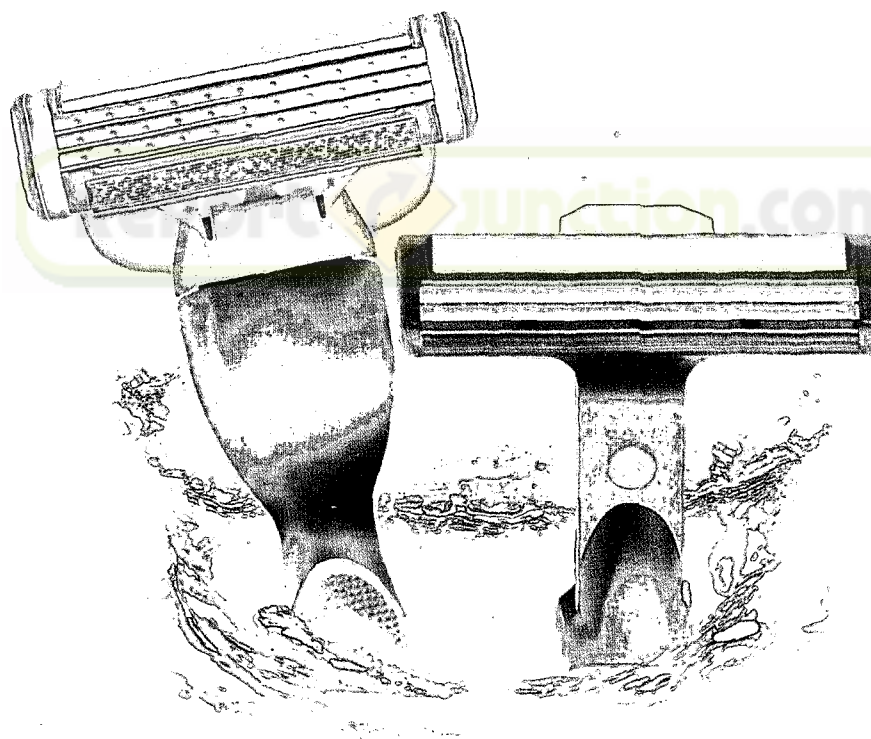


P&G



Gillette India Limited
Annual Report 2006-2007

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Annual Report 2006-2007



BOARD OF DIRECTORS

Mr. S. K. Poddar

Chairman

Mr. Shantanu Khosla

Managing Director

Mr. Subhash Bansal

Whole-time Director

Mr. B. S. Mehta**Mr. C. R. Dua****Mr. Gurcharan Das****Mr. Akshay Poddar**

(Alternate Mr. M. K. Kumar)

Ms. D. A. Henretta

(Alternate Mr. Ashok Chhabra)

Mr. Deepak Acharya

Company Secretary

Dear Shareholders,

The period of 18 months from January 1, 2006 to June 30, 2007 was an excellent one for your Company. This marked the beginning of the successful integration with Procter & Gamble leading to best in class processes and access to the dynamic global organizational structure of P&G's business units, market development organization and global business services.

Thanks to our strong portfolio of products, brand strength and improved leadership in our core categories, our market shares continue to grow and we remain the undisputed leader in Men's Shaving and

Alkaline Batteries categories. The growth in our business is a result of sustained focus on franchise building and our continued strategy of upgrading Indian consumers to superior performing products. We continue to focus on our two tier systems strategy of leading the premium end consumers to *Mach3* and capturing new young users through highly innovative marketing strategies. Your Company is also investing significantly in new advertising and 360 degree marketing program. This has helped in growing *Vector Plus* by converting double edge users to superior and safer twin blades.

Our Oral Care business under the *Oral-B* brand has shown remarkable growth and is currently the fastest growing brand in Oral Care in the country with presence across premium, mid and mass market segments. *Oral-B* has gained the No. 2 leadership position in the Indian toothbrush market with 25% sales growth through launch of *Oral-B Vision* and *kids* in the premium segment and *Oral-B Fresh Clean* and *Shiny Clean* in other segments.

The company is committed to introduce newer, safer and healthier products for the Indian consumers. The launch of the new range of toiletries is yet another reflection of our commitment to offer latest products in India.

The period under review sets an all time record for the company. The Gross Profit at Rs.216 crores for the 18 month period is the highest ever achieved by your Company. The profit from the sale of our office premises in Gurgaon resulted in a gain of Rs.42 crores. The Profit after Tax stands at Rs.142 crores.

In view of the improved profitability, the Company declared an interim dividend of 100% and has now proposed a final dividend of 75% making a total of 175% dividend for the 18 month period which is the highest ever paid by the Company.

It is a matter of great satisfaction that the Indian economy continues to be one of the fastest growing economies in the world. A growing middle class, rising per capita income and favourable demographics make India one of the most attractive growth markets in the world. The wealth created in the hands of the consumers is getting translated into constant upgradation to better life styles and related products. This, when coupled with the increasing focus by men on their personal grooming along with growth in organized retailing, provides a solid base for the future.

I remain optimistic on the future of your Company through accelerated growth programmes in all our product categories. We continue to aim high to consolidate our position as one of the fastest growing and most profitable FMCG companies in India.

Consequent to the P&G acquisition, Mr. Shantanu Khosla has been appointed as the new Managing Director of the company. I wish Shantanu and his Management Team all the very best in their new responsibility.

I would also like to thank all our employees and valued shareholders for their resolute trust in the company, and for support to our endeavours to continue enhancing shareholder value.

Mumbai
August 24, 2007

S. K. Poddar
Chairman

Gillette India Limited

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors have pleasure in presenting their Twenty-third Annual Report together with the Audited Accounts for the 18-months' period ended June 30, 2007.

FINANCIAL RESULTS

(Figures in Rs. Crores)

	For the Extended Financial Period ended June 30, 2007	For the Financial Year Ended December 31, 2005
Income (Sales & Other Income)	716.50	470.95
Profit before Depreciation & Exceptional Income	195.81	124.95
Depreciation	(22.30)	(15.57)
Exceptional Income	42.46	-
Profit before Tax	215.97	109.38
Provision for Tax	(73.61)	(40.66)
Profit after Tax	142.36	68.72
Profit brought forward from previous year	62.93	38.24
Balance available for appropriation, which the Directors have appropriated as under:	205.29	106.96
a. General Reserve	14.50	6.87
b. Interim Dividend Paid & Tax thereon	37.16	-
c. Proposed Dividend	24.44	32.59
d. Tax on proposed Dividend	4.15	4.57
Balance carried to Balance Sheet	125.04	62.93

DIVIDEND

The Board of Directors of the Company had earlier approved payment of an interim dividend @ Rs. 10 per equity share of Rs.10 each, amounting to Rs.32.59 crores, which has since been paid to the members of the Company.

Keeping in view the extended financial year of 18 months and enhanced profitability of the Company, your Directors are now pleased to recommend, subject to the approval of the members, a final dividend of Rs.7.50 per equity share amounting to Rs.24.44 crores, for the financial period ended June 30, 2007.

OPERATIONS

Your Company continued to register a good growth during the period ended June 30, 2007. The total sales at Rs.683 crores were up by 8% when compared to sales of Rs.630 crores of the last corresponding period.

Profit Before Tax (PBT) at Rs.174 crores was up by 22% when compared to PBT of Rs.143 crores of the last corresponding period. Similarly, Profit After Tax (PAT) at Rs.142 crores has shown a healthy growth of 44% versus the PAT of Rs.99 crores for the last corresponding period. PAT for this period includes profit from sale of the immovable property at Gurgaon. This strong financial performance and significant increase in Company's net profits have been driven by

continued business growth and sustained demonstration of cost synergies, post restructure. Your Company continues to retain value leadership in three of the four categories it operates in.

PERSONAL GROOMING

Blades and Razors business grew 6% during the period, behind stronger initiatives and holistic marketing. Your Company continued its endeavor of upgrading the Indian consumer to superior performing higher value products which is reflected in the strong double digit growth in the premium shaving systems segment. *Mach3* achieved a market value share of 7.3% as a result of effective new advertising and a 360 degree marketing program comprising mall demonstrations, FM radio tie-ups, internet and SMS marketing. A unique *Mach3* Challenge program invited consumers to try the product and give their feedback. A resounding 99% of the men who took this challenge agreed that it was the most comfortable shave they ever had.

Gillette's brand association with cricket was strengthened with signing up of Irfan Pathan for a new advertising campaign for *Vector Plus*. During this period, the Company continued on its strategy of converting double edge users to superior twin blade systems and also ran a program with the school boys of class 11 and 12 to further strengthen the brand equity. The brand was also supported with a new direct marketing channel and the claim of "No Tension". *Vector Plus* was re-priced and tested in the state of Andhra Pradesh which gave encouraging results.

During the period, *Gillette Presto* was re-priced at Rs.14 which helped the brand sustain itself against increased activity from competition. This was supported by the launch of *Gillette Presto Plus* at Rs.16 for the more discerning consumers.

Double edge business achieved an outstanding growth of over 20%, driven by *Wilkinson Sword* consumer and barber packs. *Wilkinson Sword* consumer pack responded positively to the price re-alignment from Rs.11 to Rs.10 backed by 14% growth in distribution. *Wilkinson Sword* Saloon pack continued to grow at double digits supported by franchise building activities with barbers.

Personal Care also recorded over 20% growth, with both Tube Gel and Aerosol segments showcasing encouraging growth. This can also be attributed to the "Perfect Shave" program which highlighted the regimen usage of Shave Gel and After Shave along with the razor. A new advertising campaign and in-store merchandising with the Blade category supported this initiative.

ORAL CARE

The period was a landmark one for your Company's Oral Care business, with the *Oral-B* brand achieving the number 2 leadership position in the Toothbrush market. The business registered a very encouraging growth of 25% behind new launches of *Oral-B Vision and Kid* in the premium segment and *Oral-B Fresh Clean and Shiny Clean* in the mid-tier segment. Market share growth was also supported by 45% increase in the distribution. During the period, the Oral Care business was supported by several commercial innovations which included leveraging the equity of renowned dentists.

Annual Report 2006-2007



Oral-B also regained its leadership position in the superior premium Toothbrush segment.

PORTABLE POWER

Batteries' sales are a derived demand from devices that work on batteries. This demand is growing with increasing purchasing power and device penetration in India. By having an in-depth understanding of the consumer needs and analysing device trends, your Company foresees a very good business opportunity to upgrade consumers from ordinary zinc batteries to Duracell Alkaline batteries. Purchase of Duracell is a great value proposition for consumers as it lasts up to 10 times longer at approximately three times the price. To tap this large market potential, your Company has in place a holistic marketing campaign including TV advertising. This has resulted in Duracell brand recording a 12% growth.

MANUFACTURING FACILITY

Your Company had embarked upon a project of setting up a new manufacturing facility in Baddi (Himachal Pradesh) for manufacturing, assembling and packaging operations of blades and razors to meet enhanced production requirements in a tax benefits zone set up by the Government. Your Directors take pleasure in reporting successful completion of the project and commencement of production in March 2007, well within the budgeted project cost and time schedule.

SOCIAL RESPONSIBILITY

Your Company participated in an innovative cause related marketing program called *Shiksha* (education) – a P&G

initiated and led national consumer program in partnership with leading child rights organization – CRY. *Shiksha* seeks to support the education of the underprivileged children in India, covers 15 projects across 9 states in India and has so far made a big difference to the lives of over 67,000 children in the last three years.

CORPORATE GOVERNANCE

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

CHANGE IN FINANCIAL YEAR AND EXTENSION OF TIME TO HOLD ANNUAL GENERAL MEETING.

The Company has received requisite approval from the Ministry of Corporate Affairs and accordingly adopted the extended accounting year from January 2006 to June 2007 and shall be following the July – June accounting year henceforth to be in line with the accounting year of Procter & Gamble world-wide. The Company has also received approval from the Ministry of Corporate Affairs for extension of time to hold its annual general meeting by three months upto October 28, 2007.

SCHEME OF ARRANGEMENT

As informed in the last annual report, your Company filed a Scheme of Arrangement pursuant to the provisions of Section 391 of the Companies Act, 1956, for purpose of financial restructuring and reconstruction of the Company. In terms of this Scheme of Arrangement, one-time expenses incurred/to be incurred towards restructuring of the Company's organizational structure, distribution systems and facilities etc. were to be set off against the Amalgamation Reserve forming part of the Capital Reserves of the Company and credited to "Reconstruction Reserve Account."

Based on the court order dated May 19, 2006, an extraordinary general meeting of the shareholders of the Company was held on June 22, 2006, and the Scheme of Arrangement was duly approved. Further, the Hon'ble High Court of Rajasthan at Jaipur has approved the said Scheme of Arrangement vide its order dated August 22, 2006.

Pursuant to the Scheme, your Company has successfully integrated its substantial business operations and processes with that of Procter & Gamble companies in India. This challenging task was achieved with minimal business disruption during the restructure. Your company has now in place a better distribution system, best in class processes and access to the highly successful organization structure of Procter & Gamble's Global Business Units, Market Development Organizations and Global Business Services.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the financial period ended June 30, 2007, the applicable accounting standards had been followed along with proper explanation relating to material departures;

Gillette India Limited

- (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 period and of the profit or loss of the Company for the period under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial period ended June 30, 2007, on a "going concern" basis.

DIRECTORS

Mr. Shantanu Khosla, Vice-President Procter & Gamble, ASEAN, Australia, India (AAI) was appointed as the Managing Director of the Company for a period of five years with effect from January 29, 2007.

Mr. Subhash Bansal was re-appointed as Whole-time Director of the Company for a period of five years with effect from May 1, 2007.

Mr. Gurcharan Das, was appointed as an Additional Director on January 29, 2007 and holds office till the ensuing annual general meeting of the Company. A notice has been received from a member proposing his candidature as Director of the Company, liable to retire by rotation.

Mr. B. S. Mehta and Ms. Deborah Henretta retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Appropriate resolutions for the re-appointment/ appointment of the aforesaid Directors are being moved at the ensuing annual general meeting, for which the Board recommends your approval.

Mr. Zubair Ahmed resigned as Managing Director of the Company with effect from November 30, 2006 and Mr. R. A. Shah resigned as Director of the Company with effect from January 29, 2007.

Your Directors place on record their sincere appreciation for the invaluable contribution made by Mr. Zubair Ahmed and Mr. R. A. Shah during their tenure on the Board of Directors of the Company.



AUDITORS

The Auditors, M/s. Deloitte Haskins & Sells, Mumbai, retire at the ensuing annual general meeting and offer themselves for re-appointment.

COST AUDITORS

The Company has re-appointed M/s. R. J. Goel & Company as the Cost Auditors for "Shaving Systems" manufactured at Bhiwadi plant for the year ending June 30, 2008, subject to the approval of the Central Government.

CONSERVATION OF ENERGY & FOREIGN EXCHANGE

The information, in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgoings, are attached as Annexure to this Report.

HUMAN RESOURCE DEVELOPMENT

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

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

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

The information as per section 217(2A) of the Companies Act, 1956 ('the Act'), read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. As per the provisions of section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders of the Company excluding the statement of particulars of employees under section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Secretarial Officer at the registered office of the Company.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

S. K. Poddar
Chairman

Mumbai
August 24, 2007

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

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

1. Measures taken this year were –

- (a) As mentioned in prior year's annual report, energy audit was carried out by CII and energy conservation projects suggested by them are in progress.
- (b) Optimizing the power consumption in Air Handling Units (AHUs) by installing AC variable drives.
- (c) Optimal utilization of air dryers in compressed air generation area.
- (d) Replacing compressed air with blower air in sewage treatment plant to avoid line leakage losses.

2. Additional investments / proposals –

- (a) Improving energy consumption on sharpening vacuum exhaust system.

(b) Optimizing plant lighting voltage to save energy.

(c) Improving power factor in the identified MCC's and reduce I²R (energy) losses.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B.

Not applicable

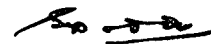
C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Efforts and initiatives in relation to exports.

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

2. The particulars of Foreign Exchange earned and utilized during the period are given in Schedule 18B8(j) and (h) to the Accounts, respectively.

For and on behalf of the Board



S. K. Poddar
Chairman

Mumbai
August 24, 2007

Gillette India Limited

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

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

We believe that Corporate Governance is the interaction of the management, shareholders and Board of Directors to help ensure that all stakeholders are protected against managers acting solely in their own best interest. 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 throughout the company — at all levels, both internally and externally. Our actions and the actions of all our employees are governed by our Purpose, Values, and Principles. 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 and diverse Board of Directors, with members who understand their role in providing strong corporate governance. Our Audit Committee comprises 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 statutes affecting your company. Our rigorous business process controls include an ongoing program of self-assessment of the controls as well as internal and external audits. Your company has adopted a Code of Conduct for directors and senior management. It is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct.

Further, your Company reinforces responsibilities of all its employees, including key employees, of observing high standards of corporate governance through the Company's "Worldwide Business Conduct Manual," which sets forth management's commitment to conduct its business affairs with high ethical standards.

Your Company's reputation is earned by its conduct: what we say, what we do, the products we make, the services we provide, and the way we act and treat others. As a conscientious corporate citizen, we want to do what is right. For your Company, and P&G's global operations, this is the only way to do business.

2. BOARD OF DIRECTORS

(a) Composition of the Board:

The Board of Directors of the company comprises an optimum combination of Executive and Non-Executive Directors headed by a Non-Executive Chairman. 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 judgment in any manner. The directors are experienced and eminent professionals in business, law, finance, public enterprise and corporate management. The Board meets at least once in a quarter to review, amongst other business, the quarterly performance of the company and financial results. Directors attending the meeting actively participate in the deliberations at these meetings.

(b) Number of Board Meetings:

During the financial period 2006-07, seven (7) Board meetings were held on January 15, 2006, February 23, 2006, April 29, 2006, July 21, 2006, October 26, 2006, January 29, 2007 and April 30, 2007 respectively. The annual general meeting for financial year ended December 31, 2005 was held on April 29, 2006.

(c) Directors' attendance record and directorships held:

The attendance of directors at the Board meetings and at the last annual general meeting held on April 29, 2006 were as under:

Name of Director	Board Meetings		Annual General Meeting
	Held during their tenure	Attended	
S.K. Poddar	7	7	Attended
Shantanu Khosla	7	6	Attended
Subhash Bansal	7	2	Attended
B.S. Mehta	7	7	Attended
C.R. Dua	7	7	Attended
Gurcharan Das*(1)	2	1	N.A.
Akshay Poddar	7	5	Attended
Ms. Deborah Henretta	7	NIL	Not Attended
M.K. Kumar	7	NIL	Not Attended
Ashok Chhabra	7	7	Attended
Zubair Ahmed*(2)	5	4	Attended
R.A. Shah*(3)	6	6	Attended

(1) Appointed as an Additional Director w.e.f. January 29, 2007.

(2) Resigned as Managing Director w.e.f. November 30, 2006.

(3) Resigned as Director w.e.f. January 29, 2007.

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The composition and other details of the Board of Directors as on June 30, 2007 are given below:

Name of the Director	Category	Designation	Other Directorships#		Membership of other Board Committees##	
			Member	Chairman	Member	Chairman
S. K. Poddar	NED	Chairman	12	7	5	3
Shantanu Khosla*(1)	ED	Managing Director	2	None	None	None
Subhash Bansal*(2)	ED	Whole-time Director	None	None	None	None
B. S. Mehta	ID		14	None	9	5
C. R. Dua	ID		6	None	2	None
Gurcharan Das*(3)	ID		5	None	None	None
Akshay Poddar	NED		6	None	4	1
Ms. Deborah Henretta	NED		1	None	None	None
M. K. Kumar	NED	Alternate to Mr. Akshay Poddar	1	None	2	2
Ashok Chhabra	NED	Alternate to Ms. Deborah Henretta	None	None	None	None

NED – Non Executive Director

ED – Executive Director

ID – Independent Director

(1) Appointed as a Managing Director w.e.f. January 29, 2007, subject to the approval of the shareholders at the ensuing annual general meeting.

(2) Re-appointed as Whole-time Director w.e.f. May 1, 2007, subject to the approval of the shareholders at the ensuing annual general meeting.

(3) Appointed as an Additional Director w.e.f. January 29, 2007.

Excludes directorships of private limited companies, foreign companies and alternate directorships and companies under section 25 of the Companies Act, 1956.

Excludes memberships in private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956.

(d) Material significant related party transactions:

There are no materially significant transactions made by the Company with its Promoters, Directors, or Management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note B-14 of Schedule 18 to the Accounts in the Annual Report.

(e) Directors Remuneration:

At the last annual general meeting of the shareholders of the company held on 29th April, 2006, it was resolved to pay commission to the Non-Executive Chairman, Mr. S.K. Poddar. Now it is proposed to pay to the independent directors, commission upto 1% per annum of the net profits of the company in the aggregate for a period of five years commencing from January 1, 2007.

The remuneration of executive directors comprises salary, house rent allowance, perquisites, contribution to provident and other funds, gratuity and leave travel allowance and other perquisites and benefits as per the policy of the Company. The details of remuneration/sitting fees paid/provided to the executive/non executive directors during the financial period 2006-07 is as under:

Gillette India Limited

Amount in Rs.

Name of Director	Relationship with other Directors	Salary including Bonus + PF contribution	Perquisites	Sitting Fees	Commission	Total
S. K. Poddar	Father of Akshay Poddar	Nil	Nil	150,000	9,000,000	9,150,000
Shantanu Khosla*(1)	Nil	Nil	Nil	Nil	Nil	Nil
Subhash Bansal*(2)	Nil	13,555,824	870,239	Nil	Nil	14,426,063
C. R. Dua	Nil	Nil	Nil	175,000	500,000	675,000
B. S. Mehta	Nil	Nil	Nil	185,000	500,000	685,000
Gurcharan Das*(3)	Nil	Nil	Nil	15,000	422,222	437,222
Akshay Poddar	Son of S.K. Poddar	Nil	Nil	215,000	Nil	215,000
Ms. Deborah Henretta	Nil	Nil	Nil	Nil	Nil	Nil
M. K. Kumar	Nil	Nil	Nil	Nil	Nil	Nil
Ashok Chhabra	Nil	Nil	Nil	Nil	Nil	Nil
Zubair Ahmed*(4)	Nil	19,620,578	941,596	Nil	Nil	20,562,174
R. A. Shah*(5)	Nil	Nil	Nil	100,000	Nil	100,000

(1) Appointed as a Managing Director w.e.f. January 29, 2007. The remuneration charged to the accounts in respect of the Managing Director subsequent to the date of appointment i.e. January 29, 2007, amounting to Rs.9.20 lakhs is subject to the approval of the members at the ensuing annual general meeting. Refer Note B6 and B7 of Schedule 18 to the Accounts in the annual report.

(2) Re-appointed as a Whole-time Director w.e.f. May 1, 2007. The remuneration charged to the accounts in respect of the Whole-time Director subsequent to the date of appointment i.e. May 1, 2007, amounting to Rs.15.06 lakhs is subject to the approval of the members at the ensuing annual general meeting. Refer Note B6 and B7 of Schedule 18 to the Accounts in the annual report.

(3) Appointed as an additional Director w.e.f. January 29, 2007.

(4) Resigned as Managing Director w.e.f. November 30, 2006.

(5) Resigned as Director w.e.f. January 29, 2007.

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

The Company has not issued stock options to any of its Directors. However, all employees of the Company including its whole-time directors are given the right to purchase shares of the parent company - The Procter & Gamble Company, USA under its 'International Stock Ownership Plan'. Certain employees of the Company are also entitled to stock options of the parent company under its Employee Stock Option Plan. Details as regards the same are disclosed vide note no. B-15 and B-16 of Schedule 18 to the Accounts in the Annual Report.

Number of Shares held by Non-Executive Directors

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