



October 31, 2022

To,
The Corporate Relations Department
The BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
Ref:- Scrip Code:- 500126

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

Dear Sir/Madam,

Sub: Annual Report for the Financial Year ended June 30, 2022 and Notice calling the 55th Annual General Meeting of the Company

We refer to our letter dated September 8, 2022, intimating the date of 55th Annual General Meeting. In this respect, please find enclosed Annual Report for the Financial Year ended June 30, 2022 and Notice calling the 55th Annual General Meeting of the Company.

In accordance with, the General Circular No. 02/2022 issued by MCA and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62, the Annual Report for the Financial Year 2021-22, including the Notice of AGM has been sent in electronic mode to Members today, October 31, 2022, whose e-mail addresses are registered with the Company. The copy of the Notice along with the Annual Report is enclosed herewith and is also available on the Company's website: <https://www.pghealthindia.com/investors/>.

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 investorgrievance.im@pg.com or shah.zs@pg.com from the date of this notice up to **November 20, 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 Health Limited

Zeal Shah
Company Secretary

Procter & Gamble Health Limited

CIN: L99999MH1967PLC013726

Registered Office: Godrej One, 8th Floor,

Pirojshanagar, Eastern Express Highway, Vikhroli East,

Mumbai 400 079 | Tel: (91-22) 6866 9000

www.pghealthindia.com

The science of
human care



Annual Report 2021-22
Procter & Gamble Health Limited

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Cautionary Statement

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with our future operations and financial performance.

Such statements involve known and unknown risks, uncertainties and other factors that may cause actual outcome to differ from those expressed or implied in these statements. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements.

About your Company

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 Health Limited (“Company”) was incorporated in 1967. P&G acquired the Company in the year 2018. Today, your Company is one of India’s largest VMS Companies manufacturing and marketing vitamins, minerals and supplements, which are products for a healthy lifestyle and improved quality of life, including Neurobion, Livogen, SevenSeas, Evion, Polybion and Nasivion. Our trusted products are household names in India protecting and supporting millions of people at every stage of life.

P&G is committed to stepping up as a force for good and has 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.

Company Secretary

Ms. Zeal Shah

Statutory Auditor

Haribhakti & Co. LLP
Chartered Accountants

Listed on Stock Exchanges

National Stock Exchange of India Limited
BSE Limited

Registered Office

Procter & Gamble Health Limited
Godrej One, 8th Floor, Pirojshanagar,
Eastern Express Highway, Vikhroli (East),
Mumbai – 400 079, India
Phone: +91 22 6866 9000
Fax: +91 22 2518 6828
[Website: www.pghealthindia.com](http://www.pghealthindia.com)
Email: investorgrievance.im@pg.com
Investor grievance contact: +91 8291902520

Secretarial Auditor

Dholakia & Associates LLP
Company Secretaries

Cost Auditor

Joshi Apte & Associates
Cost Accountants

Plant Location

Plant No. 11/1, Usgaon, Ponda,
Goa – 403 407

Registrar and Share Transfer Agent

Kfin Technologies Limited
Selenium Tower B, Plot 31-32
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad, Telangana – 500 032
Toll Free No: 1- 800-309-4001
Email: einward.ris@kfintech.com
Website: www.kfintech.com

Meet your Board



(Directors from left to right)

Mr. Amit Gupta, Mr. Milind Thatte, Ms. Elizabeth Desmond, Mr. Suresh Talwar,
Mrs. Rani Jadhav, Mr. S. Madhavan, Mr. Aalok Agrawal

Mr. Suresh Talwar - Independent Director

Mr. Talwar, is a B.com, LL.B and a solicitor. Mr. Talwar is a co-founder of Talwar, Thakore & Associates. As a practicing lawyer with the Bombay High Court since 1966, he had over 44 years of experience in the legal profession, specializing in corporate law dealing specifically with mergers and acquisitions, corporate taxation, foreign exchange laws, international issues of Indian securities and real estate laws among others. He has been a Director on the Boards of several prominent companies in India.

Mrs. Rani Jadhav - Independent Director

Mrs. Jadhav, is a retired IAS Officer. She worked for 38 years in the Indian Administrative Service before retiring in 2008 from the position of Chairperson, Mumbai Port Trust in the rank of Secretary, Government of India. She has held a number of senior positions in government both at the federal and state levels and is, therefore, well acquainted with all aspects of public administration in India. The positions held by her included Principal Secretary, Textiles; Managing Director, Maharashtra State Textiles Corporation; Joint Secretary (Fund-Bank), Ministry of Finance, GOI; Managing Director, State Petro-Chemicals Corporation and Additional Secretary & Financial Adviser, Department of Atomic Energy, GOI.

Mr. S. Madhavan - Independent Director

Mr. S. Madhavan is a Chartered Accountant and holds a Master's Degree in Business Administration from the Indian Institute of Management. He has around 37 years of experience in Accountancy, Economics, Finance, Law, Information Technology, Human Resources, Risk Management and Business Management. He is a Director on the Boards of several prominent companies in India.

Mr. Milind Thatte - Managing Director

Mr. Thatte is an M. Pharm and holds a Master's degree in Business Administration. In a career spanning over 25 years, he has worked across functions such as Sales & Marketing, Business Development, Commercial Excellence, Market Research and Formulation R&D with leading healthcare companies. He brings with him extensive experience of Marketing, Portfolio development and Rebalancing across prescription, OTC and consumer health categories.

Mr. Amit Gupta - Executive Director and Chief Financial Officer

Mr. Gupta is a Chartered Accountant and a B.com from Delhi University. He is an accomplished finance leader with 21 years' experience of steering organizations through complex business environment to create sustainable stakeholder value. He is an agile strategic leader with experience in leading and developing cross functional and multicultural teams across FMCG, Pharma, Consultancy and Consumer Health industry. Mr. Gupta possesses hands on experience across different verticals like Financial Planning and Analysis, M&A, Sales & Marketing, Taxation, Manufacturing & Supply chain, Business Development and Audit.

Mr. Aalok Agrawal - Non-Executive Director

Mr. Agrawal is a Bachelor of Science (Physics) and an MBA from Indian Institute of Management, Ahmedabad. He has been with P&G for over 20 years with leadership experience on consumer healthcare & FMCG businesses and deep mastery in diverse OTC value creation business models. He has worked in diverse cultural contexts across the globe. He is currently Sr. Vice President & General Manager, Consumer Healthcare for the Asia-Pacific, India, Middle-East & Africa region.

Dr. Elizabeth Desmond - Non-Executive Director

Dr. Desmond is a B.S.C. (Hons) in Microbiology from University College Cork, Ireland. She was awarded a PhD in Molecular Biology from Reading University UK & The Institute for Animal Health UK for research into the replication mechanisms of Avian Influenza Virus. She has worked with P&G for over 20 years and has specialised in the Personal Health Care category for the past 16 years. She currently is Senior Director - R&D, Personal Healthcare, Asia, Middle East, Africa & Greater China.



Foreword

Understanding Pain before Painkillers,
Understanding Temperaments before Treatments,
Understanding the Person before the Patient,

**Made possible by a Science far superior than any other.
The Science of Human Care.**

Inspired by the Science of Human Care, P&G Health combines breakthrough Science with Deep Patient and Consumer Understanding to deliver trusted, quality, recommended superior products that empower people to live healthier and more vibrant lives.

In this Annual Report, we proudly present Procter & Gamble Health Limited's journey over the last year to deliver Healthcare with Human Care.





Managing Director's Message

Dear Shareholders,

I am delighted to reach out to you today through this Annual Report and share with you, our journey over the last fiscal year of bringing Healthcare with Human Care to our consumers, patients, and customers.

Human Care is all about understanding the person before the patient. Deep consumer insights and understanding continued to inspire and guide our brand-building efforts, to meet the unique and evolving needs of our consumers. With the pandemic making consumers more cognizant of their health and wellness, we have seen a growing demand for trusted brands to help them and their families stay strong and safe. Through our strong portfolio of superior, quality, and highly-recommended products, we have been earnestly working towards addressing this increasing demand, registering consistent growth in revenue and earnings in a challenging year that saw the industry facing many headwinds.

Towards our vision of strengthening our leadership in our operating categories, the year saw extensive efforts across all fronts to improve awareness and accessibility of

our key categories and brands through in-clinic education efforts, always-on consumer awareness campaigns and novel pharmacy education initiatives. Through scientifically backed communications disseminated through media, consumer websites, digital platforms and in HCP education programs, we worked towards helping people 'Break Free from Iron Deficiency' with Livogen, 'Be Always On' with Polybion, 'Feel Life' with Neurobion, 'Nourish your Cells' with Evion, and get 'Fast Relief' from nasal congestion with Nasivion. This year, your Company, in association with FOGSI (The Federation of Obstetric and Gynaecological Societies of India), achieved a new GUINNESS WORLD RECORD™ title, for its efforts in creating awareness on Iron Deficiency Anemia.

In collaboration with healthcare providers, pharmacists and health associations, we further stepped up our efforts on driving research and consensus, increased awareness and education, and improved treatment outcomes through bespoke scientific exchange platforms from Nerve Care Forums on Peripheral

Neuropathy to Blood Health Forums on Iron Deficiency, among many others. We endeavor to keep HCPs updated with quality scientific and technical data, to help them in making recommendations suitable for patients and consumers while empowering consumers to identify symptoms and seek timely treatment.

At the same time, we continued to focus on delivering shareholder value through dedicated productivity initiatives offsetting unprecedented inflations in commodities. Your Company drove constructive disruptions in existing go-to-market model alongside expanding distribution, pharmacy outreach and impactful presence on e-commerce platforms.

As a responsible corporate citizen, we continued to invest in our commitment to public health with SEHAT, our corporate social responsibility initiative. Growing from strength to strength, SEHAT today has 9 unique programs, each making a meaningful difference to public health at the grassroots across maternal and child health, healthcare capability building, maternal and child nutrition, preventive healthcare for communities and environmental sustainability. Through our i-RISE program, we have been able to walk the talk on our commitment to improving gender diversity across the organization, while creating a more inclusive workplace that encourages employees to bring their unique selves to work every day. In addition to ensuring uninterrupted supplies of our quality and affordable products, our Goa manufacturing site is

also working relentlessly towards the P&G Group's 2040 sustainability ambition of lowering our carbon footprint through measures such as the use of renewable electricity, zero manufacturing waste to landfill, and increased water efficiency, among others.

We enter a new year in a post-pandemic world with confidence and optimism, encouraged by the resilience of our business, the strong equity of our brands, the unwavering trust of our consumers, customers and partners, and the continued support of you, our dear shareholders.

Last but not the least, I would also like to take this opportunity to place on record our deep appreciation for our teams across head office, sales, product supply and manufacturing for their untiring efforts, passion, and perseverance in delivering healthcare with human care; combining breakthrough science with deep consumer and patient understanding and helping empower people to live healthier and more vibrant lives.



Yours Sincerely,
Milind Thatte



Our Purpose

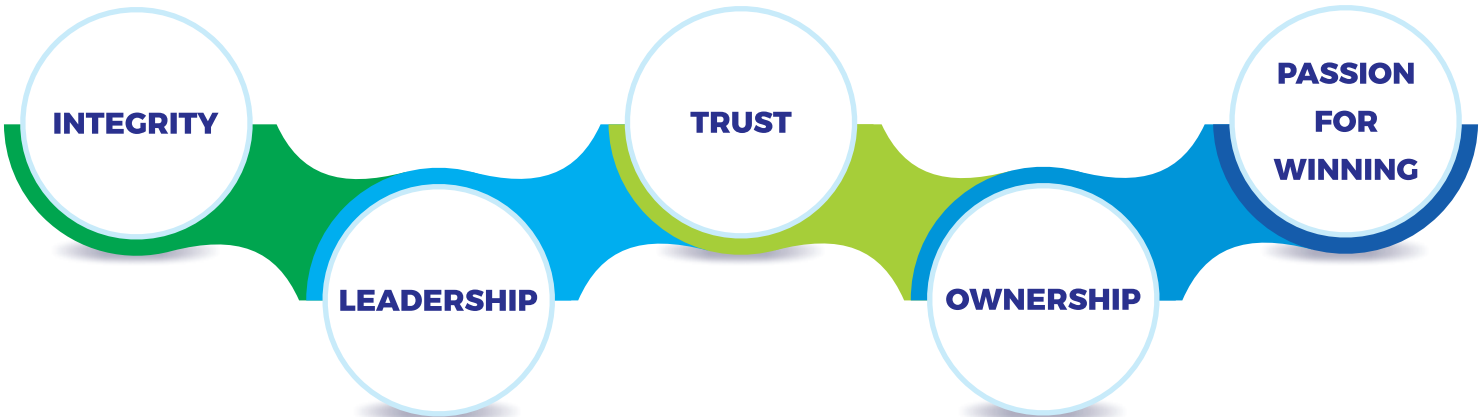
Values & Principles

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.



V A L U E S

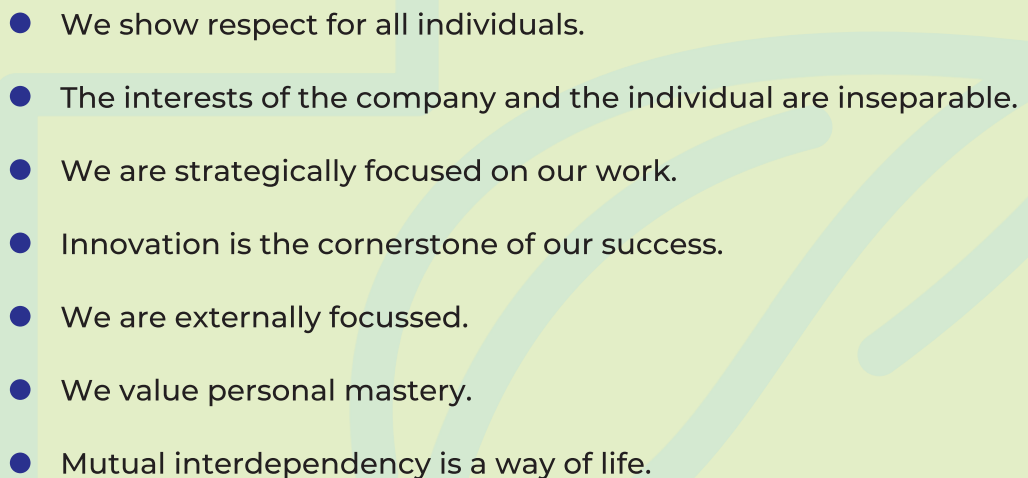




**P&G Brands
and
P&G people are
the foundation
for P&G's
success.**



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

- 
- 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 focussed.
 - We value personal mastery.
 - Mutual interdependency is a way of life.



Understanding

the person before the patient

Made possible by a science
far superior than any other.



A large population of the country suffers from conditions such as Peripheral Neuropathy, Iron Deficiency Anaemia, Vitamin and Nutritional Deficiencies, Cough and Cold which impact their quality of life.

Through our trusted and quality medicines nutraceutical products, and 'always-on' awareness initiatives, we continued to work towards empowering people to identify symptoms, seek timely treatment and lead healthier and more vibrant lives.

NEUROBION[®] Forte DOCTOR RECOMMENDED

Helps Relieve Tingling and Numbness*

Supports Healthy Nerves™

Each film coated tablet of Neurobion Forte contains B1 20mg, B2 10mg, B6 5mg, B12 15mcg, B3 50mg, B5 10mg

*Neurobion Forte is India's No. 1 Dr recommended brand in each sales in the vitamins/nutraceuticals category as per IQVIA NMR Mar'20 data. # Also see its 50+ reviews on Doximity. **IQVIA National 2020, 02/28/21, 17/21

For more information or queries, visit www.quickshilabs.com Call: (+91) 22 24842113. Write to us at: info@quickshilabs.com

See label details as directed by the physician. For adults only. Conditions might not improve if they are due to reasons other than lack of Vitamins. Be present on regular basis. For more information visit www.quickshilabs.com or call 24x7 helpline. The information is not intended for use as a substitute for professional medical advice. Always consult your physician. *Standardized GMP. Changes will be applicable as per IUPAC. All rights reserved.

Evion[®]
NOURISH YOUR CELLS

Nourish your cells for a renewed you.

Cell Nourishment Process
Repair > Restore > Revive

For muscle, skin and hair health.

For more information on Evion, please visit www.quickshilabs.com or call 24x7 helpline. The information is not intended for use as a substitute for professional medical advice. Always consult your physician. *Standardized GMP. Changes will be applicable as per IUPAC. All rights reserved.

Livogen[®] TONIC

BREAK FREE FROM TIREDNESS & WEAKNESS

RECOMMENDED BY DOCTORS

IRON SUPPLEMENT FOR OPTIMUM BLOOD HEALTH

QUICK relief from cough, cold and allergy

NEW COSOME[™]
Makes life AWESOME

#QuickIsAwesome | #QuickIsCosome

Nasivion[®]

Blocked nose giving you nightmares?

Works fast in **25secs.** Lasts long up to **12hrs.**

Polybion[®] ACTIVE

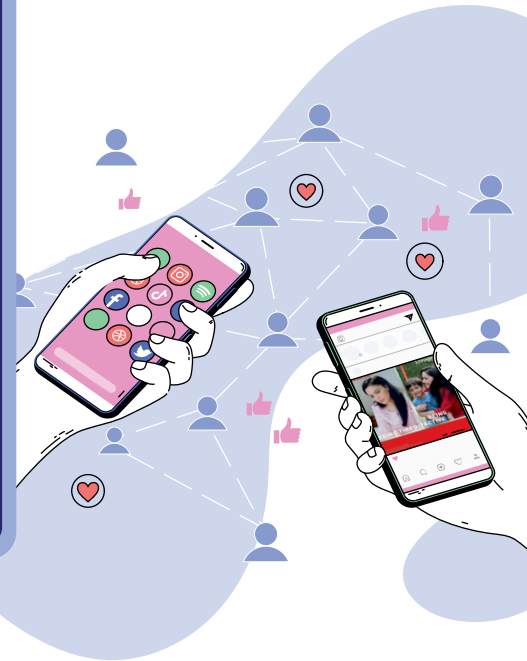
Provides Energy! Supports Immunity!

BE ALWAYS ON

We do this with the help of clear and scientifically backed communications disseminated through media, consumer websites, digital platforms and through educational programmes for HCPs (Health Care Practitioners).

The collage features five distinct advertisements:

- NEUROBION Forte:** "FEEL CONNECTIONS, NOT NUMBNESS. FEEL LIFE." with text: "TINGLING AND NUMBNESS ARE SYMPTOMS OF NERVE DAMAGE. CONSULT YOUR DOCTOR."
- RECORD HOLDER:** "Most videos of people saying the same sentence uploaded to Facebook in one hour." "A PAN India initiative to raise awareness and help India break free from anaemia." "2283 pledges taken in one hour on 26th November 2021"
- Polybion:** "WITH POLYBION, FEEL ENERGETIC AND STAY ACTIVE LIFE LONG." featuring a family riding a bicycle.
- BreakFree:** "Go from BEING TIRED TO BEING ACTIVE" featuring a woman and a child.
- Nasivion S:** "Nasik swacch rakhne ke liye roz do baar istemaal karein. 'Wash your nose, har roz Nasivion S Nasal Solution ke saath!'" "46 days of usage!"



HT SHE STUDIO | **Livogen Iron Woman**
An initiative by P&G Health

Milind Thatte
MD, P&G Health

Pooja Makhija
Nutritionist

Anaemia in Women: Educating women on iron deficiency and ways to overcome it.

Date: 15th March, 2022 | Time: 04:00 PM
WATCH THE SESSION ON HT SOCIAL MEDIA PLATFORMS

ASK YOUR DOCTOR

Join us in this initiative to understand how to manage diabetes complications.

Mr. Milind Thatte
Managing Director, Procter & Gamble Health Limited

Dr. Sanjay Kalia
Immediate Past President, Honorary, Institute of India and Consultant & Head, West Research Institute of Diabetes and Endocrinology, (WRIE)

Sakshi Mandwal
HCC/Endocrinologist

BLOCK YOUR CALENDAR
13th December | 4 - 5 PM

For the use only of a Registered Medical Practitioner or a Hospital or a Laboratory

This year, we also stepped up our efforts to increase distribution and reach of our products through new go-to-market models, extensive pharmacy outreach and presence on e-commerce platforms.



Going beyond

**treating an illness to creating
a world of care & wellness**

Made possible by a science
far superior than any other.





Through in-clinic education efforts and bespoke scientific exchange platforms, our teams worked towards keeping HCPs and pharmacists updated with quality scientific and technical data, to help them in making recommendations suitable for patients and consumers.



Cell Health Forum
An initiative of
P&G Health Academy

Invites you to
A National Symposium for World Health Day on
FIGHTING FREE RADICALS
Date: 7th April, 2022 | 6:00 pm IST

Dr. Vijay Negalur
MBBS, MD, FICP, FACP, PGDDM (UK)
Director
Dr. Negalur's Diabetes & Thyroid Specialties Center, Mumbai

Dr. Benny Negalur
MD, FACE, FACP, FICP PGDDM (UK)
Director
Dr. Negalur's Diabetes & Thyroid Specialties Center, Mumbai

Dr. Vishalakshi Viswanath
MD, DNB, DDV, FAIMER Fellow
Prof. & HOD
Department of Dermatology
Rajiv Gandhi Medical College & CSMH Thane, Mumbai

Dr. Benny Negalur
MD, FACE, FACP, FICP PGDDM (UK)
Director
Dr. Negalur's Diabetes & Thyroid Specialties Center, Mumbai

MediSage
By Procter & Gamble Health

NerveCareForum

NerveCareForum
Brings You
NERVE TALK SHOW

28th August 2021 | 8:00PM to 9:00 PM

An Exciting Opportunity To Join Our Nerve Curus

Dr. Satish Khadiolkar
Dean and HOD, Department of Neurology Mumbai Hospital & Medical Research Center, India

Dr. Sanjay Kalra
Immediate Past President, Endocrine Society of India
Bharti Hospital & B.R.I.D.E., Haryana

And Learn Some Easy Tricks And Quick Hacks Of Diagnosing Peripheral Neuropathy Early On

Register Here
<https://medisage.online/NTS01>

MediSage
By Procter & Gamble Health

Blood Health Forum

Dr. S. Shantha Kumari
Professor
IISER

Dr. Madhuri Patel
Associate Professor
IISER

Dr. Anisha Gupta
Professor
Jawahar Chag. & Sen. Society

Dr. Swarn Gupta
Secretary
Jawahar Chag. & Sen. Society

Program Coordinator
Dr. Arun Arora

Speaker

Iron Deficiency in Peri-menopausal Women: Clinical Considerations from an Expert Consensus

Dr. Manjusha Bajaj
MBBS, MD Gynae, Govt. Medical College, Jamnii
Consultant Gynaecologist, Govt. Hospital Gandhinagar, Jamnii

18th JUNE 2022 | 07:30 PM - 08:30 PM
<https://medisage.online/PnGBHF12>

MediSage
By Procter & Gamble Health



OPEN-UP

Evaluating new pathways for managing nasal blockage

OPEN-UP FORUM

Brings you a lecture on
Approach to Common Cold in Children in COVID 19 pandemic
By



Dr. Pramod Jog
MD - Pediatrics, MBBS,
Prof. of Pediatrics, D.Y.Patil Medical College,
Pune, India

Watch this video to gain insights on

- Common cold and risks of COVID-19 in Children
- Symptoms and test to differentiate COVID-19 from common cold
- Preventions/precautions and usage of nasal decongestants and saline.

To watch the video play here



<https://vimeo.com/manage/videos/55489009>

Find out more at the exciting open up forum page on 



CONTINUOUS PHARMACIST EDUCATION



In collaboration with healthcare providers, pharmacists and health associations, we further stepped up our efforts on driving research and scientific consensus, increased awareness and education, and improved treatment outcomes, in each of the categories we operate in.

Indian Journal of Obstetrics and Gynecology Research 2021;9(2) 1-9

Content available at: <https://www.gynecologist.com/open-access-journal>

Indian Journal of Obstetrics and Gynecology Research

Journal homepage: www.ijog.in

Original Research Article

Iron deficiency in peri-menopausal women: Clinical considerations from an expert consensus

Alpesh Gandhi¹, Suchitra Pandit², Jaideep Malhotra³, Madhuri Joshi⁴, Janaki Desai⁵, Parag Bhatwala⁶, Vaishali Deshmukh⁷, Shiva Singh Shekhawat⁸, Mamata Sarmah⁹, Vinod Malve¹⁰, Sachin Pawar¹¹

¹Arbore's Women Hospital, Ahmednagar, Gujarat, India
²Surya Group of Hospital's, Mumbai, Maharashtra, India
³ARF Rainbow FIF, Anjar, Rajasthan, India
⁴Group of Multi Specialty Hospitals, Mumbai, Maharashtra, India
⁵Kenia Women's Clinic, Ahmednagar, Gujarat, India
⁶Wainwade Clinic, Pune, Maharashtra, India
⁷Domonelli Mangaloch Hospital and Research Center, Pune, Maharashtra, India
⁸Apollis Women's Hospital, Sion, India
⁹Group of Multi Specialty Hospitals, Guwahati, Assam, India
¹⁰Procter & Gamble Health Limited, Mumbai, Maharashtra, India

You are invited

Benign Hematology: The Neglected Front

1st Annual Convention and 2nd Scientific Forum

With P&G Guest Speaker
Professor Michael Zimmerman, M.D.

Topic: Iron Deficiency Anemia: The Hidden Menace

23 September 2021 at 2:45 to 3:15PM (India Time)

Open to all Physicians, Pediatricians and General Practitioners



Clinical Perspectives on Micronutrients in Health and Disease

Tips and tricks from diverse specialty Curator

10th December 2021 08:00 pm to 09:30 pm IST

Dr. Roy Patankar
Moderator

- Chairman, ICI Lipmanowicz Surgeon and Director, Chhatrapati Shivaji Maharaj Institute of Postgraduate Medical Education, Mumbai, India
- Formerly, Professor of Gastroenterology and Hepatology, India
- Member of International Society of Hepato-Biliary-Pancreatology (ISHBP)
- Executive Council member of Association of Surgeons of India

Dr. Yashwant K. Amdekar
Panelist

- MD, MD (Pediatrics), FAP (Fellow of Indian Academy of Pediatrics), FRCR (Fellow of Royal College of Paediatrics and Child Health), FRCR (Fellow of Royal College of Radiology), FRCR (Fellow of Royal College of Radiology), FRCR (Fellow of Royal College of Radiology), FRCR (Fellow of Royal College of Radiology)
- Senior Consultant at BMC Children's Hospital, Mumbai, India

Dr. Suresh Gupta
Panelist

- Professor, Pediatrics and Director, Add-on Pediatrics, Chhatrapati Shivaji Maharaj Institute of Postgraduate Medical Education, Mumbai, India
- Member of Indian Academy of Pediatrics (IAP)
- Life member of IAP since 1998

Dr. C. P. Kothari
Panelist

- MD, FCPS, FRCR, FRCR (Fellow of Royal College of Radiology), FRCR (Fellow of Royal College of Radiology), FRCR (Fellow of Royal College of Radiology)
- Senior Surgeon, Lipmanowicz and ICI Surgeon, Chhatrapati Shivaji Maharaj Institute of Postgraduate Medical Education, Mumbai, India

Dr. Chinmay Corbole
Panelist

- MD (General Medicine), MD (General Medicine), MD (General Medicine), MD (General Medicine), MD (General Medicine)
- Chief Consultant and Consultant, Chhatrapati Shivaji Maharaj Institute of Postgraduate Medical Education, Mumbai, India
- Member of the Editorial Board of Clinics, a magazine published at the Chhatrapati Shivaji Maharaj Institute of Postgraduate Medical Education, Mumbai, India

Click here to join
<https://medisage.online/PRIGAF03>







Understanding

that care begins at home

Made possible by a science
far superior than any other.



The year saw continued and rigorous focus on protecting the health and safety of our people, while serving the Indian consumers. Return to work was initiated with a hybrid model, with enhanced wellness policies and benefits.

connect & heal
 Ambulance | Health Screenings | Tele Medicine
 Captive Clinics | Coordinated Care

WELLNESS PASSPORT

CONNECT & HEAL (CNH)

- Employee to connect with COVID Helpdesk
- COVID Helpdesk to reach out CNH for application
- CNH to reach out to employee for support required

Virtual GP Consults	Virtual Specialist Consults	Medicines	Lab Tests
Network Clinics and Hospitals	Hospital Assistance	Emergency Ambulance	On-site and Virtual clinics

Have you booked your HEALTH SCREENING?
 Having Issues while booking the slot?
 Reach out to us at:
 Email: pg.support@connectandheal.com
 Call: 91118 91118

Health & Safety of our employees is our topmost priority.

Through our 3C culture of **Collaboration**, **Coaching** & **Celebration**, while enabling individual flexibility, our endeavour is to enable our employees to bring their best selves to work every day.

Collaboration

October is the Gratitude Month at PGHL

Show your **gratitude** towards **your colleague** and help procure a **survival kit** for a disadvantaged **elderly** through

iHelpAge India

Post your **gratitude card** and tag your respective colleague on **Life At PGHL India** page on

Yammer

Post Internal Circulation Only

Coaching

What it takes to be a **trainer?**
The **multiple Training interventions** and much more in **Guftagoo** with

RJ Aniruddha
SVP, HR

Exclusively on **HIRM** shot

On **Saturday, 12th February** at **6:00 pm**

Vincent Salve
National Training Manager

Only on **Yammer**

PG HEALTHCARE

LEADERSHIP ACADEMY

- 01 ORGANISATION LEADER**
Develop strategic vision, build high performing teams, and drive business results.
- 02 ESTABLISH BUSINESS**
Positioning, Marketing, Finance, HR, and Operations.
- 03 HIGH PERFORMING INDIVIDUAL**
Managing self & the professional development.
- 04 DEVELOP INCLUSIVE & GROWING BUSINESS CULTURE**
GROW TO THRIVE | FIX MINDSET

The Bodhi Tree

Leadership Series	Technical Skills	Curated Online Modules
Build Essential Capabilities	Improve Productivity	ignite <small>Ignite Your Future. Create Ours.</small>
Enhance Your Soft Skills	Develop Fundamentals	LinkedIn Learning

Celebration



Ye Diwali eco-friendly wali

The PGHL DIWALI FIESTA is back!
Oct 30th to Nov 5th 2021

Make eco-friendly **Diya** or **Kandil** or **rangoli** &

share it on 'Life At PGHL India' Yammer page
Win exciting prizes

It's Christmas Season

Be the **Secret Santa** to your colleague.

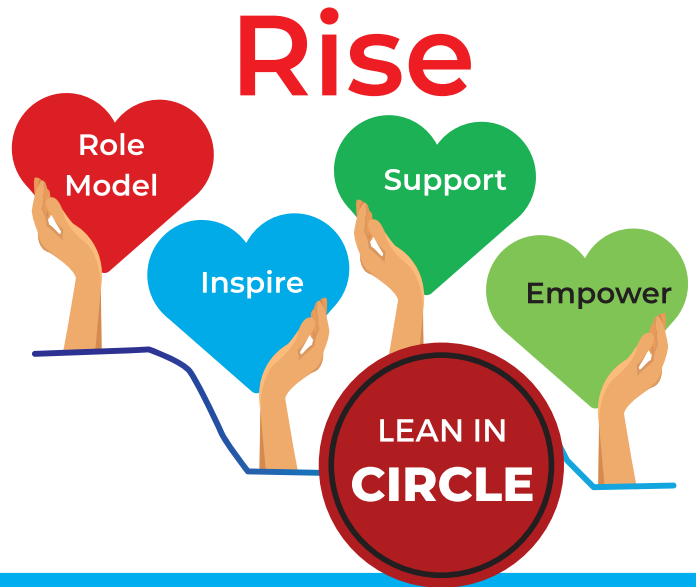
Keep a secret gift for your colleague under the Christmas tree at our office reception & we will deliver it to them.

STRONGER TOGETHER WINNING TOGETHER

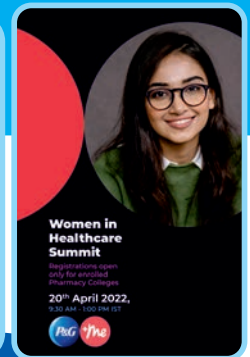


This year, we further stepped up our efforts to improve Gender Diversity in Sales. The launch of i-RISE, a proactive action plan, focuses on recruiting more women in healthcare in partnership with colleges, and institutionalising growth by identifying and training women to take up leadership positions.

By Stepping Up to inclusion, we help create an environment of security for women in sales, and enable accountability within the workplace, thereby continuously employing interventions to encourage more women across roles and hierarchies.



We hosted our first "Women in Healthcare" Summit, bringing together nearly 1000 students from across 14 pharmacy colleges with eminent women leaders and the P&G Health Leadership Team to learn, share and discuss on a wide range of topics ranging from Breaking the Bias to experiences at the workplace.



The engagement with the participating pharmacy colleges began with a competition inviting participants to share innovative and implementable solutions for real-world challenges that either prevent women from joining the workforce or limit their career growth in healthcare.

At the summit, P&G Health also announced a scholarship program for deserving women pursuing pharmaceutical courses, in partnership with the Centre for Civil Society.

Furthermore, through P&G Health's GABLE program, we also seek to attract, retain and enable better productivity amongst LGBTQ+ employees through a culture of inclusion and on-ground support and networks.

Understanding and addressing

**healthcare needs at grassroots to
create thriving communities**

**Made possible by a science
far superior than any other.**





We are driven by our commitment to make a sustainable difference to Public Health in India through our flagship Corporate Social Responsibility program 'SEHAT' (meaning Health), that aims at contributing to building a healthier India.

With 9 bespoke programs in collaboration with reputed partners, SEHAT continued to address the diverse public health needs of our communities across Capability Building, Community Health, Healthcare Support to Disadvantaged Populations and Environmental Sustainability.

'Public Health Scholarship' Program with 'Public Health Foundation of India' (PHFI), a recognized leader in Public Health program implementation



With the twin-fold objective of helping build a Public Health Cadre to address India's complex set of existing and emerging public health challenges and support interested candidates to choose public health as a career opportunity to improve health conditions and thus, quality of life (QoL) of Indians - the Company instituted the 'P&G Public Health Scholarship' for deserving students from socially and economically deprived communities seeking to pursue 'Masters in Public Health' across PHFI's IIPH (Indian Institute of Public Health) Institutes. The scholarship program aims to also encourage scholars to take up role in non-governmental organizations and disadvantaged areas of the country to implement public health programs.

In 2021-22 session, 74 new P&G Health Scholars initiated their career in public health across the five Indian Institutes of Public Health (IIPHs) at Gandhinagar, Delhi NCR, Hyderabad, Shillong, and Bhubaneswar with the help of the 'P&G Public Health Scholarship', aspiring to become tomorrow's change makers. Since its inception in 2019, the scholarship program has benefited 167 bright and earnest young scholars.

'P&G Health Swasthya Sakhi' Program with Public Health Foundation of India

Access to affordable screening, diagnostics & epidemiological data continues to be a major hurdle in India. P&G Health's Maternal & Child Health Community Project 'Swasthya Sakhi' (Health Companions) - contributing to employment, entrepreneurship and access to affordable screening, diagnostics & digital health - continued to take point-of-care diagnostics to remote and underserved locations in Uttar Pradesh, Goa and Madhya Pradesh.



Under this project, Swasthya Sakhis, selected by PHFI from the District Communities and empowered with PHFI's Technological Innovation 'Swasthya Sahayak' (SS) - a portable/backpack sized point-of-care information gathering and diagnostic tool - have been deployed to seek and digitize health information of families including conducting diagnostics of pregnant women and to refer high-risk cases to Public Health Centres.

PHFI's Swasthya Sahayak represents a paradigm shift in the approach to providing care for our most vulnerable of populations. It is an affordable system that integrates patient registration, on-the-spot digitization, multiple point-of-care diagnostics and decision support system in a single device.

128 Swasthya Sakhis have reached out to 1500000 beneficiaries till date across Uttar Pradesh, Goa and Madhya Pradesh. Nearly 10000 pregnant women have been identified, including 5000 high-risk pregnancies.

Daan Utsav 'Post & Give Challenge' in partnership with 'HelpAge India'

In its third consecutive year, P&G Health employees across India joined the country in celebrating 'Daan Utsav' (India's biggest festival of giving celebrated every year from 2nd to 8th Oct. marking the birth anniversary of Mahatma Gandhi) to engage in different acts of 'giving'.



In 2021-22, employees were asked to express their gratitude towards a colleague and for each gratitude card shared, the Company made a donation to HelpAge India's community outreach health initiative to provide essential Primary Health Services to Disadvantaged Elderly. With their collective expressions of gratitude, Company employees helped support 2 Mobile Healthcare Units (MHU) in Guwahati and Khandwa districts to provide healthcare services for elderly at their doorstep.



Upgradation of village school infrastructure at Goa with Round Table India

Continuing our initiative to upgrade school infrastructure in villages around our manufacturing site, P&G Health supported the upgradation of additional 3 smart classrooms and a fully-equipped computer laboratory at Sarvodaya High School in Usgao Village in Goa, enabling access for ~900 students to an educational environment which is in sync with today's digital world.



**'Gift of Health'
Program (Children)**
with 'Catalysts for Social
Action' (CSA),
an NGO that works
with Children in Need of
Care & Protection (CNCP)



An estimated 370000 children stay in childcare institutions (CCIs) in India, with only a small number getting adopted. Improving children's health and hygiene conditions at these CCIs is important towards ensuring a good base for development of children. With the objective of supporting health needs of children under institutional care, the Company continued its 'Gift of Health' program with 'Catalysts for Social Action' as its 'Healthcare Partner' to provide health and hygiene support to ~2400 children in the age group of 6-18 years residing at 56 CCIs across Maharashtra, Madhya Pradesh, Odisha and Goa.

2021-22 activities included regular health check-up camps, distribution of hygiene kits and sanitary napkins, and awareness sessions on good hygiene and dental care practices. Preventive healthcare & personal hygiene training on dental, skin and general health and hygiene were conducted for all children.



'Gift of Health' Program (Elderly) with HelpAge India

Today, there are an estimated 100 million elders in India. Of them, 90 million still need to work to survive, 55 million sleep hungry and affording quality medical care is a far dream for most. During the pandemic, the elderly were among the most vulnerable groups due to their increased susceptibility to coronavirus, with lockdowns posing additional challenges of livelihood.



P&G Health continued to support
HelpAge India's Emergency Response Initiative to distribute

'Survival Kits'

- made in consultation with elderly communities - consisting of daily essentials (groceries), masks, soaps and hygiene material to help them tide over the immediate situation.

During the year, 1670 survival kits were distributed to disadvantaged elderly across the states of Goa, Maharashtra, Bihar, Jharkhand, Kerala, Puducherry and Cuddalore districts.

'PHC Cares - Sustainable pharmacy waste segregation and management' with Lakshya and Recycle India Foundation



On the occasion of World Environment Day, P&G Health announced its commitment to sustainable waste management through a first-of-its-kind partnership with Lakshya and Recycle India Foundation for sustainable pharmacy waste segregation and management project. Initiated with 20 pharmacies in Delhi, the program promoted sustainable healthcare practices through an on-ground awareness campaign for pharmacy owners and their staff on the need and appropriate methods of segregation, disposal and recycling of waste material in a responsible manner. This project will now be scaled to more cities.

'Women in Healthcare Scholarship' in partnership with Center for Civil Society

P&G Health is committed towards encouraging more and more women to pursue a career in healthcare through efforts in the areas of recruitment, career planning and development, inclusion and safety. In 2021, P&G Health in partnership with the Center for Civil Society initiated a new scholarship and mentoring program for deserving girl students pursuing courses in pharmacy, in collaboration with pharmacy colleges.



'Maternal and Newborn Health' for the urban poor with Apnalaya



Access to affordable diagnostics continues to be a major hurdle for the underprivileged pregnant women in urban communities of India; with public health care centers being unable to cater to the burgeoning numbers. In collaboration with Apnalaya, P&G Health's Maternal and Newborn Health program aims to strengthen antenatal care services through the use of technology for early identification of pregnancies and high-risk cases to ensure they receive timely care and support.



Active across 8 Govt. Health Posts in Mumbai's M West ward, 24 Arogya Sakhis are working in collaboration with Government health workers to support 400000 beneficiaries through screening for high-risk pregnancies, education on maternal health and nutrition, and encouraging timely utilization of antenatal care and post-natal care services provided at government healthcare centres.



'Yes to Poshan' Program in partnership with 'Tata Education and Development Trusts', a public charitable trust which plays a pioneering role in bringing about an enduring difference in the lives of communities it serves



P&G Health's 'Yes to POSHAN' program in Andhra Pradesh in collaboration with Tata Trusts continued to promote diet diversity and address challenges of limited or age-inappropriate diet amongst Pregnant and Lactating Women (PLW), and children <2 years. Interventions include a five-fold behaviour change campaign, surveys, growth monitoring, and capacity building of Anganwadi workers and 'Poshan Sakhis' to promote diet diversity with ~1200 Pregnant & Lactating Women and ~500 children over a period of 3 years. Additionally, participatory learning and action initiatives are also being rolled out to ~3000 women in the reproductive age group.

In recognition of our impact on Public Health in the year 2021-22, P&G Health's SEHAT bagged the Gold Award under 'Best Public Health Initiative' category at the India Health & Wellness (IHW) Awards 2021, supported by NITI Aayog, and 'Public Health Program of the year' of the year at the Indian CSR Awards 2021.



REPORT OF THE BOARD OF DIRECTORS

Your Directors' have the pleasure of presenting the 55th Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

Particulars	(₹ in lakhs)	
	2021-22	2020-21
Revenue from Operations	111 441	100 873
Other Income	1 319	1 810
Profit before Interest, Depreciation and Tax	28 160	26 412
Depreciation/ Impairment	2 781	3 004
Profit before tax	25 337	23 328
Provision for Taxation (net)	6 085	5 648
Profit after tax	19 252	17 680
Appropriations:		
Opening Reserve	32 770	53 226
Re-measurement gain/loss on defined benefit plan (net of tax)	70	42
Dividend (including tax on dividend)	(28 385)	(38 178)
Balance carried to the Balance Sheet	23 707	32 770
Earnings per share		
- Basic (₹)	116	107
- Diluted (₹)	116	107

FINANCIAL YEAR

Your Company's Financial Year is July 1st to June 30th.

DIVIDEND

During the Financial Year, the Board of Directors declared an interim dividend of ₹ 41 per Equity Share. The payment of interim dividend to the Shareholders was completed on May 27, 2022.

Your Board of Directors are pleased to recommend a final dividend of ₹ 11.50 per Equity Share, for the Financial Year ended June 30, 2022. This final dividend is subject to approval of the Members at the ensuing 55th Annual General Meeting of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMY AND MARKETS

The operating environment this year continued to be volatile, with unprecedented challenges, such as high inflation in key commodities and supply chain disruptions, among others. Despite these headwinds, the Indian economy grew by 8.7%* in the Financial year 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.

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

OPPORTUNITIES, RISK AND OUTLOOK

The International Monetary Fund (IMF) projects Indian economy to grow by 6.8%^ in 2022. With this, India will remain to be one of the fastest growing major economies in the world in 2022-23.

However, IMF projects global inflation in 2022 at 8.8%^ . 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 consumer healthcare 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, October 2022

FINANCIAL PERFORMANCE

In a year impacted by macroeconomic challenges, your Company recorded sales of ₹ 1,092 crore for the fiscal year ending June 30, 2022, up by 10% vs year ago, supported by strong established brands trusted by healthcare professionals. Profit after tax (PAT) for the Financial Year ended June 30, 2022 is ₹ 193 crores, up by 9%, despite unprecedented commodity inflations during this fiscal.

Your Company has registered consistent growth in revenue in a challenging environment which saw the industry facing headwinds across many categories. This has been a result of extensive efforts across all fronts to improve awareness and accessibility of our superior quality products, and better serve our customers, consumers, partners and communities.

Your Company continued its efforts to create awareness through integrated campaigns encouraging consumers to identify symptoms and seek timely treatment. Our team stepped up on scientific education efforts for healthcare practitioners through accredited symposiums, roundtables and congresses with leading medical and pharmacy associations. This year, we also launched the 'P&G Health Academy', a virtual platform that brings together health experts from across the globe to converge, share and learn. We strengthened our go-to-market strategy through new initiatives that aim to increase reach and distribution.

FINANCIAL RATIOS

Particulars	2021-22	2020-21	Change (%)
Debtors (trade receivables) turnover	15.56	16.87	-8%
Inventory turnover	9.54	8.52	12%
Interest coverage ratio	N.A.	N.A.	-
Current ratio	2.60	3.04	-14%
Debt equity ratio	N.A.	N.A.	-
Operating profit margin	23%	23%	-
Net profit margin	17%	18%	-1%
Return on Network	41%	33%	24%

BUSINESS PERFORMANCE

Your Company is one of India's largest Vitamins, Minerals and Supplements (VMS) companies manufacturing and marketing VMS products for a healthy lifestyle and improved quality of life, including *Neurobion*, *Livogen*, *SevenSeas*, *Evion*, *Polybion* and *Nasivion*. Despite challenging circumstances during the fiscal year, your Company's brand franchises delivered strong results continuing to further our commitment to bringing quality and affordable vitamins, minerals and supplements to patients, consumers and customers across the country.

Neurobion delivered double digit growth fuelled by focused initiatives to build awareness on neuropathy, nerve care and the benefit of *Neurobion* across customer and consumer touchpoints. True to its brand promise, your Company's flagship brand *Neurobion Forte* has through its campaign, 'helping true heroes', continued to drive importance of nerve health and help consumers fight body discomforts due to lack of Vitamin B. Recently launched variants like *Neurobion Alfa & Alfa D* for patients with Diabetic Neuropathy have seen prolific growth.

As a leader in the Vitamin E segment in India, *Evion* continued to create awareness on the benefits of

Vitamin E among Health Care Professionals (HCPs) and consumers and for the first time the brand leveraged key opinion leaders (KOLs) on digital media. Innovative campaigns helped deliver another year of growth, despite all the headwinds.

Livogen continued to be the No. 1 Doctor prescribed Iron Supplement of India. With strong campaigns with HCPs and consumers, your Brand delivered its best ever year of growth. *Livogen* went onto create a Guinness World Record in the course of taking a pledge to "Help India Break Free from Anaemia".

Polybion continued to be the No. 1 B-Complex liquid brand, strengthening its foothold with another year of strong growth behind HCP campaigns.

Nasal decongestant brand *Nasivion* delivered very strong growth while reaching HCPs and consumers through television and display mediums.

Overall, your Company's business saw very strong growth during the Financial Year 2021-22.

Your Company continued to export its products to third parties based out of Asia including Sri Lanka, Nepal, Myanmar & Maldives. In 2021-22, the Company's total exports saw a decline given the adverse economic situations and supply chain challenges.

RISK MANAGEMENT

Your Company has set up a Risk Management Committee and 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. The Company's Risk Management process focus on ensuring that these risks are identified on a timely basis and adequately addressed.

As part of the business sustainability and governance process, in order to ensure a robust risk management system, in line with the applicable laws, the Company follows a proactive risk management policy, aimed at protecting its employees, assets and the environment, while at the same time ensuring growth and continuity of its business.

The risks are identified by a consistent process across functions and the Company also strives to link each risk with a mitigation step to ensure business continuity. Risk managers consistently map the risks to establish a risk management culture. The risk report is reviewed at regular intervals, to ensure that risks are planned for mitigation, for the fact that not all risks can be eliminated.

BUSINESS, FINANCE & OPERATIONAL RISKS

The Company's performance is impacted by factors such as coverage of products under price control, customer behaviour change, new demand development of the Company's products, impact of Covid-19 on economy, changing economic policies due to geopolitical situations, changed composition of legacy brand product sales to total turnover, employee talent development and management, employee union negotiations, trade unions, cyber security, legal & regulatory etc.

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.

The Company's business is subject to stringent compliances under various laws, such as the local pricing regulations set by the Government, FDA legislation, food safety regulations and standards, DCGI approvals and the Company's internal code of conduct with respect to compliances, including those applicable to interactions with healthcare professionals. Amendments to statutes and the compliance with applicable laws as well as policies may prove to be challenging and time consuming as it requires constant monitoring. To support such monitoring requirement, the Company has implemented an online tool which enables tracking of overall compliance requirements.

A number of training programs are conducted periodically for employees with respect to various compliance related topics such as Pharma Compliance Guidelines, Global Anti-Corruption Standards, Prevention of Sexual Harassment at

Workplace, Whistleblower Mechanism, Conflict of Interest, Data Privacy, Data Integrity etc.

INFORMATION TECHNOLOGY RISKS

The Company uses varied IT systems and processes in its day-to-day businesses operations. There are software related precautions like handling of data integrity, access rights, virus firewalls, data protection, social media risk, etc. The Company's IT guidelines and processes are in place and their adherence is continuously monitored and are subject to Controls Self-Assessments and global audits at regular intervals.

INTERNAL CONTROLS AND THEIR ADEQUACY

Your Company continues to prioritize control processes that are an integral part of the 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 against financial losses and unauthorized use. The robust controls environment at your Company is efficiently managed through:

- **Controls Self-Assessments (CSAs):**

CSAs are performed 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):**

In addition to the compliance programs, company has in place internal compliance experts to help guide our business in complying with existing laws and regulations. Reviews/Audit led by a team of independent fulltime Internal Controls experts, wherein 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 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 comprises of the Managing Director, Chief Financial Officer, Chief Human Resource Officer, Supply Chain Leader, General Counsel and Sales leader. 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.

BUSINESS RESPONSIBILITY REPORT

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

CORPORATE SOCIAL RESPONSIBILITY

As a responsible Healthcare Company, your Company continued to channelize all its Corporate Social Responsibilities (CSR) efforts towards building a Healthier India under its CSR umbrella program - 'SEHAT' (meaning Health). With SEHAT, your Company aspires to make a sustainable impact to Public Health in India.

A brief outline of the Corporate Social Responsibility Policy of the Company and the initiatives undertaken by the Company on CSR activities during the Financial Year are set out in **Annexure II** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy which is published on its website- <https://www.pghealthindia.com/investors/>.

ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

Environmental sustainability is embedded in our *Purpose, Values, Principles*, and our business. Your Company is 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 by focusing on technologies, processes and improvements that matter for the environment.

Environment, Health and Safety encompasses the laws, rules, guidance and processes designed to help protect employees, the public and the environment from harm, further supported by group standards, current best approaches and audits at regular intervals.

Your Company's plant at Goa has a systematic

approach for complying with environmental regulations, such as managing wastewater, air emissions and hazardous wastes. This also includes other non-hazardous waste management at site. The plant ensured 100% compliance to wastewater via continuous online monitoring of all legal parameters and hazardous waste management via last mile disposal to government authorised waste disposal vendors. The plant employs latest technology to scrub waste out of the air emissions.

For safety of employees and community, the plant continues to invest in latest technology to make operations inside the plant safe. The plant has made significant investment on various safety upgrades across the site and the plant currently stands at zero open notifications from the state pollution control board.

A new in-house solar power plant has been commissioned at the Goa Plant site. In line with P&G Group's global Ambition 2030 on energy efficiency and conservation, the Company has been continuously striving to meet the mighty sustainability targets. These initiatives are not only limited to generating cost benefits for the Company by optimization in the operations strategy but also contribute towards the environment being a force for good in the neighbouring community.

Additionally, the P&G 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.

The plant site targets to reduce reliance on diesel generators by installing biomass boilers to bring down the carbon footprint.

In Financial Year 2021-22, some of the key initiatives taken at the Goa plant in this direction were:

1. Installation of 2MW solar power plant at the Plant site which would help us reduce ~20% indirect Greenhouse Gas Emissions in line with our Ambition 2040 along with generating significant savings;
2. Installation and commissioning of state of art heat pump technology has enabled reduction in energy consumption in HVAC in production areas, electric heating coils have been replaced with hot water heat exchangers in AHUs and building management systems have been put in place to track, monitor, analyse and optimise overall fixed energy consumption for HVAC operations in production areas, contributing towards our net zero 2040 goals;
3. Scanning and identification of site wide

compressed air leakages by experts, revamping air compressor operating strategies in order to optimise overall energy consumption for air compressors; and

- Replacement of old conventional light fixtures with LED lights require less maintenance as well as save electricity.

TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Your Company has the advantage of availing advanced technology and upgradation thereof from The Procter & Gamble Company, USA and its subsidiaries (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, including India. Technology absorption and adaptation is a continuous process. The products manufactured and sold by the Company are a result of the imported technology received on an ongoing basis. 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 believes in exploring the latest technology from both within India and beyond to ensure the best quality product is made in the plant for our consumers.

Details of the expenditure on Research & Development undertaken during the Financial Year:

(₹ in Lakhs)		
Expenditure on R&D*	2021-22	2020-21
Capital	-	3
Recurring	562	393
Total	562	396
Total R&D expenditure as a percentage of total turnover	0.50%	0.40%

* The aforesaid R&D expense does not include people costs.

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)

	For the Financial Year ended June 30, 2022	For the Financial Year ended June 30, 2021
Foreign Exchange earnings	12 261	13 312
Foreign Exchange outgo	12 628	14 622

RELATED PARTY TRANSACTIONS

The Company has formulated a policy on related party transactions for the purposes of review and approval of related party transactions. The policy on related party transactions as approved by the Board is uploaded on the Company's website - <https://www.pghealthindia.com/investors/>.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of Audit Committee is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length.

There were no material related party transactions entered into by the Company during Financial Year 2021-22. All related party transactions entered during the Financial Year were in the ordinary course of business and on arm's length basis. All related party transactions are subjected to independent review by chartered accountant firm. 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.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits during the Financial Year 2021-22.

PARTICULARS OF LOANS, AND GUARANTEES GIVEN OR INVESTMENTS MADE

Your Company has neither given any loans or guarantees nor made any investments during the Financial Year 2021-22.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. The Company has ensured a wide dissemination of the Policy and has conducted

various awareness program at all locations of the Company. The Company has constituted an Internal Complaints Committee. During the Financial Year, one complaint with allegations of Sexual Harassment was filed with the Company. The said complaint was addressed and closed during the Financial Year. No complaints were pending as on June 30, 2022.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Companies Act, 2013, your Directors confirm that, to the best of their knowledge and belief:

- a. In the preparation of the annual accounts for the Financial year ended June 30, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. Appropriate internal financial controls have been laid down and that such internal financial controls were adequate and were operating effectively; and
- f. Proper systems have been devised 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 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company, which can be accessed at <https://www.pghealthindia.com/investors/>.

HUMAN RESOURCES

For your Company, human capital is an intangible asset which is not listed in the Company's balance sheet. Thus, human capital is the stock of knowledge, skills, know-how and other acquired personal attributes. Human Resources (HR) department oversees workforce management, workforce planning and strategy, recruitment, employee training and development, reporting and analytics and employee safety. We continue to facilitate and speed up expansion with a clear roadmap "SMILE" (S-Seamless Teams, M – Meaningful Work, I – Inclusion & Equality, L – Leadership & Capability Building, E-Empowered and Entrepreneurial Organization). We leverage talent exposure and growing talent from within through diverse workforce.

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: Your Company 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, strategized 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. P&G Group continued to retain its 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 6th year in a row.

P&G believes in investing into genuine care of its employees and community. In this fiscal year, many initiatives were undertaken towards making lives of our employees healthier and happier. Your Company's plant at Goa has best in class occupational health clinic to take care of any health issue immediately at the plant. The Company has also invested into proactive mental and physical healthcare with best in class health check-ups, access to best mental health experts and tie ups with best hospitals in the state to take care of any health escalations. In the last fiscal year, the Company enabled nearly 100% of employees to be fully vaccinated against Covid-19 and also worked with other service provider partners to get their employees also vaccinated.

The number of employees as on June 30, 2022 was 1,368.

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.

The information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. As per the provisions of first proviso to Section 136(1) of the 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 investorgrievance.im@pg.com.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Zeal Shah was appointed as Compliance Officer of the Company effective July 1, 2021 and as the Company Secretary of the Company effective August 26, 2021.

Mr. Sujay Wasan, Non-Executive Director resigned from the Board effective September 23, 2021. The Board places on record its appreciation for contribution of Mr. Wasan during his tenure of directorship on the Board of the Company.

The Board of Directors, at its meeting held on August 26, 2021 on the recommendation of the Nomination & Remuneration Committee, have appointed Dr. Elizabeth Desmond as Non-

Executive Director on the Board effective September 24, 2021. Further, the Shareholders of the Company approved such appointment at the 54th Annual General Meeting.

On the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on November 9, 2021 appointed Mr. S. Madhavan as a Non-Executive Independent Director of the Company for a period of five years, effective November 15, 2021. Requisite approval for his appointment was obtained from the Shareholders via postal ballot on December 29, 2021.

Mr. Amit Gupta, Executive Director and Mr. Aalok Agrawal, Non-Executive Director, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing 55th Annual General Meeting.

Brief profiles and details of the Directorships of Directors proposed to be re-appointed as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the Notice convening the ensuing 55th Annual General Meeting of the Company.

The Independent Directors of your Company have given declarations to your Company stating that they meet the criteria of independence as mentioned under the Companies Act, 2013 and the SEBI (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. Details of the familiarization programme and annual Board evaluation process for Directors have been provided under Corporate Governance section of the report.

None of the Non-Executive Directors serve as an Independent Director on more than seven listed Companies and none of the Executive Directors serve as an Independent Director on any listed Company.

During the Financial Year, none of the Directors and Key Managerial Personnel of the Company had any material pecuniary relationship or transactions with the Company.

NUMBER OF MEETINGS OF THE BOARD

Four (4) meetings of the Board were held during the Financial Year 2021-22. For details of the meetings of the Board and its Committees, please refer to the Corporate Governance section of the 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, which are available on the website of the Company at <https://www.pghealthindia.com/investors/>.

AUDITORS

M/s. Haribhakti & Co. LLP, Chartered Accountants (ICAI Firm Registration No.: 103523W/W100048), were appointed as statutory auditors of the Company, at the 50th Annual General Meeting held on May 31, 2017, for a term of 5 consecutive years upto ensuing 55th Annual General Meeting of Company. It is proposed to re-appoint M/s. Haribhakti & Co. LLP, Chartered Accountants as Statutory Auditors of your Company to hold office from the conclusion of the ensuing 55th Annual General Meeting until the conclusion of the 60th 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. Appropriate resolution for the said re-appointment is being moved at the ensuing Annual General Meeting.

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been carried out by Dholakia & Associates LLP, Company Secretaries, for the Financial Year ended June 30, 2022. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company. The Secretarial Audit report has been appended as **Annexure IV**.

SECRETARIAL STANDARDS

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

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Central Government has prescribed cost audit of the accounts to be maintained by your Company. M/s. Joshi Apte & Associates, Cost Accountants carried out the cost audit during the

Financial Year 2021-22. The Board of Directors has re-appointed M/s. Joshi Apte & Associates, Cost Accountants for the Financial Year 2022-23.

A resolution for ratification of the remuneration payable to the Cost Auditor for the Financial Year 2022-23 is included in the Notice of the ensuing 55th Annual General Meeting.

MATERIAL ORDERS PASSED BY THE REGULATORS AND COURTS

During the Financial Year under review, no regulator or court has passed any significant and/or material orders impacting the going concern status of the Company and its future operations.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

In terms of the provisions of Section 177(9) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has implemented a vigil mechanism. The Company provides protection to employees and business associates reporting unethical practices and encourages 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. Whistleblower complaints and their redressal are discussed at each Audit Committee meeting of the Company. No employee has been denied access to the Audit Committee. The Vigil Mechanism is available on the Company's website at <https://www.pghealthindia.com/investors/>.

ACKNOWLEDGEMENT

Your Directors place on record its deep appreciation for the co-operation and support of the Government authorities, healthcare professionals, 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 29, 2022

S. N. Talwar
Chairman

ANNEXURE I

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number	L99999MH1967PLC013726
2.	Name of the Company	Procter & Gamble Health Limited
3.	Registered address	Godrej One, 8 th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400079
4.	Website	www.pghealthindia.com
5.	E-mail id	investorgrievance.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)	Pharmaceutical products (NIC : 21002)
8.	List three key products / services that the Company manufactures / provides	Healthcare products (Vitamins, Minerals & Supplements)
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations	None
	(b) Number of National Locations	The Company's business and operations are spread across the country. Details of location of plants are given below: Plant location: Plot No. 11/1, Marvasodo Usgaon, Taluka Ponda, Goa - 403407
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	₹ 16.59 Crores
2.	Total Turnover	₹ 1 092.04 Crores
3.	Total profit after taxes	₹ 192.52 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Corporate Social Responsibility Report which is appended as Annexure II 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 Annexure II to the Directors' Report

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company / Companies?	Your Company does not have any Subsidiary Company.
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	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?	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 Director / Directors responsible for Business Responsibility

The Corporate Social Responsibility (CSR) Committee of the Company is responsible for the Business Responsibility policies of the Company. Details of the CSR Committee, which is responsible for implementation of the Business Responsibility policies:

Sr. No.	Name of the Member	Designation on Board	Director Identification Number
1.	Mr. Suresh Talwar	Independent Director	00001456
2.	Mr. Milind Thatte	Managing Director	08092990
3.	Mr. Amit Gupta	Executive Director	08295179

2. Principle-wise (as per NVGs) Business Responsibility Policy(ies)

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 with integrity - at all levels, both internally and externally. Our actions and the actions of all our employees are governed by our Purpose, *Values and Principles*.

Business Responsibility Principles:

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

Details of compliance:

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies 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 / international standards?	The World-wide 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	https://us.pg.com/policies-and-practices/worldwide-business-conduct-manual/								
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

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 also be viewed at www.pghealthindia.com.

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 whistle blower complaints along with the status report and action taken (if any) are reported to the Committee. During the Financial Year, 13 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. We provide products of superior quality and value that improve the lives of the consumers. Just as we provide safe, quality products, we expect our suppliers to assure the quality and safety of the products and services they provide to us.

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

For safety of employees and community, your Company continues to invest into latest technology to make operations inside its manufacturing plant safe. Your Company has over the years made investments on various safety upgrades across the Goa plant site and the plant currently stands at zero open notifications from the state pollution control board.

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.

Additionally, P&G 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.

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; and
- 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 a '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.

Health & Safety of our employees is our top most priority. We supported employees during tough situations of COVID-19 pandemic. We institutionalized COVID Care Helpdesk and Vibrant Living as platforms which supports employees through regular awareness and safety measures and organized voluntary vaccination drives for employees and their families. In the last fiscal year, the company enabled nearly 100% of employees to be fully vaccinated against COVID-19 and also worked with other service provider partners to get their employees also vaccinated.

The employee wellbeing definition refers to the state of employees' mental and physical health, resulting from dynamics within and sometimes outside the workplace. Your Company offers around the globe an Employee Assistance Program, that all the employees and their family members can use to receive counselling, talk to a professional coach/ therapist across a spectrum of topics both personal and work related. There are various policies which benefit the employees financially, mentally, physically and create work life integration.

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.

In order to keep the workforce highly engaged & motivated we follow the best-in-class recruitment practices, innovation and digitization, development of employee skills and capabilities, celebrating the key milestones of our employees and employee recognition through rewards.

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

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 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.

Your Company has constituted Internal Complaints Committee as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder and has set in place, a policy on prevention of Sexual Harassment at Workplace ensuring that all persons at the workplace are treated with dignity and respect. Induction sessions for new recruits and awareness programs for employees on prevention of sexual harassment are conducted on a regular basis.

As on June 30, 2022, your Company had a total of 1368 permanent employees, including 183 permanent women employees. 213 persons were engaged on temporary/ contractual basis. There is an employee association that is recognized by management, having 7% of permanent employees being members of the association. During the Financial Year under review, the Company did not receive any complaints relating to child labour, forced labour, involuntary labour or discriminatory employment. One complaint was received relating to sexual harassment which was addressed appropriately and no complaints were pending for resolution as on June 30, 2022. All the employees and persons engaged on temporary/ contractual basis were given safety & skill up-gradation training.

Your Company forbids the use of child or forced labor in any of its operations or facilities and 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.

Principle 4: Stakeholder Engagement & Relations

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, healthcare professionals, shareholders, consumers, communities, external business partners, authorities, NGOs, industry/business associations and the government.

Your Company continues to be guided by its three core principles:

- (1) protecting the health and well-being of its employees;

- (2) serving consumers and customers who count on our brands and the benefits they provide; and
- (3) supporting communities, guided by the science of Human Care.

Taken together, these principles will help ensure that P&G will be there for the employees, consumers, and communities who have always been there for us.

A large population of the country suffers from conditions such as Peripheral Neuropathy, Iron Deficiency Anaemia, Vitamin and Nutritional Deficiencies, Cough and Cold which impact their quality of life. Through our trusted and quality medicines and nutraceutical products, and 'always-on' awareness initiatives, we continued to work towards empowering people to identify symptoms, seek timely treatment and live healthier and more vibrant lives. We do this with the help of clear and scientifically backed communications disseminated through media, consumer websites, digital platforms and in Health Care Professionals (HCP) education programmes.

Through in-clinic education efforts and bespoke scientific exchange platforms, our teams worked towards keeping HCPs and Pharmacists updated with quality scientific and technical data, to help them in making recommendations suitable for patients and consumers.

This year, your Company also launched the 'P&G Health Academy', a virtual platform that brings together health experts from across the globe to converge, share and learn, ultimately bringing the best to our patients. We continue embracing technology and strengthened our go-to-market strategy through new initiatives that aim to increase reach and distribution.

In collaboration with healthcare providers, pharmacists and health associations, we further stepped up our efforts on driving research and scientific consensus, increased awareness and education, and improved treatment outcomes, in each of the categories we operate in.

Principle 5: Human Rights

Each individual is truly unique. They come from diverse traditions, with a wide array of personal experiences and points of view, coming together creating an amazingly rich tapestry.

Your Company's *Equality & Inclusion* efforts are focused on helping create a Company and a world where equality and inclusion is achievable for

all, inside and outside of P&G; 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.

We know the importance of diversity in the workplace. We attract, hire and retain diverse people, so that we can better understand our consumers. Creating an inclusive ecosystem where women can thrive is an equally important focus for us and it starts with leadership role modelling and accountability. We have rolled out inclusive leadership mindset training programs for people managers for understanding of bias, privilege, micro aggressions. We have ongoing 'Breaking the barriers' conversation with our front line managers enabling and supporting them through this cultural change. This combined with strong policies and processes, like 8 weeks 'Share the care' paternity leave for fathers, gender agnostic adoption leave, mentoring programs for women etc. have enabled us make an impact on the organization culture.

We partner with different Affinity Groups, that have been created on a global level to connect employees, who have similar interests or share similar diversity aspects based on similar interests

or diversity aspects. These groups are key enablers for employees to feel valued, respected and included in the workplace.

As P&G group, your Company had undertaken following initiatives towards fostering Equality & 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.

The GABLE affinity plays a big role in enabling this culture, they help the employees being Versed in our understanding of LGBTQ+ issues, Visible in our support by integrating GABLE in all conversations, and Vocal and Vigilant to create an inclusive environment for our LGBTQ+ colleagues.

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.

We believe that caring for home and family has no gender. And our 'Share the Care' leave policy truly signifies this. The policy provides all new parents including biological parents, domestic partners, adoptive parents, parents in same-sex couples to 8 weeks of fully paid parental leave. This builds on the Company's existing maternity leave policy of 26 weeks for birthing mothers and adoption leave of 26 weeks for primary caregivers. More than a policy change, it is a step toward shifting cultural norms by making child caregiving unbiased by gender. We believe equality at home will help to advance equality in the workplace.

Wish 100

Your Company has been consistently working on breaking the glass ceiling for women employees through various initiatives. We have set measurable targets to improve women participation in our workforce. From 2020 to present, we have increased the number of women in our workforce by threefold. In 2021, Your Company launched the 'Wish 100' (Women In Sales Hierarchy) & beyond' initiative with the target of employing 100 women in its sales force in that year. The Company is close to achieving this target and has now set a 'Wish 200' goal for women representation in its sales team.

I-Rise

Your Company has a pro-active action plan called 'i-RISE', which focuses on the pillars of recruitment, institutionalizing growth, stepping up to inclusion and enabling accountability. In line with this approach, we are recruiting women in partnership with colleges. We are also working to ensure that more women have the opportunity to become leaders. Women often do not move into strategic roles because they do not receive the necessary mentorship, training, or support. We are doing our best to change this by identifying women who have the potential to be leaders and then train them to take up those leadership positions.

We have created multiple forums for women to connect and collaborate on technical and career-related topics. In April, this year, your Company announced a 'Women in Healthcare' summit to bring together around 1,000 students from 14 Pharmacy colleges to give them the opportunity to learn from a panel discussion on opportunities and careers in healthcare. The panel had an impressive line up of eminent women leaders and the P&G Health Leadership Team.

The 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.

Principle 6: Environment Protection

For your Company, environmental sustainability is embedded in everything we do, and we work towards achieving ambitious goals that we set, to continue our progress.

Protecting the Earth is both a responsibility and a business opportunity. As a responsible corporate citizen, environmental sustainability is one of our focus areas and we continue to positively impact the communities we operate in.

On the sustainability front, we continue to strive to reduce our energy and water footprints. The Company has done multiple interventions at its plant at Goa to reduce energy consumption by not only working on the plant and machinery but also operating strategy like ramping down utilities in low production times. Last year, was key enabler to kick start sustainability journey at Goa plant, via ensuring 100% employee engagement through online sessions with sustainability expert, sustainability ideas competition, tree plantation and awareness drive.

The Company's plant at Goa has a systematic approach for complying with environmental regulations, such as managing wastewater, air emissions and hazardous wastes. This also includes other non-hazardous waste management at site. Site ensured 100% compliance to wastewater via continuous online monitoring of all legal parameters and hazardous waste management via last mile disposal to government authorised waste disposal vendors. The plant employs latest technology to scrub waste out of the air emissions.

The Goa Plant is a 'zero waste to landfill' site where 100% of its solid waste is being utilized instead of being sent to landfill. In the coming Financial Year, we are targeting to further reduce our energy and water footprint. As a step to manage Goa plant site food waste in a better manner, on site organic waste converter is installed for conversion of food waste to organic manure for agricultural purposes. The plant site targets to reduce reliance on diesel generators by installing biomass boilers to bring down the carbon footprint.

Your Company has also set up a 2MW solar power plant at its Plant site at Goa, which would help us reduce indirect Greenhouse Gas Emissions in line with our Ambition 2040 along with generating significant power savings.

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

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 following trade and chambers of association:

- The Organization of Pharmaceutical Producers of India (OPPI);
- Federation of Indian Chambers of Commerce and Industry (FICCI); and
- Indian Society Clinical Research (ISCR)

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

- Plastic Waste Management Rules;
- Free Trade Agreements;
- Partnering with Public Health Foundation of India' (PHFI) through P&G Health Public Health Scholarship' Program, and
- Partnering in National Rural Health Mission with respect to 'Anemia Mukat Bharat' programme.

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. 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 — 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 largest health care 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— P&G *SEHAT*, details of which are mentioned in the CSR Report which is appended as **Annexure II** to the Directors' Report.

In recognition of our impact on Public Health in the Financial Year 2021-22, your Company's *SEHAT* bagged the **Gold Award under 'Best Public Health Initiative'** category at the India Health & Wellness (IHW) Award 2021, supported by NITI Aayog, and '**Public Health Program'** of the year at the Indian CSR awards 2021.

Principle 9: Customer Value and Responsibility

Our aspiration is to serve the world's consumers better than our best competitors, creating superiority in our product, packaging, in field executions and consumer value proposition is most important for us. Providing Superiority in all aspects to the consumers is at the heart of your Company's business.

It is how we delight consumers, create value and create new businesses. Your Company combines "what's needed" with "what's possible," by conducting many consumer researches each year to understand what people need and want, in order to create superior value and product experience every day.

Your Company combines breakthrough Science with deep patient and consumer understanding to deliver trusted, quality, recommended superior products that empower people to live healthier and more vibrant lives. Your Company is driven by insights to help us go beyond treating an illness to creating world of care and wellness.

Our brand franchises continued their efforts towards creating awareness through integrated campaigns across social media platforms, encouraging consumers to identify symptoms and seek timely treatment. At the same time, magnifying reach and access to ensure better in-store visibility and also, making a debut across e-commerce platforms.

Our frontliners in manufacturing, product supply and exports ensured uninterrupted availability of our essential medicines and nutraceutical products thereby ensuring the P&G Promise of Quality. While our sales frontliners ensured uninterrupted customer service; it was complimented by seamless distribution. Around the clock availability and better reach was ensured by our Product Supply heroes; helping build unwavering trust in our essential healthcare and nutraceutical products.

ANNEXURE II

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

Brief outline of the Company's CSR policy

As a responsible Healthcare Company, your Company continued to channelize all its CSR efforts towards building a Healthier India with its CSR umbrella program - 'SEHAT' (meaning Health).

With SEHAT, our aspiration is to make a sustainable impact to Public Health in India. Projects under SEHAT include, but are not limited to Preventive Health, Community Health, and Public Health interventions; Health Awareness, screening, and education; Financial Support for Healthcare needs of marginalized & underprivileged communities; Capability-Building of Healthcare Professionals Healthcare Infrastructure; and Healthcare Assistance as part of disaster relief and support.

Projects under SEHAT are co-created and implemented with reputable public health and non-profit partner organizations. Details of our CSR programs are available on our website – <https://www.pghealthindia.com/csr/>

Details of the CSR activities undertaken by the Company during the Financial Year are as follows:**(1) 'P&G Health Public Health Scholarship' Program – In partnership with 'Public Health Foundation of India' (PHFI), a recognized leader in Public Health program implementation organization**

India requires a massive public health workforce which can complement medical caregivers; supporting them to use limited resources efficiently, assist in better implementation of health policies, effect affordability, and promote healthy behaviour.

With the twin-fold objective of (1) helping build a Public Health Cadre to address India's complex set of existing and emerging public health challenges and (2) support interested candidates to choose public health as a career opportunity to improve health conditions and thus, quality of life (QoL) of Indians, Your Company instituted the 'P&G Public Health Scholarship' for deserving students from socially & economically deprived communities seeking to pursue 'Masters in Public Health' across PHFI's IIPH (Indian Institute of Public Health) Institutes. The selection process for P&G Public Health Scholarship is done by the PHFI Scholarship committee based on the Institutional guidelines, including but not restricted to merit and demonstrated need. The scholarship program aims to also encourage

scholars to take up role in non-governmental organizations and disadvantaged areas of the country to implement public health programs.

In 2021-22 session, 74 new P&G Health Scholars initiated their career in public health across the five Indian Institutes of Public Health (IIPHs) at Gandhinagar, Delhi NCR, Hyderabad, Shillong, and Bhubaneswar with the help of the 'P&G Public Health scholarship' with the aspiration to become tomorrow's change makers. Since its inception in 2019, the scholarship program has benefited 167 bright and earnest young scholars.

(2) 'P&G Health Swasthya Sakhi' Program – In partnership with 'Public Health Foundation of India'

Access to affordable screening, diagnostics & epidemiological data continues to be a major hurdle in India.

Your Company's Maternal & Child Health Community Project 'Swasthya Sakhi' (Health companions) - contributing to Employment, Entrepreneurship and access to affordable screening, diagnostics & digital health- continued to take point-of-care diagnostics to remote and underserved locations in Uttar Pradesh, Goa and Madhya Pradesh.

Under this project, Swasthya Sakhis, selected by PHFI from the District Communities and empowered with PHFI's Technological Innovation 'Swasthya Sahayak' (SS) - a portable/backpack sized point-of-care information gathering & diagnostic tool - have been deployed to seek & digitize health information of families including conducting diagnostics of pregnant women and to refer high-risk cases to Public Health Centres.

PHFI's Swasthya Sahayak, represents a paradigm shift in the approach to providing care for our most vulnerable of populations. It is an affordable system that integrates patient registration, on the spot digitization, multiple point of care diagnostics and decision support system in a single device. It allows users to deliver care in the domiciliary settings, in clinics, and just about anywhere. The system stores electronic medical records both locally on the tablet and pushes the data onto a cloud thus enabling offline/online operations. The tests which can be conducted using Swasthya Sahayak include Blood Pressure, Body Temperature, Pulse Oximeter, Urine Protein and Sugar, Blood Hemoglobin, Blood Sugar,

Malaria test, Pregnancy test. SS also contains decision support tools to enable users to deliver quality recommendations for achieving better health.

128 Swasthya Sakhis have reached out to 15,00,000 beneficiaries till date across Uttar Pradesh, Goa, and Madhya Pradesh. Nearly 10,000 pregnant women have been identified, including 5000 high risk pregnancies.

(3) 'Gift of Health' Program (Children) – In partnership with 'Catalysts for Social Action' (CSA), an NGO that works with Children in Need of Care & Protection (CNCP)

An estimated 3,70,000 children stay in childcare institutions (CCIs) in India, with only a small number getting adopted. Improving children's health & hygiene conditions at these CCIs is important towards ensuring a good base for development of children.

With the objective of supporting health needs of children under institutional care, the Company continued its 'Gift of Health' program with 'Catalysts for Social Action' as its 'Healthcare Partner' to provide health and hygiene support to ~2400 children in age group of 6-18 years residing at 56 CCIs across Maharashtra, Madhya Pradesh, Odisha, and Goa.

2021-22 activities included regular Health check-up camps, distribution of hygiene kits and sanitary napkins, and awareness sessions on good hygiene and dental care practices. Preventive healthcare & personal hygiene training on dental, skin and general health and hygiene were conducted for all children.

(4) 'Gift of Health' Program (Elderly) - In partnership with HelpAge India

Today there are an estimated 100 million elders in India. Of them 90 million still need to work to survive, 55 million sleep hungry and affording quality medical care is a far dream for most. During the pandemic, the elderly were among the most vulnerable groups due to their increased susceptibility to coronavirus, with lockdowns posing additional challenges of livelihood.

Your Company continued to support HelpAge India's Emergency Response initiative to distribute 'Survival Kits' – made in consultation with Elderly communities – consisting of daily essentials (groceries), masks, soaps and & hygiene material to help them tide over the immediate situation.

During the year, 1670 survival kits were distributed to disadvantaged elderly across the states of Goa, Maharashtra, Bihar, Jharkhand, Kerala, Puducherry and Cuddalore districts.

(5) Daan Utsav 'Post & Give Challenge' – In partnership with 'HelpAge India

In its third consecutive year, your Company employees across India joined the Country in celebrating 'Daan Utsav' (India's biggest festival of 'Giving' celebrated every year from 2nd to 8th October marking the birth anniversary of Mahatma Gandhi) to engage in different acts of 'Giving'.

In 2021-22, employees were asked to express their gratitude towards a colleague and for each gratitude card shared, the Company made a donation to HelpAge India's community outreach health initiative to provide essential Primary Health Services to disadvantaged elderly. With their collective expressions of gratitude, Company employees helped support 2 Mobile Healthcare Units (MHU) in Guwahati & Khandwa districts to provide healthcare services for elderly at their doorstep.

(6) Upgradation of village school infrastructure at Goa – In partnership with Round Table India

Continuing its initiative to upgrade school infrastructure in villages around the manufacturing site, your Company supported the upgradation of additional 3 Smart Classrooms and a fully equipped Computer laboratory at Sarvodaya High School in Usgao Village in Goa, enabling access for ~900 students to an education which is in sync with today's digital world.

(7) 'PHC Cares - Sustainable pharmacy waste segregation and management' – in partnership with Lakshya and Recycle India Foundation

On the occasion of World Environment Day, P&G Health announced its commitment to sustainable waste management through a first-of-its-kind partnership with Lakshya and Recycle India Foundation for sustainable pharmacy waste segregation and management project. Initiated with 20 pharmacies in Delhi, the program promoted sustainable healthcare practices through an on-ground awareness campaign for pharmacy owners and their staff on the need and appropriate methods of segregation, disposal, and recycling of waste material in a responsible manner.

(8) 'Women in Healthcare Scholarship' in partnership with Center for Civil Society

Your Company is committed towards encouraging more and more women to pursue a career in healthcare through efforts in the area of recruitment, career planning and development, inclusion and safety. In 2021-22, Your Company in partnership with the Center for Civil Society initiated a new scholarship and mentoring program for deserving girl students pursuing courses in pharmacy in collaboration with pharmacy colleges.

(9) 'Maternal and Newborn Health' for the urban poor in partnership with Apnalaya

With the increase in urbanisation in India, the intergenerational deprivation, vulnerability, exclusion, and insecurity of the urban poor is on the rise.

Access to affordable diagnostics continues to be a major hurdle for the underprivileged pregnant women in urban communities of India; with Public health care centers being unable to cater to the burgeoning numbers. In collaboration with Apnalaya, your Company's Maternal and Newborn Health program aims to strengthen antenatal care services through the use of technology for early identification of pregnancies and high-risk cases to ensure they receive timely care and support. Active across 8 Government Health Posts in Mumbai W ward, 24 Arogya Sakhis are working in collaboration with Government health workers to support 4,00,000 beneficiaries through screening for high-risk pregnancies, education on maternal health and nutrition, and encouraging timely utilization of antenatal care and post-natal care services provided at government healthcare centres.

The composition of the CSR Committee as on date:

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. Suresh N. Talwar	Chairman	3	3
Mr. Milind Thatte	Member	3	3
Mr. Amit Gupta	Member	3	3

10) 'Yes to Poshan' Program – In partnership with 'Tata Education and Development Trusts', a public charitable trust which plays a pioneering role in the bringing about an enduring difference in the lives of communities it serves

Malnutrition is a complex public health problem with inter-generational repercussions. The urgent need to ensure adequate nutrition in women and children in India prompted the Government's POSHAN Abhiyaan to reduce stunting, undernutrition and low birth weight in children and anaemia amongst women and children. Your Company's 'Yes to POSHAN' program in collaboration with Tata Trusts continued to promote diet diversity and address challenges of limited or age-inappropriate diet amongst Pregnant and Lactating Women (PLW), and children <2 years. Interventions include a five-fold behaviour change campaign, surveys, growth monitoring, and capacity building of Anganwadi workers and 'Poshan Sakhis' to promote diet diversity with ~1200 Pregnant & Lactating Women and ~500 children over a period of 3 years. Additionally, participatory learning and action initiatives are also being rolled out to ~3000 women in the reproductive age group.

In recognition of our impact on Public Health in the year 2021-22, your Company's CSR initiative SEHAT bagged the Gold Award under 'Best Public Health Initiative' category at the India Health & Wellness (IHW) Award 2021, supported by NITI Aayog, and 'Public Health Program' of the year at the Indian CSR awards 2021.

Our Corporate Social Responsibility Policy is also available under Policies in the Investors section of our website - <https://www.pghealthindia.com/investors/>

Details on CSR spent during the Financial Year if provided below:

1. Provide the 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 (attach the report).- **The Company conducts internal assessments to monitor and evaluate its CSR programs. The requirement of impact assessment report is not applicable to the Company for the Financial Year 2021-22.**
2. Details of the 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
3. Average net profit of the Company for last three Financial Years – ₹ **267 crores**
4.
 - a) Prescribed CSR expenditure (2% of amount as in item 3) – ₹ **5.35 crore**
 - 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- ₹ **1.78 crore**
 - d) Total CSR obligation for the Financial Year (a+b-c). ₹ **3.57 crore**
5. Details of the 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
 - a) Amount available for set off - ₹ **1.83 crore**
 - b) Amount required for set off for Financial Year - ₹ **1.78 crore**
6. Details of CSR spent during Financial Year:
 - a) Total amount to be spent for the financial year – ₹ **3.57 crore**
 - b) Amount unspent, if any – Not applicable
 - c) Total Amount transferred to Unspent CSR Account as per section 135(6)- Not applicable
 - d) Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)- Not applicable

7. Manner in which the amount spent during the Financial Year as detailed below (ongoing projects):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			(9)	(10)	(11)	
							Amount spent on the projects or programs		Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)				
Sr. No.	CSR project or activity identified/ Name of the Project.	Sector in which the Project is covered	Local Area (yes/no)	Projects or programs (1) Local area or other (2) Specify State & district where projects were undertaken	Project Duration	Amount allocated for the project (in ₹)	Total (in ₹)	Direct expenditure		Over heads		Cumulative expenditure up to the reporting period (in ₹)	Mode of Implementation : Direct (Yes/No)
1.	P&G Public Health Scholarship Program (with Public Health Foundation of India)	Healthcare	Yes	Delhi, Gandhinagar, Hyderabad, Shillong, Bhubaneswar	1 year	30 00 000	30 00 000	Nil	Nil	Nil	30 00 000	No	Public Health Foundation of India -CSR00001071
2.	Swasthya Sakhi Project (with Public Health Foundation of India)	Healthcare	Yes	Uttar Pradesh, Goa, Madhya Pradesh	1 year	1 37 39 979	1 16 44 050	Nil	Nil	Nil	1 37 39 979	No	Public Health Foundation of India -CSR00001071
3.	Gift of health (Children) with Catalyst for Social Action	Healthcare	Yes	Madhya Pradesh, Maharashtra, Goa & Odisha	1 year	44 48 413	4 44 84 134	Nil	Nil	Nil	44 48 413	No	Catalysts for Social Action - CSR00002803
4.	Gift of health (Elderly) with HelpAge India	Healthcare	Yes	Maharashtra, Bihar, Jharkhand, Puducherry, Tamil Nadu, Kerala	1 year	25 05 000	25 05 000	Nil	Nil	Nil	25 05 000	No	HelpAge India CSR00000901
5.	Daan Utsav 'Post & Give Challenge' - In partnership with 'HelpAge India	Healthcare	Yes	Assam, Madhya Pradesh	1 year	10 00 000	10 00 000	Nil	Nil	Nil	10 00 000	No	HelpAge India CSR00000901
6.	Upgradation of village school infrastructure at Goa with Round Table India	Infrastructure upgrade	Yes	Goa	4 months	35 35 000	35 35 000	Nil	Nil	Nil	35 35 000	No	Round Table India CSR00000895

(1) Sr. No.	(2) CSR project or activity identified/ Name of the Project.	(3) Sector in which the Project is covered	(4) Local Area (yes/no)	(5) Projects or programs (1) Local area or other (2) Specify State & district where projects programs were undertaken	(6) Project Duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent on the projects or programs			(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Cumulative expenditure up to the reporting period (in ₹)	(11) Mode of Implementation : Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name and CSR Registration number.
							Total (in ₹)	Direct expenditure	Over heads				
7.	'PHC Cares - Sustainable pharmacy waste segregation and management' in partnership with Lakshya and Recycle India Foundation	Sustainability	Yes	Delhi	6 months	10 00 000	10 00 000	Nil	Nil	10 00 000	No	Lakshya a society for Social and Environmental Development CSR00018054	
8.	Scholarship for Women in Healthcare in partnership with Center for Civil Society	Healthcare	Yes	Andhra Pradesh, Maharashtra, Gujarat, Kerala, West Bengal	1 year	7 82 250	7 82 250	Nil	Nil	7 82 250	No	Center for Civil Society CSR0001802	
9.	'Maternal and Newborn Health' for the urban poor in partnership with Apnalaya	Healthcare	Yes	Maharashtra	1 year	57 16 678	57 16 678	Nil	Nil	57 16 678	No	Apnalaya CSR00003515	

8. Details of CSR amount spent against other than ongoing projects for the Financial Year - Not Applicable

9. a. Amount spent in Administrative Overheads - **Nil**
 b. Amount spent on Impact Assessment, if applicable - **Not applicable**
 c. Total amount spent for the Financial Year (d+e+f) - ₹ **3.57 crore**
 d. Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹ crores)
(i)	Two percent of average net profit of the company as per section 135(5)	5.35
(ii)	Total amount spent for the Financial Year	3.57
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.05

10. a) Details of Unspent CSR amount for the preceding three financial years - **Nil**
 b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) - **Nil**

11. 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 (asset-wise details) - Not Applicable**12. 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.

Milind Thatte
Managing Director

Suresh Talwar
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 (₹ in lakhs)	% increase in remuneration	Ratio to median remuneration
Mr. Suresh N. Talwar	Independent Director	17.75	Nil	4.10
Mrs. Rani Jadhav	Independent Director	15.55	50%	3.60
Mr. S. Madhavan	Independent Director	8.90*	N.A.	2.06
Mr. Aalok Agrawal	Non-Executive Director	-	-	-
Mr. Sujay Wasan	Non-Executive Director	-	-	-
Dr. Elizabeth Desmond	Non-Executive Director	-	-	-
Mr. Milind Thatte	Managing Director	386.81 [§]	16%	89.44
Mr. Amit Gupta	Executive Director & Chief Financial Officer	186.61 ^{§§}	7%	43.15
Ms. Zeal Shah	Company Secretary	12.00	N.A.	2.77

Note – Median means the numerical value separating the higher half of a population from the lower half and the median of a finite list of number may be found by arranging all the observations from lowest value to highest value and picking the middle one.

* Commission paid for part of the financial year based on tenure of Directorship.

§ Mr. Milind Thatte has exercised Stock Options of the ultimate Holding Company amounting to ₹ 97 93 656 under its Employee Stock Option Plan, which is excluded in the above-mentioned remuneration.

§§ Mr. Amit Gupta has exercised Stock Options of the ultimate Holding Company amounting to ₹ 1 50 31 812 under its Employee Stock Option Plan, which is excluded in the above-mentioned remuneration.

ii. The percentage increase in the median remuneration of employees in the financial year: 9%
iii. The number of permanent employees on the rolls of Company: 1368 as on June 30, 2022.
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

Average increase in the remuneration of salaries of the employees is based on a detailed performance evaluation which inter-alia include their performance viz-a-vis the objectives achieved by them during the year. The overall financial performance of the Company is also taken into consideration while arriving at the average percentage increase of the salaries of employees. Salaries of employees is adjusted periodically against the industry benchmark. During the year, under review average increase in the salaries of employees was around 9%.

v. Key Parameters for any variable component of remuneration availed by directors:

Executive Directors are entitled for payment of bonus which is dependent upon the Company's overall performance and their individual performance rating.

Additionally, Non-Executive Independent Directors are entitled for payment of commission which is determined based on the time spent by the Directors at the Audit Committee Meetings, Board Meetings, other Committee Meetings and contribution made by them from time to time on strategic matters.

Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby confirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

ANNEXURE IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,

The Members,**Procter & Gamble Health Limited**

Godrej One, 8th Floor, Pirojshanagar,
Eastern Express Highway, Vikhroli (East),
Mumbai - 400079

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Procter & Gamble Health Limited (CIN L99999MH1967PLC013726)** ("Company") for the financial year ended 30th June, 2022 through electronic platform. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

- A.** In expressing our opinion it must be noted that-
- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis of our opinion.
 - iii. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
 - iv. Wherever required, we have discussed with the management of the company and obtained the management representation pertaining to compliance of laws, rules and regulations, happening of events, etc.
 - v. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was

limited to the verification of procedures on test basis.

- vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- B.** Based on our on-line 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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 30th June, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:
- C.** We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30th June, 2022 according to the provisions of:
- I. The Companies Act, 2013 ('Act') and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only as the Company has neither made any Overseas Direct Investment nor obtained External Commercial Borrowings during the audit period.

- VA. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - 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.
- VB. The Company has not undertaken any of the activities during the audit period envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit:-
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 16th August 2021) and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 17th August 2021);
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August 2021) and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August 2021); and
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- VI The following Acts and Rules made thereunder pertaining to Company's business are applicable to the Company:
- Drugs and Cosmetics Act, 1940;
 - Narcotic Drugs and Psychotropic Substances Act, 1985;
 - Petroleum Act, 1934; and
 - Maharashtra Non-Biodegradable Garbage (Control) Act, 2006 and the rules framed thereunder.
- D. We have also examined compliance with the applicable clauses which, are generally adhered to, of the following:
- Secretarial Standards in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) along with the relevant Advisories issued by the ICSI from time to time; and
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.
- E. We further report that,
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year 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 well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through and there was no instance of any director expressing any dissenting views.

- F.** We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- G.** We further report that during the audit period none of the following events has taken place:
- I. Public/Rights/Preferential Issue of Shares/ Debentures/Sweat equity etc.
 - II. Redemption/buy back of securities.
 - III. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.

- IV. Merger/Amalgamation/Reconstruction, etc.
- V. Foreign Technical Collaborations.

For **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

CS Nrupang B. Dholakia
Designated Partner
FCS – 10032 CP No. 12884

Place : Mumbai
Date : 29th August , 2022
UDIN : F010032D000869715

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

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* (PVPs).

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, four Non-Executive Directors (including one women Independent Director) and one Executive Director. All Directors, except the Managing Director and the Non-Executive Independent Directors, are liable to retire by rotation.

The Independent Directors are independent of the management and bring external perspective of decision making. The terms & conditions of appointment of Independent Directors are available on the website of the Company at www.pghealthindia.com.

All Independent Directors 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 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the 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 have not been disqualified from being appointed as a Director pursuant to section 164(2) of the Companies Act, 2013. The Company has obtained a certificate from M/s. Saraf & Associates, Practising Company Secretary, dated August 29, 2022, (annexed to this Report), confirming that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing to hold office of Director of Companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such authority.

The composition of the Board and summary of other Directorship(s) and Committee Membership(s) of Directors as on June 30, 2022 are given below:

Name of the Director	Category	Designation	No. of Directorships in other companies*	Membership of Board Committees of other companies **	
				Member	Chairman
Mr. Suresh N. Talwar	ID	Chairman	6	1	0
Mrs. Rani Jadhav	ID	Director	1	1	Nil
Mr. S. Madhavan [#]	ID	Director	10	7	4
Mr. Milind Thatte	ED	Managing Director	Nil	Nil	Nil
Mr. Amit Gupta	ED	Director & Chief Financial Officer	Nil	Nil	Nil
Mr. Aalok Agrawal	NED	Director	Nil	Nil	Nil
Dr. Elizabeth Desmond [§]	NED	Director	Nil	Nil	Nil

NED – Non-Executive Director, ED – Executive Director, ID – Independent Director

Notes:

* 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.

[#] Mr. S. Madhavan was appointed as an Independent Director on the Board effective November 15, 2021.

[§] Dr. Elizabeth Desmond was appointed as Non-Executive Director on the Board effective September 24, 2021.

The other listed companies in which Directors on the Board of your Company are also Directors are listed below:

Name of Director	Directorship in other listed companies
Mr. Suresh N. Talwar	Non-Executive Independent Director Elantas Beck India Limited
Mrs. Rani Jadhav	Non-Executive Independent Director Forbes & Company Limited
Mr. S. Madhavan	Non-Executive Independent Director UFO Moviez India Limited Sterlite Technologies Limited ICICI Bank Limited Transport Corporation of India Limited HCL Technologies Limited
Mr. Milind Thatte	Nil
Mr. Amit Gupta	Nil
Mr. Aalok Agrawal	Nil
Dr. Elizabeth Desmond	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 along with 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, four meetings of the Board of Directors were held on August 26, 2021, November 09, 2021, February 09, 2022 and May 05, 2022.

(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. Thereafter, the Director and the Board, as a whole, have access to all Company related data.

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 meeting.

To ensure confidentiality and as part of green initiatives for reducing usage of papers, the

(d) Directors' attendance record

The attendance of the Directors at the Board Meetings held during the Financial Year and at the last Annual General Meeting held on November 11, 2021, is as under:

Name of the Director	No. of Board meetings held during the tenure	No. of Board Meetings attended	Last Annual General Meeting (Whether attended)
Mr. Suresh N. Talwar	4	4	Yes
Mrs. Rani Jadhav	4	4	Yes
Mr. S. Madhavan [#]	2	2	Not Applicable
Mr. Milind Thatte	4	4	Yes
Mr. Amit Gupta	4	4	Yes
Mr. Aalok Agrawal	4	3	Yes
Mr. Sujay Wasan ^{&}	1	Nil	Not Applicable
Dr. Elizabeth Desmond [§]	3	3	Yes

[#] Mr. S. Madhavan was appointed as an Independent Director on the Board effective November 15, 2021.

[&] Mr. Sujay Wasan ceased to be Director of the Company effective September 23, 2021.

[§] Dr. Elizabeth Desmond was appointed as Non-Executive Director of the Company effective September 24, 2021.

Company Secretary circulates the agenda via email, restricting the email to only Directors and Key Managerial Personnel of the Company. The Company Secretary of the Company attends all the meeting 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 gets back to the 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 the 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.

(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 10, 2022 (held via video-conferencing) to review the performance of 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 amendments 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 RPT Policy is available on the Company's website at <https://www.pghealthindia.com/investors/>.

Prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive nature. No material related party transactions were entered during the Financial Year by your Company. All related party transactions are placed before the

Audit Committee for review. All related party transactions were reviewed by independent chartered accountant firm to validate that the transactions are in ordinary course of business, at arm's length and are in compliance with the Related Party Transaction Policy of the Company. 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 37 forming part of the Financial Statements.

(g) Remuneration of Directors

Members of the Company at their 51st Annual General Meeting held on June 1, 2018 had approved payment of commission to the Independent 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. January 1, 2018 and had also empowered the Board of Directors to fix the quantum of commission payable to the Independent Directors and to also determine the period for which said commission is payable. The Board of Directors at their meeting held on August 29, 2022 approved variable payment of annual commission to Independent Directors. The Independent 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 for the Financial Year ended June 30, 2022 are given below:

(₹ in Lakhs)

Name of the Director	Relationship with other Directors	Salary including Bonus + PF contribution	Commission	Sitting Fees	Shares held (Equity Shares of ₹ 10/- each)*
Mr. Suresh N. Talwar	None	-	12.00	5.75	5 914
Mrs. Rani Jadhav	None	-	12.00	3.55	-
Mr. S. Madhavan [#]	None	-	7.50	1.40	-
Mr. Milind Thatte	None	386.81 ^{\$}	-	-	-
Mr. Amit Gupta	None	186.61 ^{\$\$}	-	-	-
Mr. Aalok Agrawal	None	-	-	-	-
Mr. Sujay Wasan ^{&}	None	-	-	-	-
Dr. Elizabeth Desmond [^]	None	-	-	-	-

* Excludes shares held by relatives.

^{\$} Mr. Milind Thatte has exercised Stock Options of the ultimate Holding Company amounting to ₹ 97,93,656 under its Employee Stock Option Plan, which is excluded in the above-mentioned remuneration.

^{\$\$} Mr. Amit Gupta has exercised Stock Options of the ultimate Holding Company amounting to ₹ 1,50,31,812 under its Employee Stock Option Plan, which is excluded in the above-mentioned remuneration.

[#] Mr. S. Madhavan was appointed as an Independent Director on the Board effective November 15, 2021. Accordingly, commission was paid for part of the Financial Year based on tenure of Directorship.

[&] Mr. Sujay Wasan ceased to be a Director of the Company effective September 23, 2021 due to his resignation from the Board.

[^] Dr. Elizabeth Desmond was appointed as Non-Executive Director on the Board effective September 24, 2021.

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 35 forming part of the Financial Statements.

(h) Committees of the Board



Audit Committee

The Audit Committee presently comprises of Mr. Suresh N. Talwar (Chairman), Mrs. Rani Jadhav (Member), Mr. S. Madhavan (Member), and Mr. Milind Thatte (Member). During the Financial Year 2021-22, the Audit Committee held 4 meetings on August 26, 2021, November 09, 2021, February 09, 2022 and May 05, 2022.

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. Suresh N. Talwar	4	4
Mrs. Rani Jadhav	4	4
Mr. S. Madhavan [#]	2	2
Mr. Milind Thatte	4	4

[#] Mr. S. Madhavan was inducted as a member of the Audit Committee effective December 10, 2021

The Company Secretary acts as the Secretary to the Audit Committee.

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 terms of reference of the Audit Committee are as follows:

- i. Oversight of the Company financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Reviewing the quarterly and annual financial statements before submission to the Board for approval, focusing *inter-alia* on;
 - Any changes in accounting policies and practices and reasons for the change;
 - Major accounting entries involving estimates based on exercise of judgment by Management;
 - Significant adjustments arising out of audit findings;
 - The going concern assumption;
 - Compliance with Accounting Standards; and

- Analysis of the effects of alternative generally accepted accounting principles on the financial statements.
- iv. Compliance with listing and other legal requirements concerning financial statements;
 - v. Approval of the related party transactions;
 - vi. Review of annual Management Discussion and Analysis of financial condition and results of operations and the Directors' Responsibility Statement;
 - vii. Disclosures made under the CEO and CFO certification to the Board;
 - viii. Reviewing with the Management, Statutory Auditors and Internal Auditors, adequacy of internal control systems and recommending improvements to the Management;
 - ix. Recommending the appointment/removal of the Statutory Auditors, fixing audit fees, non-audit fees, evaluating Auditors performance, qualifications and independence;
 - x. Reviewing the adequacy of internal audit function, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of Internal Auditors;
 - xi. Discussing with the Internal Auditors and senior Management, significant internal audit findings and follow-up thereon;
 - xii. Reviewing the findings of any internal investigation by the Internal Auditors into matters involving suspected fraud or irregularity or a failure of internal control system of a material nature and report the matter to the Board;
 - xiii. Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as conduct post-audit discussions to ascertain any area of concern;
 - xiv. Reviewing the Company's financial and risk management policies;
 - xv. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations; and
 - xvi. Reviewing any other areas which may be specified as role of the Audit Committee under the SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other statutes, as amended from time to time.

Stakeholders Relationship Committee

The Stakeholder Relationship Committee presently comprises of Mr. Suresh N. Talwar (Chairman), Mr. Milind Thatte (Member) and Mr. Amit Gupta (Member). During the Financial Year, four meetings were held on August 26, 2021, November 09, 2021, February 09, 2022 and May 05, 2022.

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

Members of the Committee	No. of meetings held during tenure	No. of meetings attended
Mr. Suresh N. Talwar	4	4
Mr. Milind Thatte	4	4
Mr. Amit Gupta	4	4

The terms of reference of the Stakeholder Relationship Committee are as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the listed entity 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 under review, the Company received 4 complaints from Shareholders, which were resolved by the Company during the year. There were no pending complaints as on June 30, 2022.

Ms. Zeal Shah was appointed as the Compliance Officer to the Committee effective July 1, 2021 and the Company Secretary of the Company effective August 26, 2021.

Nomination and Remuneration Committee

The Nomination & Remuneration Committee presently comprises of Mrs. Rani Jadhav (Chairperson), Mr.

Suresh N. Talwar (Member) and Mr. Aalok Agrawal (Member). During the Financial Year, two meetings were held on August 26, 2021 and November 09, 2021.

Attendance of the Members of the Nomination & Remuneration Committee during the Financial Year:

Members of the Committee	No. of meetings held during tenure	No. of meetings attended
Mrs. Rani Jadhav	2	2
Mr. Suresh N. Talwar	2	2
Mr. Aalok Agrawal	2	2

The terms of reference of the Nomination & Remuneration Committee are as follows:

- Ensure that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance;
- Review the composition of the Board and devise a policy on Board diversity;
- To formulate criteria for determining qualifications, positive attributes and independence of a director and to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend the Board of their appointment and removal;
- Formulate the criteria for evaluation of independent directors on the Board;
- Review and recommend to the Board the overall strategies in relation to executive and non – executive remuneration policies; and
- Evaluation of every director's performance.

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://www.pghealthindia.com/investors/>.

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

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee presently comprises of Mr. Suresh N. Talwar (Chairman), Mr. Milind Thatte (Member) and Mr. Amit Gupta (Member). During the Financial Year, three meetings were held on August 26, 2021, November 09, 2021 and May 05, 2022.

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

Members of the Committee	No. of meetings held during tenure	No. of meetings attended
Mr. Suresh N. Talwar	3	3
Mr. Milind Thatte	3	3
Mr. Amit Gupta	3	3

The terms of reference of the CSR Committee are 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;
- 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 P&G group and the 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. On the Environment – by conservation of resources, using renewable resources, generating worth from waste; and
 - ii. On the Society – by providing the comforts of home, improving health and hygiene of people, social and cultural development, imparting education, training and social awareness.

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://www.pghealthindia.com/investors/>.

Risk Management Committee

Your Company has constituted a Risk Management Committee to monitor and review the Risk Management Policy and plans of the Company. The Committee presently comprises of Mr. Milind Thatte (Chairman), Mr. Suresh N. Talwar (Member) and Mr. Amit Gupta (Member). During the Financial Year under review, four meetings of the Committee were held on August 26, 2021, November 09, 2021, February 09, 2022 and May 05, 2022

Attendance of the members of the Risk Management Committee during the Financial Year:

Members of the Committee	No. of meetings held during tenure	No. of meetings attended
Mr. Milind Thatte	4	4
Mr. Suresh N. Talwar	4	4
Mr. Amit Gupta	4	4

The terms of reference of the Risk Management Committee are 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;
- 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.

(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 presentations at meetings of the Board and meeting of various Committees of the Board periodically to familiarize the Independent Directors with the business performance, business strategy, operations and functions of the Company. Such presentations are made by functional heads so that Independent Directors can have direct interaction with them. 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.

During the year the Company had two connects in the nature of familiarization programmes for the entire Board of directors including the Independent Directors.

The details of the familiarization programmes are available on the Company's website at <https://www.pghealthindia.com/investors/>.

(j) Succession planning

The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour 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) 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 based on the responses received from the directors.

(l) Key Board qualifications, expertise and attributes

The Company is in the healthcare industry, engaged in manufacturing and marketing of pharmaceuticals and chemicals.

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

Accounting Expertise		Experience of financial management with appropriate professional qualifications (e.g. MBA in Finance, Chartered Accountants, Cost Accountants, Chartered Financial Analyst etc.)
Legal Expertise		Experience in the field of law, litigations or advisory with appropriate professional qualifications (e.g. Lawyers, Solicitors, Company Secretaries)
Strategy / Business Operation Expertise		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
Healthcare Domain Expertise		Experience of Healthcare industry
Regulatory / Policy		Experience of regulatory advisory, policy formulation & implementation, public administrative experience

While all the Board members possess the requisite skills identified, their core areas of expertise are as follows:

Name of Director					
Mr. Suresh N. Talwar	-	✓	-	-	✓
Mrs. Rani Jadhav	-	-	-	-	✓
Mr. S. Madhavan	✓	-	✓	-	✓
Mr. Milind Thatte	✓	-	✓	✓	-
Mr. Amit Gupta	✓	-	✓	✓	-
Mr. Aalok Agrawal	✓	-	✓	✓	-
Dr. Elizabeth Desmond	-	-	✓	✓	-

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

i. Mr. Amit Gupta

Mr Gupta is a Chartered Accountant and a B.Com from Delhi University. He is an accomplished finance leader with 21 years' experience of steering organizations through complex business environment to create sustainable stakeholder value. He is an agile strategic leader with experience in leading and developing cross functional and multicultural teams across FMCG, Pharma, Consultancy and Consumer Health industry. Mr. Gupta possesses hands on experience across different verticals like

Financial Planning and Analysis, M&A, Sales & Marketing, Taxation, Manufacturing & Supply chain, Business Development and Audit. Mr. Amit Gupta, Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing 55th Annual General Meeting.

ii. Mr. Aalok Agrawal

Mr. Agrawal is a Bachelor of Science (Physics) and an MBA from Indian Institute of Management. Ahmedabad. He has been with P&G for over 20 years with leadership experience on consumer healthcare & FMCG businesses and deep mastery in diverse OTC value creation business models. He has

worked in diverse cultural contexts across the globe. He is currently Sr. Vice President & General Manager, Consumer Healthcare for the Asia-Pacific, India, Middle-East & Africa region. Mr. Aalok Agrawal, Non-Executive Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing 55th 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 Agents, as applicable.

Members who need hard copy of the report are requested to write to the Company Secretary at investorgrievance.im@pg.com. 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 were published in the Business Standard and Mumbai Lakshadeep. The Company's results and official news releases are published on Company's website: <https://pghealthindia.com/>.

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

(iii) Communication with respect to deduction of tax on dividend income

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://www.pghealthindia.com/investors/>, in order to facilitate company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be emailed to Company's Registrar & Transfer Agent (RTA) on or before November 06, 2022.

(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 PAN, KYC and Nomination details

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 with 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://www.pghealthindia.com/investors/#shareholder-information>.

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 System and Dematerialization

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 documents were allowed to be re-lodged for transfer with KFin Technologies 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 25th 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 the Securities & Exchange Board of India on all matters related to capital markets and no strictures or penalty was imposed on the Company in preceding three financial years. The Company has complied with 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

For the Financial Year ended	Venue	Day and Date	Time	No. of Special resolutions passed
2018	Annual General Meeting was held at Sunville Banquets, 3 rd Floor, Royal Room, Dr. A.B. Road, Worli, Mumbai - 400 018	Friday, 31.05.2019	3:00 p.m.	1
2019-20	Annual General Meetings were held through Video Conference / Other Audio Visual Means. Deemed venue for the meeting	Thursday, 26.11.2020	3:30 p.m.	-
2020-21	was the registered office of the Company.	Thursday, 11.11.2021	3:30 p.m.	-

At the Annual General Meeting held on May 31, 2019, a Special Resolution had been passed for alteration of Articles of Association of the Company.

POSTAL BALLOT

During the Financial Year, the following resolution was approved by way of postal ballot mechanism.

Description of resolution: Resolution for appointment of Mr. S. Madhavan (DIN 06451889) as a Non-Executive

Independent Director of the Company for a period of five years, effective November 15, 2021.

Said resolution was passed by the Shareholders of the Company as an Ordinary Resolution, through Postal Ballot on December 29, 2021. The Board of Directors had appointed Mr. B. V. Dholakia, Practicing

Company Secretary, Designated Partner of Dholakia & Associates LLP and in his absence Mr. Nrupang Dholakia, Practicing Company Secretary, Designated Partner of Dholakia & Associates LLP, to act as the scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.

The results of the postal ballot were declared on December 30, 2021. 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	613	1 05 31 590	99.54
Dissented to the resolution	44	48 570	0.46
No. of total valid Postal Ballot Forms / e-votes received	657	1 05 80 160	100.00

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 members. 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. Members 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 to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company. The results were displayed on the website of the Company at www.pghealthindia.com, 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 REQUIREMENTS

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

- The Company’s financial statements for the Financial Year 2021-22 have an unmodified audit opinion; and
- The Internal Auditor of the Company reports to the Audit Committee.

WHISTLE BLOWER POLICY

The Company being a part of the P&G 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 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 implemented 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 along with 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 website - <https://www.pghealthindia.com/investors/>.

CODE OF CONDUCT

(i) Code of Conduct for Directors and Senior Management

The Board has laid down a Code of Conduct for all Directors and Senior Management and all its employees. The Code of Conduct of the Company is also hosted on the website - <https://www.pghealthindia.com/investors/>. All Directors and Senior Management personnel have affirmed their compliance with the said Code. A declaration signed by the Managing Director to this effect is appended at the end of this Report.

(ii) Code of Conduct for Prohibition of Insider Trading

The Board of the Company has adopted a Code of Conduct for Prohibition of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code has been hosted on the Company's website at <https://www.pghealthindia.com/investors/>.

GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting

Pursuant to the Circulars passed by Ministry of Corporate Affairs and the Securities Exchange Board of India, the Fifty-Fifth Annual General Meeting (AGM) will be held on **Wednesday,**

November 23, 2022 at **3:30 p.m.** through Video conferencing facility. Deemed venue of the meeting shall be 'Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli East, Mumbai - 400079.' Details of the link for joining and participating in the meeting through video-conferencing is provided in the notice convening the 55th Annual General Meeting. A copy of the transcript of the AGM will be made available on the Company's website at <https://www.pghealthindia.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

The Company's Register of Members and Share Transfer Books will remain closed from Thursday, November 17, 2022 to Wednesday, November 23, 2022 (both days inclusive) for the purposes of payment of dividend for the Financial Year ended June 30, 2022, if approved by members at the above mentioned AGM.

IV. Dividend Payment Date

On or before December 20, 2022.

V. Total fees paid to Statutory Auditors of the Company

Total fees of ₹ 32 lakhs for Financial Year 2021-22, was paid by the Company to M/s. Haribhakti & Co. 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 at 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	500126	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
National Stock Exchange of India Limited	PGHL	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

IX. ISIN Code

Dematerialisation ISIN Code: **INE199A01012**

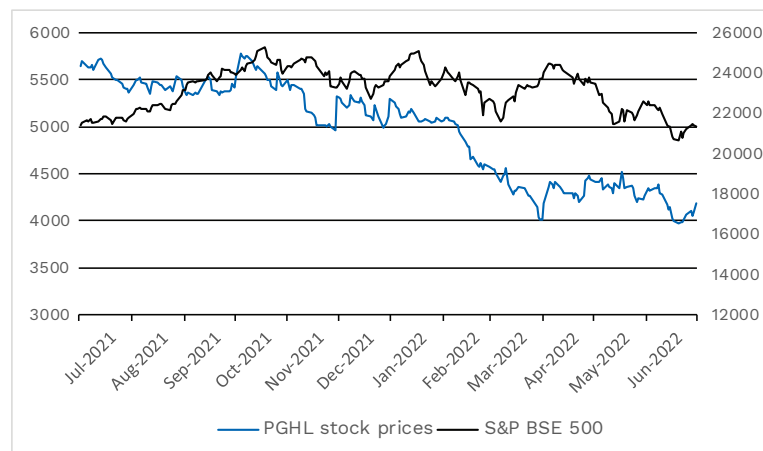
X. Stock Price Data

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July -2021	5,810.00	5,350.00	5,818.00	5,340.00
August - 2021	5,629.85	5,250.00	5,600.00	5,310.05
September -2021	5,579.90	5,310.00	5,578.95	5,309.00
October - 2021	5,850.00	5,300.00	5,851.76	5,346.00
November -2021	5,529.50	4,910.00	5,533.9	4,903.00
December – 2021	5,479.90	4,975.10	5,475.00	4,965.00
January – 2022	5,374.90	4,990.00	5,326.65	4,998.25
February – 2022	5,163.55	4,481.10	5,171.95	4,488.00
March – 2022	4,646.00	4,000.05	4,600.00	4,000.00
April – 2022	4,549.60	3,998.85	4,519.45	3,991.65
May – 2022	4,615.00	4,164.00	4,478.00	4,200.05
June – 2022	4,439.60	3,925.30	4,475.00	3,901.05

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

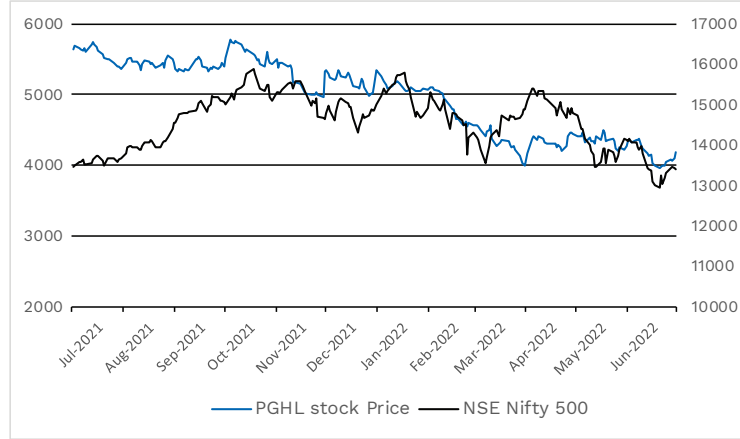
XI. Stock Performance in comparison to the BSE Sensex and NSE Nifty

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



(Source: www.bseindia.com)

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



(Source: www.nseindia.com)

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

Category	Number of shares held	% of shares Held
Foreign promoters	86 01 071	51.82
Resident Individuals and HUF	41 70 087	25.12
Mutual Funds	10 98 030	6.61
Financial Institutions / Banks	714	0.00
Insurance Companies	2 41 547	1.46
Foreign Portfolio Investors	10 73 572	6.47
Bodies Corporate	3 82 466	2.30
Non-Resident Indians	2 83 238	1.71
Others	7 48 657	4.51
TOTAL	1 65 99 382	100.00

XIII. Registrar and Share Transfer Agents

KFin Technologies Limited

Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.

Toll free number: 1-800-309-4001 Email : einward.ris@kfintech.com

Website: <https://www.kfintech.com> or <https://ris.kfintech.com/>

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

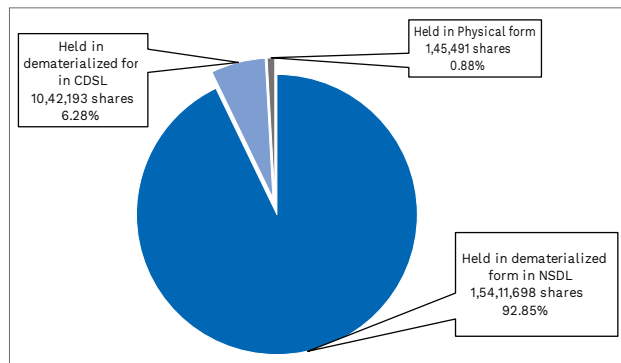
Shareholding (₹)	Number of Shareholders	% to Total	Shares Number	% to Total
Upto 5000	66 483	98.25	25 33 312	15.26
5001 - 10000	615	0.91	4 48 038	2.70
10001 - 20000	291	0.43	4 11 057	2.48
20001 - 30000	79	0.12	2 01 629	1.21
30001 - 40000	45	0.07	1 53 035	0.92
40001 - 50000	24	0.04	1 12 835	0.68
50001 - 100000	60	0.09	3 97 707	2.40
100001 & above	71	0.10	1 23 41 769	74.35
TOTAL	67 668	100.00	1 65 99 382	100.00

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	1 54 11 698	92.85
Held in dematerialized form in CDSL	10 42 193	6.28
Held in Physical form	1 45 491	0.88
Total	1 65 99 382	100.00

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



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

XVII. 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 34 forming part of the Financial statements. The Company has not entered into any hedging activities in Financial Year 2021-22.

XVIII. Unclaimed / unpaid Dividends

In accordance with the provisions of sections 124 and 125 of 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 Authority.

Final dividend for the Financial Year ended December 31, 2015 and for the subsequent years, which remain unpaid or unclaimed, will be due for transfer to the IEPF on the dates mentioned in the table below. The Company has sent individual notices and issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares/ dividends to the IEPF. Members who have not encashed their dividend warrants for these years are requested to apply in writing to the Company's RTA, M/s. KFin Technologies Limited for revalidation of their dividend warrants on or before the due dates mentioned herein.

Those holding shares in the dematerialized form are requested to update their bank account, other relevant details to reduce the quantum of physical dividend warrants and other correspondence that is sent through physical mode in order to enable digitization of data.

Date of Declaration	For the Financial year	Transfer to IEPF
10.06.2016	2015	16.07.2023
04.05.2017	2016	09.06.2024
01.06.2018	2017	07.07.2025
31.05.2019	2018	06.07.2026
26.11.2020	2019-20	01.01.2028
11.11.2021	2020-21	17.12.2028
05.05.2022	Interim 2021-22	11.06.2029

The members who have a claim on the dividends and shares transferred to the IEPF Authority may claim the same by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

During the Financial Year 2021-22 and up to the date of this report, unclaimed dividend amount for the Financial Year ended December 31, 2014 amounting to ₹ 6 85 848 were transferred to the IEPF Authority. Further 2,583 shares were also transferred to the IEPF.

The details of unpaid / unclaimed dividend have been hosted on the website of the Company, viz., <https://www.pghealthindia.com/>.

Ms. Zeal Shah is the Nodal officer of the Company, under the IEPF rules.

XIX. Plant Location

No. 11/1, Marvasodo Usgaon, Ponda, Goa 403 407.

XX. Investor Queries and Grievance Redressal

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

Company Secretary and Compliance Officer

Procter & Gamble Health Limited

Registered Address:

Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli East, Mumbai 400 079

Tel. No. : 022-6866 9000

Investor Helpline No.: +91 8291902520

Email ID: investorgrievance.im@pg.com

Shareholders are informed that the Company's registered address will be shifted to P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai - 400 099, effective January 1, 2023. You are hereby requested to send all communications at said address from January 1, 2023.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

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 Business Conduct Manual for the Financial Year ended June 30, 2022.

For **Procter & Gamble Health Limited**

Mumbai
August 29, 2022

Milind Thatte
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with paragraph E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Procter & Gamble Health Limited
Godrej One, 8th Floor, Pirojshanagar,
Eastern Express Highway, Vikhroli (East),
Mumbai – 400079

We have examined the compliance of conditions via electronic platform of Corporate Governance by **Procter & Gamble Health Limited** (CIN - L99999MH1967PLC013726) (“Company”) for the year ended June 30, 2022, prescribed in Regulations 17 to 27, Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”).

The compliance of the 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of SEBI LODR for the year ended on June 30, 2022.

We further state that such compliance 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 **DHOLAKIA & ASSOCIATES LLP**
(Company Secretaries)

CS Nrupang B. Dholakia
Designated Partner
FCS – 10032 CP No. 12884

Place : Mumbai
Date : 29th August, 2022
UDIN : F010032D000869803

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 HEALTH LIMITED
CIN: L99999MH1967PLC013726
Godrej One, 8th Floor, Pirojshanagar,
Eastern Express Highway,
Vikhroli (East)
Mumbai 400079

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PROCTER & GAMBLE HEALTH LIMITED** having CIN : **L99999MH1967PLC013726** and having registered office at Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East) Mumbai City MH 400079 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) 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 30th 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1.	Suresh Narsappa Talwar	00001456	17/01/1984
2.	Subramanian Madhavan	06451889	15/11/2021
3.	Rani Jadhav Ajit	07070938	05/02/2015
4.	Milind Vasant Thatte	08092990	01/04/2018
5.	Amit Gupta	08295179	06/12/2018
6.	Aalok Agrawal	08468145	01/06/2019
7.	Elizabeth Eileen Desmond	09333010	24/09/2021

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

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 : 29.08.2022

UDIN : F001596D000868286

INDEPENDENT AUDITOR REPORT

To the Members of Procter & Gamble Health Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Procter & Gamble Health 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 and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind 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 accounting principles generally accepted in India including the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at June 30, 2022, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Ind AS 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 (“ICAI”) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and 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 on the Ind AS financial statements.

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 year. 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 matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
1.	<p>Evaluation of uncertain tax and other legal matters positions (Refer Note 40 to the Ind AS financial statements)</p> <p>The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities and National Pharmaceutical Pricing Authorities on a range of taxation and pricing matters, respectively, during the normal course of business including but not limiting to direct tax, transfer pricing, indirect tax and product pricing matters. These involve significant management judgment to determine the possible outcome of the uncertain tax and other legal matters positions, consequently having an impact on related accounting and disclosures in the Ind AS financial statements. Hence, this has been considered as a key audit matter.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained detailed list of matters under dispute and other uncertain tax and other legal matters positions as at June 30, 2022; • Read and evaluated select key correspondences, external legal opinions / consultations, if any, and evaluation of the same by the legal department of Company; • Discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions; and • Assessed the management’s estimate of the possible outcome of the disputed cases.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Management Discussion and Analysis, Report on Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.

Those Board of Directors are 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 this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 year 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 section 143(11) of the Act, we report in "Annexure 1", 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 Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on June 30, 2022, and taken on record by the Board of Directors, none of the directors is 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 2";
 - g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with 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, as amended, 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 40 on Contingent Liabilities to the Ind AS financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 to the Ind AS financial statements;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(d), 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(s) or entity(ies), including foreign entities (“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;
 - (iv) (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“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;
 - (iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) As stated in Note 44 to the standalone Ind AS financial statements:
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act, as applicable.
 - (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.
 - (c) 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 compliance with section 123 of the Act, as applicable.

For **Haribhakti & Co. LLP**
Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Hemant J. Bhatt

Partner

Membership No.036834

Place: Mumbai

UDIN: 22036834AQDUKV2699

Date: August 29, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Procter & Gamble Health Limited ("the Company") on the Ind AS financial statements for the year ended June 30, 2022]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (l) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use and investment property.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee), disclosed in the Ind AS financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and/or Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the Company as at June 30, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year end, these have substantially been confirmed by them. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification carried out during the year.
- (b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) (a) During the year, the Company has provided loans to its employees.
- (b) The terms and conditions of the grant of all loans provided by the Company during the year are not prejudicial to the interest of the Company.
- (c) The schedule of repayment of principal and payment of interest in respect of the loans has been stipulated and the repayments or receipts during the year are regular as per stipulation.
- (d) In respect of the aforesaid loans, there is no overdue amount for more than ninety days of loans granted.
- (e) There were no loans granted which has fallen due during the year, have been renewed or extended. Further, there were no instances of fresh loans being granted to settle the overdues of existing loans given to the same parties
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has not granted any loan or made any investment or provided any guarantee or security, covered under the provisions of sections 185 and 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that, prima facie, the prescribed accounts and 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) (a) The Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it.
- No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues outstanding with respect to income tax, GST, sales tax, service tax, value added tax, customs duty and excise duty on account of any dispute have been given in Appendix 1.
- (viii) We have not come across any transaction which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year/and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as defined under the Act.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.

- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) (a) 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) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (d) As informed by the Company, the Group to which the Company belongs has no CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS 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 cause us to believe that any material uncertainty exists as on the date of this audit report and that the 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 date of the audit report and we neither give any guarantee nor 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) (a) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to section 135(5) of the said Act. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Hemant J. Bhatt

Partner

Membership No.036834

Place: Mumbai UDIN: 22036834AQDUKV2699

Date: August 29, 2022

Appendix 1 as referred to in paragraph vii (b) of the Annexure 1 to the Independent Auditor's Report

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and Penalty	913.87	2002-03, 2008-09, 2012-13, 2013-14	Income Tax Appellate Tribunal
		205.32	1998-99, 1999-2000	AO to pass order giving effect of ITAT
		8 826.86	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2014-15, 2015-16, 2016-17, 2017-18s	CIT (A)
		12.34	1986-87	High Court
Central Excise Act, 1944	Tax and Penalty	2 241.08	2009-14, 2014-15	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Tax and Penalty	80.19	2017-18	Deputy Commissioner
Local State Sales Tax Act and Central Sales Tax Act 1956	Duty and Penalty	683.16	2010-11, 2011-12, 2012-13, 2014-15	Additional commissioner (Commercial Tax)
		83.04	2014-15, 2017-18	Additional Commissioner (Appeal) Commercial Tax
		2 253.89	2012-13, 2013-14, 2014-15	Joint Commissioner of Sales Tax (Appeal)
		395.26	2015-16, 2016-17	Joint Commissioner of Sales Tax
GST Act, 2017	Tax and Penalty	264.70	2018-19, 2019-20	Deputy Commissioner
		116.50	2018-19	Additional State Tax officer
		1 785.31	2017-18	High Court

In respect of the above, Income tax and Sales Tax dues ₹ 1 983.88 Lakhs and ₹ 658.99 Lakhs have been paid under protest.

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Procter & Gamble Health Limited on the Ind AS financial statements for the year ended June 30, 2022]

Report on the Internal Financial Controls with reference to Financial Statements 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 Health 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 controls 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, 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 controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Hemant J. Bhatt

Partner

Membership No.036834

Place: Mumbai

UDIN: 22036834AQDUKV2699

Date: August 29, 2022

BALANCE SHEET AS AT JUNE 30, 2022

	Notes	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Assets			
Non-current assets			
Property, plant and equipment	4	10 635	9 337
Capital work-in-progress	4	4 060	3 915
Investment property	5	260	295
Right -of -use assets	4	267	747
Intangible assets	6	4	12
Financial assets			
(i) Loans	7	599	541
(ii) Other financial assets	8	876	818
Deferred tax assets (Net)	9	1 965	1 991
Other non-current assets	10	956	609
Non-current tax assets (Net)	11	8 386	7 637
Total non-current assets		28 008	25 902
Current assets			
Inventories	12	11 521	11 837
Financial assets			
(i) Trade receivables	13	8 344	5 981
(ii) Cash and cash equivalents	14	31 940	46 405
(iii) Bank balances other than (ii) above	14.1	513	486
(iv) Loans	7	157	145
(v) Other financial assets	8	746	560
Other current assets	10	8 143	7 300
Total current assets		61 364	72 714
Total assets		89 372	98 616
Equity and Liabilities			
Equity			
Equity share capital	15	1 660	1 660
Other equity	16	59 989	68 711
Total equity		61 649	70 371
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities	17	----	286
Provisions	18	4 080	4 005
Other non-current liabilities	19	60	57
Total non-current liabilities		4 140	4 348
Current liabilities			
Financial liabilities			
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	20	1 533	600
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20	16 068	17 291
(b) Lease Liabilities	17	283	475
(c) Other financial liabilities	22	3 025	2 367
Provisions	18	1 026	1 917
Current tax liabilities (Net)	21	724	425
Other current liabilities	19	924	822
Total current liabilities		23 583	23 897
Total liabilities		27 723	28 245
Total Equity and Liabilities		89 372	98 616
Significant accounting policies	2		

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date.

For and on behalf of Board of Directors

For **HARIBHAKTI & Co. LLP**
Chartered Accountants
Firm Regn. No.: 103523W/W100048

S.N Talwar
Chairman
DIN No.00001456

Milind Thatte
Managing Director
DIN No. 08092990

Hemant J. Bhatt
Partner
M. No.: 036834

Amit Gupta
Chief financial officer
DIN No. 08295179

Zeal Shah
Company Secretary

Place: Mumbai
Date: August 29, 2022

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
Income			
Revenue from operations	23	1 11 441	1 00 873
Other income	24	1 319	1 810
Total income		1 12 760	1 02 683
Expenses			
Cost of raw and packing materials consumed	25	32 372	28 923
Purchases of stock-in-trade (Traded Goods)	26	2 083	2 116
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(475)	173
Employee benefits expense	28	16 756	15 366
Finance cost	29	42	80
Depreciation and amortization expense	4, 5 & 6	2 708	3 004
Impairment (reversal) (refer note 48)	4	73	----
Other expenses	30	33 864	29 693
Total expense		87 423	79 355
Profit before tax from operations		25 337	23 328
Tax expense	31		
Current tax		6 502	6 360
Deferred tax		4	(490)
Tax for earlier years		(421)	(222)
Income tax expense		6 085	5 648
Profit for the year		19 252	17 680
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plans	36	94	56
Income tax related to items that will not be reclassified to profit or loss	31.2	(24)	(14)
Total other comprehensive income for the year		70	42
Total comprehensive income for the year		19 322	17 722
Earnings per equity share	32		
Basic and Diluted (in ₹)		116	107
Face Value of Equity Share (in ₹)		10	10
Significant accounting policies	2		

See accompanying notes form an integral part of these Financial Statements

As per our attached report of even date.

For and on behalf of Board of Directors

For **HARIBHAKTI & Co. LLP**
Chartered Accountants
Firm Regn. No.: 103523W/W100048

S.N Talwar
Chairman
DIN No.00001456

Milind Thatte
Managing Director
DIN No. 08092990

Hemant J. Bhatt
Partner
M. No.: 036834

Amit Gupta
Chief financial officer
DIN No. 08295179

Zeal Shah
Company Secretary

Place: Mumbai
Date: August 29, 2022

STATEMENT OF CHANGES IN EQUITY FROM JULY 1, 2021 TO JUNE 30, 2022

a. Equity share capital

	Amount ₹ in lakhs
Balance as at 1 July 2020	1 660
Changes in equity share capital during the year	----
Balance as at 30 June 2021	1 660
Changes in equity share capital during the year	----
Balance as at 30 June 2022	1 660

b. Other equity

Particulars	Reserves & surplus						Total ₹ in lakhs
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Share options outstanding account	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	
Balance as at 1 July 2020	26	1 113	26	34 389	53 226	194	88 974
Profit for the year	----	----	----	----	17 680	----	17 680
Other comprehensive income for the year	----	----	----	----	42	----	42
Total comprehensive income for the year	----	----	----	----	17 722	----	17 722
Payment of dividends (refer note 44)	----	----	----	----	(38 178)	----	(38 178)
Recognition of share-based payments	----	----	----	----	----	193	193
Balance as at 30 June 2021	26	1 113	26	34 389	32 770	387	68 711
Profit for the year	----	----	----	----	19 252	----	19 252
Other comprehensive income for the year	----	----	----	----	70	----	70
Total comprehensive income for the year	----	----	----	----	19 322	----	19 322
Payment of dividends (refer note 44)	----	----	----	----	(28 385)	----	(28 385)
Recognition of share-based payments	----	----	----	----	----	341	341
Balance as at 30 June 2022	26	1 113	26	34 389	23 707	728	59 989

Note:

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

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date.

For and on behalf of Board of Directors

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Zeal Shah
Company Secretary

Place: Mumbai
Date: August 29, 2022

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

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
A. Cash Flows from Operating Activities		
Profit before tax	25 337	23 328
Adjustments for:		
Net unrealised foreign exchange loss	346	305
Allowance for doubtful receivables	159	108
Bad debts	7	48
Inventory written off	518	427
Provision/ write off of GST and other taxes	694	354
Depreciation of property, plant and equipment	2 708	3 004
Provision for Impairment	73	----
Income from letting of office premises	(213)	(209)
Provision for employee benefits	(138)	537
Provision for sales return/ expiries	(753)	706
Loss on sale of property, plant and equipment	54	42
Share-based payment to employees	341	193
Finance Cost	42	80
Interest income	(1 107)	(1 506)
Operating profit before working capital changes	28 068	27 417
Working capital adjustments:		
(Increase)/Decrease in inventories	(202)	1 147
(Increase)/Decrease in trade receivables	(2 515)	3 422
(Increase)/Decrease in financial and other Assets	(2 201)	(684)
(Decrease)/Increase in trade payables	(650)	181
Increase in other liabilities and provisions	838	56
Cash generated from operations	23 338	31 538
Income taxes paid (net)	(6 386)	(6 812)
Net cash generated from operating activities (A)	16 952	24 726
B. Cash Flows from Investing Activities		
Purchase and construction of property, plant and equipment	(3 792)	(5 258)
Proceeds from sale of asset	37	121
Income from letting of office premises	213	209
Interest received	988	1 708
Security deposit placed against commitments	----	(7)
Net cash (used in)/ generated from investing activities (B)	(2 554)	(3 227)

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

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
C. Cash flow from financing activities		
Dividend paid	(28 385)	(38 178)
Payment of lease liability	(478)	(485)
Net cash flow used in financing activities (C)	(28 863)	(38 663)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(14 464)	(17 164)
Cash and cash equivalents at the beginning of the year	46 405	63 569
Cash and cash equivalents at the end of the year	31 940	46 405
Components of Cash and Cash equivalents:		
Cheque in hand	----	457
Balance with Banks		
In Current accounts	3 800	4 638
In Term deposits (less than 3 months maturity)	28 140	41 310
	31 940	46 405
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.		
Significant accounting policies		Note 2
See accompanying notes form an integral part of these Financial Statements.		

As per our attached report of even date.

For and on behalf of Board of Directors

For **HARIBHAKTI & Co. LLP**
Chartered Accountants
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Zeal Shah
Company Secretary

Place: Mumbai
Date: August 29, 2022

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

1 Corporate information

Procter & Gamble Health Limited ('the Company') is a public company domiciled and headquartered in India. It is incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is in the business of manufacturing and marketing of pharmaceuticals and chemicals.

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 per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

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 in accordance with Ind AS 113 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, 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.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving critical estimates and judgements are:

- (i) Estimation of useful life of property, plant and equipment

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

- (ii) Estimation of defined benefit obligation
- (iii) Provision for inventories
- (iv) Impairment of trade receivables

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.

However, sales tax / value added tax (VAT) / 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, 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;
- 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.

Revenue from shared service

Revenue from shared services is recognised as and when services are rendered and related costs are incurred, in accordance with the terms of the contractual agreement.

Export Incentives

Export benefits availed as per prevalent schemes are accrued each year in which the goods are exported and when no significant uncertainty exist regarding their ultimate collection.

Commission income is recognised as and when services are rendered, in accordance with the terms of the contractual agreement.

Interest income

Interest income is recognised on time proportion basis after taking into account the amount outstanding and the interest rate applicable.

Interest income is also recorded using the effective interest rate (EIR) wherever applicable. Interest income is included in other income in the Statement of Profit and Loss.

Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2.3(b) below.

Processing income

Revenue from toll manufacturing services offered to group companies on cost plus markup in accordance with the terms of contract.

b. Leasing

Effective July 1, 2020, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on July 1, 2020, except those which are exempted under this standard, using the modified retrospective approach. Accordingly, comparatives for the year ended June 30, 2020 have not been retrospectively adjusted. The standard permits a choice on initial adoption, on a lease-by-lease basis, to measure the right-of-use asset at either its carrying amount as if Ind AS 116 had been applied since the commencement of the lease, or an amount equal to the lease liability adjusted for accruals or prepayments. The Company has elected to

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

measure the right-of-use asset equal to the lease liability, with the result of no net impact on retained earnings and no restatement of prior period comparatives.

The Company as a lessee

The Company's lease assets classes primarily consist of leases for office premises. 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") 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.

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.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

c. Foreign currencies

The financial statements are presented in Indian Rupee (₹ 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 that 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

Exchange differences on monetary items 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.

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.

The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

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 as per its policy.

The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of any plan assets are deducted. 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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

- iii) Liability for Compensated Absences and Leave Travel Allowance which are in the nature of short term benefits is provided for as per company rules based on the undiscounted amount of benefits expected to be paid in exchange of services rendered.
- iv) Termination benefits and long service awards in terms of Company policy are recognised as an expense as and when incurred.

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 & Gamble Company, USA has an "Employee Stock Option Plan (ESOP)" whereby the specified employees covered by the plan are granted an option to purchase shares of the Ultimate Holding Company i.e. - The Procter & Gamble Company, USA at a fixed price (grant price) for a fixed period of time. The difference between the market price and grant price on the exercise of the stock options issued by the Ultimate Holding Company to the employees of the Company is charged in the year of exercise by the employees. 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 (refer note 2.3(e)), 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 & 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 & 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 to ISOP are recognised immediately in the Statement of Profit and Loss 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

The current tax is based on taxable profit for the year. 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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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.

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, residual values and depreciation method 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 Act, other than certain assets which are based on the Company's expected usage pattern supported by technical assessment.

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 & equipment	10-15 years
Furniture and fixtures	3-15 years
Office equipment	3-15 years
Vehicles	4-18 years
Moulds & Dies	3-15 years

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

Leasehold improvements are amortised over the primary period of lease.

Depreciation on fixed assets added/ disposed off/ discarded during the year is provided on pro-rata basis with reference to subsequent month of addition/ disposal/ discarding.

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 Statement of Profit and Loss.

j. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years.

k. Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

l. Non-current assets held for sale

Non-current assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continued use.

Such assets are generally measured at lower of their carrying amount 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 Statement of Profit or Loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

m. 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.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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.

n. 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. 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.

Cost of return on account of breakage and expiries are estimated on the basis of past experience. Provision is made in respect of cost for breakage and expiries in the year of sale of goods.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be there.

o. 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 assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

p. 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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 or 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.

Effective interest method

The effective interest is a method of 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 the 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 lifetime 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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 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 the Statement of Profit and Loss.

q. 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 the 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 are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, 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" line item.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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 the 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 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 the Statement of Profit and Loss.

If the Company neither transfers nor retains substantially all 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.

r. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

s. 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.

t. Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Statement of Cash Flows 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.

u. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as and when incurred.

The development activities undertaken by the Company are subject to technical, regulatory and other uncertainties, such that, in the opinion of management, the criteria for capitalization are not met prior to obtaining marketing approval by the regulatory authorities in markets. Internal development cost that do not meet these criteria are therefore expensed as and when incurred.

v. Earnings Per Share

Basic earnings per share is computed by dividing the profit / loss 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, diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

x. Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs (MCA), vide notification dated 23rd 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.

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 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 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 are disclosed in note 34.

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 28, '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 30).

e. Measurement and likelihood of occurrence of provisions and contingencies – As disclosed in Note 18 and Note 40, 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 JULY 1, 2021 TO JUNE 30, 2022

4 Property, plant and equipment and capital work-in-progress

Property, plant and equipment	At June 30, 2022 ₹ in lakhs	At June 30, 2021 ₹ in lakhs
Owned Assets	10 635	9 337
Right-of-use assets	267	747
	10 902	10 084

A. Owned Assets

	Freehold land	Buildings and Flats	Leasehold Improvements	Plant & Machinery	Computer / Hardware	Furniture and Fixtures	Vehicles	Office Equipment	Total
Balance as at 01 July 2020	50	3 622	33	13 976	909	793	29	387	19 799
Additions	----	406	35	1 245	185	32	----	311	2 214
Disposals	----	(126)	----	(1 462)	(20)	(118)	(18)	(168)	(1 912)
Reclassification of assets	----	574	----	(304)	----	(40)	----	(230)	----
Balance as at 30 June 2021	50	4 476	68	13 455	1 074	667	11	300	20 101
Additions	----	1 003	----	2 078	147	96	14	313	3 651
Disposals	----	(79)	----	(599)	----	(115)	----	(239)	(1 032)
Reclassification of assets	----	33	----	52	----	(1)	----	(84)	----
Balance as at 30 June 2022	50	5 433	68	14 986	1 221	647	25	290	22 720
Accumulated depreciation including impairment									
Balance as at 01 July 2020	----	1 193	1	7 810	273	458	15	278	10 028
Depreciation for the year	----	706	3	1 478	167	59	4	60	2 477
Accumulated depreciation on disposals	----	(104)	----	(1 333)	(16)	(107)	(16)	(165)	(1 741)
Accumulated depreciation on reclassification of assets	----	381	----	(215)	----	(21)	----	(145)	----
Balance as at 30 June 2021	----	2 176	4	7 740	424	389	3	28	10 764
Depreciation for the year	----	477	4	1 386	220	52	1	47	2 187
Accumulated depreciation on disposals	----	(49)	----	(566)	----	(320)	----	----	(935)
Accumulated depreciation on reclassification of assets	----	4	----	16	----	----	----	(20)	----
Balance as at 30 June 2022	----	2 608	8	8 576	644	121	4	55	12 016
Impairment for the year	----	4	----	59	----	6	----	----	69

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

	₹ in lakhs								
	Freehold land	Buildings and Flats	Leasehold Improvements	Plant & Machinery	Computer / Hardware	Furniture and Fixtures	Vehicles	Office Equipment	Total
Net carrying amount									
Net block as at 30 June 2022	50	2 821	60	6 351	577	520	21	235	10 635
Net block as at 30 June 2021	50	2 300	64	5 715	650	278	8	272	9 337
Net block as at 30 June 2020	50	2 429	32	6 166	636	335	14	109	9 771

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 39.

B. Right - of - use assets

	Office Premises ₹ in lakhs	Total ₹ in lakhs
Addition on account of Transition to Ind AS 116 - July 1, 2020	1 227	1 227
At June 30, 2021	1 227	1 227
Accumulated Depreciation		
Depreciation for the year	480	480
At June 30, 2021	480	480
Net Block as at June 30, 2021	747	747
Balance as at 30 June 2021	1 227	1 227
Additions	-	-
Balance as at 30 June 2022	1 227	1 227
Accumulated Depreciation		
Balance as at 30 June 2021	480	480
Depreciation for the year	480	480
Balance as at 30 June 2022	960	960
Net Block as at June 30, 2022	267	267

The Company has adopted Ind AS 116 effective July 1, 2020, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application July 1, 2020

C. Capital work-in-progress

	At June 30, 2022 ₹ in lakhs	At June 30, 2021 ₹ in lakhs
Capital work-in-progress	4 060	3 915
	4 060	3 915

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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	
As at June 30, 2022					
Projects in progress	2 314	871	875	----	4 060
Projects temporarily suspended	----	----	----	----	----
Sub Total	2 314	871	875	----	4 060

₹ in lakhs

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at June 30, 2021					
Projects in progress	1 374	2 541	----	----	3 915
Projects temporarily suspended	----	----	----	----	----
Sub Total	1 374	2 541	----	----	3 915

₹ in lakhs

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	
As at June 30, 2022					
Under Progress (A)	----	----	----	----	----
Temporarily Suspended (B)	----	----	----	----	----
Sub Total	----	----	----	----	----

₹ in lakhs

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at June 30, 2021					
Under Progress (A)	----	----	----	----	----
Temporarily Suspended (B)	----	----	----	----	----
Sub Total	----	----	----	----	----

₹ in lakhs

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

5 Investment property

The Company has certain office premises given on lease, which has been classified as investment property.

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Gross Carrying Amount		
Opening Gross Carrying Value	521	521
Closing Gross Carrying Value	521	521
Accumulated Depreciation		
Opening accumulated depreciation	226	191
Depreciation during the year	35	35
Closing accumulated depreciation	261	226
Net carrying value	260	295

a) Amounts recognised in the Statement of Profit and Loss for Investment Property

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Rental income	213	209
Direct operating expenses from property that generated rental income	15	27
Profit from Investment Property before Depreciation	198	182
Depreciation	35	35
Profit from Investment Property	163	147

b) Contractual Obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

c) Fair Value

Based on Independent valuation report as on 25 August 2022, for one of the property located in the same premises, the management has estimated fair value of ₹ 2 970 lakhs for the investment properties. The aforesaid estimated amount will not be materially different from the fair value of the property as on June 30, 2022.

d) Policy for Estimation of Fair Value

Market Approach / Direct Comparison Approach

The Direct Comparison Approach involves a comparison of the subject property to similar properties that have actually sold in arms - length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

6 Intangible assets

	Computer Software ₹ in lakhs	Total ₹ in lakhs
Gross block		
Balance as at 1 July 2020	159	159
Additions	3	3
Balance as at 30 June 2021	162	162
Additions	3	3
Disposals	(1)	(1)
Reclassification of assets	----	----
Balance as at 30 June 2022	164	164
Amortisation and impairment		
Balance as at 1 July 2020	137	137
Amortisation for the year	13	13
Balance as at 30 June 2021	150	150
Amortisation for the year	7	7
Accumulated amortisation on disposals	(1)	(1)
Accumulated amortisation on reclassification of assets	----	----
Balance as at 30 June 2022	156	156
Impairment for the year	4	4
Net block as at 30 June 2022	4	4
Net block as at 30 June 2021	12	12
Net block as at 30 June 2020	21	21

7 Loans

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Unsecured, considered good unless otherwise stated		
Non-current		
Loan to employees (refer note below)	599	541
Less: Allowance for bad and doubtful loans	----	----
	599	541
Current		
Loan to employees (refer note below)	157	145
Less: Allowance for bad and doubtful loans	----	----
	157	145

Notes:

- (a) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Act.
- (b) 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:
- (i) repayable on demand; or
 - (ii) without specifying any terms or period of repayment

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

8 Other financial assets

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Non-current		
Security Deposits		
Unsecured, considered good	876	818
Unsecured, doubtful	----	----
Less: Allowance for doubtful deposits	----	----
	876	818
Current		
Interest accrued but not due on term deposits	98	32
Other receivables		
from related parties (refer note 37)	644	495
from Others	4	33
	746	560

9 Deferred tax assets (Net)

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Deferred tax assets	1 965	1 991
Deferred tax liabilities	----	----
	1 965	1 991

Deferred tax assets / (liabilities) in relation to:

1 st July 2021 to 30 th June 2022	Opening Balance ₹ in lakhs	Recognised in profit or loss ₹ in lakhs	Recognised in OCI ₹ in lakhs	Closing Balance ₹ in lakhs
Property, plant and equipment	237	39	----	276
Provision for doubtful trade receivable, deposits and advances	45	23	----	68
Personnel and other related provisions	527	121	(24)	624
Provision for sales tax matters	250	----	----	250
Other provisions	932	(187)	----	747
	1 991	(4)	(24)	1 965

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

1 st July 2020 to 30 th June 2021	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Property, plant and equipment	(64)	301	----	237
Provision for doubtful trade receivable, deposits and advances	17	28	----	45
Personnel and other related provisions	540	1	(14)	527
Provision for sales tax matters	225	25	----	250
Other provisions	797	135	----	932
	1 515	490	(14)	1 991

10 Other assets

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Non-current		
Capital advances	----	14
Balances with government authorities (refer note (a) below)		
Unsecured, considered good	956	595
	956	609
Current		
Advance to employees		
Unsecured, considered good	11	23
Less: Allowance for doubtful advances	----	----
	11	23
Prepaid expenses	49	76
Other advances (includes advances to vendors)	241	147
Balances with government authorities (includes Service Tax and Cenvat credit receivable)	7 842	7 054
	8 143	7 300

- (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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022**11 Non current tax assets (net)**

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Advance income tax [Net of provision for tax ₹ 69 355 lakhs (30 June 2021: ₹ 69 985 lakhs)]	8 386	7 637
	8 386	7 637

12 Inventories

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Inventories (valued at lower of cost and net realisable value)		
Raw materials	3 580	4 451
Packing materials	1 267	1 211
Work-in-progress	1 092	1 034
Finished goods/ Stock in trade [Includes stock-in-transit ₹ Nil (30 June 2021: ₹ Nil)]	5 477	5 060
Consumable stores and spares	105	81
	11 521	11 837

Notes:

The cost of inventories recognised as an expense during the year is disclosed in note 25 and 30.

13 Trade receivables

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Unsecured, considered good	8 344	5 981
Unsecured, considered doubtful	271	111
	8 615	6 092
Less: Allowance for doubtful debts	(271)	(111)
	8 344	5 981

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance at the beginning of the year	(111)	70
Amounts written off during the year (net)	----	(66)
Change in allowance for credit impairment during the year	(161)	107
Balance at end of the year	(271)	(111)

Ageing for trade receivables as at June 30, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
considered good	6 106	2 238	----	----	----	----	8 344
which have significant increase in credit risk credit impaired	----	219	----	52	----	----	271
Disputed trade receivables							
considered good	----	----	----	----	----	----	----
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	----	----	----	----	----	----
Sub Total	6 106	2 457	----	52	----	----	8 615
Less: Allowance for Credit Impairment							(271)
Total							8 344

Ageing for trade receivables as at June 30, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
considered good	4 436	1 545	----	----	----	----	5 981
which have significant increase in credit risk credit impaired	----	105	6	----	----	----	111
Disputed trade receivables							
considered good	----	----	----	----	----	----	----
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	----	----	----	----	----	----
Sub Total	4 436	1 650	6	----	----	----	6 092
Less: Allowance for Credit Impairment							(111)
Total							5 981

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022**14 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 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Cash in Hand	----	457
Balances with banks:		
- In current accounts	3 800	4 638
- Deposits with original maturity of less than three months	28 140	41 310
	31 940	46 405

14.1 Bank balances other than cash and cash equivalents

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Earmarked accounts		
- Unclaimed / Unpaid dividend account	513	479
- 'Balances with banks to the extent held as security deposit against commitments	----	7
	513	486

Unpaid dividend of ₹ 513 lakhs (30 June 2021: ₹ 479 lakhs), included in bank balances, is not available for use by the Company.

15 Equity share capital

	As at June 30, 2022 ₹	As at June 30, 2021 ₹
Authorised share capital:		
1 80 00 000 fully paid equity shares of ₹ 10 each (as at June 30, 2021: 1 80 00 000)	18 00 00 000	18 00 00 000
Issued, subscribed and paid up share capital:		
1 65 99 382 fully paid equity shares of ₹ 10 each (as at June 30, 2021: 1 65 99 382)	16 59 93 820	16 59 93 820
	16 59 93 820	16 59 93 820

15.1 Fully paid equity shares

	Number of shares	Share Capital ₹ in lakhs
Balance at June 30, 2020	1 65 99 382	1 660
Changes in equity share capital during the year	----	----
Balance at June 30, 2021	1 65 99 382	1 660
Changes in equity share capital during the year	----	----
Balance at June 30, 2022	1 65 99 382	1 660

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

Terms/ rights attached to equity shares

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.

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.

15.2 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 ₹
Ultimate Holding Company		
The Procter & Gamble Company, USA	----	----
Holding Company		
Procter & Gamble Overseas India BV, The Netherlands [(as at June 30 2022 : 86 01 071 Shares and as at June 30 2021 : 86 01 071 shares)]	8 60 10 710	8 60 10 710

Note:

Shareholding of Procter and Gamble Overseas India BV includes 1 847 shares acquired from public shareholders through an Open Offer process.

15.3 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
Equity shares of ₹ 10 each fully paid				
Procter & Gamble Overseas India BV, The Netherlands	86 01 071	51.82%	86 01 071	51.82%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

15.4 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	8 601 071	51.82	8 601 071	51.82	-
Total Promoters shareholding	8 601 071	51.82	8 601 071	51.82	-
Total shares outstanding	8 601 071	51.82	8 601 071	51.82	-

16 Other equity

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Reserves & surplus		
Capital reserve	26	26
Capital redemption reserve	26	26
Securities premium	1 113	1 113
Share options outstanding account	728	387
General reserve	34 389	34 389
Retained earnings	23 707	32 770
	59 989	68 711

16.1 Capital Reserve

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance at the beginning of year	26	26
Movement during the year	----	----
Balance at the end of year	26	26

Capital Reserve balance represents

- ₹ 15 lakh on account of amount received under the Central Investment Subsidy Scheme in respect of Goa project
- ₹ 1 lakh on account of profit on forfeited shares reissued
- ₹ 10 lakh on account of capital subsidy

16.2 Capital redemption reserve

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance at the beginning of year	26	26
Movement during the year	----	----
Balance at the end of year	26	26

Capital Redemption Reserve represents balance pertaining to face value of shares bought back in 2009.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

16.3 Securities premium

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance at the beginning of year	1 113	1 113
Movement during the year	----	----
Balance at the end of year	1 113	1 113

Securities premium is used to record the premium on issue of shares which is utilised in accordance with the provisions of The Companies Act, 2013.

16.4 Share options outstanding account

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance at the beginning of year	387	194
Arising on share-based compensation	341	193
Balance at the end of year	728	387

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 35.

16.5 General reserve

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance at the beginning of year	34 389	34 389
Movement during the year	----	----
Balance at the end of year	34 389	34 389

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.

16.6 Retained earnings

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance at the beginning of year	32 770	53 226
Profit attributable to the owners of the Company	19 252	17 680
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	70	42
Payment of final/ interim dividend on equity shares (refer note 44)	(28 385)	(38 178)
Balance at the end of year	23 707	32 770

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

This reserve represents the cumulative profits / (losses) of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Act.

In November 2021, final dividend of ₹ 130 per share (total dividend ₹ 21 579 lakhs) for the year ended June 30, 2021 was paid to holders of fully paid equity shares. In November 2020, the final dividend paid was ₹ 230 per share (total dividend ₹ 38 178 lakhs) for the year ended June 30, 2020.

In May 2022, a special interim dividend of ₹ 41 per share (total dividend ₹ 6 806 lakhs) was paid to holders of fully paid equity shares.

17 Lease liabilities

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Non-current		
Lease liabilities payable beyond 12 months	-	286
	-	286
Current		
Lease liabilities payable within 12 months	283	475
	283	475

The movement in Lease liabilities (Non-current and Current) is as follows:

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance as at beginning of the year	761	-
Add: Addition	-	1 166
Add: Accretion of interest	42	80
Less: Payments (including foreclosure)	(520)	(485)
Less: Others (including foreclosure)	-	-
Balance as at end of the year	283	761

18 Provisions

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Employee benefits (refer note (i) below)	1 933	2 026
Other provisions	3 173	3 896
TOTAL	5 106	5 922

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

- (i) The provision for employee benefits includes post retirement medical benefits (PRMB), compensated absences and gratuity. For other disclosures refer note 36

Current	1 026	1 917
Non - current	4 080	4 005
	5 106	5 922

Other provisions include*

i) Provisions in respect of sales tax matters:

The Company has made provisions for various sales tax / value added tax related matters, which will be settled on completion of the respective assessments.

ii) Other provisions

The Company has made provisions for matters related to National Pharmaceutical Pricing Authority (NPPA), returns and expiries.

Other provisions	Opening Balance	Additions during year	Utilisations	Reversals	Closing Balance
Provisions in respect of sales tax matters	994	----	----	----	994
	(1 064)	----	----	(70)	(994)
Other provision*	2 902	----	----	(723)	2 179
	(2 196)	(706)	----	----	(2 902)

19 Other liabilities

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Non-current		
Security deposit	60	57
	60	57
Current		
Advances from customers	40	100
Taxes and other liabilities (including statutory remittances, excise and sales tax payable)	868	704
Advance rental income	16	18
	924	822

20 Trade payables

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Total outstanding dues of micro and small enterprises (refer note 42)	1 533	600
Total outstanding dues of Creditors other than micro and small enterprises	16 068	17 291
	17 601	17 891

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

Ageing for trade payables as at June 30, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	----	1 459	74	----	----	----	1 533
Undisputed dues - Others	----	14 806	771	484	1	6	16 068
Disputed dues - MSME	----	----	----	----	----	----	----
Disputed - Others	----	----	----	----	----	----	----
Sub Total	----	16 265	845	484	1	6	17 601

Ageing for trade payables as at June 30, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	----	572	28	----	----	----	600
Undisputed dues - Others	----	15 927	1 361	3	----	----	17 291
Disputed dues - MSME	----	----	----	----	----	----	----
Disputed - Others	----	----	----	----	----	----	----
Sub Total	----	16 499	1 389	3	----	----	17 891

21 Current tax liabilities (Net)

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Provision for tax [net of advance tax paid ₹ 37 583 lakhs (30 June 2021: ₹ 31 171 lakhs)]	724	425
	724	425

22 Other financial liabilities

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Payables for property, plant & equipment	845	438
Employee benefits payable	1 667	1 450
Unpaid dividend	513	479
	3 025	2 367

23 Revenue from operations

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Sale of products	109 204	99 079
Other operating revenues		
Sale of scrap	62	43
Export incentives	230	58
Income from shared services	1 945	1 693
	111 441	1 00 873

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

24 Other income

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Interest income earned on:		
Bank deposits/Others	988	1 506
Income tax refund	119	----
	1 107	1 506
Other non-operating income (net of expenses directly attributable to such income)		
Miscellaneous income	212	304
	212	304
Total	1 319	1 810

25 Cost of raw and packing materials consumed

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Cost of raw and packing materials consumed	32 372	28 923

26 Purchase of Stock in trade

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Purchase of Stock-in-trade	2 083	2 116

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Inventories at the beginning of year		
Finished Goods/ Stock in trade	5 060	4 947
Work-in-process	1 034	1 320
	6 094	6 267
Inventories at the end of year		
Finished Goods/ Stock in trade	5 477	5 060
Work-in-process	1 092	1 034
	6 569	6 094
Net (Increase) / Decrease	(475)	173

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022**28 Employee benefits expense**

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Salaries and wages	13 207	11 629
Contribution to provident and other funds (refer note 36)	1 436	1 202
Share-based payment to employees (refer note 35)	904	353
Staff welfare expense	1 302	1 848
(Recovery)/Expense of employee cost cross charged by related parties (refer note 43)	(93)	334
	16 756	15 366

29 Finance costs

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Interest costs:		
Lease finance costs	42	80
	42	80

30 Other expenses

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Consumption of store and spares	565	470
Processing charges	4 376	4 565
Power and fuel	1 470	1 297
Freight, transport, warehousing and distribution charges	3 366	3 235
Rent (refer note 38)	56	105
Rates and taxes	694	380
Insurance	73	85
Repairs and maintenance		
Plant and machinery	338	382
Buildings	236	316
Others	233	114
Advertising/ Sales promotion expenses	10 945	8 741
Royalty	2 166	1 975
Business process outsourcing expenses	1 266	1 111
Travelling and conveyance	2 234	1 087
Communication costs	66	223
Computer expenses	729	644
Legal and professional fees	2 160	2 594
Directors commission and sitting fees	43	28
Payment to auditors (refer note 30.1)	33	33
Research and development expenses	655	393

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
Corporate social responsibility (refer note 30.2)	357	647
Exchange differences (net)	69	89
Inventory written off (net of Insurance claims recovered)	518	427
Bad debts written off	7	48
Allowance for doubtful receivables	159	60
Loss on sale of property, plant and equipment (net of impairment reversal)	54	42
Miscellaneous expenses	996	602
	33 864	29 693

30.1 Payments to auditors:

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
(a) To statutory auditors (excluding GST)		
For audit	24	24
For taxation matters	8	8
For other services	1	1
	33	33

30.2 Corporate Social Responsibility

	Year ended June 30, 2022 ₹ in lakhs	Year Ended June 30, 2021 ₹ in lakhs
(i) Amount required to be spent by the company during the year	535	464
(ii) Amount spent during the year on:		
(a) Construction/ acquisition of asset	----	----
(b) For purposes other than (a) above	357	647
(iii) Set off from previous year	178	----
(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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

(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	----	464	647	183
FY 21 - 22	183	535	357	5

(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.

31 Income tax expense**31.1 Income tax recognised in Statement of Profit and Loss**

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Current income tax		
In respect of the current year	6 502	6 360
In respect of prior years	(421)	(222)
	6 081	6 138
Deferred tax		
In respect of the current year	4	(490)
	4	(490)
Tax expense	6 085	5 648
Total income tax expense recognised in the current year	6 085	5 648

31.2 Income tax recognised in other comprehensive income

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Deferred tax		
Arising on expense recognised in other comprehensive income		
Remeasurement of defined benefit obligations	(24)	(14)
Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss	(24)	(14)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022**31.3 Reconciliation of effective tax rate**

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Profit for the year before tax	25 337	23 328
Tax using the Company's domestic tax rate 25.17%	6 377	5 872
Effect of expenses that are not deductible in determining taxable profits	----	----
Tax effect of:		
Effect of expenses that are not deductible in determining taxable profits	145	14
Effect of income that is exempt from taxation	(16)	(16)
	6 506	5 870
Adjustment recognised in current year in relation to Current tax expenses of prior years	(421)	(222)
Income tax expense recognised in the Statement of Profit and Loss	6 085	5 648
Effective tax rate (%)	25.68	25.16

32 Earnings per share

	Year ended June 30, 2022	Year ended June 30, 2021
Calculation of weighted average number of equity shares		
Number of equity shares outstanding at the beginning of the year	1 65 99 382	1 65 99 382
Number of equity shares outstanding at the end of the year	1 65 99 382	1 65 99 382
Weighted average number of equity shares outstanding during the year	1 65 99 382	1 65 99 382

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Profit for the year attributable to owners of the Company	19 252	17 680
Earnings used in calculation of basic and diluted earnings per share	19 252	17 680
Less: Profit for the year from discontinued operations attributable to owners of the Company	----	----
Earnings used in calculation of basic and diluted earnings per share	19 252	17 680

32.1 Basic and Diluted earnings per share

	Year ended June 30, 2022	Year ended June 30, 2021
Basic and diluted earnings per share		
Total basic earnings per share (face value ₹ 10)	116	107
Total diluted earnings per share (face value ₹ 10)	116	107

33 Segment information**33.1 General Information**

The Company's chief operating decision maker (CODM) examined the Company's performance based on its business unit 'Pharmaceuticals'.

The Company will now operate under only one segment i.e. Pharmaceuticals.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

33.2 Geographical segment information

In respect of secondary segment information, the Company has identified its geographical segment as (i) India and (ii) Outside India.

The Company's revenue from Operations by location of operations and the location of Company's non current assets (other than financial instruments, deferred tax assets and non current tax assets) are detailed below.

	Revenue from operations		Segment assets	
	Year ended June 30, 2022	Year ended June 30, 2021	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
India	1 00 745	87 003	16 182	14 911
Outside India	10 696	13 870	----	4
	1 11 441	1 00 873	16 182	14 915

There are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

34 Financial instruments & related disclosures

34.1 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 debt and equity balance. Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company is not subject to any externally imposed capital requirements.

The Company 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 if any, return on capital to shareholders or issue new shares.

34.2 Categories of financial instruments

₹ in lakhs

June 30, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Long term Loans	----	----	599	599	----	----	----	----
Security Deposits	----	----	876	876	----	876	----	876
Trade and other receivables	----	----	8 344	8 344	----	----	----	----
Cash and cash equivalents	----	----	31 940	31 940	----	----	----	----
Other bank balances	----	----	513	513	----	----	----	----
Loans	----	----	157	157	----	----	----	----
Other financial assets	----	----	746	746	----	----	----	----
	----	----	43 175	43 175	----	876	----	876
Financial liabilities								
Lease liabilities			283	283	----	283	----	283
Trade and other payables	----	----	17 601	17 601	----	----	----	----
Other financial liabilities	----	----	3 025	3 025	----	----	----	----
	----	----	20 909	20 909	----	283	----	283

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

June 30, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Long term Loans	----	----	541	541	----	----	----	----
Security Deposits	----	----	818	818	----	818	----	818
Trade and other receivables	----	----	5 981	5 981	----	----	----	----
Cash and cash equivalents	----	----	46 405	46 405	----	----	----	----
Other bank balances	----	----	486	486	----	----	----	----
Loans	----	----	145	145	----	----	----	----
Other financial assets	----	----	560	560	----	----	----	----
	----	----	54 936	54 936	----	818	----	818
Financial liabilities								
Lease liabilities	----	----	761	761	----	761	----	761
Trade and other payables	----	----	17 891	17 891	----	----	----	----
Other financial liabilities	----	----	2 367	2 367	----	----	----	----
	----	----	21 019	21 019	----	761	----	761

34.3 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.

34.4 Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment, policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes. The Company has exposure to the following risks arising from financial instruments:

34.4.1 Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

Company's exposure to credit risk by age of the outstanding from various customers is as per note 13.

Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at 30 June 2022 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The movement in the allowance for impairment in respect of trade receivables during the year is as per note 13.

Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of ₹ 31 940 lakhs (30 June 2021: ₹ 46 412 lakhs). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

34.4.2 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 30 June 2022 the Company has working capital of ₹ 37 781 lakhs (30 June 2021: ₹ 48 817 lakhs) including cash and cash equivalents and other bank balances of ₹ 31 940 lakhs (30 June 2021: ₹ 46 412 lakhs). Working capital is calculated as current assets less current liabilities.

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
At June 30, 2022					
Lease liabilities	283	----	----	283	283
Trade and other payables	17 601	----	----	17 601	17 601
Other financial liabilities	3 025	----	----	3 025	3 025
At June 30, 2021					
Lease liabilities	475	286	----	761	761
Trade and other payables	17 891	----	----	17 891	17 891
Other financial liabilities	2 653	----	----	2 653	2 653

34.4.3 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

34.4.4 Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in EURO and USD against the respective functional currency of the Company.

The Company does not use any derivative financial instruments to hedge foreign exchange and interest rate exposure.

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.

Particulars	Currency	Amount in rupees		Amount in foreign currency	
		As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs	As at June 30, 2022 in lakhs	As at June 30, 2021 in lakhs
Trade receivable	USD	2 641	3 349	33	45
	EUR	380	1 597	5	18
Trade payable	USD	2 964	2 021	38	27
	EUR	767	768	9	9

34.4.5 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.

The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in Rupees	Profit or loss before tax		Equity, gross of tax	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2022				
USD	(32)	32	(32)	32
EUR	(39)	39	(39)	39
30 June 2021				
USD	133	(133)	133	(133)
EUR	83	(83)	83	(83)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

34.4.6 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.

34.4.7 Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Fixed Rate instruments	June 30, 2022 ₹ in lakhs	June 30, 2021 ₹ in lakhs
Financial assets	-	-

Interest rate sensitivity - fixed rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit and loss, and the Company does not have any designated derivatives. Therefore, a change in interest rates at the reporting date would not affect profit and loss for any of these fixed interest bearing financial instruments.

35 Share-based payments

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

The Procter & 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 & 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 & 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, 2 043.58 (Previous period ended June 30, 2021: 1 350.97) shares excluding dividend were purchased by employees at weighted average fair value of ₹ 11 655.75 (Previous period ended June 30, 2021: ₹ 10 557.23) per share. The Company's contribution during the year on such purchase of shares amounts to ₹ 60.97 Lakhs (Previous period ended June 30, 2021: ₹ 32.6 lakhs) has been charged under employee benefits expense under Note 28.

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

The Procter & 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 & Gamble Company, USA at a fixed price (grant price) for a fixed year of time. The shares of The Procter & 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.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Expense arising from equity-settled share-based payment transactions	904	353
Total expense arising from share-based payment transactions	904	353

There were no cancellations or modifications to the awards in June 30, 2022.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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):

	Year ended June 30, 2022	Year ended June 30, 2022	Estimated fair value of options granted per unit	Year ended June 30, 2021	Year ended June 30, 2021	Estimated fair value of options granted per unit
	Number	WAEP (in \$)	in ₹	Number	WAEP (in \$)	in ₹
Outstanding at July 1	21 713	----	----	17 587	119.57	----
Granted during the year						
15-Sep-21	639	145	1 681	----	----	----
1-Oct-21	3 217	140	12 730	----	----	----
1-Oct-20				5 318	139	11 720
Exercised during the year	(3 899)		----	(1 192)	140	----
Expired during the year	(373)	----	----	----	----	----
Outstanding at June 30	21 297		----	21 713		----
Exercisable at June 30	----	----	----	----	----	----

The weighted average share price at the date of exercise of these options was \$ 158.22 (June 30, 2021: \$ 140.42).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2022 was 6.92 years (June 30, 2021: 6.51 years).

The weighted fair value of options granted during the year was ₹ 4 931 (June 30, 2021: ₹ 2 765).

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%

36 Employee benefit plans

36.1 Defined Benefit plans

The Company operates post employment defined benefit plans that provide Gratuity and Provident fund benefits. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company also makes specified monthly contributions towards employee provident fund to the Merck Employees Provident Fund Trust. The interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the interest payable at the notified rate.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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 (Unfunded)

The Company also provides for compensated absences as per its policies, which allows for encashment of leave on termination / retirement of service or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year.

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 plan, 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

A. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuations as at	
	June 30, 2022	June 30, 2021
Discount rate:		
Gratuity plan (funded)	7.20%	6.00%
Compensated absence plan (unfunded)	7.20%	6.00%
Post retirement medical benefit (PRMB) (unfunded)	7.20%	-
Expected rate of salary increase		
Gratuity plan (funded)	9.00%- 12.00%	9.00%- 12.00%
Compensated absence plan (unfunded)	9.00%- 12.00%	9.00%- 12.00%
Post retirement medical benefit (PRMB) (unfunded)	NA	NA
Medical Inflation Rate		
Post retirement medical benefit (PRMB) (unfunded)	5.50%	NA

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table

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 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Gratuity Plan (Funded)		
Service costs:		
Current service cost	368	356
Past service cost	----	----
Net interest expense	80	72
Components of defined benefit costs recognised in Statement of profit and loss (A)	448	428
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(337)	(639)
Actuarial (gains) / losses arising from changes in experience adjustments	298	698
Actuarial (gains) / losses arising from changes in demographic assumptions	----	(58)
Return on plan asset	(55)	(57)
Components of defined benefit costs recognised in other comprehensive income (B)	(94)	(56)
Total (C = (A+B))	354	372
Compensated absence plan (Unfunded)		
Service costs:		
Current service cost	20	22
Net interest expense	12	16

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Immediate recognition of (gains)/losses – other long term employee benefit plans	(29)	15
Remeasurement of other long term benefits	----	----
Components of defined benefit costs recognised in statement of profit and loss (A)	3	53
Post retirement medical benefit (PRMB) (Unfunded)		
Service costs:		
Current service cost	27	----
Net interest expense	----	----
Components of defined benefit costs recognised in statement of profit and loss (E)	27	----
Total defined benefit costs recognised in Statement of Profit and Loss (A+D+E)	478	481
Total defined benefit costs recognised in Other Comprehensive Income (B)	(94)	(56)

The current service cost for the year are included in the 'Employee benefits expense' 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 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Gratuity Plan (Funded)		
Present value of funded defined benefit obligation	5 145	4 866
Fair value of plan assets	(3 620)	(3 363)
Net liability arising from defined benefit obligation	1 525	1 503
Compensated absence plan (Unfunded)		
Present value of funded defined benefit obligation	200	207
Net liability arising from defined benefit obligation	200	207
Post retirement medical benefit (PRMB) (Unfunded)		
Present value of funded defined benefit obligation	27	----
Net liability arising from defined benefit obligation	27	----

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

D. Movement in the present value of the defined benefit obligation are as follows:

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Gratuity Plan (Funded)		
Opening defined benefit obligation	4 866	4 641
Current service cost	368	356
Interest cost	282	245
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(337)	(639)
Actuarial (gains) / losses arising from changes in experience adjustments	298	698
Actuarial (gains) / losses arising from changes in demographic assumptions	----	(58)
Benefits paid	(332)	(377)
Closing defined benefit obligation	5 145	4 866
Compensated absence plan (Unfunded)		
Opening defined benefit obligation	207	436
Current service cost	20	22
Interest cost	12	16
Immediate recognition of (gains)/losses – other long term employee benefit plans	(29)	14
Benefits paid	(11)	(282)
Closing defined benefit obligation	200	207
Post retirement medical benefit (PRMB) (Unfunded)		
Opening defined benefit obligation	----	----
Current service cost	27	----
Closing defined benefit obligation	27	----

E. Movement in the fair value of the plan assets are as follows:

	Year ended June 30, 2022 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs
Gratuity Plan		
Opening fair value of plan assets	3 363	3 134
Interest income	202	172
Employer contributions	----	----
Actuarial gains/(loss)	55	57
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	----	----
Benefits paid	----	----
Closing fair value of plan assets	3 620	3 363

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022**F. The fair value of the plan assets for plan at the end of the reporting period for each category, are as follows:**

	Gratuity Plan	
	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Insurer managed funds	3 620	3 363
Total	3 620	3 363

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 year ending June 30, 2022 is ₹ Nil (for the period ending June 30, 2021: ₹ Nil)

The actual return on plan assets was ₹ 202 lakhs (for the period ending on June 30, 2021: ₹ 172 lakhs)

Maturity profile of defined benefit obligation:	Gratuity Plan ₹ in lakhs
Within 1 year	537
1 - 2 year	697
2 - 3 year	723
3 - 4 year	825
4 - 5 year	862
5 - 10 years	3 711

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.

G. Sensitivity analysis**Gratuity Plan (Funded)**

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 129 lakhs (increase by ₹ 135 lakhs) (as at June 30, 2021: decrease by ₹ 133 lakhs (increase by ₹ 140 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 140 lakhs (decrease by ₹ 135 lakhs) (as at June 30, 2021: increase by ₹ 129 lakhs (decrease by ₹ 124 lakhs)).

Compensated absence plan (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 4.5 lakhs (increase by ₹ 4.7 lakhs) (as at June 30, 2021: decrease by ₹ 5.1 lakhs (increase by ₹ 5.4 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 4.8 lakhs (decrease by ₹ 4.7 lakhs) (as at June 30, 2021: increase by ₹ 4.9 lakhs (decrease by ₹ 4.7 lakhs)).

Post retirement medical benefit (PRMB)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 1.0 lakhs (increase by ₹ 1.1 lakhs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

If the medical inflation rate is 50 basis points higher (lower), the defined benefit obligation would increase by ₹ 1.09 (decrease by ₹ 1.05 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.

Long term service award (unfunded)

Long term service award is given on completion of minimum 10 years of service.

Contribution to Provident fund, Superannuation fund and others

Amount of ₹ 905 lakhs (2021: ₹ 774 lakhs) is recognised as an expense and included in “Employee costs” (refer note 28) in the Statement of Profit and Loss.

In respect of provident fund set up by employer which requires interest shortfall to be met by the employer, it needs to be treated as defined benefit plan.

The Institute of Actuaries of India has issued guidance for measurement of provident fund liabilities on actuarial basis. Based on this guidance note, the actuary has provided an actuarial valuation of the provident fund liability of the Company as at 30 June 2022.

37 Related party disclosures

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

(a) Related party where control exists:

Relationship	Name of the Company
Ultimate Holding Company	The Procter & 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	Procter & Gamble Hygiene & Health Care Limited	7	The Procter & Gamble US Business Services Company
2	P&G Health Austria GmbH & Co. OG	8	The Procter & Gamble Distributing LLC
3	Gillette India Limited	9	Procter & Gamble Philippines Business Services-Inc.
4	Procter & Gamble Home Products Pvt. Ltd	10	Procter & Gamble Manufacturing GmbH
5	Procter & Gamble International Operations SA Singapore	11	Gillette Diversified Operations Pvt Ltd
6	Procter & Gamble International Operations SA Geneva	12	Procter & Gamble International Operations SA-ROHQ

(ii) Post Employment Benefit Plan:

Merck Provident Fund Trust, India

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

(iii) Key Management Personnel of the Company:

S. No.	Name	Designation
1	Mr. Suresh Talwar	Chairman and Independent Director
2	Mrs. Rani Ajit Jadhav	Independent Director
3	Mr. S. Madhavan	Independent Director (w.e.f November 15, 2021)
4	Mr. Milind Thatte	Managing Director
5	Mr. Amit Gupta	Executive Director & Chief Financial Officer
6	Mr. Aalok Agarwal	Non-Executive Director
7	Mr Sujay Wasan	Non-Executive Director (Upto September 23, 2021)
8	Dr Elizabeth Desmond	Non-Executive Director (w.e.f. September 24, 2021)

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:

S. No.	Nature of Transactions	Year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel	₹ in lakhs
						Post Employment Benefit Plan
1	Purchase of Goods	2022	----	1 077	----	----
		2021	----	1 538	----	----
2	Purchase of Equipment/Assets/ Spares	2022	----	42	----	----
		2021	----	----	----	----
3	Sale of Products	2022	----	3 749	----	----
		2021	----	3 343	----	----
4	Sale of spares	2022	----	3	----	----
		2021	----	----	----	----
5	Expenses cross-charged	2022	503	1 746	----	----
		2021	126	2 123	----	----
6	Services rendered	2022	1 945	----	----	----
		2021	1 743	----	----	----
7	Reimbursement of expenses	2022	195	220	----	----
		2021	----	69	----	----
8	Business Process Outsourcing expenses	2022	----	1 266	----	----
		2021	----	546	----	----
9	Royalty	2022	2 166	----	----	----
		2021	1 975	----	----	----
10	Dividend Paid	2022	14 708	----	----	----
		2021	19 782	----	----	----
11	Contribution to provident fund	2022	----	----	----	1 678
		2021	----	----	----	1 330
12	Computer expenses	2022	----	729	----	----
		2021	----	674	----	----
13	Managerial Remuneration #	2022	----	----	822	----
		2021	----	----	490	----

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

₹ in lakhs

S. No.	Nature of Transactions	Year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel	Post Employment Benefit Plan
14	Director's sitting fees and Commission	2022	----	----	43	----
		2021	----	----	28	----
	Outstanding as at year					
15	Trade and other receivables	2022	509	513	----	----
		2021	414	1 389	----	----
16	Payables	2022	670	2 139	----	----
		2021	504	2 916	28	----

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 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.

Remuneration does not include charge for gratuity, compensated absences and share based payments, as employee-wise break-up is not available.

(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 June 30, 2022	Year ended June 30, 2021
1	Purchase of Goods		
	Procter & Gamble International Operations SA Geneva	280	749
	Procter & Gamble International Operations SA Singapore	797	789
2	Purchase of Equipment/Assets/Spares		
	The Procter & Gamble Distributing LLC	42	----
3	Sale of Products		
	P&G Health Austria GmbH & Co. OG	3 749	3 343
4	Sale of spares		
	Procter & Gamble Manufacturing GmbH	3	----
5	Expenses cross-charged		
	Procter & Gamble Hygiene and Health Care Limited	337	524
	Procter & Gamble Home Products Pvt. Ltd	899	794
	Procter & Gamble International Operations SA-ROHQ	----	533
	The Procter & Gamble Company	503	----
	Gillette India Limited	228	----
	Others	282	397
6	Service rendered		
	The Procter & Gamble Company	1 945	1 743
7	Reimbursement of expense		
	Procter & Gamble Home Products Pvt Ltd	51	30
	Procter & Gamble Hygiene and Health Care Limited	165	39
	The Procter & Gamble Company	195	----
	Procter & Gamble International Operations SA Singapore	4	----

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

		₹ in lakhs	
S. No.	Nature of Transactions	Year ended June 30, 2022	Year ended June 30, 2021
8	Business Process Outsourcing expenses		
	Procter & Gamble Philippines Business Services- Inc.	1 266	----
	Procter & Gamble International Operations SA-ROHQ	----	546
9	Royalty		
	The Procter & Gamble Company	2 166	1 975
10	Dividend Paid		
	Procter & Gamble Overseas India BV, The Netherlands	14 708	19 782
11	Contribution to provident fund		
	Merck Provident Fund Trust, India	1 678	1 330
12	Computer Expenses		
	The Procter & Gamble US Business Services Company	729	674
13	Managerial Remuneration		
	Mr. Milind Thatte (Managing Director)	485	323
	Mr. Amit Gupta (Executive Director)	337	167
14	Director's sitting fees and Commission		
	Mr. S. N. Talwar	18	17
	Mrs. Rani A. Jadhav	16	11
	Mr. S. Madhavan	9	----
S. No.	Nature of Transactions - Balance sheet	As at June 30, 2022	As at June 30, 2021
15	Balance payables		
	Procter & Gamble International Operations SA Geneva	767	643
	Procter & Gamble Hygiene and Health Care Ltd	58	374
	The Procter & Gamble US Business Services Company	795	471
	Procter & Gamble International Operations SA-ROHQ	----	784
	The Procter & Gamble Company	670	504
	Others	519	671
16	Balance receivable		
	P&G Health Austria GmbH & Co. OG	378	1 308
	The Procter & Gamble Company	509	414
	Procter & Gamble Hygiene and Health Care Ltd	117	----
	Others	18	81

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

38 Operating lease arrangements

38.1 Company as a lessee

38.1.1 Right-of-use assets

Following are the changes in the carrying value of right of use assets:

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Gross Carrying Amount		
Opening balance	747	----
Addition on account of Transition to Ind AS 116 - July 1, 2020	----	1 227
Closing Gross Carrying amount	747	1 227
Accumulated Depreciation		
Depreciation for the year	480	480
Closing accumulated depreciation	480	480
Net carrying amount as at year end	267	747

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in the statement of profit and loss.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 8.45%

Following are the changes in the carrying value of Lease Liability:

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Balance as at beginning	761	----
Additions	----	1 166
Finance cost accrued during the year	42	80
Deletions	----	----
Less: Payment of lease liabilities	520	485
	283	761

As referred in note 2.3 (b) of the accounting policy the company has adopted Ind AS 116 using modified retrospective approach whereby Right-of-use assets (ROU) and Lease liabilities of ₹ 1 166 Lakhs was recognised on transition date. Also, in accordance with IND AS 116 the ROU asset has been adjusted towards the fair value of security deposit of ₹ 61 Lakhs.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken on lease certain 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 warehouses are disclosed under rent expense.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

38.2 Company as a lessor

38.2.1 Leasing arrangements

The Company has leased out certain office premises which have been classified as investment property. The lease term is 60 months with non cancellable period of 48 months. There is escalation clause in the lease agreement. The carrying amount of property given on operating lease and depreciation thereon for the year are:

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Gross carrying amount	521	521
Accumulated depreciation	261	226
Net carrying amount	260	295
Depreciation for the year	35	35

38.2.2 Non-cancellable operating lease receivables

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Within one year	205	205
After one year but not more than five years	407	612
More than five years	----	----
Total	612	817

During the year, an amount of ₹ 213 lakhs (2021: ₹ 209 lakhs) has been recognized as rental income and has been included in Other income under the head “Miscellaneous income” in the Statement of Profit and Loss.

39 Commitments

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advance ₹ Nil (30 June 2021: ₹ 14 lakhs)]	2 322	1 755
	2 322	1 755

40 Contingent liabilities

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
a) Claims against company not acknowledged as debts		
Income tax matters	10 020	10 387
Sales tax matters	3 611	3 562
Excise duty, GST, Service tax and custom duty matters	4 488	4 488
	18 119	18 437

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

- b) In June 2016, National Pharmaceutical Pricing Authority (NPPA) served a demand notice on the Company alleging that during the period from January 2006 to June 2009 the Company sold Polybion 100ml syrup at a price higher than the ceiling price fixed by it on 05 June 2008. Pursuant to orders passed by Kolkata High Court, NPPA gave another opportunity of hearing to the Company. NPPA did not accede to any of the Company's contention and issued a fresh demand notice demanding a sum of ₹ 3 307 lakhs (₹ 1 168 lakhs on account of overcharge during the said period and ₹ 2 138 lakhs for interest thereon) for sales made by the Company during the period May 2006 to June 2009. The Company has challenged the said demand by way of writ petition, which is pending before Hon'ble Delhi High Court. In a separate proceedings filed by the manufacturer of the said drug, Cradel Pharmaceutical Private Limited, Hon'ble Kolkata High Court stayed the demand provided it deposits a sum of ₹ 225 lakhs with the NPPA. The Company has been legally advised that the Company has a defendable case before Delhi High Court. The Company holds provision of ₹ 580 lakhs in its books towards possible liability.
- c) During the year 2014, the Company had made a provision of ₹ 699 lakhs towards a possible liability which may accrue to the Company due to a judgment passed by the Supreme Court in the year 2014 impacting the Pharmaceutical industry in India including the Company. The provision of ₹ 108 lakhs was transferred as a part of BPL Business transferred to Merck Life Science Private Limited. The Company holds provision of ₹ 591 lakhs in its books towards possible liability.
- d) National Pharmaceutical Pricing Authority (NPPA) issued the price fixation orders for about 350 drugs on 21 June 2013 including Metformin, a formulation used by the Company in Company's product Carbophage 500 SR. The orders did not clarify whether the prices so fixed are applicable only for plain tablet or innovative dosages as well. The Company sought clarification from NPPA, however, no clear response has been received. Pending this clarification NPPA had sent a notice dated June 06, 2014, claiming the differential pricing charged by the Company for Carbophage 500 SR over the prices notified. On the basis of a recent judgement passed by the High Court of Bombay, the Company made a provision of ₹ 320 lakhs towards a possible liability which may accrue to the Company. Since Carbophage was part of the BPL business transferred to Merck Life Science Private Limited, the underlying provision was transferred out.

Further, NPPA has also issued a demand order dated May 10, 2017 of ₹ 52 lakhs to the Company under the provisions of Drug Prices (Control) Order, 2013 ("DPCO") for overcharging in respect of Concor 5 mg Tablets (containing the bulk drug Bisoprolol 5 mg) with interest thereon @15% on the said amount.

The Company has challenged both the above matters by writ petition which are pending adjudication in the Bombay High Court. In the view of the management, future course of action in relation to both these matters, including any liabilities thereof will be managed directly by Merck Life Science Private Limited. Managements of the Company and Merck Life Science Private Limited are aligning this understanding basis business transfer agreements and hence, these matters are disclosed as contingent liabilities.

- e) During the year 2014, Central Excise issued a show cause cum demand notice on the Company covering a period of five years for alleged wrong classification of the products, Vitamin E Acetate min.92% for Poultry/ Cattle/Pig-feed, Vitamin E Liquid for Animal Nutrition (for Pig/Cattle/Poultry) and Vitamin E Dry Powder 50% for Animal Nutrition. The value of total demand was ₹ 2 241 lakhs including penalty and interest.

Further, for same classification matter, the Company has received VAT/CST assessment orders of ₹ 2 240 lakhs and notices covering a period of five years disallowing VAT exemption claimed for Vitamin E Acetate, Vitamin E dry powder, Vitamin E liquid for Animal nutrition classified as Animal feed. For the orders received, the Company has contested before the respective state appellate authorities.

The Central Excise had issued show cause cum demand on similar matter in the past as well. This was contested by the Company before the lower authorities. On the representation made by the Company the demand was dropped after considering various decisions pronounced by judicial and quasi-judicial authorities at the relevant time.

The Company based on legal opinion believes that it has a good case on merits as well as on limitations.

Accordingly, no provision has been created in the books of accounts. The aforesaid amounts have already been included under contingent liability at note 40 (a) to the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

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	2.60	3.04	-14%	
2	Debt equity ratio	Total debt	Equity	-	-	-	
3	Debt Service Coverage Ratio	Earnings available for debt service	Total debt service	-	-	-	
4	Return on Equity	Net profit	Average shareholder equity	29%	25%	16%	
5	Inventory turnover	Total Sales	Average inventory	9.54	8.52	12%	
6	Trade Receivables turnover	Total Sales	Average trade receivable	15.56	16.87	-8%	
7	Trade payables turnover	Total Purchases	Average trade payable	1.90	1.04	83%	Optimised credit terms with vendors
8	Net capital turnover	Total Sales	Working Capital	2.95	2.07	43%	Improved working capital w.r.t. customer collections and negotiated vendor payment terms.
9	Net Profit	Net profit	Net Sales	17%	18%	-1%	
10	Return on Capital employed	Earning before interest and taxes	Capital employed	0.41	0.33	24%	
11	Return on investment	Income generated from Investments	Time Weighted Average Investments	0.03	0.03	0%	

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

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1 533	600
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	243	136
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		
Principal paid beyond the appointed date	9 231	13 417
Interest paid in terms of Section 16 of the Act	----	----
(d) The amount of interest due and payable for the year	247	136
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year /period	13	136
(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	4	----

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO 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.

- 43** (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 Hygiene & Health Care Limited, Procter & Gamble Home Products Private Limited and Gillette India Limited.
- 43** (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.

44 Dividend

	As at June 30, 2022 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs
Dividend on equity shares paid during the year		
Final dividend for the FY 2020-21: ₹ 130 (PY: FY 2019-20: ₹ 230) per equity share of ₹ 10 each	21 579	38 178
Dividend distribution tax on final dividend		
Interim dividend for the FY 2021-22: ₹ 41 (PY: FY 2020-21: ₹ Nil) per equity share of ₹ 10 each	6 806	----
TOTAL	28 385	38 178

The Board of Directors at its meeting held on August 29, 2022 have recommended a payment of final dividend of ₹ 11.5 per equity share of face value of ₹ 10 each for the financial year ended June 30, 2022 resulting in a dividend payout of ₹ 1 908.9 lakhs.

45 Transfer pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2021. Management believes that the Company's transactions with related parties post March 2021 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

- 46** There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.
- 47** (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) Borrowings obtained on the basis of security of current assets
 - c) Discrepancy in utilisation of borrowings
 - d) Current maturity of long term borrowings
- 47** (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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2021 TO JUNE 30, 2022

Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

47 (c) Relationship with Struck off companies

₹ in lakhs

Name of struck off company	Nature of transactions with struck off company	As at June 30, 2022	Relationship with struck off company if any to be disclosed	As at June 30, 2021	Relationship with struck off company if any to be disclosed
Revathi Pharma Pvt. Ltd.	Receivables	0.14	Customer	----	Customer
On Line Packaging Pvt. Ltd.	Payables	17.44	Vendor	12.81	Vendor
Shree Roadways Ltd.	----	-	Vendor	----	Vendor

47 (d). Utilization of borrowed funds and share premium:

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- 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 to or on behalf of the ultimate beneficiaries.

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- 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.

48 During the year, Company has impaired plant and machinery related to product oxynex whose supply terms have been completed as at March 31, 2022. The Company no longer plans for future manufacture and supply of the said product.

49 Figures for the previous year have been re-grouped/re-arranged wherever necessary to conform current period's classification.

50 Approval of financial statements

The financial statements were approved for issue by the board of directors on August 29, 2022.

Signatures to Notes 1 to 50
As per our attached report of even date.

For and on behalf of Board of Directors

For **HARIBHAKTI & Co. LLP**
Chartered Accountants
Firm Regn. No.: 103523W/W100048

S.N Talwar
Chairman
DIN No.00001456

Milind Thatte
Managing Director
DIN No. 08092990

Hemant J. Bhatt
Partner
M. No.: 036834

Amit Gupta
Chief financial officer
DIN No. 08295179

Zeal Shah
Company Secretary

Place: Mumbai
Date: August 29, 2022

TEN YEAR FINANCIAL HIGHLIGHTS

	IGAAP					IND AS					
	2011	2012	2013	2014	2015	2016^	2017^	2018^	2019-20^	2021	2022
YEAR END FINANCIAL POSITION (₹ Crores)											
Net Fixed Assets	71.94	76.90	94.06	137.34	138.73	140.64	123.97	117.11	122.67	143.06	152.26
Net Worth	410.08	483.66	523.03	554.30	591.55	663.82	733.26	1,540.11	906.34	703.71	616.49
SUMMARY OF OPERATIONS (₹ Crores)											
Revenue from operations	557.57	658.07	772.96	832.45	908.32	1,001.77	711.47	848.99	1,355.86	1,008.73	1,114.41
Profit Before Taxation and exceptional items	95.59	116.79	88.25	66.56	83.33	115.17	81.92	151.41	354.85	233.28	253.37
Exceptional items	-	-	-	-	-	-	17.00	6.57	-	-	-
Profit Before Taxation after exceptional items	-	-	-	-	-	-	98.92	157.98	354.85	233.28	253.37
Provision for Taxation	31.91	38.39	32.37	23.34	29.77	36.04	37.88	56.24	100.77	56.48	60.85
Profit after taxation from continued operations%	-	-	-	-	-	-	61.04	101.74	254.08	176.80	192.52
Profit before tax from discontinued operations%	-	-	-	-	-	-	53.27	979.59	-	-	-
Tax expense of discontinued operations	-	-	-	-	-	-	20.40	242.61	-	-	-
Profit after taxation from discontinued operations	-	-	-	-	-	-	32.87	736.98	-	-	-
Profit after taxation	63.68	78.40	55.88	43.22	53.56	79.13	93.91	838.72	254.08	176.80	192.52
Dividend	-	2.50	8.50	6.00	7.50	11.00	15.00	440.00	230.00	130.00	41.00
PER SHARE DATA											
Earnings per share continued operations	-	-	-	-	-	-	36.77	61.29	153.00	106.51	116.00
Earnings per share discontinued operations%	-	-	-	-	-	-	19.80	443.98	-	-	-
Earning per share total	38.40	47.20	33.70	26.00	32.30	47.70	56.57	505.27	153.00	106.51	116.00
Dividend (%)	-	25%	85%	60%	75%	110%	150%	4400%	2300%	1300%	
NUMBER OF SHARES											
Shares (Lakhs)	165.99	165.99	165.99	165.99	165.99	165.99	165.99	165.99	165.99	165.99	165.99

Notes :

^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.

Profit and Loss account summary figures for the year 2017, 2018 and 2019-20 pertain to continued operations, viz, Consumer health business.

The figures for year 2019-20 are for 18 months

The dividend for year 2022 is subject to approval by the shareholders at Annual General meeting



Procter & Gamble Health Limited

Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway,
Vikhroli East, Mumbai 400 079 | Tel: (91-22) 6866 9000

NOTICE

NOTICE is hereby given that the Fifty-Fifth Annual General Meeting (AGM) of the Members of the Company will be held on **Wednesday, November 23, 2022**, at 3:30 p.m. through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the registered office of the Company at Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079.

ORDINARY BUSINESS

- 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.
- To confirm payment of interim dividend and to declare Final Dividend for the Financial Year ended June 30, 2022.
- To appoint a Director in place of Mr. Amit Gupta, Executive Director (DIN 08295179), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Aalok Agrawal, Non-Executive Director (DIN 08468145), who retires by rotation and being eligible, offers himself for re- appointment.
- To re-appoint M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Registration number 103523W/W100048) as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the Sixtieth 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 an **Ordinary Resolution:**

Payment of commission to the Non-Executive Directors of the Company for a period of five years with effect from January 1, 2023

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 (“the Act”) the Non-Executive Directors of the Company be paid, a commission up to one percent of the net profits of the Company per annum in the aggregate for a period of five years with effect from January 1, 2023, as per discretion of the Board of Directors of the Company.”

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

Ratification of remuneration payable 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, Rules framed thereunder (as amended from time to time) and other applicable laws, such other permissions as may be necessary, the Members hereby ratify payment of remuneration of ₹ 2,62,500 per annum plus out of pocket expense payable to M/s. Joshi Apte & 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

Zeal Shah
Company Secretary

Mumbai
August 29, 2022

Registered Office:

Godrej One, 8th Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (E), Mumbai - 400 079

NOTES

- The relevant Explanatory Statement in respect of business under Item nos. 5-7 is annexed hereto and forms a part of this Notice.
- Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, (SEBI (LODR) Regulations 2015) in respect of the Directors proposed to be re-appointed by rotation at the ensuing 55th AGM, forms integral part of the Notice of the 55th AGM.
- 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 (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 55th 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 there at 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 investorgrievance.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/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (SEBI), the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), including 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://www.pghealthindia.com/investors/#annual-reports>, 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.
7. The Members can join the 55th AGM through VC/OAVM mode 30 minutes before the time

scheduled to start 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 members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per 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 commences on **Friday, November 18, 2022 at 9:00 a.m.** and ends on **Tuesday, November 22, 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 16, 2022, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently. The Company has appointed M/s. Dholakia & Associates LLP, Practicing Company Secretaries, represented by Mr. Nrupang B. Dholakia, Practicing Company Secretary and in his absence Mr. Vishvesh G. Bhagat, 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., **Wednesday, November 16, 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 9th 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 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	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or join virtually and vote during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https:// eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https:// eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https:// www.evoting.nsd.com/ 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 hold 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 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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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. To login Easi /Easiest the users are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 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 during the remote e-Voting period or joining virtual meeting & 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. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
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 fore-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 the virtual meeting & voting during the meeting.</p>

Note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

shares in physical mode) option available on 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 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 email 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 card (self attested scanned copy) by email to investorgrievance.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. 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 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.
- 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 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 details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person 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 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 or call on toll free no.: 1800-222-990 or send a request to designated email ID at evoting@nsdl.co.in.

9. Instructions for Members for joining the 55th Annual General Meeting through VC/OAVM are as under:

- a. Members will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/ members 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 below, 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 investorgrievance.im@pg.com and shah.zs@pg.com from the date of this notice up to November 20, 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.

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 email to scrutinizer@dholakia-associates.com with a copy marked to evoting@nsdl.com.
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 Registrar and Share Transfer Agent (“RTA”), M/s. KFin Technologies 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.nsdl.com>.
14. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Further an extension had been provided for

those transfer deeds lodged prior to deadline, i.e., April 1, 2019, and returned due to deficiencies in the documents up to March 31, 2021 (for re-lodged cases). 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.

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 **Thursday, November 17, 2022, to Wednesday, November 23, 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.
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 19, 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 16, 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 23, 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 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 dated September 08, 2022, which is put up on the website at <https://www.pghealthindia.com/investors/>, in order to facilitate the Company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be emailed to Company's RTA at einward.ris@kfintech.com. on or before **November 06, 2022** in order to enable the Company to determine and

deduct appropriate TDS. For any clarification, please write to us at einward.ris@kfintech.com, or investorgrievance.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:
 - a) The change in the residential status on return to India for permanent settlement;
 - b) The particulars of the NRE account with a Bank in India, if not furnished earlier.
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 new 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 during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on June 30, 2022 are available on the website of the Company at <https://www.pghealthindia.com/investors/>. The shareholders whose dividend / shares as transferred to the IEPF Authority can now claim the same from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

23. Members are requested to contact the Company’s RTA, M/s. KFin Technologies Limited, for claiming the unclaimed dividends.
24. Members are requested to address all correspondences, including Share related documents and dividend matters to the Company’s RTA, M/s. KFin Technologies Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad, Telangana – 500 032. Toll Free No: 1- 800-309-4001

Email: einward.ris@kfintech.com

Website: www.kfintech.com

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

By Order of the Board of Directors

**Zeal Shah
Company Secretary**

Mumbai
August 29, 2022

Registered Office:
Godrej One, 8th Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (E), Mumbai - 400 079

EXPLANATORY STATEMENT

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

Item 5:

To re-appoint M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Registration number 103523W/W100048) as Statutory Auditors of the Company.

M/s. Haribhakti & Co. LLP (Firm Registration number 103523W/W100048 with ICAI), Chartered Accountants, were appointed as the Statutory auditors of the Company for five years in the Annual General Meeting of the company held on May 31, 2017. Their term will end at the conclusion of this Annual General Meeting. Owing to the good quality of audit services provided by Haribhakti & Co. LLP, based on parameters such as audit methodology, controls and knowledge of the Firm, the Audit Committee and Board of Directors recommend re-appointment of Haribhakti & Co. LLP, Chartered Accountants as Statutory Auditors for a second term upto the conclusion of 60th Annual General Meeting of the Company.

Haribhakti & Co. LLP, Chartered Accountants came into being in 1954 and since then, has expanded to cover a wide array of services. It is one of the major domestic accounting & consulting firm, which provides a varied range of assurance, accounting, advisory and consulting services, both nationally and internationally, through its service divisions namely: Audit & Assurance, Risk & Advisory, Corporate Finance Advisory, Tax & Regulatory and Global Knowledge Services.

As per section 142 of the Companies Act, 2013, the proposed remuneration payable to the auditors for the Financial Year 2022-23 will be in the range of ₹ 30-40 lakh, plus out of pocket expenses, if any. The remuneration proposed to be paid to the Statutory Auditors for the subsequent years of the term will be determined judiciously by the Board of Directors from time to time based on the recommendations of the Audit Committee, as may be commensurate with the services rendered by them during the said tenure.

The Board recommends passing of the resolution at item no. 5 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.

Item No. 6:

Payment of commission to the Non-Executive Directors of the Company for a period of five years with effect from January 1, 2023.

At the 50th Annual General Meeting held on May 31, 2017, a resolution was passed by the Members of the Company according approval for payment of commission upto 1% of the net profits per annum (maximum permissible by the Companies Act, 2013) in the aggregate to the Non-Executive Directors of the

Company. The said resolution had also empowered the Board of Directors and / or a Committee thereof to fix the quantum of commission payable to each of the Non-Executive Directors and to also determine the period for which the said commission is payable. The said Resolution was effective for a period of five years w.e.f. January 1, 2018 i.e. till December 31, 2022. It is therefore proposed to pass an enabling resolution to remunerate all the Non-Executive Directors of the Company for payment of commission upto 1% of the Net Profits per annum in the aggregate for a period of five (5) years with effect from January 1, 2023, as per discretion of the Board. The quantum of remuneration payable to each Non-Executive Director and the period for which commission is payable, will be decided by the Board of Directors. This resolution will be effective from January 1, 2023 and will remain in force for a period of five years.

The Board recommends passing of the resolution at item no. 6 as an Ordinary Resolution.

Non-Executive Directors of the Company, are deemed to be interested and concerned in this item of business.

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 29, 2022, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Joshi Apte & Associates, Cost Accountants as the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year 2022-23 at a remuneration of ₹ 2,62,500/- per annum plus out of pocket expense.

In terms with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

The Board recommends 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
Zeal Shah
 Company Secretary

Mumbai
 August 29, 2022
 Registered Office:
 Godrej One, 8th Floor, Pirojshanagar, Eastern Express
 Highway, Vikhroli (E), Mumbai - 400 079

**DETAILS OF DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE FORTHCOMING
55th ANNUAL GENERAL MEETING**

Resolution at Item No.	3	4
Name of Director	Mr. Amit Gupta	Mr. Aalok Agrawal
Age	46 years	46 years
Date of appointment on the Board	10-12-2018	01-06-2019
Expertise in specific field	Chartered Accountant	M.B.A. (Business Management)
Names of other Companies in which he / she holds Directorships	Nil	Nil
Listed entities from which he/she has resigned in the past three years	Nil	Nil
Companies in which he/she is a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager	Nil	Nil
Chairman/Member of the Committee(s) of the Board of Directors of the Company	Member of Committees: 1. Risk Management Committee 2. Corporate Social Responsibility Committee 3. Stakeholders Relationship Committee	Member of Committees: Nomination & Remuneration Committee
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other Directors, Manager or key Managerial Personnel, if any	None	None
Remuneration last drawn by each Director	₹ 186.61 lakhs	Nil
Number of Meetings of the Board attended during the year	4 out of 4	3 out of 4