Private Limited	30-Jun-14	—	462	—	462
Wella India Hair Cosmetics Pvt. Ltd.	30-Jun-14	—	158	—	158
Loans					
Procter & Gamble Home Products Private Limited	30-Jun-15	—	20 000	—	20 000
Wella India Hair Cosmetics Pvt. Ltd.	30-Jun-15	—	20 000	—	20 000
Others	30-Jun-15	—	1 300	—	1 300
Procter & Gamble Home Products Private Limited	30-Jun-14	—	34 881	—	34 881
Wella India Hair Cosmetics Pvt. Ltd.	30-Jun-14	—	9 600	—	9 600
Others	30-Jun-14	—	—	52	52

Notes forming part of the financial statements

Note:

1 Disclosure required under section 186(4) of the Companies Act, 2013 for Loans given:

Sr. No.	Name	Relations	Amount as at June 30, 2015 (₹ in Lakhs)	Amount as at June 30, 2014 (₹ in Lakhs)
	Intercorporate Loans			
1	Procter & Gamble Home Products Private Limited	Fellow Subsidiary	20 000	34 881
2	Wella India Hair Cosmetics Pvt. Ltd.	Fellow Subsidiary	20 000	9 600
3	Gillette Diversified Operations Pvt Ltd	Fellow Subsidiary	1 300	—

Above intercorporate loans have been given for general business purposes for meeting their working capital requirements.

39. The Company operates in a single segment i.e. Manufacturing, Trading and Marketing of Health and Hygiene Products.

40. Earnings per share (EPS)

	For the year ended June 30, 2015	For the year ended June 30, 2014
Calculation of Basic and diluted earnings per share (₹)		
Profit after Tax for the year (₹ in Lakhs)	34 614	30 202
Weighted average number of equity shares outstanding for Basic / Diluted EPS (Nos.)	3 24 60 736	3 24 60 736
Nominal value of equity per share (₹)	10	10
Basic / Diluted Earnings per share (₹)	106.63	93.04

41. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of Board of Directors

R. A. Shah
Chairman

P. Bishnoi
Company Secretary

Al Rajwani
Managing Director

P. Bhatnagar
Chief Financial Officer

Mumbai
August 28, 2015

TEN YEAR FINANCIAL HIGHLIGHTS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
YEAR END FINANCIAL POSITION (₹ Crores)										
Gross Fixed Assets	127.0	163.6	203.1	221.8	243.0	312.9	345.9	377.5	428.1	523.7
Net Fixed Assets	65.4	94.0	123.1	132.3	130.3	190.4	198.4	214.9	239.5	308.8
Net Worth	272.7	291.2	346.6	440.0	534.6	600.6	786.6	805.3	1002.9	1228.7
SUMMARY OF OPERATIONS (₹ Crores)										
Gross Sales	596.8	553.0	652.6	773.0	913.5	1037.0	1310.1	1696.7	2063.6	2358.4
Profit before Tax	193.3	145.5	180.6	231.7	233.6	178.7	223.0	286.2	460.3	500.8
Profit after Tax	139.5	89.8	131.4	178.8	179.8	150.9	182.9	203.2	302.0	346.1
Dividend	81.2	64.9	64.9	73.0	73.0	73.0	73.0	81.2	89.3	98.2
PER SHARE DATA										
EPS (₹)	42.98	27.67	40.48	55.10	55.38	46.48	57.30	62.61	93.04	106.63
Dividend (%)	250	200	200	225	225	225	225	250	275	302
NUMBER OF SHARES										
Shares (Lakhs)	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61
NUMBER OF EMPLOYEES										
Employees	251	273	250	282	324	370	435	408	406	377



P&G Values

Integrity

Leadership

Ownership

Passion for Winning

Trust



P&G Brands and P&G People are the foundation of P&G's success.

P&G People bring the values to life as we focus on improving the lives of the world's consumers.



Procter & Gamble
Hygiene and Health Care Limited

Registered Office:

P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai - 400099.

Tel. : (91-22) 2826 6000 Fax : (91-22) 2826 7303

PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED

(CIN: L24239MH1964PLC012971)

Registered Office: P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai - 400 099

Website: www.pg.com/en_IN • Tel: (91-22) 2826 6000; Fax: (91-22) 2826 7303

NOTICE

NOTICE is hereby given that the Fifty-first Annual General Meeting of the Members of the Company will be held on **Wednesday, October 28, 2015, at 3.30 p.m.** at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai 400 021 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at June 30, 2015 and the Statement of Profit and Loss for the Financial Year ended on that date, together with the Reports of the Auditors and Directors thereon.
2. To declare dividend for the Financial Year ended June 30, 2015.
3. To appoint Mr. Shailymanyu Singh (DIN 06832523) as a Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Messrs. Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Reg. No. 117366WW-100018), as approved by Members at the Fiftieth Annual General Meeting, as Statutory Auditors of the Company to hold office until the conclusion of the Fifty-Third Annual General Meeting, on such remuneration and reimbursement of out-of-pocket expenses, as the Board of Directors may decide.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification/s, if any, the following Resolution as an **Ordinary Resolution:**

Appointment of Mr. Karthik Natarajan as Non-Executive Director of the Company, liable to retire by rotation

“RESOLVED THAT Mr. Karthik Natarajan (DIN 06685891) who was appointed as an Additional Director of the Company on October 1, 2014 by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and pursuant to the Articles of Association of the Company, and who holds such office until this Annual General Meeting and who has submitted a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass with or without modification/s, if any, the following Resolution as an **Ordinary Resolution:**

Appointment of Mr. Pramod Agarwal as Non-Executive Director of the Company, liable to retire by rotation

“RESOLVED THAT Mr. Pramod Agarwal (DIN 00066989) who was appointed as an Additional Director of the Company on May 8, 2015 by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and pursuant to the Articles of Association of the Company, and who holds such office until this Annual General Meeting and who has submitted a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification/s, if any, the following Resolution as an **Ordinary Resolution:**

Appointment of Mr. Al Rajwani as Managing Director of the Company for a period of five years effective August 28, 2015

“RESOLVED THAT Mr. Al Rajwani (DIN 07251300) who was appointed as an Additional Director of the Company on August 28, 2015 by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and pursuant to the Articles of Association of the Company, and who holds such office until this Annual General Meeting and who has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable provisions of the Act (including any statutory modification or re-enactment thereof) read with the applicable provisions of the Articles of Association of the Company, and if applicable, subject to the approval of the Central Government, approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Al Rajwani (DIN 07251300) as Managing Director of the Company for a period of five years with effect from August 28, 2015, as per the terms and conditions detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby entitled to modify / revise the terms and conditions of the remuneration of Mr. Rajwani provided, however, the terms of remuneration of

Mr. Rajwani shall not exceed the ceiling as set out in Section 197 of the Act read with Schedule V to the Act, as amended from time to time."

8. To consider and, if thought fit, to pass with or without modification/s, if any, the following Resolution as an **Ordinary Resolution**:

Payment of Remuneration to the Cost Auditor for the Financial Year 2015-16

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act"), Rules framed thereunder (as amended from time to time) and other applicable laws, such other permissions as may be necessary, and subject to such amendatory notification issued hereunder, the Members hereby ratify the remuneration of ₹ 7,00,000/- plus service tax and out-of-pocket expenses payable to M/s Ashwin Solanki & Associates, Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records maintained by the Company for the Financial Year 2015-16."

9. To consider and, if thought fit, to pass with or without modification/s, if any, the following Resolution as an **Special Resolution**:

Payment of Commission to the Non-Executive Independent Directors of the Company

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Non-Executive Independent Directors of the Company be paid, a commission upto one percent of the net profits of the Company per annum in aggregate for a period of five years with effect from July 1, 2016, as may be determined by the Board of Directors from time to time."

By Order of the Board of Directors

sd/
Preeti Bishnoi
Company Secretary

Mumbai
August 28, 2015

Registered Office:

P&G Plaza,
Cardinal Gracias Road,
Chakala, Andheri (East),
Mumbai - 400 099

NOTES

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item Nos. 5 to 9 is annexed hereto and forms a part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY (IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and the Share Transfer books of the Company will remain closed from **Wednesday, October 21, 2015, to Wednesday, October 28, 2015** (both days inclusive), for the purpose of determining the names of Members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
6. The dividend on Equity Shares for the Financial Year ended June 30, 2015, as recommended by the Directors, if approved at the Annual General Meeting, will be paid between November 4, 2015 to November 12, 2015:
 - (a) To all beneficial owners, in respect of shares held in dematerialized form, as per details furnished by the Depositories for this purpose as at the close of business hours on October 20, 2015;

(b) To all Members, in respect of shares held in physical form, whose names shall appear on the Company's Register of Members as on October 28, 2015.

7. In line with Securities and Exchange Board of India ("SEBI") directives, the Company is required to update bank details of the Members of the Company to enable usage of the electronic mode of remittance such as ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT for distributing dividends and other cash benefits to its Members.

In this regard, Members holding shares in electronic form are requested to furnish their bank details to their Depository Participants ("DPs"). Members holding shares in physical form are requested to furnish their bank details, along with a photocopy of a blank cancelled cheque pertaining to your bank account to the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd.

8. Members holding shares in the physical form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agent ("RTA"), M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Tel: (022) 2596 7799, Fax: (022) 2594 6969, e-mail: rnt.helpdesk@linkintime.co.in.
- Bank Mandate with full particulars for remittance of dividend directly into their Bank Accounts, if declared at the Meeting;
 - Intimate changes, if any, in their address / name, bank details, NECS / ECS, mandates, nominations, power of attorney etc. at an early date;
 - Apply for consolidation of folios, if shareholdings are under multiple folios in identical names or joint holding in the same order of names;
 - Send their share certificates for consolidation; and
 - Request for nomination forms for making nominations, as per the format prescribed under the Companies Act, 2013.

Members holding shares in the dematerialized (electronic) form are requested to intimate the aforesaid changes directly to their DPs, as applicable.

9. SEBI has mandated submission of Permanent Account Number ("PAN") for all transactions in the securities market. Members who are holding shares

in dematerialized form are requested to submit their PAN details to their respective DP. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited. Members are requested to note that in case of transfer of shares held in physical form, submission of photocopy of PAN card of the transferee(s) along with the transfer deeds and share certificates at the time of lodgement of transfer of shares is mandatory.

10. In the case of dematerialized shares, the Company is obliged to print Bank details on the dividend warrants, as are furnished by the National Securities Depository Limited ("NSDL") and the Central Depositories Services (India) Limited ("CDSL") ("the Depositories") to the Company and the Company cannot entertain any request for deletion / change of Bank details without confirmation from the depositories. In this regard, Members are advised to contact their DPs and furnish them the particulars of any change(s) desired.
11. Non-resident Indian Members are requested to immediately inform the Company or its RTA or the concerned DP, as the case may be, about the following:
- The change in the residential status on return to India for permanent settlement;
 - The particulars of the NRE account with a Bank in India, if not furnished earlier.
12. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the Meeting.
13. Members' attention is particularly drawn to "Corporate Governance" section of the Annual Report in respect of unclaimed and unpaid dividends.
14. Members are requested to address all correspondences, including share transfer documents and dividend matters to the Company's RTA, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Tel: (022) 2596 3838, Fax: (022) 2594 6969, e-mail: pginvestors@linkintime.co.in / rnt.helpdesk@linkintime.co.in. For providing better services to our Members, the RTA has deputed a full time resource, *Ms. Chaitali Jadhav*,

who will provide all help to our Members and can be contacted directly on her dedicated telephone number – 022 2596 7799.

Members are requested to quote their ledger folio numbers in all their correspondence to enable the Company to provide better services to the Members.

15. In terms of Clause 5A of the Listing Agreement, the Company has sent the requisite reminders to the respective Members. The Company is in process of crediting the same to demat suspense account.
16. This Annual Report comprising of Notice, Audited Financial Statements, Directors' Report, Auditors' Report etc. is being sent in the electronic form to all the Members who have furnished their e-mail ids to the Company or updated / provided their e-mail ids to their respective DPs. Members may kindly note that as Members of the Company they are entitled to be furnished, free of cost a printed copy of the Annual Report of the Company, upon receipt of requisition at any time. The communications / documents issued by the Company would also be made available on the Company's website: www.pg.com/en_IN. Members holding shares in physical form, who have not registered / updated their respective e-mail addresses, are requested to intimate their respective e-mail ids to rnt.helpdesk@linkintime.co.in. Members holding shares in dematerialised form, who have not registered / updated their respective e-mail addresses, are requested to do so with their respective DPs.

We request the Members to subscribe to Annual Report in electronic form to support us in our endeavour to go green.

17. In compliance with Clause 35B of the Listing Agreement and the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under, Members may cast their votes electronically, through the e-voting services, on all the resolutions set forth in this Notice. The e-voting period commences on Friday, October 23, 2015 at 9:00 a.m. and ends on Tuesday, October 27, 2015 at 5:00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on October 21, 2015, being the cut-off date, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently. The Company has appointed Mr. B. V. Dholakia, Practising Company Secretary,

to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

Procedure For E-Voting

- A. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for the Annual General Meeting. The instructions for e-voting are as under:

a) In case of Members receiving an e-mail from NSDL:

- (i) Open the PDF file 'PGHH e-voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- (ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login.
- (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
- (v) Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of e-voting will open. Click on e-Voting - Active E-voting Cycles.
- (vii) Select 'EVEN' of Procter & Gamble Hygiene and Health Care Ltd.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) For the votes to be considered valid, the Institutional Shareholders (other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter etc together with attested specimen signatures of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at pghhagm2015@dholakia-associates.com with a copy marked to evoting@nsdl.co.in.
- b) In case of Shareholders receiving physical copy of the Notice of Annual General Meeting and Attendance Slip**
- (i) Initial Password is provided at the bottom of the Attendance Slip.
- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- B. In case of any queries, you may refer to the 'Frequently Asked Questions' ("FAQs") and 'e-voting user manual' available at the Downloads section of NSDL's e-voting website www.evoting.nsdl.com.
- C. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- D. Facility for voting through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
- E. The Members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- F. The results along with the Scrutinizer's Report, shall be placed on the website of the Company.
- Members may kindly note that no gifts in any form shall be given to any Member and the Company will not entertain any requests in this regard.**

By Order of the Board of Directors

**sd/-
Preeti Bishnoi
Company Secretary**

Mumbai
August 28, 2015

Registered Office:

P&G Plaza,
Cardinal Gracias Road,
Chakala, Andheri (East),
Mumbai - 400 099

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

Appointment of Mr. Karthik Natarajan as Director of the Company, liable to retire by rotation

Mr. Karthik Natarajan was appointed as an Additional Director of the Company by the Board of Directors on October 1, 2014, pursuant to Section 161 of the Companies Act, 2013. Mr. Natarajan holds such office till the date of ensuing Fifty-first (51st) Annual General Meeting of the Company. Hence, it is proposed to appoint Mr. Natarajan as Non-Executive Director, liable to retire by rotation.

Mr. Natarajan is a Chartered Accountant and has completed his Bachelor of Commerce from RA Poddar College, Mumbai. Mr. Natarajan is currently the Finance head for the P&G Group in India and has been with P&G for over 15 years. Prior to this role, he has worked across multiple locations including US, China, Phillipines and Singapore. He has held global responsibilities and has led strategy development, business and financial planning and operational execution with excellence for several important P&G businesses over his tenure with P&G.

Pursuant to Section 160 of the Companies Act, 2013, Mr. Natarajan has submitted a notice together with a deposit of ₹ 1,00,000/- proposing his candidature for the office of Director, liable to retire by rotation.

The Board recommends the appointment of Mr. Natarajan as Non-Executive Director of the Company, liable to retire by rotation.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Karthik Natarajan, are concerned or interested, financially or otherwise, in this item.

Item No. 6

Appointment of Mr. Pramod Agarwal as Non-Executive Director of the Company, liable to retire by rotation

Mr. Pramod Agarwal was appointed as an Additional Director of the Company by the Board of Directors on May 8, 2015, pursuant to Section 161 of the Companies Act, 2013. Mr. Agrawal holds such office till the date of ensuing Fifty-first (51st) Annual General Meeting of the Company. Hence, it is proposed to appoint Mr. Agrawal as Non-Executive Director liable to retire by rotation.

Mr. Pramod Agarwal is a Bachelor of Commerce from Kanpur University and a Post Graduate in Management from Indian Institute of Management, Ahmedabad. He is Vice President – Finance & Accounting / Chief Financial Officer for P&G Global Hair Care & Color Business based out of Geneva, Switzerland. Mr. Agarwal is an expert in

Finance with deep knowledge of the business in various geographies and product categories. Prior to the current role, he was the Vice President Finance & Accounting for Asia business and has a rich experience in pulling the business out of Asian economic crisis in 1997 as well as the global financial crisis in 2008 and enabled strong growth of P&G business in Asia.

Mr. Agarwal has an experience of over 28 years and has worked across multiple geographies including Thailand, Japan, Philippines, USA, Singapore and now in Switzerland.

Mr. Agarwal has been selected as Member of the Indian Institute of Management Ahmedabad Society.

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

Pursuant to Section 160 of the Companies Act, 2013, Mr. Agrawal has submitted a notice together with a deposit of ₹ 1,00,000/- proposing his candidature for the office of Director liable to retire by rotation.

The Board recommends the appointment of Mr. Agrawal as a Director of the Company, liable to retire by rotation.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Pramod Agarwal, are concerned or interested, financially or otherwise, in this item.

Item No. 7

Appointment of Mr. Al Rajwani as the Managing Director of the Company for a period of five years effective August 28, 2015

Mr. Al Rajwani was appointed as an Additional Director of the Company by the Board of Directors on August 28, 2015, pursuant to Section 161 of the Companies Act, 2013. Mr. Rajwani holds such office till the date of ensuing Fifty-first (51st) Annual General Meeting of the Company. Hence, it is proposed to appoint Mr. Rajwani as a Director of the Company.

Pursuant to Section 160 of the Companies Act, 2013, Mr. Rajwani has submitted a notice together with a deposit of ₹ 1,00,000/- proposing his candidature for the office of Director.

Further, the Board of Directors of the Company have, subject to the approval of the Members of the Company at ensuing 51st Annual General Meeting and the approval of the Central Government, if applicable, appointed Mr. Rajwani as the Managing Director of the Company for a period of five years with effect from August 28, 2015, on following terms and conditions:

- i. Remuneration upto ₹ 6,00,00,000 (Rupees Six Crores Only) per annum.
- ii. Company accommodation, medical reimbursements, club membership, personal accidence insurance, car

loan from the Company, one time allowances, long term incentives / key manager awards and such other perquisites in accordance with the rules of the Company as applicable to all employees, and the monetary value of which will be in terms of the Income Tax Act, 1961.

- iii. The Board of Directors shall be entitled to modify / revise the terms and conditions of the remuneration of Mr. Rajwani provided, however, the terms of remuneration of Mr. Rajwani shall not exceed the ceiling as set out in Section 197 of the Act read with Schedule V to the Act, as amended from time to time.
- iv. Mr. Rajwani shall not be liable to retire by rotation.

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

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

Mr. Rajwani is also proposed to be appointed as Managing Director of Gillette India Limited. The Board of Directors have provided unanimous consent for having no objection to the appointment of Mr. Rajwani as the Managing Director of Gillette India Limited, at a remuneration that shall be shared by the Companies in proportion of their Net Outside Sales (NOS).

The Board recommends the appointment of Mr. Al Rajwani as Managing Director of the Company for a period of five years effective from August 28, 2015.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Al Rajwani, are concerned or interested, financially or otherwise, in this item.

Item No. 8

Payment of Remuneration to the Cost Auditor for the Financial Year 2015-16

The Board of Directors at their meeting held on August 28, 2015, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Ashwin Solanki & Associates, Cost Accountants

as the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year 2015-16 and remuneration of ₹ 7,00,00/- plus service tax and out-of-pocket expenses.

In terms with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

The Board recommends ratification of remuneration to the Cost Auditors as mentioned above.

None of the Directors or Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in this item.

Item No. 9

Payment of Commission to the Non-Executive Independent Directors of the Company

The Members of the Company had at their 47th Annual General Meeting held on November 23, 2011, passed a Special Resolution according approval for payment of Commission of upto 1% of the net profits of the Company per annum in the aggregate for a period of five years w.e.f. July 1, 2011. Non-Executive Independent Directors were paid commission of ₹ 11 lakhs towards commission for the Financial Year 2014-15.

It is now therefore necessary to seek fresh approval from the Members at the ensuing 51st Annual General Meeting for payment of commission upto maximum of 1% of the net profits of the Company per annum in the aggregate for a period of five years w.e.f. July 1, 2016 or such date as the Board of Directors may approve.

All the Non-Executive Independent Directors, namely Mr. R. A. Shah, Mr. B. S. Mehta and Mr. A. K. Gupta, are deemed to be interested and concerned in this item of business.

By Order of the Board of Directors

sd/
Preeti Bishnoi
Company Secretary

Mumbai
August 28, 2015

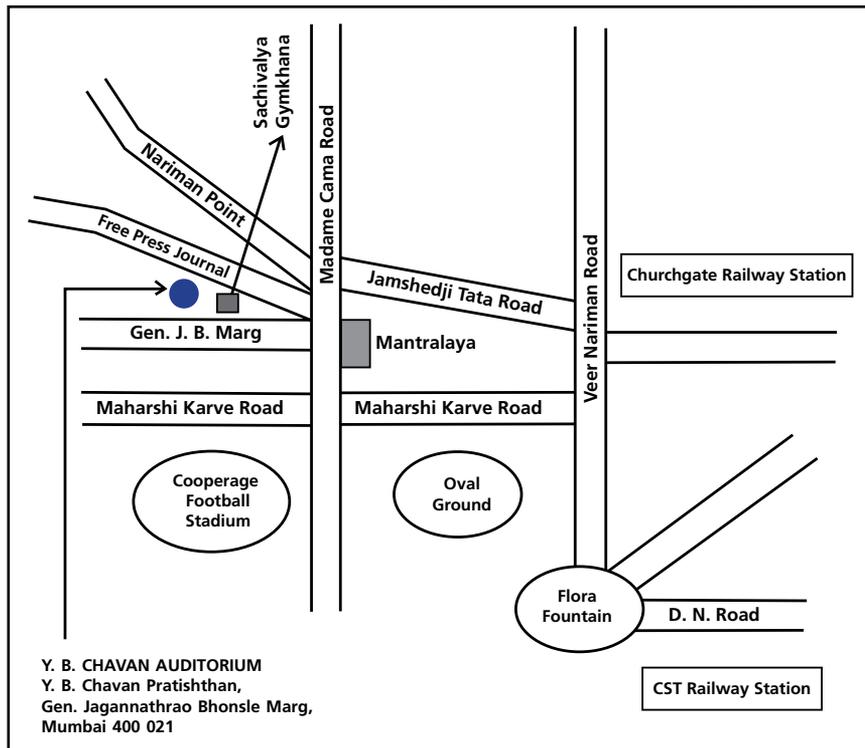
Registered Office:

P&G Plaza,
Cardinal Gracias Road,
Chakala, Andheri (East),
Mumbai - 400 099

**Details of Directors proposed to be appointed / re-appointed
at the forthcoming 51st Annual General Meeting
(in pursuance to Clause 49 VIII (E) of the Listing Agreement)**

Name of Director	Mr. Al Rajwani	Mr. Pramod Agarwal	Mr. Shailymanyu Singh	Mr. Karthik Natarajan
Age	57 years	53 years	39 years	38 years
Date of appointment on the Board	August 28, 2015	May 8, 2015	March 15, 2014	October 1, 2014
Expertise in specific field	Chemical Engineer	M.B.A. in Finance	Masters in Law	Chartered Accountant
Names of other Companies in which he holds Directorships	The Advertising Standard Council of India	Gillette India Limited	Temple Trees Impex & Investment Private Limited	Temple Trees Impex & Investment Private Limited
Chairman / Member of the Committee(s) of the Board of Directors of the Company	Stakeholder Relationship Committee – Member Corporate Social Responsibility Committee – Member Risk Management Committee – Chairman	Nil	Stakeholder Relationship Committee – Chairman	Nomination & Remuneration Committee – Member Corporate Social Responsibility Committee – Member Risk Management Committee – Member
Chairman / Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Nil	Nil	Nil	Nil
Shareholding in the Company	Nil	Nil	Nil	Nil

Route Map for venue of the 51st Annual General Meeting of Procter & Gamble Hygiene and Health Care Limited





Procter & Gamble Hygiene
and Health Care Limited
CIN: L24239MH1964PLC012971
Registered Office:
P&G Plaza
Cardinal Gracias Road, Chakala
Andheri (E), Mumbai 400 099
Tel: (91-22) 2826 6000
Fax: (91-22) 2826 7303
www.pg.com/en_IN

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Procter and Gamble Hygiene and Health Care Limited
2.	Annual financial statements for the year ended	June 30, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	Mr. Al Rajwani Managing Director	
	Mr. Prashant Bhatnagar Chief Financial Officer	
	Mr. R. A. Shah Audit Committee Chairman	
	Auditor of the Company	Refer our Audit Report dated August 28, 2015 on the Financial Statements of Procter and Gamble Hygiene and Health Care Limited. For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Firm Registration No. 117366W/W-100018)  (Shyamak R Tata) (Partner) (Membership No. 038320) Mumbai