



**Procter & Gamble Hygiene  
and Health Care Limited**  
CIN: L24239MH1964PLC012971  
Registered Office:  
P&G Plaza  
Cardinal Gracias Road, Chakala  
Andheri (E), Mumbai 400 099  
Tel: (91-22) 2826 6000  
Fax: (91-22) 2826 7337  
Website: in.pg.com

October 22, 2022

To,  
The Corporate Relations Department  
The BSE Limited  
Department of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001.  
**Ref:- Scrip ID:- PGHH**

To,  
The Listing Department  
The National Stock Exchange of India Limit  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051  
**Ref:- Scrip Code:- 500459**

Dear Sir / Madam,

**Sub: Annual Report and Notice calling the 58<sup>th</sup> Annual General Meeting of the Company for the Financial Year ended June 30, 2022**

We refer to our letter dated September 8, 2022, informing the date of 58<sup>th</sup> Annual General Meeting. In this respect, please find enclosed Annual Report and Notice calling the 58<sup>th</sup> Annual General Meeting of the Company for the Financial Year ended June 30, 2022.

In accordance with, the Circular issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Annual Report for the Financial Year 2021-22, including the Notice of AGM have been sent in electronic mode to Members on October 22, 2022 whose e-mail address is registered with the Company (as on October 14, 2022). The copy of the Notice along with the Annual Report enclosed herewith and is also available on the Company's website: <https://in.pg.com/india-investors/pghh/shareholder-info/info/>

Further, it may be noted that shareholders who would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, E-mail id, mobile number at investorpghh.im@pg.com from the date of this notice up to November 11, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

Kindly take the same on record and oblige.

Thanking you,  
Yours faithfully,  
**For Procter & Gamble Hygiene and Health Care Limited**

FLAVIA  
PETER  
MACHADO  
Digitally signed  
by FLAVIA PETER  
MACHADO  
Date: 2022.10.22  
13:14:17 +05'30'

**Flavia Machado**  
**Senior Manager- Legal and Secretarial**

## NOTICE

NOTICE is hereby given that the Fifty-Eight Annual General Meeting ("AGM") of the Members of the Company will be held on **Tuesday, November 15, 2022, at 11.00 a.m.** through Video Conference / Other Audio Visual Means, to transact the business as specified below. The venue of the meeting shall be deemed to be the Registered Office of the Company at P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai – 400 099.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at June 30, 2022 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 confirm payment of interim dividend and to declare final dividend for the Financial Year ended June 30, 2022.
3. To appoint a Director in place of Mr. Gagan Sawhney (DIN 08279568), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Sonali Dhawan (DIN 06808527), who retires by rotation and being eligible, offers herself for re-appointment
5. To re-appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Reg. No.104607W/W-100166) as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the Sixty-Third Annual General Meeting, on such remuneration and reimbursement of out-of-pocket expenses, as the Board of Directors may decide.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), if any, the following Resolution as a **Special Resolution:**

6. **To appoint Mr. Gurcharan Das as an Independent Director of the Company effective September 1, 2022**

*"RESOLVED THAT Mr. Gurcharan Das (DIN 00100011), aged 78 years, who was appointed as an Additional Director of the Company effective September 1, 2022, by the Board of Directors in terms of Section 161 of the Companies Act, 2013 pursuant to recommendation of the Nomination & Remuneration Committee, and pursuant to the Articles of Association of the Company, and who holds such office upto date of ensuing 58<sup>th</sup> Annual General Meeting, 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. Das (DIN 00100011), who has submitted a declaration*

*that he meets the criteria for independence as provided under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for a term of five years with effect from September 1, 2022, not being liable to retire by rotation."*

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

7. **Ratification of payment of remuneration to the Cost Auditor for the Financial Year 2022-23**

*"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, the Members hereby ratify the remuneration of ₹ 8,50,000 plus service tax and out-of-pocket expenses payable to 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 2022-23."*

**By Order of the Board of Directors**

**Ghanashyam Hegde**  
**Executive Director and Company Secretary**

Mumbai  
August 23, 2022

### Registered Office :

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

### NOTES

1. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item Nos. 6 and 7 are annexed hereto and forms a part of this Notice.
2. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors proposed to be appointed/re-appointed at the ensuing 58<sup>th</sup> AGM forms integral part of the Notice of the 58<sup>th</sup> AGM.
3. In view of continuing social distancing norms, the Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, the latest being 2/2022 dated May 5, 2022 have allowed the companies to conduct AGM through video-conference/ other audio visual means till December 31, 2022 without physical presence of Members at a common venue.



4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [the SEBI (LODR) Regulations, 2015] and in accordance with the said circulars of MCA and applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the 58<sup>th</sup> AGM of the Company shall be conducted through VC. Your Company has appointed National Securities Depositories Limited ('NSDL') for providing facility for voting through remote e-voting, for participation in the AGM through VC facility and e-voting during the AGM. The procedure for participating in the meeting through VC is explained at Note No. 9 below.

5. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

However, the bodies corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Companies Act, 2013 to the Company at investorpghh.im@pg.com

6. In accordance with, the General Circular No. 02/2022 dated May 05, 2022 issued by MCA, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/62 dated May 13, 2022, issued by SEBI, the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

The Notice of AGM and the Annual Report for the Financial Year 2021-22, is available on the website of the Company at <https://in.pg.com/india-investors/pghh/shareholder-information/info/#agm-notice>, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

7. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. Participation of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. **The Instructions for Members relating to remote e-Voting and e-Voting at the AGM are as under:**

The remote e-voting period begins on Thursday, November 10, 2022 at 9:00 A.M. and ends on Monday, November 14, 2022 at 5:00 P.M. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on November 8, 2022, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL 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. Makarand M. Joshi, Practicing Company Secretary and Ms. Kumudini Bhalerao, Practicing 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.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., November 8, 2022, only shall be entitled to avail the facility of remote e-Voting or for participation at the AGM and voting. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.





**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under ' <b>IDeAS</b> ' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " <b>Access to e-Voting</b> " under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting and Voting during the meeting.

Type of shareholders	Login Method
	<p>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote</p>

Type of shareholders	Login Method
	<p>during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Note:** Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33



**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- a. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- b. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- c. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- d. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 122756 then user ID is 122756001***

Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

**How to retrieve your ‘initial password’?**

- i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox.

Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- iii. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Click on “**Physical User Reset Password?**”(If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- e. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- f. Now, you will have to click on “Login” button.
- g. After you click on the “Login” button, Home page of e-Voting will open.

**C. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:**

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back) and PAN (self attested scanned copy of PAN card) by email to [investorpggh.im@pg.com](mailto:investorpggh.im@pg.com).
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement and PAN (self attested scanned copy of PAN card) to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
- c. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

- d. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**Step 2: How to cast your vote electronically on NSDL e-Voting system?**

- a. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
- c. Now you are ready for e-Voting as the Voting page opens.
- d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e. Upon confirmation, the message “Vote cast successfully” will be displayed.
- f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**The Instructions for Members for e-Voting on the day of the AGM are as under:**

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. The contact details for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same as mentioned for Remote e-Voting.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to designated email ID at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**9. Instructions for Members for attending the AGM through VC/OAVM are as under:**

- a. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. **Shareholders who would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at [investorpghh.im@pg.com](mailto:investorpghh.im@pg.com) and [machado.f1@pg.com](mailto:machado.f1@pg.com) from the date of this notice upto November 11, 2022 (5:00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and questions depending on the availability of time for the AGM.**

**General guidelines for shareholders**

10. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinisers@mmjc.in](mailto:scrutinisers@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

11. The results along with the Scrutinizer's Report, shall be placed on the website of the Company and on the website of NSDL within two working days' of conclusion of the AGM and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
12. SEBI has mandated submission of Permanent Account Number ("PAN") for all transactions in the securities market. Members who are holding shares in dematerialized form are requested to submit their PAN details to their respective DP. Members holding shares in physical form can submit their PAN details to the Company's RTA, M/s. Link Intime India Private Limited.
13. During the AGM, the Registers to be maintained under the Companies Act, 2013, shall be available electronically for inspection by the Members, upon login at NSDL e-voting system at <https://www.evoting.nsd.com>.
14. As per Regulation 40 of the SEBI (LODR) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. Further, an extension had been provided for those transfer deed(s) lodged prior to deadline, i.e., April 1, 2019, and returned due to deficiency in the documents up to March 31, 2021. No physical transfer lodgement/re-lodgement was allowed post the deadline.
15. Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its circular dated January 25, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form viz, Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Transmission; Transposition, etc. For the purpose of the same, after due verification, registrar and transfer agent/issuer companies shall retain share certificates and process the service requests by issuing letter of confirmation, valid for a period of 120 days. As per the process, shareholders are required to submit their demat requests within this validity period, failing which the Company shall credit the securities to a suspense escrow demat account of the Company.
17. The final dividend on Equity Shares for the Financial Year ended June 30, 2022, as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or before December 12, 2022:
  - (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 8, 2022;
  - (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 November 15, 2022.
18. In line with the 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 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 intimate change, if any, in their bank details by sending duly signed Form ISR-1 alongwith required documents to the Company/Registrar and Share Transfer Agent.  
  
SEBI vide its Circular dated November 3, 2021, has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details, mandating all shareholders holding shares in physical mode to update their records (such as PAN, Nomination details, KYC, etc.) with the Company, failing which, their folio shall be frozen effective April 1, 2023. The said physical folios shall be referred by the Company or RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025. In this regard, Company has sent reminder letters to all shareholders, having shares in the physical form, to update their PAN, Nomination details, KYC etc. and has requested them to get their shares dematerialized.
19. Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 ("the Act") as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the requisite documents as mentioned in

#### Instructions related to payment of Dividend to Shareholders:

16. The Register of Members and the Share Transfer books of the Company will remain closed from **Wednesday, November 9, 2022, to Tuesday, November 15, 2022** (both days inclusive), for the purpose of determining the names of Members eligible for final dividend on Equity Shares, if declared at the Annual General Meeting.

our letter dated September 09, 2022, which is put up on the website at <https://in.pg.com/india-investors/pghh/compliance-reports-and-announcements/announcements>, in order facilitate company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be uploaded on RTA's website at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **November 01, 2022** in order to enable the Company to determine and deduct appropriate TDS. For any clarification, please write to us at [procterdivtax@linkintime.co.in](mailto:procterdivtax@linkintime.co.in) or [investorpghh.im@pg.com](mailto:investorpghh.im@pg.com).

20. 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.
21. Non-resident Indian Members are requested to immediately inform the Company or its RTA or the concerned DP, as the case may be, about the following:
- The change in the residential status on return to India for permanent settlement;
  - The particulars of the NRE account with a Bank in India, if not furnished earlier.
22. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend and shares for period detailed in the Annual Report. The details of the unpaid / unclaimed amounts lying with the Company as on June 30, 2022 are available on the website of the Company [in.pg.com](http://in.pg.com). The shareholders whose dividend/ shares are transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

24. Members are requested to contact the Company's RTA, M/s. Link Intime India Private Limited, for claiming the unclaimed dividends.
25. In accordance with the requirements of Regulation 34, 39 read with Schedule V(F) of the SEBI (LODR) Regulations, 2015 details of equity shares lying in Unclaimed Suspense Account are as follows:

	Particulars	No. of shareholders	No. of Equity Shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on July 1, 2021	323	36,450
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	7	908
Less	Transferred to IEPF Authority	277	28,700
Add	Shares added to Suspense account during the year	43	3,860
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on June 30, 2022	82	10,702

The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

26. Members are requested to address all share and dividend related correspondences to the Company's RTA, M/s. Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083; Tel: (022) 4918 6270; Fax – (022) 4918 6060, e-mail: [helpdesk@linkintime.co.in](mailto:helpdesk@linkintime.co.in).

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

**By Order of the Board of Directors**

**Ghanashyam Hegde**  
Executive Director and Company Secretary

Mumbai  
August 23, 2022

**Registered Office:**

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





## EXPLANATORY STATEMENT

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

### Item No. 6:

#### **Appointment of Mr. Gurcharan Das as Non-Executive Independent Director of the Company (DIN 0100011), not liable to retire by rotation**

Mr. Gurcharan Das, aged 78 years, is an author and a management consultant. He graduated with honors from Harvard University in Philosophy and later attended Harvard Business School's Advanced Management Program, where he is featured in three case studies.

He was CEO, Procter & Gamble India and later Managing Director, Procter & Gamble Worldwide (strategic planning). In 1995, after a 30-year career in 6 countries, he took early retirement to become a full-time writer.

He is the author of the international bestseller, 'India Unbound', which has been published in many countries and languages and filmed by the BBC. His other literary works include – 'The Difficulty of Being Good', 'Kama: The Riddle of Desire', 'A Fine Family', 'India Grows at Nights: A Liberal Case for a Strong State', 'The Elephant Paradigm' and 'Three English Plays'.

He is a regular columnist for The Times of India and few other Indian language newspapers. He also contributes periodically to Wall Street Journal, New York Times and Financial Times.

He is also Chairman and Independent Director of P&G group Company viz. Gillette India Limited.

Further, Mr. Das 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 Nomination & Remuneration Committee and the Board, Mr. Das fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the management.

Further the Nomination & Remuneration Committee considered that the Board of the Company, currently comprises of eminent members with each having a background of law, finance and accounting, business management, retail industry expertise, digital business expertise, technical and marketing expertise and recommended appointment of Mr. Gurcharan Das as it will further strengthen the Board with critical skills of expertise in strategic business & operations management, including leadership experience in the FMCG industry, as well as public policy advisory experience. Accordingly, the Nomination & Remuneration Committee recommended to the Board and the Board of Directors approved appointment of Mr. Das as a Non-Executive Independent Director for a period of five years with effect from September 1, 2022, subject to the approval of the Shareholders of the Company. Considering

the rich experience and strong profile of Mr. Das, the Board considers Mr. Das' appointment as a valuable addition to the Board, which will augment the present Board Composition.

A Notice under section 160 of the Companies Act, 2013 has been received from Mr. Das, proposing his candidature for appointment as Director of the Company.

The Board recommends passing of the resolution at item no. 6 as a Special resolution.

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

### Item No. 7

#### **Ratification of payment of remuneration to the Cost Auditor for the Financial Year 2022-23**

The Board of Directors at their meeting held on August 23, 2022, on the recommendation of the Audit Committee, approved the appointment of Ashwin Solanki & Associates, Cost Accountants as the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year 2022-23 and remuneration of ₹ 8,50,000 plus service tax and out-of-pocket expenses.

In terms with the provisions of Section 148 of the Companies, 2013 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 passing of the resolution at item no. 7 as an Ordinary resolution.

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**

**Ghanashyam Hegde**  
**Executive Director and Company Secretary**

Mumbai  
August 23, 2022

#### **Registered Office:**

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



**Details of Directors proposed to be appointed / re-appointed at the forthcoming 58<sup>th</sup> Annual General Meeting**

<b>Resolution at Item No.</b>	<b>3</b>	<b>4</b>	<b>6</b>
Name of Director	Mr. Gagan Sawhney	Ms. Sonali Dhawan	Mr. Gurcharan Das
Age	46 years	47 years	78 years
Date of appointment on the Board	24/01/2019	07/05/2014	01/09/2022
Qualification / Expertise in specific field	MBA (Finance)	MBA (Marketing)	Business Management
Names of other Companies in which he/she holds Directorships	Listed Companies: Gillette India Limited	Listed Companies: Gillette India Limited	Listed Companies: 1. Gillette India Limited Unlisted Companies: 1. Gurcharan Das Consultants Private Limited 2. DMI Finance Private Limited
Listed entities from which he/she has resigned in the past three years	Nil	Nil	Nil
Companies in which he/she is a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager	Nil	Nil	Nil
Chairman/Member of the Committee(s) of the Board of Directors of the Company	Member of Committees: 1. Risk Management Committee; 2. Nomination & Remuneration Committee; and 3. Technology and Investment Committee	Members of Committees: 1. Corporate Social Responsibility Committee	-
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which she is a Director	Gillette India Limited: Member of Committees: 1. Risk Management Committee	Gillette India Limited: Members of Committees: 1. Corporate Social Responsibility Committee 2. Nomination & Remuneration Committee 3. Stakeholder Relationship Committee	Gillette India Limited: Chairman of Board Member of Committees: 1. Audit Committee 2. Nomination & Remuneration Committee 3. Corporate Social Responsibility Committee 4. Risk Management Committee
Shareholding in the Company	Nil	Nil	Nil
Relationship with other Directors, Manager or Key Managerial Personnel, if any	None	None	None
Remuneration last drawn by each Director from the Company	Nil	Nil	Nil
Number of Meetings of the Board attended during the year	4 out of 5	5 out of 5	Not applicable. Effective date of appointment is September 01, 2022



**Procter & Gamble**  
**Hygiene & Health Care Limited**  
Annual Report 2021-22





# CONTENT

Corporate Information .....	01
Financial Highlights.....	07
Chairman’s Letter.....	08
Managing Director’s Letter.....	09
Report of the Directors and .....	10-41
Management Discussion & Analysis	
Corporate Governance Report.....	42-62
Auditors’ Report.....	63-73
Balance Sheet.....	74
Statement of Profit & Loss.....	75
Statement of Cash Flow.....	76-77
Statement of Changes in Equity.....	78
Notes forming part of the Financial Statements.....	79-129



## Corporate Information

### Board of Directors & Key Managerial Personnel

Mr. Chitranjan Dua	Independent Director and Chairman
Mr. L. V. Vaidyanathan	Managing Director (effective July 1, 2022)
Mr. Anil Kumar Gupta	Independent Director
Ms. Meena Ganesh	Independent Director
Mr. Krishnamurthy Iyer	Independent Director
Mr. Gurcharan Das	Independent Director (effective September 1, 2022 )
Mr. Pramod Agarwal	Non-Executive Director
Mr. Karthik Natarajan	Non-Executive Director
Ms. Sonali Dhawan	Non-Executive Director
Mr. Gagan Sawhney	Non-Executive Director
Mr. Ghanashyam Hegde	Executive Director and Company Secretary
Mr. Prashant Bhatnagar	Chief Financial Officer

### Registered Office

Procter & Gamble Hygiene and Health Care Limited  
 (CIN: L24239MH1964PLC012971)  
 P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai – 400 099  
 Tel. No.: (022) 2826 6000  
 Investor helpline Nos.: 86575 12368  
 Email Id: investorpghh.im@pg.com

### Registrar & Share Transfer Agents

Link Intime India Private Limited  
 C-101, 247 Park,  
 L.B.S. Marg, Vikhroli (West),  
 Mumbai – 400 083  
 Tel. No.: (022) 4918 6279  
 Fax: (022) 4918 6060  
 E-mail Id: rnt.helpdesk@linkintime.co.in

### Auditors

**Statutory Auditors:**  
 Kalyaniwalla & Mistry LLP  
 Chartered Accountants

### Cost Auditor:

Ashwin Solanki & Associates  
 Cost Accountants

### Secretarial Auditor:

Makarand M. Joshi & Co.  
 Company Secretaries

Note: Certain Statements in this Annual 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.

# Your Board of Directors



**Mr. Chittranjan Dua,  
Chairman and Independent  
Director**

Mr. Dua is the founding partner of Dua Associates and is currently chairman of the firm and engaged in providing strategic advice and direction for its further growth and development. His experience and expertise encompasses a broad range of areas including corporate and commercial law, corporate finance, securities law, infrastructure, public policy and administration, governance and ethics, land acquisition, power projects, foreign investments and collaborations, privatization of public sector undertakings, mergers and acquisitions and exchange control regulations.



**Mr. Gurcharan Das,  
Independent Director**

Mr. Das, an alumnus of Harvard University, was CEO, Procter & Gamble India and later Managing Director, Procter & Gamble World-wide (Strategic Planning). After a 30-year career, he took early retirement to become an author. He is on a number of boards and is a regular speaker to the managements of the world's largest corporations. He is a regular columnist for leading newspaper publications and also contributes periodically to other journals.



**Mr. Krishnamurthy Iyer,  
Independent Director**

Mr. Iyer is a B. Com, Chartered Accountant and a Company Secretary. Mr. Iyer has been a retail professional with wide and varied experience in leadership roles in various industries and countries. During the course of his career spanning over 40 years, he has worked in US, Japan, Taiwan, Hong Kong, Philippines, Thailand and India across industries. His last role was as President & CEO of Walmart India for over 6 years, where, he has played a pivotal role in growing the omni channel footprint in India.



**Mr. Anil Kumar Gupta,  
Independent Director**

Mr. Gupta is an engineer from IIT New Delhi. He also holds a Post Graduate Diploma in Industrial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has a vast experience of over 40 years in India and abroad in the field of Manufacturing, Projects and Supply Chain Management.



**Ms. Meena Ganesh,  
Independent Director**

Ms. Meena Ganesh is a PGDM holder from IIM Calcutta and a Bachelor of Science (Physics) from the Madras University. Ms. Meena Ganesh is an entrepreneur with nearly 3 decades of experience in industries including healthcare, consulting, technology, outsourcing, education and e-commerce. Ms. Meena Ganesh is the Managing Director & CEO of Portea Medical, which she co-founded in July 2013.



**Mr. Pramod Agarwal,  
Non-Executive Director**

Mr. Agarwal is an MBA from IIM, Ahmedabad. After over 28 years of experience with P&G, he retired in 2016. He worked in seven geographies - India, Thailand, Japan, Philippines, USA, Singapore and Switzerland. Mr. Agarwal has led several major changes which have had a lasting impact on the business and organization. He is now a management consultant, an angel investor and mentor to several start-ups.



**Mr. L. V. Vaidyanathan,  
Managing Director**

Mr. L. V. Vaidyanathan is a Bachelor of Engineering (Mech.) from National Institute of Technology, Nagpur and is an MBA from IIM, Ahmedabad. Mr. L. V. Vaidyanathan started his career with P&G in India in 1996 and worked in various leadership roles. He has more than 26 years of experience across diverse geographies like India, Singapore, Philippines, Thailand and Vietnam. Prior to this role, he was leading P&G business in Indonesia as CEO where he has been responsible for industry-leading growth and value creation.



**Mr. Karthik Natarajan,  
Non-Executive Director**

Mr. Karthik Natarajan is a Chartered Accountant and a B. Com from R. A. Podar College, Mumbai. He has been with P&G for over 21 years and is currently the Senior Vice President and Regional CFO, Asia Pacific, Middle East & Africa. He has worked across multiple locations like India, US, China, Philippines, Middle East and Singapore and has led strategy development, business and financial planning and operational execution with excellence for several important P&G businesses.



**Mr. Gagan Sawhney,  
Non-Executive Director**

Mr. Gagan Sawhney is an MBA from IIM, Ahmedabad who joined P&G in 2001. He has more than 20 years of experience across multiple geographies like India, ASEAN, Greater China and Middle East. Presently, Mr. Sawhney is Regional CFO, Middle East & Africa, P&G. He has held several leadership roles such as leading Finance for P&G Indian subcontinent and providing assurance and consulting support across regions as Finance Director-Internal Audit for P&G Global operations.



**Ms. Sonali Dhawan,  
Non-Executive Director**

Ms. Dhawan is a B. Com (Hons) in Business Studies from Lady Shriram College and is an MBA (Marketing) from IIM, Ahmedabad. Ms. Dhawan has been with P&G for over 24 years and is currently Senior Vice President, Marketing, Feminine Hygiene, Asia, Middle East & Africa. She has worked across multiple regions including ASEAN, India, Australia & Middle East.



**Mr. Ghanashyam Hegde,  
Executive Director &  
Company secretary**

Mr. Hegde is a B. Com and LL.B from Bangalore University. He holds a Post Graduate Diploma in Intellectual Property Rights from National Law School of India University. He is also a qualified Company Secretary. He is a legal professional with over 20 years of experience across pharma, media & entertainment, financial services and chemical industries. He joined P&G in September 2018 and is currently designated as Vice President and General Counsel- ISC & ANZ.



# ABOUT US

## OUR PURPOSE

We will provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come.



## OUR PRINCIPLES

- We show respect for all individuals.
- The interests of the Company and the individual are inseparable.
- We are strategically focused on our work.
- Innovation is the cornerstone of our success.
- We are externally focused.
- We value personal mastery.
- We seek to be the best.
- Mutual interdependency is a way of life.

The Procter & Gamble Company, US ("P&G") is a global leader in the fast-moving consumer goods industry, focused on providing branded consumer packaged goods of superior quality and value to its consumers around the world. Today, P&G products are sold in approximately 180 countries and territories. P&G believes in finding small but meaningful ways to improve lives—now and for every generation to come.

Procter & Gamble Hygiene and Health Care Limited ("the Company") was incorporated in India as Richardson Hindustan Limited in 1964. P&G acquired the Company in the year 1985. The Company is engaged in manufacturing and selling of branded packaged fast moving consumer goods in the femcare and healthcare businesses. It is one of India's well known FMCG companies that has in its portfolio Whisper – India's leading feminine hygiene brand, and Vicks – India's No. 1 health care brand and Old Spice. The Company has carved a reputation for delivering high quality, value-added products to meet the needs of consumers. The Company is committed to making every day in the lives of consumers better through superior value propositions.

P&G is committed to stepping up as a force for good and have embedded citizenship in the way we do business. We are serving our communities, focusing on building a more equal and inclusive world and protecting our planet.





# CITIZENSHIP AT P&G GROUP IN INDIA 2022

Company Overview

Boards Report and MDA

Corporate Governance

Financial Statements



## Community Impact



### P&G SHIKSHA

Through our flagship CSR program launched in the year 2005, we are focused on providing access to holistic education for underprivileged children through a 360-degree intervention.



### P&G SURAKSHA INDIA

Since the outbreak of the COVID-19 pandemic, we had directed our efforts towards protecting and serving our employees, consumers and communities, relief authorities and frontline warriors.



### DISASTER RELIEF

We are committed to step up in challenging times to help communities affected by natural calamities, through timely and relevant intervention.



### LEVERAGING THE VOICE OF OUR BRANDS

Our brands and employees have been consistently working towards making a difference in the lives of the people in the communities we serve, by raising awareness and driving interventions to challenge stereotypes.



### #WeSeeEqual SUMMIT

We announced declarations and commitments to advance gender equality inside and outside P&G



### INCLUSIVE BENEFITS FOR LGBTQ+ COMMUNITY

We extended our company-offered comprehensive financial and medical benefits to partners of our LGBTQ+ employees.



### WHISPER #THEMISSING CHAPTER

Whisper is advocating the inclusion of mandatory period education in the school curriculum to prevent girls from dropping out of schools.



### GENDER EQUALITY AT OUR MANUFACTURING SITES

One of the femcare production lines at the Company's plant in Goa now proudly boasts of a 100% female shift crew.



## Equality & Inclusion



## Environmental Sustainability



### PLASTIC PACKAGING WASTE NEUTRALITY

As P&G Group, we achieved 'plastic packaging waste neutrality', as we collected, processed, and recycled over 19,000 MT post-consumer plastic packaging waste from across the country



### PLEDGE TO BE 'NET ZERO' BY 2040

We are striving to achieve net-zero greenhouse gas (GHG) emissions across our operations and supply chain, from raw material to retailer, by the year 2040.



### ZERO MANUFACTURING WASTE TO LANDFILL

Our manufacturing facility in Goa is zero manufacturing waste to landfill



### WE ARE PROGRESSING IN OUR FOCUS AREAS

We have made consistent and significant progress across our focus areas of climate, water and waste.



### Procter & Gamble India sets up a task force of mental health first aiders at workplace

By Risa Bhattacharyya, ET Bureau | Last Updated: Dec 09, 2021 05:47 PM IST

**Synopsis**  
The first aiders are the company's own employees from different work groups who are trained and certified by Mental Health First Aid India to provide support and assist a person experiencing mental health issues and guide them towards professional help.



Procter & Gamble has set up a task force of certified **mental health first aiders** to strengthen its **mental health** support system for employees, the company said in a press release on Thursday.

The first aiders are the company's own employees from different work groups who are trained and certified by Mental Health First Aid India to provide support and assist a person experiencing mental health issues and guide them towards professional help.

### P&G India to introduce career relaunch program for STEM professionals

The initiative called P&G Relaunch program is part of the company's commitment to strengthen diversity in STEM and will focus on people looking to restart their careers in IT, research & development, and product supply, the company said in a press statement on Tuesday.

### Whisper launches its new #KeepGirlsInSchool campaign film, 'The Missing Chapter'



### P&G India becomes 'plastic waste neutral'

In a statement, P&G said it has collected, processed, and recycled over 19,000 MT of post-consumer plastic packaging waste from across the country which is more than the amount of plastic packaging waste generated by FMCG companies in India to achieve plastic waste neutrality.

### P&G India to Invest ₹500 cr to Grow Rural Market

**Mumbai:** Procter & Gamble India said it will invest ₹500 crore to accelerate growth in the Indian rural market, home to more than 800 million people, whose purchase behavior is largely linked to farm output. The fund will provide external partners an opportunity to partner with P&G on business solutions customized for meeting the needs of rural consumers. This will include solutions on communication, media outreach and go-to-market solutions such as tech-enabled selling, inventory distribution, and more.



The Indian unit of the world's biggest consumer products firm said accelerating growth in the rural market is a strategic priority and the new fund invest in empowering rural kirana and local businesses on inventory management that will help them build their businesses. We are confident that through these partnerships we will be able to contribute towards the inclusive growth of the Indian economy.



### P&G Offers ₹5cr for Vaccination in T'gana

**HYDERABAD** Consumer products giant Procter & Gamble has announced contributing ₹5 crore to the Telangana government towards vaccination of citizens as a part of its pledge to contribute towards 10 lakh vaccine doses in India. In a statement, P&G said it will also continue to extend its support to the broader community in Telangana through donation of products, in-house manufactured masks and sanitizers.

### P&G rolls out medical and workplace benefits for partners of LGBTQ+ employees



## P&G IN THE NEWS



Grand Prix Sustainable development Goals award at #CannesLions2022

Recognized as Star MNC 2021 at the Business Standard Annual Awards for Corporate Excellence

The Economic Times promising plant award-Factory of the Future 2022

P&G India recognized as one of the 'Best Company for women in India' by 'Working Mothers' magazine

### Procter & Gamble Pledges Net Zero Emissions By 2040, Says It Is An 'urgent Task'



Procter & Gamble (P&G), on Thursday, 14 September 2022, announced a comprehensive plan to accelerate action related to climate change. It has also set a new resolution to actively net-zero greenhouse gas (GHG) emissions across its operations and supply chain. [Click here](#) to read the company's statement via its official website.

### Stellar jury picks the best of India Inc

### Strong comeback for P&G Hygiene and Health Care

Despite the challenges posed by the Covid-19 pandemic, the company delivered profitable double-digit growth



**DELHI:** When the stellar world award-winning Stellar jury announced the best of India Inc, Procter & Gamble (P&G) Hygiene and Health Care was named the best FMCG company in India. The award is a testament to the company's strong performance and leadership in the industry. P&G's Hygiene and Health Care division has shown a strong comeback, delivering profitable double-digit growth despite the challenges posed by the Covid-19 pandemic. The company's focus on innovation and customer-centric solutions has been a key driver of its success.

## FINANCIAL HIGHLIGHTS 2021-2022

₹3,901cr

REVENUE FROM  
OPERATIONS

₹790cr

PROFIT  
BEFORE TAX

₹576cr

PROFIT  
AFTER TAX

₹177.37

EARNING PER SHARE

20%

OPERATING  
PROFIT MARGIN

₹822cr

CASH GENERATED  
FROM OPERATIONS

## TEN YEAR FINANCIAL HIGHLIGHTS

	IND AS							IGAAP			
	2022 <sup>^</sup>	2021 <sup>^</sup>	2020 <sup>^</sup>	2019 <sup>^</sup>	2018 <sup>^</sup>	2017 <sup>^</sup>	2016 <sup>^</sup>	2016	2015	2014	2013
<b>YEAR END FINANCIAL POSITION (₹ Crores)</b>											
Net Fixed Assets	207.6	221.4	228.7	248.8	271.6	326.6	352.2	316.9	308.8	239.5	214.9
Net Worth	737.6	714.3	1157.9	909.1	805.5	526.1	1651.8	1511.2	1228.7	1002.9	805.3
<b>SUMMARY OF OPERATIONS (₹ Crores)</b>											
Gross Sales	3900.9	3574.1	3002.0	2946.5	2455.3	2419.2	2349.2	2552.7	2358.4	2063.6	1696.7
Profit Before Tax	790.1	869.9	593.9	607.3	581.8	671.8	635.5	636.5	500.8	460.3	286.2
Profit After Tax	575.8	651.8	433.1	419.1	374.6	432.7	422.5	423.2	346.1	302.0	203.2
Dividend paid in Financial Year	568.1	1103.7	155.8	259.7	87.6	1291.9	98.2	116.9	98.2	89.3	81.2
<b>PER SHARE DATA</b>											
Eps (₹)	177.37	200.79	133.42	129.12	115.40	133.31	130.16	130.37	106.63	93.04	62.61
Dividend Paid in Financial Year (%)	1,750	3,400	480	800	270	3,980	302	360	302	275	250
<b>NUMBER OF SHARES</b>											
Shares (Lakhs)	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61

<sup>^</sup>Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. Hence these numbers are not comparable with previous years



## Dear Shareholders,

The last fiscal year continued to be one full of unprecedented challenges which impacted most aspects of life, business, and economy. Despite the pandemic induced turbulence and unforeseen headwinds, your Company remained resilient, agile, and delivered sales of ₹3,901 crore, up 9% versus year ago. In addition, your Company continued to prioritize the health and well-being of its people and stepped up as a force for good to help communities in need during these tough times.

Your Company has embedded citizenship in the way it does business, in line with its philosophy of being a force for growth and a force for good. Your Company continued to support the P&G Suraksha India initiative, which is P&G India's response to the COVID-19 pandemic. As part of the program, the Company helped strengthen healthcare infrastructure, as well as lakhs of masks and hand sanitizers for the protection of frontline workers and underprivileged communities. Since the outbreak of the pandemic, your Company has also donated more than 38 lakh Whisper sanitary pads to support women and girls from underprivileged backgrounds.

Your Company continues to help underprivileged children move closer to their dreams, through its 'P&G Shiksha' program in India. The Program has so far supported thousands of schools that will impact the lives of millions of children. P&G Shiksha focuses its efforts on three main areas - improving learning outcomes, empowering marginalized girls through education and improving educational infrastructure. During the pandemic, as schools remained closed, the program continued to provide online education to thousands of children during this time. As the pandemic began to ease, we launched a school readiness campaign, for equipping children studying in Grades 1 and 2, with essential foundational skills as they start school, with the support of their mothers. During the year, we impacted more than 55,000 children through this program.

Your Company has achieved significant milestones in environmental sustainability, by achieving plastic packaging waste neutrality and maintaining zero waste to landfill status for its manufacturing site at Goa. Further, your Company continues to make significant headway towards P&G's Ambition 2030 goals.

Lastly, I would also like to express my gratitude to all our consumers, customers, employees, business partners and YOU, our valued shareholders for your support and participation in the growth of your Company. We are keenly focused on creating value for our stakeholders. While the near-term outlook remains uncertain with volatility in the economic landscape, we will continue to focus on driving superiority, improving productivity, and prioritizing the health and well-being of our people for achieving balanced growth in context of expected challenges and headwinds. As we move into the new fiscal year, we will continue to innovate and bring superior products to consumers and sustainably grow the business.

**Chitranjan Dua**  
Chairman



## Dear Shareholders,

I would like to take this opportunity to share with you the overall performance of your Company in 2021-22.

Our commitment to our integrated strategies of superiority, productivity, constructive disruption and an agile and accountable organization structure, has empowered us to deliver consistent results this fiscal year as well.

Despite unprecedented headwinds from macroeconomic challenges and softening consumption trends, the Company continued to grow and delivered a resilient performance in the fiscal with sales of ₹3,901 crore, up 9% versus year ago, behind the proven superiority strategy and strong brand fundamentals. Profit After Tax (PAT) was ₹576 crore, down 12% versus year ago, largely behind commodities inflation which

was significantly countered by cost productivity and pricing in the current year. Compared to fiscal two years ago, the Company's sales are up 30% and Profit After Tax (PAT) is up 33%.

This is a testament to the strength of our product portfolio and strategic choices to drive meaningful superiority across products, packages, communication, retail execution and value. Our strategy is fueled by balancing innovation and industry-leading practices, with driving productivity in everything we do. The cornerstone of all of this, is our resilient organization.

In the feminine care business, Whisper continues to be the market leader behind a strong product portfolio and superior consumer communication. In the healthcare business, our brand Vicks continues to serve consumers and strengthen the portfolio with a superior lineup of innovations, including Vicks Roll-On Inhaler and Vicks Xtra Strong.

Our brands also continued to step up as a force for good during these challenging times. We launched Whisper 'The Missing Chapter' campaign, as the next edition to #KeepGirlsInSchool initiative, to fight period taboos and advocate the inclusion of mandatory period education in the school curriculum to prevent girls from dropping out of schools. I am happy to share that Whisper also won multiple awards at the coveted Cannes Lions International Festival of Creativity 2022, including India's first 'Grand Prix' in the 'Sustainable Development Goals' category.

As a responsible corporate citizen, your Company continues to aspire to create positive impact across each area of Citizenship- Community Impact, Equality and inclusion and Environment Sustainability. Through its flagship CSR program, P&G Shiksha, the P&G group in India has supported over 2500 schools impacting more than 23 lakh children. Over the years, P&G Shiksha has evolved into a 360-degree educational intervention addressing three critical barriers to achieving universal education - access to education infrastructure, gender inequality in access to education and gap in learning. Your Company also committed to accelerating the pace towards an equal tomorrow, by committing to support second careers for women in STEM with our 'Relaunch' Program and introducing 'P&G Shiksha Betiyan Scholarship' for college girls pursuing STEM careers in 50+ colleges.

As we enter the next fiscal, the FMCG sector continues to be an essential contributor to the economy. The operational, cost and inflation challenges we dealt with this year, will continue in fiscal year 2023 as well. But the progress we have made, and our collective commitment to our strategies, gives me confidence we can manage through these challenges. We will continue to focus on our strategy which has consistently enabled us to deliver balanced growth, behind brand fundamentals, strength of the product portfolio, deliberate productivity, and a resilient organization.

**L. V. Vaidyanathan**  
Managing Director



## REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have the pleasure of presenting the 58<sup>th</sup> Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2022.

### FINANCIAL RESULTS

(Figures in ₹ crores)

	2021-22	2020-21
Revenue from operations	3,901	3,574
Profit before tax (PBT)	790	870
Profit after tax (PAT)	576	652
Earnings per share		
- Basic (₹)	177.37	200.79
- Diluted (₹)	177.37	200.79

### FINANCIAL YEAR

The Company's Financial Year is July 1<sup>st</sup> to June 30<sup>th</sup>.

### DIVIDEND

During the Financial Year, the Board of Directors declared an interim dividend of ₹ 95 per Equity Share. The payment of interim dividend to the shareholders was completed on February 25, 2022.

Your Directors are pleased to recommend a final dividend of ₹ 65 per Equity Share for the Financial Year ended June 30, 2022. This final dividend is subject to approval of the Members at the ensuing 58<sup>th</sup> Annual General Meeting.

### ECONOMY AND MARKETS

The operating environment this year continued to be volatile, with unprecedented challenges, with high inflation in key commodities and supply chain disruptions, among others.

Despite these headwinds, the Indian economy grew by 8.7%\* in 2021-2022 as we emerged from the pandemic. Several initiatives and measures introduced by the government, most importantly the accelerated rate of vaccinations, provided impetus and contributed towards economic recovery by aiding mobility, resumption of services and helping boost consumer confidence.

The pandemic accelerated many consumer and market trends, including the emergence of new channels, an enhanced focus on health, hygiene, and wellbeing. Digital dependency in everyday consumer lives increased substantially. However, inflation has ebbed consumption momentum, especially in rural markets.

### OPPORTUNITIES, RISK AND OUTLOOK

The International Monetary Fund (IMF) projects Indian economy to grow by 7.4%^ in 2022-2023. With this, India will remain to be one of the fastest growing major economies in the world in 2022-23.

\* Source: Press release of Ministry of Finance dated August 1, 2022.

However, IMF projects global inflation in 2022 at 8.3%^. Sustained inflationary outlook, supply-chain constraints and external headwinds will continue to pose challenges. Amidst this, it will be imperative for companies to navigate through uncertainties caused by external factors and leverage the available opportunities with agility.

While short to medium term challenges exist owing to a weak global economic outlook, the long-term outlook for the FMCG sector remains positive. Your Company is well positioned to sustain and improve its performance with a resilient workforce, leverage opportunities with agility, address challenges and overcome the risks.

^ Source: IMF World Economic Outlook, July 2022.

### INTEGRATED STRATEGIC CHOICES



Your Company has delivered great results over the years, in a volatile macro environment against very capable competition, through focus on executing our integrated strategies with excellence. We are focused on delighting and serving consumers, customers, society and shareholders through five strategic and integrated choices: a portfolio of products where performance drives brand choice; superiority across product, package, brand communication, retail execution and value; productivity in everything we do; constructive disruption across the value chain; and an agile, accountable and empowered organization. These are not independent strategic choices. They reinforce and build on each other, and when executed well, they lead to balanced top-line and bottom-line growth and value creation. There is still meaningful opportunity for improvement and leverage in every facet of this strategy, and we continue to work to strengthen our execution of these choices.



**BUSINESS PERFORMANCE**

Despite unprecedented headwinds from macroeconomic challenges and softening consumption trends, your Company continued to grow and delivered a resilient performance in the fiscal with sales of ₹ 3,901 crore, up 9% versus year ago, behind the proven superiority strategy and strong brand fundamentals. Profit after tax (PAT) was ₹576 crore, down 12% versus year ago, largely behind commodities inflation which was significantly countered by cost productivity and pricing in the current year. Compared to the fiscal two years ago, the Company’s sales are up 30% and PAT is up 33%.

The execution of our integrated strategies of a strong portfolio, superiority, productivity, constructive disruption, and an agile and accountable organization structure, has empowered us to deliver these consistent results. Our strategy is fuelled by balancing innovation and industry-leading practices, while driving productivity in everything we do. While the unprecedented market challenges and uncertainties remain in the near-term, we will continue to stay focused on our strategy of driving superiority and productivity and enabled by the strength of our organization and culture, to deliver balanced growth and value creation.

**FINANCIAL RATIOS**

	2021-22	2020-21	% Change
Debtors (trade receivables) turnover	23.42	23.16	1%
Inventory turnover	16.14	15.73	3%
Return on investment	0.04	0.04	-10%
Return on capital employed	0.97	1.10	-11%
Net capital turnover	14.14	12.68	12%
Trade payables turnover	2.01	1.87	8%
Interest coverage ratio	102.8	143.4	-28%*
Current ratio	1.32	1.34	-1%
Operating profit margin	20%	25%	-17%
Net profit margin	15%	18%	-19%
Return on Networth	79%	70%	14%

\* The variation is on account of higher interest on income tax in the current year.

**Feminine Care Business**

We continue to delight our consumers with strong innovation across the portfolio. We continue to be market leaders despite tough external environment

including consumer down tiering trends and commodity price impact.

Whisper made investments to continue to strengthen product performance. Whisper launched the new and improved Choice XL and Choice Ultra, to delight our consumers with superior proposition.



Our premium nights business continues to thrive behind identification of the No.1 unmet consumer need- Nighttime leakage, enabling premiumization. Whisper also launched an affordable night’s range -Whisper Choice Nights to provide our consumers with relevant propositions to meet their needs, like prevention of night-time leaks.

Whisper’s flagship campaign #KeepGirlsInSchool, now in it’s 3<sup>rd</sup> year, continues to raise awareness about the issue of girls dropping out of school when they attain puberty. Whisper continues to bring transformational change in the community. Through our Whisper Menstrual Health & Hygiene School program and other consumer touchpoints, last year we actively reached 50,000+ schools educating about 9.9 million adolescent girls on the importance of menstrual hygiene.



#KeepGirlsInSchool also received the highest external recognition for purpose campaigns- The Cannes Grand Prix in the sustainable development goals category reinforcing the impact & the positive reception of this longstanding campaign.

Company Overview

Boards Report and MDA

Corporate Governance

Financial Statements



### Health Care Business

Your Company's health care business delivered strong growth this Financial Year. Your Company continued to win externally and grow market share in the Cough & Cold category with strong offtake growth behind the strength of our portfolio, which includes Vicks VapoRub, Vicks Throat Drops, Vicks Action 500 Advanced, Vicks Inhaler and Vicks Baby Rub growth.



With world-class communication, most of our sub-brands continued to grow market share. The business was further strengthened by strong innovations including Vicks Roll-On Inhaler and Vicks Xtra Strong. This is also the first year where we have ventured into piloting the launch of a cough syrup- Vicks Tulsi Ginger Cough Syrup. Superior go-to-market strategy enabled enhanced presence in stores with more visibility touchpoints per store.



Your Company's healthcare business is also able to grow penetration across its entire range thereby bringing meaningful change to the lives of consumers.

### Old Spice

Old Spice 0% Gas deodorants demonstrated strong double-digit growth strengthening the brand's foothold in the category.

Overall, your Company continued to focus on driving consumer meaningful innovations backed by distribution expansion and strong advertising thereby delivering consistent growth.

### RISK MANAGEMENT

Your Company has set up a Risk Management Committee. The Company has also adopted a Risk Management Policy. 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.

### BUSINESS, FINANCE & OPERATIONAL RISKS

On business risks, the Company undertakes a Competition Response Model program. For financing risks, it has a robust operational contingency 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 your Company's Worldwide Business Conduct Manual and the same demands 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; and
- 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 of compliance to avoid any deviations, and regular updates to keep pace with the regulatory changes.

### SECURITY RISKS

Your Company has implemented comprehensive security programs supported by latest technology and trained manpower to protect employees and assets, at all its offices and plant. During the Financial Year under review, no major security breaches or incidents occurred at your Company's plant. A comprehensive security risk assessment is carried out regularly and adequate security measures are implemented to cater to changing 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 had appointed Ms. Pooja Bhutra, Chartered Accountant as the Internal Auditor of the Company for the Financial Year 2021-22.

### INTERNAL CONTROLS & THEIR ADEQUACY

Your Company continues to prioritize sustainable control processes that are integral part of organization culture. It has built strong Internal Controls Environment and Risk Assessment / Management systems. These systems enable the Company to comply with Internal Company policies, procedures, standard guidelines, and local laws to help protect Company's assets and confidential information including personally identification information (PII) against financial losses and unauthorized use. The robust controls environment at your Company is efficiently managed and monitored through:

- **Controls Self-Assessments** are performed during October to December period of every Financial Year across business processes. The purpose of this thorough exercise is to review and evaluate process compliances against standard control objective, activities and attributes. This enables

the Company to proactively identify control weaknesses and initiate actions to sustainably mitigate them.

- **Stewardship and Global Internal Audit (GIA)**

Reviews are led by a team of independent fulltime Internal Controls experts. Their role is to ensure that all key processes i.e. selling, revenue, distribution, trade & marketing spends, vendor payments, and plant operations are reviewed and assessed at appropriate intervals. The observations and findings are shared with senior management for implementing quality action plans to strengthen overall controls environment in these processes. The assessments of high risks and SOX Compliance areas are assessed by an independent internal audit department led by the Company's Global Internal Audit team. This team comprises of certified internal controls process experts who have experiences across different markets that the Company operates in. The action taken by the management to correct the processes is then reviewed and reported appropriately.

- **Governance Board**

The Governance Board is led by the Managing Director and comprises of Group Chief Financial Officer, Chief Human Resource Officer, Supply Chain Leader, Purchasing & Sustainability Leader and General Counsel. The Governance Board assesses, and reviews enterprise level risks and works with process owners and functional managers to ensure that corrective action is taken, and risk is mitigated as appropriate.

During the Financial Year under review, all Controls issues identified have been 100% remediated by executing quality action plans in consultation with internal controls and stewardship experts.

### BUSINESS RESPONSIBILITY REPORT

A separate report on Business Responsibility has been appended as **Annexure I** to this Report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) & CITIZENSHIP EFFORTS

Your Company believes in being a force for growth and force for good in the communities that it serves. This has been an integral part of your company's purpose and values since its foundation. We believe that the only way to build a sustainable business is to improve lives.



**We've built citizenship  
into our business which is  
enabling us to responsibly  
serve all our stakeholders  
and the broader world  
around us**



Our CSR strategy is supported by three key pillars—P&G Shiksha, P&G Suraksha India and timely disaster relief.

Through our flagship CSR program – P&G Shiksha, we continue to focus on providing holistic education for underprivileged children through a 360-degree educational intervention. We launched the ‘#PGSurakshaIndia’ program in response to the COVID-19 pandemic, to serve our employees, consumers, and communities alike in testing times, in partnership with various government and relief organizations. Further, our disaster relief efforts aim to provide aid to those affected by natural disasters. In addition to this, our brands and people continue to make a positive difference in society through their consistent hard work.

We introduced our flagship CSR program ‘P&G Shiksha’ in 2005 with the vision of providing means to education to underprivileged children in the country. Today, we have come a long distance from where we began. The 2500 schools that we have built and supported over the years will impact over 23 lakh children in need by improving their learning environment.

Over time, ‘P&G Shiksha’ has evolved into a holistic education program that aims to improve learning outcomes in children, strengthen educational infrastructure and empower marginalized girls through education.

Along with our NGO partner Round Table India (RTI), we have focused on constructing new classrooms, building playgrounds and improving health and hygiene facilities for children like clean drinking water and separate toilets for girls and boys at Government owned schools. We believe that this will impact the learning environment and encourage more students to take interest in education, return to school and enable a change in mindset. Last year, we undertook multiple projects and constructed more than 300 classrooms.

We are partnering with Educational Initiatives (EI) (EI) to implement ‘Mindspark’, a computer based adaptive learning tool to remediate learning gaps in students across government schools in Rajasthan, Himachal Pradesh, Maharashtra, Madhya Pradesh, Andhra Pradesh, Uttarakhand, Gujarat and Telangana.

Research found that children studying in a particular grade may not possess the conceptual understanding and grade level competency which is at par with the grade they are in. This means, that a child may progress to a higher grade, yet does not fully understand a concept from a lower grade.

‘Mindspark’ helps in minimizing this learning gap in children and bringing their learning levels at par with

their grade. The tool integrates pedagogy, teacher instruction and a learning management system to assess a student’s learning level and develop a customized learning path for each one of them. During the pandemic induced school closure, we upgraded the tool to make it available on smartphones, to enable children to continue learning from the safety of their home and minimize learning losses. As schools begin to reopen, we are now focusing on bringing the program back to schools, so the children can learn more effectively and efficiently. Last year, the program impacted over 72,000 children across 8 states in the country, by enabling learning from the safety of home.

Together with our NGO partner Pratham Education Foundation, we are working towards bridging existing learning gaps in children through on-ground remedial learning interventions. We do this through a community based and an ‘in-school’ model, together with the support of trained volunteers from within the community and teachers at school. During the lockdown, we had adopted a remote outreach model of engaging with the children, by leveraging technology and mobilizing the community volunteers, to ensure learning continuity. As part of this, we regularly shared simple project-based activities with children focused on language, math and science by leveraging WhatsApp, phone calls and SMSs. Further, we also shared curated messages in text, audio and video formats to aid the learning process

As schools begin to reopen, in addition to our digital outreach, we are conducting learning camps focused on strengthening foundational learning levels in children. This is aimed at ensuring school-readiness, with the support of our community volunteers. During the fiscal year, we impacted over 30,000 children across 5 states and 1 Union Territory and observed a significant improvement in their learning levels. At the end of the intervention, more than 70% students were able to read as per their expected learning levels compared to less than 25% at the beginning of the intervention.

Through our early childhood education program in partnership with Pratham Education Foundation, we are focusing on developing motor, cognitive, social-emotional, language and creative skills in children, thereby setting them up for a fast-paced growth as they start school. During the pandemic, we ensured learning continuity, by engaging with parents and community volunteers to conduct learning activities with children at home using materials easily available at home like peas, beads, clay and more. As the pandemic began to ease, we launched a school readiness campaign, for equipping children studying in Grades 1 and 2, with essential foundational skills as they start school, with the support of their



mothers. During the year, we impacted more than 55,000 children through this program. At the end of the intervention, more than 80% of children in the intervention group demonstrated socio-emotional, cognitive, motor and language skills.

Additionally, your Company also continued to impact the communities around its plants in a holistic manner throughout the Financial Year.

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 Annual Report.

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

### ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

Environmental sustainability is embedded in our Purpose, Values, Principles, and everything we do. We are committed to improving lives, now and for generations to come by ensuring that our products, packaging and operations are safe for employees, consumers and the environment. We ensure this by focusing on technologies, processes and improvements that matter for the environment.

Within its operations, your Company strives to grow responsibly and continuously improve our efficiency while reducing our carbon footprint. This year, P&G Group in India achieved 'plastic packaging waste neutrality', as it collected, processed and recycled over 19,000 MT post-consumer plastic packaging waste from across the country, which is more than the amount of plastic packaging in its products sold during the year. In the last 5 years, the Group has reduced usage of packaging material by more than 5000 MT. We remain committed to help reduce the flow of plastic by continuing to make changes now and bringing long-term solutions.

Our manufacturing plant at Goa is 'zero waste to landfill', which means that no manufacturing waste is discharged into the environment. The plant at Goa has also significantly reduced its carbon emission and energy consumption. The plant is leveraging technology, experts, employees and renewable sources of energy to reduce our overall carbon

footprint, improve energy and water efficiency and make our operations more sustainable.

The P&G brands have also stepped forward towards environmental sustainability. We are among the few companies in India to use recycled material in the packaging of our Feminine care packaging. This will reduce usage of virgin plastic.

The P&G Group also recently announced a global water strategy which aims to restore water in 18 water-stressed areas around the world for people and nature, responding to water challenges through innovation and partnerships, and reducing water in our operations. Out of these 18 water-stressed areas, 5 are in India.

Additionally, the Group put forth a new ambition to achieve net-zero greenhouse gas (GHG) emissions across its operations and supply chain, from raw material to retailer, by the year 2040. Your Company continues to build partnerships with external organizations to combat some of the challenges and issues we are facing today on sustainability.

Certain measures taken by your Company's Plant site in Goa for conservation of energy are given below:

**Water savings initiatives:** Following initiatives led to significant water savings:

- Optimization of use of water resources;
- Use of reclaim water for cooling towers vs. ground water;
- Reclaim of circular water;
- Use of Air Conditioning drains for recharging earthing pits;
- Collection and reuse of AHU condensate; and
- Collection/elimination of cooling tower water losses.

**Energy Savings initiatives:** Certain initiatives undertaken for saving energy are given below:

- Auto cleaning of condensers in chillers to get better efficiency and energy saving;
- Use of energy efficient pumps for cooling towers and chillers delivering energy savings;
- Monthly monitoring of energy usage and benchmarking;
- Monitoring of air consumption and arresting and controlling air leakages;





- Use of energy efficient compressors motors and sequencing with variable-frequency drives (VFD) for energy efficiency;
- Energy efficient pumps for softening plants; and
- Timers and motion sensors for air conditioners.

**TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT**

Your Company has the advantage of availing advanced technology and continuous upgradation thereof from The Procter & Gamble Company, USA and its subsidiaries (the Procter & Gamble group). This is an unmatched competitive advantage that helps the Company deliver strong business results.

Your Company benefits from the Procter & Gamble group’s research and development efforts and activities across the globe. Technology absorption and adaptation is a continuous process. The products manufactured / sold by the Company are a result of the imported technology received on an ongoing basis from the Procter & Gamble group. Initiatives are constantly undertaken for innovation of products, new product development, improvement of packaging, enhancement of product quality and application of best information technology to automate, simplify and generate efficiencies in various business processes.

The Company having ongoing access to cutting-edge technology, derives benefits such as product development, consistent superior product quality, process efficiencies, cost effectiveness and energy efficiency.

As the Company avails benefits of research and development of the Procter & Gamble group across the globe, your Company has not incurred any expenditure on research and development during the Financial Year.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

The details of foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 are mentioned below:

₹ in Lakhs

	<b>For the Financial Year ended June 30, 2022</b>	<b>For the Financial Year ended June 30, 2021</b>
Foreign Exchange earnings	4,696	4,598
Foreign Exchange outgo	73,982	55,029

**RELATED PARTY TRANSACTIONS**

Your Company has formulated a policy on related party transactions which is also available on Company’s website at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#policies>. 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 chartered accountant firm to confirm compliance with the requirements under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party transactions entered during the Financial Year were in ordinary course of the business and on arm’s length basis. 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.

Details of material related party transaction entered into during the Financial Year 2021-22 are given below:

<b>Name of Related Party</b>	Procter & Gamble Home Products Private Limited
<b>Nature of transaction</b>	Purchase of goods
<b>Amount of transaction during Financial Year 2021-22</b>	₹ 251 Crores

The above transaction was approved by the Shareholders by passing an Ordinary Resolution through Postal Ballot on June 26, 2021. Being related parties, the Promoter shareholders had abstained from voting on the said resolution.

**LOANS AND GUARANTEES GIVEN AND INVESTMENTS MADE**

Your Company has not given any loans, guarantees or made any investments during the Financial Year.

**PUBLIC DEPOSITS**

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



## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committees (ICC). During the Financial Year, 1 complaint with allegation of sexual harassment was filed with the Company, which was resolved during the year.

## 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, 2022, 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, 2022, 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.

## ANNUAL RETURN

The Annual Return for the Financial Year 2021-22, as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at <https://in.pg.com/india-investors/pghh/shareholder-info/info/>.

## HUMAN RESOURCES

Your 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. Your 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 deliver the future.

**Attracting & Retaining Talent:** India continues to be a key source for Global talent and a preferred Employer of Choice for the workforce in India. We continue to drive our build from within strategy and focus on our core campus programs, which coupled with our innovative campus branding initiative ensures we continue to be an Employer of Choice in our Core Campuses and beyond. Over the course of the last year, we have massively scaled up our lateral hiring capabilities, in line with our growing business needs. We implemented a fully face to face internship program this year for all our campus interns. We continue to retain our Top 10 Best Employer ranking in the Annual Dare2Compete Campus Survey.

**Developing Talent:** Our policies on leadership pipeline, talent planning, mentoring and diversity & inclusion continue to evolve and stay ahead of the times, to ensure that we attract and retain the best talent. All our new hires undergo a very comprehensive 3-day corporate on-boarding program called 'GetIN' which is coupled with functional onboarding programs to ensure that they are able to make an impact and feel valued from Day 1. Building organization capability continues to be a key focus area for us and we continue to organize virtual learning sessions as part of the P&G Learning Academy offerings.

Our Company's performance management system is robust and strives for Impact through Growth. It clearly assesses and differentiates employees on the basis of performance. We have established a CARE program to build the capability of our people

managers. With its focus on inclusive development, P&G India was recognized by 'Working Mothers' Magazine as one of the Best Companies for Women in India 6<sup>th</sup> year in a row.

The number of employees as on June 30, 2022 was 506.

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

As per the provisions of first proviso to Section 136(1) of the Companies Act, 2013, 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 [investorpggh.im@pg.com](mailto:investorpggh.im@pg.com).

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Ms. Flavia Machado ceased to be Company Secretary of the Company effective August 31, 2021.

Mr. Ghanashyam Hegde was appointed as Company Secretary and Compliance Officer of the Company effective September 1, 2021. Consequently, Mr. Hegde was re-designated from Non-Executive Director to Executive Director of the Company effective September 1, 2021 for a tenure of five years.

Mr. Madhusudan Gopalan ceased to be the Managing Director of the Company effective June 30, 2022. The P&G Management and the Board of Directors of the Company express their deepest gratitude to Mr. Madhusudan Gopalan for his exemplary leadership and consistent value creation, guidance and direction to the Company during his tenure as Managing Director.

Mr. L. V. Vaidyanathan has been appointed as Managing Director of the Company for period of five years, effective July 1, 2022. The Shareholders of the Company have approved his appointment by resolution passed by postal ballot & e-voting on July 17, 2022. Mr. L. V. Vaidyanathan being a non-resident at the time of his appointment, the Company has filed an application for seeking approval for his appointment with the Central Government.

Mr. Gurcharan Das has been appointed as Independent Director of the Company for a term of five years effective September 1, 2022, subject to approval of

the Shareholders of the Company at the upcoming 58<sup>th</sup> Annual General Meeting of the Company.

Mr. Gagan Sawhney and Ms. Sonali Dhawan, Directors retire by rotation and being eligible, offer themselves for re-appointment at the ensuing 58<sup>th</sup> Annual General Meeting of the Company.

Brief profile of Directors proposed to be appointed/re-appointed at the ensuing 58<sup>th</sup> Annual General Meeting and the details of the Directorships held by them in other companies are provided under the Corporate Governance section of the Report.

Appropriate resolutions for the appointment / re-appointment of the aforesaid Directors are being moved at the ensuing 58<sup>th</sup> Annual General Meeting, which the Board recommends for approval of the Shareholders of the Company.

The Independent Directors of your Company have given declaration of Independence to your Company stating that they meet the criteria of Independence as mentioned under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that all the Independent Directors of the Company possess integrity, have relevant expertise and experience and fulfill the conditions specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the familiarization programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance section of the Report.

#### **NUMBER OF MEETINGS OF BOARD OF DIRECTORS**

Five (5) meetings of the Board of Directors of the Company were held during the Financial Year. For further details on meetings of the Board of Directors and its Committees, please refer to the Corporate Governance section of the Annual Report.

#### **POLICIES**

Your Company has adopted various policies, including policies on related party transactions, corporate social responsibility, vigil mechanism, nomination and remuneration, materiality of events and dividend distribution policy, which are available on the website of the Company at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#policies>.



### AUDITORS

The Report given by Kalyaniwalla & Mistry LLP, Statutory Auditors on the financial statements of the Company for the Financial Year ended June 30, 2022 is part of the Report. There has been no qualification, reservation or adverse remark given by the Auditors in their Report.

Kalyaniwalla & Mistry LLP were appointed as Statutory Auditors of your Company at the 53<sup>rd</sup> Annual General Meeting for a term upto conclusion of the 58<sup>th</sup> Annual General Meeting. It is proposed to re-appoint Kalyaniwalla & Mistry LLP, Chartered Accountants as Statutory Auditors of your Company for a second term of five years, i.e., from the conclusion of the ensuing 58<sup>th</sup> Annual General Meeting until the conclusion of the 63<sup>rd</sup> Annual General Meeting. The Audit Committee and the Board of Directors of the Company recommend the said re-appointment to the Shareholders for their approval. Resolution for the said appointment is being moved at the ensuing 58<sup>th</sup> Annual General Meeting.

### COST AUDITORS

Ashwin Solanki & Associates, Cost Accountants carried out the cost audit for applicable business during the Financial Year 2021-22. The Board of Directors has re-appointed Ashwin Solanki & Associates, Cost Accountants for the Financial Year 2022-23.

### SECRETARIAL AUDIT

Secretarial Audit was carried out by Makarand M. Joshi & Co., Practicing Company Secretaries for the Financial Year 2021-22. There were no qualifications, reservation or adverse remarks given by the Secretarial Auditors of the Company. The Secretarial Audit report has been appended as **Annexure IV** to this Report.

### SECRETARIAL STANDARDS

During the Financial Year, your Company has complied with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### 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 and knowledge in the field of research & development for products, ingredients and technologies, 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.

Your Directors place on record its deep appreciation for the co-operation and support of the Government authorities, distributors, wholesalers, retailers, suppliers, clearing and forwarding agents, business associates, bankers, consumers, employees and Shareholders and look forward to their continued support on the journey ahead.

**On behalf of the Board of Directors**

**Mumbai, August 23, 2022**

**Chittranjan Dua  
Chairman**



## Annexure I

### Business Responsibility Report for Financial Year 2021-22

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN)	L24239MH1964PLC012971
2.	Name of the Company	Procter & Gamble Hygiene and Health Care Limited
3.	Registered address	P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai – 400099
4.	Website	in.pg.com
5.	E-mail id	investorpghh.im@pg.com
6.	Financial Year reported	July 1, 2021 to June 30, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Ayurvedic products (NIC 21003) Sanitary napkins (NIC 13996) Deodorants (NIC 20237)
8.	List three key products / services that the Company manufactures / provides	1. Healthcare products 2. Hygiene products
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	<b>None</b> The Company's business and operations are spread across the country. Details of location of plants are given below: <b>Plant locations</b> <b>Goa:</b> 173, 314, 315, Kundaim Industrial Estate, Kundaim, Goa - 403 115 <b>Baddi:</b> Village Katha, Near Charak Pharma, PO. Baddi, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh -173205
10.	Markets served by the Company	The Company's products have a national presence and some of the products are also exported to other countries.

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up capital	₹32.46 Crores
2.	Total turnover	₹3,901 Crores
3.	Total profit after taxes	₹576 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Corporate Social Responsibility Report which is appended as <b>Annexure II</b> to the Directors' Report.
5.	List of activities in which expenditure in point 4 above has been incurred	Refer Corporate Social Responsibility Report which is appended as <b>Annexure II</b> to the Directors' Report



**SECTION C: OTHER DETAILS**

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company(ies)?	The Company does not have any Subsidiary Company.
2.	Do the Subsidiary Company(ies) participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(ies).	Not applicable, as the Company does not have any Subsidiary Company.
3.	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	Your Company's Sustainability Guidelines for External Business Partners set our expectations with our external partners with regard to Social and Environmental Responsibility. We actively seek business relationships with partners that share these values, and that promote high standards within their own supply chains. Our risk-based audit program supports this effort by assessing partners through third-party audits, and identifying and remediating issues. We strive to effect change in our supplier base when we identify improvement opportunities, and this is an important way we fulfill our purpose. We want to build a robust system of External Business Partners that is fully integrated and synchronized with your Company's business and values.

**SECTION D: BUSINESS RESPONSIBILITY INFORMATION**

**1. Details of Directors responsible for Business Responsibility**

The Corporate Social Responsibility Committee of the Company is responsible for the Business Responsibility policies of the Company.

Details of the Directors responsible for implementation of the Business Responsibility policies:

<b>DIN</b>	02588131	09632201	06685891	06808527
<b>Name</b>	Mr. Anil Kumar Gupta	Mr. L. V. Vaidyanathan <sup>#</sup>	Mr. Karthik Natarajan	Ms. Sonali Dhawan
<b>Designation</b>	Independent Director	Managing Director	Non-Executive Director	Non-Executive Director

<sup>#</sup>Mr. L. V. Vaidyanathan was appointed as the Managing Director and member of the Committee effective July 1, 2022.

**2. Principle-wise (as per NVGs) Business Responsibility Policies**

Business Responsibility Principles:

Principle 1	Ethics, Transparency and Accountability (P1)	Principle 5	Human Rights (P5)
Principle 2	Safe Products & Products Lifecycle Sustainability (P2)	Principle 6	Environment Protection (P6)
Principle 3	Employees' Well-being (P3)	Principle 7	Policy Advocacy (P7)
Principle 4	Stakeholder Engagement (P4)	Principle 8	Inclusive Growth (P8)
		Principle 9	Customer Value (P9)



**DETAILS OF COMPLIANCE:**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy(ies) for the relevant Principle?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national or international standards?	The Worldwide Business Conduct Manual and the Human Rights policy statement follows UN guiding principles on Business & Human Rights								
4.	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	<a href="https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/">https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy(ies) to address stakeholders' grievances related to the policy(ies)?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: Y = Yes

**3. Governance related to Business Responsibility**

At P&G, we strive to be a force for good and a force for growth. All successful and sustainable companies have one thing in common – good governance practices. Your Company believes in “Doing the Right Thing, Everytime”.

Your Company operates within the spirit and letter of the law, maintaining high ethical standards wherever we conduct business. We believe that good governance practices contribute to better results for stakeholders. We maintain governance principles, policies and practices that support management accountability. These are in the best interest of the Company, our shareholders and all stakeholders, and they are consistent with the Company’s Purpose, Values and Principles.

The Corporate Social Responsibility Committee and the Board of Directors assess the Business responsibility performance annually. The Business Responsibility Report is issued annually along with the Annual Report of the Company. The Business Responsibility Report can be viewed at in.pg.com.

**OUR  
PURPOSE**  
VALUES & PRINCIPLES

P&G Brands and P&G people are the foundation for P&G's success.

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

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Ethics, Transparency and Accountability**

Your Company is committed to being a good corporate citizen and doing the right thing. Our Purpose, Values and Principles (PVPs) are the foundation of the Company. Our philosophy is that a reputation of trust and integrity is built over time, earned every day and is what sets us apart. We operate within the spirit and letter of the law, maintaining high ethical standards. Our Purpose is to improve consumers' lives in meaningful ways, and it inspires your Company to make a positive contribution every day. Our Values of Integrity, Leadership, Ownership, Passion for Winning, and Trust shape how we work with each other and with our partners. We believe that good governance practices contribute to better results for Shareholders. We maintain governance principles, policies and practices that support management accountability. These are in the best interest of the Company and our Shareholders, and they are consistent with the Company's PVPs.

Your Company reinforces responsibilities on all its

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. The Sustainability Guidelines for external business partners explain the global standards to be followed by the external business partners in their daily business activities on behalf of the Company. External business partners and their suppliers are expected to share your Company's commitment to these standards.

We are committed to creating a work environment that fosters open communication and supports employees in reporting potential violations. Your 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, 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 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. Your Company is committed to reviewing all allegations of wrongdoing, and we do not tolerate retaliation of any kind.

In compliance with the requirement under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Company has adopted the said whistle blower policy as the vigil mechanism for Directors and employees to report genuine concerns or grievances such as unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Audit Committee oversees the vigil mechanism and cases reported alongwith the status report and action taken (if any) are reported to the Committee. During the Financial Year, 4 complaints were reported to the Audit Committee. These cases are dealt with in accordance with the Worldwide Business Conduct Manual.



**Principle 2: Safety and Sustainability throughout the life cycle**

We have a responsibility to make the world better — through the positive impact our brands and Company can have in communities worldwide. Our goal is to create brands that enable consumers to make more sustainable choices. We have integrated sustainability into our business practices, operations, innovation, brand building and culture.

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. We ensure this with a focus on technologies, processes and improvements that matter for the environment. Product quality and safety are of the utmost importance to your Company. Our purpose is to make superior products that not only delight consumers but are also produced responsibly. Customers choose your Company because we provide products of superior quality and value that improve the lives of the consumers.

P&G continuously strives to deliver products with an improved environmental profile. To reduce the environmental impact of our products P&G uses



life cycle analysis to understand where the biggest impact exists, to know where to focus innovation. Its deep understanding of the consumer enables P&G to develop sustainable products that will delight the consumer, without tradeoffs in performance.

Your Company is focused on the environmental performance of our entire supply chain, including our own manufacturing facilities, our suppliers, and the logistics of our finished products. Your Company is focused on creating efficiencies in energy, water, waste, and emissions.

Within our operations, we strive to grow responsibly and continuously improve our efficiency while reducing our carbon footprint. This year, P&G Group in India achieved 'plastic packaging waste neutrality', as it collected, processed and recycled over 19,000 MT post-consumer plastic packaging waste from across the country, which is more than the amount of plastic packaging in its products sold during the year. In the last 5 years, the Group has reduced usage of packaging material by more than 5000 MT. We remain committed to help reduce the flow of plastic by continuing to make changes now and bringing long-term solutions.

P&G brands have also stepped forward towards environmental sustainability. We are among the few companies in India to use recycled material in the packaging of our feminine care packaging. This will considerably reduce usage of virgin plastic.

Additionally, the Group put forth a new ambition to achieve net-zero greenhouse gas (GHG) emissions across its operations and supply chain, from raw



This is what we made out of the pads we collected from our campus.



material to retailer, by the year 2040. Your Company continues to build partnerships with external organizations to combat some of the challenges and issues we are facing today on sustainability.

The environment sustainability guidelines of the Company cover both the Company and other people associated with the Company. Your Company's broad-reaching environmental sustainability goals are designed to enable responsible consumption and sustainable manufacturing.

Our sustainability work goes beyond the core of our manufacturing operations, extending to a holistic end-to-end view of opportunities. We deliver strong results across the supply chain, ranging from manufacturing to finished product logistics—engaging our suppliers throughout the process:

- **Manufacturing:** Between the procurement of raw materials and the creation of a product, we strive to reduce waste, water, energy, and CO<sub>2</sub> through systemic conservation efforts. We apply smart eco-design through innovative construction process improvements. And, we re-use where feasible, giving new life to what was once waste.
- **Finished Product Logistics:** In the logistics stage, we reduce waste in customization by applying more sustainable designs. We have also optimized our transportation efficiency by making changes to the rate, route, mode and method of transportation. We have focused on eliminating inefficiencies such as loading and unloading delays, rush transport up-charges, dead legs (empty trucks) and P&G production line stops.

We continue to explore and implement solutions that optimize the distribution routes and drive increased use of multi-modal transportation thereby reducing our carbon footprint.

Your Company ensures that it meets all applicable legislative and regulatory requirements related to product quality, safety and labeling.

**Principle 3: Employee Well-Being**

For your Company, people are its most important asset. Accordingly, we are committed to the highest standards of safety to protect employees as well as extended business partners who work at or visit the Company sites.

Your Company ensures fair employment practices and encourages employee engagement and participation by:

- Ensuring Health and Safety of all the employees
- Providing a Safe work environment by avoiding violence and harassment
- Encouraging diverse workforce, non-discriminated opportunities
- Freedom of forming Associations
- Continuous Learning, growth and development



Your Company has identified the creation of a highly engaged, business focused organization as a key priority. Our engagement strategy continues to position the Company as an exciting and inspiring place to work, in line with our business strategy. Our overall plan for the year had several interventions including best in class recruitment practices, meaningful equality & inclusion initiatives, learning & development opportunities, digital capability building and opportunities for individuals to innovate.

Your Company also endeavors to be 'Great Place to Work' via various employee centric policies. This year, P&G India announced the extension of all our Company offered benefits to partners of LGBTQ+ employees & rolled out fertility treatment support. These latest initiatives build on top of our 'Share the Care' inclusive parental leave policy that we launched last year.

P&G Group in India continued to extend support to employees & their families resolving 12000+ queries via the COVID CARE Helpdesk.

Your Company is at the forefront of re-imagining the future of work post-pandemic with the objective of - how employees can best manage their work and personal priorities, how they can continue to improve on their productivity & how they can maintain strong connectedness via a hybrid new work environment. Under this program, we invited employees back to the office helping us significantly improve the in-office collaboration, celebration and a sense of community for our employees.

Your Company's policies on leadership pipeline, talent planning, mentoring and diversity & inclusion continue to evolve and stay ahead of the times, to ensure that we attract and retain the best talent. All our new hires undergo a very comprehensive 3-day corporate on-boarding program called 'GetIN' which is coupled with functional on-boarding programs to ensure that they are able to make an impact and feel valued from Day 1. Building organization capability continues to be a key focus area for us and we continue to organize virtual learning sessions as part of the P&G Learning Academy offerings.

Your Company forbids the use of child or forced labor in any of its operations or facilities. Your Company fully respects and follows all applicable labor laws. Your Company respects every employee's right to choose to join or not to join a trade union, or to have recognized employee representation in accordance with applicable law.

As on June 30, 2022, your Company had a total of 506 permanent employees, including 132 permanent

women employees. 400 persons were engaged on temporary / contractual basis. During the Financial Year, the Company did not receive any complaints relating to child labour, forced labour, involuntary labour, or discriminatory employment. Your Company received one complaint on sexual harassment during the Financial Year, which was resolved during the Financial Year. All the employees and persons engaged on temporary / contractual basis were given safety & skill up-gradation training.

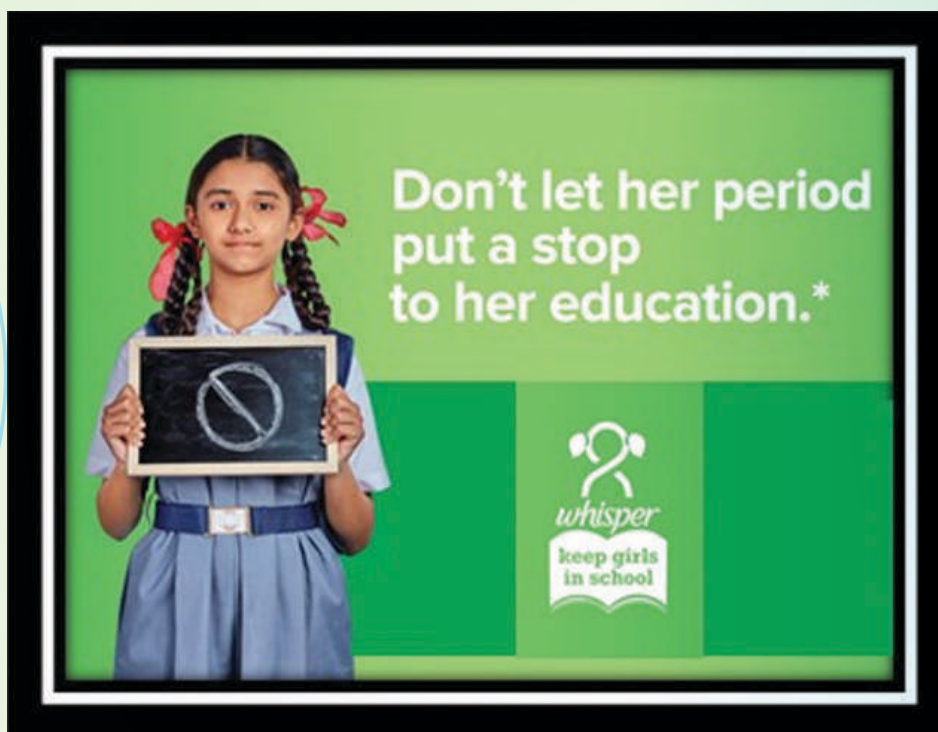
#### Principle 4: Stakeholder Engagement & Relation

Your Company acknowledges that improving transparency, respecting human and labor rights and sourcing responsibly is an enormous challenge and progress will be made through a journey of collaboration and engagement with our stakeholders. Thus, we seek meaningful collaboration and engagement with our stakeholders including employees, shareholders, consumers, customers, communities, external business partners, authorities, NGOs, industry associations and the government.

In 1995, Whisper introduced its 'Whisper Menstrual Health & Hygiene School Program' to educate girls on menstrual hygiene practices and build their confidence to overcome the overwhelming challenges they face during puberty. Last year, Whisper announced its commitment to educate 2.5 crore+ adolescent girls on puberty and hygiene over the next three years. In this year, we already educated over 9.9 million adolescent girls on menstrual hygiene.

Whisper launched the 'The Missing Chapter' campaign, as the next edition to its #KeepGirlsInSchool





initiative, to fight period taboos and advocate the inclusion of period education in the mandatory school curriculum to prevent girls from dropping out of schools. The film illustrates how a girl's lack of period education contributes to her missing school days, a situation exacerbated by the glaring absence of period education in Indian textbooks. There are studies that indicate that even today, 2.3 crore girls drop out of school when their periods begin, and 71% of adolescent girls in India are not aware that menstruation occurs until they begin their period. The pandemic has gone on to add another 1 crore girls staring at a loss of education due to lack of period education and menstrual hygiene. By advocating for the mandatory inclusion of period education in the school curriculum, 'The Missing Chapter' aims to make a real impact on the ground.

Many doctors and frontline warriors in India have sacrificed their lives in the service of others, in the recent challenging times. Vicks launched the third edition of its #TouchOfCare campaign on National Doctor's Day to honor the sacrifice and determination of healthcare and frontline heroes during this

pandemic. The powerful film brought to life the inspiring story of Late Dr. Dnyaneshwar Bhosale and the sacrifices he made while ensuring that many less fortunate children received life-saving medical attention during the pandemic.

Face masks and hand sanitizers have acted as the first guard of defense against the pandemic for people around the globe. In the wake of the pandemic, P&G Group in India had installed additional capacity at its manufacturing sites in India to produce masks for safeguarding our employees and assisting the frontline warriors. P&G India distributed over 20 lakh masks and bottles of hand sanitizer in partnership with government and relief authorities.

#### Principle 5: Human Rights

At P&G, we believe in an equal tomorrow. Therefore, we aspire to create a company and a world where equality and inclusion is achievable for all, where respect and inclusion are the cornerstones of our culture; where equal access and opportunity to learn, grow, succeed, and thrive are available to everyone.



At P&G, we know that an equal world is a better world — for everyone. Our success is grounded in the success of our employees, consumers and communities. All of them. Our Equality & Inclusion (E&I) strategy is holistic and integrated so that we make meaningful impact in four key areas: for our employees, with our brands, through our partners and in our communities. We are committed to honoring the individuality and unique contributions of our people, and by being united in our values and goals, our people flourish, business thrives and our communities prosper.

Our core values as a Company include treating everyone with respect. We have a strong non-discrimination policy and have zero tolerance for unlawful discrimination. Your Company advocates for all employees, regardless of race, religion, gender, sexuality, age or disability. We respect everyone's right to be who they are, and want all employees to feel safe, included and able to bring their whole selves to work. We aspire to create a gender-equal world with equal representation for all individuals. We are committed to driving equality within the Company. We are adopting equality based policies, broadening our definition of leadership and empowering our people to join us in building a workplace that is equal for all individuals. We are driving equality across the shop floor through deliberate interventions right from the recruitment stage. Your Company's Human Rights Policy statement extends to all the employees and all stakeholders associated with the Company. No complaints with respect to Human Rights violation were received by the Company during the Financial Year.

We use our voice through films, advertising, and programs to advance equality in our industry and society at large. We believe when brands and businesses meaningfully engage in supporting equality, it leads to a better world for all. We are also committed to accelerating the pace towards an equal and inclusive tomorrow.

To maximize our efforts, we focus on driving change in the areas within which we believe we can have the greatest impact. By being visible in our actions and staying anchored in our commitments to our employees, through our brands and with our business partners, we can continue to drive and accelerate important change in the diverse communities that we operate in. As P&G group, your Company had undertaken following initiatives towards fostering Equality and Inclusion:



### **GABLE**

GABLE is dedicated to fostering an inclusive, supportive global network that enables Lesbian, Gay, Bisexual and Transgender (LGBTQ+) employees, and their allies, to contribute to their fullest potential and to bring their whole self to work every day. GABLE began more than 25 years ago as a network for fostering workplace equality for LGBTQ+ employees, today it has grown into a supportive and global community, with chapters in 40 countries including India. These chapters represent the diversity of our employees, as well as strong allies to support individuality and inclusion. We are busting myths, initiating series of conversations internally and externally and taking meaningful steps towards creating a truly inclusive culture, where all LGBTQ+ employees and allies can bring their full selves to work every day.

### **P&G extended the company benefits to partners of LGBTQ+ employees**

At P&G, our goal is to create a fully inclusive workplace where our employees feel included and are able to bring their authentic selves to work every day. In line with this, we transformed our company-offered comprehensive financial and medical benefits into



a fully inclusive and equality-based program, which extends to partners of our LGBTQ+ employees. This builds on top of our 'Share the Care' inclusive parental leave policy, which provides all new parents including biological parents, domestic partners, adoptive parents, parents in same-sex couples to 8 weeks of fully paid parental leave.

#### **Pride Job Fair**

We partnered with Pride Circle for 'RISE 2022', India's premier LGBTQ+ job fair and conference, where LGBTQ+ job seekers can meet companies, interact with the recruiters, learn about job opportunities, and get interviewed from the comfort of their home. This is part of our endeavor to not only foster a diverse workplace but also create a positive societal impact and inspire change.

#### **Gender equality at our manufacturing sites**

Gender Equality is a long-standing value at P&G. Over the past few years, P&G India has made significant progress and increased representation of women at P&G plants in India. One of the feminine care production lines at the Company's plant in Goa now proudly boasts of a 100% female shift crew. P&G group India is also inducting over 20% more NEEM apprentices in the manufacturing plants. This has been possible through our intentional and deliberate approach to identify and bust barriers that are holding women back.



#### **The Women's Interactive Network**

It has been our mission to foster an environment within P&G where every employee feels valued and respected. We have set-up the Women's Interactive Network (iWIN) to create a community for women, helping ensure that women's skills and insights are well represented at all levels of leadership. iWIN organizes events and programs that promote mentoring, sponsorship, development of leadership skills, flexibility and increasing representation of women throughout the Company.



### **#WeSeeEqual Summit**

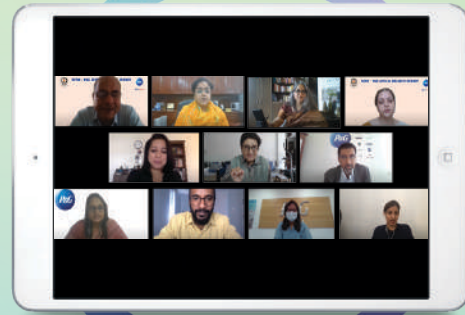
During the year, we hosted the India chapter of #WeSeeEqual Summit 2022. The annual equality and inclusion summit brought together P&G leaders, like-minded influencers, advocates and thought leaders from various walks of life to discuss the challenges that society faces on equality and inclusion, and how different stakeholders can accelerate progress together. This year, the illustrious speakers came together to talk about Shaping today's generation for an equal tomorrow, Driving Equality in Education and Economic Opportunity for women, as well as LGBTQ inclusion at workplace, among others.

We also committed to several actions needed to advance progress towards creating an equal and inclusive world during the summit, which urged us to #UnLearn biases, and #UnLeash the accelerated journey towards an equal and inclusive tomorrow.



### **Partnering with NITIE to advance gender equality in supply chain**

Research indicates that women comprise only 12% of the workforce in manufacturing roles and 20% of the workforce in supply chain roles. One of the reasons for this, is the deep rooted on-ground, perception-based and opportunity-linked barriers in advancement of women in STEM roles. To break these stereotypes, we partnered with NITIE to host the second P&G-NITIE Equality Summit with an aim to spark conversations on issues that perpetuate a glass ceiling for women, uncover deep-rooted stereotypes that still exist, and motivate change specifically linked to equal representation in STEM and Supply Chain. Through the event, we reached out to and engaged with over 700 colleges offering STEM curriculum, through a dedicated program focused on



breaking gender barriers in STEM and Supply Chain

### **P&G's 'Women in Tech' summit**

We hosted the second edition of the 'Women in Tech' summit to spark conversations on gender equality in tech and IT, through nuanced panel conversations among thought leaders from different walks of life. During the engaging rounds of conversations, the speakers shared their journey, experiences and shared their thoughts on building a gender equal workplace. P&G continues to be committed towards building digital and technological capability of women across its external network (including customers, retailers, agency partners, among others).

### **Welcoming talented STEM professionals back with the P&G Relaunch Program**

We introduced 'P&G Relaunch program' to welcome back talented professionals who took a break from the workforce and are looking to restart their careers in STEM roles, with targeted support and development. This program is part of the Company's commitment to strengthening diversity in STEM (Science, Technology, Engineering, and Mathematics) and is focusing on people looking to relaunch their careers in IT, Research & Development, and Product Supply.

### **Enabling STEM careers for girls via Shiksha Betiyan Scholarship**

We are partnering with Centre For Civil Society to provide financial aid and mentorship to girls wanting to pursue STEM (Science, Technology, Engineering, and Mathematics) education, as part of the P&G Shiksha Betiyan Scholarship Program. The program aims to support entry of skilled women professionals into manufacturing and production industries. The project was initiated in partnership with three government-run Industrial Training Institutes (ITIs) in Himachal Pradesh and Rajasthan.



### **P&G commits to driving equal representation behind the camera**

P&G has been leveraging its voice in advertising and media to spark conversations on gender equality through campaigns like Whisper #KeepGirlsInSchool, among others. As we continue to drive accurate portrayal of women in front of the camera, last year we announced our commitment to drive equal representation behind the camera. With the belief that having more women behind the camera will help the industry achieve a more accurate and unbiased portrayal of women in advertising, we are leading this change through a comprehensive set of actions. In the last year, nearly 40% of advertising films of P&G Group in India were directed by female directors in line with our endeavor to drive equality behind the camera and increase diversity in the creative pipeline.

### **Principle 6: Environment Protection**

At P&G, environmental sustainability is embedded in our Purpose, Values, Principles and in everything we do, and we work towards achieving ambitious goals that we set, to continue our progress.

Our manufacturing unit in Goa is 'zero waste to landfill', which means that no manufacturing waste is discharged into the environment. The plant has also significantly reduced its carbon emission and energy consumption. The plant is leveraging technology, experts, employees and renewable sources of energy to reduce our overall carbon footprint, improve

energy and water efficiency and make our operations more sustainable.

During Earth Week in 2018, P&G announced its global sustainability goals called Ambition 2030. These broad-reaching goals have one purpose in mind: to enable and inspire positive impact on our environment and society while creating value for us as a company and you as a consumer. In an effort to address two of the world's most pressing environmental challenges—finite resources and growing consumption—we have focused our ambitious goals across four specific areas – brands, supply chain, society and employees. This includes improving finished product transportation emissions efficiency and making part of packaging recyclable or reusable, and reducing virgin petroleum plastic packaging usage. We're also committed to using our voice, reach, innovation and expertise to make responsible consumption across all our brands irresistible, and we've recently launched a program called "It's Our Home" to share how small actions at home can make a big difference in reducing energy use, waste and water.

Globally, P&G Group also recently announced a global water strategy which aims to restore water in 18 water-stressed areas around the world for people and nature, responding to water challenges through innovation and partnerships, and reducing water in our operations. Out of these 18 water-stressed areas, 5 are in India. 5 of P&G India's manufacturing sites have already achieved 35% water efficiency target as part of P&G's Ambition 2030.

As we look to the future, our global Ambition 2030 program includes commitments that our operations will be carbon neutral for the decade by driving breakthrough energy efficiency, purchasing 100% renewable electricity and using natural climate solutions to compensate for any remaining emissions.

As P&G Group, we have put forth a new ambition to achieve net-zero greenhouse gas (GHG) emissions across our operations and supply chain, from raw material to retailer, by the year 2040. P&G's actions on climate began over a decade ago, and we know there is more work to do. Our plan to net zero will prioritize cutting most of our emissions across our operations and supply chain, from raw material to retailer. For residual emissions in these categories that cannot be eliminated, we will use natural or technical solutions that remove and store carbon.

We have made significant progress across our focus areas of climate, water and waste.





We are progressing in our focus areas at your Companies registered office. Your Company's registered office is a zero waste to landfill, which means that no waste is discharged into the environment. We have installed electronic vehicle (EV) charging stations to facilitate our people as they make a transition towards greener commuting. Further, we have installed 'green cleaning solutions' which averts chemical waste.

Your Company, carries out 'waste-drive' at its registered office in Mumbai, by segregating plastic, paper, organic, e-waste, metal and other wastes. Waste collected is reused and recycled in partnership with authorized waste management agencies.

**Principle 7: Business Policy & Advocacy**

As a corporate citizen, your Company often engages in efforts to affect legislation or government policy on issues that could impact our business and

society at large. Your Company ensures that all its advocacy activities are consistent with its Purpose, Values & Principles and applicable laws.

Your Company is a member of the following trade and chambers of association, through which advocacy was conducted in listed areas:

- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Confederation of Indian Industry (CII)
- US India Business Council (USIBC)
- India Home & Personal Care Industry Association (IHPCIA)
- Feminine Hygiene Association of India (FIHA)
- Indian Beauty and Hygiene Association (IBHA)

Some of the key issues on which your Company engaged with the Government in 2021-22 through the above associations include:

- Laws relating to environmental sustainability;
- Raw material duty structure for sanitary napkins;
- Inclusion of menstrual hygiene education curriculum in textbooks;
- Obtaining permissions for administering vaccinations to employees at various sites.

**Principle 8: Inclusive growth and Equitable development**

At P&G, our endeavor is to be a force for growth and a force for good in the communities we serve. This means not only serving consumers through our leading brands but going beyond business and creating a meaningful impact in their lives through our Corporate Social Responsibility (CSR) programs. This has been an integral part of our purpose and values since our foundation. We believe that the only way to build a sustainable business is to improve lives. Your Company strives to get the full value of diversity through inclusion — fostering an environment where its people can be their best, full and authentic selves in the workplace. But our job doesn't end there —





At P&G, we aim to be a force for growth and a force for good.

our belief and commitment extend beyond P&G's walls. We are driving action to make a meaningful difference, and we care deeply about our impact, always striving to make the world a little bit better through our actions.

For your Company, 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. This strategy has inspired an enduring CSR strategy supported by its key pillars – P&G Shiksha and Timely Disaster Relief. Your Company has undertaken CSR initiatives during the Financial Year amounting to ₹11.51 Crores which are detailed in the CSR Report which is appended as Annexure II to the Directors' Report.

Through our flagship CSR program, P&G Shiksha, P&G group has supported over 2500 schools, impacting more than 23 lakh children. Over the years, P&G Shiksha has evolved into a 360-degree educational intervention addressing three critical barriers to achieving universal education – access to education infrastructure, gender inequality in access to education and gap in learning. During the pandemic, we worked with our trusted NGO partners to maintain continuity in learning. As schools re-open, we are ensuring back-to-school readiness with learning camps being organized at community level. Through our holistic covid response initiative, P&G Suraksha, we continued to protect health and wellbeing of our people and the communities. We helped with capacity expansion of 14 hospitals across the country, to aid access to medical support.

**Principle 9: Customer Value and Responsibility**

Your Company understands and accept the responsibility we have towards our consumers, shareholders, customers, communities, and each other. And this is a responsibility we take rather seriously.

We believe that it is our responsibility to create and deliver superior products and value to our consumers to improve their lives. Our Purpose is to improve consumers' lives in small but meaningful ways, and it inspires P&G to make a positive contribution every day. In developing and marketing our products, we adopt a "Consumer Is Boss" approach to ensure that we delight consumers by launching new products and product improvements that genuinely meet their needs.

We actively encourage consumers to contact us because we want to hear about our consumers' experiences with our products. Our aspiration is to serve the world's consumers better than our best competitors, creating superior shareholder value in the process.

Innovation is at the heart of your Company's business. It's how we delight consumers, create value with retail partners, and create new businesses. P&G group combines "what's needed" with "what's possible", conducting number of consumer research studies to understand what people need and want, in order to create superior value and product experience every day.





**Annexure II**

**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 your Company'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.

The 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 the 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:

- 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 healthcare 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.

The Corporate Social Responsibility Policy is available on the website of the Company at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/>.

**2. The composition of the CSR Committee as on June 30, 2022 is as follows:**

Name of the Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Anil Kumar Gupta	Chairman	2	2
Mr. Madhusudan Gopalan*	Member	2	2
Mr. Karthik Natarajan	Member	2	2
Ms. Sonali Dhawan	Member	2	2

\* Mr. Madhusudan Gopalan ceased to be member of the committee effective June 30, 2022 and Mr. L. V. Vaidyanathan was inducted as member effective July 1, 2022.



The Composition of the Corporate Social Responsibility is available on the website of the Company at <https://in.pg.com/india-governance-and-policies/pghh/board-composition/#social>.

**3. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable**

Impact assessment report for the Financial Year 2021-22 is available <https://in.pg.com/india-investors/pghh/shareholder-info/info/>.

**4. Details of amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any**

Amount available for set-off - ₹ 17 crores

Amount required for set-off - ₹ 2.21 crores

**5. Average net profit of the company for last three Financial Years – ₹ 685.76 Crores**

**6.**

- a) Prescribed CSR expenditure (2% of amount as in item 5) – ₹ 13.72 Crores
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil
- c) Amount required to be set off for the Financial Year – ₹ 2.21 Crores
- d) Total CSR obligation for the Financial Year (a+b-c) – ₹ 11.51 Crores

**7. Details of CSR spent during Financial Year**

- a) Total amount spent for the Financial Year – ₹ 11.51 Crores
- b) Total amount transferred to Unspent CSR Account as per section 135(6) – Nil
- c) Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) – Nil

**8. Details of CSR amount spent against ongoing projects for the Financial Year**

Sr. no.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration (in months)	Amount allocated for the project (in ₹ cr)	Amount spent on the projects or programs		Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Cr)	Mode of Implementation: Direct (Yes/No)	Mode of implementation agency	
							Amounts disbursed to implementation partner (in ₹ Cr)	Amounts utilized in current financial year (in ₹ Cr)			Name	CSR registration number
1	P&G Shiksha: Betiyam Scholarship	Promoting education	Yes	Rajasthan, Himachal Pradesh	12	0.10	0.10	0.10	N.A.	No	Centre For Civil Society	CSR00001802
2	P&G Shiksha: Supporting Defence NGOs to educate underprivileged children	Education: Support Sankalp School Mumbai - a special school for differently abled children	Yes	Mumbai	12	0.45	0.45	0.27	N.A.	No	Navy Wives Welfare Association	CSR00010984
3	P&G Shiksha: Supporting Defence NGOs to educate underprivileged children	Education: Support Umeed Schools through AFWWA – school for the underprivileged	Yes	Delhi	12	0.30	0.30	0.09	N.A.	No	Air Force Wives Welfare Association	CSR00012273
4	P&G Shiksha: Supporting Defence NGOs to educate underprivileged children	Education: Support Asha Schools, APS Leh and Education of Girl Children for Army Widows through AWWA	Yes	Delhi, Leh	12	0.66	0.66	0.00	N.A.	No	Army Wives Welfare Association	CSR00001826

Note: The funds are disbursed to the NGOs and not lying with the Company. Implementation of projects is in process. The funds will be utilized within respective project durations.





**9. Details of CSR amount spent against other than ongoing projects for the Financial Year:**

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹ Cr)	Mode of Implementation: Direct (Yes/No)	Mode of implementation Through implementing agency	
							Name	CSR registration number
1	P&G Shiksha: Read India Program and Early Childhood Education	Promoting education	Yes	Rajasthan, Himachal Pradesh, Delhi, Madhya Pradesh, Maharashtra, Telangana	4.50	No	Pratham Education Foundation	CSR0000258
2	P&G Shiksha: Build & Support Schools	Promoting education	Yes	Pan-India	3.77	No	Round Table India Trust	CSR0000895
3	P&G Shiksha: Supporting remedial learning via digital learning	Promoting education	Yes	Rajasthan, Madhya Pradesh, Himachal Pradesh, Telangana	1.50	Yes	-	-
4	Supporting 'Satlapur Government School' to provide infrastructure, nutrition and hygiene support	Promoting education	Yes	Mandideep	0.15	No	Aarushi	CSR00006205
5	Supporting a special home for the orphan, destitute and abandoned children	Supporting community	Yes	Goa	0.08	No	Matruchhaya	CSR00008186

10. a) Amount spent in Administrative Overheads – **Nil**  
 b) Amount spent on Impact Assessment, if applicable – **Nil**  
 c) Total amount spent for the Financial Year – **₹ 11.51 Crores**  
 d) Excess amount for set-off, if any – **₹ 2.21 Crores**

Sr. No.	Particulars	Amount (in ₹ Cr)
1.	Two percent of average net profit of the company as per section 135(5)	13.72
2.	Total amount spent for the Financial Year	11.51
3.	Excess amount spent for the Financial Year	N.A.
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
5.	Amount available for set off in succeeding Financial Year	14.79

11. a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**  
 b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s): **Not Applicable**
12. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year – **Not applicable**
13. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **Not applicable**

The CSR committee confirms that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and policy of the Company.

**L.V. Vaidyanathan**  
 Managing Director

**A. K. Gupta**  
 Chairman of the CSR Committee



**Annexure III**

**Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**i. Ratio of remuneration to the median remuneration of the employees of the Company and % increase in remuneration of Directors & Key Managerial Personnel for the Financial Year:**

Name of Director	Designation	Total remuneration <sup>§</sup> (₹ in lakhs)	% increase in remuneration	Ratio to median remuneration
Mr. Madhusudan Gopalan <sup>^</sup>	Managing Director	318.30	10%	15.50
Mr. Chittranjan Dua	Independent Director	23.25	Nil	1.13
Mr. Krishnamurthy Iyer	Independent Director	20.50	Nil	1.00
Mr. Anil Kumar Gupta	Independent Director	26.00	Nil	1.27
Ms. Meena Ganesh	Independent Director	22.25	Nil	1.08
Mr. Pramod Agarwal	Non-Executive Director	21.50	Nil	1.05
Ms. Sonali Dhawan	Non-Executive Director	-	-	-
Mr. Karthik Natarajan	Non-Executive Director	-	-	-
Mr. Gagan Sawhney	Non-Executive Director	-	-	-
Mr. Ghanashyam Hegde <sup>*</sup>	Executive Director & Company Secretary	55.03	N.A.	2.68
Mr. Prashant Bhatnagar	Chief Financial Officer	66.62	-	3.24
Ms. Flavia Machado <sup>#</sup>	Erstwhile Company Secretary	1.67	N.A.	0.08

<sup>§</sup> Please refer to Corporate Governance section of the Report for details of remuneration.

<sup>^</sup> Ceased to be Managing Director effective June 30, 2022.

<sup>\*</sup> Appointed as Company Secretary and re-designated as Executive Director effective September 1, 2021.

<sup>#</sup> Ceased to be Company Secretary effective August 31, 2021.

**ii. The % increase in the median remuneration of employees in the Financial Year - 5%.**

**iii. The number of permanent employees on the rolls of Company- 506.**

**iv. 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 11% whereas the increase in managerial remuneration was 16%. The average increase every year is an outcome of company's market competitiveness as against peer group companies.

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

**Annexure IV**  
**SECRETARIAL AUDIT REPORT**  
**FORM NO. MR-3**

**FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Procter & Gamble Hygiene and Health Care Limited** (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.

**Auditor’s Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

**Unmodified Opinion:**

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 30<sup>th</sup> June, 2022 (hereinafter called the ‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 30<sup>th</sup> June, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act), and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (Overseas Direct Investment and External Commercial Borrowings not applicable to the Company during the Audit Period)
- (v) 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,



2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

- e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period);**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015; (hereinafter referred to as “Listing Regulations”)

**We further report that,** having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on testcheck basis, the Company has complied with the following law applicable specifically to the Company:

- a. Drugs and Cosmetics Act, 1940;
- b. The Legal Metrology Act, 2009;
- c. The Legal Metrology (Packaged Commodities) Rules, 2011 and

d. Plastic Waste Management Rules, 2016

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

**We further report that** the Board of Director is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Change 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 Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**For Makarand M. Joshi & Co.  
Practicing Company Secretaries**

**Makarand M. Joshi  
Partner  
FCS: 5533  
CP No.: 3662**

**Date : 23/08/2022  
Place : Mumbai**

**PR: 640/2019  
UDIN: F005533D000830555**

**This report is to be read with our letter of event date which is annexed as Annexure A and forms an integral part of this report.**



## Annexure A

To,  
The Members,

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

P & G Plaza, Cardinal Gracias Road, Chakala,  
Andheri East, Mumbai – 400 099

Our report of event date is to be read along with this letter.

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance 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 for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the

compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

**For Makarand M. Joshi & Co.  
Practicing Company Secretaries**

**Makarand M. Joshi**  
Partner  
FCS: 5533  
CP No.: 3662

**Date : 23/08/2022**  
**Place : Mumbai**

**PR: 640/2019**  
**UDIN: F005533D000830555**



## CORPORATE GOVERNANCE

Your Directors are pleased to present the Corporate Governance Report.

Your Company has a strong history of operating with integrity – at all levels, both internally and externally. Your Company’s actions and the actions of all its employees are governed by its *Purpose, Values and Principles*.

Your Company reinforces responsibilities of observing high standards of Corporate Governance on all its employees through the Company’s *Worldwide Business Conduct Manual* (“WBCM”) which sets forth management’s commitment to conduct its business affairs with high ethical standards. This Manual describes the Company’s Business Conduct Standards. These standards flow from the following core values of the Company:



The *WBCM* 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, fair employment practices, diversity and inclusion and environmental protection.

Your Company has a highly experienced Board of Directors, which helps to maintain the highest standards of Corporate Governance. The Audit Committee is comprised of Independent Directors, with appropriate financial skills to provide good oversight. 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. Your Company has in place strong internal controls, to ensure compliance

with all relevant regulations and standards. Its rigorous business process controls include ongoing programs of self-assessment, controls, as well as internal and external audits.

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 of an optimum combination of Executive and Non-Executive Directors. As on date, the Board comprises of a Non-Executive Independent Chairman, a Managing Director, one Executive Director and seven other Non-Executive Directors. All other Directors, except the Managing Director and the Non-Executive Independent Directors, are Directors liable to retire by rotation.

The Independent Directors are independent of the management and bring external perspective to decision making. The terms & conditions of appointment of Independent Directors are available on the website of the Company at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/>.

All Independent Directors of the Company have provided declaration to the Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015").

The Board is of the opinion that all the Independent Directors of the Company possess integrity, have relevant expertise and experience and fulfill the conditions specified under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. All Independent Directors of the Company have completed the registration with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs.

All Directors have confirmed that they are not debarred from holding the office of Director pursuant to any order of the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other such authority. The Company has obtained a certificate from M/s. Saraf & Associates, Practicing Company Secretary (annexed to this Report), confirming the same.

All Directors have confirmed that as on June 30, 2022, they have not been disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013.

The composition of the Board of Directors and other Directorships held as on June 30, 2022 are given below:

Name of the Director	Category	Designation	Directorships in other companies*	Membership of Board Committees of other companies **	
				Member	Chairman
Mr. Chittranjan Dua	ID	Chairman	13	4	1
Mr. Madhusudan Gopalan <sup>^</sup>	ED	Managing Director	2	2	Nil
Ms. Meena Ganesh	ID	Director	14	Nil	Nil
Mr. Anil Kumar Gupta	ID	Director	1	2	1
Mr. Krishnamurthy Iyer	ID	Director	1	Nil	Nil
Mr. Pramod Agarwal	NED	Director	2	1	Nil
Ms. Sonali Dhawan	NED	Director	1	1	Nil
Mr. Karthik Natarajan	NED	Director	1	Nil	Nil
Mr. Gagan Sawhney	NED	Director	1	Nil	Nil
Mr. Ghanashyam Hegde <sup>#</sup>	ED	Director and Company Secretary	1	Nil	Nil

NED – Non-Executive Director

ED – Executive Director

ID – Independent Director

\* Includes directorships in private companies and companies registered under Section 8 of the Companies Act, 2013 and excludes directorships in foreign companies.

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

<sup>#</sup> Mr. Ghanashyam Hegde was re-designated as Executive Director and appointed as Company Secretary effective September 1, 2021.

<sup>^</sup> Mr. Madhusudan Gopalan ceased to be Director effective June 30, 2022.

The other listed companies in which Directors on the Board of your Company are also Directors as on June 30, 2022, are listed below:

Name of Director	Directorships in other listed companies
Mr. Chittranjan Dua	Non-Executive Independent Director: 1. Gillette India Limited 2. Pearl Global Industries Limited 3. TVS Motor Company Limited
Mr. Anil Kumar Gupta	Non-Executive Independent Director: 1. Gillette India Limited
Ms. Meena Ganesh	Non-Executive Independent Director: 1. Pfizer Limited 2. Axis Bank Limited
Mr. Krishnamurthy Iyer	NIL
Mr. Pramod Agarwal	Non-Executive Director: 1. Gillette India Limited
Mr. Madhusudan Gopalan	Managing Director: 1. Gillette India Limited
Mr. Karthik Natarajan	Non-Executive Director: 1. Gillette India Limited



Name of Director	Directorships in other listed companies
Ms. Sonali Dhawan	Non-Executive Director: 1. Gillette India Limited
Mr. Gagan Sawhney	Non-Executive Director: 1. Gillette India Limited
Mr. Ghanashyam Hegde	NIL

**(b) Meetings of the Board**

The Board meets at least once a quarter to discuss financial results and other business and compliance matters, including business performance and strategy. The Board and Committee meetings are scheduled well in advance and the Directors are annually provided with tentative dates alongwith tentative agenda plan for the Board and Committee meetings, as a measure to enable the Directors to plan ahead and have effective participation in the meetings.

During the Financial Year July 1, 2021 to June 30, 2022, five meetings of the Board were held. These meetings were held on August 25, 2021, November 2, 2021, February 1, 2022, April 19, 2022 and April 28, 2022.

Apart from the Board meetings, the Directors also had an additional meeting on March 15, 2022 for a detailed strategic discussion on business and operations of the Company.

**(c) Flow of information to the Board**

Every Director is provided a set of Company’s constitutional and policy documents, on their appointment on the Board.

The Company Secretary determines the items for agenda and finalizes them in consultation with the management of the Company and the Managing Director. The Board is sent detailed agenda well in advance of the Board meeting.

To ensure confidentiality and as part of green initiative for reducing usage of papers, agenda is circulated via email, restricting the email to only Directors and Key Managerial Personal of the Company. The Company Secretary of the Company attends all the meetings and is primarily responsible for noting of the minutes of the meeting. The draft Minutes are circulated to the Board and its Committees in compliance with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. On receipt of comments, the Minutes are entered in the books within 30 days of the Meeting.

The Company Secretary notes actionable items discussed during the meeting. The Management reports back to Board on the status of such

items in the subsequent meeting or as needed post the meeting. The Management also makes continuous efforts to update the Board on new laws and rules that impact the Company and to make such information available to the Board which are material in nature and may influence business of the Company.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and the SEBI (LODR) Regulations, 2015 with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the Shareholders of the Company, with letter and spirit.

**(d) Directors’ attendance record**

Name of Director	No. of Board meetings held during the tenure	No. of Board meetings attended	Last Annual General Meeting (Whether Attended)
Mr. Chittranjan Dua	5	5	Yes
Mr. Madhusudan Gopalan	5	5	Yes
Mr. Krishnamurthy Iyer	5	5	Yes
Mr. Anil Kumar Gupta	5	5	Yes
Ms. Meena Ganesh	5	4	Yes
Mr. Pramod Agarwal	5	5	Yes
Mr. Ghanashyam Hegde	5	5	Yes
Ms. Sonali Dhawan	5	5	Yes
Mr. Karthik Natarajan	5	3	No
Mr. Gagan Sawhney	5	4	Yes

**(e) Separate meeting of Independent Directors**

The Independent Directors of the Company met separately without the presence of Non-Independent Directors or management representatives on August 9, 2022 (via video-conferencing) for the Financial Year 2021-22 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.



### (f) 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 the SEBI (LODR) Regulations, 2015.

During the year, SEBI introduced substantial changes in the related party transactions framework, *inter alia*, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties. Considering the changes to the SEBI (LODR) Regulations, 2015 relating to related party transactions, the Company's RPT Policy was suitably amended to align the same with the new requirements prescribed by SEBI. The Related Party Transaction Policy is available on the Company's website

at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#policies>.

Prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive nature. All related party transactions are reviewed by independent chartered accountant firm to ensure transactions are in ordinary course of business, at arm's length and are in compliance with the Related Party Transaction Policy of the Company. All related party transactions 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 33 forming part of the Financial Statements.

Below transaction was approved by the Shareholders by passing an Ordinary Resolution through Postal Ballot on June 26, 2021.

Name of Related Party	Procter & Gamble Home Products Private Limited, India
Nature of relationship	Fellow Subsidiary (a Procter & Gamble group company)
Nature, material terms, monetary value and particulars of transaction	Purchase of Finished Goods under a Contract Manufacturing arrangement upto a maximum value of ₹ 800 Crores in a Financial Year for period of five years commencing from Financial Year 2021-22 to Financial Year 2025-26

### (g) Remuneration of Directors

Members of the Company at their 54<sup>th</sup> Annual General Meeting held on November 29, 2018 had approved payment of commission to the Non-Executive Directors of the Company upto a maximum of 1% of the net profits of the Company per annum in the aggregate, for a period of 5 years w.e.f. July 1, 2018 and had also empowered the Board of Directors to fix the quantum of commission payable to the Non-Executive Directors and to also determine the period for which said commission is payable.

The Board of Directors at their meeting held on August 23, 2022 approved payment of annual commission of ₹ 15 lakhs each to Non-P&G (who are not in employment of any P&G group entity) Non-Executive Directors. These directors are paid commission to compensate for their valuable contribution to the Company owing to their wealth of experience and knowledge.

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



Details of the remuneration paid or provided to the Directors of the Company during the Financial Year ended June 30, 2022 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. Chittranjan Dua	None	—	15,00,000	8,25,000	—
Mr. Madhusudan Gopalan	None	3,18,29,637 <sup>§</sup>	—	—	—
Mr. Krishnamurthy Iyer	None	—	15,00,000	5,50,000	—
Mr. Anil Kumar Gupta	None	—	15,00,000	11,00,000	—
Mr. Pramod Agarwal	None	—	15,00,000	6,50,000	50
Ms. Meena Ganesh	None	—	15,00,000	7,25,000	—
Ms. Sonali Dhawan	None	—	—	—	—
Mr. Karthik Natarajan	None	—	—	—	—
Mr. Ghanashyam Hegde	None	55,03,614 <sup>^</sup>	—	—	—
Mr. Gagan Sawhney	None	—	—	—	—

\* Excludes shares held by relatives.

§ Mr. Madhusudan Gopalan is paid by the Company and portion of the remuneration is cross charged to Gillette India Limited and Procter & Gamble Home Products Private Limited in proportion to their respective Net Outside Sales. The above table reflects the amount of remuneration to Mr. Madhusudan Gopalan borne by the Company. Mr. Madhusudan Gopalan has exercised Stock Options of the ultimate Holding Company amounting to ₹ 2,06,84,625 under its Employee Stock Option Plan, which is excluded in the above-mentioned remuneration.

^ Mr. Ghanashyam Hegde was re-designated to Executive Director from Non-Executive Director effective September 1, 2021. Mr. Ghanashyam Hegde is paid remuneration from Gillette India Limited and the Company contributes towards the same in proportion to its Net Outside Sales. The above table reflects the amount of remuneration to Mr. Ghanashyam Hegde contributed by the Company.

**Stock Options**

The Company does not have any Stock Option Plan for its employees. However, 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 as regards the same are disclosed vide Note 32 forming part of the Financial Statements.

**(h) Committees of the Board**



### Audit Committee

The Audit Committee presently comprises of Mr. Chittranjan Dua (Chairman), Mr. Anil Kumar Gupta (Member), Ms. Meena Ganesh (Member) and Mr. L. V. Vaidyanathan\* (Member). During the Financial Year, the Audit Committee met on August 25, 2021, November 2, 2021, February 1, 2022 and April 28, 2022.

Ms. Flavia Machado was Company Secretary to the Committee till August 31, 2021. Mr. Ghanashyam Hegde is Company Secretary to the Committee effective September 1, 2021.

Attendance of the Members of the Audit Committee during the Financial Year:

Members of the Committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Chittranjan Dua	4	4
Mr. Anil Kumar Gupta	4	4
Ms. Meena Ganesh	4	4
Mr. Madhusudan Gopalan*	4	4

\* Mr. Madhusudan Gopalan ceased to be Member of the Committee effective June 30, 2022 and Mr. L.V. Vaidyanathan was inducted as member effective July 1, 2022.

The Audit Committee plays the role as is contemplated under Section 177 of the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015.

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 minutes of the Audit Committee are placed before the Board.

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; and
  - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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 utilization 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 qualifications, experience and background, etc. of the candidate;
- 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;
- xiv. 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 SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and other statutes, as amended from time to time.

**Stakeholder Relationship Committee**

The Stakeholder Relationship Committee presently comprises of Mr. Anil Kumar Gupta (Chairman), Mr. Ghanashyam Hegde (Member)

and Mr. L. V. Vaidyanathan\* (Member). During the Financial Year, three meetings were held on August 25, 2021, November 2, 2021 and April 28, 2022.

Attendance of the Members of the Stakeholder Relationship Committee during the Financial Year:

Member of the committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Anil Kumar Gupta <sup>^</sup>	3	3
Mr. Ghanashyam Hegde <sup>^</sup>	3	3
Mr. Madhusudan Gopalan*	3	3

<sup>^</sup> Mr. Ghanashyam Hegde ceased to be Chairman and Mr. Anil Kumar Gupta was appointed as Chairman effective September 1, 2021.

\* Mr. Madhusudan Gopalan ceased to be member of the committee effective June 30, 2022 and Mr. L. V. Vaidyanathan was appointed as member effective July 1, 2022.

The role of the Committee is as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer and transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of duplicate certificates, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

During the Financial Year, the Company received 8 complaints from Shareholders. These complaints have been resolved during the Financial Year. There were no pending complaints as on June 30, 2022.

Mr. Ghanashyam Hegde is the Compliance officer of the Company.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee presently comprises of Mr. Anil Kumar Gupta

(Chairman), Mr. Chittranjan Dua (Member), and Mr. Gagan Sawhney (Member). During the Financial Year, three meetings were held on August 25, 2021, April 19, 2022 and April 28, 2022.

Attendance of the Members of the Committee during the Financial Year:

Member of the committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Anil Kumar Gupta	3	3
Mr. Chittranjan Dua	3	3
Mr. Gagan Sawhney	3	3
Mr. Ghanashyam Hegde*	1	1

\* Mr. Ghanashyam Hegde ceased to be Member of Committee effective September 1, 2021.

The role of the Committee is as follows:

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

The Company has adopted Nomination and Remuneration Policy. The Nomination and Remuneration Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Regulation 19 of the SEBI (LODR) Regulations, 2015. 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 Policy is available on the website of the Company at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#policies>.

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.

The Committee carries out an evaluation of the performance of individual Directors. Feedback was sought by way of structured questionnaires covering various aspects in line with the Guidance Note on Board evaluation issued by the Securities and Exchange Board of India vide its circular dated January 5, 2017 and performance evaluation was carried out based on the responses received from the Directors.

#### Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee presently comprises of Mr. Anil Kumar Gupta (Chairman), Mr. L. V. Vaidyanathan\* (Member), Ms. Sonali Dhawan (Member) and Mr. Karthik Natarajan (Member). During the Financial Year, two meetings were held on August 25, 2021, and April 28, 2022.

Attendance of the Members of the Corporate Social Responsibility Committee during the Financial Year:

Member of the committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Anil Kumar Gupta	2	2
Mr. Madhusudan Gopalan*	2	2
Ms. Sonali Dhawan	2	2
Mr. Karthik Natarajan	2	1

\* Mr. Madhusudan Gopalan ceased to be Member effective June 30, 2022 and Mr. L. V. Vaidyanathan was inducted as member effective July 1, 2022.



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;
- Formulation and monitoring of implementation of business responsibility policies; and
- Annual assessment of the business responsibility performance and reporting.

The Company has adopted a Corporate Social Responsibility Policy ('CSR Policy'). In line with the global principles followed by the Procter & Gamble Group and terms of the 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:
  - i. Environment by – conservation of resources, using renewable resources, generating worth from waste; and
  - 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 CSR initiatives of the Company form part of the Directors' Report. The CSR Policy is available on the Company's website at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/>.

**Risk Management Committee**

The Company has constituted a Risk Management Committee to monitor and the review the Risk Management Policy and plans of the Company. The Committee presently comprises of Mr. L. V. Vaidyanathan\* (Chairman), Mr. Karthik Natarajan (Member), Mr. Anil Kumar Gupta (Member), Ms. Meena Ganesh (Member), Mr. Pramod Agarwal (Member),

Mr. Ghanashyam Hegde (Member), Mr. Prashant Bhatnagar (Member) and Mr. Gagan Sawhney (Member). During the Financial Year, four meetings were held on August 25, 2021, November 2, 2021, February 1, 2022 and April 28, 2022. Attendance of the Members of the Risk Management Committee during the Financial Year:

Member of the committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Madhusudan Gopalan*	4	4
Mr. Anil Kumar Gupta	4	4
Mr. Pramod Agarwal	4	4
Ms. Meena Ganesh	4	3
Mr. Karthik Natarajan	4	2
Mr. Ghanashyam Hegde	4	4
Mr. Gagan Sawhney	4	3
Mr. Prashant Bhatnagar	4	3

\* Mr. Madhusudan Gopalan ceased to be Member of the Committee effective June 30, 2022 and Mr. L. V. Vaidyanathan was inducted as member effective July 1, 2022.

The role of the Committee is as follows:

- To formulate a detailed risk management policy which shall include details, as prescribed by law from time to time.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any), shall be subject to review by the Risk Management Committee.

The Company has adopted a Risk Management Policy, 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.

#### Cash & Investment Committee

The Company has constituted a Cash & Investment Committee, presently comprising of Mr. Pramod Agarwal (Chairman), Mr. Anil Kumar Gupta (Member), Mr. Karthik Natarajan (Member), Mr. Gagan Sawhney (Member) and Mr. Ghanashyam Hegde (Member). During the Financial Year, two meetings were held on August 25, 2021 and February 1, 2022.

Attendance of the Members of the Cash & Investment Committee during the Financial Year:

Members of the Committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Pramod Agarwal	2	2
Mr. Anil Kumar Gupta	2	2
Mr. Karthik Natarajan	2	1
Mr. Gagan Sawhney	2	1
Mr. Ghanashyam Hegde	2	2

The role of the Committee is as follows:

Assessment and recommendation to the Board the best possible utilization of cash generated by the Company, on basis of following primary considerations–

- i) protecting long term growth of the Company;
- ii) maximizing return to the Shareholders; and
- iii) ensuring risk free investments choices.

#### (i) 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.

Your Company conducts induction session for new independent directors and 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 and operations. Your Company also annually conducts a strategy meeting for the Board of Directors to discuss plans and updates on business categories, supply chains, go-to-market and organisation. Such discussion are led by functional heads so that Independent Directors can have direct interaction with the company leadership team. This helps 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:

- a. Issue a formal letter of appointment at the time of appointment; and
- b. 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 details of the familiarization programmes are available on the Company's website at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#fam-programme>.

#### (j) Succession planning

The Nomination and Remuneration Committee works with the Board on the Board succession plan to ensure orderly succession in appointments to the Board. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met. Our Board members bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy.

**(k) Key Board qualifications, expertise and attributes**

The Company is engaged in manufacturing and selling of branded packaged fast moving consumer goods in the feminine care and healthcare businesses.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

<b>Accounting Expertise</b>		Experience of financial management with appropriate professional qualifications (e.g. MBA in Finance, Chartered Accountants, Cost Accountants, Chartered Financial Analyst etc.)
<b>Legal Expertise</b>		Experience in the field of law, litigations or advisory with appropriate professional qualifications (e.g. Lawyers, Solicitors, Company Secretaries)
<b>Strategy / Business Operation Expertise</b>		Experience of leading the companies as CEO or part of Senior management or as Functional leader with strategic or business operations expertise or Experience in digital, technology driven businesses
<b>FMCG Domain Expertise</b>		Experience of FMCG industry
<b>Regulatory / Policy</b>		Experience of regulatory advisory, policy formulation & implementation, public administrative experience

While all the Board members possess the skills identified, their core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's aforesaid business for efficient functioning of the Board are as follows:

<b>Name of the Director</b>					
Mr. Chittranjan Dua	-	✓	✓	-	✓
Mr. L. V. Vaidyanathan	✓	-	✓	✓	-
Mr. Krishnamurthy Iyer	✓	-	✓	-	✓
Mr. Anil Kumar Gupta	-	-	✓	✓	-
Ms. Meena Ganesh	✓	-	✓	-	-
Mr. Pramod Agarwal	✓	-	✓	✓	-
Ms. Sonali Dhawan	-	-	✓	✓	-
Mr. Karthik Natarajan	✓	-	✓	✓	-
Mr. Gagan Sawhney	✓	-	✓	✓	-
Mr. Ghanashyam Hegde	-	✓	-	✓	✓

**(l) Annual Evaluation of the Directors**

In terms of the requirement of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance and that of its Committees as well as performance of the Directors individually with the aim to improve the effectiveness of the Board and the Committees.

During the year, feedback was sought by way of structured questionnaires covering various aspects in line with the Guidance Note on Board evaluation issued by the Securities and Exchange Board of India vide its circular dated January 5, 2017 like, Board oversight and effectiveness, performance of Board Committees, Board skills and structure, etc. Performance evaluation was carried out by the Lead Independent Director based on the responses received from the Directors.



**(m) Disclosures regarding appointment and re-appointment of Directors**

**i. Mr. Gurcharan Das**

Mr. Gurcharan Das graduated with honors from Harvard University. He was CEO, Procter & Gamble India and later Managing Director, Procter & Gamble World-wide (Strategic Planning). After a 30-year career, he took early retirement to become an author. He is on a number of boards and is a regular speaker to the managements of the world's largest corporations. Mr. Das was appointed as Independent Director for the period of five years effective September 1, 2022 by Board of Directors at its Meeting held on August 23, 2022. Approval of Shareholders is sought at ensuing 58<sup>th</sup> Annual General meeting.

**ii. Ms. Sonali Dhawan**

Ms. Sonali Dhawan is a graduate from Lady Shriram College, with a B.Com (Hons) in Business Studies. She completed her MBA in marketing from the Indian Institute of Management, Ahmedabad. Ms. Dhawan has been with P&G for over 24 years and is currently Senior Vice President, Marketing, Feminine Hygiene, Asia, Middle East & Africa. She has worked across multiple regions including ASEAN, India, Australia & Middle East. Ms. Dhawan, Director retires by rotation and being eligible, seeks re-appointment at the ensuing 58<sup>th</sup> Annual General Meeting.

**iii. Mr. Gagan Sawhney**

Mr. Gagan Sawhney is an alumnus of IIM, Ahmedabad who joined P&G in 2001. He has more than 20 years of experience across multiple geographies : India, ASEAN, Greater China and Middle East. Presently, Mr. Sawhney is Regional CFO, Middle East & Africa (P&G). He has held several leadership roles, such as leading Finance for P&G Indian subcontinent and providing assurance and consulting support across regions as Finance Director, Internal Audit for P&G Global operations. Mr. Sawhney, Director retires by rotation and being eligible, seeks re-appointment at the ensuing 58<sup>th</sup> Annual General Meeting.

**COMMUNICATION TO SHAREHOLDERS**

**(i) Annual Report and Notice calling the Meeting**

This Annual Report along with Notice calling the Annual General Meeting for the Financial Year 2021-22, in electronic form, is being sent to the Members at the email address provided

/ updated by the Members with the Depository Participants / Registrar & Transfer Agent, as applicable.

Members who need hard copy of the report are requested to write to the Company Secretary. A copy of the report will be delivered to your registered address.

**(ii) Results**

The quarterly results of the Company are announced within 45 days of completion of the quarter or within the time as prescribed by the Securities & Exchange Board of India. Audited Annual Results are announced within 60 days of the end of the Financial Year or within the time as prescribed by the Securities & Exchange Board of India. Financial Results and other newspapers advertisement (as prescribed under SEBI (LODR) Regulations, 2015) given during the year were published in the Business Standard and Mumbai Lakshadeep. The Company's results and official news releases are published on Company's website: <https://in.pg.com/india-investors/pghh/compliance-reports-and-announcements/>.

**(iii) TDS on Divided**

Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the requisite documents as mentioned in our letter, which is put up on the website at <https://in.pg.com/india-investors/pghh/compliance-reports-and-announcements/announcements/>, in order facilitate company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be submitted to Company's RTA on or before **November 1, 2022** in order to enable the Company to determine and deduct appropriate TDS.

**(iv) Sustainability Initiative**

In line with our 'Ambition 2030' environment sustainability goals, our commitment to operate responsibly is reflected in the steps we have in place to ensure rigorous financial discipline and Corporate Governance. The Company has requested its shareholders to join in its endeavor to conserve resources by updating relevant information for receiving online communication and dividend payout.

**(v) Updation of KYC**

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, all the listed companies are required to record the PAN, Nomination and KYC details of all the shareholders and Bank Account details of first holder. This is applicable for all the security holders in physical mode. Shareholders holding shares in physical form with the Company are requested to update above information with the Company, if pending. It is hereby informed that if any ONE of the above mentioned KYC details are not updated to the Company before March 31, 2023, the folio shall be frozen as per SEBI circular.

The Company, with the help of the RTA and the depositories has reached out to the shareholders who have not registered their KYC and other details, requesting them to update the same. Your Company greatly appreciates your response and assistance in this regard. For further details, shareholders are requested to follow steps mentioned in the circular uploaded on the website of the Company at <https://in.pg.com/india-investors/pghh/guidance/#shareholder-services>.

Shareholders holding shares in dematerialized mode have been requested to register their email address and mobile number with their depository participants for receiving intimation and regular updates from the Company.

**(vi) Share Transfer and Demat system**

As per SEBI directions, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form effective April 1, 2019. The transfer deed(s) lodged prior to deadline, i.e., April 1, 2019, and returned due to deficiency in the document were allowed to be re-lodged for transfer with Link Intime India Private Limited (Registrar & Transfer Agents), on or before March 31, 2021 (cut-off date) as fixed by SEBI vide circular dated September 7, 2020. No physical transfer lodgement/re-lodgement has been allowed thereafter.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its circular dated 25<sup>th</sup> January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form viz, Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Transmission; Transposition, etc. For the purpose

of the same, after due verification, registrar and transfer agent/issuer companies shall retain share certificates and process the service requests by issuing letter of confirmation, valid for a period of 120 days. As per the process, shareholders are required to submit their demat requests within this validity period, failing which the Company shall credit the securities to a suspense escrow demat account of the Company. The manner and process of making application as per the revised framework and operational guidelines thereto is available on the website of the Company.

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 from the date of receipt of relevant documents, provided they are complete in all respects.

**STATUTORY COMPLIANCE**

The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and SEBI on all matters related to capital markets and no strictures or penalty was imposed on the Company in past three years. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.

**GENERAL MEETINGS**

Annual General Meeting	Date	Time	Venue	No. of special resolutions passed
57 <sup>th</sup>	November 17, 2021	11:00 a.m.	Meeting was held through Video Conference / Other Audio Visual Means	NIL
56 <sup>th</sup>	November 24, 2020	11:00 a.m.		
55 <sup>th</sup>	November 27, 2019	11:00 a.m.	Annual General Meeting was held at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai-400 021	3

At the 55<sup>th</sup> Annual General Meeting held on November 27, 2019, the following Special Resolutions were passed:

1. Re-appointment of Mr. Rajendra Ambalal Shah as an Independent Director of the Company for a term of one year effect from September 24, 2019;
2. Re-appointment of Mr. Bansidhar Sunderlal Mehta as an Independent Director of the Company for a term of one year effect from September 24, 2019; and

3. Re-appointment of Mr. Anil Kumar Gupta as an Independent Director of the Company for a term of five years with effect from September 24, 2019.

### POSTAL BALLOT

Following resolution was approved by postal ballot mechanism on July 17, 2022. The Board had appointed Mr. Nrupang B. Dholakia, Practicing 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 July 19, 2022.

Details of resolution passed are as follows:

**Description of Resolution:** To appoint Mr. L. V. Vaidyanathan (DIN 9632201) as a Director and Managing Director of the Company for a period of five years effective July 1, 2022 (Ordinary Resolution)

Details of the voting pattern are as under:

Particulars	No. of Votes (Physical ballots and e-voting)	Votes Cast (No. of Shares)	% of Votes
Assented to the resolution	624	2,73,06,291	99.06
Dissented to the resolution	57	2,59,618	0.94
<b>No. of total valid Postal Ballot Forms/ e-votes received</b>	<b>681</b>	<b>2,75,65,909</b>	<b>100.00</b>

Accordingly, the said Resolution was approved by the Shareholders of the Company, with requisite majority.

### Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its Shareholders. The Company engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility to all its Shareholders. The Shareholders had an option to vote either by postal ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its Shareholders whose names appeared on the Register of Members/list of beneficiaries as on cut-off date. The postal ballot notice was sent to Shareholders in electronic form to the email addresses registered with the depository participants/Company's Registrar & Share Transfer Agents.

The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Secretarial Standards issued by the Institute of Company Secretaries of India, the Companies Act,

2013 and the Rules issued thereunder. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Shareholders desiring to vote through postal ballot were requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Shareholders desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last date of e-voting. The Scrutinizer submitted his report, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company. The results are displayed on the website of the Company at <https://in.pg.com/india-investors/pghh/shareholder-info/info/#postal-ballot>, besides being communicated to the Stock Exchanges. No special resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

### MD / CFO Certification

A compliance certificate in accordance with Regulation 17(8) of the SEBI (LODR) Regulations, 2015 was provided to the Board of Directors in the prescribed format for the Financial Year 2021-22, which was reviewed by the Audit Committee and taken on record by the Board.

### ADOPTION OF DISCRETIONARY REQUIREMENT

The Company has adopted following discretionary requirements of Regulation 27(1) of the SEBI (LODR) Regulations, 2015:

- There are no audit qualifications in the Company's financial statements for the Financial Year 2021-22;
- The Internal Auditor of the Company reports to the Audit Committee.

### 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', 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 anonymously 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 SEBI (LODR) Regulations, 2015 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 <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#policies>.

## 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 Managing Director certificate to that effect is annexed to this Corporate Governance Report. The Code of Conduct for Directors and Senior Management has been hosted on the Company's website at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#code> and <https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/> respectively.

### (ii) Code of Conduct for Prohibition of Insider Trading

The Board of the Company has adopted the Code of Conduct for prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code has been hosted on the Company's website at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#code>.

## GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

Pursuant to the Circular numbers 14/2020, 17/2020, 20/2020 and 02/2022 issued by the

Ministry of Corporate Affairs, the 58<sup>th</sup> Annual General Meeting of the Company will be held on **Tuesday, November 15, 2022** at **11.00 a.m.** through Video Conferencing facility. Deemed Venue for Meeting shall be the Registered Office of the Company: P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai - 400 099. Details of the link for joining and participating in the meeting through video-conferencing is provided in the notice for convening the 58<sup>th</sup> Annual General Meeting. A copy of the transcript of the Annual General Meeting will be made available on the Company's website at <https://in.pg.com>.

### ii. Financial Calendar

Presently, the Company follows July-June Financial Year. The Financial Results are declared within timelines as prescribed by the Securities & Exchange Board of India.

**iii. Book Closure Dates:** Wednesday, November 9, 2022 to Tuesday, November 15, 2022 (both days inclusive). The said book closure is for payment of dividend, if declared at the Annual General Meeting.

**iv. Dividend Payment Date:** On or before December 12, 2022.

**v. Total fees paid to Statutory Auditors of the Company:** Total fees of ₹ 114.95 lakhs for Financial Year 2021-22, was paid by the Company to Kalyaniwalla & Mistry LLP, Statutory Auditors of the Company.

### vi. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2021-22 are as under:

- Number of complaints filed during the Financial Year: 1
- Number of complaints disposed of during the Financial Year: 1
- Number of complaints pending as on end of the Financial year: Nil

### vii. Recommendations of Committees of the Board

There were no instances during the Financial Year 2021-22, wherein the Board had not accepted recommendations made by any Committee of the Board.

### viii. Listing of Equity Shares on Stock Exchanges

The Company's shares are listed on below stock exchanges:

Name of Stock Exchange	Company Scrip Code	Address of stock exchange
BSE Limited	500459	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
National Stock Exchange of India Limited	PGHH	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

### ix. ISIN Code

Dematerialization ISIN Code : **INE179A01014**

### x. Stock Price Data

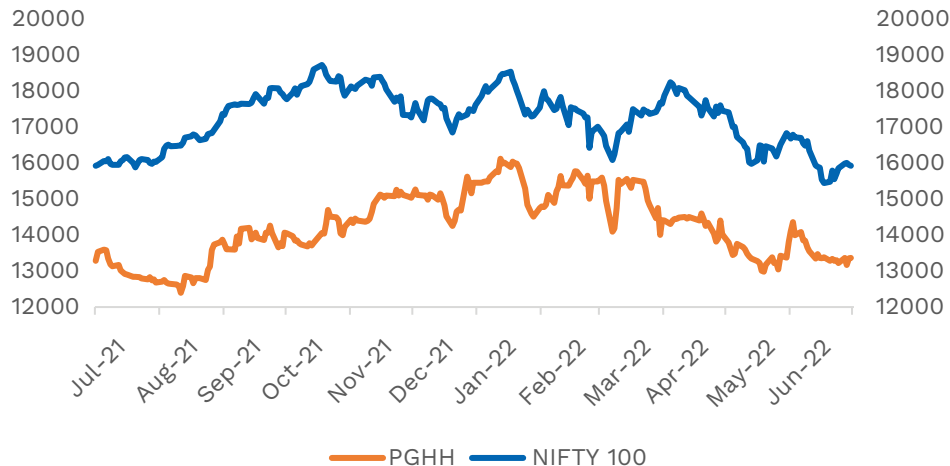
Month	BSE		NSE	
	High	Low	High	Low
July – 2021	13,963.50	12,651.00	13,700.00	12,655.00
August – 2021	14,210.00	12,342.20	14,087.90	12,310.10
September – 2021	14,552.95	13,321.50	14,590.45	13,480.00
October – 2021	15,147.00	13,575.20	14,824.00	13,561.95
November – 2021	15,551.55	14,100.00	15,530.55	14,080.10
December – 2021	16,402.00	14,010.2	16,314.30	14,137.80
January – 2022	16,420.90	14,386.2	16,448.70	14,380.05
February – 2022	16,179.80	14,650.00	15,849.80	14,630.15
March – 2022	16,466.40	13,711.05	15,800.00	13,700.00
April – 2022	14,800.00	13,478.6	14,843.80	13,628.00
May – 2022	14,200.00	12,751.00	14,228.00	12,801.00
June – 2022	14,489.95	13,100.00	14,485.00	13,082.00

(Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com))

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

The following chart shows the performance of the Company's shares as compared to the NSE Nifty during the Financial Year 2021-22:

#### Stock Performance NSE Nifty

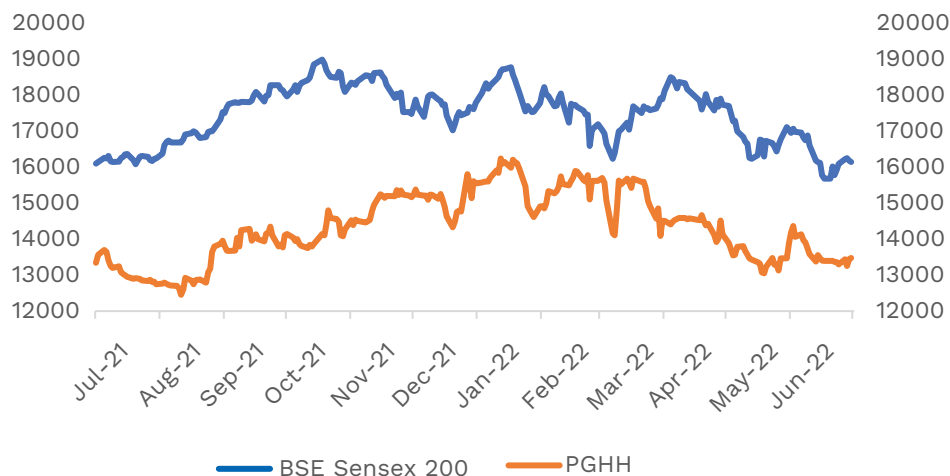


(Source: [www.nseindia.com](http://www.nseindia.com))



The following chart shows the performance of the Company's shares as compared to the BSE Sensex during the Financial Year 2021-22.

### Stock Performance-BSE Sensex



(Source: www.bseindia.com)

#### xii. Distribution of shareholding by ownership as on June 30, 2022

Category	Number of shares held	% of shares held
Foreign & Indian promoters	2,29,29,773	70.64
Resident Individuals and others	36,35,546	11.20
Mutual Funds	2425301	7.47
Financial Institutions / Banks	3648	0.01
Insurance Companies	2086846	6.43
Foreign Portfolio Investors	660198	2.03
Private Corporate Bodies	5,29,070	1.63
NRIs & Foreign Nationals	1,89,827	0.58
Directors and their relatives	527	0.01
<b>TOTAL</b>	<b>3,24,60,736</b>	<b>100.00</b>

#### xiii. Registrar & Transfer Agents

Link Intime India Private Limited  
C-101, 247 Park, LBS Marg, Vikhroli (West),  
Mumbai - 400 083  
Tel: (022) 4918 6279,  
Fax: (022) 4918 6060  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### xiv. Distribution of shareholding by size class as on June 30, 2022

Shareholding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	41530	96.51	16,77,623	5.17
501 – 1000	814	1.89	5,73,654	1.77
1001 – 2000	377	0.88	5,20,639	1.60
2001 – 3000	107	0.25	2,61,840	0.81
3001 – 4000	51	0.12	1,78,507	0.55
4001 – 5000	31	0.07	1,41,604	0.43
5001 – 10000	50	0.12	3,38,117	1.04
10001 and above	72	0.17	2,87,68,752	88.63
<b>TOTAL</b>	<b>43032</b>	<b>100.00</b>	<b>3,24,60,736</b>	<b>100.00</b>

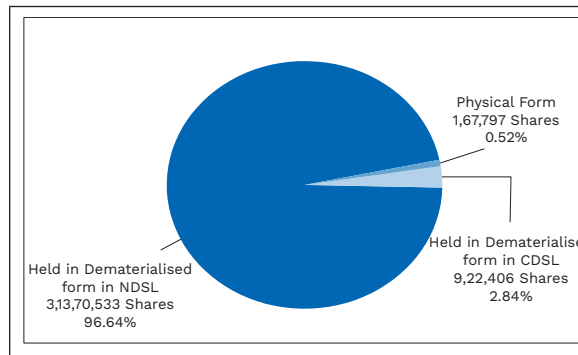
#### xv. Dematerialization of shares and liquidity

The Company's shares are required to be compulsorily traded in the stock exchanges in

dematerialized form. As on June 30, 2022, the number of shares in dematerialized and physical mode are as under:

Particulars	No. of shares	% to total capital issued
Held in dematerialized form in NSDL	3,13,70,533	96.64
Held in dematerialized form in CDSL	9,22,406	2.84
Held in Physical form	1,67,797	0.52
<b>Total</b>	<b>3,24,60,736</b>	<b>100.00</b>

**xvi. Shares held in demat / physical form as on June 30, 2022**



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

**xviii.** No presentations were made to Analysts and Institutional Investors during the Financial Year.

**xix. Commodity price risk or foreign exchange risk and hedging activities**

The Company does not have any exposure hedged through commodity derivatives. The details of foreign currency risk management are disclosed in Note 31 forming part of the Financial statements. The Company has not entered into any hedging activities in Financial Year 2021-22.

**xx. Unclaimed / unpaid Dividends**

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate companies to transfer shares

of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the IEPF Authority.

Final dividend for the Financial Year ended June 30, 2015 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 claim their dividend on or before the due dates mentioned therein, by writing to the Company's RTA M/s. Link Intime India Pvt Ltd.

Date of Declaration	For the Financial year ended	Due Date for transfer to IEPF
28.10.2015	30.06.2015	03.12.2022
03.12.2016	30.06.2016	08.01.2024
05.05.2017	Interim 2016-17	10.06.2024
16.11.2017	30.06.2017	22.12.2024
29.11.2018	30.06.2018	04.01.2026
07.02.2019	Interim 2018-19	15.03.2026
27.11.2019	30.06.2019	02.01.2027
24.11.2020	30.06.2020	30.12.2027
03.02.2021	1 <sup>st</sup> Interim 2020-21	11.03.2028
04.05.2021	Special Interim 2020-21	09.06.2028
17.11.2021	30.06.2021	23.12.2028
01.02.2022	Interim 2021-22	09.03.2029

During the Financial Year 2021-22, unclaimed dividend for the Financial Year ended June 30, 2014 amounting to ₹ 41,45,900 and 30,735 shares were transferred to the IEPF department.

The details of unpaid / unclaimed dividend as on June 30, 2022 have been hosted on the website of the Company, viz., in.pg.com. As on date, Mr. Ghanashyam Hegde is the Nodal Officer of the Company under the IEPF Rules.

**xxi. Disclosure in respect of equity shares transferred to the 'Procter & Gamble Hygiene and Health Care Limited – unclaimed Suspense Account' is as under:**

In accordance with the requirements of Regulation 34, 39 read with Schedule V(F) of the



SEBI (LODR) Regulations, 2015 details of equity shares lying in Unclaimed Suspense Account are as follows:

	Particulars	No. of shareholders	No. of Equity Shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on July 1, 2021	323	36,450
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	7	908
Less	Transferred to IEPF Authority	277	28,700
Add	Shares added to Suspense account during the year	43	3,860
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on June 30, 2022	82	10,702

The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

**xxii. Plant location**

**Goa:**

173, 314, 315, Kundaim Industrial Estate, Kundaim, Goa - 403115

**Baddi:**

Village Katha, PO. Baddi, Tehsil: Nalagarh, Dist.: Solan, Himachal Pradesh - 173205

**xxiii. Investor Queries and Grievances Redressal**

Shareholders can send their correspondence to the Company with respect to their shares, dividend, request for annual reports, shareholder grievances, etc. at the contact details given below:

**Company Secretary & Compliance Officer  
IEPF Nodal Officer**

Procter & Gamble Hygiene and Health Care Limited

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

Investor helpline nos.: (91) 86575 12368

Tel: (91-22) 2826 6000

Fax: (91-22) 2826 7337

Email id: investorpghh.im@pg.com

**Declaration**

As provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members have confirmed compliance with the Directors' Code of Conduct for the financial year ended June 30, 2022 and the Senior Management has complied with the Worldwide Business Conduct Manual for the financial year ended June 30, 2022.

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

**Mumbai  
August 23, 2022**

**L. V. Vaidyanathan  
Managing Director**



### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Members,  
**PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED**  
**CIN: L24239MH1964PLC012971**  
P & G Plaza,  
Cardinal Gracias Road,  
Chakala, Andheri East,  
Mumbai 400099

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED** having CIN : **L24239MH1964PLC012971** and having registered office at P & G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai MH 400099 IN (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 30<sup>th</sup> June, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

No.	Name of the Directors	DIN	Date of appointment in Company*
1.	Chittranjan Dua	00036080	25/08/2020
2.	Pramod Agarwal	00066989	08/05/2015
3.	Meena Ganesh	00528252	19/03/2019
4.	Krishnamurthy Narayanan Iyer	01726564	01/12/2020
5.	Anil Kumar Ishwar Dayal Gupta	02588131	18/01/2013
6.	Karthik Natarajan	06685891	01/10/2014
7.	Sonali Dhawan	06808527	07/05/2014
8.	Ghanashyam Hegde	08054712	09/05/2019
9.	Gagan Sawhney	08279568	24/01/2019
10.	Madhusudan Gopalan	08158357	01/07/2018 <sup>#</sup>

\* the date of appointment is as per the MCA Portal.

# Mr. Madhusudan Gopalan has ceased to be the Director of the Company with effect from June 30,2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Saraf & Associates  
Practising Company Secretaries**

**K.G. SARAF**  
Proprietor  
FCS: 1596 | CP: 642  
FRN. S1988MH004801  
PR. 1003/2020

**Place : Mumbai**  
**Date : 23.08.2022**  
**UDIN : F001596D000833504**



**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To  
The Members,  
**Procter & Gamble Hygiene and Health Care Limited**  
P & G Plaza, Cardinal Gracias Road, Chakala, Andheri East,  
Mumbai 400099

We have examined the compliance of conditions of Corporate Governance by Procter & Gamble Hygiene and Health Care Limited (hereinafter referred to as “the Company”) for the year ended on June 30, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**  
**Practicing Company Secretaries**

**Makarand M. Joshi**

Partner

FCS: 5533

CP: 3662

PR: 640/2019

UDIN: F005533D000830676

**Date: 23/08/2022**

**Place: Mumbai**



# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF**

**PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS Financial Statements of **PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED** ("the Company"), which comprise the Balance Sheet as at June 30, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind-AS), and with other accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2022, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind-AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind-AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind-AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind-AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition (note no. 2.3(a) and 20 to the financial statements)</b></p> <p>Revenue is measured net of trade discounts, rebates and various types of Marketing and Distribution Activities such as incentives and promotions.</p> <p>The estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be judgmental owing to the varying terms of the agreements with customers which are based on annual contracts or shorter term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span over a year end.</p>	<p>Our audit procedures included:</p> <p>(a) Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts, incentives and rebates by comparing with applicable accounting standards.</p> <p>(b) Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue and rebates/schemes in the general ledger accounting system.</p>



Sr.	Key Audit Matter	Auditor's Response
	<p>Accumulated experience is used to estimate the provision for discounts and rebates considering the terms of the underlying schemes and arrangements with customers.</p> <p>There is also a risk that revenue may be overstated due to fraud including through manipulation of the discounts and incentives recognised resulting from the pressure local management may feel to achieve performance targets.</p>	<p>(c) We tested the design, implementation and operating effectiveness of controls over the calculation of discounts, incentives and rebates including review of the independent service auditor's SOC 1 (Type 2) report with regards to the third party service organization's system and the suitability of the design and operating effectiveness of IT / manual controls relating to processing of claims.</p> <p>(d) Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices, contracts and shipping documents.</p> <p>(e) We compared the historical discounts, rebates/ schemes and allowances to current payment trends. We also considered the historical accuracy of the Company's estimates in previous years.</p> <p>(f) Performing substantive testing by checking samples of rebate / schemes transactions to supporting documentation.</p> <p>(g) We assessed manual journals posted to revenue to identify unusual items</p> <p>(h) Considering the adequacy of the Company's disclosures in respect of revenue.</p>
2.	<p><b>Uncertain Tax Positions (note no. 27 and 36 to the financial statements)</b></p> <p>The Company is subject to a range of tax risks. There is inherent judgement involved in determining provisions for uncertain tax positions. The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct taxes, transfer pricing and indirect taxes. Applicable tax laws and regulations are subject to differing interpretations and the resolution of a final tax position can take several years to complete. Where the amount of tax payable is uncertain, the Company establishes provisions based on Management's judgement of the likelihood of settlement being required.</p>	<p>Our audit procedures included:</p> <p>(a) We evaluated the design and tested the operating effectiveness of controls over the assessment of uncertain tax positions and completeness of disclosures.</p> <p>(b) We discussed the status and potential exposures in respect of significant tax litigations with the Company's tax team including their views on the likely outcome of each assessment / litigation and magnitude of potential exposure.</p> <p>(c) We focused on the judgements made by Management in assessing the likelihood of potentially material exposures and the estimates used to determine such provisions where required. In particular, we focused on the impact of changes in local tax regulations and ongoing inspections by local tax authorities, which could materially impact the amounts recorded in the financial statements.</p>



Sr.	Key Audit Matter	Auditor's Response
	<p>Given the number of judgements involved in estimating the provisions relating to uncertain tax positions and the complexities of dealing with tax rules, this was considered as a key audit matter.</p>	<p>(d) We involved our in-house tax experts to evaluate and challenge the appropriateness of Management's assessment and judgements to estimate the provisions held in respect of uncertain tax positions. To do this, we assessed the provisions recognized in the financial statements using the outcome of prior and ongoing tax assessments conducted on the Company, correspondences between the Company and relevant tax authorities, judgemental positions taken in tax returns and current year estimates, our own experience in these areas and assessing whether the approach applied by the Company is supported by the practice in the industry.</p> <p>(e) We have also assessed the adequacy of the Company's disclosures in respect of tax and uncertain tax positions.</p>

**Information Other than the Ind-AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and the Report on Corporate Governance but does not include the Ind-AS financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report.

Our opinion on the Ind-AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind-AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind-AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Ind-AS Financial Statements**

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 Ind-AS financial statements that give a

true and fair view of the financial position, financial performance, changes in equity and the 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind-AS financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



### Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind-AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind-AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that

a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind-AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind-AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central

Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 (including Other Comprehensive Income), the Cash Flows Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules issued thereunder.
  - e) On the basis of the written representations received from the Directors of the Company as on June 30, 2022, taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on June 30, 2022, from being appointed as a Director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
  - g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act.
  - h) 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 ("the Rules"), in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its Ind-AS financial statements – Refer Note. 36 to the Ind-AS financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) The Management has represented that:
  - a) to the best of its knowledge and belief, other than as disclosed in the standalone Ind-AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) to the best of its knowledge and belief, other than as disclosed in the standalone Ind-AS financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on such audit procedures performed by us which is considered reasonable and appropriate in the circumstances, nothing



has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) of the Rules as provided under a) and (b) above contain any material misstatement.

- v) As per information and explanation represented by Management and based on the records of the Company, the dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members

at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For **KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No.: 104607W / W100166

**Roshni Marfatia**  
**PARTNER**

M. No. 106548  
UDIN: 22106548APRQCG6208

Mumbai: August 23, 2022.

### Annexure A to the Independent Auditor's Report

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the Members of the Company on the Ind-AS financial statements for the year ended June 30, 2022)**

(i) Property, Plant and Equipment

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- b) As explained to us, the Company has a program for physical verification of Property, Plant and Equipment at periodic intervals by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- c) According to the information and explanations given to us, the title deeds, comprising all the immovable properties of buildings, other than self-constructed buildings, are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as non-current / current assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- e) According to the information and explanations given to us, representation obtained from Management and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at June 30, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

(ii) Inventory

- a) The inventory has been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were less than 10% in the aggregate for each class of inventories and have been properly dealt with in the books of account.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the





Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.

- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of sub-clause (a), (b), (c), (d), (e) and (f) of paragraph 3(iii) of the Order are not applicable.
- (iv) According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of section 186 of the Companies Act, 2013, in respect of loans given have been complied with by the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended 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 records of the Company examined by us, in our opinion:

- a) the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess, Professional Tax and other statutory dues, as applicable, with the appropriate authorities and there are no undisputed amounts which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.
- b) there are no dues of Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise or Cess or other statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates*	Amount Involved (Rs. In lakhs) **
Sales Tax and Laws as per statutes applicable in various states	Sales Tax and VAT	Appellate Authority - up to Commissioners / Revisional authorities level	1996-97 to 2001-02, 2004-05 to 2007-08, 2009-10 to 2015-16 & 2017-18	2,328
		Appellate Authority - Tribunal	1996-97, 2001-02 to 2002-03, 2006-07 to 2012-13	1,068
		High Court	1993-94, 1995-96, 2002-03, 2006-07, 2008-09 & 2009-10	123
Finance Act, 1994	Service tax	Appellate Authority - Tribunal	2006-07 to 2012-13	137
		Appellate Authority - up to Commissioners/ Revisional authorities level	April 2016 to June 2017	3,552
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17	19,407
		Commissioner of Income Tax (Appeals)	2014-15	43
		National Faceless Assessment Centre (NFAC)	2015-16 and 2016-17	220

\* Period denotes the financial year April to March

\*\* includes penalty and interest on taxes, wherever applicable



(viii) According to the information and explanations given to us and on the basis of the records examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) Borrowings

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or Government or any Government authority.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any funds on short-term basis. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.
- e) According to the information and explanations given to us, representation obtained from Management, and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures and accordingly reporting on paragraphs 3(ix)(e) and (f) of the Order are also not applicable.

(x) Allotment of Shares

- a) According to the information and explanations given to us, representation obtained from Management, the Company has not raised

any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(x)(a) of the Order is not applicable to the Company.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) Frauds

- a) According to the information and explanations given to us, on the basis of the records examined by us and representation from Management, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of the paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) Internal Audit System

- a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal

- audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a) In our opinion, according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has also not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the provisions of paragraphs 3(xvi)(a) and (b) of the Order are not applicable.
- b) Neither the Company nor any company in the Group is a part of the Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of paragraphs 3(xvi)(c) and (d) of the Order are not applicable.
- (xvii) According to the information and explanations given to us and based on our examination of the financial statements of the Company, the Company has not incurred cash losses during the current financial year and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditor of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and representation from Management. Our report does not give any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) as at June 30, 2022. Accordingly, provisions of paragraphs 3(xx)(a) and 3(xx)(b) of the Order are not applicable for the year.

For **KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**

Firm Regn. No.: 104607W / W100166

**Roshni Marfatia**  
**PARTNER**

M. No. 106548  
 UDIN: 22106548APRQCG6208

Mumbai: August 23, 2022.



## Annexure B to the Independent Auditor's Report

**(Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind-AS financial statements for the year ended June 30, 2022)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED** ("the Company") as of June 30, 2022 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind-AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and directors of the Company; and



- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind-AS financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at June 30, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No.: 104607W / W100166

**Roshni Marfatia**  
**PARTNER**

M. No. 106548  
UDIN: 22106548APRQCG6208

Mumbai: August 23, 2022.

**BALANCE SHEET AS AT JUNE 30, 2022**

	Notes	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16 368	18 381
Capital work-in-progress	4	4 388	3 758
Financial assets			
(i) Loans	5	2 842	2 919
(ii) Other financial assets	6	924	880
Deferred tax assets (Net)	7	5 188	3 802
Non-current tax assets (Net)		16 861	15 123
Other non-current assets	8	8 177	6 673
<b>Total non-current assets</b>		<b>54 748</b>	<b>51 536</b>
<b>Current assets</b>			
Inventories	9	23 402	24 930
Financial assets			
(i) Trade receivables	10	19 075	14 235
(ii) Cash and cash equivalents	11 (a)	62 498	64 767
(iii) Bank balances other than (ii) above	11 (b)	1 427	1 257
(iv) Loans	5	573	570
(v) Other financial assets	6	2 030	2 524
Other current assets	8	4 371	3 452
		<b>1 13 376</b>	<b>1 11 735</b>
Non-current assets held for sale	8 (a)	----	----
<b>Total current assets</b>		<b>1 13 376</b>	<b>1 11 735</b>
<b>Total assets</b>		<b>1 68 124</b>	<b>1 63 271</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	12	3 246	3 246
Other equity	13	70 511	68 181
<b>Total equity</b>		<b>73 757</b>	<b>71 427</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	14	194	18
Provisions	15	8 389	8 280
<b>Total non-current liabilities</b>		<b>8 583</b>	<b>8 298</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	14	316	329
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	2 178	1 255
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	75 665	74 155
(iii) Other financial liabilities	17	2 548	3 270
Provisions	15	840	500
Current tax liabilities (Net)	18	515	705
Other current liabilities	19	3 722	3 332
<b>Total current liabilities</b>		<b>85 784</b>	<b>83 546</b>
<b>Total liabilities</b>		<b>94 367</b>	<b>91 844</b>
<b>Total equity and liabilities</b>		<b>1 68 124</b>	<b>1 63 271</b>
<b>See accompanying notes to the financial statements</b>			

In terms of our report attached

For KALYANIWALLA & MISTRY LLP  
Chartered Accountants  
Firm Regn No : 104607W/W100166

Roshni Marfatia  
Partner  
M. No.: 106548

Place: Mumbai  
Date: August 23, 2022

For and on behalf of Board of Directors

Chittranjan Dua  
Chairman  
DIN: 00036080

Prashant Bhatnagar  
Chief Financial Officer

LV Vaidyanathan  
Managing Director  
Din No: 09632201

Ghanashyam Hegde  
Executive Director &  
Company Secretary  
Din No: 08054712

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED JUNE 30, 2022

	Notes	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
<b>Income</b>			
Revenue from operations	20	3 90 092	3 57 414
Other income	21	2 432	3 938
<b>Total income</b>		<b>3 92 524</b>	<b>3 61 352</b>
<b>Expenses</b>			
Cost of raw and packing materials consumed	22	1 26 034	1 12 839
Purchases of stock-in-trade (Traded Goods)		30 545	4 113
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(650)	(1 022)
Employee benefits expense	24	21 434	20 168
Finance costs	25	1 119	611
Depreciation and amortization expense	4	5 288	4 766
Impairment losses	8 (a)	----	764
Other expenses	26	1 29 740	1 32 124
<b>Total expense</b>		<b>3 13 510</b>	<b>2 74 363</b>
<b>Profit before tax from operations</b>		<b>79 014</b>	<b>86 989</b>
<b>Tax expense</b>			
Current tax	27.1	21 950	22 873
Deferred tax	27.1	(1 282)	(889)
Prior year tax adjustments	27.1	771	(174)
<b>Income tax expense</b>		<b>21 439</b>	<b>21 810</b>
<b>Profit for the year</b>		<b>57 575</b>	<b>65 179</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to Statement of Profit and Loss			
Re-measurement of the defined benefit plans	30.2.B	729	179
Income tax effect on above	27.2	(183)	(45)
<b>Total other comprehensive income for the year</b>		<b>546</b>	<b>134</b>
<b>Total comprehensive income for the year</b>		<b>58 121</b>	<b>65 313</b>
Earnings per equity share	29		
- Basic (in ₹)		177.37	200.79
- Diluted (in ₹)		177.37	200.79
Face Value of Equity Share (in ₹)		10.00	10.00
<b>See accompanying notes to the financial statements</b>			

### In terms of our report attached

For KALYANIWALLA & MISTRY LLP  
Chartered Accountants  
Firm Regn No : 104607W/W100166

Roshni Marfatia  
Partner  
M. No.: 106548

Place: Mumbai  
Date: August 23, 2022

### For and on behalf of Board of Directors

Chittranjan Dua  
Chairman  
DIN: 00036080

Prashant Bhatnagar  
Chief Financial Officer

LV Vaidyanathan  
Managing Director  
Din No: 09632201

Ghanashyam Hegde  
Executive Director &  
Company Secretary  
Din No: 08054712



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit before tax</b>	<b>79 014</b>	<b>86 989</b>
<b>Adjustments for:</b>		
Depreciation and amortization expense	5 288	4 766
Loss on disposal of property, plant and equipment	176	185
Finance costs	776	593
Allowance for doubtful receivables (Net of recovery)	41	(112)
Interest income	(2 318)	(3 097)
Impairment losses	----	764
Net foreign exchange (gain) / loss	(83)	(140)
Expense recognised in respect of equity settled share based payments	1 015	695
<b>Operating profit before working capital changes</b>	<b>83 909</b>	<b>90 643</b>
<b>Working capital adjustments</b>		
(Increase) / decrease in trade and other receivables	(4 886)	2 538
Decrease in financial assets	554	97
Decrease / (increase) in inventories	1 528	(4 425)
(Increase) in other assets	(2 423)	(1 326)
Increase in trade and other payables	2 911	23 542
Increase in provisions	653	583
<b>Cash generated from operations</b>	<b>82 246</b>	<b>1 11 652</b>
Income taxes paid	(24 936)	(25 340)
<b>Net cash generated from operating activities</b>	<b>57 310</b>	<b>86 312</b>
<b>B. Cash Flows from Investing Activities</b>		
Interest received	2 288	3 056
Payment to acquire property, plant and equipment	(4 980)	(3 160)
Proceeds from sale of property, plant and equipment	7	14
Changes in earmarked balances	----	784
<b>Net cash (used in) / generated from investing activities</b>	<b>(2 685)</b>	<b>694</b>



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>C. Cash Flows from Financing Activities</b>		
Dividend and dividend tax paid	(56 806)	(1 10 367)
Principal payment of lease liabilities	163	(157)
Interest paid on lease liabilities	(6)	(18)
Interest paid other than on lease liabilities	(245)	(101)
<b>Net cash (used in) financing activities</b>	<b>(56 894)</b>	<b>(1 10 643)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(2 269)</b>	<b>(23 637)</b>
Cash and cash equivalents at the beginning of the year	<b>64 767</b>	<b>88 404</b>
<b>Cash and cash equivalents at the end of the year (refer note 11(a))</b>	<b>62 498</b>	<b>64 767</b>

**Note:**

The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

**See accompanying notes to the financial statements**

**In terms of our report attached**

For KALYANIWALLA & MISTRY LLP  
Chartered Accountants  
Firm Regn No : 104607W/W100166

Roshni Marfatia  
Partner  
M. No.: 106548

Place: Mumbai  
Date: August 23, 2022

**For and on behalf of Board of Directors**

Chittranjan Dua  
Chairman  
DIN: 00036080

Prashant Bhatnagar  
Chief Financial Officer

LV Vaidyanathan  
Managing Director  
Din No: 09632201

Ghanashyam Hegde  
Executive Director &  
Company Secretary  
Din No: 08054712

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022****a. Equity share capital**

	<b>Amount</b>
	<b>₹ in lakhs</b>
<b>Balance as at July 1, 2020</b>	<b>3 246</b>
Changes in equity share capital during the year	----
<b>Balance as at June 30, 2021</b>	<b>3 246</b>
Changes in equity share capital during the year	----
<b>Balance as at June 30, 2022</b>	<b>3 246</b>

**b. Other equity**

	<b>Attributable to the equity share holders of the Company</b>				
	<b>Reserves &amp; surplus</b>				
	<b>General reserve</b>	<b>Securities premium</b>	<b>Share options outstanding account</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
<b>Balance as at July 1, 2020 (refer note)</b>	<b>30 959</b>	<b>7 519</b>	<b>2 274</b>	<b>71 788</b>	<b>1 12 540</b>
Profit for the year	----	----	----	65 179	65 179
Items of OCI for the year, net of tax					
Remeasurement benefit of defined benefit plans	----	----	----	134	134
<b>Total comprehensive income for the year</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>65 313</b>	<b>65 313</b>
Payment of dividends (refer note 40)	----	----	----	(1 10 367)	(1 10 367)
Recognition of share-based payments	----	----	695	----	695
<b>Balance as at June 30, 2021</b>	<b>30 959</b>	<b>7 519</b>	<b>2 969</b>	<b>26 734</b>	<b>68 181</b>
Profit for the year	----	----	----	57 575	57 575
Items of OCI for the year, net of tax					
Remeasurement benefit of defined benefit plans	----	----	----	546	546
<b>Total comprehensive income for the year</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>58 121</b>	<b>58 121</b>
Payment of dividends (refer note 40)	----	----	----	(56 806)	(56 806)
Recognition of share-based payments	----	----	1 015	----	1 015
<b>Balance as at June 30, 2022</b>	<b>30 959</b>	<b>7 519</b>	<b>3 984</b>	<b>28 049</b>	<b>70 511</b>

**Note:**

There are no changes in other equity due to prior period errors.

**See accompanying notes to the financial statements**

**In terms of our report attached**

For KALYANIWALLA & MISTRY LLP  
Chartered Accountants  
Firm Regn No : 104607W/W100166

Roshni Marfatia  
Partner  
M. No.: 106548

Place: Mumbai  
Date: August 23, 2022

**For and on behalf of Board of Directors**

Chittranjan Dua  
Chairman  
DIN: 00036080

Prashant Bhatnagar  
Chief Financial Officer

LV Vaidyanathan  
Managing Director  
Din No: 09632201

Ghanashyam Hegde  
Executive Director &  
Company Secretary  
Din No: 08054712

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 1 Corporate information

Procter & Gamble Hygiene and Health Care Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 having CIN L24239MH1964PLC012971. Its ordinary shares (Equity) are listed on two recognised stock exchanges in India. The registered office of the Company is located at P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai - 400099.

The Company is engaged in manufacturing and selling of branded packaged fast moving consumer goods in the femcare and healthcare businesses. The Company's products are sold through retail operations including mass merchandisers, grocery stores, membership club stores, drug stores, department stores and high frequency stores. The Company has its manufacturing locations at Goa and Baddi in Himachal Pradesh, apart from third party manufacturing locations spread across India.

## 2 Significant accounting policies

### 2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

### 2.2 Basis of preparation and measurement

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared on the historical cost basis except for certain items that are measured at fair values at the end of the reporting period, as explained in accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurement that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for the financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 2.3 Summary of Significant accounting policies

#### a. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Revenue is reduced for rebates and other similar allowances. Accumulated experience is used to estimate and accrue for the discounts and rebates considering the terms of the underlying schemes and arrangements with customers.

Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

#### Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed and there are no longer unfulfilled obligations, at which time all the following conditions are satisfied:

- a. the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b. the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c. the amount of revenue can be measured reliably at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates;
- d. it is probable that the economic benefits associated with the transaction will flow to the Company; and
- e. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Interest income

Interest income is recorded using the Effective Interest Rate (EIR). Interest income is included in Other Income in the Statement of Profit and Loss.

#### b. Leasing

##### The Company as a lessee

The Company's lease assets classes primarily consist of leases for land, buildings and equipments. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU")

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### c. Foreign currencies

The financial statements are presented in Indian Rupees (₹ in lakhs), which is also the Company's functional currency.

#### Transaction and balances

Transactions in currencies other than the Company's functional currency i.e. (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Balance Sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on such translations are recognised in the Statement of Profit and Loss in the period which they arise.

### d. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### e. Employee benefits

i) Short term employee benefits - Short term employee benefits including salaries and performance incentives, are charged to the Statement of Profit and Loss on an undiscounted, accrual basis during the period of employment.

ii) 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

- Provident Fund administered by the Regional Provident Fund Commissioner;
- Superannuation Fund as per Company policy administered by Company managed trust; and
- State Defined Contribution Plans: Employer's Contribution to Employees' State Insurance.

b) Defined Benefit Plans:

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

- Gratuity for all employees administered through trust.

Unfunded Plan: The Company has unfunded Defined Benefit Plans in the form of Post Retirement Medical Benefits (PRMB) 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. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income

iii) Liability for Compensated Absences, Bonus, Leave Travel Allowance etc. 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.

iv) Termination benefits and long service awards in terms of Company policy are recognised as an expense as and when incurred.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### f. Share-based payment arrangements

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### Equity-settled transactions

The Procter and 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 and 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. Parent Company will recharge an amount equal to spread as on date of exercise of options.

The cost of equity-settled transactions is recognised in employee benefits expense, together with a corresponding increase in equity (other reserves) over the period in which the service and performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Recharge to parent company to the extent of fair value of options will be debited in equity reserves and any excess recharge above the fair value of options will be recognised as equity distribution from the company.

#### Employee share purchase plan

The Procter and Gamble Company, USA has an "International Stock Ownership Plan (ISOP)" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of the Ultimate Holding Company i.e. The Procter and Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary) and charged to employee benefits expense. The expenses related ISOP are recognised immediately in the Statement of Profit and Loss statement since there are no vesting conditions attached to the scheme.

The expense in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

### g. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

#### Current tax

Provision for current tax 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 and for the period April 1 to June 30 (beginning of the next fiscal year) as per the provisions of the Income Tax Act, 1961 and other applicable tax laws. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### h. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Cost of Property, plant and equipment which are not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful life, using straight-line method. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013 other than certain assets which are based on Company's expected usage pattern supported by technical assessment.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The estimated useful life of certain property, plant and equipment of the Company are as follows:

Asset Class	Useful lives
Buildings	20-30 years
Plant & machinery	10-15 years
Furniture and fixtures	3-15 years
Office equipment	3-15 years
Moulds & Dies	3-15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### i. Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its own carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal is recognised immediately in the Statement of Profit and Loss.

### j. Inventories

Inventories consist of raw and packing materials, stores and spares, work in progress, stock-in-trade 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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### k. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects its present value, that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Financial Statements. Contingent liabilities are disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) 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.

### **l. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liabilities (other than financial asset and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset and financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### **m. Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured at either amortised cost or fair value through profit or loss or fair value through other comprehensive income, depending on the classification of the financial assets. Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets.

#### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that does not meet the above conditions are subsequently measured at fair value. Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). A financial asset not classified as either amortised cost or Fair Value through OCI, is classified as Fair Value through Profit or loss.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### Effective interest method

The effective interest is a method calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount in initial recognition.

Income is recognised on an effective interest basis for debt instruments. Interest income is recognised in Statement of Profit and Loss and is included in the "Other income" line item.

### Impairment of financial assets

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables or any contractual right to receive cash, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience with adjusted for forward-looking information.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all of the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in Statement of Profit and Loss.

### **n. Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at initial recognition are classified as financial liabilities at fair value through profit or loss, loans, borrowings and trade payables, as appropriate.

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of the subsequent accounting period. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance costs" in the Statement of Profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount at initial recognition.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instrument and are recognised in Statement of Profit and Loss.

#### **Derecognition**

The Company derecognises a financial liability when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

recognition of a new liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

### **o. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### **p. Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

### **q. Earnings Per Share**

Basic earnings per share is computed by dividing the net profit for the year after tax attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **r. Claims**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

### **s. Assets held for sale**

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' if it is highly probable that they will be recovered primarily through sales rather than through continuing use. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit and loss. Non-current assets held for sale are not depreciated or amortised.

### **t. Recent accounting pronouncements**

#### **Standards issued but not yet effective**

Ministry of Corporate Affairs (MCA), vide notification dated 23<sup>rd</sup> March, 2022, has made the following amendments to Ind AS which are effective July 1, 2022:

- a) Ind AS 109: Annual Improvements to Ind AS (2021)
- b) Ind AS 103: Reference to Conceptual Framework
- c) Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d) Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 3 Critical accounting judgments and key sources of estimation uncertainty

#### 3.1 Critical judgments in applying accounting policies

In the application of the Company's accounting policies, which are described in Note 2, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

#### 3.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### a. Useful lives of property, plant and equipment

As described at 2.3 (h) above, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period.

##### b. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 31.

##### c. Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the Management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 24, 'Employee benefits expense'.

##### d. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions (refer note 27).

e. Measurement and likelihood of occurrence of provisions and contingencies – As disclosed in Note 15 and Note 36, Management has estimated and measured the likelihood of the litigations and accounted the provision and contingencies as appropriate.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 4 Property, plant and equipment and capital work-in-progress

Property, plant and equipment	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Owned Assets	16 069	18 253
Leased Assets	299	128
<b>Total</b>	<b>16 368</b>	<b>18 381</b>

### A. Owned Assets

	Freehold land	Buildings	Plant & machinery	Furniture and fixtures	Office equipment	Vehicles	Moulds & Dies	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
<b>Gross Block</b>								
<b>At July 1, 2020</b>	443	6 697	30 939	1 064	3 864	----	1 515	<b>44 522</b>
Additions	----	194	2 026	111	272	----	93	<b>2 696</b>
Disposals	----	(5)	(424)	(15)	(12)	----	----	<b>(456)</b>
<b>At June 30, 2021</b>	<b>443</b>	<b>6 886</b>	<b>32 541</b>	<b>1 160</b>	<b>4 124</b>	<b>----</b>	<b>1 608</b>	<b>46 762</b>
Additions	----	114	2 473	15	470	18	----	<b>3 090</b>
Disposals	----	(6)	(246)	(5)	(205)	----	----	<b>(462)</b>
<b>At June 30, 2022</b>	<b>443</b>	<b>6 994</b>	<b>34 768</b>	<b>1 170</b>	<b>4 389</b>	<b>18</b>	<b>1 608</b>	<b>49 390</b>
<b>Accumulated depreciation</b>								
<b>At July 1, 2020</b>	----	1 980	17 899	702	2 699	----	868	<b>24 148</b>
Depreciation charge for the year	----	379	3 572	88	405	----	174	<b>4 618</b>
Disposals	----	----	(239)	(6)	(12)	----	----	<b>(257)</b>
<b>At June 30, 2021</b>	<b>----</b>	<b>2 359</b>	<b>21 232</b>	<b>784</b>	<b>3 092</b>	<b>----</b>	<b>1 042</b>	<b>28 509</b>
Depreciation charge for the year	----	455	4 056	79	401	2	156	<b>5 149</b>
Disposals	----	(1)	(139)	(2)	(195)	----	----	<b>(337)</b>
<b>At June 30, 2022</b>	<b>----</b>	<b>2 813</b>	<b>25 149</b>	<b>861</b>	<b>3 298</b>	<b>2</b>	<b>1 198</b>	<b>33 321</b>
<b>Net carrying amount</b>								
<b>At June 30, 2022</b>	<b>443</b>	<b>4 181</b>	<b>9 619</b>	<b>309</b>	<b>1 091</b>	<b>16</b>	<b>410</b>	<b>16 069</b>
<b>At June 30, 2021</b>	<b>443</b>	<b>4 527</b>	<b>11 309</b>	<b>376</b>	<b>1 032</b>	<b>----</b>	<b>566</b>	<b>18 253</b>
<b>At July 1, 2020</b>	<b>443</b>	<b>4 717</b>	<b>13 040</b>	<b>362</b>	<b>1 165</b>	<b>----</b>	<b>647</b>	<b>20 374</b>

#### Notes:

None of the above assets are mortgaged / hypothecated as security by the Company.

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note 35.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## B. Leased Assets

	Land	Buildings	Plant & machinery	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
<b>Gross Block</b>				
At July 1, 2020	16	381	27	424
Additions	----	----	----	----
Disposals	----	----	----	----
<b>At June 30, 2021</b>	<b>16</b>	<b>381</b>	<b>27</b>	<b>424</b>
Additions	----	310	----	310
Disposals	----	----	----	----
<b>At June 30, 2022</b>	<b>16</b>	<b>691</b>	<b>27</b>	<b>734</b>
<b>Accumulated depreciation</b>				
At July 1, 2020	2	139	7	148
Additions	2	139	7	148
Disposals	----	----	----	----
<b>At June 30, 2021</b>	<b>4</b>	<b>278</b>	<b>14</b>	<b>296</b>
Additions	2	130	7	139
Disposals	----	----	----	----
<b>At June 30, 2022</b>	<b>6</b>	<b>408</b>	<b>21</b>	<b>435</b>
<b>Net Block</b>				
At June 30, 2022	10	283	6	299
At June 30, 2021	12	103	13	128
At July 1, 2020	14	242	20	276

## C. Capital work-in-progress

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Capital work-in-progress	4 388	3 758
	<b>4 388</b>	<b>3 758</b>

## Capital work-in-progress ageing schedule

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at June 30, 2022</b>					
Projects in progress	2 036	645	1 075	351	4 107
Projects temporarily suspended	2	74	205	----	281
<b>Sub Total</b>	<b>2 038</b>	<b>719</b>	<b>1 280</b>	<b>351</b>	<b>4 388</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at June 30, 2021</b>					
Projects in progress	1 043	1 716	11	988	<b>3 758</b>
Projects temporarily suspended	----	----	----	----	----
<b>Sub Total</b>	<b>1 043</b>	<b>1 716</b>	<b>11</b>	<b>988</b>	<b>3 758</b>

### Details of capital-work-in progress whose completion is overdue as compared to its original plan

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at June 30, 2022</b>					
<b>Temporarily Suspended</b>					
Project at Goa Factory	281	----	----	----	<b>281</b>
<b>Sub Total</b>	<b>281</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>281</b>

Note: The Company does not have any overdue projects as at the end of June 30, 2021.

## 5 Loans

### Unsecured considered good

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Non-current</b>		
Loans to related parties (refer note (a), (c) and note 33)	4	5
Loan to employees (refer note (c))	2 838	2 914
	<b>2 842</b>	<b>2 919</b>
<b>Current</b>		
Loans to related parties (refer note (b), (c) and note 33)	1	1
Loan to employees (refer note (c))	572	569
	<b>573</b>	<b>570</b>

### Notes:

- Non-current loans to related parties includes loan to key managerial personnel ₹ 4 lakhs (June 30, 2021: ₹ 5 lakhs).
- Current loans to related parties includes loan to key managerial personnel ₹ 1 lakhs (June 30, 2021: ₹ 1 lakhs).
- Loans given to employees / key managerial personnel as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Companies Act, 2013.
- There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
  - repayable on demand; or
  - without specifying any terms or period of repayment



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 6 Other financial assets

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Non-current</b>		
Security deposits	924	880
	<b>924</b>	<b>880</b>
<b>Current</b>		
Security deposits	4	4
Receivable on account of sale of scrap	23	168
Due from related parties (refer note 33)	1 880	2 259
Interest accrued on deposits with banks	123	93
	<b>2 030</b>	<b>2 524</b>

## 7 Deferred tax assets (Net)

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Deferred tax assets	5 200	4 258
Deferred tax liabilities	(12)	(456)
	<b>5 188</b>	<b>3 802</b>

## Deferred tax assets / (liabilities) in relation to:

2021-2022	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Property, plant and equipment	(456)	444	----	(12)
Voluntary retirement scheme	445	16	----	461
Disallowance u/s 43 B of the Income Tax Act, 1961	2 341	509	(183)	2 667
Other temporary differences	1 472	600	----	2 072
	<b>3 802</b>	<b>1 569</b>	<b>(183)</b>	<b>5 188</b>
2020-2021	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Property, plant and equipment	(819)	363	----	(456)
Voluntary retirement scheme	463	(18)	----	445
Disallowance u/s 43 B of the Income Tax Act, 1961	1 907	479	(45)	2 341
Other temporary differences	1 407	65	----	1 472
	<b>2 958</b>	<b>889</b>	<b>(45)</b>	<b>3 802</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 8 Other assets

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Non-current</b>		
Advance to vendors	40	40
Balances with government authorities (refer note (a) below)		
Unsecured, considered good	8 137	6 633
Unsecured, doubtful	1 135	1 135
Less: Allowance for doubtful advances	(1 135)	(1 135)
	<b>8 177</b>	<b>6 673</b>
<b>Current</b>		
Prepaid expenses	----	1
Other advances (includes advances to vendors)	640	668
Advance to employees (refer note (b) below)	----	2
Balances with government authorities (includes Service Tax and Cenvat credit receivable)	3 731	2 781
	<b>4 371</b>	<b>3 452</b>

### Movement in the allowance for doubtful advances

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Balance at the beginning of the year	1 135	1 135
Amounts written off during the year (net)	----	----
Change in allowance for bad and doubtful advances during the year	----	----
<b>Balance at end of the year</b>	<b>1 135</b>	<b>1 135</b>

- (a) Includes amounts deposited with Excise, Sales Tax and other authorities pending resolution of disputes.
- (b) 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.

### 8 (a) Non current assets held for sale

In the year ended June 30, 2018, certain Property, Plant and Equipment (PPE) had been impaired as the company intended to dispose off the said assets and the carrying value of the assets amounting to ₹ 3 411 lakhs was brought down to its fair value as at June 30, 2018 and an impairment loss of ₹ 1 259 lakhs was recognised in that year. A further impairment loss amounting to ₹ 1 388 lakhs was recognized in the year ended June 30, 2020, to bring the assets down to their fair value as at June 30, 2020, based on certain quotes obtained. In the previous year ended June 30, 2021, these assets have been fully impaired on a conservative basis and an impairment loss amounting to ₹ 764 lakhs has been recognized in the Statement of Profit and Loss for the year ended June 30, 2021. These assets continue to be classified as held for sale as at June 30, 2022, since the management intends to dispose off these assets and is actively pursuing the said matter.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****9 Inventories**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials (Including packing materials)	8 107	10 325
Work-in-progress	523	320
Finished goods*	6 367	12 093
Stock-in-trade*	7 347	1 174
Consumable stores and spares	1 058	1 018
	<b>23 402</b>	<b>24 930</b>

\* Includes in transit ₹ 6 775 lakhs (June 30, 2021: ₹ 356 lakhs)

The cost of inventories recognised as an expense during the year is disclosed in note 22, 23 and 26.

**10 Trade receivables**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Unsecured, considered good	19 075	14 235
Credit Impaired	248	217
	<b>19 323</b>	<b>14 452</b>
Less: Allowance for expected credit loss	(248)	(217)
	<b>19 075</b>	<b>14 235</b>

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

**Movement in the allowance for doubtful receivables**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Balance at the beginning of the year	217	311
Amounts written off during the year (net)	(10)	18
Change in allowance for credit impairment during the year	41	(112)
<b>Balance at end of the year</b>	<b>248</b>	<b>217</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## Ageing for trade receivables as at June 30, 2022

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
considered good	17 269	1 574	72	23	122	15	<b>19 075</b>
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	50	26	99	18	55	<b>248</b>
<b>Disputed trade receivables</b>							
considered good	----	----	----	----	----	----	----
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>17 269</b>	<b>1 624</b>	<b>98</b>	<b>122</b>	<b>140</b>	<b>70</b>	<b>19 323</b>
Less: Allowance for Credit Impairment							<b>(248)</b>
<b>Total</b>							<b>19 075</b>

## Ageing for trade receivables as at June 30, 2021

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
considered good	12 363	1 673	62	121	16	----	<b>14 235</b>
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	23	59	66	11	58	<b>217</b>
<b>Disputed trade receivables</b>							
considered good	----	----	----	----	----	----	----
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>12 363</b>	<b>1 696</b>	<b>121</b>	<b>187</b>	<b>27</b>	<b>58</b>	<b>14 452</b>
Less: Allowance for Credit Impairment							<b>(217)</b>
<b>Total</b>							<b>14 235</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****11 (a) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting year as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Balances with banks:		
- In current accounts	2 588	3 617
- Deposits with original maturity of less than three months	59 910	61 150
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>62 498</b>	<b>64 767</b>
<b>Cash and cash equivalents as per Statement of Cash Flows</b>	<b>62 498</b>	<b>64 767</b>

**11 (b) Other bank balances**

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Earmarked accounts		
- Unpaid / Unclaimed dividend account	1 427	1 257
- Other earmarked accounts (deposits with sales tax authorities) #	----	----
	<b>1 427</b>	<b>1 257</b>

# denotes amount less than ₹ 50 000

**12 Equity share capital**

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Authorised share capital:</b>		
3 50 00 000 fully paid equity shares of ₹ 10 each	3 500	3 500
<b>Issued and subscribed share capital:</b>		
3 24 60 736 fully paid equity shares of ₹ 10 each	3 246	3 246
	<b>3 246</b>	<b>3 246</b>

**12.1 Fully paid equity shares**

	Number of shares	Share Capital ₹ in lakhs
<b>Balance at July 1, 2020</b>	<b>3 24 60 736</b>	<b>3 246</b>
Movements	----	----
<b>Balance at June 30, 2021</b>	<b>3 24 60 736</b>	<b>3 246</b>
Movements	----	----
<b>Balance at June 30, 2022</b>	<b>3 24 60 736</b>	<b>3 246</b>

The Company has only one class of equity shares having 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

No shares are bought back by the Company during the period of 5 years immediately preceding the Balance Sheet date.

No shares are allotted as fully paid up by way of bonus shares during the period of 5 years immediately preceding the Balance Sheet date.

No shares are reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

No shares are allotted as fully paid up pursuant to contracts without being payment received in cash during the period of 5 years immediately preceding the Balance Sheet date.

### 12.2 Details of shares held by ultimate holding company / holding company and / or their subsidiaries / associates

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Ultimate Holding Company</b>		
The Procter and Gamble Company, USA	----	----
<b>Holding Company</b>		
Procter & Gamble Overseas India BV, The Netherlands	2 231	2 231
<b>Subsidiaries of the Ultimate Holding Company</b>		
Temple Trees Impex & Investment Pvt. Ltd.	62	62

### 12.3 Details of shareholders holding more than 5% equity shares in the company

	As at June 30, 2022		As at June 30, 2021	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<i>Equity shares of ₹ 10 each fully paid</i>				
Procter & Gamble Overseas India BV, The Netherlands	2 23 10 090	68.73	2 23 10 090	68.73

### 12.4 Details of shareholdings by the promoter's of the company

	As at June 30, 2022		As at June 30, 2021		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Procter & Gamble Overseas India BV, The Netherlands	2 23 10 090	68.73	2 23 10 090	68.73	----
Temple Trees Impex & Investment Pvt. Ltd.	6 19 683	1.91	6 19 683	1.91	----
<b>Total promoters shareholding</b>	<b>2 29 29 773</b>	<b>70.64</b>	<b>2 29 29 773</b>	<b>70.64</b>	<b>----</b>
<b>Total shareholding</b>	<b>3 24 60 736</b>	<b>100.00</b>	<b>3 24 60 736</b>	<b>100.00</b>	<b>----</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****13 Other equity**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
<b>Reserves &amp; surplus</b>		
General reserve	30 959	30 959
Securities premium	7 519	7 519
Share options outstanding account	3 984	2 969
Retained earnings	28 049	26 734
	<b>70 511</b>	<b>68 181</b>

**13.1 General reserve**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Balance at the beginning of year	30 959	30 959
Transferred from surplus in Statement of Profit and Loss	----	----
<b>Balance at the end of year</b>	<b>30 959</b>	<b>30 959</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

**13.2 Securities premium**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Balance at the beginning of year	7 519	7 519
Movements	----	----
<b>Balance at the end of year</b>	<b>7 519</b>	<b>7 519</b>

The amount received in excess of face value of the equity shares is recognised in securities premium which is utilised in accordance with the provisions of the Companies Act, 2013.

**13.3 Share options outstanding account**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Balance at the beginning of year	2 969	2 274
Arising on share-based compensation	1 015	695
<b>Balance at the end of year</b>	<b>3 984</b>	<b>2 969</b>

The above reserve relates to share options granted by the Ultimate Holding Company to specific employees of its subsidiaries under its employee stock option plan. Further information about share-based payments to employees is set out in note 32.



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 13.4 Retained earnings

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	26 734	71 788
Profit attributable to the owners of the Company	57 575	65 179
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	546	134
Payment of final / interim dividend on equity shares (refer note 40)	(56 806)	(1 10 367)
<b>Balance at the end of year</b>	<b>28 049</b>	<b>26 734</b>

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

In December 2021, final dividend of ₹ 80 per share (total dividend including tax thereon ₹ 25 969 lakhs) for the year ended June 30, 2021 was paid to holders of fully paid equity shares. In December 2020, the final dividend paid was ₹ 105 per share (total dividend including tax thereon ₹ 34 084 lakhs) for the year ended June 30, 2020.

In February 2022, an interim dividend of ₹ 95 per share (total dividend including tax thereon ₹ 30 806 lakhs) was paid to holders of fully paid equity shares. In February 2021, an interim dividend of ₹ 85 per share (total dividend including tax thereon ₹ 27 592 lakhs) was paid to holders of fully paid equity shares. In May 2021, a special interim dividend of ₹ 150 per share (total dividend including tax thereon ₹ 48 691 lakhs) was paid to holders of fully paid equity shares.

## 14 Lease Liabilities

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Non-current</b>		
Lease liabilities	194	18
	<b>194</b>	<b>18</b>
<b>Current</b>		
Leased liabilities	316	329
	<b>316</b>	<b>329</b>

### Movement in lease liabilities

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Balance as at beginning of the year	347	504
Add: Addition	310	----
Add: Accretion of interest	6	18
Less: Payment of Lease Liabilities made	(153)	(175)
Less: Others (including foreclosure)	----	----
<b>Balance as at end of the year</b>	<b>510</b>	<b>347</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****15 Provisions**

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Employee benefits (refer note (i) below)	9 074	8 643
Other provisions	155	137
	<b>9 229</b>	<b>8 780</b>
Current	840	500
Non - current	8 389	8 280
	<b>9 229</b>	<b>8 780</b>

(i) The provision for employee benefits includes post retirement medical benefits (PRMB), compensated absences and gratuity. For other disclosures refer note 30.

**Other provisions**

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	137	100
Additional provision recognised	18	37
Reduction arising from payments	----	----
<b>Balance at the end of year</b>	<b>155</b>	<b>137</b>

**16 Trade payables**

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Total outstanding dues of micro enterprises and small enterprises (refer note 37)	2 178	1 255
Total outstanding dues of creditors other than micro enterprises and small enterprises	75 665	74 155
	<b>77 843</b>	<b>75 410</b>

**Ageing for trade payables as at June 30, 2022**

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	----	1 395	783	----	----	----	2 178
Undisputed dues - Others	33 877	40 330	1 337	104	16	1	75 665
Disputed dues - MSME	----	----	----	----	----	----	----
Disputed - Others	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>33 877</b>	<b>41 725</b>	<b>2 120</b>	<b>104</b>	<b>16</b>	<b>1</b>	<b>77 843</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### Ageing for trade payables as at June 30, 2021

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	----	758	497	----	----	----	1 255
Undisputed dues - Others	44 449	27 449	2 222	25	7	3	74 155
Disputed dues - MSME	----	----	----	----	----	----	----
Disputed - Others	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>44 449</b>	<b>28 207</b>	<b>2 719</b>	<b>25</b>	<b>7</b>	<b>3</b>	<b>75 410</b>

### 17 Other financial liabilities

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Current</b>		
Payables for property, plant & equipment	1 114	2 006
Deposits from customers and others	7	7
Unpaid / Unclaimed dividend #	1 427	1 257
	<b>2 548</b>	<b>3 270</b>

# There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as at June 30, 2022 (Previous year: Nil)

### 18 Current tax liabilities (Net)

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Income tax payable	515	705
	<b>515</b>	<b>705</b>

### 19 Other current liabilities

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
Superannuation	9	9
Taxes and other liabilities (including statutory remittances, excise and sales tax payable)	3 713	3 323
	<b>3 722</b>	<b>3 332</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****20 Revenue from operations**

	<b>Year ended June 30, 2022</b>	<b>Year ended June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Sale of products	3 79 245	3 57 024
Other operating revenues		
Scrap sales	737	390
Sale of Raw Material	10 110	----
	<b>3 90 092</b>	<b>3 57 414</b>

**21 Other income**

	<b>Year ended June 30, 2022</b>	<b>Year ended June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
<b>Interest income earned on:</b>		
Bank deposits	2 318	3 097
Other financial assets carried at amortised cost	111	132
	<b>2 429</b>	<b>3 229</b>
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Miscellaneous Income	3	709
	<b>3</b>	<b>709</b>
<b>Total</b>	<b>2 432</b>	<b>3 938</b>

**22 Cost of raw and packing materials consumed**

	<b>Year ended June 30, 2022</b>	<b>Year ended June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Inventories at the beginning of year	10 325	6 930
Add: Purchases	1 23 816	1 16 234
	<b>1 34 141</b>	<b>1 23 164</b>
Less: inventories at the end of year	8 107	10 325
Cost of raw and packing materials consumed	<b>1 26 034</b>	<b>1 12 839</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
Inventories at the beginning of year:		
Finished Goods	12 093	8 776
Stock-in-Trade	1 174	2 987
Work-in-Progress	320	802
	<b>13 587</b>	<b>12 565</b>
Inventories at the end of year:		
Finished Goods	6 367	12 093
Stock-in-Trade	7 347	1 174
Work-in-Progress	523	320
	<b>14 237</b>	<b>13 587</b>
<b>Net (increase)</b>	<b>(650)</b>	<b>(1 022)</b>

### 24 Employee benefits expense

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
Salaries and wages *	16 935	14 387
Contribution to provident and other funds (refer note 30)	2 178	2 033
Share-based payment to employees (refer note 32)	2 329	2 043
Staff welfare expense	983	1 355
(Recovery) / reimbursement of employee cost cross charged by related parties (refer note 38)	(991)	350
	<b>21 434</b>	<b>20 168</b>

\* Salaries and Wages includes ₹ Nil lakhs (Previous year: ₹ 86 lakhs) for expenditure on Voluntary Retirement Scheme.

### 25 Finance costs

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Interest costs:</b>		
Interest expense on trade payables (refer note 37)	245	101
Interest on income tax	343	18
Interest on lease liabilities	6	18
Net interest on the net defined benefit liability (refer note 30)	525	474
	<b>1 119</b>	<b>611</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****26 Other expenses**

	<b>Year ended June 30, 2022</b>	<b>Year ended June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Consumption of store and spares	697	731
Processing charges	24 226	30 801
Power and fuel	1 217	1 228
Freight, transport, warehousing and distribution charges	10 339	8 641
Rent (refer note 34)	434	449
Rates and taxes	401	956
Insurance	80	25
Repairs and maintenance		
Plant and machinery	796	592
Buildings	----	1
Others	20	(18)
Trade incentives	1 668	1 951
Advertising expenses	45 456	50 297
Royalty	19 585	16 198
Business process outsourcing expenses	8 790	5 979
Travelling and conveyance	728	353
Communication costs	396	357
Computer expenses	847	780
Legal and professional fees	4 959	4 395
Directors commission	113	108
Payment to auditors (refer note 26.1)	123	126
Exchange differences (net)	701	109
Inventory written off (net of insurance claims recovered)	866	1 069
Allowance for doubtful receivables	41	(112)
Loss on sale of property, plant and equipment (net)	176	185
Miscellaneous expenses	7 630	8 443
Recovery of Expenses shared by related parties (refer note 38)	(549)	(1 520)
	<b>1 29 740</b>	<b>1 32 124</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 26.1 Payments to auditors:

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>(i) To statutory auditors</b>		
For audit	94	94
For other services	16	19
Reimbursement of expenses	5	5
<b>(ii) To cost auditors for cost audit</b>	8	8
	<b>123</b>	<b>126</b>

### 26.2 Corporate Social Responsibility

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
(i) Amount required to be spent by the company during the year	1 372	1 181
(ii) Amount spent during the year on:		
(a) Construction/ acquisition of asset	----	----
(b) For purposes other than (a) above	1 151	2 881
(iii) Set off from previous year	221	----
(iv) Shortfall at the end of the year	----	----
(v) Total of previous years shortfall	----	----
(vi) Reason for shortfall	----	----

(vii) The Corporate Social Responsibility activities to be undertaken by the Company, include, but are not limited to promoting education through interventions in remedial learning, early child education, digital remedial learning, education infrastructure and supporting education of girls and women.

(viii) Amount of surplus to be carried forward in subsequent years for set off:

₹ in lakhs

Amount spent in excess of requirement under section 135(5) of Companies Act, 2013	Opening balance	Amount required to be spent during the year	Actual amount spent during the year	Surplus carried forward to be set off in subsequent years
FY 20 - 21	----	1 181	2 881	1 700
FY 21 - 22	1 700	1 372	1 151	1 479

(ix) None of the above amount spent is through any related party / affiliate.

(x) The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****27 Income tax expense****27.1 Income tax recognised in Statement of Profit and Loss**

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Current tax</b>		
In respect of the current year	21 950	22 873
In respect of prior years	1 058	(174)
	<b>23 008</b>	<b>22 699</b>
<b>Deferred tax</b>		
In respect of the current year	(1 282)	(889)
In respect of prior years	(287)	----
	<b>(1 569)</b>	<b>(889)</b>
<b>Total income tax expense recognised in the current year</b>	<b>21 439</b>	<b>21 810</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
Profit before tax	79 014	86 989
Income tax expense calculated at 25.168% (2020 - 2021: 25.168%)	19 886	21 893
Effect of expenses that are not deductible in determining taxable profits	782	91
	<b>20 668</b>	<b>21 984</b>
Adjustments recognised in the current year in relation to the current tax of prior years	771	(174)
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>21 439</b>	<b>21 810</b>

The tax rate used for 2021-22 is the corporate tax rate of 25.168%. The tax rate used for 2020-21 is the corporate tax rate of 25.168% applicable under the Indian laws.

**27.2 Income tax recognised in other comprehensive income**

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Deferred tax</b>		
Arising on expense recognised in other comprehensive income		
Remeasurement of defined benefit obligations	183	45
	<b>183</b>	<b>45</b>
<b>Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss</b>	<b>183</b>	<b>45</b>



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 28 Segment information

### 28.1 Products from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or provided. The directors of the Company have chosen to organise the Company around differences in products and services.

Specifically, the Company's operating segments under Ind AS 108 – Operating Segments are as follows:

- Health care products – Comprising of Ointment and creams, Cough Drops and Tablets.
- Hygiene products – Comprising of Feminine Hygiene products and other skin care hygiene products.

For financial statements presentation purposes, these individual operating segments have been aggregated into a single primary reportable segment i.e. manufacturing, trading and marketing of Health and Hygiene Products under Ind AS 108 taking into the account the following factors:

- these operating segments have similar economic characteristics;
- these operating segments have similar long-term gross profit margins;
- the nature of the products and production processes are similar; and
- the methods used to distribute the products to the customers are the same.

### 28.2 Segment revenues and results

	Segment revenue		Segment profit	
	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Health and hygiene	3 90 092	3 57 414	77 701	83 662
<b>Total operations</b>	<b>3 90 092</b>	<b>3 57 414</b>	<b>77 701</b>	<b>83 662</b>
Other income			2 432	3 938
Finance costs			(1 119)	(611)
<b>Profit before tax</b>			<b>79 014</b>	<b>86 989</b>

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.3(o). Segment profit represents the profit before tax earned by each operating segment, other income as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

### 28.3 Segment assets and liabilities

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Segment assets</b>		
Health and hygiene	1 68 124	1 63 271
<b>Total segment assets</b>	<b>1 68 124</b>	<b>1 63 271</b>
<b>Segment liabilities</b>		
Health and hygiene	94 367	91 844
<b>Total segment liabilities</b>	<b>94 367</b>	<b>91 844</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****28.4 Other segment information**

	Depreciation and Impairment expense		Capital Expenditure	
	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Health and hygiene	5 288	5 530	4 980	3 160
	<b>5 288</b>	<b>5 530</b>	<b>4 980</b>	<b>3 160</b>

**28.5 Revenue from major products**

The following is an analysis of the Company's revenue from continuing operations from its major products.

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
Ointments and Creams	82 555	72 100
Cough Drops	40 808	37 675
Tablets	9 574	8 571
Other hygiene products	2 57 155	2 39 068
	<b>3 90 092</b>	<b>3 57 414</b>

**28.6 Geographical information**

The Company operates in two principal geographical areas - India (country of domicile) and outside India.

The Company's revenue from external customers by location of operations and information about its segment assets by location of assets are detailed below.

	Revenue from external customers		Segment assets	
	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
India	3 82 931	3 52 941	1 68 124	1 63 271
Outside India	7 161	4 473	----	----
	<b>3 90 092</b>	<b>3 57 414</b>	<b>1 68 124</b>	<b>1 63 271</b>

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue.

**28 Earnings per share**

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Basic and diluted earnings per share</b>		
Total basic earnings per share (face value ₹ 10)	177.37	200.79
Total diluted earnings per share (face value ₹ 10)	177.37	200.79

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 29.1 Basic and Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
Earnings used in calculation of basic and diluted earnings per share from operations	57 575	65 179
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	3 24 60 736	3 24 60 736

## 30 Employee benefit plans

### 30.1 Defined contribution plans

The Company operates defined contribution provident fund, superannuation fund and employees' state insurance plan for all qualifying employees of the Company. Where employees leave the plan, the contributions payable by the Company is reduced by the amount of forfeited contributions.

The employees of the Company are members of a state-managed employer's contribution to employees' state insurance plan, provident fund operated by the government and superannuation fund which is administered through a trust that is legally separated from the Company. The assets of the plan are held separately from those of the Company in funds under the control of trustees. The Company is required to contribute a specific percentage of payroll costs to the contribution schemes to fund the benefit. The only obligation of the Company with respect to the contribution plan is to make the specified contributions.

The total expense recognised in the statement of profit and loss of ₹ 1 286 lakhs (for the year ended June 30, 2021: ₹ 1 184 lakhs) for provident fund, ₹ 110 lakhs (for the year ended June 30, 2021: ₹ 101 lakhs) for superannuation fund represent contributions payable to these plans by the Company at rates specified in the rules of the plans. As at June 30, 2022, contributions of ₹ 9 lakhs (as at June 30, 2021: ₹ 9 lakhs) due in respect of 2021 - 2022 (2020 - 2021) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting periods.

### 30.2 Defined benefit plans

#### a) *Gratuity Plan (Funded)*

The Company sponsors funded defined benefit gratuity plan for all eligible employees of the Company. The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered trust. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is administered by a separate trust that is legally separated from the Company. The board of the trust is composed of representatives from both employer and employees. The board of the trust is required by law and by its articles of association to act in the interest of the trust and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employer. The board of the trust is responsible for the investment policy with regard to the assets of the trust.

#### b) *Post Retirement Medical Benefit (PRMB) (Unfunded)*

The Company provides certain post-employment medical benefits to employees. Under the scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade at the time of retirement. Employees separated from the Company as part of early separation scheme are also covered under the scheme. The liability for post retirement medical scheme is based on an independent actuarial valuation.

#### c) *Compensated absences for Plant technicians (Unfunded)*

The Company also provides for compensated absences for plant technicians which allows for encashment of leave on termination/retirement of service or leave with pay subject to certain rules.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality rate of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase on the salary of plan participants will increase the plans liability.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at June 30, 2022. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

### A. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuations as at	
	June 30, 2022	June 30, 2021
<b>Discount rate</b>		
Gratuity plan (funded)	7.40%	6.50%
Compensated absence plan (unfunded)	7.40%	6.50%
Post retirement medical benefit (PRMB) (unfunded)	7.40%	6.50%
<b>Expected rate of salary increase</b>		
Gratuity plan (funded)	Managers - 9% Non Managers - 12%	Managers - 9% Non Managers - 12%
Compensated absence plan (unfunded)	Managers - 9% Non Managers - 12%	Managers - 9% Non Managers - 12%
Post retirement medical benefit (PRMB) (unfunded)	NA	NA
<b>Medical Inflation Rate</b>		
Post retirement medical benefit (PRMB) (unfunded)	5.50%	5.50%
<b>Average longevity at retirement age for current beneficiaries of the plan (years)</b>		
Post retirement medical benefit (PRMB) (unfunded)	12.56	13.25
<b>Demographic Assumptions</b>		
Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table		
Mortality in Retirement: Indian Individual Annuitant's Mortality Table (2012-15)		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### B. Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Service costs:		
Current service cost	782	748
Net interest expense	472	434
<b>Components of defined benefit costs recognised in statement of profit and loss (A)</b>	<b>1 254</b>	<b>1 182</b>
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(23)	(35)
Actuarial (gains) / losses arising from changes in assumptions	(726)	(264)
Actuarial (gains) / losses arising from changes in experience adjustments	107	41
<b>Components of defined benefit costs recognised in other comprehensive income (B)</b>	<b>(642)</b>	<b>(258)</b>
<b>Total (C = (A+B))</b>	<b>612</b>	<b>924</b>
<b>Compensated absence plan (Unfunded)</b>		
Service costs:		
Current service cost	23	16
Net interest expense	24	17
Immediate recognition of (gains)/losses – other long term employee benefit plans	(41)	125
<b>Components of defined benefit costs recognised in statement of profit and loss (D)</b>	<b>6</b>	<b>158</b>
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Service costs:		
Current service cost	1	4
Net interest expense	29	23
<b>Components of defined benefit costs recognised in statement of profit and loss (E)</b>	<b>30</b>	<b>27</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	(28)	25
Actuarial (gains) / losses arising from changes in experience adjustments	(59)	54
<b>Components of defined benefit costs recognised in other comprehensive income (F)</b>	<b>(87)</b>	<b>79</b>
<b>Total (G = (E+F))</b>	<b>(57)</b>	<b>106</b>
<b>Total defined benefit costs recognised in Statement of Profit and Loss</b>	<b>1 290</b>	<b>1 367</b>
<b>Total defined benefit costs recognised in Other Comprehensive Income</b>	<b>(729)</b>	<b>(179)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**

The current service cost for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The net interest expenses for the year are included in the 'Finance costs' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in Other Comprehensive Income.

**C. The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Present value of funded defined benefit obligation	8 282	8 178
Fair value of plan assets	(590)	(736)
<b>Net liability arising from defined benefit obligation</b>	<b>7 692</b>	<b>7 442</b>
<b>Compensated absence plan (Unfunded)</b>		
Present value of funded defined benefit obligation	345	418
<b>Net liability arising from defined benefit obligation</b>	<b>345</b>	<b>418</b>
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Present value of funded defined benefit obligation	389	459
<b>Net liability arising from defined benefit obligation</b>	<b>389</b>	<b>459</b>

**D. Movement in the present value of the defined benefit obligation are as follows:**

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Opening defined benefit obligation	8 178	7 498
Current service cost	782	748
Interest cost	513	477
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	(726)	(264)
Actuarial (gains) / losses arising from changes in experience adjustments	107	41
Benefits paid	(572)	(322)
<b>Closing defined benefit obligation</b>	<b>8 282</b>	<b>8 178</b>
<b>Compensated absence plan (Unfunded)</b>		
Opening defined benefit obligation	418	260
Current service cost	23	16
Interest cost	24	17
Immediate recognition of (gains)/losses – other long term employee benefit plans	(41)	125
Benefits paid	(79)	----
<b>Closing defined benefit obligation</b>	<b>345</b>	<b>418</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Opening defined benefit obligation	459	365
Current service cost	1	4
Interest cost	29	23
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	(28)	25
Actuarial (gains) / losses arising from changes in experience adjustments	(59)	54
Benefits paid	(13)	(12)
<b>Closing defined benefit obligation</b>	<b>389</b>	<b>459</b>

**E. Movement in the fair value of the plan assets are as follows:**

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Gratuity Plan</b>		
Opening fair value of plan assets	736	693
Interest Income	41	43
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	23	35
Employer contributions	362	287
Benefits paid	(572)	(322)
<b>Closing fair value of plan assets</b>	<b>590</b>	<b>736</b>

**F. The fair value of the plan assets for plan at the end of the reporting year for each category, are as follows:**

	Gratuity Plan	
	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
High quality Corporate Bonds (including Public Sector Unit)	173	168
Government Of India Securities (Central and State)	88	132
Cash (including Special Deposit Scheme)	319	416
Private Sector Unit	10	20
<b>Total</b>	<b>590</b>	<b>736</b>

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

Expected employer contributions for the period ending June 30, 2023 is ₹ Nil Lakhs (for the year ended June 30, 2022: ₹ Nil lakhs)

The actual return on plan assets was ₹ 64 lakhs (for the year ended June 30, 2021: ₹ 78 lakhs)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**

Maturity profile of defined benefit obligation:

	<b>Gratuity Plan</b>
	<b>₹ in lakhs</b>
Within 1 year	660
1 - 2 year	718
2 - 3 year	746
3 - 4 year	783
4 - 5 year	856
5 - 10 years	4 745

Significant actuarial assumptions of the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Gratuity Plan (Funded)**

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 362 lakhs (increase by ₹ 391 lakhs) (as at June 30, 2021: decrease by ₹ 358 lakhs (increase by ₹ 418 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 370 lakhs (decrease by ₹ 348 lakhs) (as at June 30, 2021: increase by ₹ 395 lakhs (decrease by ₹ 370 lakhs)).

**Compensated absence plan (Unfunded)**

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 24 lakhs (increase by ₹ 26 lakhs) (as at June 30, 2021: decrease by ₹ 31 lakhs (increase by ₹ 35 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 25 lakhs (decrease by ₹ 23 lakhs) (as at June 30, 2021: increase by ₹ 33 lakhs (decrease by ₹ 30 lakhs)).

**Post retirement medical benefit (PRMB)**

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 18 lakhs (increase by ₹ 19 lakhs) (as at June 30, 2021: decrease by ₹ 23 lakhs (increase by ₹ 25 lakhs)).

If the expected medical inflation rate increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 16 lakhs (decrease by ₹ 15 lakhs) (as at June 30, 2021: increase by ₹ 21 lakhs (decrease by ₹ 20 lakhs)).

The sensitivity analysis presented above may not be representative of the actual change of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method as the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 31 Financial instruments

### 31.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the equity balance. Equity share capital and other equity are considered for the purpose of group's capital management.

The Company is not subject to any externally imposed capital requirements.

The Company's risk management committee manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares.

### 31.2 Categories of financial instruments

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(a) Trade receivables	19 075	14 235
(b) Cash and cash equivalents	62 498	64 767
(c) Bank balances other than (b) above	1 427	1 257
(d) Loans	3 415	3 489
(e) Other financial assets	2 954	3 404
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Lease liabilities	510	347
(b) Trade payables	77 843	75 410
(c) Other financial liabilities	2 548	3 270

### 31.3 Financial risk management objectives

The Company's overall policy with respect to managing risks associated with financial instruments is to minimise potential adverse effects of financial performance of the Company. The policies for managing specific risks are summarised below.

### 31.4 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities as at		Assets as at	
	As at June 30, 2022	As at June 30, 2021	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
USD	9 697	8 611	1 250	1 446
EUR	2 153	1 870	1	1
CNY	----	35	----	----
BDT	----	5	----	----
SGD	26	12	----	----
GBP	----	----	----	---- ¥

¥ denotes amount less than ₹ 50 000

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****31.4.1 Foreign currency sensitivity analysis**

The Company is mainly exposed to the currencies stated above.

The following table details impact to profit or loss of the Company by sensitivity analysis of a 10% increase and decrease in the respective currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change on foreign currency rates.

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of the Company, profit or loss will increase / (decrease) by:

	Increase/ (decrease) at + 10%		Increase / (decrease) at - 10%	
	As at June 30, 2022	As at June 30, 2021	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
USD	(845)	(717)	845	717
EUR	(215)	(187)	215	187
CNY	----	(4)	----	4
BDT	----	(1)	----	1
SGD	(3)	(1)	3	1
GBP	----	---- ¥	----	----¥

¥ denotes amount less than ₹ 50 000

**31.5 Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company performs ongoing credit evaluation of the counterparty's financial position as a means of mitigating the risk of financial loss arising from defaults. The Company only grants credit to creditworthy counterparties.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics as disclosed in Note 10 to the financial statements.

**31.6 Interest rate risk management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have interest bearing borrowings, it is not exposed to risk of changes in market interest rates. The Company has not used any interest rate derivatives.

**31.7 Other price risk management**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is not exposed to pricing risk as the Company does not have any investments in equity instruments and bonds.

**31.8 Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company maintains adequate highly liquid assets in the form of cash to ensure necessary liquidity.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The table below analyse financial liabilities of the Company into relevant maturity groupings based on the reporting period from the reporting date to the contractual maturity date:

	Less than 1 Year	Between 1 to 5 Years	Over 5 years	Total	Carrying Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
<b>At June 30, 2022</b>					
Lease liabilities	316	194	----	510	510
Trade Payables	77 843	----	----	77 843	77 843
Other financial liabilities	2 548	----	----	2 548	2 548
<b>At June 30, 2021</b>					
Lease liabilities	329	18	----	347	347
Trade Payables	75 410	----	----	75 410	75 410
Other financial liabilities	3 270	----	----	3 270	3 270

### 31.9 Fair value measurements

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

### 32 Share-based payments

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

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

The shares of The Procter and Gamble Company, USA are listed with New York Stock Exchange and are purchased on behalf of the employees at market price on the date of purchase. During the year ended June 30, 2022: 5 930.17 (June 30, 2021: 5 523.92) shares excluding dividend were purchased by employees at weighted average fair value of ₹ 11 382.82 (June 30, 2021: ₹ 9 992.92) per share. The Company's contribution during the year on such purchase of shares amounts to ₹ 188 Lakhs (June 30, 2021: ₹ 156 Lakhs).

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

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**

The expense recognised for employee services received during the year is shown in the following table:

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Expense arising from equity-settled share-based payment transactions	2 141	1 887
<b>Total expense arising from share-based payment transactions</b>	<b>2 141</b>	<b>1 887</b>

There were no cancellations or modifications to the awards in June 30, 2022 or June 30, 2021.

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

	<b>As at June 30, 2022</b>	<b>As at June 30, 2022</b>	<b>Estimated fair value of Option Granted</b>	<b>As at June 30, 2021</b>	<b>As at June 30, 2021</b>	<b>Estimated fair value of Option Granted</b>
	<b>Number</b>	<b>WAEP (in \$)</b>	<b>In ₹</b>	<b>Number</b>	<b>WAEP (in \$)</b>	<b>In ₹</b>
Outstanding at July 1	1 30 431	134.93	----	1 63 581	119.57	----
Granted during the year						
1-Jul-21	3 698	135.24	10 201	----	----	----
15-Sep-21	5 957	145.12	1 607	----	----	----
1-Oct-21	807	139.58	11 529	----	----	----
1-Oct-21	16 625	139.58	1 637	----	----	----
1-Oct-21	6 088	139.58	10 529	----	----	----
1-Dec-21	684	146.40	11 043	----	----	----
15-Sep-20	----	----	----	4 168	138.63	1 497
1-Oct-20	----	----	----	4 275	139.24	10 252
1-Oct-20	----	----	----	20 825	139.24	1 562
1-Oct-20	----	----	----	755	139.24	11 296
Forfeited during the year	(254)	----	----	(635)	----	----
Exercised during the year	(13 174)	155.98	----	(62 538)	130.08	----
Expired during the year	----	----	----	----	----	----
<b>Outstanding at June 30</b>	<b>1 50 862</b>	143.79		<b>1 30 431</b>	134.93	
Exercisable at June 30	55 234	143.79		----	134.93	

The weighted average share price at the date of exercise of these options was \$ 155.98 (June 30, 2021: \$ 130.08).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2022 was 6.51 years (June 30, 2021: 6.55 years).

The weighted average fair value of options granted during the year was ₹ 4 592 (June 30, 2021: ₹ 3 035).

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

These fair values for share options granted during the year were calculated using binomial lattice-based model. The following tables list the inputs to the models used for the plans for the years ended June 30, 2022 and June 30, 2021, respectively:

	As at June 30, 2022	As at June 30, 2021
Dividend yield (%)	2.45%	2.38%
Expected volatility (%)	18.65%	20.17%
Risk-free interest rate (%)	1.51%	0.59%

### 33 Related party disclosures

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

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

#### (a) Related party where control exists:

Relationship	Name of the Company
Ultimate Holding Company	The Procter and Gamble Company, USA
Holding Company	Procter & Gamble Overseas India BV, The Netherlands

#### (b) Other parties with whom transactions have taken place during the year.

##### (i) Fellow Subsidiaries

S. No.	Name of the Company	S. No.	Name of the Company
1	Gillette India Limited	19	Procter & Gamble Philippines Business Services Inc
2	Procter & Gamble Home Products Private Limited	20	Procter & Gamble Technical Centers Ltd
3	Procter & Gamble Manufacturing (Thailand) Ltd.	21	Procter & Gamble Trading (Thailand)Ltd.
4	Procter & Gamble Australia Pty Ltd	22	Procter & Gamble Indochina Company Limited
5	Procter & Gamble Egypt	23	Pt Procter & Gamble Home Products Indonesia
6	The Gillette Company LLC	24	The Procter & Gamble US Business Services Company
7	Procter & Gamble Inc.	25	Procter & Gamble Manufacturing GmbH

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**

S. No.	Name of the Company	S. No.	Name of the Company
8	Procter & Gamble Hong Kong Limited	26	Procter & Gamble Bangladesh Private Limited
9	Procter & Gamble International Operations S.A. Dubai Branch	27	The Procter & Gamble Distributing LLC
10	Procter & Gamble International Operations Sa	28	Fameccanica Data S.P.A.
11	Procter & Gamble International Operations Sa Singapore Branch	29	Fameccanica Machinery (Shanghai) Co Ltd
12	Procter & Gamble International Operations Sa-Rohq	30	Hyginett Hungarian American Company
13	Procter & Gamble Japan K.K.	31	Hyginett KFT
14	Procter & Gamble Korea S&D, Co.	32	Procter And Gamble Middle East FZE
15	Procter & Gamble Philippines Inc	33	P&G Prestige Godo Kaisha
16	Procter & Gamble UK	34	Gillette Diversified Operations Pvt Ltd
17	Procter & Gamble Service Gmbh	35	Procter & Gamble Health Limited (Formerly known as Merck Limited)
18	Procter & Gamble Manufacturing SA (Pty) Ltd.		

**(ii) Key Management Personnel of the Company:**

S. No.	Name	Designation
1	Mr. Madhusudan Gopalan	Managing Director (up to June 30, 2022)
2	Mr. LV Vaidyanathan	Managing Director (w.e.f. July 1, 2022)
3	Mr. Gagan Sawhney	Non-executive Director
4	Mr. Ghanashyam Hegde	Non-executive Director (up to Aug 31, 2021) Executive Director & Company Secretary (w.e.f. Sep 1, 2021)
5	Mr. Prashant Bhatnagar	Chief Financial Officer

Note: Related parties have been identified by the management.

**(c) Details of related party transactions between the Company and its related parties are as under:**

₹ in lakhs					
S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel
1	Purchase of Goods	2022	----	26 503	----
		2021	748	543	----
2	Purchase of Equipment/ Assets/Spares	2022	----	617	----
		2021	----	546	----
3	Sale of Products	2022	----	13 906	----
		2021	----	908	----

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

₹ in lakhs

S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel
4	Sale of Capital goods	<b>2022</b>	----	----	----
		2021	----	217	----
5	Recovery of Expenses Cross charged	<b>2022</b>	<b>970</b>	<b>2 992</b>	----
		2021	2 703	3 672	----
6	Expenses cross-charged	<b>2022</b>	<b>1 214</b>	<b>1 481</b>	----
		2021	1 231	1 600	----
7	Reimbursement of expenses shared by group cos. (Income)	<b>2022</b>	----	<b>9 206</b>	----
		2021	----	8 782	----
8	Reimbursement of expenses shared by group cos. (Expense)	<b>2022</b>	----	<b>7 264</b>	----
		2021	----	7 707	----
9	Business Process Outsourcing expenses	<b>2022</b>	<b>7 735</b>	<b>1 054</b>	----
		2021	4 909	1 070	----
10	Royalty	<b>2022</b>	<b>17 800</b>	----	----
		2021	14 993	----	----
11	Computer Expenses	<b>2022</b>	----	<b>847</b>	----
		2021	----	780	----
12	Rent expenses	<b>2022</b>	----	<b>654</b>	----
		2021	----	582	----
13	Dividend Remitted/Paid	<b>2022</b>	<b>39 043</b>	<b>1 084</b>	----
		2021	75 854	2 107	----
14	Processing Charges	<b>2022</b>	----	<b>25 323</b>	----
		2021	----	31 513	----
15	Managerial Remuneration	<b>2022</b>	----	----	<b>1 371</b>
		2021	----	----	1 242
16	Outstanding as at June 30 <sup>th</sup>				
	Loans given	<b>2022</b>	----	----	<b>5</b>
		2021	----	----	6
	Trade and other receivables	<b>2022</b>	<b>38</b>	<b>4 096</b>	----
		2021	451	2 480	----
	Trade payables	<b>2022</b>	<b>5 474</b>	<b>7 395</b>	----
		2021	4 851	7 109	----

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties in the current year or prior years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****(d) Disclosure in respect of material transactions of the same type with related parties during the year:**

₹ in lakhs

S. No.	Nature of Transactions	Year ended	Year ended
		June 30, 2022	June 30, 2021
<b>1</b>	<b>Purchase of Goods</b>		
	The Procter and Gamble Company	----	748
	Procter & Gamble Home Products Private Ltd	25 100	12
	Procter & Gamble International Operations SA	1 403	531
<b>2</b>	<b>Purchase of Equipment/Assets/Spares</b>		
	Fameccanica Data S.P.A	81	107
	Procter & Gamble Manufacturing GMBH	79	174
	Fameccanica Machinery (Shanghai) Co.Ltd	450	246
	Others	7	19
<b>3</b>	<b>Sale of Products</b>		
	Procter & Gamble Bangladesh Private Limited	----	709
	Procter & Gamble Home Products Private Limited	11 053	----
	Procter & Gamble International Operations SA	1 595	78
	Procter & Gamble International Operations SA Singapore Br	----	121
	Others	1 258	----
<b>4</b>	<b>Sale of Capital goods</b>		
	Procter & Gamble Home Products Private Limited	----	217
<b>5</b>	<b>Recovery of Expenses Cross charged</b>		
	The Procter and Gamble Company	970	2 703
	Procter & Gamble Home Products Private Ltd	1 870	1 678
	Procter & Gamble Health Limited (Formerly known as Merck Limited)	337	619
	Others	785	1 375
<b>6</b>	<b>Expenses cross-charged</b>		
	The Procter and Gamble Company	1 214	1 231
	Procter & Gamble Home Products Private Ltd	1 042	1 276
	Others	439	324
<b>7</b>	<b>Reimbursement of expenses shared by group cos. (Income)</b>		
	Procter & Gamble Home Products Private Ltd	7 020	6 673
	Gillette India Limited	2 186	2 109
<b>8</b>	<b>Reimbursement of expenses shared by group cos. (Expense)</b>		
	Procter & Gamble Home Products Private Ltd	6 343	6 786
	Gillette India Limited	921	921



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

₹ in lakhs

S. No.	Nature of Transactions	Year ended	Year ended
		June 30, 2022	June 30, 2021
<b>9</b>	<b>Business Process Outsourcing expenses</b>		
	Procter & Gamble International Operations SA-ROHQ	----	1 070
	The Procter and Gamble Company	7 735	4 909
	Procter & Gamble Philippines Business Services Inc	1 054	----
<b>10</b>	<b>Royalty</b>		
	The Procter and Gamble Company	17 800	14 993
<b>11</b>	<b>Computer Expenses</b>		
	The Procter & Gamble US Business Services Company	847	780
<b>12</b>	<b>Rent expenses</b>		
	Procter & Gamble Home Products Private Ltd	483	423
	Gillette Diversified Operations Pvt Ltd	171	159
<b>13</b>	<b>Dividend Remitted/Paid</b>		
	Procter & Gamble Overseas India BV	39 043	75 854
	Others	1 084	2 107
<b>14</b>	<b>Processing Charges</b>		
	Procter & Gamble Home Products Private Ltd	9 731	18 254
	Gillette Diversified Operations Pvt Ltd	15 592	13 259

## (e) Compensation of key management personnel

The remuneration of directors and other key management personnel during the year was as follows:

	₹ in lakhs	
	Year ended June 30, 2022	Year ended June 30, 2021
Short-term benefits	465	398
Post-employment benefits	416	381
Share-based payments	490	463
	<b>1 371</b>	<b>1 242</b>

## 34 Leasing arrangements

The Company has taken on lease certain guesthouses, office premises and warehouses 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. The cost of lease for the guesthouses, office premises and warehouses are disclosed under rent expense.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022****35 Commitments**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for	1 194	282
	<b>1 194</b>	<b>282</b>

**36 Contingent liabilities**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
<b>Claims against company not acknowledged as debts</b>		
<b>Income Tax matters</b>	25 731	22 357
<b>Sales Tax matters</b>		
(i) Non submission of "C" Forms/"F" Forms	2 278	2 278
(ii) Incomplete accounts books under sales tax	163	217
(iii) Classification issues under sales tax	11	11
(iv) Product valuation issues under sales tax	17	36
(v) Other sales tax matters	396	974
<b>Excise duty, service tax and custom duty matters</b>		
(i) Applicability of service tax matters	3 689	137
<b>Other matters</b>		
Other claims - The Company is a party to various legal proceedings in the normal course of business	20	28
	<b>32 305</b>	<b>26 038</b>

**37 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006**

	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
	<b>₹ in lakhs</b>	<b>₹ in lakhs</b>
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2 178	1 255
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	601	356
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	7 034	3 621
Principal paid beyond the appointed date	7 034	3 621
Interest paid in terms of Section 16 of the Act	----	----
(d) The amount of interest due and payable for the year	245	101
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	601	356
(f) 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	25	16

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

- 38 (a)** Reimbursement / (recovery) of expenses cross charged to related parties include payments / recoveries on account of finance, personnel, secretarial, administration and planning services rendered under common services agreements with Procter & Gamble Home Products Private Limited and Gillette India Limited. (Refer note 39).
- 38 (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.
- 39 (a)** Employee Benefits Expense excludes expenses in respect of Managerial personnel of ₹ 276 Lakhs (Previous Year: ₹ 92 Lakhs) cross charged to Gillette India Limited and Procter & Gamble Home Products Private Limited in terms of the common services agreement (Refer Note 38).
- 39 (b)** Employee Benefits Expense includes expenses in respect of Managerial personnel of ₹ 91 Lakhs (Previous Year: ₹ 157 Lakhs) cross charged from Gillette India Limited and Procter & Gamble Home Products Private Limited in terms of the common services agreement (Refer Note 38).

### 40 Dividend

	Year ended June 30, 2022	Year ended June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Dividend on equity shares paid during the year</b>		
Final dividend for the FY 2020-21: ₹ 80 (PY: FY 2019-20: ₹ 105) per equity share of ₹ 10 each	25 968	34 084
Interim dividend for the FY 2021-22: ₹ 95 (PY: FY 2020-21: ₹ 235) per equity share of ₹ 10 each	30 838	76 283
<b>Total</b>	<b>56 806</b>	<b>1 10 367</b>

#### Proposed Dividend:

The Board of Directors at its meeting held on August 23, 2022 have recommended a payment of final dividend of ₹ 65 per equity share of face value of ₹ 10 each for the financial year ended June 30, 2022 resulting in a dividend payout of ₹ 21 099 lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

### 41 Accounting Ratios

No	Name of the Ratio	Numerator	Denominator	2021-22	2020-21	Change	Explanation for changes over 25% in the ratios, if any
1	Current Ratio	Current assets	Current liabilities	1.32	1.34	-1%	NA
2	Debt equity ratio	Total debt	Equity	-	-	0%	NA
3	Debt Service Coverage Ratio	Earnings available for debt service	Total debt service	-	-	0%	NA
4	Return on Equity	Net profit	Average shareholder equity	79%	70%	14%	NA



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

No	Name of the Ratio	Numerator	Denominator	2021-22	2020-21	Change	Explanation for changes over 25% in the ratios, if any
5	Inventory turnover	Total Sales	Average inventory	16.14	15.73	3%	NA
6	Trade Receivables turnover	Total Sales	Average trade receivable	23.42	23.16	1%	NA
7	Trade payables turnover	Total Purchases	Average trade payable	2.01	1.87	8%	NA
8	Net capital turnover	Total Sales	Working Capital	14.14	12.68	12%	NA
9	Net Profit	Net profit	Net Sales	15%	18%	-19%	NA
10	Return on Capital employed	Earning before interest and taxes	Capital employed	0.97	1.10	-11%	NA
11	Return on investment	Income generated from Investments	Time Weighted Average Investments	0.04	0.04	-10%	NA

- 42 (a)** No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- i) Crypto Currency or Virtual Currency
  - ii) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
  - iii) Registration of charges or satisfaction with Registrar of Companies
  - iv) Relating to borrowed funds:
    - a) Wilful defaulter
    - b) Utilisation of borrowed funds & share premium
    - c) Borrowings obtained on the basis of security of current assets
    - d) Discrepancy in utilisation of borrowings
    - e) Current maturity of long term borrowings
- 42 (b)** The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 42 (c) Relationship with Struck off companies

Name of struck off company	Nature of transactions with struck off company	As at June 30, 2022	Relationship with the Struck off company, if any, to be disclosed	As at June 30, 2021	Relationship with the Struck off company, if any, to be disclosed
SPS Techwizards Pvt Ltd	Vendor	----	None	----	None
L&C Pereira Hsg Co Pvt Ltd	Vendor	----	None	----	None

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

## 44 Approval of financial statements

The financial statements were approved for issue by the board of directors on August 23, 2022.

### Signatures to Note 1 to 44

#### For and on behalf of Board of Directors

**Chittranjan Dua**  
Chairman  
DIN: 00036080

**LV Vaidyanathan**  
Managing Director  
Din No: 09632201

**Prashant Bhatnagar**  
Chief Financial Officer

**Ghanashyam Hegde**  
Executive Director & Company Secretary  
Din No: 08054712

Place: Mumbai  
Date: August 23, 2022







## Procter & Gamble Hygiene & Health Care Limited

P&G Plaza, Cardinal Gracias road, Chakala,  
Andheri (East), Mumbai : 400099  
Tel. : (91-22) 2826 6000 Fax: (91-22) 2826 7337

