

Gillette India Limited



ANNUAL REPORT
2014-15

P&G



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. At your Company, we win with shoppers and consumers by providing consumer-preferred brands and products that become leading value creators in their categories. The best measure of winning is Operating Total Shareholder Return (TSR) because it is a single, coordinated and integrated measure of growth and value creation that brings together winning with shoppers and consumers to deliver sales growth, gross and operating margin improvement, and asset efficiency. As, I share with you, your Company's annual performance for the Financial Year 2014-15, I take pride in the fact that we delivered increased Net Sales of ₹ 1,971 crores, up 13% versus last year, with robust growth across all segments including Grooming, Oral Care and Portable Power.

The financial results of the Financial Year include a one-time facilitation income benefit of about ₹ 63 crores before tax related to the discontinuation of distribution of Duracell batteries. We continued to drive sustained growth and delivered Profit After Tax (PAT) at ₹ 158 crores, versus ₹ 51 crores last year, behind continued focus on productivity, operational excellence and cost optimization. Excluding the one-time Duracell distribution discontinuation facilitation income, PAT for the Financial Year increased to ₹ 116 crores, versus ₹ 51 crores last year.

Your Company has always believed that innovation is the lifeblood of our business. We invent brands and products that create and transform categories, and that build consumer trial and create value in those categories for years—often for decades. This Financial Year, your Company has consistently sought to innovate in all we do, to continue to touch and improve the lives of our consumers.

Your Company's focus on innovation and productivity was the key enabler behind brand building and providing superior products to the consumers this year as well. On Gillette Mach3, we completed the first ever global restage with a completely new look design across all three variants, viz., *Mach3*, *Sensitive* and *Turbo* with a bold new promise of 'Closer Shave with Zero Redness Guaranteed'. Gillette Guard, the innovative Entry Level system, registered its strongest year on value, volume and share growth, since its launch in 2010. *Oral-B* has led innovation this year within the sensitive category by launching the new sensitive whitening variant, helping the brand grow disproportionately within sensitive tier.

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. For example, your Company launched its Limited Edition INDIA razors with the word INDIA engraved on the handle to encourage cricket fans to continue extending their relentless support to the team. As an ode to Indian cricket fans, your Company launched its '*The Best A Fan Can Get*' video, saluting all cricket lovers who showcase their passion and relentless support towards Cricket and cricketers. The video featured brand ambassador Rahul Dravid, saluting the spirit of the Indian cricket fans who have made cricket what it is today. The video was adjudged as the '*Most watched campaign on You Tube India for Q1, 2015*'.

We are rededicating ourselves to the power of execution. We are raising our standards to be the best at execution. We are renewing focus on gaining trial among consumers at the point of market entry. We are recommitting to superior advertising to create awareness and sampling clearly 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* also forayed into improving learning outcomes by creating new frontiers for 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.

Any company that wants to drive growth and create value in the long run needs to adopt a mindset of 'winning'. Ensuring we deliver value to our stakeholders, we will continue to innovate so that we grow sales, profit and cash more consistently and more sustainably to create value more reliably for you, the Shareholders. We very warmly acknowledge the contribution made by our consumers, customers, employees, business partners and YOU, our valued Shareholders, to your Company's performance and for your dedication and commitment to maximize Total Shareholder Return. Together, we will continue in our journey towards touching and improving more lives, more completely.

B. S. Mehta
Chairman

Mumbai
August 29, 2015



REPORT OF THE DIRECTORS

Your Directors have the pleasure of presenting the 31st 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	1981	1762
Net Sales (less excise duty)	1971	1746
Profit before tax	246	81
Profit after tax	158	51
Proposed Dividend plus tax thereon	59	57
Transfer to General Reserve	16	5
Balance carried forward	341	278

DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 15 per Equity Share of ₹ 10 each for the Financial Year ended June 30, 2015.

BUSINESS PERFORMANCE

Your Company delivered another year of robust performance in the Financial Year 2014-15. Sales for the Financial Year increased by 13% to ₹ 1971 crores driven by Company's focus on brand fundamentals and strength of product portfolio.

The financial results of the Company include a one-time facilitation income benefit of about ₹ 63 crores before tax related to the discontinuation of distribution of Duracell batteries. Profit after Tax (PAT) for the Financial Year stood at ₹ 158 crores versus ₹ 51 crores last year, behind continued focus on productivity, operational excellence and cost optimization. Excluding the one-time Duracell distribution discontinuation facilitation income, PAT for the Financial Year increased to ₹ 116 crores, versus ₹ 51 crores last year.

Your Company will look to utilize the improved earnings and cash flow to consider investments for sustaining the growth of the Company over the mid to long term.

MALE GROOMING

Your Company's shave care portfolio had a strong year registering double digit growth combined

with high market share growth across blades and razors and personal care category. This was driven by strong performance across all product tiers through irresistible product and commercial innovations.

On *Gillette Mach3*, the biggest systems franchise, your Company completed the first ever global restage with a completely new look design across all three variants, viz., Mach3, Sensitive and Turbo with a bold new promise of 'Closer Shave with Zero Redness Guaranteed'.



Gillette Guard, the entry level system, specially designed for low-income group consumers, registered its strongest year on value, volume and share growth, since its launch in 2010 behind strong awareness, activation and go-to-market plans.

Our premium line of systems (*Mach3 and Fusion*), again delivered double digit growth behind strong razor placement, go-to-market and innovative marketing campaigns – Shave India and cricket activations through the Financial Year.

As an ode to Indian cricket fans, your Company launched its 'The Best A Fan Can Get' video, saluting all cricket lovers who showcase their passion and relentless support towards cricket and cricketers. The video featured brand ambassador Rahul Dravid, saluting the spirit of the Indian cricket fans who have made cricket what it is today. The video was adjudged as the 'Most watched campaign on You Tube India for Q1, 2015'. This was coupled with the launch of its limited edition India razors with the word 'INDIA' engraved on the handle.



Our female personal care portfolio comprising, *Gillette Venus, Venus Oceana Disposables along with Satin Care Gel* delivered high double digit growth behind strong awareness and in-store execution and successful digital women empowerment campaigns like 'Use Your And', across You Tube, Bloggers and Social Media.

Gillette Double Edge blades continued to register double digit value growth primarily led by its *7-o' clock and Wilkinson Sword* brands.

In the personal care segment comprising of pre-shave and post-shave products, the newly launched *Gillette Shaving Cream* demonstrated strong share and volume growth behind strong base brand building plans, thus strengthening our overall share within the Cream Segment while we continued its leadership in the Gel and Foam segment as well.

Thus, your Company continued to grow across the portfolio through the Financial Year.

ORAL CARE

Oral-B manual brushes continue to grow in key mid & premium/super premium tier with disproportionate growth in super premium tier. Initiatives focused on establishing superiority of *Pro-Health & Sensitive* helped *Oral-B* grow in the super premium tier segment. *Oral-B* has led innovation this year within the sensitive category by launching the new sensitive whitening variant helping *Oral-B* disproportionately grow within sensitive tier. *Oral-B 123* continues to drive the premium tier by providing superior propositions to the consumers. Strong plans to drive deeper distribution further helped strengthen *Oral-B's* position in the entry/mid/premium tier segment. Multiple initiatives were undertaken to expand *Oral-B* distribution, which resulted in the brand being available to more consumers across India.



Oral-B, which is the *World's No. 1 dentist recommended toothbrush brand*, (Based on surveys of a representative worldwide sample of dentists carried out for P&G) continued its partnership with dentists across India, to promote oral health awareness via the free dental checkup program. The campaign helped in improving the lives of consumers by educating them on oral hygiene and by offering them a free dental checkup close to their residence simply on the purchase of an *Oral-B* toothbrush and toothpaste.

Oral B continued to drive toothpaste growth in its learning markets, focusing on strengthening equity and distribution in the premium toothpaste segment.

PORTABLE POWER

For the Financial Year 2014-15, Duracell achieved robust sales growth behind continuing to successfully shift consumers using Zinc carbon cells to Duracell, which has helped improve earnings.

Your Company has been acting as an authorised distributor of 'Duracell' batteries pursuant to an arrangement entered into with Procter & Gamble International Operations S.A. Pursuant to The Procter & Gamble Company's plan to exit the 'Duracell' business, Procter & Gamble International Operations S.A. decided to terminate the distributor arrangement entered into with the Company. As a result of the termination, the Company will no longer be acting as the distributor of 'Duracell' batteries effective 29th January, 2016.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

During the Financial Year, the registered office of the Company has been shifted from Bhiwadi, Rajasthan to Mumbai, Maharashtra.

CORPORATE SOCIAL RESPONSIBILITY

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 create 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

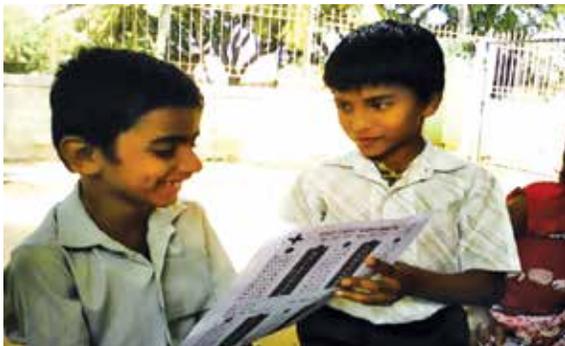


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resources and improve life in the communities we impact across the world. This strategy has inspired an enduring CSR strategy supported by two pillars – *P&G Shiksha* and *Timely Disaster Relief*. While *P&G Shiksha* provides children from underprivileged 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, in partnership with a number of NGOs like - Round Table India, Pratham Education Foundation, amongst others. These partners serve as specialists, lending their expertise to particular aspects of the education system. The NGO Round Table India for example is dedicated towards constructing educational infrastructure and supporting schools across India. The Pratham has special expertise in remedial learning to help bring children up to speed with the learning levels in their curriculum.

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.



In partnership with Pratham, we work to improve learning levels of children

P&G continued to impact the communities around its plants in a holistic manner throughout the Financial Year. At about 20 km from the Bhiwadi Plant, in association with *IBTADA*, a local NGO,

P&G Shiksha continues its association with a local school to promote the education of girl children in Gwalda village. The students are provided holistic support in the form of uniforms, library, meals, infrastructure, recreational activities & study tours. For the second consecutive year, the initiative received a prestigious recognition with the *Bhamashah* award by the Rajasthan Government for outstanding contribution in promoting education and creating a transformational change in the lives of young girl children.

In line with P&G Shiksha's commitment towards improving the quality of education, this year P&G also entered into partnership with *Pratham Education Foundation*, one of the leading NGOs in India in the educational space to foray into remedial learning 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 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.

P&G's conscious commitment towards the pursuit of sustainable development has empowered us to truly make a substantial impact on the lives of the communities around us while simultaneously providing them with superior product propositions. This unequivocal principle has fueled our Corporate Social Responsibility strategy aimed at improving lives and also lends inspiration to our efforts on environmental sustainability and economic accountability. 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 Shareholders.

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.

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. The Company's Bhiwadi and Baddi plants are zero discharge sites which means that there is no manufacturing discharge into the environment. During the Financial Year, our Bhiwadi plant has reduced energy consumption by more than 10% per unit of production. Your Company did an innovation project at Bhiwadi where we replaced our boiler with heat pump technology, through which we avoided use of diesel to produce hot water through boiler. We now use efficient heat pumps to generate hot water which is helping us to save 120 KL of diesel every year. The Bhiwadi plant invested ₹ 128 lakhs for the heat pump system and ₹ 192 lakhs for energy saving equipments such as efficient compressor, chiller, LED lights etc.

Our Baddi plant took energy conservation steps like LED lights installation, which will help in 45% electrical energy savings across the plant. The Baddi plant has invested ₹ 454 lakhs in LED lights installation and ₹ 96,000 in renewable energy certificates.

At P&G, sustainability inspires and guides everything we do. Moreover, we ensure environmental friendly practices at our sites. These include reduction in power consumption, optimal water consumption and eliminating excess use of paper.

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*):

No technology has been imported during the last three Financial Years.

iv. The Company has not incurred any expenditure incurred on Research and Development during the Financial Year.

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/gillette/corporate_governance/policy.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 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.



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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				
Gillette Diversified Operations Private Ltd.	Fellow Subsidiary	57.80	Interest rate of 12%	General business purpose
Procter & Gamble Home Products Pvt Ltd	Fellow Subsidiary	123.51	Interest rate of 12%	General business purpose
Post October 1, 2014				
Gillette Diversified Operations Pvt Ltd	Fellow Subsidiary	84.00	Interest rate of 9.33%	General business purpose
Procter & Gamble Home Products Pvt Ltd	Fellow Subsidiary	30.00	Interest rate of 9.33%	General business purpose
Wella India Haircosmetics Private Ltd	Fellow Subsidiary	100.00	Interest rate of 9.33%	General business purpose
Gillette Products Private Limited	Fellow Subsidiary	17.00	Interest rate of 9.33%	General business purpose

PUBLIC DEPOSITS

Your Company has not accepted any Public Deposits under Chapter V of Companies Act, 2013, during the 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:

- i. 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;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for the Financial Year under review;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the accounts for the Financial Year ended June 30, 2015, on a "going concern" basis;
- v. 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



- vi. 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.

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

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 31st Annual General Meeting of the Company. Notices 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 29, 2015, subject to the approval of the Shareholders and the Central Government, if applicable. Notice under Section 160 of the Companies Act, 2013 has been received from him proposing his candidature as Managing Director of the Company.

Mr. Narendra P. Sarda has been appointed as an Additional Director and Independent Director of the Company for a period of five years with effect from August 29, 2015 subject to approval of the Shareholders of the Company at the ensuing 31st Annual General Meeting of the Company. Notices 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. He has also provided certificate of independence to your Company stating that he meets the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Ms. Sonali Dhawan, Director, retires by rotation and, being eligible, offers herself 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 31st 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.



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Appropriate resolutions for the appointment/re-appointment of the aforesaid Directors are being moved at the ensuing 31st 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 30th Annual General Meeting held on September 29, 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 31st Annual General Meeting.

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

The Company was not required to conduct Cost Audit for the Financial Year 2014-15 due to amendment in Cost Audit Rules.

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 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/gillette/corporate_governance/policy.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

Sd/-
B. S. Mehta
Chairman

Place: Mumbai
Date: August 29, 2015



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:

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

** *In absence of Mr. A. K. Gupta, Ms. S. Dhawan was appointed as the Chairperson of the CSR Committee meeting held on August 29, 2015;*

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

2. Average net profit of the Company for last three Financial Years – ₹ **112.51 Crores**
3. Prescribed CSR expenditure (2% of amount as in item 3) – ₹ **2.25 Crores**
4. Details of CSR spent during Financial Year:
 - a) Total amount to be spent for the Financial Year – ₹ **2.26 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 (a) Local area or other (b) 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: Pratham's 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 through Round Table India Trust	Education: Infrastructure Interventions	Pan-India	0.95	0.95	100%	Nil	0.95	Implementing agency: Round Table India Trust
3	P&G Shiksha: Supporting communities around our plants	Education: Interventions in a Girls School near Bhiwadi Plant	Bhiwadi (Rajasthan)	0.31	0.31	95%	5%	0.31	Implementing agency: IBTADA

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 29, 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	:	L28931MH1984PLC267130
ii)	Registration Date	:	February 9, 1984
iii)	Name of the Company	:	Gillette India 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	:	Mas Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Tel: 011-2638 7281/82/83 Fax: 011-2638 7384 E-mail: info@masserv.com Website: www.masserv.com

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.	Blades & razors	25931	62
2.	Oral care	20235	25

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 75% through its subsidiaries
2.	Procter & Gamble India Holdings B.V., Netherlands	Not applicable (Foreign Company)	Holds 40.12% directly & Holds 34.88% through its subsidiaries

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

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP 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	11364338	—	11364338	34.88	11364338	—	11364338	34.88	—
2.	Foreign									
	Bodies corporate	13073465	—	13073465	40.12	13073465	—	13073465	40.12	—
	Total Promoter Shareholding (A)	24437803	—	24437803	75.00	24437803	—	24437803	75.00	—
B.	Public Shareholding									
1.	Institutions									
	Mutual funds	215824	—	215824	0.66	659352	—	659352	2.02	1.36
	Financial Institutions/ Banks	21378	—	21378	0.07	4572	—	4572	0.01	-0.6
	Foreign Institutional Investors	2836214	—	2836214	8.70	2139599	—	2139599	6.57	-2.13
	Sub Total (B)(1)	3073716	—	3073716	9.43	2803523	—	2803523	8.60	-0.83
2.	Non-Institutions									
	Bodies Corporate									
	– Indian	2312829	1859	2314688	7.10	2325494	1859	2327353	7.14	0.04
	– Overseas	—	—	—	—	—	—	—	—	—
	Individuals									
	– Individual shareholders holding nominal share capital up to ₹ 1 lakh	1576459	153589	1730048	5.31	1663813	145387	1809200	5.55	0.24
	– Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	311988	—	311988	0.96	294033	—	294033	0.90	-0.06
	Others									
	– Non resident	668592	34310	702902	2.16	864654	33077	897731	2.76	0.60
	– Clearing Member	12872	—	12872	0.04	14574	—	14574	0.04	0.00
	– Trust	1200	—	1200	0.00	1000	—	1000	0.00	0.00
	Sub Total (B)(2)	4883940	189758	5073698	15.57	5163568	180323	5343891	16.40	0.83
	Total Public Shareholding (B)	7957656	189758	8147414	25.00	7967091	180323	8147414	25.00	—
	Shares held by Custodian for GDRs & ADRs (C)	—	—	—	—	—	—	—	—	—
	Grand Total (A+B+C)	32395459	189758	32585217	100.00	32404894	180323	32585217	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 share holding 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 India Holdings B.V.	13073465	40.12	—	13073465	40.12	—	0.00
2.	Wella India Haircosmetics Private Limited	6627254	20.34	—	6627254	20.34	—	0.00
3.	Gillette Products Pvt Ltd	1987280	6.10	—	1987280	6.10	—	0.00
4.	Gillette Diversified Operations P Ltd	1979433	6.08	—	1979433	6.08	—	0.00
5.	Mining Consultants India Private Limited	636671	1.95	—	636671	1.95	—	0.00
6.	Nexus Mercantile Private Limited	133700	0.41	—	133700	0.41	—	0.00
		24437803	75.00	—	24437803	75.00	—	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.	Adventz Investments and Holdings Limited	1109104	3.40	01/07/2014	—	No change during the year	1109104	3.40
		1109104	3.40	30/06/2015				
2.	Merrill Lynch Capital Markets Espana S.A. S.V.	688000	2.11	01/07/2014	—	No change during the year	688000	2.11
		688000	2.11	30/06/2015				
3.	Cophall Mauritius Investment Limited	597447	1.83	01/07/2014				
				04/07/2014	3696	Transfer	601143	1.84
				11/07/2014	1165	Transfer	602308	1.85
				21/11/2014	-4222	Transfer	598086	1.84
				28/11/2014	-2994	Transfer	595092	1.83
				05/12/2014	-80590	Transfer	514502	1.58
				12/12/2014	-5540	Transfer	508962	1.56
				19/12/2014	-227	Transfer	508735	1.56
				31/12/2014	-18220	Transfer	490515	1.51
				23/01/2015	-2990	Transfer	487525	1.50
				30/01/2015	-4378	Transfer	483147	1.48
				13/02/2015	-76780	Transfer	406367	1.25
		20/02/2015	-10797	Transfer	395570	1.21		

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
				27/02/2015	-10742	Transfer	384828	1.18
				06/03/2015	-24284	Transfer	360544	1.11
				20/03/2015	-20217	Transfer	340327	1.04
				27/03/2015	-21881	Transfer	318446	0.98
				24/04/2015	-7385	Transfer	311061	0.95
				01/05/2015	-1574	Transfer	309487	0.95
				08/05/2015	-1123	Transfer	308364	0.95
				15/05/2015	-1249	Transfer	307115	0.94
				26/06/2015	-2131	Transfer	304984	0.94
		304186	0.93	30/06/2015	-798	Transfer	304186	0.93
4.	Globalware Trading And Holdings Limited (<i>Erstwhile Planon Group Limited</i>)	516038	1.58	01/07/2014	—	No change during the year	516038	1.58
		516038	1.58	30/06/2015				
5.	HDFC Standard Life Insurance Company Limited	324492	1.00	01/07/2014				
				11/07/2014	-148	Transfer	324344	1.00
				18/07/2014	665	Transfer	325009	1.00
				01/08/2014	563	Transfer	325572	1.00
				05/09/2014	610	Transfer	326182	1.00
				12/09/2014	446	Transfer	326628	1.00
				19/09/2014	15944	Transfer	342572	1.05
				24/10/2014	920	Transfer	343492	1.05
				31/10/2014	895	Transfer	344387	1.06
				07/11/2014	8664	Transfer	353051	1.08
				05/12/2014	7	Transfer	353058	1.08
				12/12/2014	1	Transfer	353059	1.08
				19/12/2014	9442	Transfer	362501	1.11
				31/12/2014	20518	Transfer	383019	1.18
				02/01/2015	6169	Transfer	389188	1.19
				16/01/2015	2	Transfer	389190	1.19
				30/01/2015	448	Transfer	389638	1.20
				06/02/2015	3442	Transfer	393080	1.21
				13/02/2015	15916	Transfer	408996	1.26
				20/02/2015	16097	Transfer	425093	1.30
				27/02/2015	68	Transfer	425161	1.30
				13/03/2015	11	Transfer	425172	1.30
				20/03/2015	-5000	Transfer	420172	1.29
				27/03/2015	1568	Transfer	421740	1.29
				31/03/2015	4981	Transfer	426721	1.31
				17/04/2015	-510	Transfer	426211	1.31
				24/04/2015	2702	Transfer	428913	1.32
				08/05/2015	509	Transfer	429422	1.32
				29/05/2015	423	Transfer	429845	1.32
				05/06/2015	30	Transfer	429875	1.32
				12/06/2015	-247	Transfer	429628	1.32
				19/06/2015	3	Transfer	429631	1.32
		429631	1.32	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
6.	Bright Star Investments Pvt Ltd	290000	0.89	01/07/2014	—	No change during the year	290000	0.89
		290000	0.89	30/06/2015				
7.	Pari Washington Company Pvt. Ltd. A/C Pari Washington India Master Fund, Ltd.	242784	0.75	01/07/2014	—	No change during the year	242784	0.75
		242784	0.75	30/06/2015				
8.	Vontobel India Select Fund	221022	0.68	01/07/2014				
				28/11/2014	-12600	Transfer	208422	0.64
		208422	0.64	30/06/2015				
9.	Pictet Country Fund (Mauritius) Limited *	163198	0.50	01/07/2014				
				08/08/2014	-15344	Transfer	147854	0.45
				22/08/2014	-5688	Transfer	142166	0.44
				30/09/2014	-1911	Transfer	140255	0.43
				03/10/2014	-1427	Transfer	138828	0.43
				10/10/2014	-6640	Transfer	132188	0.41
				14/11/2014	-10435	Transfer	121753	0.37
				21/11/2014	-1565	Transfer	120188	0.37
				12/12/2014	-786	Transfer	119402	0.37
				19/12/2014	-525	Transfer	118877	0.36
				09/01/2015	-2457	Transfer	116420	0.36
				16/01/2015	-479	Transfer	115941	0.36
				23/01/2015	-2607	Transfer	113334	0.35
				30/01/2015	-4424	Transfer	108910	0.33
				06/02/2015	-1392	Transfer	107518	0.33
				13/02/2015	-6328	Transfer	101190	0.31
				20/02/2015	-16926	Transfer	84264	0.26
				27/02/2015	-18062	Transfer	66202	0.20
				20/03/2015	-18756	Transfer	47446	0.15
				31/03/2015	-1141	Transfer	46305	0.14
				10/04/2015	-4979	Transfer	41326	0.13
				17/04/2015	-498	Transfer	40828	0.13
		08/05/2015	-860	Transfer	39968	0.12		
		15/05/2015	-11224	Transfer	28744	0.09		
		22/05/2015	-809	Transfer	27935	0.09		
		29/05/2015	-1127	Transfer	26808	0.08		
		05/06/2015	-2258	Transfer	24550	0.08		
		12/06/2015	-2050	Transfer	22500	0.07		
		26/06/2015	-11000	Transfer	11500	0.04		
		6770	0.02	30/06/2015	-4730	Transfer	6770	0.02
10.	National Westminster Bank PLC as Trustee of the Jupiter India Fund*	145851	0.45	01/07/2014				
				27/03/2015	-11929	Transfer	133922	0.41
		133922	0.41	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
11.	Birla Sun Life Trustee Company Private Limited A/C Mutual Funds #			01/07/2014				
				18/07/2014	10832	Transfer	133193	0.41
				25/07/2014	1430	Transfer	134623	0.41
				19/09/2014	200	Transfer	134823	0.41
				17/10/2014	-961	Transfer	133862	0.41
				11/11/2014	-1165	Transfer	132697	0.41
				21/11/2014	8	Transfer	132705	0.41
				05/12/2014	75000	Transfer	207705	0.64
				31/12/2014	203	Transfer	207908	0.64
				13/02/2015	45000	Transfer	252908	0.78
				20/02/2015	20000	Transfer	272908	0.84
				27/02/2015	1000	Transfer	273908	0.84
				06/03/2015	1322	Transfer	275230	0.84
				13/03/2015	150	Transfer	275380	0.85
				01/05/2015	900	Transfer	276280	0.85
				08/05/2015	2622	Transfer	278902	0.86
				15/05/2015	5400	Transfer	284302	0.87
				22/05/2015	5801	Transfer	290103	0.89
				29/05/2015	6955	Transfer	297058	0.91
				05/06/2015	8100	Transfer	305158	0.94
		12/06/2015	4500	Transfer	309658	0.95		
		19/06/2015	5399	Transfer	315057	0.97		
		26/06/2015	6751	Transfer	321808	0.99		
		326308	1.00	30/06/2015	4500	Transfer	326308	1.00
12.	Goldman Sachs India Fund Limited #	42523	0.13	01/07/2014				
				15/08/2014	15936	Transfer	58459	0.18
				29/08/2014	5250	Transfer	63709	0.20
				19/09/2014	3724	Transfer	67433	0.21
				10/10/2014	3337	Transfer	70770	0.22
				14/11/2014	2776	Transfer	73546	0.23
				21/11/2014	4388	Transfer	77934	0.24
				12/12/2014	3894	Transfer	81828	0.25
				23/01/2015	4918	Transfer	86746	0.27
				30/01/2015	7123	Transfer	93869	0.29
				06/02/2015	7624	Transfer	101493	0.31
				20/02/2015	20138	Transfer	121631	0.37
				27/02/2015	11992	Transfer	133623	0.41
				06/03/2015	17111	Transfer	150734	0.46
				27/03/2015	9193	Transfer	159927	0.49
				24/04/2015	10320	Transfer	170247	0.52
				05/06/2015	7529	Transfer	177776	0.55
				26/06/2015	4365	Transfer	182141	0.56
		182141	0.56	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. No Directors or key managerial personnel held 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:**

Sr. No.	Particulars of Remuneration	Mr. Shantanu Khosla Managing Director (Amount in ₹ Lakhs)
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	250*
2.	Stock Option	
3.	Sweat Equity	
4.	Commission – as % of profit – Others, specify...	
5.	Others, please specify	
	Total	250
	Ceiling as per the Act (5% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	1,345

* Mr. Shantanu Khosla received remuneration from Procter & Gamble Hygiene and Health Care Limited, and the Company re-imburse towards the same in proportion to its Net Outside Sales

B. Remuneration to other Directors:

₹ in lakhs

Particulars of Remuneration	Mr. B. S. Mehta	Mr. C. R. Dua	Mr. G. Das	Mr. A. K. Gupta	Total Amount
Independent Directors					
Fee for attending board / committee meetings	2.60	2.60	2.90	3.80	11.90
Commission	11.00	11.00	11.00	11.00	44.00
Total	13.60	13.60	13.90	14.80	55.90
Ceiling as per the Act (1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					269.03

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

₹ in lakhs

Sr. No.	Particulars of Remuneration	Ms. Jessica Rastogi Company Secretary	Mr. Karthik Natarajan 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	15.77	109.49	125.26
2.	Stock Option	—	109.55*	109.55*
3.	Sweat Equity	—	—	—
4.	Commission – as % of profit – others, specify	—	—	—
5.	Others, please specify			
	Total	15.77	219.04	234.81

* 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.

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	Commission (₹ in lakhs)	Sitting Fees (₹ in lakhs)	Total (₹ in lakhs)	Ratio
Mr. S. Khosla	MD	—	—	249.51*	45.7
Mr. B. S. Mehta	ID	11.00	2.60	13.60	2.50
Mr. C. R. Dua	ID	11.00	2.60	13.60	2.50
Mr. G. Das	ID	11.00	2.90	13.90	2.55
Mr. A. K. Gupta	ID	11.00	3.80	14.80	2.71
Mr. P. Agarwal	NED	—	—	0	0
Ms. S. Dhawan	NED	—	—	0	0

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

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. Jessica Rastogi	25.00%
Chief Financial Officer	Mr. Karthik Natarajan	Not Applicable (Not employed with the Company in F.Y. 2013-14)

iii. The % increase in the median remuneration of employees in the Financial Year – 25%

iv. The number of permanent employees on the rolls of Company – 654

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 13% and Profit Before Tax grew by 204%. 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 114%.
- b) **Price Earnings Ratio of the Company** was 94 on June 30, 2015 and was 135 as at June 30, 2014.
- c) **Price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and 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** – The closing share price of the Company at BSE Limited on June 30, 2015 being ₹ 4565.40 per equity share of ₹ 10 each has grown 38 times since the last offer for sale by the Company was made in the year 1992.
- 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 10.5% 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. **The 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. **I affirm 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,

Gillette India 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 **Gillette India Limited (CIN L28931MH1984PLC267130)** (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 the Members of the Company has passed a Special Resolution by way of Postal Ballot on 16th March, 2015 allowing the Company to shift its Registered Office from the State of Rajasthan to the State of Maharashtra and consequent change in the Clause II of the Memorandum of Association of the Company.

G. We further report that during the audit period none of the following events have 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)

Sd/-

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

Place : Mumbai

Date : 29th 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 through a relentless focus on productivity.

Performance Overview

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:

- **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.

- **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 processes. 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 experiences across the different markets that P&G operates in.
- **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's 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 654.

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

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

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

NED – Non-Executive Director

ED – Executive Director

ID – Independent Director

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

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

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

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

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

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

(b) Number of meetings of the Board:

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

(c) Directors' attendance record and Directorships held:

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

Name of Director	No. of Board meetings held during the tenure	No. of Board meetings attended	Last Annual General Meeting (Whether Attended)
Mr. B. S. Mehta	5	5	Yes
Mr. S. Khosla*	5	5	Yes
Mr. C. R. Dua	5	4	Yes
Mr. G. Das	5	4#	No
Mr. A. K. Gupta	5	5	Yes
Mr. P. Agarwal**	5	—	Yes
Ms. S. Dhawan	5	4	Yes

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

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

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

(d) Separate meeting of Independent Directors:

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

(e) Related Party Transactions:

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

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

There are no material pecuniary relationships/significant transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 39 forming part of the Financial Statements.

(f) Remuneration of Directors

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

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

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

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

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

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

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

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

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

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

Stock Options

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

(g) Committees of the Board: Audit Committee

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

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

NED – Non-Executive Director

ID – Independent Director

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

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

Ms. Jessica Rastogi is the Secretary to the Committee.

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

The Audit Committee powers include the following:

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

The Audit Committee role includes the following:

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

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

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

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

The minutes of the Committee are placed before the Board

Stakeholder Relationship Committee

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

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

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

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

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

The role of the Committee is as follows:

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

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

Nomination and Remuneration Committee

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

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

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

The role of the Committee is as follows:

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

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

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

Corporate Social Responsibility Committee

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

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

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

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

The role of the Committee is as follows:

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

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

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

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

Risk Management Committee

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

The composition of the Risk Management Committee is as follows:

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

MD – Managing Director

NED – Non Executive Director

CFO – Chief Financial Officer

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

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

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

Whistle Blower Policy

The Company being a part of the Procter & Gamble group is guided by a Whistle Blower Policy as laid down in its “Worldwide Business Conduct Manual”. Any employee or other interested person can call on ‘The Worldwide Business Conduct Helpline (previously called the Alertline)’, twenty-four hours a

day, seven days a week, to report any concerns about violations of the Company’s “Worldwide Business Conduct Standards”.

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

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

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

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

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

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

(h) Familiarization programme for Independent Directors

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

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

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

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

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

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

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

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

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

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

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

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

Mr. Agarwal is also a Director on the Board of Procter & Gamble Hygiene and Health Care Limited.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMUNICATION TO SHAREHOLDERS

- (i) The quarterly results of the Company are announced within 45 days of completion of the quarter, as prescribed under the Listing Agreement. Audited Annual Results are announced within 60 days of the end of Financial Year which will be published in The Economic Times, Mumbai Lakshadeep and The Asian Age.
- (ii) The Company's results and official news releases are published on Company's website: www.pg.com/en_IN.
- (iii) No presentations were made to Analysts and Institutional Investors during the course of the Financial Year.
- (iv) This Annual Report comprising of Notice calling the General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. for the Financial Year 2014-15, in electronic form, is being sent to the Members at the email address provided / updated by the Members with the Depository Participants / RTA, as applicable.

STATUTORY COMPLIANCE

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

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

GENERAL MEETINGS

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

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

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

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

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

POSTAL BALLOT

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

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

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

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

CEO / CFO CERTIFICATION

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

ADOPTION OF NON-MANDATORY REQUIREMENTS

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

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

CODE OF CONDUCT

(i) Code of Conduct for Directors

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

(ii) Code of Conduct for Prohibition of Insider Trading

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

GENERAL SHAREHOLDER INFORMATION

I Annual General Meeting

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

II Financial Calendar

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

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

The said book closure is for payment of dividend.

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

V Listing of Equity Shares on Stock Exchange

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

VI Stock Code

BSE Ltd, Mumbai — Code : 507815

National Stock Exchange of India Limited — Code : GILLETTE

The dematerialization ISIN Code is INE322A01010

VII Stock Price Data

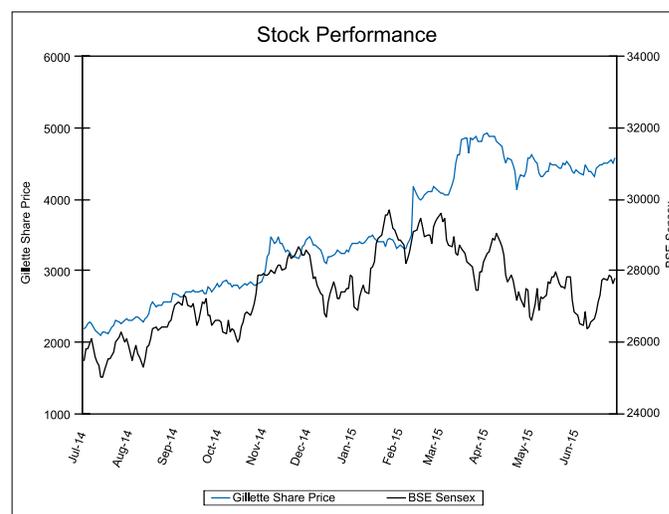
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July – 2014	2362.00	2050.05	2380.00	2055.65
August – 2014	2600.80	2218.90	2600.00	2240.95
September – 2014	2859.45	2567.00	2860.00	2506.25
October – 2014	2898.00	2711.15	2900.00	2723.75
November – 2014	3705.00	2794.00	3699.00	2788.00
December – 2014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

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

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

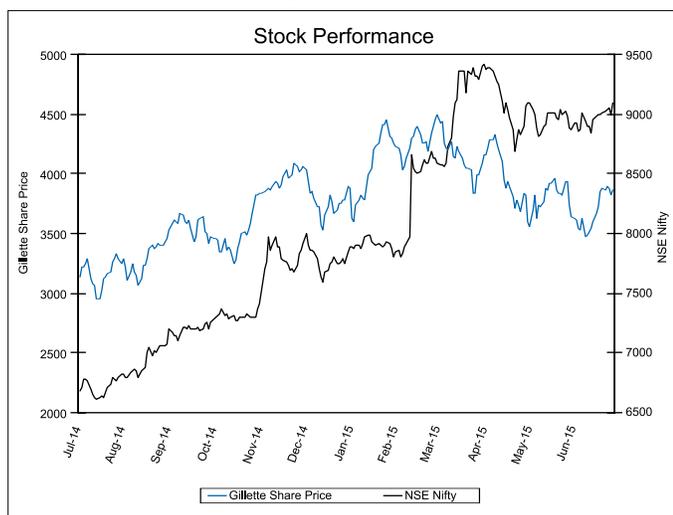
VIII Performance in comparison to the BSE Sensex and NSE Nifty

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



(Source: www.bseindia.com)

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



(Source: www.nseindia.com)

IX Registrar and Transfer Agents

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

X Share Transfer System

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

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

XI Distribution of shareholding by number of shares held as on June 30, 2015

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

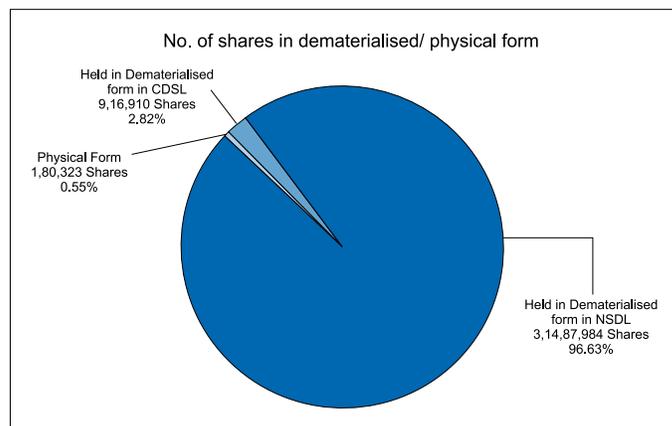
XII Distribution of shareholding by ownership as on June 30, 2015

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

XIII Dematerialization of shares and liquidity

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

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



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

XV Unclaimed/Unpaid Dividends

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

Final dividend for the Financial Year ended June 30, 2008 and for the subsequent years, which remain unpaid or unclaimed, will be due for transfer to the IEPF of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's RTA, M/s Mas Services Limited.

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

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

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

XVI Plant Locations

(i) Bhiwadi Plant

SPA – 65A, Bhiwadi Industrial Area,
Bhiwadi, (Dist. Alwar)
Rajasthan – 301019

(ii) Baddi Plant

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

XVII Addresses for Correspondence:

Gillette India Limited

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

Compliance Officer:

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

Declaration

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

For **GILLETTE INDIA LIMITED**

sd/-

AI Rajwani
Managing Director

Mumbai
August 29, 2015

Auditors' Certificate for Corporate Governance

To,
The Members of
Gillette India Limited

We have examined the compliance of conditions of Corporate Governance by Gillette India Limited (the "Company") for the Financial Year ended 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)

Shyamak R Tata
Partner

MUMBAI, August 29, 2015 (Membership No. 038320)

INDEPENDENT AUDITORS' REPORT

To The Members of Gillette India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Gillette India 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 24(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

MUMBAI, August 29, 2015 (Membership No. 038320)

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)
The Central Excise Act, 1944	Excise duty	Appellate Authority - up to Commissioners/ Revisional authorities level	1993-94 to 1997-98, 2002-03, 2003-04, 2007-08 to 2014-15	20 494
		Customs, Excise and Service Tax Appellate Tribunal	1994-98, 2004-07	150
		High Court	1990-91	9
	Sub-total			20 653

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates*	Amount Involved (₹ in lakhs)
Finance Act, 1994	Service tax	Appellate Authority - up to Commissioners/ Revisional authorities level	2001-02, 2003-04, 2005-06, 2007-08 to 2013-14	2 031
	Sub-total			2 031
Customs Act, 1962	Custom Duty	Appellate Authority - up to Commissioners/ Revisional authorities level	2000-01, 2005-06, 2006-07, 2012-13	1 582
		Customs, Excise and Service Tax Appellate Tribunal	1995-96	27
	Sub-total			1 609
Sales Tax and Laws as per statutes applicable in various states	Sales Tax and VAT	Appellate Authority - up to Commissioners/ Revisional authorities level	1999-00 to 2013-14	2 616
		Appellate Authority -Tribunal	1997-98, 1999-00, 2002-03, 2004-05, 2005-06 to 2009-10	374
		High Court	2005-06	60
	Sub-total			3 050
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2006-07, 2008-09, 2009-10	5 882
	Sub-total			5 882
	Total			33 225

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

Out of the total disputed dues aggregating ₹ 33 225 lakhs as above, ₹ 5 882 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
MUMBAI, August 29, 2015 (Membership No. 038320)

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	3 259		3 259	
Reserves and Surplus	4	70 975		61 087	
			74 234		64 346
Non-Current Liabilities					
Deferred Tax Liabilities (Net)	5	—		235	
Other Long-Term Liabilities	6	2		2	
Long-Term Provisions	7	293		216	
			295		453
Current Liabilities					
Trade Payables	8	26 801		25 605	
Other Current Liabilities	9	6 287		5 158	
Short-Term Provisions	10	13 376		9 844	
			46 464		40 607
TOTAL		1 20 993		1 05 406	
ASSETS					
Non-Current Assets					
Fixed Assets	11				
Tangible Assets		15 617		17 263	
Capital Work-in-Progress		6 314		6 084	
Total Fixed Assets		21 931		23 347	
Deferred Tax Assets (Net)	5	788		—	
Long-Term Loans and Advances	12	14 529		12 379	
			37 248		35 726
Current Assets					
Inventories	13	20 157		23 055	
Trade Receivables	14	11 676		9 226	
Cash and Bank Balances	15	18 125		16 961	
Short-Term Loans and Advances	16	25 065		19 758	
Other Current Assets	17	8 722		680	
			83 745		69 680
TOTAL		1 20 993		1 05 406	

The accompanying notes 1 to 43 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

Place: Mumbai
Date: August 29, 2015

For and on behalf of Board of Directors

B. S. Mehta
Chairman

K. Natarajan
Chief Financial Officer

Al Rajwani
Managing Director

J. Rastogi
Dy. Company Secretary & Compliance Officer

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

	Note No.	For the year ended June 30, 2015	For the year ended June 30, 2014
		₹ in lakhs	₹ in lakhs
A. CONTINUING OPERATIONS			
Income			
Revenue from sale of products (Gross)	18	1 88 265	1 67 666
Less: Excise Duty attributable to products sold		1 085	1 618
Revenue from sale of products (Net)	18	1 87 180	1 66 048
Other Operating Revenue	18	291	415
Revenue from Operations		1 87 471	1 66 463
Other Income	19	3 512	3 162
Total Revenue		1 90 983	1 69 625
Expenses			
Cost of Raw and Packing Materials Consumed	20a	36 197	32 373
Purchases of Stock-in-Trade (Traded Goods)	20b	45 401	48 758
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20c	2 963	(403)
Employee Benefits Expense	21	11 371	9 513
Finance Costs	22	465	36
Depreciation and Amortisation Expense	11	3 888	3 298
Other Expenses	23	75 051	68 912
Total Expenses		1 75 336	1 62 487
Profit before Tax		15 647	7 138
Tax Expense:			
Current Tax			
– For the year		6 693	3 015
Deferred Tax charge/(credit)			
– For the year		(1 053)	(342)
– For earlier years		52	(64)
Profit after Tax for the year from continuing operations		9 955	4 529
B. DISCONTINUING OPERATIONS			
Discontinuation facilitation income (before tax)	41	6 369	—
Profit from discontinuing operations (before tax)	41	2 576	928
		8 945	928
Less : Tax expense of discontinuing operations			
(a) Tax on Discontinuation facilitation income		2 204	—
(b) Tax on ordinary activities attributable to the discontinuing operation		883	315
		3 087	315
Profit after Tax for the year from discontinuing operations		5 858	613
C. TOTAL OPERATIONS			
Profit for the year		15 813	5 142
Earnings per equity share (in ₹)			
Basic and Diluted earnings per share (in ₹)			
(a) Continuing Operations	42a	30.55	13.90
(b) Total Operations	42b	48.53	15.78
Face value of Equity share (in ₹)		10.00	10.00

The accompanying notes 1 to 43 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

Place: Mumbai
Date: August 29, 2015

For and on behalf of Board of Directors

B. S. Mehta
Chairman

K. Natarajan
Chief Financial Officer

Al Rajwani
Managing Director

J. Rastogi
Dy. Company Secretary & Compliance 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 (including Discontinuing Operation)		24 592		8 066
Adjustments for:				
Depreciation and Amortisation Expense	3 888		3 298	
Provision for Doubtful Trade Receivables	289		5	
Provision for litigation settlements	270		—	
Interest Income	(3 398)		(2 738)	
Finance Costs	465		36	
Provision For Employee Benefits	1 146		(179)	
Unrealised Foreign Exchange – (Gain)/Loss (Net)	(216)		(528)	
(Profit)/Loss on sale/discard of Fixed Assets (Net)	2 583		(2)	
		5 027		(108)
Operating Profit before Working Capital Changes		29 619		7 958
Changes in Working Capital				
Adjustments for (increase)/decrease in operating assets:				
Long-Term Loans and Advances	(329)		(544)	
Inventories	2 898		918	
Trade Receivables	(2 733)		22	
Short-Term Loans and Advances	685		1 215	
Other Current Assets	(6 779)		(184)	
		(6 258)		1 427
Adjustments for increase/(decrease) in operating liabilities:				
Trade Payables	1 394		3 664	
Other Current Liabilities	444		950	
		1 838		4 614
Cash Generated from Operations		25 199		13 999
Income Tax Paid (Net of refunds)		(8 006)		(4 369)
Net Cash Generated from Operating Activities		17 193		9 630
B. Cash Flow from Investing Activities				
Capital expenditure on Fixed Assets	(5 672)		(8 746)	
Proceeds from sale of Fixed Assets	31		14	
Interest Received	1 377		2 822	
Loans Realised	35 239		1 03 157	
Loans Given	(41 231)		(1 00 857)	
Net movement in Bank Balances not considered as Cash and Cash Equivalents	—		(2)	
Net Cash used in Investing Activities		(10 256)		(3 612)

Cash Flow Statement for the year ended June 30, 2015 (contd.)

	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	(4 888)		(4 888)	
Corporate Tax on Dividend Paid	(831)		(831)	
Interest Paid	(54)		(2)	
Net Cash used in Financing Activities		(5 773)		(5 721)
Net Increase in Cash and Cash Equivalents		1 164		297
Opening Cash and Cash Equivalents		16 892		16 595
Closing Cash and Cash Equivalents		18 056		16 892
Reconciliation of cash and cash equivalents with the Balance Sheet				
Cash and Cash Equivalents as above		18 056		16 892
Add: Bank balances not considered as Cash and Cash Equivalents as defined in AS 3 Cash Flow Statements		69		69
Cash and Bank Balances (Refer Note 15)		18 125		16 961

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 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 Cash Flow Statement reflects the combined cash flows pertaining to Continuing and Discontinuing Operations.

The accompanying notes 1 to 43 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

Place: Mumbai
Date: August 29, 2015

For and on behalf of Board of Directors

B. S. Mehta
Chairman

K. Natarajan
Chief Financial Officer

Al Rajwani
Managing Director

J. Rastogi
Dy. Company Secretary & Compliance Officer

Notes forming part of Financial Statements

1. CORPORATE INFORMATION

Gillette India Limited ('the Company') is a public company incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing and selling of branded packaged fast moving consumer goods in the grooming, portable power and oral care 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 Bhiwadi in Rajasthan and Baddi in 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) to 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 despatch 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 and Amortisation

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 and 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 to the Companies Act, 2013.

Leasehold land is amortised over the period of the lease.

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.

Notes forming part of Financial Statements

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 the Statement of Profit and Loss, in the form of

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

b) Defined Benefit Plans:

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

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

Unfunded Plan: The Company has unfunded Defined Benefit Plans in the form of Post Retirement Medical Benefits (PRMB) and 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.

- 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 based on the undiscounted amount of benefits expected to be paid in exchange of services rendered.
- iii) Termination benefits and long service awards in terms of Company policy are recognised as an expense as and when incurred.
- iv) The Actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss for the year.

Notes forming part of Financial Statements

- v) The Procter & 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 Benefit Expenses.

- vi) The Procter & Gamble Company, USA has an "Employee Stock Option Plan (ESOP)" whereby the 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.

2.09 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 and other applicable tax laws as 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. 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.

2.10 Borrowing cost

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

2.11 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Notes forming part of Financial Statements

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated income/expenses/ assets/liabilities".

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 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.

2.14 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.

2.15 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

	As at June 30, 2015		As at June 30, 2014	
	Number of Shares	Amount ₹ in lakhs	Number of Shares	Amount ₹ in lakhs
3. Share Capital				
Authorised				
Equity shares of ₹ 10 each	3 30 00 000	3 300	3 30 00 000	3 300
Issued, Subscribed and Paid-up				
Equity shares of ₹ 10 each fully paid-up	3 25 85 217	3 259	3 25 85 217	3 259
Reconciliation of fully paid equity shares	Number of Shares	Amount ₹ in lakhs	Number of Shares	Amount ₹ in lakhs
Equity shares at the beginning of the year	3 25 85 217	3 259	3 25 85 217	3 259
Equity shares of ₹ 10 each issued during the year	—	—	—	—
Equity shares outstanding at the end of the year	3 25 85 217	3 259	3 25 85 217	3 259

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 shares 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 the 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 the proportion to the number of equity shares held by the shareholders.

	As at June 30, 2015		As at June 30, 2014	
	Number of Shares	Amount ₹ in lakhs	Number of Shares	Amount ₹ in lakhs
Details of equity shares held by the ultimate holding company, the holding company and its subsidiaries:				
Ultimate Holding Company				
The Procter & Gamble Company, USA	—	—	—	—
Holding Company				
Procter & Gamble India Holdings B.V., Netherlands	1 30 73 465	1 307	1 30 73 465	1 307
Subsidiaries of the ultimate holding company				
Wella India Haircosmetics Private Limited	66 27 254	663	66 27 254	663
Gillette Diversified Operations Private Limited	19 79 433	198	19 79 433	198
Gillette Products Private Limited	19 87 280	199	19 87 280	199
Mining Consultants (India) Private Limited	6 36 671	64	6 36 671	64
Nexus Mercantile Private Limited	1 33 700	13	1 33 700	13
Details of shareholders holding more than 5% equity shares	Number of Shares	% of holding	Number of Shares	% of holding
Procter & Gamble India Holdings B.V., Netherlands	1 30 73 465	40.12	1 30 73 465	40.12
Wella India Haircosmetics Private Limited	66 27 254	20.34	66 27 254	20.34
Gillette Diversified Operations Private Limited	19 79 433	6.07	19 79 433	6.07
Gillette Products Private Limited	19 87 280	6.10	19 87 280	6.10

Notes forming part of the Financial Statements

	As at June 30, 2015		As at June 30, 2014	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
4. Reserves and Surplus				
Capital Reserve				
Balance as per last Balance Sheet		12 589		12 589
Securities Premium Account				
Balance as per last Balance Sheet		3 290		3 290
Contingency Reserve				
Balance as per last Balance Sheet	6 750		5 400	
Add: Transferred from Surplus in Statement of Profit and Loss (Refer Note 25)	2 100		1 350	
		8 850		6 750
General Reserve				
Balance as per last Balance Sheet	10 612		10 098	
Add: Transferred from Surplus in Statement of Profit and Loss	1 581		514	
		12 193		10 612
Surplus in the Statement of Profit and Loss				
Balance as per last Balance Sheet	27 846		30 287	
Profit after tax for the year	15 813		5 142	
Less: Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013 (net of tax ₹ 22 lakhs) (Refer Note 2 of Note 11)	(42)		—	
Proposed Dividend to Equity Shareholders @ ₹ 15 per share (Previous year: ₹ 15 per share)	(4 888)		(4 888)	
Corporate tax on proposed dividend	(995)		(831)	
Transfer to Contingency Reserve	(2 100)		(1 350)	
Transfer to General Reserve	(1 581)		(514)	
Balance as at the year end		34 053		27 846
Total Reserves and Surplus		70 975		61 087
5. Deferred Tax Liabilities / (Assets) (Net)				
<u>Tax effect of items constituting deferred tax liabilities</u>				
On fiscal allowance of fixed assets	724		1 142	
		724		1 142
<u>Tax effect of items constituting deferred tax assets</u>				
Voluntary retirement scheme	207		93	
Provision for doubtful trade receivables and advances	97		136	
Disallowance u/s 43 B of the Income Tax Act, 1961	547		256	
Other Timing Differences	661		422	
		1 512		907
Net Deferred Tax Liabilities / (Assets)		(788)		235

Notes forming part of the Financial Statements

	As at June 30, 2015 ₹ in lakhs	As at June 30, 2014 ₹ in lakhs
6. Other Long-Term Liabilities		
Trade/Security Deposits	2	2
	<u>2</u>	<u>2</u>
7. Long-Term Provisions		
Provision for Employee benefits (Refer Note 26)		
Compensated absences	222	162
Post Retirement Medical Benefits	71	54
	<u>293</u>	<u>216</u>
8. Trade Payables		
Total Outstanding dues to Micro and Small Enterprises (Refer Note 33)	89	98
Total Outstanding for Trade Payables other than Micro and Small Enterprises	26 712	25 507
	<u>26 801</u>	<u>25 605</u>
9. Other Current Liabilities		
Gratuity (Refer Note 26)	851	—
Superannuation	9	8
Unclaimed/Unpaid Dividend*	65	65
Other payables:		
Payables on Purchase of Fixed Assets	545	1 067
Other payables (including statutory remittances, excise and sales tax payable)	4 817	4 018
	<u>6 287</u>	<u>5 158</u>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
10. Short-Term Provisions		
Provision for Employee benefits (Refer Note 26)		
Compensated absences	401	205
Post Retirement Medical Benefits	1	1
Provisions (Others)		
Provision for tax	6 821	3 919
Proposed Equity Dividend	4 888	4 888
Corporate Tax on Proposed Dividend	995	831
Others (Refer Note 38)	270	—
	<u>13 376</u>	<u>9 844</u>

Notes forming part of the Financial Statements

11. Tangible Assets

Particulars - Own Use Assets	Gross Block at Cost			Depreciation and Amortisation				Net Block		
	As at July 1, 2014 ₹ in lakhs	Additions/Transfers during the year ₹ in lakhs	Deletions/Transfers/Adjustments during the year ₹ in lakhs	As at June 30, 2015 ₹ in lakhs	As at July 1, 2014 ₹ in lakhs	For the year ₹ in lakhs	Deletions/Transfers/Adjustments ₹ in lakhs	Depreciation as per transitional provision specified in Schedule II of the Companies Act, 2013 (Refer Note 2 below) ₹ in lakhs	As at June 30, 2015 ₹ in lakhs	As at June 30, 2015 ₹ in lakhs
Land - Freehold Land	7 (7)	—	—	7 (7)	—	—	—	—	—	7 (7)
Land - Leasehold Land	962 (962)	—	—	962 (962)	182 (171)	11 (11)	—	—	193 (182)	769 (780)
Buildings	3 429 (3 375)	52 (54)	—	3 481 (3 429)	1 332 (1 206)	161 (126)	—	6	1 499 (1 332)	1 982 (2 097)
Plant, Machinery and Equipment	31 792 (29 909)	1 897 (2 027)	865 (144)	32 824 (31 792)	20 566 (18 576)	2 410 (2 128)	789 (138)	6	22 193 (20 566)	10 631 (11 226)
Furniture and Fixtures	993 (980)	66 (19)	2 (6)	1 057 (993)	748 (634)	103 (116)	1 (2)	5	855 (748)	202 (245)
Office Equipment	1 364 (1 037)	270 (342)	29 (15)	1 605 (1 364)	519 (403)	369 (129)	8 (13)	46	926 (519)	679 (845)
Motor Vehicles (including Forklifts)	53 (51)	— (2)	3 —	50 (53)	29 (26)	11 (3)	3 —	1	38 (29)	12 (24)
Moulds & Dies	4 155 (3 047)	119 (1 108)	—	4 274 (4 155)	2 116 (1 331)	823 (785)	—	—	2 939 (2 116)	1 335 (2 039)
Total	42 755 (39 368)	2 404 (3 552)	899 (165)	44 260 (42 755)	25 492 (22 347)	3 888 (3 298)	801 (153)	64	28 643 (25 492)	15 617 (17 263)
								Capital work-in-progress		6 314 (6 084)
								TOTAL		21 931 (23 347)

Notes

- Figures in bracket pertain to previous year.
- In accordance with the requirements of Companies Act, 2013, 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 ₹ 42 lakhs (net of tax of ₹ 22 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

	As at June 30, 2015		As at June 30, 2014	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
12. Long-Term Loans and Advances				
Unsecured, considered good unless otherwise stated				
Security deposits		361		256
Loans and advances to employees (Refer Note (a) below)		2 382		2 072
Advance Income Tax		10 480		8 659
Other loans and advances (Refer Note (b) below)		1 306		1 392
Doubtful loans and advances	1 015		1 111	
Less: Provision for doubtful loans and advances	<u>(1 015)</u>	<u>—</u>	<u>(1 111)</u>	<u>—</u>
		<u>14 529</u>		<u>12 379</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. Inventories (At lower of cost and net realisable value)				
Raw Materials		4 456		4 846
Packing Materials		778		519
Work-in-progress				
Shaving System and Cartridges		674		526
Oral Care		15		13
Finished Goods (manufactured)*		3 259		4 619
Stock-in-Trade (goods purchased for resale) (including Goods-in-transit ₹ 5 218 lakhs (Previous year: ₹ Nil lakhs))		8 887		10 239
Consumable Stores and Spares		2 088		2 293
		<u>20 157</u>		<u>23 055</u>
* Includes inventories pertaining to Discontinuing Operations				
14. Trade Receivables				
Unsecured				
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
– Considered Good		88		328
– Considered Doubtful		<u>152</u>		<u>400</u>
		240		728
Other trade receivables - considered good		11 588		8 898
		11 828		9 626
Less: Provision for doubtful trade receivables		152		400
		<u>11 676</u>		<u>9 226</u>

Notes forming part of the Financial Statements

	As at June 30, 2015		As at June 30, 2014	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
15. Cash and Bank Balances				
Cash and Cash Equivalents				
Balance with Bank				
Current accounts	94		3 687	
Deposit accounts with original maturity less than 3 months	17 962		13 205	
		18 056		16 892
Other Bank Balances				
Earmarked accounts				
– Unpaid dividend accounts	65		65	
– Other earmarked accounts (deposit with sales tax authorities)	1		1	
		66		66
Bank Deposits with original maturity more than 3 months*		3		3
		18 125		16 961

* Includes deposits of ₹ Nil lakhs (Previous year: ₹ 3 lakhs) with maturity greater than 12 months from Balance Sheet date

16. Short-Term Loans and Advances**Unsecured, considered good unless otherwise stated**

Loans to related parties (Refer Note 39)		22 100		16 108
Loans and advances to employees (Refer Note (a) below)		304		323
Balances with government authorities (includes Service Tax and Cenvat credit receivable)		271		226
Security Deposits		59		26
Prepaid Expenses		25		24
Doubtful Advance to suppliers	69		64	
Less : Provision for doubtful loans and advances	(64)	5	(64)	—
Other Loans and Advances (Advances to vendors)		2 301		3 051
		25 065		19 758

Note:

(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.

17. Other Current Assets

Interest accrued on loans to related parties (Refer Note 39)		1 369		102
Interest accrued on deposits with banks		27		22
Due from related parties (Refer Note 39)		7 238		293
Others:				
Receivable on account of sale of scrap		23		46
Receivable on account of sale of raw material		65		196
Prepaid Gratuity (Refer Note 26)		—		21
		8 722		680

Notes forming part of the Financial Statements

	For the year ended June 30, 2015 ₹ in lakhs	For the year ended June 30, 2014 ₹ in lakhs
18. Revenue from operations		
Sale of products (Refer Note (i) and (ii) below)	1 88 265	1 67 666
Other operating revenues (Refer Note (iii) below)	291	415
Revenue from Operations (Gross)	1 88 556	1 68 081
Less: Excise Duty attributable to the product sold	1 085	1 618
Total	1 87 471	1 66 463
Notes:		
Sale of products comprises		
(i) Manufactured goods		
Shaving System and Cartridges	73 676	51 018
Blades	24 262	22 529
Oral Care	20	524
Components	75	44
Total - Sale of manufactured goods	98 033	74 115
(ii) Traded goods (goods purchased for resale)		
Shaving System and Cartridges	14 385	27 471
Toiletries	15 218	14 022
Blades	10 400	8 061
Shaving Brush	1 449	1 342
Oral Care	48 780	42 655
Total - Sale of traded goods	90 232	93 551
Total - Sale of products	1 88 265	1 67 666
(iii) Other operating revenues		
Sale of scrap	145	173
Others - sale of raw material	146	242
Total - Other operating revenues	291	415
19. Other Income		
Interest on Fixed deposits with banks	549	720
Interest on loans to related parties (Refer Note 39)	2 100	2 018
Interest on Income Tax Refund	749	—
Interest on loans to Employees	79	71
Write-back of liabilities no longer required	13	274
Gain on sale of fixed assets (Net)	—	2
Miscellaneous Income	22	77
	3 512	3 162

Notes forming part of the Financial Statements

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
20. a) Cost of Raw and Packing Materials Consumed				
(Refer Note 28 (a))				
Opening stock		5 365		6 632
Add: Purchases		36 066		31 106
		<u>41 431</u>		<u>37 738</u>
Less: Closing stock		5 234		5 365
		<u>36 197</u>		<u>32 373</u>
Materials Consumed Comprises of:				
Steel strips		2 733		3 190
Shaving system and cartridges #		28 489		23 661
Personal Care		13		15
Cartons & Containers		3 537		4 095
Plastics		1 425		1 412
		<u>36 197</u>		<u>32 373</u>
# Bulk raw materials				
b) Purchases of Stock-in-Trade (goods purchased for resale)				
Blades		5 390		5 229
Oral care		23 505		27 017
Shaving Brush		834		743
Shaving System & cartridges		7 978		8 221
Toiletries		7 694		7 548
		<u>45 401</u>		<u>48 758</u>
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade				
<u>Inventories at the beginning of the year:</u>				
Finished Goods (manufactured)		3 782		3 258
Work-in-Progress		539		385
Stock-in-Trade (goods purchased for resale)		10 239		10 514
		<u>14 560</u>		<u>14 157</u>
<u>Inventories at the end of the year:</u>				
Finished Goods (manufactured)		2 021		3 782
Work-in-Progress		689		539
Stock-in-Trade (goods purchased for resale)		8 887		10 239
		<u>11 597</u>		<u>14 560</u>
Net (Increase) / Decrease		<u>2 963</u>		<u>(403)</u>

Notes forming part of the Financial Statements

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
21. Employee Benefit Expenses				
Salaries and Wages*		7 684		6 808
Contribution to Provident and Other Funds (Refer Note 26)		1 394		628
Expense on Employee Stock Option (ESOP/ISOP) Scheme (Refer Note 27)		127		219
Staff Welfare Expenses (Refer Note 34)		894		736
Reimbursement of Employee cost cross charged by related parties (Refer Note 35)		1 272		1 122
		<u>11 371</u>		<u>9 513</u>
* Salaries and Wages includes ₹ 486 lakhs (Previous year: ₹ 318 lakhs) for expenditure on Voluntary Retirement Scheme.				
22. Finance Costs				
Interest expense on short term bank borrowings		8		2
Interest expense on trade payables (Refer Note 33)		29		34
Interest on Income Tax		56		—
Interest on Entry Tax		372		—
		<u>465</u>		<u>36</u>
23. Other Expenses				
Consumption of Stores and spare parts (Refer Note 28(b))		1 347		1 592
Rent (Refer Note 34)		618		173
Excise duty on increase/(decrease) of finished goods inventory		(37)		11
Processing charges		2 862		1 907
Power and fuel		1 182		1 128
Repairs and maintenance:				
Plant and machinery		331		387
Buildings		9		3
Others		59		—
Insurance		45		45
Turnover and Resale Tax		17		273
Rates and Taxes		4		4
Communications		592		527
Travelling, Conveyance and Vehicle expenses		410		442
Computer expenses		191		143
Freight, transport, warehousing and distribution charges		8 381		7 672
Trade Incentives		18 683		15 102
Advertising expenses		22 260		25 545
Distributor Coverage Expenses		6 271		4 983
Royalty		1 154		1 953
Business process outsourcing expenses		1 504		2 867
Legal and Professional services		1 164		1 448
Payment to auditors (Refer Note (a) below)		129		130
Commission to Directors		44		80

Notes forming part of the Financial Statements

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Trade Receivables written off	537		26	
Less: Adjusted against Provision for earlier years	<u>(537)</u>	—	<u>(26)</u>	—
Provision for doubtful Trade Receivables		289		5
Inventory written off (Net of Insurance claims recovered)		1 020		881
Net loss on foreign currency transaction and translation		—		19
Loss on sale/discard of Fixed Assets (Net)		2 583		—
Miscellaneous Expenses		2 992		2 092
		<u>74 104</u>		<u>69 412</u>
Reimbursement/(Recovery) of Expenses shared by related parties (Refer Note 35)		947		(500)
		<u>75 051</u>		<u>68 912</u>

Note:

Particulars

(a) Payment to the auditors comprise:

(i) To Statutory Auditors

For Audit	71	65
For Taxation Matters	16	16
For Limited Review	17	16
For Other Services	3	3
Reimbursement of expenses	6	4
Service Tax	<u>16</u>	<u>13</u>

(ii) To Cost Auditors for cost audit

Total

129	117
<u>—</u>	<u>13</u>
<u>129</u>	<u>130</u>

(b) Miscellaneous expenses includes expenditure incurred and paid on Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 ₹ 226 Lakhs.

24. (a) Contingent Liabilities:

- (i) In respect of Income Tax demands for which the company has preferred appeals with appropriate authorities – ₹ 15 162 lakhs (Previous year: ₹ 10 009 lakhs). The contingent liability is in respect of matters related to: Income tax dispute on inventory write-off, allowability of losses carried forward from merged entities and others.
- (ii) In respect of Sales Tax matters for which the company has preferred appeals with appropriate authorities - ₹ 3 182 lakhs (Previous year: ₹ 1 397 lakhs). The contingent liability is in respect of matters related to: non submission of "C" Forms/"F" Forms ₹ 2 471 lakhs (Previous year: ₹ 796 lakhs) and others ₹ 711 lakhs (Previous year: ₹ 601 lakhs).
- (iii) In respect of Excise, Service Tax and Customs matters for which the company has preferred appeals with appropriate authorities – ₹ 24 474 lakhs (Previous year: ₹ 20 816 lakhs). The contingent liabilities are in respect of denial of excise duty benefits at excise exempt location ₹ 20 476 lakhs (Previous year: ₹ 17 337 lakhs) out of which the Company has a right to claim Cenvat credit of ₹ 12 822 lakhs (Previous year: ₹ 8 943 lakhs); denial of Cenvat credit ₹ 55 lakhs (Previous year: ₹ 55 lakhs); Service tax matters ₹ 2 115 lakhs (Previous year: ₹ 1 591 lakhs); Customs valuation disputes ₹ 1 528 lakhs (Previous year: ₹ 1 528 lakhs) and others ₹ 300 lakhs (Previous year: ₹ 305 lakhs).
- (iv) In respect of counter guarantees given to banks against guarantees given by banks ₹ 5 496 lakhs (Previous year: ₹ 4 112 lakhs). At the request of the Company, its bankers have issued guarantees to government bodies and third parties for performance obligation under various commercial agreements. The Company has issued counter guarantees to the banks in respect of these guarantees.

Notes forming part of the Financial Statements

- (v) In respect of other claims ₹ 714 lakhs (Previous year: ₹ 5 456 lakhs). The Company is a party to various legal proceedings in the normal course of business.
- (vi) In respect of Demand raised by Delhi Development Authority towards interest on belated payment of Unearned Increase in respect of leasehold land charges ₹ 3 424 lakhs (Previous year: ₹ 3 424 lakhs).

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

(b) Commitments:

- (i) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 71 lakhs (Previous year: ₹ 409 lakhs).

25. The Company had in earlier years filed a writ petition in the High Court of Himachal Pradesh at Shimla challenging the premature withdrawal of Excise duty exemption for packing/repacking activities at its Baddi Manufacturing Facility. The High Court has since passed an order on April 24, 2008 in favour of the Company and has struck down the notification withdrawing the excise exemption. The Excise department has preferred an appeal on October 31, 2009 with the Hon'ble Supreme Court of India against the said order of the High Court. The Company has, as a matter of prudence, created a Contingency Reserve of ₹ 8 850 lakhs (Previous year: ₹ 6 750 lakhs) by way of appropriation of profits to the extent of excise duty payable (net of Cenvat credit) on dispatches made from the Baddi plant. Accordingly, during the current year, profit of ₹ 2 100 lakhs (Previous year: ₹ 1 350 lakhs) have been appropriated. These Reserves will be reviewed as and when this litigation is finally decided.

26. Employee Benefits

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

I. Defined Contribution Plans

- (a) Superannuation Fund
 (b) State Defined Contribution Plans: Employer's Contribution to Employees' State Insurance

During the year, the Company has recognised the following amounts in the 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 Superannuation Fund	108	100
– Employer's Contribution to Employees' State Insurance	3	13

The above amounts are included in Contribution to Provident and other Funds under Employee Benefits Expense (Refer Note 21)

II. Defined Benefit Plans

- a. Gratuity Fund (Funded Scheme): Gratuity is payable to all eligible employees of the Company on Superannuation, death, permanent disablement or resignation in terms of the provisions of the Payment of Gratuity Act or Company's scheme whichever is more beneficial. Benefits would be paid at the time of separation based on the last drawn base salary.
- b. Provident Fund (Funded Scheme): Provident Fund for all permanent employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognised by the Income Tax authorities where two other group Companies are also participants. Periodic contributions to the Fund are charged to revenue. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.
- c. Post Retirement Medical Benefit (PRMB) (Unfunded Scheme): Under this scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on

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their grade at the time of retirement. Employees separated from the Company as part of early separation scheme are also covered under the scheme. The liability for post retirement medical scheme is based on an independent actuarial valuation.

- d. Compensated absences for Plant technicians (Unfunded Scheme): The Company provides for encashment of leave on termination/retirement of service or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain 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:

		Funded Gratuity	Unfunded Compensated Absences	Unfunded Post Retirement Medical Benefit
		₹ in lakhs	₹ in lakhs	₹ in lakhs
A) Changes in the Present Value of Obligation				
Present Value of Obligation as at opening date	2014-2015	2 231	176	55
	2013-2014	2 212	—	64
Interest Cost	2014-2015	188	16	4
	2013-2014	161	—	5
Current Service Cost	2014-2015	216	32	4
	2013-2014	171	91	5
Service Contribution – Employee	2014-2015	—	—	—
	2013-2014	—	—	—
Transfer from other funds	2014-2015	—	—	—
	2013-2014	—	—	—
Interest Cost – earned	2014-2015	—	—	—
	2013-2014	—	—	—
Benefits Paid	2014-2015	(206)	(3)	(4)
	2013-2014	(240)	—	—#
Actuarial (gain)/loss on Obligations	2014-2015	647	14	13
	2013-2014	(73)	85	(19)
Present Value of Obligation as at closing date	2014-2015	3 076	235	72
	2013-2014	2 231	176	55
# denotes amounts less than ₹ 50 000				
B) Changes in the Fair Value of Plan Assets				
Fair Value of Plan Assets as at opening date	2014-2015	2 252	—	—
	2013-2014	1 994	—	—
Expected Actual Return on Plan Assets	2014-2015	172	—	—
	2013-2014	164	—	—
Actuarial Gains and (Losses)	2014-2015	7	—	—
	2013-2014	(21)	—	—
Contributions	2014-2015	—	—	—
	2013-2014	355	—	—
Benefits Paid	2014-2015	(206)	—	—
	2013-2014	(240)	—	—
Fair Value of Plan Assets as at closing date	2014-2015	2 225	—	—
	2013-2014	2 252	—	—

Notes forming part of the Financial Statements

		Funded Gratuity	Unfunded Compensated Absences	Unfunded Post Retirement Medical Benefit
		₹ in lakhs	₹ in lakhs	₹ in lakhs
C) Amount recognised in the Balance Sheet				
Present Value of Obligation	As at June 30, 2015	3 076	235	72
	As at June 30, 2014	2 231	176	55
Fair Value of Plan Assets	As at June 30, 2015	2 225	—	—
	As at June 30, 2014	2 252	—	—
Liability/(Asset) recognised in the Balance Sheet				
– Current Liability/(Asset) recognised in the Balance Sheet	As at June 30, 2015	851	13	1
	As at June 30, 2014	(21)	14	1
– Non-current Liability/(Asset) recognised in the Balance Sheet	As at June 30, 2015	—	222	71
	As at June 30, 2014	—	162	54
D) Expenses recognised in the Statement of Profit and Loss				
Current Service Cost	2014-2015	216	32	4
	2013-2014	171	91	5
Interest Cost	2014-2015	188	16	4
	2013-2014	161	—	5
Expected Return on Plan Assets	2014-2015	(172)	—	—
	2013-2014	(164)	—	—
Net actuarial (gain)/loss recognised in the year	2014-2015	640	14	13
	2013-2014	(52)	85	(19)
Total Expenses recognised in the Statement of Profit and Loss	2014-2015	872	62	21
	2013-2014	116	176	(9)

Gratuity included in Contribution to Provident and other Funds under Employee Benefits Expense (Refer Note 21)

E) Category of Plan Assets

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

F) Sensitivity of Results to Medical Inflation Rate

	Current Service + Interest Cost		Present Value of Defined Benefit Obligation	
Medical Inflation Rate	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%)	10	13	87	66
Effect of 1% decrease (4.5%)	7	8	61	46

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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 Gratuity	Unfunded Compensated Absences	Unfunded Post Retirement Medical Benefit
Discount rate (per annum)	2014-2015	8.20%	8.20%	8.20%
	2013-2014	8.80%	8.80%	8.80%
Average Salary increase rate	2014-2015	8.00%	8.00%	N/A
	2013-2014	7.00%	7.00%	N/A
Rate of Return on Plan Assets (For funded scheme)	2014-2015	8.00%	N/A	N/A
	2013-2014	8.00%	N/A	N/A
Medical Inflation Rate	2014-2015	N/A	N/A	5.50%
	2013-2014	N/A	N/A	5.50%
Expected Retirement age of employees (years)	2014-2015	60	60	60
	2013-2014	60	60	60

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

		Funded Gratuity	Unfunded Compensated Absences	Unfunded Post Retirement Medical Benefit	
Age					
	Upto 45 years	2014-2015	5%	5%	5%
		2013-2014	5%	5%	5%
Above 45 years	2014-2015	3%	3%	3%	
	2013-2014	3%	3%	3%	

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

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.

		Funded Gratuity	Unfunded Compensated Absences	Unfunded Post Retirement Medical Benefit	
		₹ in lakhs	₹ in lakhs	₹ in lakhs	
H) Experience History	Defined Benefit Obligation as at closing date	2014-2015	3 076	235	72
		2013-2014	2 231	176	55
		2012-2013	2 212	—	64
		2011-2012	1 862	—	50
		2010-2011	1 466	—	40

Notes forming part of the Financial Statements

		Funded Gratuity	Unfunded Compensated Absences	Unfunded Post Retirement Medical Benefit
		₹ in lakhs	₹ in lakhs	₹ in lakhs
Plan Assets as at closing date	2014-2015	2 225	—	—
	2013-2014	2 252	—	—
	2012-2013	1 994	—	—
	2011-2012	1 906	—	—
	2010-2011	1 423	—	—
Funded Status – Excess/(Short)	2014-2015	(851)	(235)	(72)
	2013-2014	21	(176)	(55)
	2012-2013	(218)	—	(64)
	2011-2012	44	—	(50)
	2010-2011	(43)	—	(40)
Experience Gain/(Loss) adjustments on plan liabilities	2014-2015	(224)	19	(3)
	2013-2014	(159)	(85)	7
	2012-2013	(143)	—	7
	2011-2012	(238)	—	(2)
	2010-2011	(96)	—	2
Experience Gain/(Loss) adjustments on plan assets	2014-2015	7	—	—
	2013-2014	(21)	—	—
	2012-2013	146	—	—
	2011-2012	254	—	—
	2010-2011	22	—	—
Actuarial Gain/(Loss) due to change on assumptions	2014-2015	(423)	(33)	(10)
	2013-2014	232	—	12
	2012-2013	(159)	—	13
	2011-2012	(17)	—	(1)
	2010-2011	14	—	1

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

The Company's contribution to Provident Fund ₹ 411 lakhs (Previous year: ₹ 399 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense (Refer Note 21).

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

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

Every employee who opted for the scheme contributed by way of payroll deduction up to a specified percentage (upto 15%) of his gross salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of gross salary). Such contribution is charged to staff cost.

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

Notes forming part of the Financial Statements

The shares of TGC (till September 30 2005)/The Procter & Gamble Company, USA are listed with New York Stock Exchange of USA and are purchased on behalf of the employees at market price on the date of purchase. During the year 2180.22 shares (Previous year: 2347.99 shares) were purchased by employees at weighted average fair value of ₹ 5 248.01 (Previous year: ₹ 4 908.51) per share. The Company's contribution during the year on such purchase of shares amounting to ₹ 35 lakhs (Previous year: ₹ 34 lakhs) has been charged under Employee Benefits Expense under Note 21.

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

The Gillette Company, USA (TGC) had an Employees Stock Options Scheme whereby specified employees of its subsidiaries covered by the plan were granted an option to purchase shares of the Parent Company i.e. The Gillette Company, USA at a fixed price (grant price) for a fixed period of time. Subsequent to the worldwide merger of Aquarium Acquisition Corporation (wholly owned subsidiary of the Procter & Gamble Company, USA) with The Gillette Company, USA on October 1, 2005, the shares of The Gillette Company got delisted from the New York Stock Exchange. Upon this change in control the 2005 Gillette Option award got automatically converted into P&G options at the established conversion ratio of 0.975 shares in the Procter and Gamble Company, USA for every share held in the Gillette Company. The shares of the Gillette Company (till September 30, 2005)/The Procter & Gamble Company, USA were/are listed with New York Stock Exchange of USA. The options were issued to Key Employees of the Company with Exercise price equal to the market price of the underlying shares on the date of the grant. The Grants issued are vested after 3 years/5 years and have a 5 years/10 years life cycle.

Stock compensation expenses of ₹ 92 lakhs (Previous year: ₹ 185 lakhs) has been charged under Employee Benefits Expense under Note 21.

Fair Value Stock Compensation of shares at Grant dates:

27-Feb-15	\$ 85.13
13-Sep-13	\$ 79.05
28-Feb-14	\$ 78.66

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

	Shares arising out of option		Amount in US\$		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	67 707	67 444	78.59	76.99	5.74	6.33
Granted during the year						
27-Feb-15	534	—	85.13	—	10.00	—
27-Feb-15	13 887	—	85.13	—	5.00	—
13-Sep-13	—	2 100	—	79.05	—	10.00
28-Feb-14	—	7 002	—	78.66	—	10.00
28-Feb-14	—	960	—	78.66	—	5.00
Forfeited during the year	(100)	(7 352)	—	—	—	—
Transferred/ Adjustments during the year	—	—	—	—	—	—
Exercised during the year	(2 253)	(2 447)	82.27	80.94	—	—
Expired during the year	—	—	—	—	—	—
Outstanding at the end of the year	79 775	67 707	78.24	78.59	5.55	5.74
Exercisable at the end of the year	43 621	39 683	78.24	78.59	3.73	4.17

Notes forming part of the Financial Statements

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	21 054	53	22 625	63
Imported at landed cost *	19 013	47	13 161	37
	<u>40 067</u>	<u>100</u>	<u>35 786</u>	<u>100</u>
(b) Stores and spare parts:				
Indigenously obtained	535	40	911	57
Imported at landed cost	812	60	681	43
	<u>1 347</u>	<u>100</u>	<u>1 592</u>	<u>100</u>

* Imported at landed cost includes ₹ 3 870 lakhs
(Previous year: ₹ 3 413 lakhs) for discontinuing operations

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

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in lakhs		₹ in lakhs	
Raw and packing materials*	18 628		14 089	
Spare parts	1 289		776	
Capital goods	3 166		3 185	
	<u>23 083</u>		<u>18 050</u>	

* Raw and packing material includes ₹ 3 221 lakhs
(Previous year: ₹ 3 232 lakhs) for discontinuing operations

30. Expenditure in foreign currency

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in lakhs		₹ in lakhs	
Royalty	1 019		1 743	
Travelling expenses	95		114	
Legal and Professional services	5		5	
Advertising expenses	409		379	
Computer expenses	189		143	
Business Process outsourcing expenses	1 332		2 553	
Expenses cross-charged by related parties	252		506	
Relocation Expenses	220		326	
Others	3		23	
	<u>3 524</u>		<u>5 792</u>	

31. Earnings in foreign exchange

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	₹ in lakhs		₹ in lakhs	
Exports of goods calculated on F.O.B. basis (excludes Rupee exports to Nepal and Bhutan) ₹ 638 lakhs (Previous year: ₹ 328 lakhs)	3 896		1 518	
Discontinuation facilitation income (Refer Note 41)	6 369		—	
Others (freight, insurance etc.)	100		45	
	<u>10 365</u>		<u>1 563</u>	

Notes forming part of the Financial Statements

32. Remittance made on account of dividend in foreign currency

	For the year ended June 30, 2015	For the year ended June 30, 2014
i) Amount remitted (₹ in lakhs)	2 040	2 164
ii) Number of non-resident shareholders (nos.)	27	30
iii) Number of shares held by them (nos.)	1 36 01 306	1 44 24 121
iv) Period to which the dividend relates	2014	2013

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

Particulars	For the year ended June 30, 2015 ₹ in lakhs	For the year ended June 30, 2014 ₹ in lakhs
Principal amount remaining unpaid to any supplier as at the end of the accounting year	89	98
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	18	35
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	46	—
The amount of interest due and payable for the year	29	34
The amount of interest accrued and remaining unpaid at the end of the accounting year	18	35
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	—	—

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 and godowns for storage of inventories, with an option of renewal at the end of the lease term and escalation clause in some of the cases. These leases can be terminated with a prior notice as per terms and conditions of the respective lease agreements. Lease payments amounting to ₹ 743 lakhs (Previous year: ₹ 304 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:

	For the year ended June 30, 2015 ₹ in lakhs	For the year ended June 30, 2014 ₹ in lakhs
Within one year	280	—
After one year but not more than 5 years	532	—
More than 5 years	—	—
TOTAL	812	—

35. (a) Reimbursement/(Recovery) of expenses cross charged to related parties include payment/recoveries on account of finance, personnel, secretarial, administration and planning services rendered under common services agreement of the Company with Procter & Gamble Hygiene and Healthcare Limited and Procter & Gamble Home Products Private 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.

Notes forming part of the Financial Statements

36. a) Managerial Remuneration

The computation of managerial remuneration excludes an amount of ₹ 305 lakhs (Previous year: ₹ 137 lakhs) in respect of managerial personnel cross-charged from Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited in terms of common services agreement referred to in Note 35 (a) above.

b) Commission to Non-Executive Directors

During the current year, an aggregate amount of ₹ 44 lakhs has been provided as commission payable to the Non-Executive Directors which is within the overall limits of commission payable to such directors under Schedule V to the Companies Act, 2013.

For the financial year 2013-14 the aggregate amount of Commission of ₹ 172 lakhs (including service tax of ₹ 19 lakhs) charged and since paid for the year in the Financial Statements, exceeded the maximum amount payable based on 1% of the net profits of the Company by an amount of ₹ 24 lakhs (including service tax of ₹ 3 lakhs). The said excess amount of ₹ 24 lakhs has since been ratified by the members of the Company. The Company had made an application to the Central Government on January 6, 2014 for waiver of the excess commission; which was rejected. The Company has since recovered the excess amount of ₹ 24 lakhs from the Directors.

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

Currency	In Foreign currency		₹ in lakhs	
	As at June 30, 2015	As at June 30, 2014	As at June 30, 2015	As at June 30, 2014
Export of goods	USD 14 19 351	3 47 027	906	208
Other Receivables	USD 1 00 48 520	19 269	6 413	12
	GBP —	—	—	— #
	EUR 17 510	—	13	—
	SGD 18 245	18 245	9	9
	JPY —	3 09 758	—	2

denotes amounts less than ₹ 50 000

b) Amounts payable in foreign currency

Import of goods and services	USD 45 90 082	81 64 234	2 929	4 903
	SEK 5 55 701	10 10 945	43	90
	EUR 1 73 901	79 953	124	66
	AUD 48 538	1 39 402	24	79
Other payables	USD 6 99 903	38 26 754	447	2 298
	GBP 15 672	65 903	16	67
	EUR 9 500	256	7	—#
	JPY —	21 60 000	—	13
	SGD 2 61 547	—	124	—
	TRY 83 714	—	20	—

denotes amounts less than ₹ 50 000

Notes forming part of the Financial Statements

38. Details of Provisions

The Company had made provision for disputes based on its assessment of the amount it estimates to incur to meet such obligation, details of which are given below:

	For the year ended June 30, 2015 ₹ in lakhs	For the year ended June 30, 2014 ₹ in lakhs
Towards probable litigation settlements		
As at July 1, 2014	—	—
Additions during the year	270	—
Utilisation during the year	—	—
Reversal (As no longer required)	—	—
As at June 30, 2015	<u>270</u>	<u>—</u>

Note:

- (a) It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

39. Related Party Disclosures

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

Details of Related parties:

a) Enterprises where control exists:

The Procter and Gamble Company, USA - Ultimate Holding Company

The Procter & Gamble India Holdings B.V., Netherlands - Holding Company

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

i) Fellow Subsidiaries:

Procter & Gamble Bangladesh Pvt. Ltd	Procter & Gamble Hygiene and Healthcare Limited
Gillette Diversified Operations Private Limited	Procter & Gamble Indochina Company Limited
Gillette Products Private Limited	The Procter & Gamble Distributing LLC
Mining Consultants (India) Private Limited	The Gillette Company, USA
Wella India Haircosmetics Private Limited	P&G International Operations SA - ROHQ
The Procter & Gamble US Business Services Company	Nexus Mercantile Private Limited.
Gillette (Shanghai) Ltd	Procter & Gamble International Operations SA
Procter & Gamble Do Brasil S/A	P&G Europe S.A., Singapore Branch
Procter & Gamble International Operations SA Singapore Br	Procter & Gamble Japan K.K.
PT Procter & Gamble Home Products Indonesia	Procter & Gamble Gulf Fze
Procter & Gamble (China) Sales Co., Ltd.	Procter & Gamble Australia Pty Ltd
Procter & Gamble Nigeria Limited	Procter & Gamble International SARL, Luxemburg
Procter & Gamble Tuketim Mallari Sanayi A.S.	Procter & Gamble Home Products Private Limited (erstwhile Procter & Gamble Home Products Limited)

ii) Investing company in respect of which the Company is an associate:

Wella India Haircosmetics Private Limited ("Wella") #

Also being a fellow subsidiary Company

iii) Key Management Personnel of the Company:

Mr. Shantanu Khosla (Managing Director) (Upto June 30, 2015)

Note: Related parties have been identified by the management

Notes forming part of the Financial Statements

c) Transactions during the year:

₹ in lakhs

Nature of transactions		Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Total
Sale of Products				
Procter & Gamble International Operations SA Singapore Branch	2014-2015	—	3 298	3 298
Procter & Gamble Bangladesh Pvt. Ltd	2014-2015	—	593	593
Others	2014-2015	—	105	105
Procter & Gamble International Operations SA Singapore Branch	2013-2014	—	649	649
Procter & Gamble Bangladesh Pvt. Ltd	2013-2014	—	588	588
Procter & Gamble International Operations SA	2013-2014	—	282	282
Others	2013-2014	—	44	44
Recovery of Expenses Cross charged				
Procter & Gamble Home Products Private Ltd	2014-2015	—	739	739
The Procter and Gamble Company	2014-2015	233	—	233
Procter & Gamble Hygiene and Healthcare Ltd	2014-2015	—	157	157
Others	2014-2015	—	124	124
Procter & Gamble International Operations SA Singapore Branch	2013-2014	—	897	897
Procter & Gamble Home Products Private Ltd	2013-2014	—	658	658
Procter & Gamble Hygiene and Healthcare Ltd	2013-2014	—	557	557
Others	2013-2014	—	109	109
Sale of Capital goods				
Procter & Gamble Home Products Private Ltd	2014-2015	—	20	20
Discontinuation Facilitation Income				
Procter & Gamble International SARL, Luxemburg	2014-2015	—	6 369	6 369
Reimbursement of expenses shared by group cos. (Income)				
Procter & Gamble Home Products Private Ltd	2014-2015	—	—	—
Procter & Gamble Home Products Private Ltd	2013-2014	—	131	131
Interest Income				
Procter & Gamble Home Products Private Ltd	2014-2015	—	532	532
Gillette Diversified Operations Private Ltd	2014-2015	—	786	786
Wella India Haircosmetics Private Limited	2014-2015	—	700	700
Gillette Products Private Limited	2014-2015	—	82	82
Procter & Gamble Home Products Private Ltd	2013-2014	—	1 252	1 252
Gillette Diversified Operations Private Ltd	2013-2014	—	766	766
Loans Given				
Procter & Gamble Home Products Private Ltd	2014-2015	—	15 351	15 351
Gillette Diversified Operations Pvt. Ltd	2014-2015	—	14 180	14 180
Wella India Haircosmetics Private Limited	2014-2015	—	10 000	10 000
Gillette Products Private Limited	2014-2015	—	1 700	1 700
Procter & Gamble Home Products Private Ltd	2013-2014	—	64 359	64 359
Gillette Diversified Operations Pvt. Ltd	2013-2014	—	36 498	36 498
Loans Realised				
Procter & Gamble Home Products Private Ltd	2014-2015	—	21 459	21 459
Gillette Diversified Operations Private Ltd	2014-2015	—	12 780	12 780
Wella India Haircosmetics Private Limited	2014-2015	—	—	—
Gillette Products Private Limited	2014-2015	—	1 000	1 000
Procter & Gamble Home Products Private Ltd	2013-2014	—	66 146	66 146
Gillette Diversified Operations Private Ltd	2013-2014	—	37 011	37 011

Notes forming part of the Financial Statements

₹ in lakhs

Nature of transactions		Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Total
Purchase of Goods				
Procter & Gamble International Operations SA Singapore Branch	2014-2015	—	32 775	32 775
Others	2014-2015	—	2 171	2 171
Procter & Gamble International Operations SA Singapore Branch	2013-2014	—	35 095	35 095
Others	2013-2014	—	1 911	1 911
Royalty				
The Gillette Company, USA	2014-2015	—	1 019	1 019
The Gillette Company, USA	2013-2014	—	1 743	1 743
Purchase of Equipment / Assets / Spares				
The Procter & Gamble Distributing LLC	2014-2015	—	1 019	1 019
The Procter & Gamble Distributing LLC	2013-2014	—	1 551	1 551
Others	2013-2014	—	1	1
Reimbursement of expenses shared by group cos. (Expense)				
Procter & Gamble Home Products Private Ltd	2014-2015	—	173	173
Procter & Gamble Hygiene and Healthcare Ltd	2014-2015	—	2 046	2 046
Procter & Gamble Hygiene and Healthcare Ltd	2013-2014	—	752	752
Business Process Outsourcing expenses				
Procter & Gamble Europe SA Singapore Branch	2014-2015	—	892	892
Procter & Gamble International Operations SA-ROHQ	2014-2015	—	440	440
Procter & Gamble Europe SA Singapore Branch	2013-2014	—	2 148	2 148
Procter & Gamble International Operations SA-ROHQ	2013-2014	—	405	405
Computer Expenses				
The Procter & Gamble US Business Services Company	2014-2015	—	189	189
The Procter & Gamble US Business Services Company	2013-2014	—	141	141
Processing Charges				
Gillette Diversified Operations Private Ltd	2014-2015	—	1 486	1 486
Gillette Diversified Operations Private Ltd	2013-2014	—	1 357	1 357
Expenses cross-charged				
Procter & Gamble Home Products Private Ltd	2014-2015	—	5 278	5 278
Procter & Gamble Hygiene and Healthcare Ltd	2014-2015	—	2 729	2 729
Others	2014-2015	106	151	257
Procter & Gamble Home Products Private Ltd	2013-2014	—	3 555	3 555
Procter & Gamble Hygiene and Healthcare Ltd	2013-2014	—	3 000	3 000
Others	2013-2014	90	416	506
Rent expenses				
Procter & Gamble Home Products Private Ltd	2014-2015	—	394	394
Dividend Remitted / Paid				
Procter & Gamble India Holdings B.V., Netherlands	2014-2015	1 961	—	1 961
Wella India Haircosmetics Private Limited	2014-2015	—	994	994
Others	2014-2015	—	711	711
Procter & Gamble India Holdings B.V., Netherlands	2013-2014	2 005	—	2 005
Wella India Haircosmetics Private Limited	2013-2014	—	994	994
Others	2013-2014	—	711	711

Notes forming part of the Financial Statements

d) Outstandings

₹ in lakhs

Nature of Balances	As on	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Total
Trade Payables				
Procter & Gamble International Operations SA Singapore Branch	June 30, 2015	—	2 784	2 784
Procter & Gamble Hygiene and Healthcare Ltd	June 30, 2015	—	1 440	1 440
Procter & Gamble Home Products Private Ltd	June 30, 2015	—	2 621	2 621
Others	June 30, 2015	4	1 271	1 275
Procter & Gamble International Operations SA Singapore Branch	June 30, 2014	—	5 192	5 192
Procter & Gamble Europe SA Singapore Branch	June 30, 2014	—	1 255	1 255
Procter & Gamble Hygiene and Healthcare Ltd	June 30, 2014	—	1 107	1 107
Others	June 30, 2014	21	1 591	1 612
Trade Receivables				
Procter & Gamble International Operations SA Singapore Branch	June 30, 2015	—	745	745
Procter & Gamble Bangladesh Private Limited	June 30, 2015	—	161	161
Procter & Gamble International Operations SA Singapore Branch	June 30, 2014	—	115	115
Procter & Gamble Bangladesh Private Limited	June 30, 2014	—	93	93
Other Current Assets				
Procter & Gamble International SARL, Luxembourg	June 30, 2015	—	6 382	6 382
Procter & Gamble Home Products Private Ltd	June 30, 2015	—	706	706
Others	June 30, 2015	12	138	150
Procter & Gamble Home Products Private Ltd	June 30, 2014	—	155	155
Procter & Gamble Hygiene and Healthcare Ltd	June 30, 2014	—	99	99
Others	June 30, 2014	—	39	39
Loans				
Procter & Gamble Home Products Private Ltd	June 30, 2015	—	3 000	3 000
Gillette Diversified Operations Pvt. Ltd	June 30, 2015	—	8 400	8 400
Wella India Haircosmetics Private Limited	June 30, 2015	—	10 000	10 000
Gillette Products Private Limited	June 30, 2015	—	700	700
Procter & Gamble Home Products Private Ltd	June 30, 2014	—	9 108	9 108
Gillette Diversified Operations Pvt. Ltd	June 30, 2014	—	7 000	7 000
Interest Income Accrued				
Procter & Gamble Home Products Private Ltd	June 30, 2015	—	165	165
Gillette Diversified Operations Private Ltd	June 30, 2015	—	530	530
Wella India Haircosmetics Private Limited	June 30, 2015	—	630	630
Gillette Products Private Limited	June 30, 2015	—	44	44
Procter & Gamble Home Products Private Ltd	June 30, 2014	—	31	31
Gillette Diversified Operations Private Ltd	June 30, 2014	—	71	71

Notes:

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

Name	Relations	As at June 30, 2015 ₹ in lakhs	As at June 30, 2014 ₹ in lakhs
Intercorporate loans			
Procter & Gamble Home Products Private Ltd	Fellow Subsidiary	3 000	9 108
Gillette Diversified Operations Pvt. Ltd	Fellow Subsidiary	8 400	7 000
Wella India Haircosmetics Private Limited	Fellow Subsidiary	10 000	—
Gillette Products Private Limited	Fellow Subsidiary	700	—

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

Notes forming part of the Financial Statements

40. Segment Information

a) Primary Segment Information (by Business Segments)

	For the year ended June 30, 2015 ₹ in lakhs	For the year ended June 30, 2014 ₹ in lakhs
Segment Revenue - net of excise duty		
Grooming	1 38 525	1 23 042
Portable Power (Refer Note 41)	9 879	8 516
Oral Care	48 946	43 421
Total Segment Revenue	<u>1 97 350</u>	<u>1 74 979</u>
Segment Results		
Grooming	22 605	17 746
Portable Power (Refer Note 41)	1 164	2
Oral Care	(7 914)	(10 173)
Total Segment Results	<u>15 855</u>	<u>7 575</u>
Discontinuation facilitation income (Refer Note 41)	6 369	
Less: Unallocated corporate expenses net of unallocated income	<u>(644)</u>	<u>(2 282)</u>
Profit before interest and tax	21 580	5 293
Less: Interest Expenses	465	36
Add: Interest Income	3 477	2 809
Profit Before Tax for the year	<u>24 592</u>	<u>8 066</u>
Less: Tax expense	8 779	2 924
Profit After Tax for the year	<u>15 813</u>	<u>5 142</u>
Segment Assets		
Grooming	41 791	44 779
Portable Power	1 934	1 428
Oral Care	11 556	11 499
Total Segment Assets	<u>55 281</u>	<u>57 706</u>
Unallocated Corporate Assets	65 712	47 700
Total	<u>1 20 993</u>	<u>1 05 406</u>
Segment Liabilities		
Grooming	17 553	16 960
Portable Power	1 287	1 302
Oral Care	8 490	8 374
Total Segment Liabilities	<u>27 330</u>	<u>26 636</u>
Unallocated Corporate Liabilities	19 429	14 424
Total	<u>46 759</u>	<u>41 060</u>
Capital Expenditure		
Grooming	3 150	4 944
Oral Care	2 502	3 688
Total	<u>5 652</u>	<u>8 632</u>
Depreciation		
Grooming	3 758	3 140
Oral Care	9	19
Total	<u>3 767</u>	<u>3 159</u>

Notes forming part of the Financial Statements

	For the year ended June 30, 2015 ₹ in lakhs	For the year ended June 30, 2014 ₹ in lakhs
b) Secondary Segment Information (by Geographic Segments)		
Segment Revenue – net of excise		
Within India	1 92 716	1 73 088
Outside India	4 634	1 891
Total	<u>1 97 350</u>	<u>1 74 979</u>
Segment Assets		
Within India	51 537	57 706
Outside India	3 744	—
Total	<u>55 281</u>	<u>57 706</u>
Capital Expenditure		
Within India	5 652	8 632
Outside India	—	—
Total	<u>5 652</u>	<u>8 632</u>

Notes on Segment Information:

- 1) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisation structure as well as the differential risks and returns of these segments. Business segments have been considered as primary segments.
- 2) Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Unallocable income/expenses include income/expenses incurred at a corporate level which relate to the company as a whole.
- 3) Details of type of products included in each segment:
 - Grooming : Shaving system and Cartridges, Blades, Toiletries and Components
 - Portable Power : Batteries
 - Oral Care : Tooth brushes, Toothpaste and Oral Care Products
- 4) Unallocable Corporate Assets mainly include Cash and Cash Equivalents, Loans and Advances and Other Current Assets.
- 5) Unallocable Corporate Liabilities mainly include Other Liabilities and Provisions.

41. Discontinuing operations

Consistent with the decision of Procter & Gamble Company U.S.A. to exit the business of Portable Power (Duracell), the Company in July 2015 received intimation that Procter & Gamble International Operations S.A. has decided to terminate the distributor arrangement entered into with the Company. Such termination will result in the Company not being able to act as the distributor of Duracell batteries from January 29, 2016. As a result of such termination, the Company will receive a sum of US \$10 million (equivalent to ₹ 6 369 lakhs) [Net of tax ₹ 4 165 lakhs] as discontinuation facilitation payment from Procter & Gamble International SARL, Luxemburg in relation to the discontinuation of the Duracell India business.

The Duracell batteries business was a reportable segment under Portable Power segment, and is consequently treated as a discontinuing operation.

Notes forming part of the Financial Statements

In addition to the above, the amount of the ordinary activities attributable to discontinuing operations are as under:

Profit from ordinary activities

	For the year ended June 30, 2015 ₹ in lakhs	For the year ended June 30, 2014 ₹ in lakhs
Sale of products	9 876	8 514
Other operating revenue	3	2
Total revenue (A)	9 879	8 516
Cost of materials consumed	3 870	3 413
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(401)	539
Other expenses	3 834	3 636
Total expenses (B)	7 303	7 588
Profit before tax from ordinary activities (A-B)	2 576	928
Tax expense		
– on ordinary activities attributable to the discontinuing operations	883	315
Profit after tax from discontinuing operations	1 693	613

	As at June 30, 2015 ₹ in lakhs	As at June 30, 2014 ₹ in lakhs
Carrying amount of assets as at the balance sheet date relating to the discontinuing business to be disposed off	1 238	837
Carrying amount of liabilities as at the balance sheet date relating to the discontinuing business to be settled	—	—

	As at June 30, 2015 ₹ in lakhs	As at June 30, 2014 ₹ in lakhs
Net cash flow from/(used in) attributable to the discontinuing business		
Cash flows from operating activities	(521)	540
Cash flows from investing activities	—	—
Cash flows from financing activities	—	—

Notes forming part of the Financial Statements

42. 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 (₹)		
(a) Continuing Operations		
Profit After Taxation (₹ in lakhs)	9 955	4 529
Weighted average number of equity shares outstanding for Basic/Diluted EPS	3 25 85 217	3 25 85 217
Nominal value of equity per share (₹)	10	10
Basic/Diluted Earnings per share (₹)	30.55	13.90
(b) Total Operations		
Profit After Taxation (₹ in lakhs)	15 813	5 142
Weighted average number of equity shares outstanding for Basic/Diluted EPS	3 25 85 217	3 25 85 217
Nominal value of equity per share (₹)	10	10
Basic/Diluted Earnings per share (₹)	48.53	15.78

43. 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

B. S. Mehta
Chairman

Al Rajwani
Managing Director

K. Natarajan
Chief Financial Officer

J. Rastogi
Dy. Company Secretary & Compliance Officer

Place: Mumbai
Date: August 29, 2015

TEN YEAR FINANCIAL HIGHLIGHTS

	2005	*2006-07 18 months	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
YEAR END FINANCIAL POSITION (₹ Crores)										
Gross Fixed Assets	273	253	253	246	289	310	356	394	428	443
Net Fixed Assets	136	107	95	91	123	159	189	200	233	219
Net Worth	348	360	425	491	571	600	619	649	643	742
SUMMARY OF OPERATIONS (₹ Crores)										
Gross Sales	489	725	606	673	861	1073	1249	1459	1766	1984
Profit before Tax	109	216	182	177	213	134	117	138	81	246
Profit after Tax	69	142	117	113	137	86	76	87	51	158
Dividend	32.59	**57	40.73	40.73	48.88	48.88	48.88	48.88	48.88	48.88
PER SHARE DATA										
EPS (₹)	21.09	43.69	36.02	34.72	42.07	26.44	23.24	26.75	15.78	48.53
Dividend (%)	100	**175	125	125	150	150	150	150	150	150
NUMBER OF SHARES										
Shares (lakhs)	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85

*2006-07 # 18 Months accounts (January 2006 to June 2007)

** includes interim dividend



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.



Gillette India Limited

Registered Office:

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

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

GILLETTE INDIA LIMITED

CIN: L28931MH1984PLC267130

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 Thirty-first Annual General Meeting of the Members of the Company will be held on **Monday, October 26, 2015**, at **3.30 p.m.** at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai 400 021, 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 Ms. Sonali Dhawan (DIN 06808527) as a Director, who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the appointment of Messrs. Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Reg. No. 117366W/W-100018), as approved by Members at the Thirtieth Annual General Meeting, as Statutory Auditors of the Company to hold office until the conclusion of the Thirty-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. 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.”

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. Al Rajwani as Managing Director of the Company for a period of five years effective August 29, 2015

“RESOLVED THAT Mr. Al Rajwani (DIN 07251300) who was appointed as an Additional Director of the Company on August 29, 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 appointment of Mr. Al Rajwani (DIN 07251300) as Managing Director of the Company for a period of five years with effect from August 29, 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.”

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

Appointment of Mr. Narendra P. Sarda as Non-Executive Independent Director of the Company

"RESOLVED THAT Mr. Narendra P. Sarda (DIN 03480129) who was appointed as an Additional Director of the Company on August 29, 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 the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), Rules framed thereunder, read with Schedule IV to the Act (as amended from time to time) and any other applicable law, Mr. Narendra P. Sarda (DIN 03480129), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as Non-Executive Independent Director of the Company for a term upto five years with effect from August 29, 2015, not being liable to retire by rotation."

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 ₹ 4,00,000/- 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."

By Order of the Board of Directors

sd/-
Jessica Rastogi
Dy. Company Secretary

Mumbai

August 29, 2015

Registered Office:

P&G Plaza,
Cardinal Gracias Road,
Chakala, Andheri (E),
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 8 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 10% 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 **Monday, October 19, 2015, to Monday, October 26, 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 2, 2015 to November 10, 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 Friday, October 16, 2015; and
 - (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 26, 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. Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Tel: (022) 26387281/82/83, Fax: (022) 26387384, e-mail: info@masserv.com.
 - (a) Bank Mandate with full particulars for remittance of dividend directly into their Bank Accounts, if declared at the Meeting;
 - (b) Intimate changes, if any, in their address/name, bank details, NECS/ECS, mandates, nominations, power of attorney etc. at an early date;
 - (c) Apply for consolidation of folios, if shareholdings are under multiple folios in identical names or joint holding in the same order of names;
 - (d) Send their share certificates for consolidation; and
 - (e) Request for nomination forms for making nominations, as per the format prescribed under the Companies Act, 2013.
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 DPs. Members holding shares in physical form can submit their PAN details to M/s. Mas Services 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:
 - (a) The change in the residential status on return to India for permanent settlement;
 - (b) 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. Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Tel: (022) 26387281/82/83, Fax: (022) 26387384, e-mail: info@masserv.com.

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. 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 info@masserv.com. 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.

16. 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 Wednesday, October 21, 2015 at 9:00 a.m. and ends on Sunday, October 25, 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 19, 2015, i.e. 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 'GIL 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 gilagm2015@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/-

**Jessica Rastogi
Dy. Company Secretary**

**Mumbai
August 29, 2015**

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

EXPLANATORY STATEMENT

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

Item No. 5

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 Thirty-first (31st) Annual General Meeting of the Company. Hence, it is proposed to appoint Mr. Agrawal as a 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 Procter & Gamble Hygiene and Health Care 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 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. Pramod Agarwal, are concerned or interested, financially or otherwise, in this item.

Item No. 6

Appointment of Mr. Al Rajwani as Managing Director of the Company for a period of five years effective August 29, 2015

Mr. Al Rajwani was appointed as an Additional Director of the Company by the Board of Directors on August

29, 2015, pursuant to Section 161 of the Companies Act, 2013. Mr. Rajwani holds such office till the date of ensuing Thirty-first (31st) 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, Mr. Rajwani has also been appointed as the Managing Director of the Company for a period of five years with effect from August 29, 2015, subject to the approval of the Members of the Company at ensuing 31st Annual General Meeting and the approval of the Central Government, if applicable.

Mr. Rajwani is also Managing Director of Procter & Gamble Hygiene and Health Care Limited ("PGHH"). The Board of Directors have provided unanimous consent for having no objection to the appointment of Mr. Rajwani as the Managing Director of PGHH. Mr. Rajwani shall be drawing his remuneration from PGHH and your Company will contribute in proportion to the Company's Net Outside Sales. The Board of Directors of PGHH at their meeting held on August 28, 2015, have approved (subject to the approval of the Members of PGHH) the following terms and conditions of remuneration payable to Mr. Rajwani:

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

The Board recommends the appointment of Mr. Al Rajwani as Managing Director of the Company for a period of five years effective from August 29, 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. 7

Appointment of Mr. Narendra P. Sarda as Non-Executive Independent Director of the Company

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

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

Mr. Sarda was appointed as an Additional Director of the Company by the Board of Directors on August 29, 2015, pursuant to Section 161 of the Companies Act, 2013. Mr. Sarda holds such office till the date of ensuing 31st Annual General Meeting of the Company.

Further, Mr. Sarda meets the criteria of independence laid down in Section 149 of the Companies Act, 2013, ("Act") and has furnished a declaration to the Company in this respect. In the opinion of the Board, Mr. Sarda fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the management. Accordingly, the Board recommends appointment of

Mr. Narendra P. Sarda as the Non-Executive Independent Director for a period of five years with effect from August 29, 2015 in terms of Act, not being liable to retire by rotation.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Narendra P. Sarda, 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 29, 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 ₹ 4,00,000/- 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.

By Order of the Board of Directors

sd/-

Jessica Rastogi
Dy. Company Secretary

Mumbai

August 29, 2015

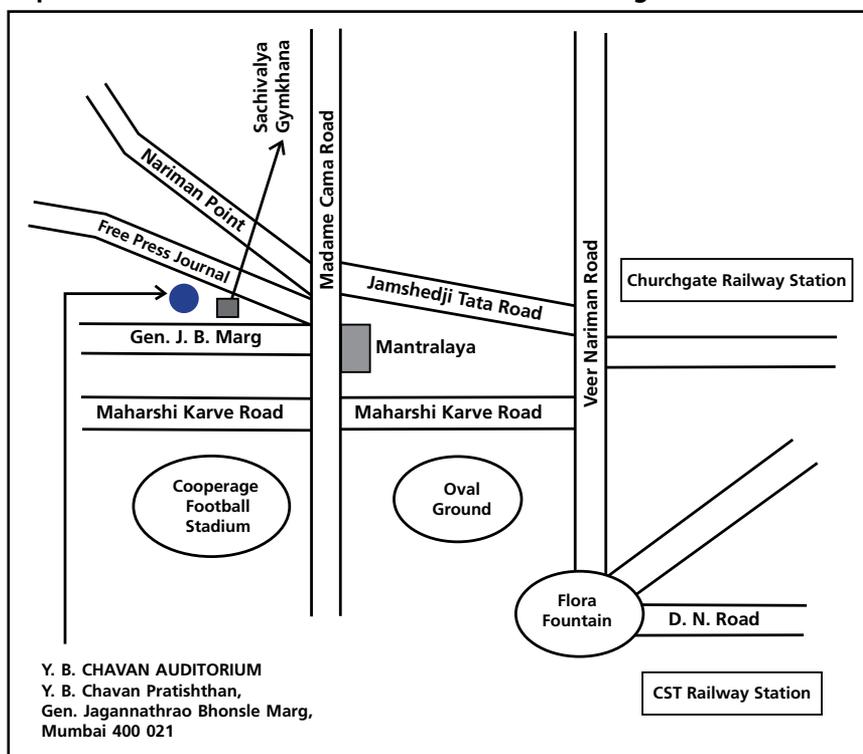
Registered Office:

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

**Details of Directors proposed to be appointed/re-appointed at the forthcoming
31st Annual General Meeting
(in pursuance to Clause 49 VIII (E) of the Listing Agreement)**

Name of Director	Mr. Al Rajwani	Mr. Pramod Agarwal	Ms. Sonali Dhawan	Mr. Narendra P. Sarda
Age	57 years	53 years	39 years	69 years
Date of appointment on the Board	August 29, 2015	May 8, 2015	February 25, 2014	August 29, 2015
Expertise in specific field	Chemical Engineer	M.B.A. in Finance	M.B.A. in Marketing	Chartered Accountant
Names of other Companies in which he holds Directorships	Procter & Gamble Hygiene and Health Care Limited The Advertising Standard Council of India	Procter & Gamble Hygiene and Health Care Limited	Procter & Gamble Hygiene and Health Care Limited	Kotak Mahindra Bank Limited Blue Dart Express 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 - Member Nomination & Remuneration Committee - Member Corporate Social Responsibility Committee - Member Risk Management Committee - Member	Audit Committee Committee - Member
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Stakeholder Relationship Committee:- Procter & Gamble Hygiene and Health Care Limited (Member) Corporate Social Responsibility Committee:- Gillette India Limited (Member) Risk Management Committee:- Gillette India Limited (Chairman)	Nil	Corporate Social Responsibility Committee:- Procter & Gamble Hygiene and Health Care Limited (Member)	Audit Committee:- Kotak Mahindra Bank Limited (Member) Committee on frauds:- Kotak Mahindra Bank Limited (Member) Risk Management Committee:- Blur Dart Express Limited (Member)
Shareholding in the Company	Nil	Nil	Nil	Nil

Route Map for venue of the 31st Annual General Meeting of Gillette India Limited

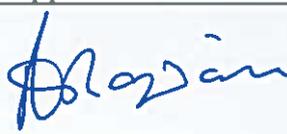
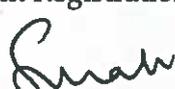




Gillette India Limited
CIN: L28931MH1984PLC267130
Regd Office
P&G Plaza, Cardinal Gracias Road,
Chakala, Andheri (E),
Mumbai 400 099
Tel : 91-22-2826 6000
Fax : 91-22-2826 7303

FORM A

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

1.	Name of the Company	Gillette India 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. Karthik Natarajan Chief Financial Officer Mr. C. R. Dua Audit Committee Chairman Auditor of the Company	   Refer our Audit Report dated August 29, 2015 on the Financial Statements of Gillette India Limited. For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Firm Registration No. 117366W/W-100018)  (Shyamak R Tata) (Partner) (Membership No. 038320) Mumbai

2.