

Annual Report 2003





Dear Shareholders,

It is with immense pleasure and a sense of great pride that I address this year's communication to you. The initiatives taken by your Company in 2002 on divestiture from non-core businesses, enhanced focus on core businesses, increased spends on marketing and strategic thrust towards functional excellence have borne fruits and your Company has attained spectacular growth in its profitability for the year 2003. While your Company recorded net sales growth of 25 percent on continuing businesses, the net profit for the year saw a spectacular increase of 594 percent over the previous year. In line with the excellent performance achieved by your

Company, a regular dividend of 35 percent and a one time special dividend of 50 percent has been recommended by your Board of Directors.

Among other achievements, your Company has become a more focused, profitable and predictable business. The performance attained underscores the strong fundamentals of the Company and the gains of profitable sales growth. Our dedication to meet diverse consumer needs can be experienced across our entire portfolio, whether it is the blades or razor category, the portable power category or the oral care business.

During the year 2003, your Company, while preparing for its biggest ever initiative in the Indian market in 'Vector Plus', rolled out a number of initiatives across its entire product line up. These included launching of the Mach 3 Cool Blue Razor, relaunching Ready II long handle disposables, relaunching the ever popular 'Foamy' with 2 new imported variants and a host of successful and innovation focused promotions across all product categories. 'Vector Plus' indeed has been one of the largest investment made by your Company in product, distribution and marketing, which has been identified as the product of the future for the Indian markets engineered specifically to Indian conditions, incorporating Anti-Clogging technology.

Continued thrust towards liberalisation and overall improvement in the economic scenario has found its reflection in the results of your Company as well. Improved consumer spends backed by effective advertising and promotions has helped in upgrading discerning consumers to buy products offered by your Company. It shall be the endeavour of your Company in the current year to capture a yet larger share of Indian consumers by offering state-of-the-art products on a value-for-money platform. I am confident that your Company will be successful in expanding its presence in all its segments.

To deliver increased shareholder value, we need to constantly challenge ourselves to do right things smarter & faster. In doing so, we need to create a team of competent, motivated and dynamic professionals at all levels. Your Company has been proactive in this area and compliments all the employees for their continued efforts in achieving these exemplary results. We look forward to their ever-increasing contribution and value addition in the years to come.

I would also like to thank our valued Shareholders for their unstinted support and confidence reposed in us.

Best wishes,

S. K. PODDAR  
Chairman

## Board of Directors

Mr. S. K. Poddar  
Chairman

Mr. Zubair Ahmed  
Managing Director

Mr. J. B. Rasmussen

Mr. Peter Mee

Mr. Akshay Poddar

Mr. Amal Ganguli

Mr. C. R. Dua

Mr. Abhey Yograaj

Mr. P. N. Dang

Mr. M. K. Kumar  
(Alternate to Mr. Akshay Poddar)

Mr. K. K. Gupta  
(Alternate to Mr. J. B. Rasmussen)



# DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors have pleasure in presenting their Twentieth Annual Report together with the Audited Accounts for the year ended 31st December, 2003.

## Financial Results

	<b>For the Financial Year Ended</b>	
	<b>31st December,</b>	<b>2002</b>
	<b>Rs. Lacs</b>	<b>Rs. Lacs</b>
Income (Sales & Other Income)	<b>42145.15</b>	43365.73
Profit before Interest & Depreciation	<b>9853.27</b>	5733.57
Interest	<b>(0.90)</b>	(549.57)
Depreciation	<b>(1819.43)</b>	(2054.79)
Profit before Exceptional Items & Tax	<b>8032.94</b>	3129.21
Exceptional Items	<b>(563.25)</b>	(1384.18)
Profit before Tax	<b>7469.69</b>	1745.03
Provision for Tax	<b>(1838.08)</b>	(337.47)
Provision for Deferred Tax	<b>(1149.95)</b>	(761.85)
Profit after Tax	<b>4481.66</b>	645.71
Corporate Dividend Tax (charged) / written back	<b>(114.82)</b>	74.78
Profit brought forward from previous year	<b>651.55</b>	891.72
Balance available for appropriation	<b>5018.39</b>	1612.21
Which the Directors have appropriated as under :		
a) General Reserve	<b>448.17</b>	64.57
b) Proposed Dividend	<b>2769.74</b>	896.09
c) Tax on proposed Dividend	<b>354.87</b>	-
Balance carried to Balance Sheet	<b>1445.61</b>	651.55
	<b>5018.39</b>	1612.21

## Dividend

Keeping in view the enhanced profitability of the Company, your Directors are pleased to recommend an enhanced Dividend of Rs.8.50 per share on the Share Capital as under. This includes one time special Dividend of Rs. 5.00 per share to mark the successful completion of the Company's restructuring: -

	<b>Rs. Lacs</b>
Regular Dividend on 32,585,217 Equity shares @ Rs.3.50 per share	1140.48
Special Dividend on 32,585,217 Equity shares @ Rs.5.00 per share	1629.26
Total Dividend on 32,585,217 Equity shares @ Rs.8.50 per share	2769.74

## Operations

The year under review has been a landmark year in terms of progress made by your Company towards its business turnaround. Your Company achieved its highest ever growth in two decades of presence in India, registering an increase of 594 percent in net profits for the year.

Your Directors attribute this successful turnaround to an excellent sales performance, backed by profitability improvement programmes. At the same time, employee engagement by aligning their performance to success, leveraging technology and effective costs management, also contributed significantly towards achieving these results. Your Company recorded a net sales growth of 25 percent on continuing business post divestiture of Geep battery business. This resulted in a profit before tax at 21 percent of the net sales. Profit before interest, exceptional items and depreciation at Rs 98.53 crore over Rs. 57.34 crore, saw a growth of 71.83 percent. Strong financial performance supported by effective Asset and Inventory management practices generated, during the year, a cash surplus of Rs. 94 crore. The Company continues to be a debtfree Company.

Your Company recorded a 17.63 percent drop in its total expenditure from Rs. 339 crores to Rs. 279 crores, despite a 39 percent increase in spends on advertising and sales promotions. This truly reflects your Company's strong commitment to support its brands and franchise building.

Among other initiatives, your Company during the year implemented the new value chain organisation to integrate logistics, inventory management and customer servicing. Your Company's aggressive drive against grey and counterfeits in the personal care category, led to significant growth in aerosoles.

## Personal Grooming

The Personal Grooming range of products continued to show strong all-round growth of 23%, bolstered substantially by the successful launch of Gillette Vector Plus. Your Company's endeavours to convert the large mass of double edge consumers into twin users, has been fuelled with the successful launch of Gillette Vector Plus in the last quarter, and a new push clean technology developed over a period of 4 years of extensive research in attractive packaging. This product has exceeded sales and distribution targets.

While sales in the double edge segment grew by over 15%, the fixed head shaving system grew by 17% and disposable razors by 24%. Mach 3 showed an impressive sales growth of 30%. Sales of the personal care range of products grew by 8.5%, due to cross promotion with blades and razors, led by the launch of the new series product range at the beginning of the year. Your Company also successfully relaunched Gillette Foam in 4 variants and the trade and consumer response has been very encouraging.

## Portable Power

Duracell Batteries continued its position as the undisputed leader in the alkaline batteries segment, with an overall increase of 5.3% over the last fiscal.

In light of new, emerging, high-drain devices and to further strengthen its market positioning, Duracell launched its Ultra M 3 AA batteries. The product has been well received by the trade and consumers.

## Oral Care

It was the turnaround year for the Oral B and Prudent range of toothbrushes. Oral B Toothbrushes are known for their technological breakthrough in terms of perfect rounding of bristles, indicator and criss cross bristles. The year also saw the launch of Power Oral Care toothbrushes, which have been well received in the market.

Your Company also successfully made inroads in the mid price toothbrush segment, with the launch of Oral-B Classic and repositioning Oral-B Plus. The relaunch of Prudent Springy also further strengthened the market share of your Company in the segment, registering an impressive overall growth.

## Industry Structure and Developments

The industry scenario in the country in the male grooming category has been largely dominated by the lower end double edge segment, while the systems having only 3% share of the market. While your Company continues to dominate in the systems & disposables segment, given its small size, there is a huge potential to grow.

Irregular shaving habits coupled with hair clogging has been a big issue for the Indian markets, particularly in rural areas. With a view to address and to target the large mass of double edge users to use twins, your Company developed and launched 'Gillette Vector Plus' towards the end of 2003. Your Directors are confident that keeping in view the initial response received after the launch, 'Gillette Vector Plus' will be a front runner in generating higher growth for your Company in the coming years.

Another notable launch in the Oral care business was the battery-powered toothbrush which has been acknowledged as a breakthrough product for superior cleaning.

## Outlook and Opportunities

The current environment brings about greater optimism for Companies like yours. The strong economy, coupled with ever increasing consumer spends, provide impetus for growth. Lowering of import duties and changing trade structures with state-of-the-art shopping centres provide immense avenues for disposable income. Wider and effective displays blend well with the brands marketed by your Company.

With the portfolio of powerful brands, quality standards and strong market fundamentals, your Company will be able to further drive growth across all the segments in which it operates.

## Threats, Risks and Concerns

While there has been a lowering of import duties by the government, they still continue to be substantially high, putting pressure on the margins for all raw material and imported products of your Company.

In addition, the hazard of parallels and counterfeits continues to put pressures on the volume growth and loss of revenue for your Company. Further, the slow rate of reforms and uncertainty on tax reforms like VAT, does act as an impediment to the growth prospects.

Your Company endeavours to address these issues at appropriate levels.

## Current Operations

The first months of this year have shown healthy trends in the personal grooming segment with Blades & Razors, Toiletries, Batteries and Oral Care registering healthy growth in sales. The Gillette Vector Plus continues to register strong sales growth.

Your Directors are confident that the sustained strong sales growth will result in improved profitability for your Company in the current financial year.

## Brand Protection

Brand Protection continues to be a focus area with strong initiatives undertaken to enforce its rights against counterfeit and suspect products. Enforcement actions with the help of specialised branches of the police were carried out across major wholesale and retail markets of Delhi, Mumbai and Chennai, leading to substantial seizures of counterfeit and illegal imports. These raids have made measurable impact on the retail business, as availability of counterfeit & illegal products declined sharply in all major cities.

Advertisements and trade information campaigns created awareness of the hazards of buying products of suspect origin and informed consumers how to choose genuine Gillette products. These measures will also serve to boost consumer confidence, which had been adversely impacted in previous years.

## Corporate Governance

The Corporate Governance report forms part of this Annual Report.

## Information Technology

Your Company continues to adopt best practices and upgrade its technological infrastructure and business applications, resulting in greater focus on standardisation. Your Directors are pleased to report that your Company continues to leverage the benefits of integrated business applications to improve business processes in cost efficiencies in financial, supply chain and sales management functions.

## Directors' Responsibility Statement

- i. The Directors confirm that, in preparation of the Balance Sheet and the Profit & Loss Account of the Company, the applicable accounting standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 of the Company for that year.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.

## Insurance

All the assets of your Company including Plant & Machinery, Buildings, Office equipment etc., are adequately insured.

## Directors

During the year, Mr. Jorgen Buhl Rasmussen and Mr. Amal Ganguli were appointed as Additional Directors of the Company, w.e.f. 29th July, 2003.

Mr. Rasmussen, aged 49 years, is a Masters in Business Administration with over 23 years of rich and varied experience in the field of Marketing and General Management. He is associated with Gillette since 1988 in various positions of key responsibilities and is presently the President (Commercial Operations), AMEE of The Gillette Company based at London. Mr. K. K. Gupta was appointed as his alternate with effect from that date.

Mr. Ganguli, aged 64 years, is a Chartered Accountant from England & Wales and has over 41 years of rich and varied experience in the field of audit, taxation, restructuring, valuations and management information systems. He was till recently Chairman and Senior Partner of PricewaterhouseCoopers, India before his retirement in March, 2003.

Mr. Zubair Ahmed has been reappointed as the Managing Director of the Company, w.e.f 1st September, 2003, for a period of five years. A resolution seeking your approval for his reappointment forms part of the Notice for the Annual General Meeting.

Mr. V. N. Mathur ceases as an Alternate Director to Mr. Peter Mee, w.e.f 12th February, 2004, in terms of the Article 98 of the Articles of Association of the Company read with Section 313 of the Companies Act, 1956.

Your Directors placed on record its deep appreciation for the valuable services rendered by Mr. Mathur during his association with the Company since its inception.

Mr. Peter Mee and Mr. Abhey Yograji, Directors, retire by rotation and being eligible, offer themselves for reappointment.

## Auditors

M/s Bharat S. Raut & Co., Chartered Accountants, the retiring Auditors, have furnished a certificate of their eligibility for reappointment under Section 224 (1B) of the Companies Act, 1956, and have indicated their willingness to continue in this capacity.

## Internal Control Systems

Internal control systems continue to be a focus area for your Company. Internal Audits supplemented by process checks are carried out internally, as well as through outside agencies.

## Cost Auditor

Your Company has reappointed M/s R. J. Goel & Co. as the Cost Auditors for "Shaving Systems" manufactured at Bhiwadi plant, for the current Financial Year, subject to approval of the Central Government.

## Energy & Foreign Exchange

The particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988, are attached as an Annexure to this report.

## Human Resource Development

In pursuit of its mission of "Profitable Sales Growth," your Company has focused on continuous innovation, best-in-class processes and higher accountability at all levels. Various programmes have been successfully launched during the year to foster a culture of innovation, empowering employees to impact business processes and results. Clear accountability at all levels, initiatives in employee training and development, investments in information technology thereby providing employees with easy and quick access to information across the country, have helped raise employee productivity and engagement levels.

Continuous focus on functional excellence initiatives across functions, has helped the Company become highly customer and market-focused. A strong focus on sound planning and executional excellence has resulted in consistent overall improvement in all key performance metrics of the Company.

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

As required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, a statement of information relating to employees forms part of this report. However, as permitted by Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all Members and other entitled persons, excluding the above statement. Those interested in obtaining a copy of the said statement may write to the Company Secretary at the Corporate Office and the same will be sent by post.

For and on behalf of the Board

Place : Gurgaon  
Date : February 25, 2004

S. K. PODDAR  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

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

### A. Conservation of Energy

#### 1. Measures taken

The Company has a competent energy conservation task force which is actively monitoring and taking steps to reduce energy consumption.

The Company has also won the award of "Energy Efficient Unit" in a National level competition organized by Confederation of Indian Industry.

Measures taken this year were :

- a) Vacuum pipeline resizing in packaging section.
- b) Selection of Energy Efficient pumps & motors as replacement.

#### 2. Additional investments / proposals

- i) Intelligent Controllers for Air Compressors.
- ii) Variable Frequency Drives (VFD) for Moulding Machines.
- iii) Improve Power Factor on High Tension Line.

#### 3. Impact of 1 & 2

Energy consumption per million production units went down by more than 10% over last year.

4. Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the scheme thereto.

Not applicable.

### B. Technology Absorption

Efforts made in technology absorption as per Form B.

Not applicable.

### C. Foreign Exchange Earnings and Outgo

1. Efforts and initiatives in relation to exports.

The Company's Products continue to be well accepted in Overseas Markets. Efforts are underway to further increase export of personal grooming products to other countries.

#### 2. Earnings and Outgo

	Rs. Lacs	
	31 <sup>st</sup> December,	
	2003	2002
a) Foreign Exchange earnings	4299.21	1566.47
b) Foreign Exchange outgo	5325.14	5622.05

# CORPORATE GOVERNANCE REPORT

## 1. Corporate Governance Philosophy

Your Company continues to believe in conduct of its business with high standards of integrity, ethical behaviour, compliances of laws and strong and effective audit controls in areas of its operations. Your Company in this pursuit lays great emphasis on transparency, accountability and compliances which guides the Company towards fulfilling the consistently high standards of Corporate Governance.

## 2. Board of Directors

The Board of Directors of the Company comprises an optimum combination of Executive and Non Executive Directors headed by a Non Executive Chairman. One third of the Board members are Independent Directors. The Independent Directors do not have any pecuniary relationships or transactions either with the Company or with the promoters / management that may affect their judgement in any manner. The Directors are experienced and eminent professionals in Business, Law, Finance, Public enterprise & Corporate management. The Board meets at least once in a quarter to review amongst other business, the quarterly performance of the Company and financial results. Directors attending the meeting actively participate in the deliberations at these meetings.

S. No.	Name of the Director	Category of Directorship	No. of Directorships of other Companies #	No. of Memberships in other Board Committees ##
1	Mr. S. K. Poddar	Non Executive Chairman	13	6 (1)
2	Mr. Zubair Ahmed	Managing Director	Nil	Nil
3	Mr. J. B. Rasmussen (2)	Non Executive	Nil	Nil
4	Mr. G. S. Gill (3)	Non Executive	2	Nil
5	Mr. Peter Mee (4)	Non Executive	Nil	Nil
6	Mr. Akshay Poddar (5)	Non Executive	7	7 (6)
7	Mr. C. R. Dua	Non Executive	8	3
8	Mr. P. N. Dang	Executive	Nil	Nil
9	Mr. Abhey Yograaj	Non Executive	5	1
10	Mr. Amal Ganguli (7)	Non Executive	7	6 (8)

# Excludes Directorships of Private Limited Companies, Foreign Companies and Alternate Directorships.

## Excludes Memberships in Private Limited Companies, Foreign Companies and Companies of Section 25 of the Companies Act, 1956.

(1) Includes Chairmanship on 2 Committees.

(2) Appointed as an Additional Director w.e.f. 29th July, 2003. Mr. K. K. Gupta appointed as his Alternate w.e.f. 29th July, 2003.

(3) Alternate Mr. S. N. Talwar. Mr. G. S. Gill resigned w.e.f. 9th May, 2003.

(4) Alternate Mr. V. N. Mathur (since vacated office).

(5) Alternate Mr. M. K. Kumar.

(6) Includes Chairmanship on 5 Committees.

(7) Appointed as an Additional Director w.e.f. 29th July, 2003.

(8) Includes Chairmanship on 2 Committees.

All Directors except Mr. S. K. Poddar and Mr. Akshay Poddar being promoters, are Independent Directors.

During the Financial Year 2003, 4 Board Meetings were held on 20th February, 2003, 22nd April, 2003, 29th July, 2003 and 30th October, 2003 respectively. The Annual General Meeting was held on 9th May, 2003. The attendance of the Directors in the meetings was :

S. No.	Name of the Director	Attendance at Board Meetings		Attendance at last Annual General Meeting
		No. of Meetings held during tenure	No. of Meetings Attended	
1	Mr. S. K. Poddar	4	4	Yes
2	Mr. Zubair Ahmed	4	4	Yes
3	Mr. G. S. Gill *	2	1	N/A
4	Mr. Peter Mee *	4	4	Yes
5	Mr. Akshay Poddar	4	4	Yes
6	Mr. C. R. Dua	4	2	Yes
7	Mr. P. N. Dang	4	3	Yes
8	Mr. Abhey Yograaj	4	4	Yes
9	Mr. Amal Ganguli	2	2	N/A
10	Mr. J. B. Rasmussen	1	Nil	N/A

\* includes meetings attended by Alternate Director.

### 3. Directors' Remuneration

a) Pecuniary Relationships :

None of the Directors of your Company have any pecuniary relationship or transactions with the Company except for attending Board meetings or Committee meetings thereof. The details of sitting fee @ Rs. 5,000/- per meeting paid during the financial year 2003 is as under :

S.No.	Name of the Director	Sitting Fee paid (Rs.)
1.	Mr. S. K. Poddar	40000/-
2.	Mr. Akshay Poddar	20000/-
3.	Mr. Abhey Yograj	35000/-
4.	Mr. C. R. Dua	10000/-
5.	Mr. Amal Ganguli	10000/-
6.	Mr. S. N. Talwar	5000/-
<b>Total</b>		<b>120000/-</b>

b) The details of remuneration paid to Mr. Zubair Ahmed, Managing Director during the financial year 2003 as approved by the Board and Shareholders is as under :

	<b>Rs.Lacs</b>
Salary	84.63
Contribution to Provident and other funds	14.28
Gratuity	4.46
Perquisites +	16.43
Bonus *	30.75
<b>Total</b>	<b>150.55</b>

+ Includes - Free use of facilities and amenities such as electricity, maintenance & hard furnishing at residence, Medical reimbursement, Leave travel allowance, Housing loan, Club fee, Personal accident and Medical insurance, Leave encashment, Company car and Driver allowance, Telephones, Mobile phones, Earned / privilege leave, Children education, Reimbursement of business expenses etc., as per rules of the Company.

\* Payable on Company meeting its performance targets.

The Board has reappointed Mr. Zubair Ahmed as the Managing Director for a period of 5 years w.e.f. 1st September, 2003 subject to approval of the Members at the forthcoming Annual General Meeting. No severance fee is payable to Mr. Ahmed.

The Company has not issued Stock options to any of its Directors.

### 4. Committees of the Board

#### Audit Committee

In line with the best Corporate Governance practices, an Audit Committee of the Board was constituted on 20th February, 2001. The Committee comprises four Non Executive Directors i.e. Mr. S. K. Poddar, Mr. Abhey Yograj and Mr. V. N. Mathur (since vacated office) and Mr. Amal Ganguli. Mr. Amal Ganguli was inducted as a member of the Committee w.e.f. 29th July, 2003. All the four members have extensive financial & accounting knowledge and background. Mr. Abhey Yograj was elected as the Chairman of the Committee. The terms of reference of the Audit Committee are in line with Clause 49 II (C) & (D) of the Stock Exchange Listing Agreement and Section 292A of the Companies Act, 1956. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to financial information.

During the year 2003, four Committee Meetings were held on 20th February, 2003, 22nd April, 2003, 29th July, 2003, and 30th October, 2003 and was attended by all members of the Committee. The quorum for the Committee is two members. The Committee amongst other financial matters discussed the following :

- Unaudited Financial Results for 1st, 2nd, 3rd Quarter & the half year.
- Audited Financial Results for the financial year ended 31st December, 2002.
- Internal Audit plan for the year 2003.
- Internal Audit report on DME, Revenue cycle, Payroll, Purchase cycle & General IT controls.
- Sale of Geep battery business.
- Cost Audit Report for the financial year ended 31st December, 2002.
- Remuneration of Statutory Auditors.
- Compliances under Stock Exchange listing / SEBI guidelines.

The minutes of the Committee are placed before the Board. The Company Secretary is the Secretary of the Committee and has attended all its meetings.



### Share Transfer and Shareholders / Investors Grievance Committee

The Company has a Share Transfer and Shareholders / Investors Grievance Committee of the Board comprising Mr. Zubair Ahmed, Mr. V. N. Mathur (since vacated office), Mr. P. N. Dang and Mr. Akshay Poddar as members. Mr. Akshay Poddar is the Chairman of the Committee and in his absence the Chairman is elected amongst the members of the Committee. The various issues addressed in connection with Shareholders and Investors services and complaints are :

- a) Share Transfers :
  - i) Approve and register transfer and transmission of Shares in cases, where applicable.
  - ii) Sub-division / consolidation / replacement of Share Certificates.
  - iii) Issue of Duplicate Share Certificates in lieu of lost Share Certificates.
  - iv) Affix Common Seal on Share Certificates and maintain safe custody of Common Seal.
- b) Shareholders / Investors complaints pertaining to :
  - i) Non receipt of Shares after transfer.
  - ii) Non receipt of Annual Report.
  - iii) Non receipt of Dividend.
  - iv) Other matters related to or arising out of Shareholders / Investors services.

The minutes of the Committee are placed before the Board. The present quorum for this Committee is two members. The Committee meets regularly as prescribed under the Clause 49 (VI) (D) of the listing agreement, to effect Share Transfers. The Company Secretary is the Secretary of the Committee and has attended all its meetings. He regularly addresses Shareholders complaints, oversees Share Transfer process and liaises with the regulatory authorities.

## 5. Management

- A. Management Discussion and Analysis Report forms part of Directors' Report on the Annual Accounts more specifically under Operations, Industry Structure and Developments, Outlook and Opportunities, Threats, Risks and Concerns, Current Operations, Internal Control Systems and Human Resource Development.
- B. Disclosures :
  - i) Details of material financial and commercial transactions :  
There are no material transactions during the year that have a potential conflict with the interests of the Company.
  - ii) Compliance by the Company :  
The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and SEBI during the preceeding three financial years on all matters related to Capital Markets and no penalties / strictures in this respect have been imposed on the Company.

## 6. Directors

During the year, Mr. Peter Mee and Mr. Abhey Yograj, Directors, retire by rotation and being eligible, offer themselves for reappointment. Mr. Zubair Ahmed was reappointed as Managing Director of the Company w.e.f. 1st September, 2003 for a period of 5 years.. Mr. Amal Ganguli and Mr. Jorgen Buhl Rasmussen were appointed as Additional Directors effective 29th July, 2003. Brief resumes of the Directors are given hereunder :

- Mr. Peter Mee, aged 50 years is a Solicitor and is associated with the Company since 1997. Mr. Mee has over 27 years of rich and varied experience in Corporate and other laws. He is presently Deputy General Counsel of The Gillette Company based at Geneva.  
He is not a Director of any other Public Limited Company.
- Mr. Abhey Yograj, aged 60 years is a Mechanical Engineer and is associated with the Company since 1992. He is a well known Industrial Consultant and has over 38 years experience in the Industry. Presently, he is a Director / Committee member of the following Public Limited Companies :

Name of Company	Position	Memberships of Board Committees
Zaffiro Fashions Ltd.	Director	—
L'oreal India Ltd.	Director	—
Perfetti India Ltd.	Director	—
Cortec Hygiene Products Ltd.	Director	—
Indiancom Directories Ltd.	Director	Audit

- Mr. Zubair Ahmed was appointed as Managing Director of the Company w.e.f. 1st September, 1998 for a period of 5 years. His term expired on 31st August, 2003 and he was reappointed as Managing Director w.e.f. 1st September, 2003 for a period of 5 years by the Board of Directors at their meeting held on 29th July, 2003.

Mr. Zubair Ahmed, aged 50 years has over 27 years experience in Sales, Marketing and General Management in various Companies. Prior to his present appointment, he was the Managing Director of erstwhile Wilkinson Sword India Ltd., a wholly owned subsidiary of Gillette.

- He is not a Director of any other Public Limited Company.

- Mr. Amal Ganguli, aged 64 years is a Chartered Accountant from England & Wales and has over 41 years of rich and varied experience in the field of Audit, Taxation, Restructuring, Valuations and Management Information Systems. He was till recently Chairman and Senior Partner of PricewaterhouseCoopers, India before his retirement in March, 2003.

Presently, he is a Director / Committee member of the following Public Limited Companies :

Name of Company	Position	Memberships of Board Committees
Hughes Escorts Communications Ltd.	Director	—
Hughes Software Systems Ltd.	Director	Chairman-Audit
Tube Investments of India Ltd.	Director	Remuneration
HCL Technologies Ltd.	Director	Audit
Maruti Udyog Ltd.	Director	Chairman-Audit
Samtel Colour Ltd.	Director	Audit
Samcor Glass Ltd.	Director	Audit

- Mr. Jorgen Buhl Rasmussen, aged 49 years is a Masters in Business Administration with over 23 years of rich and varied experience in the field of Marketing and General Management. He is associated with Gillette since 1988 in various positions of key responsibilities and is presently the President (Commercial Operations), AMEE of The Gillette Company based at London.

He is not a Director of any other Public Limited Company.

## 7. Shareholders Information

### Registrar and Share Transfer Agents

MAS Services Private Limited, AB – 4, Safdarjung Enclave, New Delhi – 110 029, Ph : 011 / 26104142 , 26104326 Fax : 011 / 26181081  
e-mail : mas@vsnl.com, Contact Person: Mr. Narender Rastogi

### Address for Correspondence

- Gillette India Limited, Tower 'A', Global Business Park, Mehrauli Gurgaon Road, Gurgaon - 122 002, Haryana  
Ph : 0124 / 95124 280 3100 – 01
- Gillette India Limited, SPA – 65A, Bhiwadi Industrial Area, Bhiwadi, (Distt. Alwar) Rajasthan - 301 019

### Compliance Officer :

Mr. Rajiv Mathur, Company Secretary Ph : 0124 / 95124 2803100 – 01 Fax : 0124/ 95124 2803128 e-mail : rajiv\_mathur@gillette.com

### Share Transfer System and Shareholders Complaints

The approval of transfer of Shares in the physical form is done by the Share Transfer Committee of the Board set up for this purpose. The Shares are transferred subject to exercise of option under compulsory transfer-cum-demat procedures which are either dematted or returned within 30 days after transfer. The Committee meets periodically for approving Share transfers and other related activities. This Committee also looks into Shareholders and Investors complaints & grievances. During the financial year 2003, the Company had received only one Shareholder complaint from SEBI and Stock Exchanges. The time taken to resolve the complaint was 11 days. As on 31st December, 2003, only those cases which are constrained by dispute or legal proceedings are pending.

There are no pending Share Transfers as on 31st December, 2003.

### Dematerialisation of Shares and Liquidity

With effect from 17th January, 2000 it had become mandatory for all categories of investors to trade in Company's Shares through the Stock Exchanges in the dematerialised form only. The Company has entered into an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to provide trading facilities to the Shareholders / Investors in the dematerialised form.

As on 31st December, 2003 a total of 5.43 million Shares constituting 16.67% of the Share capital of the Company stand dematerialised and 12540 Shareholders are holding Shares in the dematerialised form.