

## NOTICE

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of the Members of the Company will be held on **Thursday, December 6, 2012, 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, 2012 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, 2012.
3. To appoint a Director in place of Mr. R. A. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Messrs. Deloitte Haskins and Sells, Chartered Accountants (Firm Reg. No. 117366W) as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next 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:**

***Re-Appointment of Mr. Shantanu Khosla as the Managing Director of the Company for a period of five years with effect from June 1, 2012***

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311, 316 and 317 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, approval of the Company be and is hereby accorded to the re-appointment of Mr. Shantanu Khosla as the Managing Director of the Company with effect from June 1, 2012 for a period of five years on such terms and conditions as the Board may consider appropriate, provided, however, that the terms of remuneration of Mr. Khosla shall not exceed the ceilings as set out in Schedule XIII to the Companies Act, 1956, as amended from time to time and such other guidelines as may be issued hereafter in this behalf.”

RESOLVED FURTHER THAT subject to the provisions of Sections 198, 269, 309, 310, 311, 316 and 317 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, where in respect of any Financial Year during the tenure of office of Mr. Khosla, the Company has no profits or if its profits are inadequate, the Company shall pay remuneration, benefits and amenities to Mr. Khosla as specified in the Explanatory Statement hereto, subject to the approval of the Central Government, if and to the extent necessary.”

“RESOLVED FURTHER THAT, subject to the provisions of Sections 198, 269, 309, 310, 311, 316 and 317 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, approval of the Company be and is hereby accorded for having no objection to the re-appointment of Mr. Khosla as the Managing Director of Procter & Gamble Home Products Limited and Gillette India Limited at a remuneration that shall be shared by the respective companies in proportion of their Net Outside Sales (NOS).”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution and to authorize/empower any Director of the Company and/or the Company Secretary and/or any other person, as may be deemed fit, to give effect to this resolution.”

“RESOLVED FURTHER THAT Mr. Khosla shall not be liable to retire by rotation.”

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

***Appointment of Mr. Pramod Agarwal as a Director of the Company, liable to retire by rotation***

“RESOLVED THAT Mr. Pramod Agarwal who was appointed as an Additional Director of the Company on August 13, 2012 by the Board of Directors in terms of Section 260 of the Companies Act, 1956, and who holds such office until this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing Mr. Agarwal's candidature for the office

of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

***Appointment of Mr. Amit Vyas as a Director of the Company, liable to retire by rotation***

“RESOLVED THAT Mr. Amit Vyas who was appointed as an Additional Director of the Company on December 22, 2011 by the Board of Directors in terms of Section 260 of the Companies Act, 1956, and who holds such office until this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing Mr. Vyas’s candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**By Order of the Board of Directors**

**Sachin Harlalka**  
**Company Secretary**

Mumbai  
August 23, 2012

**Registered Office:**

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

**NOTES**

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under Item Nos. 5 to 7 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.** The instrument appointing proxy submitted on behalf of Limited Companies, Societies, Partnership Firms etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.

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 **Thursday, November 22, 2012 to Thursday, December 6, 2012** (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, 2012, as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or around December 13, 2012 as under:
  - (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 November 21, 2012
  - (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 December 6, 2012
7. As per a notification from the Reserve Bank of India (RBI), with effect from October 1, 2009 the remittance of money through ECS is replaced by the National Electronic Clearing Services (NECS) and Banks have been instructed to move to the NECS platform. The NECS facility is available at locations indentified by RBI from time to time and covers most of the cities and towns. This is in addition to the existing facility of ECS in other locations. NECS essentially operates on the new unique Bank Account number, allotted by Banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

In this regard, Members holding shares in electronic form are requested to furnish their new 10-digit Bank Account numbers allotted by their Banks (after implementation of CBS), along with a photocopy of a cheque pertaining to the concerned account, to their Depository Participants (DPs). Members holding shares in physical form are requested to furnish these details to the RTA, M/s. Link Intime India Pvt. Ltd.

8. Members holding shares in the Physical Form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agent (RTA), M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Tel: (022) 2596 3838, Fax: (022) 2594 6969, e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)/[pginvestors@linkintime.co.in](mailto:pginvestors@linkintime.co.in);
  - (a) Bank Mandate with full particulars (as per details given in Sr. no. 10 below) 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 amended provisions of the Companies Act, 1956.

Members holding shares in the Dematerialized (electronic) Form are requested to intimate the aforesaid changes directly to their Depository Participants (DPs), as applicable.
9. In terms of SEBI Circular dated April 27, 2007 furnishing of Permanent Account Number (PAN) has been made mandatory for all transactions in the securities market. Members who are holding shares in Dematerialised form and have not so far submitted their PAN details with their respective DPs are requested to do so at the earliest.
 

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) alongwith the transfer deeds and share certificates at the time of lodgement of transfer of shares is now mandatory.
10. To avoid incidents of fraudulent encashment of the warrants, Members are requested to intimate the RTA of the Company, under the signatures of the sole/first joint holder, the following information so that the Bank Account number and name and address of the Bank can be printed on the dividend warrant, if and when issued:
  - (a) Name of sole/first joint holder and folio number.
  - (b) Particulars of Bank Account viz:
    - (i) Name of Bank;
    - (ii) Name of branch;
    - (iii) Complete address of the Bank with the pin code number;
    - (iv) Account type, whether Savings or Current; and
    - (v) Bank account number allotted by the Bank.
11. 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 Depository Participants (DPs) and furnish them the particulars of any change(s) desired.
12. 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.
13. 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.
14. Members' attention is particularly drawn to "Corporate Governance" section of the Annual Report in respect of unclaimed and unpaid dividends.
15. Members are requested to address all correspondences, including Share Transfer documents and dividend matters to the Company's RTA, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Tel: (022) 2596 3838, Fax: (022) 2594 6969, e-mail: [pginvestors@linkintime.co.in](mailto:pginvestors@linkintime.co.in)/[rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). For providing better services to our Members, the RTA has deputed a full time resource, *Ms. Chaitali Jadhav*, who will provide all help to our Members and can be contacted directly on her dedicated Telephone Number (022) 2596 7799.

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

16. An archived webcast of the proceedings of the Annual General Meeting will be available at our website viz. [www.pg.com/en\\_IN](http://www.pg.com/en_IN).
17. In terms of Clause 5A of the Listing Agreement, the Company has identified the unclaimed Physical Share Certificates lying with the Company. The Company is in process of complying with the provisions of the said Clause with respect to crediting the same to demat suspense account after sending the required reminders to the respective Members.
18. The Ministry of Corporate Affairs (MCA) has issued circulars propagating the "Green Initiative" by allowing paperless compliances, by serving documents through the electronic mode (e-mails). In line with the spirit of the 'Green Initiative', the Securities and Exchange Board of India (SEBI) has also vide their circular dated October 5, 2011 amended the Listing Agreement enabling the listed entities to send soft copies of full Annual Reports to all those Members who have registered their email addresses for the purpose. This will ensure prompt receipt of communication, avoid loss in postal transit and reduce paper consumption besides entailing other benefits.

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 [pandggogreen@linkintime.co.in](mailto:pandggogreen@linkintime.co.in). Members holding shares in dematerialised form, who have not registered/updated their respective e-mail addresses, are requested to do so with their respective Depository Participants (DPs). 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](http://www.pg.com/en_IN).

We request the Members to support the Green Initiative introduced by the MCA and make it a success.

19. Members' attention is drawn towards a Draft Circular No. 17/218/2011 CL.V dated July, 2011 issued by the Ministry of Corporate Affairs which prohibits the Company from providing anything other than tea, coffee, cold drink and snacks at the Annual General Meeting of the Company. Members are requested to take note of the same.

**By Order of the Board of Directors**

**Sachin Harlalka**  
*Company Secretary*

Mumbai  
August 23, 2012

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

## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

### Item No. 5

Mr. Shantanu Khosla was appointed as the Managing Director of the Company for a period of five years w.e.f. June 1, 2007, the term of which expired on June 1, 2012. The Board of Directors of the Company at its meeting held on April 30, 2012 has, subject to the approval of the Members of the Company, re-appointed Mr. Shantanu Khosla as the Managing Director of the Company for a period of five years w.e.f. June 1, 2012 on the following terms and conditions:

- (i) Mr. Shantanu Khosla shall be paid remuneration upto ₹7,00,00,000 (Rupees Seven Crores Only) per annum;
- (ii) Perquisites: Mr. Shantanu Khosla shall be entitled to Company accommodation, medical reimbursements, club membership, personal accident insurance, car loan from the Company 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. Shantanu Khosla provided however, the terms of remuneration of Mr. Khosla shall not exceed the ceiling as set out in Schedule XIII to the Companies Act, 1956, and as amended from time to time; and
- (iv) The Board of Directors has provided unanimous consent for having no objection to the appointment of Mr. Khosla as the Managing Director of Gillette India Limited and Procter & Gamble Home Products Limited (subject to the approval of the Central Government as may be required under the provisions of the Companies Act, 1956 and subject to all other applicable approvals) at a remuneration that shall be shared by the respective companies in proportion of their Net Outside Sales (NOS).

Mr. Khosla is a B.Tech (Mechanical Engg) with post graduation in Business Management (MBA). He has been with P&G since 1983. Mr. Khosla has over the period gained valuable experience by leading and managing P&G's international businesses in UK, Malaysia, Japan and Singapore. In view of his vast experience, your Directors consider that the re-appointment of Mr. Khosla as Managing Director of the Company will be beneficial to the Company.

In accordance with Article 134 of the Articles of Association of the Company, so long as Mr. Shantanu Khosla holds office as Managing Director of the Company, he shall not be liable to retire by rotation.

The Board recommends passing of the resolution as set out in item no. 5 as an Ordinary Resolution.

None of the Directors except Mr. Shantanu Khosla is concerned or interested in this resolution.

### Item No. 6

Mr. Pramod Agarwal was appointed as an Additional Director of the Company by the Board of Directors on August 13, 2012 pursuant to Section 260 of the Companies Act, 1956. Mr. Agarwal holds such office till the date of ensuing Forty-eighth (48<sup>th</sup>) Annual General Meeting of the Company. Hence, it is proposed to appoint Mr. Agarwal as a Director liable to retire by rotation.

Mr. Agarwal, a Bachelor of Commerce from Kanpur University and a Post Graduate Diploma holder in Management from Indian Institute of Management, Ahmedabad, is the Vice President – Finance & Accounting Asia, Procter & Gamble International Operations Singapore. Mr. Agarwal is an expert in Finance with deep knowledge of 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 joined Procter & Gamble India in 1987. He has worked across multiple geographies including Thailand, Japan, Philippines, USA and Singapore. Mr. Agarwal has worked on a variety of businesses including Hair care, Laundry and Feminine care. Mr. Agarwal was responsible for the Finance & Accounting Function for ASEAN, Australia and India markets and then in 2007 he was given responsibility for total Asia including China and Japan. Mr. Agarwal will assume responsibility as Vice President Finance for Global Hair Care & Color business based out of Geneva starting October 1, 2012.

Mr. Agarwal has an avid interest in building Asian talent and invests significant time and energy on training the young talent. Mr. Agarwal has been selected as Member of the Indian Institute of Management Ahmedabad Society.

The Company has received a notice under Section 257 of the Companies Act, 1956 together with a deposit of ₹500/- from a Member proposing his candidature for the office of Director, liable to retire by rotation.

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



None of the Directors except Mr. Pramod Agarwal is concerned or interested in the said resolution.

**Item No. 7**

Mr. Amit Vyas was appointed as an Additional Director of the Company by the Board of Directors on December 22, 2011 pursuant to Section 260 of the Companies Act, 1956. Mr. Vyas holds such office till the date of ensuing Forty-eighth (48<sup>th</sup>) Annual General Meeting of the Company. Hence, it is proposed to appoint Mr. Vyas as a Director liable to retire by rotation.

Mr. Vyas is a law graduate from Delhi University and is a Fellow Member of the Institute of the Company Secretaries of India. Mr. Vyas has a rich corporate experience of over 18 years in the area of Corporate and Securities Laws. Mr. Vyas has been with the P&G Group since 2007.

Mr. Vyas was the Company Secretary of Procter & Gamble Hygiene and Health Care Limited (till November 30, 2011) and has been appointed as the Company Secretary of Gillette India Limited w.e.f. December 1, 2011. He is also a Director on the Board of Procter & Gamble Home Products Limited.

The Company has received a notice under Section 257 of the Companies Act, 1956 together with a deposit of ₹500/- from a Member proposing his candidature for the office of Director, liable to retire by rotation.

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

None of the Directors except Mr. Amit Vyas is concerned or interested in the said resolution.

**By Order of the Board of Directors**

**Sachin Harlalka**  
*Company Secretary*

Mumbai  
August 23, 2012

**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 48<sup>th</sup> forthcoming Annual General Meeting (in pursuance to Clause 49IV(G) of the Listing Agreement)**

<b>Name of Director</b>	<b>Mr. R. A. Shah</b>	<b>Mr. Shantanu Khosla</b>	<b>Mr. Pramod Agarwal</b>	<b>Mr. Amit Vyas</b>
<b>Age</b>	81 years	52 years	50 years	44 years
<b>Date of appointment on the Board</b>	20 <sup>th</sup> July, 1964	27 <sup>th</sup> August, 2001	August 13, 2012	22 <sup>nd</sup> December, 2011
<b>Expertise in specific field</b>	Solicitor	General Management	Finance and Accounts	Legal and Compliance
<b>Names of other Companies in which he holds Directorships</b>	<b>Public Limited Companies in India</b> (i) Pfizer Limited (ii) BASF India Limited (iii) Godfrey Phillips India Limited (iv) The Bombay Dyeing And Manufacturing Company Limited (v) Deepak Fertilisers And Petrochemicals Corporation Ltd. (vi) Abbott India Limited (vii) Colgate-Palmolive (India) Limited (viii) Asian Paints Limited (ix) Modi Care Limited (x) Lupin Limited (xi) ACC Limited (xii) Clariant Chemicals (India) Limited (xiii) Century Enka Limited (xiv) Wockhardt Limited (xv) Atul Limited (Alternate Director) (xvi) Schrader Duncan Limited (Alternate Director) (xvii) RPG Life Sciences Limited (Alternate Director)	<b>Public Limited Companies in India</b> (i) Gillette India Limited (Managing Director) (ii) Procter & Gamble Home Products Limited (Managing Director)	<b>Public Limited Companies in India</b> (i) Gillette India Limited	<b>Public Limited Companies in India</b> (i) Procter & Gamble Home Products Limited

**Details of Directors proposed to be appointed/re-appointed at the 48<sup>th</sup> forthcoming Annual General Meeting (in pursuance to Clause 49IV(G) of the Listing Agreement)**

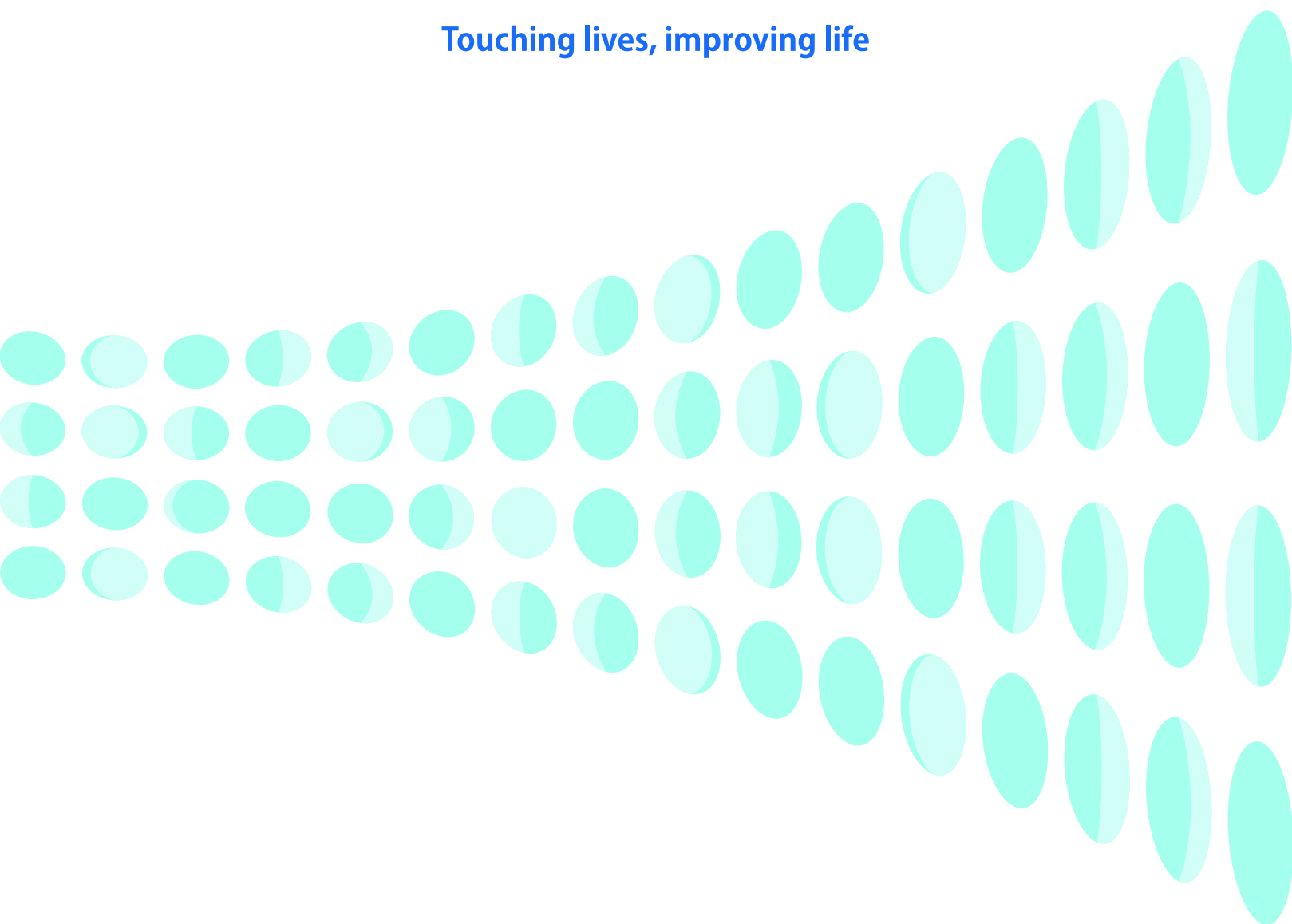
<b>Name of Director</b>	<b>Mr. R. A. Shah</b>	<b>Mr. Shantanu Khosla</b>	<b>Mr. Pramod Agarwal</b>	<b>Mr. Amit Vyas</b>
<b>Names of other Companies in which he holds Directorships</b>	<b>Private Limited Companies in India</b> (i) Roche Scientific Co. (I) Pvt. Ltd. (ii) Uhde India Pvt. Ltd. (Alternate Director)  <b>Companies Outside India</b> (i) Jumbo World Holdings Limited	<b>Private Limited Companies in India</b> (i) Wella India Haircosmetics Pvt. Ltd. (ii) Temple Trees Impex and Investments Pvt. Ltd.	<b>Private Limited Companies in India</b> (i) Temple Trees Impex and Investments Pvt. Ltd.	<b>Private Limited Companies in India</b> (i) Wella India Haircosmetics Pvt. Ltd. (ii) Mining Consultants (India) Pvt. Ltd. (iii) Nexus Mercantile Pvt. Ltd. (iv) Gillette Products Pvt. Ltd. (v) Gillette Diversified Operations Pvt. Ltd.
<b>Chairman/ Member of the Committee(s) of the Board of Directors of the Company</b>	Audit Committee – Chairman	Shareholders' Grievance Committee – Chairman	None	Audit Committee – Member  Shareholders' Grievance Committee – Member
<b>Chairman/ Member of the Committee(s) of Board of Directors of other Companies in which he is a Director.</b>	Audit Committee – Chairman & Member (i) Pfizer Limited (ii) Colgate Palmolive (I) Ltd. (iii) Clariant Chemicals (I) Ltd. Audit Committee – Member (i) BASF India Ltd. (ii) Abbott India Ltd. (iii) Century Enka Ltd. (iv) Wockhardt Limited (v) The Bombay Dyeing & Mfg. Co. Ltd.	(i) Audit Committee Chairman – Procter & Gamble Home Products Limited (ii) Shareholders' Grievance Committee Member – Gillette India Limited	None	(i) Audit Committee Member – Procter & Gamble Home Products Limited
<b>Shareholding in the Company</b>	5550 Equity Shares of ₹ 10/- each	67 Equity Shares of ₹ 10/- each	NIL	NIL



# Procter & Gamble Hygiene and Health Care Limited



Touching lives, improving life



ANNUAL REPORT 2011-12

## BOARD OF DIRECTORS

Mr. R. A. Shah  
Chairman

Mr. S. Khosla  
Managing Director

Mr. B. S. Mehta

Mr. A. Vyas  
Mr. P. Agarwal

Mr. S. Harlalka  
(Company Secretary)

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