



Gillette India Limited
CIN: L28931MH1984PLC267130
Regd. Office
P&G Plaza, Cardinal Gracias Road,
Chakala, Andheri (E),
Mumbai - 400099
Tel : 91-22-2826 6000
Fax : 91-22-2826 7337
Website: in.pg.com

November 02, 2020

To,
The Corporate Relations Department
The BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001.
Ref:- Scrip Code:- 507815

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:- GILLETTE

Dear Sir / Madam,

Sub: Annual Report for the Financial Year ended June 30, 2020 and Notice calling the 36th Annual General Meeting of the Company

We refer to our letter dated September 28, 2020, informing the date of 36th Annual General Meeting. In this respect, please find enclosed Annual Report for the Financial Year ended June 30, 2020 and Notice calling the 36th Annual General Meeting of the Company.

In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, the Annual Report for the Financial Year 2019-20, including the Notice of AGM have been sent in electronic mode to Members on November 02,2020 whose e-mail addresses are registered with the Company. The copy of the Notice along with the Annual Report enclosed herewith and is also available on the Company's website: <https://in.pg.com/india-investors/gil/shareholder-information/info/>.

Further, it may be noted that shareholders who would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, E-mail id, mobile number at investorgil.im@pg.com from the date of this notice up to November 22, 2020 (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 Gillette India Limited
FLAVIA
PETER
MACHADO
Flavia Machado
Authorised Signatory

Digitally signed by
FLAVIA PETER
MACHADO
Date: 2020.11.02
22:28:34 +05'30'

GILLETTE INDIA LIMITED

CIN: L28931MH1984PLC267130

Registered Office: P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai – 400099

Website: in.pg.com ● Tel : 91-22-2826 6000 ● Fax : 91-22-2826 7337

NOTICE

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting of the Members of the Company will be held on **Wednesday, November 25, 2020**, at **11.00 a.m.**, through Video Conferencing or Other Audio Visual Means to transact the business mentioned below. Venue for Meeting shall be deemed to be the Registered Office of the Company: P&G Plaza, Cardinal Gracias Raod, Chakala, Andheri East, Mumbai - 400 099.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at June 30, 2020 and the Statement of Profit and Loss for the Financial Year ended on that date, together with the Reports of the Auditors and Directors thereon.
2. To declare Final Dividend for the Financial Year ended June 30, 2020.
3. To appoint a Director in place of Mr. Pramod Agarwal (DIN 00066989), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Sonali Dhawan (DIN 06808527), who retires by rotation and being eligible, offers herself for re-appointment.

By Order of the Board of Directors

**Ghanashyam Hegde
Company Secretary**

Mumbai
October 30, 2020

Registered Office :

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

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate

Affairs (MCA) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold the Annual General Meeting through Video Conference ("VC) or Other Audio Visual Means ("OAVM"), during the calendar year 2020.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) and in accordance with, the Circulars and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 36th AGM of the Company shall be conducted through VC/OAVM. Your Company has appointed National Securities Depositories Limited ('NSDL') for providing the facility for voting through remote e-voting, for participation in the AGM through VC and e-voting during the AGM. The procedure for participating in the meeting through VC is explained in this notice.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxies to attend and cast votes on behalf of the members is not available for this AGM. However, the bodies corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. As the AGM shall be conducted through VC / OAVM, proxy form, attendance slip and route map are not annexed to this Notice.
4. Members can join the 36th AGM through VC/OAVM mode 30 minutes before the time scheduled to start the meeting, by following the procedure mentioned below, 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 Act.

5. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, the Annual report (including Report of Board of Directors, Financial Statements, Auditor's report or other documents required to be attached therewith) and the Notice of AGM are being sent in the electronic form to all the Members whose e-mail addresses are registered with the Company or the Depository Participant(s).

The Notice of AGM along with Annual Report for the Financial Year 2019-20, is available on the website of the Company at <https://in.pg.com/india-investors/gil/shareholder-information/info/>, on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited as well as on the website of NSDL at www.evoting.nsdl.com.

6. The Registers to be maintained under the Companies Act, 2013 will be available electronically for inspection by the members during the AGM, upon login on NSDL e-voting system at <https://www.evoting.nsdl.com>.

Instructions for members for joining the 36th Annual General Meeting through VC are as under:

7. Member 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

8. Members are encouraged to join the Meeting through Laptops for better experience.
9. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
10. **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 investorgil.im@pg.com from the date of this notice up to November 22, 2020 (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.**
11. 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.
12. 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 evoting@nsdl.co.in

The instructions for Members relating to remote e-voting are as under:

13. The remote e-voting period commences on Friday, November 20, 2020 at 9:00 a.m. and ends on Tuesday, November 24, 2020 at 5:00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on November 18, 2020, 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 shall not be allowed to change

it subsequently. The Company has appointed M/s. Saraf & Associates, Practicing Company Secretaries, represented by Mr. Kamalax Saraf, Proprietor 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.

14. 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 18, 2020 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.

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

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

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

Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 114736 then user ID is 114736001***

Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- How to retrieve your ‘initial password’?
 - If your email Id is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email Id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held

- in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email Id is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
- d. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- (i) Click on "Forgot User Details/ Password"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (ii) Click on "Physical User Reset Password" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (iii) 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.
 - (iv) 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- a. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

- c. Select "EVEN" of company for which you wish to cast your vote.
- d. Now you are ready for e-Voting as the Voting page opens.
- e. 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.
- f. Upon confirmation, the message "Vote cast successfully" will be displayed.
- g. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h. 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:-

15. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
16. Only those Members/ shareholders, who will be present in the EGM/AGM through VC facility and have not casted 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.
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.
17. 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.

General guidelines for shareholders

18. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail

to gilagm2020@sarafandassociates.com with a copy marked to evoting@nsdl.co.in.

19. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of E - mail ids for e-voting for the resolutions set out in this Notice:
 - a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@masserv.com and investorgil.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, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to info@masserv.com and investorgil.im@pg.com
20. 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 evoting@nsdl.co.in
21. The Register of Members and the Share Transfer books of the Company will remain closed from **Thursday, November 19, 2020, to Wednesday, November 25, 2020** (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.
22. The final dividend on Equity Shares for the Financial Year ended June 30, 2020, as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or before December 21, 2020:
 - (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 18, 2020;
 - (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 25, 2020.
23. Members are requested to note that 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 01, 2019. Transfer deed(s) lodged prior to deadline, i.e., April 1, 2019, and returned due to deficiency in the document may be re-lodged for transfer with the Company's RTA, M/s. MAS Services. Ltd., on or before March 31, 2021, cut-off date, as fixed by SEBI vide circular dated September 07, 2020. Further, the shares that are re-lodged for transfer (including those request that are pending with the company / RTA, as on date) will be issued only in demat mode.
24. 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.
25. 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.
26. Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 ("the Act") as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its

shareholders at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the requisite documents as mentioned in our letter dated September 28, 2020, which is put up on the website at <https://in.pg.com/india-investors/gil/reports-announcements/announcements/#announcements>, in order facilitate company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be emailed to Company's RTA at info@masserv.com on or before **November 15, 2020** in order to enable the Company to determine and deduct appropriate TDS. For any clarification, please write to us at info@masserv.com or investorgil.im@pg.com

27. 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 furnish their bank details, alongwith a photocopy of a blank cancelled cheque pertaining to your bank account to the Registrar and Share Transfer Agent, ("RTA"), M/s. MAS Services. Ltd.

28. Members holding shares in the physical form are requested to intimate the following directly to the Company's RTA, M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020
Tel: (022) 26387281/82/83, Fax: (022) 26387384, e-mail: info@masserv.com.

- (a) Bank Mandate with full particulars for remittance of dividend directly into their Bank Accounts, if declared at the Meeting;
- (b) Intimate changes, if any, in their address/name, bank details, NECS/ECS, mandates, nominations, power of attorney etc. at an early date;
- (c) Apply for consolidation of folios, if shareholdings are under multiple folios in identical names or joint holding in the same order of names;

- (d) Send their share certificates for consolidation, and
- (e) Request for nomination forms for making nominations, as per the format prescribed under the Companies Act, 2013.

Members holding shares in the Dematerialized (electronic) form are requested to intimate the aforesaid changes directly to their DPs, as applicable.

29. SEBI has mandated submission of Permanent Account Number ("PAN") for all transactions in the securities market. Members who are holding shares in dematerialized form are requested to submit their PAN details to their respective DP. Members holding shares in physical form can submit their PAN details to the Company's RTA, M/s. MAS Services Limited.

30. 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 November 26, 2019 (date of last Annual General Meeting) are available on the website of the Company at <https://in.pg.com/>. 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>.

31. Members are requested to contact the Company's RTA, M/s. MAS Services Limited, for claiming the unclaimed dividends/shares. The detailed dividend history and due dates for

transfer to IEPF are provided in the “Corporate Governance” section of the Annual Report.

32. Members are requested to address all correspondences, including Share related documents and dividend matters to the Company’s RTA, M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Tel: (022) 26387281/82/83, Fax: (022) 26387384, e-mail: info@masserv.com.
33. Members are requested to quote their ledger folio numbers in all their correspondence to enable the Company to provide better services to the Members.
34. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations, in respect of the Directors seeking re-appointment at the ensuing 36th AGM forms integral part of the Notice of the 36th AGM.

35. The results along with the Scrutinizer’s Report, shall be placed on the website of the Company and on the website of NSDL within 48 hours of conclusion of the AGM and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

By Order of the Board of Directors

Ghanashyam Hegde
Company Secretary

Mumbai
October 30, 2020

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

**DETAILS OF DIRECTORS PROPOSED TO BE RE-APPOINTED BY ROTATION AT THE FORTHCOMING
36TH ANNUAL GENERAL MEETING**

Resolution at Item No.	3	4
Name of Director	Mr. Pramod Agarwal	Ms. Sonali Dhawan
Age	58 years	45 years
Date of appointment on the Board	08-05-2015	25-02-2014
Expertise in specific field	M.B.A. in Finance	M.B.A. in Marketing
Names of other Companies in which he/she holds Directorships	<ol style="list-style-type: none"> Procter & Gamble Hygiene and Health Care Limited Zircon Technologies (India) Limited 	<ol style="list-style-type: none"> Procter & Gamble Hygiene and Health Care Limited
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: <ol style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee Risk Management Committee 	Member of Committees: <ol style="list-style-type: none"> Corporate Social Responsibility Committee Nomination and Remuneration Committee Stakeholders Relationship Committee
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Procter & Gamble Hygiene and Health Care: <i>Chairman of Committees:</i> Cash and Investment Committee <i>Member of Committees:</i> Risk Management Committee	Procter & Gamble Hygiene and Health Care: <i>Member of Committees:</i> Corporate Social Responsibility Committee
Shareholding in the Company	100 shares	Nil
Relationship with other Directors, Manager or key Managerial Personnel, if any	None	None



Gillette India Limited
Annual Report
2019-20



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Corporate Information

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Gurcharan Das	Chairman and Independent Director
Mr. Madhusudan Gopalan	Managing Director
Mr. Karthik Natarajan	Executive Director
Mr. Chittranjan Dua	Independent Director
Mr. Anil Kumar Gupta	Independent Director
Ms. Anjuly Chib Duggal	Independent Director
Mr. Pramod Agarwal	Non-Executive Director
Ms. Sonali Dhawan	Non-Executive Director
Mr. Gagan Sawhney	Executive Director and Chief Financial Officer
Mr. Ghanashyam Hegde	Company Secretary

Registered Office:

Gillette India Limited

(CIN: L28931MH1984PLC267130)
 P&G Plaza, Cardinal Gracias Road, Chakala,
 Andheri (East),
 Mumbai – 400 099
 Tel. No.: 022 2826 6000
 Investor Helpline Nos.: 86575 12368 /
 86575 00524
 e-mail Id: investorgil.im@pg.com

Registrar & Share Transfer Agents:

Mas Services Limited

T-34, 2nd Floor,
 Okhla Industrial Area, Phase II, New Delhi – 110 020
 Tel. No.: 011 2638 7281 / 82 / 83
 e-mail Id: info@masserv.com

Listed on Stock Exchanges:

National Stock Exchange of India Limited
 BSE Limited

Auditors:

Statutory Auditor:

Kalyaniwalla & Mistry LLP
 Chartered Accountants

Secretarial Auditor:

For the Financial Year 2019-20
 Dholakia & Associates LLP
 Company Secretaries

Note: Certain Statements in this Annual Report may be seen as forward looking statements. The actual results may differ materially from those expressed or implied in the statement depending on circumstances.





**Mr. Gurcharan Das,
Chairman and Independent Director**

Mr. Das graduated with honors from Harvard University. He was CEO, Procter & Gamble India and later Managing Director, Procter & Gamble Worldwide (Strategic Planning). After a 30-year career, he took early retirement to become an author. He is on a number of boards and is a regular speaker to the managements of the world's largest corporations.



**Mr. Madhusudan Gopalan,
Managing Director**

Mr. Madhusudan Gopalan is an alumnus of IIM Calcutta who joined P&G in 1999. He has more than 20 years of experience working across business units and diverse geographies like India, US and ASEAN countries. Prior to this role, he was leading the P&G business in Indonesia where he led strong sales growth, share turn around, strong value creation and cash productivity.



**Ms. Anjuly Chib Duggal,
Independent Director**

Ms. Anjuly Chib Duggal, a 1981 batch IAS Officer (Punjab cadre), retired as Secretary of Department of Financial Services, Ministry of Finance, Government of India, in 2017. In the last decade, she worked in the areas of finance (public expenditure and financial services including banking, insurance, pensions and financial inclusion) and corporate affairs. Prior to this, Ms. Duggal was Secretary in the Ministry of Corporate Affairs (MCA). Ms. Duggal is a Fellow of

LEAD (Leadership for Environment and Development) International since 1993, a global program that trained mid-career professionals from across the world in leadership in environment and development.



**Mr. C. R. Dua,
Independent Director**

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

foreign investments and collaborations, disinvestments and privatization of public sector undertakings, mergers and acquisitions and exchange control regulations.



**Mr. A. K. Gupta,
Independent Director**

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



**Mr. Karthik Natarajan,
Executive Director**

Mr. Natarajan is a Chartered Accountant and has completed his Bachelor of Commerce from R. A. Podar College, Mumbai. Mr. Natarajan has been with P&G for over 20 years and is currently the Senior Vice President, Finance & Accounting, Asia Pacific, Middle East & Africa.

He has over these years worked across multiple locations including India, US, China, Philippines and Singapore. He has held global responsibilities and has led strategy development, business and financial planning and operational execution with excellence for several important P&G businesses.



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

Mr. Agarwal is an MBA from Indian Institute of Management, Ahmedabad. After over 28 years of experience with P&G, he retired in 2016. He worked in seven geographies - India, Thailand, Japan, Philippines, USA, Singapore and Switzerland.

Mr. Agarwal has led several major changes which have had a lasting impact on the business and organization. He is now a management consultant, an angel investor and mentor to several start-ups.



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

Ms. Dhawan is a graduate from Lady Shriram College, with a B.Com (Hons) in Business Studies. She completed her MBA in marketing from the Indian Institute of Management, Ahmedabad. Ms. Dhawan has been with P&G for over 22 years and is currently Senior Vice

President, Marketing, Feminine Hygiene, Asia, Middle East & Africa. She has worked across multiple regions including ASEAN, India, Australia & Middle East.



**Mr. Gagan Sawhney,
Executive Director**

Mr. Gagan Sawhney is an alumnus of IIM, Ahmedabad who joined P&G in Finance in 2001. He has more than 20 years of experience across multiple geographies : India, ASEAN and Greater China. Prior to this, he was Finance Director of Internal Audit for P&G Global operations,

where he provided assurance and consulting support across regions.



Dear Shareholders,

It gives me great pleasure to share with you the performance of your Company for the Financial Year 2019-20. This fiscal witnessed unprecedented disruption to the business and numerous challenges due to the COVID-19 pandemic. Your Company navigated these tough times with agility to deliver a resilient performance for the Financial Year. While uncertainties and challenges remain in the near-term, we will continue to focus on our strategy to drive superiority and improve productivity to drive balanced growth, while prioritizing the health and safety of our people.

Your Company has built citizenship into its way of doing business and is committed to be a force for good and a force for growth. In response to the COVID-19 pandemic, we stepped up and launched '*P&G Suraksha India*' to serve our communities by partnering with government and relief organizations through in-kind, product and critical supplies donations. We launched the '*Gillette Barber Suraksha Program*', to support the barber community get back on their feet. The program enabled them to restart their business while maintaining high standards of safety, health and hygiene. We also leveraged the voice of our brands on social media to create awareness about preventive measures to combat the spread of COVID-19. In addition, your Company continued its focus on educating the underprivileged children in India through the '*P&G Shiksha*' program. Through this, CSR program the P&G group in India has supported 2300 schools that will impact the lives of 20 lakh children. *P&G Shiksha's* efforts are focused in three main areas – improving educational infrastructure, empowering marginalized girls through education and improving learning outcomes. Last year, P&G supported more than 2,500 families affected by floods in Maharashtra with health and hygiene kits.

Lastly, I would also like to express my gratitude to all our consumers, customers, employees, business partners and YOU, our valued Shareholders for your support during this unprecedented year. We are keenly focused on creating value for our stakeholders. We will continue to innovate and bring superior products to consumers and sustainably grow the business.

Gurcharan Das
Chairman



Dear Shareholders,

It gives me great pleasure to share with you the overall performance of your Company in 2019-20.

The outbreak of the COVID-19 pandemic and the subsequent nation-wide lockdown to contain the spread of the pandemic disrupted the business operations. During this unprecedented crisis, we are prioritizing the health and safety of our employees and maximizing the availability of our products, which play an essential role in meeting the daily health and hygiene needs of our consumers across the country.

It is the agility, commitment and innovation of your organization that enabled us to deliver resilient results in such a challenging environment. Your Company delivered sales of ₹1,679 crores, down 10% vs year ago and Profit After Tax (PAT) of ₹230 crores, down 9% vs year ago. In April-May, our sales were significantly impacted due to the pandemic-related lockdown, which reduced the shaving frequency among consumers. With the easing of the lockdown, we saw a sharp recovery to the pre-COVID levels. Our resilient results are driven by our strategy to drive superiority of our brands across product, packaging, communication, retail execution and value. This is fueled by strong focus on productivity and enabled by a highly agile and accountable organization. We are winning across all channels - traditional, modern retail and e-commerce. We are continuously innovating the way we build brands, run our supply chain and use digital marketing and data analytics to improve consumer reach and engagement.

In the men's grooming business, *Gillette* continued to be the market leader and reached its highest ever market share. Our irresistible superiority on product and commercial innovations continued to add millions of new users to the *Gillette* franchise. We launched *Gillette SkinGuard*, a premium system razor that provides the smoothest shave to consumers. In the brand's female grooming portfolio, *Gillette Venus* registered its strongest year on share growth. In the Oral Care category, your Company continued to innovate, grow share and penetration. *Oral-B* also launched rechargeable electric toothbrush with popular characters for children.

As a part of our COVID-19 response, *Gillette* launched the '*Gillette Barber Suraksha Program*', to support the barber community get back on their feet. The program enabled them to restart their business while high standards of safety, health and hygiene. *Gillette* continues to groom the youth of India on key skills required to increase employability through its program '*Safalta Apni Mutthi Mein*' which has reached more than 8000+ colleges and universities. We also reinvented our flagship CSR program *P&G Shiksha* and reached children remotely during this crisis. We connected with students via phone calls, SMSs, video calls and WhatsApp to continue and enhance their learning at home.

While there are near-term challenges, the FMCG sector continues to be an important contributor to the economy. As the market recovers, we will continue to focus on driving balanced growth behind brand fundamentals, strength of the product portfolio and improved execution.

Madhusudan Gopalan
Managing Director



REPORT OF THE DIRECTORS

Your Directors have the pleasure of presenting the 36th Annual Report and the Audited Financial Statements of the Company for the Financial Year ended June 30, 2020.

FINANCIAL RESULTS

(Figures in ₹ Crores)

Particulars	2019-20	2018-19
Revenue from operations	1,679	1,862
Profit before tax (PBT)	314	339
Profit after tax (PAT)	230	253

FINANCIAL YEAR

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

DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 49 per Equity Share for the Financial

Year ended June 30, 2020. This dividend proposal is subject to approval of the members at the ensuing 36th Annual General Meeting.

BUSINESS PERFORMANCE

During the Financial Year, business operations were disrupted across the country following the nationwide lockdown imposed to contain the spread of COVID-19. In this Financial Year, your Company delivered sales of ₹ 1,679 crores, down 10% vs year ago and Profit After Tax (PAT) of ₹ 230 crores, down 9% vs year ago.

GROOMING

In the men's grooming business, *Gillette* continues to be the market leader. Our irresistible superiority on product and commercial innovations continued to add millions of new users to the *Gillette* franchise.

This year, we launched *Gillette SkinGuard*, a premium system razor that provides the smoothest shave. We



also launched *Guard* Personal Care portfolio, an entry tier pre-shave range of products. *Gillette Guard*, our pioneering entry-level system, registered its strongest year-on-year value, volume and share growth behind strong awareness, activation and go-to-market plans. *Gillette Double Edge* blades continued to grow behind the new *Gillette Winner* brand launch.

In the brand's *female grooming* portfolio, *Gillette Venus*, registered its strongest year-on-year value, volume and share growth.

As a result of key interventions across the *Gillette* portfolio, we recorded our highest-ever market share in the Blades and Razors category this Financial Year.





ORAL CARE

After an extremely strong Financial Year 2018-19, *Oral-B* delivered another year of strong results in Financial Year 2019-20 with strong growth across value share, volume share and penetration for the brand. We led the innovation in the category by introducing the kids entry tier, *sensitive* entry tier and *clove* portfolio across tiers. In electric toothbrush range, we launched the rechargeable electric toothbrush for kids featuring *Star Wars* and *Frozen* characters.

These innovations coupled with extremely strong go-to-market execution enabled us to grow significantly ahead of the category. We continued to leverage our targeted trial programs and deeper distribution plans enabling more consumers to have access to superior brushes.

Oral-B continued its collaboration with dentists, to promote oral health awareness via the free dental checkup program.

FINANCIAL RATIOS

	2019-20	2018-19	Change (%)	Explanation for changes over 25% in the ratios, if any
Debtors turnover	9.0	10.4	-13	-
Inventory turnover	6.5	8.6	-24	-
Interest coverage ratio	58.7	44.2	33	Improvement in interest coverage ratio is due to sharp fall in interest cost.
Current ratio	2.0	1.7	28	Improvement in current ratio is due to increase in cash / cash equivalents and inventory.
Debt equity ratio	-	-	N.A.	-
Operating profit margin	19%	19%	2	-
Net profit margin	14%	13%	1	-
Return on Networth	27%	34%	-21	-

BUSINESS RESPONSIBILITY REPORT

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

#PGSurakshaIndia – OUR COVID-19 RESPONSE AND RELIEF EFFORT

As a responsible corporate citizen in India, your Company stepped up and partnered with the

government and relief organizations to serve employees, consumers and communities in need via our holistic COVID-19 response and relief program **#PGSurakshaIndia**.

Your Company also extended its support to the barber community who are among those greatly impacted by the lockdown imposed as a preventive measure to the pandemic through ‘*Gillette*

Barber Suraksha Program'. The program aimed to educate, protect and provide resources to them as they return to business. *Gillette* will provide an insurance cover of up to ₹ 1 lakh to barbers, educate them on safe operations via videos co-created with stylist Aalim Hakim and provide them continuous business support through a curated product-kit that would cover their requirement for two months.

P&G India group also extended its support to migrant and underprivileged families in our neighboring communities by distributing over 8,000 grocery kits and supported self-employed women entrepreneurs in Gujarat, Rajasthan and Punjab in partnership with NITI Aayog helping them restart their business.

P&G India group also stepped up manufacturing capacity of masks and hand sanitizers (for captive consumption and donation) and has donated masks to frontline workers.

In addition to this, your Company leveraged its communications expertise to encourage consumers to follow safety measures like social distancing, to reduce the spread of the virus. Our 1,000+ in-store counsellors & Direct-to-Consumer (DTC) team are connecting with consumers via telephone and through social media videos to raise awareness on hygienic practices. P&G India group

provided financial support to our partners for their vulnerable employees. We also empowered partner employees with insurance covering risks against COVID-19, cashless treatment or reimbursement of medical expenses.

P&G India group is working diligently to maximize the availability of all our products for our consumers. With guidance from medical professionals, we're constantly evaluating and updating the robust measures already in place to help our people, who are making, packing and shipping products, stay safe at work, and, where possible, enabling others to work from home. We have put in measures like temperature scans, shift rotations, queueing avoidance, physical distancing, hand sanitizers and masks. We are also conducting comprehensive, methodical cleaning of all production areas and offices, including regular sanitization and surface disinfection that exceeds the most rigorous health authority standards. Your Company also partnered with the government and industry to kickstart '*Surakhsha Circle*' to lay down the highest standards of hygiene and safety at manufacturing facilities.

Your Company will continue to support the communities in partnership with government and relief organizations in the country's fight against COVID-19.





CORPORATE SOCIAL RESPONSIBILITY

Since its foundation, giving back to the communities has been an integral part of your Company's purpose and values. Our CSR strategy supported by two pillars – *P&G Shiksha* and Timely Disaster Relief. *P&G Shiksha* provides access to holistic education for underprivileged children through 360-degree educational interventions and your Company's disaster relief aims to provide comforts to those affected by natural disasters.

Your Company's signature corporate sustainability program *P&G Shiksha* has focused on three main areas—improving education infrastructure, empowering marginalized girls through education and improving learning outcomes. Till date, the P&G group in India has supported over 2,300 schools (+200 since last year) across the country that will impact the lives of over 20 lakh (+300,000 since last year) children.

Along with our NGO partner Round Table India (RTI), we have focused on building and refurbishing school buildings, constructing classrooms, building playgrounds and improving health and hygiene facilities for children at schools. In line with the Sustainable Development Goals (SDGs), in partnership with NGO Save the Children, we are providing quality education to girls by enhancing the education infrastructure and the quality of education available to them. We are also providing smart classroom technology across schools for interactive audio-visual based learning.

A key area that we have focused on is 'improving learning outcomes in children'. Within this, we have concentrated our efforts in bridging learning gaps through on-ground remedial learning interventions, strengthening early childhood education and implementing software-based adaptive learning solutions across government schools.

Along with our NGO partner Pratham Education Foundation, we are bridging the expected and existing learning gaps in children through on-ground remedial learning interventions. During the Financial Year, we reached out to more than 50,000 children across 6 states in India and observed remarkable improvement in their learning levels. At the end of the intervention, more than 70% students were able to read as per their expected learning level compared to less than 25% at the beginning of the intervention.

Through our early childhood education program in partnership with Pratham Education Foundation, we aim to develop motor and cognitive skills in children, thereby setting them up for a fast-paced growth as they start school. At the end of the year, to assess their level of development, children were asked to perform several tasks like match shapes, trace shapes, recognize numbers, say their name and family background. The results were overwhelming, 85% children in the intervention groups had competent motor skills (ability to draw, hold a pencil, colour within a shape, join dots etc.) versus 42% in the comparison groups. We have also partnered with the state government in Delhi, Himachal Pradesh, and Rajasthan to build capability of *Anganwadi* workers and mobilize volunteers from the community to assist with pre-school activities. Through this program, we reached out to more than 4,000 *Anganwadi*'s and pre-schools impacting more than 38,000 children.

P&G Shiksha also partnered with Educational Initiatives (EI) to implement *Mindspark*, a computer-based adaptive learning tool to remediate learning gaps in students across schools in Rajasthan, Himachal Pradesh, Madhya Pradesh, Andhra Pradesh and Telangana. The tool integrates pedagogy, teacher instruction and a learning management system to assess a student's learning level and develop a customized learning path for each one of them. The program has been implemented in 130+ government schools where more than 28,000 students learned with understanding using *Mindspark*. Post the intervention, the learning levels among students using *Mindspark* improved two-fold compared to the control group. The tool also provides teachers with information on the progress and learning levels of students which is used for effective classroom management and instruction.

Your Company continued to impact the communities around its plants in a holistic manner throughout the Financial Year. At Bhiwadi, in association with IBTADA we are promoting education for girl children and have also been supporting a girls' school in the Gwalda village. For five consecutive years, the site has been conferred with the prestigious *Bhamashah* award by the state government for creating a transformational change in the lives of young children.



**WE'VE BUILT CITIZENSHIP
INTO OUR BUSINESS
WHICH IS ENABLING US TO
RESPONSIBLY SERVE ALL OUR
STAKEHOLDERS AND THE
BROADER WORLD AROUND US.**





Schools around India temporarily closed as a preventive measure to contain the spread of COVID-19, affecting millions of students, particularly from underprivileged communities. To facilitate continuity of learning, your Company partnered with Pratham to pilot newer platforms of learning. We connected with students via phone calls, SMSs, video calls and WhatsApp to encourage them to continue learning at home. For children in their formative years, we encouraged mothers to engage their children in simple hands-on activities focused on building their child's cognitive and language skills. For students in grades 1-8, we provided academic content and engaging activities in Math, Science and English to help them continue learning. Along with partner Educational Initiatives, we provided students access to the *Mindspark* software to enable them to continue learning. We also set up a toll-free hotline for students to hear educational stories and solve questions over the phone.

Your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee are provided in the Corporate Governance Report annexed to this Report.

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

The CSR Policy is available on the Company's website at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/>.

ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

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

Within our operations, we strive to grow responsibly, continuously improve our efficiency while reducing our carbon footprint. All the manufacturing plants in India are 'zero waste

to landfill' sites which means that there is no manufacturing discharge into the environment.

We are committed to help reduce the flow of plastic by making changes now and bringing long-term solutions. In India, we have put in place a system to recover and recycle multi-layered plastic packaging waste. We are working with various waste management companies and the industry to collect, segregate and recycle multi-layered plastic packaging waste.

In line with our 'Ambition 2030' goal of creating a positive impact on the environment and society, P&G India group set-up an 'Environmental Sustainability Fund,' to collaborate with external partners offering environmentally sustainable business solutions. We made this announcement at the second edition of '*P&G vGROW External Business Partner Summit*' which focused on identifying and implementing step-changing environmentally sustainable solutions like packaging innovations, renewable sources of energy and reducing carbon footprint. Our vGROW forum offers potential partners like startups, small businesses, individuals and large organizations a platform to pitch their innovative industry-leading solutions to our leadership team.

We are embracing our responsibility to be a catalyst for good in our communities. More than 150 P&G India employees, partner employees, family and friends collected nearly 2300 kg of waste from the Mahim beach in Mumbai. The collected waste was segregated and recycled by our waste management partner. Through these interventions, we strive to enhance the overall state of cleanliness and waste management by making sustainability a part of everything we do.

In partnership with our stakeholders and employees, we are helping to build a more sustainable future for us all, a cause we strongly feel and believe in.

Measures taken for energy conservation

Our Bhiwadi and Baddi plants took several employee engagement initiatives to drive an energy saving mindset. As a result, in the last five years, both the plants reduced their carbon footprint significantly on energy, water usage per unit of production, emissions and waste generated per units of production. Various measures taken are given below:



- 1. Energy efficient compressors:** Energy efficient compressors have been installed which resulted in reduction of the total number of compressors running simultaneously leading to projected savings of approx. 700,000 KWH of power per year.
- 2. Restoration of heating, ventilation and air conditioning (HVAC) systems:** HVAC systems in Air Handling Units (AHUs) have been refurbished and replaced with integrated combined EC motors which has optimized use of electrical energy and resulted in cost savings.
- 3. Auto tube cleaning system for chillers:** Periodic cleaning systems reduces the power consumption used by air cooling system which is among the largest consumers of electricity.
- 4. Installed motion detection devices:** Motion sensors helped in reducing electricity consumption by automatically turning off lights in unoccupied areas.
- 5. Optimizing the contract demand:** Post extensive data analysis on maximum load requirement at plants, we put in measures that have been able to reduce the contract demand by more than 700 kVA which has led to significant savings.

Capital Investment on Energy Conservation Equipment

At Company's Bhiwadi plant, a capital investment to the tune of approximately ₹ 1 crore was made in procuring energy efficient compressors to fulfill site requirements, leading to projected savings of approx. 700,000 KWH of power per year.

At Company's Baddi plant, capital investment of approximately ₹ 9 lakhs was made towards AHU refurbishment project for optimization in use of electrical systems.

TECHNOLOGY ABSORPTION

- i. Efforts made towards technology absorption:**
Use of low-pressure compressors.
- ii. Benefits derived like product improvement, cost reduction, product development or import substitution:**
Use of low-pressure compressors resulted in reduced electricity consumption and costs.

iii. Imported technology (during last three Financial Years, if any):

- a. Details of technology imported:** Double pitch double edge perforation tool & bruderer press, which doubles production output on same speed, resulting in productivity improvement & cost reduction.
- b. Year of import:** 2017
- c. Whether the technology been fully absorbed:** Yes

iv. Expenditure on research & development:

Your Company has not incurred any expenditure on research and development during the Financial Year.

FOREIGN EXCHANGE EARNINGS & OUTGO

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

	(₹ in Lakhs)	
	For the year ended June 30, 2020	For the year ended June 30, 2019
Foreign Exchange earnings	14,056	14,373
Foreign Exchange outgo	46,918	52,109

RELATED PARTY TRANSACTIONS

Your Company has formulated a policy on related party transactions which is also available on Company's website at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/>. This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions which are of repetitive nature, entered in the ordinary course of business and at arm's length. All related party transactions are subjected to independent review by chartered accountant firm to confirm compliance with the requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Details of material related party transaction entered into during the Financial Year 2019-20 are given below:

Name of Related Party	Procter & Gamble International Operations S.A., Singapore Branch
Nature of transaction	Import of Finished Goods
Amount of transaction during Financial Year 2019-20	₹ 269.63 Crores

The above transaction was approved by the Shareholders by passing an Ordinary Resolution through Postal Ballot on January 8, 2018. The Promoter shareholders had abstained from voting on the said resolution.

All related party transactions entered during the Financial Year were in the ordinary course of business and on arm's length basis. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to your Company.

LOANS AND GUARANTEES GIVEN AND INVESTMENTS MADE

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

PUBLIC DEPOSITS

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committee ('ICC'). During the Financial Year, one complaint with allegation of sexual harassment was filed with the Company. The said complaint was closed during the Financial Year. No complaints were pending as on June 30, 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Sections 134(3) (c) of the Companies Act, 2013, with respect to the Directors' Responsibilities Statement, it is hereby confirmed:

- i. that in the preparation of the Annual Accounts for the Financial Year ended June 30, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for the Financial Year under review;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the accounts for the Financial Year ended June 30, 2020, on a "going concern" basis;
- v. that the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- vi. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

Four (4) meetings of the Board of Directors of the Company were held during the Financial Year. For further details on meetings of the Board of Directors and its Committees, please refer to the Corporate Governance section of the Annual Report.



EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT-9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as **Annexure III** to this Report.

MANAGEMENT & PERSONNEL

The strength of business over the past few years and resilience in this particular year, due to COVID-19 pandemic & multiple economic headwinds in the country, demonstrates the core strength of our employees to stay innovative, reality based and influence the course of business. Financial Year 2019-20 was a year of unprecedented challenges, yet our focus on delivering superiority, fueled by productivity via an empowered organization helped us deliver business results in these tough times.

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 IV** to the 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, this 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 investorgil.im@pg.com.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Pramod Agarwal and Ms. Sonali Dhawan, Directors, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing 36th Annual General Meeting.

Mr. Bansidhar S. Mehta completed his previous tenure as Independent Director on September 28, 2019 and was re-appointed at the Annual General Meeting held on November 26, 2019 for another tenure of one year, effective September 29, 2019. Subsequently, this tenure shall come to an end and Mr. Mehta shall cease to be Director and

Chairperson of the Company on September 28, 2020. Mr. Mehta, being a stalwart in the taxation profession and having deep knowledge about business in India, has been instrumental in the Company's sustained growth over the decades through his guidance and counsel to the Company. The P&G Management and the Board of Directors of the Company express their deepest gratitude for Mr. Mehta's valuable guidance, leadership, direction and counsel to the Company and wish him all the very best on his retirement.

The Board of Directors have appointed Mr. Gurcharan Das, Independent Director as the Chairman of the Company with effect from September 29, 2020.

Mr. Narendra P. Sarda shall retire as Independent Director of the Company on August 28, 2020. The P&G Management and the Board of Directors of the Company express their deepest gratitude for the guidance and counsel provided by Mr. Sarda during his tenure as a Director of the Company.

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 36th Annual General Meeting of the Company.

Appropriate resolutions for the re-appointment of the aforesaid Directors are being proposed at the ensuing 36th Annual General Meeting, which the Board recommends for approval of the Shareholders 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.

POLICIES

Your Company has adopted policies on related party transactions, corporate social responsibility, vigil mechanism, nomination and remuneration,



materiality of events and dividend distribution policy which are available on the website of the Company at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/>.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and remuneration for Key Managerial Personnel has been appended as **Annexure V** to this Report. The dividend distribution policy has also been appended as **Annexure VI** to this Report.

AUDITORS

Kalyaniwalla & Mistry LLP, Chartered Accountants were appointed as Statutory Auditors of your Company at the 33rd Annual General Meeting held on November 15, 2017 for a term of five consecutive years.

The Report given by Kalyaniwalla & Mistry LLP, Statutory Auditors on the financial statements of the Company for Financial Year ended June 30, 2020 is part of this Report. There has been no qualification, reservation or adverse remark given by the Auditors in their Report.

SECRETARIAL AUDIT

Secretarial Audit was carried out by Dholakia & Associates LLP, Company Secretaries for the Financial Year 2019-20. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company. The Secretarial Audit report has been appended as **Annexure VII** to this Report.

SECRETARIAL STANDARDS

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

TRADE RELATIONS

The Directors wish to thank the distributors, wholesalers, retailers, suppliers, clearing and forwarding agents and all other business associates and acknowledge their efficiency and continued support in promoting such healthy growth in the Company's business.

ACKNOWLEDGEMENT

The Directors wish to thank the Company's consumers, employees and Shareholders for their support and contributions in the growth of the Company.

We are also grateful to The Procter & Gamble Company, USA and its subsidiaries for their invaluable support in terms of access to the latest information/knowledge in the field of research & development for products, ingredients and technologies; timely inputs to exceptional marketing strategies; and the goodwill of its world-renowned trademarks and superior brands.

On behalf of the Board of Directors

B. S. Mehta
Chairman

Mumbai, August 26, 2020

ANNEXURE I
Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN)	L28931MH1984PLC267130
2.	Name of the Company	Gillette India Limited
3.	Registered address	P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai 400099
4.	Website	in.pg.com
5.	E-mail id	investorgil.im@pg.com
6.	Financial Year reported	July 1, 2019 to June 30, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Blades & razors (NIC 25931) Oral care (NIC 20235) Toiletries (NIC 20237)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Blades and Razors 2. Oral care Products 3. Toiletries
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	None The Company's business and operations are spread across the country. Details of location of plants are given below: Plant locations Bhiwadi Plant SPA – 65A, Bhiwadi Industrial Area, Bhiwadi, Dist. Alwar, Rajasthan – 301019 Baddi Plant Plot no. 4, Industrial Area, Village Katha, Bhatoli Kalan Dist. Solan, Baddi - 173205, Himachal Pradesh
10.	Markets served by the Company	The Company's products have a national presence and some of the products are also exported to other countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up capital	₹ 32.59 Crores
2.	Total turnover	₹ 1,679 Crores
3.	Total profit after taxes	₹ 230 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer CSR Report which is appended as Annexure II to the Directors' Report.
5.	List of activities in which expenditure in 4 above has been incurred	Refer CSR Report which is appended as Annexure II to the Directors' Report



Ethics & Corporate Responsibility

Committed to doing what's right and being a good corporate citizen



Employees and individuals within our extended supply chain and operations are encouraged to speak up and report concerns



Community Impact

Making every day better for people in the communities we operate in



Serving our employees, consumers and communities in response to the COVID-19 pandemic



FLAGSHIP CSR PROGRAM

Built and supported more than 2,300 schools that will impact more than 20 lakh underprivileged children



TIMELY DISASTER RELIEF

Supported those impacted by floods in Maharashtra and cyclone Amphan in West Bengal through our disaster relief program



OUR BRANDS MAKE A DIFFERENCE

Gillette's 'Safalta Apni Mutthi Mein' program grooms the next generation



Gender Equality

Aspiring to build a world where everyone sees equal



LEVERAGING OUR VOICE IN ADVERTISING AND MEDIA

Our campaigns like Gillette #ManEnough and #ShavingStereotype spark conversations to bring change



ADVOCATING FOR GENDER EQUALITY

Leveraging forums like India Economic Summit by WEF & Bloomberg Equality Summit to advocate for Gender Equality



Diversity & Inclusion

Everyone Valued, Everyone Included and Everyone Performing at their PEAK™



FLEX@WORK

Our Flex@Work program enables our people to effectively manage personal needs and their careers



MARC™

Organized MARC™ workshops to build inclusive leadership skills throughout our Company



GABLE NETWORK

Set up the GABLE network to foster workplace equality for LGBT+ employees



WOMEN'S INTERACTIVE NETWORK

Set up the Women's Interactive Network for the advancement of women



CREATING AN INCLUSIVE WORK ENVIRONMENT

Embracing equality across our workforce



Environmental Sustainability

Constantly improving our efficiency while reducing our carbon footprint



REDUCING OUR FOOTPRINT

We continuously strive to reduce our carbon footprint and improve efficiency



ZERO MANUFACTURING WASTE TO LANDFILL

All our manufacturing facilities in India are zero manufacturing waste to landfill



RECYCLING PACKAGING WASTE

Working with waste management companies and industry to collect, segregate and recycle packaging waste



SET-UP 'ENVIRONMENTAL SUSTAINABILITY FUND'

Collaborating with external partners on sustainable solutions



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?	Your Company's Sustainability Guidelines for external business partners set our expectations with our supply base with regard to social and environmental Responsibility. We actively seek business relationships with partners that share these values, and that promote high standards within their own supply chains. Our risk-based audit program supports this effort by assessing partners through third-party audits, and identifying and remediating issues. We strive to effect change in our supplier base when we identify improvement opportunities, and this is an important way we fulfill our purpose. We want to build a robust system of external business partners that is fully integrated and synchronized with your Company's business and values.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director(s) 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:

DIN Number	02588131	08158357	00100011	06808527
Name	Mr. Anil K. Gupta	Mr. Madhusudan Gopalan	Mr. Gurcharan Das	Ms. Sonali Dhawan
Designation	Independent Director	Managing Director	Independent Director	Non-executive Director

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 has a strong history of operating 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* (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. These standards flow from the following core values of the Company:

- Treat the Company's assets as you would treat your own;
- Behave with the Company's long term success in mind;
- Always do the right thing; and
- Operate within the letter and spirit of law.



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(ies) for the relevant Principle?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / 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://in.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 / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: Y = Yes



3. Governance related to Business Responsibility

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

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

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 objective is to create industry-leading value by maintaining and enhancing our strong corporate reputation through a strong ethics and compliance culture. We operate within the spirit and letter of the law, maintaining high ethical standards wherever we conduct business. Our Purpose is to improve consumers' lives in small but 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.

Your Company being a part of the Procter & Gamble group has in place 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, Global Internal audit 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 (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Company has adopted the Whistle Blower Policy as the vigilance mechanism for Directors and employees to report 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 cases reported alongwith the status report and action taken (if any) are reported to the Committee. During the Financial Year, 7 complaints were received, which are dealt with in accordance with the Worldwide Business Conduct Manual.

Principle 2 : Safety and Sustainability throughout the life cycle

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 customers choose your Company because we provide products of superior quality and value that improve the lives of the world's 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.

Your Company continuously strives to deliver products with improved environmental profile. To reduce the environmental impact of our products your Company uses life cycle analysis to understand where the biggest impact exists, so we know where to focus our innovation. Our deep understanding of the consumer enables us to develop sustainable products that will delight the consumer, without tradeoffs in price or performance.

Your Company is focused on the environmental performance of our entire supply chain, including our own manufacturing facilities, our suppliers, and the logistics of our finished products. Through our 'Suraksha Circle' program we shared our learnings and best practices on the highest standards of health, hygiene and safety measures at manufacturing sites with the industry. This helped us serve our consumers and provide them with our products which are essential, now more than ever given the cleaning, hygiene and health benefits many of them provide. Your Company is focused on creating efficiencies in energy, water, waste, and emissions.

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

- **Manufacturing:** Between the procurement of raw materials and the creation of a product, we strive to reduce waste, water, energy, and CO₂ through systemic conservation efforts. We apply smart eco-design through innovative construction process improvements. And, we re-use, where feasible, giving new life to what was once waste.
- **Finished Product Logistics:** In the logistics stage, we reduce waste in customization by applying more sustainable designs. We have also optimized our transportation efficiency by making changes to the rate, route, mode and method of transportation. We have focused on eliminating inefficiencies such as loading and unloading delays, rush transport up-charges, dead legs (empty trucks) and P&G production line stops.

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 external parties who work at or visit the Company sites.

Your Company ensures fair employment practices and also 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
- Continuous Learning, etc.

Your Company has identified creation of a highly engaged, business focused organization as a key priority. An engagement strategy was developed to emphasize on employee engagement and to continue to position the Company as an exciting and inspiring place to work, in line with our business strategy. The engagement strategy was co-created with employees, with an aim to ensure key interventions throughout the year, headed by business leaders and enrolling the entire organization. These interventions were focused around diversity & inclusion, skill & capability development, and community impact.

Your Company also has various employee centric policies in place, and we truly stepped up on organization initiatives as part of our efforts in the fight against COVID-19 through our response, relief & employee & partner wellbeing program '#PGSurakshaIndia'.

Your Company has always been committed to taking care of its employees, and this was more critical than ever given the unprecedented crisis. We constituted a COVID CARE Helpdesk dedicated to offer solutions to employees in the unfortunate event that they or their family members test positive for COVID-19 or are identified as close contacts. The helpdesk provides information on testing, treatment, quarantine & advisory for locations with P&G plants, and sales offices.

As employees worked remotely, the in-office collaboration, celebration and a sense of community was significantly impacted. To continue providing



this experience to employees, we designed a 360° #Stayconnected Program to help employees navigate through the challenges of the 'new normal' irrespective of function and life stage.

Our overall plan for the year targeted engagement through several interventions including best in class recruitment practices, meaningful learning & development opportunities, digital capability building and opportunities for individuals to innovate.

Your Company forbids the use of child or forced labor in any of its operations or facilities. Your Company fully respects and follows all applicable labor laws.

Your Company respects every employee's right to choose to join or not to join a trade union, or to have recognized employee representation in accordance with applicable law.

As on June 30, 2020, your Company had a total of 576 permanent employees, including 33 permanent women employees. 620 persons were engaged on temporary / contractual basis. During the Financial Year under review, the Company did not receive any complaints relating to child labour, forced labour, involuntary labour, or discriminatory employment. Your Company had received one complaint on sexual harassment, which was solved during the year and no complaints were pending as on June 30, 2020. All the employees and persons engaged on temporary / contractual basis were given safety & skill up-gradation training.

Principle 4 : Stakeholder Engagement & Relation

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

Your Company believes that only way to build a sustainable business is to improve lives. It engages with disadvantaged, vulnerable and marginalized stakeholders through its Corporate Social Responsibility initiatives, which include P&G *Shiksha* and Timely Disaster Relief. The Company's

CSR initiatives are elaborated in the CSR Report which is appended as Annexure II to the Report.

As a responsible corporate citizen in India, your Company stepped up and partnered with the government and relief organizations to serve employees, consumers and communities in need via our holistic COVID-19 response and relief program #PGSurakshaIndia.

Principle 5 : Human Rights Protection

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 are driving thought-leadership and advocating for gender equality outside of the Company by leveraging external platforms like India Economic Summit by World Economic Forum and Bloomberg Equality Summit.

Your Company has undertaken following initiatives for employees to work in an inclusive environment that values and respects who they are:

- **GABLE network**

Your Company has taken a stand for inclusion and added sexual orientation to its non-discrimination policies. We also have set up the 'GABLE network' for fostering workplace equality for Lesbian, Gay, Bisexual and Transgender (LGBT+) employees.

- **Men Advocating Real Change™ (MARC)**

Your Company believes that the requisite skills to succeed as leaders and beyond include the ability to be empathetic and inclusive. Given the critical role men play in advancing women and in achieving gender equality, we have partnered with Catalyst on their MARC™ initiative, to engage the hearts and minds of men as full



partners in achieving gender equality inside and outside the Company. Through this effort, men better understand the impact that stereotypes, unconscious bias and male-dominant culture have on women's career progression.

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

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. The environment sustainability guidelines of the Company cover both the Company and other people associated with the Company.

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

As a responsible corporate citizen, environmental sustainability is one of our focus areas and we continue to positively impact the communities we operate in. For your Company, acting responsibly is core to the way we do business. Our purpose is to make superior products that not only delight consumers but are also produced responsibly.

Your Company's broad-reaching environmental sustainability goals designed to enable responsible consumption and sustainable manufacturing are as follows:

- a. All our products will enable responsible consumption through packaging that is 100% recyclable or reusable by 2030; and
- b. By 2030, 100% of our manufacturing sites will cut greenhouse gas emissions in half as compared to our 2010 baseline.

In line with our 'Ambition 2030' goal of creating a positive impact on the environment and society, P&G India has set-up an 'Environmental Sustainability

Fund' to collaborate with external partners offering environmentally sustainable business solutions. We made this announcement at the second edition of 'P&G vGROW External Business Partner Summit' which focused on identifying and implementing step-changing environmentally sustainable solutions like packaging innovations, renewable sources of energy and reducing carbon footprint.

Within our operations, we strive to grow responsibly, continuously improve our efficiency while reducing our carbon footprint. All the manufacturing plants in India are 'zero waste to landfill' sites which means that there is no manufacturing discharge into the environment. The manufacturing plants took several employee engagement initiatives to drive an energy saving mindset. As a result, in the last five years, both the plants reduced their carbon footprint significantly on energy, water usage per unit of production, emissions and waste generated per unit of production.

Your Company is committed to help reduce the flow of plastic by making changes now and bringing long-term solutions. In India, we have put in place a system to recover and recycle multi-layered plastic packaging waste. We are working with various waste management companies and the industry to collect, segregate and recycle multi-layered plastic packaging waste. In 2019, P&G joined forces with more than 40 companies globally that make plastic, use plastic in their products and packaging, and those who recycle and manage plastic waste to form 'The Alliance to end Plastic Waste.'

Your Company strives to enhance the overall state of cleanliness and waste management by making sustainability a part of everything we do. In partnership with our stakeholders and employees, we are helping build a more sustainable future for us all, a cause we strongly feel and believe in.

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, through which advocacy was conducted in listed areas:

- Federation of Indian Chambers of Commerce & Industry (FICCI)



- Confederation of Indian Industry (CII)
- Feminine and Infant Hygiene Association (FIHA)
- US India Business Council (USIBC)
- India Home & Personal Care Industry Association (IHPCIA)

Some of the key issues on which your Company engaged with the Government in 2019-20 through the above associations or directly, include:

- Laws relating to environmental sustainability;
- Obtaining permissions for business operations at various locations including manufacturing plants, distribution branches, warehouses, contract manufacturing sites etc. during the lockdown implemented by the Government on account of Covid-19 pandemic.

Principle 8 : Inclusive growth and Equitable development

Your Company believes that the only way to build a sustainable business is to improve lives. For your Company sustainability means making every day better for people through how we innovate and how we act. As one of the world's largest consumer products company, we have both a responsibility and an opportunity to do the right thing and create change. This strategy has inspired an enduring CSR strategy supported by two pillars – *P&G Shiksha* and Timely Disaster Relief. While *P&G Shiksha* provides children from underprivileged backgrounds with an access to a holistic education, our disaster relief activities aim to rehabilitate and empower the victims of natural disasters by providing them with daily essential commodities and safe drinking water. Your Company has undertaken CSR initiatives during the Financial Year amounting to ₹ 7.07 Crores which forms part of the Directors' Report and is detailed in the CSR report which is appended as Annexure II to the Directors' Report.

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 Company'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.

Via our holistic COVID-19 response and relief program *#PGSurakshaIndia*, your Company extended its support to the barber community who are among those greatly impacted by the lockdown imposed as a preventive measure to the pandemic through '*Gillette Barber Suraksha Program*'. The program aimed to educate, protect and provide resources to them as they return to business. *Gillette* will provide an insurance cover of up to ₹ 1 lakh to barbers, educate them on safe operations via videos cocreated with stylist Aalim Hakim and provide them back-to-business support through a curated product-kit that would cover their requirement for two months.

Principle 9 : Customer Value and Responsibility

We are committed to providing products and services that can help improve the lives of our consumers. In developing and marketing our products, we adopt a "Consumer Is Boss" approach to ensure that we delight consumers by launching new products and product improvements that genuinely meet their needs. We actively encourage consumers to contact us because we want to hear about our consumers' experiences with our products.

Our aspiration is to serve the world's consumers better than our best competitors, creating superior shareholder value in the process.

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

ANNEXURE II

**Annual Report on Corporate Social Responsibility
(Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014)**

1. Brief outline of the Company's CSR policy

Doing the right thing is the foundation of your Company's *Purpose, Values, and Principles*. It is naturally woven into the way we work every day — paying competitive wages, working consistently with our retailers and suppliers, preventing conflicts of interest, ensuring consumer privacy and maintaining financial stewardship. This approach to business is at the heart of all we do at P&G. Doing the right thing also includes investing in the communities in which we live, work, and serve. At its core, P&G's Social Responsibility efforts aim to improve lives.

The Companies Act, 2013 ("Act") highlights the importance of Corporate Social Responsibility ("CSR") as a strategic tool for sustainable growth of the people, the communities we operate in and the Company as a whole. In line with the global principles followed by the Procter & Gamble group and the terms of the Act, the policy on Corporate Social Responsibility is broadly framed taking into account the following:

1. We believe it is essential to run our business responsibly, and our operating practices reflect this commitment.
2. P&G is focused on making every day better for people and the planet through our innovations and our actions:
 - i) Environment - by conservation of resources, using renewable resources, generating worth from waste;
 - ii) Social - by providing the comforts of home, improving health and hygiene of people, social and cultural development, imparting education, training and social awareness.

The Corporate Social Responsibility activities to be undertaken by the Company, include, but are not limited to the following:

- a) Social and cultural development by:
 - Imparting education, training (vocational and skill based) and creating social awareness;

- Awareness programs on girl education;
 - Empowerment of women for education/ health & self-employment;
 - Empowerment of differentially abled children and their self-development;
 - Skill development and generation of employment by locally driven initiatives;
 - Promoting preventive healthcare and sanitation by providing health and hygiene products;
 - Making available safe drinking water;
 - Promoting sports and cultural activities;
 - Creating awareness and development of infrastructure for sports and cultural activities;
 - Measures for the benefit of armed forces veterans, war widows and their dependents; and
 - Relief and support to victims of natural calamities in any part of the Country.
- b) Ensuring Environmental Sustainability by:
 - Conservation of resources by design and manufacture of products that maximize the conservation of resources;
 - Utilization of renewable energy and renewable or recycled materials; and
 - Generating worth from waste.
 - c) Any other objectives as mentioned under Section 135 of the Companies Act, 2013 and/ or relevant Rules and Schedules.

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

The composition of the CSR Committee as on date:

Mr. Anil Kumar Gupta	Chairman
Mr. Gurcharan Das	Member
Mr. Madhusudan Gopalan	Member
Ms. Sonali Dhawan	Member

2. Average net profit of the Company for last three Financial Years – ₹ **353.47 Crores**

3. Prescribed CSR expenditure (2 % of amount as in item 2) – ₹ **7.07 Crores**

4. **Details of CSR spent during Financial Year:**

a) Total amount to be spent for the Financial Year – ₹ **7.07 Crores**

b) Amount unspent, if any – **Not applicable**

c) Manner in which the amount spent during the Financial Year as detailed below:

Sr. no.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify State & district where projects / programs were undertaken	Amount outlay (budget) project or program wise (₹ in Crores)	Amount spent on the projects or programs			Cumulative expenditure upto the reporting period (₹ in Crores)	Amount spent: Direct or through implementing agency
					Total (₹ in Crores)	Direct expenditure	Overheads		
1	P&G Shiksha: Pratham's Read India Program	Education: Remedial Learning	Rajasthan, Bihar, Delhi, West Bengal, Telangana	2.50	2.50	95%	5%	2.50	Implementing agency: Pratham Education Foundation
2	P&G Shiksha: Build & Support Schools through Round Table India Trust	Education: Infrastructure Interventions	Pan-India	1.17	1.17	100%	Nil	1.17	Implementing agency: Round Table India Trust
3	P&G Shiksha: Supporting communities around our plants	Education: Interventions in a Girls School near Bhiwadi Plant	Bhiwadi (Rajasthan)	0.40	0.40	95%	5%	0.40	Implementing agency: IBTADA
4	P&G Shiksha: Supporting remedial learning via digital learning	Education: Support remedial learning leveraging digital platforms	Rajasthan, Madhya Pradesh, Himachal Pradesh, Telangana	3.00	3.00	95%	5%	3.00	Direct with the help of Educational Initiatives (EI)

5. In case the Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: **Not applicable**

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

Madhusudan Gopalan
Managing Director

A. K. Gupta
Chairman of the CSR Committee



ANNEXURE III

Extract of Annual Return

Form No. MGT-9

(As on the Financial Year ended on June 30, 2020)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L28931MH1984PLC267130
ii)	Registration Date	:	February 9, 1984
iii)	Name of the Company	:	Gillette India Limited
iv)	Category / Sub-Category of the Company	:	Company limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	:	P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai - 400 099 Tel : 022-2826 6000 Fax: 022-2826 7337 Website : in.pg.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	:	Mas Services Limited T-34, 2 nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Tel:- 011 26387281/82/83 Fax:- 011 26387384 Email:- info@masserv.com Website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of Products	NIC Code of the Product	% to total turnover of the Company
1	Blades & Razors	25931	76
2	Oral Care	20235	24

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company

Sr. No.	Name and address of the Company	CIN/GLN	% of shares held
1	The Procter & Gamble Company, USA (Ultimate holding Company)	Not applicable (Foreign Company)	Holds 75% through its subsidiaries
2	Procter & Gamble Overseas India B.V., the Netherlands	Not applicable (Foreign Company)	Holds 40.12 % directly & Holds 34.88 % through its subsidiaries

The Company does not have any subsidiary or associate companies.



IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Shareholding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters										
1. Indian										
	Bodies corporate	11364338	–	11364338	34.88	11364338	–	11364338	34.88	0.00
2. Foreign										
	Bodies corporate	13073465	–	13073465	40.12	13073465	–	13073465	40.12	0.00
	Total Promoter Shareholding (A)	24437803	–	24437803	75.00	24437803	–	24437803	75.00	0.00
B. Public Shareholding										
1. Institutions										
	Mutual funds	1498758	–	1498758	4.60	1506140	–	1506140	4.62	0.02
	Financial Institutions/ Banks	874131	–	874131	2.68	1039725	–	1039725	3.19	0.51
	Foreign Institutional Investors	1373288	–	1373288	4.21	1178262	–	1178262	3.62	-0.60
	Alternate Investment Funds	17535	–	17535	0.05	1178262	–	–	–	-0.05
	Sub Total (B)(1)	3763712	–	3763712	11.55	3724127	–	3724127	11.43	-0.12
2. Non-Institutions										
Bodies Corporate										
	- Indian	1964554	1151	1965705	6.03	1897719	948	1898667	5.83	-0.20
Individuals										
	- Individual shareholders holding nominal share capital up to ₹ 1 lakh	1524145	77082	1601227	4.91	1644944	68369	1713313	5.25	0.34
	- Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	128218	–	128218	0.39	109770	–	109770	0.34	-0.05

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Others										
	- Non resident	128481	12164	140645	0.43	124197	9698	133895	0.41	-0.02
	- Clearing Member	7397	-	7397	0.02	19969	-	19969	0.06	0.04
	- Trust	1011	-	1011	0.01	1211	-	1211	0.00	-0.01
	- NBFCs registered with RBI	1760	-	1760	0.01	1730	-	1730	0.01	0.00
	- OCB	516434	-	516434	1.58	516434	-	516434	1.58	-0.01
	- IEPF	21305	-	21305	0.07	28298	-	28298	0.09	0.02
	Sub Total (B)(2)	4293305	90397	4383702	13.45	4344272	79015	4423287	13.57	0.12
	Total Public Shareholding (B)	8057017	90397	8147414	25.00	8068399	79015	8147414	25.00	0.00
	Shares held by Custodian for GDRs & ADRs (C)	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	32494820	90397	32585217	100.00	32506202	79015	32585217	100.00	0.00

ii. Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Gillette Diversified Operations Private Limited	11364338	34.88	-	11364338	34.88	-	00.00
2	Procter and Gamble Overseas India B.V.	13073465	40.12	-	13073465	40.12	-	00.00
	Total	24437803	75.00	-	24437803	75.00	-	00.00



iii. Change in Promoters' Shareholding

Sr. No.	Name of Shareholder	Shareholding at the beginning and end of the year		Date of change in shareholding	Increase/ decrease in shareholding	Reason for increase / decrease	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company

There was no change in Promoter shareholding during the Financial Year 2019-20

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on June 30, 2020

Sr. No.	Name of Shareholder	Shareholding at the beginning / end of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Retirement Fund The 40s Plan	1397388	4.29	01-07-2019	-	-	1397388	4.29
				12-07-2019	2160	Purchase	1399548	4.29
				19-07-2019	3621	Purchase	1403169	4.30
				26-07-2019	4896	Purchase	1408065	4.32
				02-08-2019	3657	Purchase	1411722	4.33
				09-08-2019	3675	Purchase	1415397	4.34
				16-08-2019	1037	Purchase	1416434	4.35
				23-08-2019	1296	Purchase	1417730	4.35
				06-09-2019	(2413)	Sell	1415317	4.34
				13-09-2019	2413	Purchase	1417730	4.35
				04-10-2019	3810	Purchase	1421540	4.36
				01-11-2019	(3103)	Sell	1418437	4.35
				08-11-2019	3103	Purchase	1421540	4.36
				28-02-2020	5793	Purchase	1427333	4.38
		20-03-2020	(4014)	Sell	1423319	4.36		
		27-03-2020	4014	Purchase	1427333	4.38		
		1427333	4.38	30-06-2020				
2.	Adventz Finance Private Limited	1109104	3.40	01-07-2019	-	No change during the year	1109104	3.40
		1109104	3.40	30-06-2020				

Sr. No.	Name of Shareholder	Shareholding at the beginning / end of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3.	Life Insurance corporation of India	868041	2.66	01-07-2019	-	-	868041	2.66
				13-09-2019	9467	Purchase	877508	2.69
				20-09-2019	15130	Purchase	892638	2.74
				27-09-2019	25403	Purchase	918041	2.81
				11-10-2019	2113	Purchase	920154	2.82
				18-10-2019	3640	Purchase	923794	2.83
				19-06-2020	32773	Purchase	956567	2.93
				26-06-2020	70395	Purchase	1026962	3.15
		1035677	3.18	30-06-2020	8715	Purchase	1035677	3.18
4.	Globalware Trading and Holdings Limited	516038	1.58	01-07-2019	-	No change during the year	516038	1.58
		516038	1.58	30-06-2020				
5.	Gaoling Fund L.P.	399295	1.22	01-07-2019	-	-	399295	1.22
				09-08-2019	(4375)	Sell	394920	1.21
				16-08-2019	(1050)	Sell	393870	1.21
				23-08-2019	(9268)	Sell	384602	1.18
				30-08-2019	(4623)	Sell	379979	1.17
				06-09-2019	(3775)	Sell	376204	1.15
				13-09-2019	(2066)	Sell	374138	1.15
				20-09-2019	(3339)	Sell	370799	1.13
				27-09-2019	(4792)	Sell	366007	1.12
				30-09-2019	(602)	Sell	365405	1.12
				04-10-2019	(2502)	Sell	362903	1.11
				11-10-2019	(1120)	Sell	361783	1.11
				18-10-2019	(5185)	Sell	356598	1.09
				25-10-2019	(3473)	Sell	353125	1.08
				01-11-2019	(2869)	Sell	350256	1.07
				08-11-2019	(3872)	Sell	346384	1.06
				15-11-2019	(977)	Sell	345407	1.06
				19-11-2019	(1309)	Sell	344098	1.05
				22-11-2019	(1061)	Sell	343037	1.05
				29-11-2019	(115)	Sell	342922	1.05
		13-12-2019	(91)	Sell	342831	1.05		
		24-01-2020	(1516)	Sell	341315	1.05		
		08-05-2020	(756)	Sell	340559	1.04		
		05-06-2020	(4622)	Sell	335937	1.03		
		12-06-2020	(29)	Sell	335908	1.038		
		26-06-2020	(30260)	Sell	305648	0.94		
		305492	0.94	30-06-2020	(156)	Sell	305492	0.94



Sr. No.	Name of Shareholder	Shareholding at the beginning / end of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
6.	HDFC Life Insurance Company Limited- Shareholders Solvency Margin Account	145831	0.45	01-07-2019	-	-	145831	0.45
				05-07-2019	(32)	Sell	145799	0.45
				19-07-2019	(304)	Sell	145495	0.45
				02-08-2019	(3)	Sell	145492	0.45
				09-08-2019	(14)	Sell	145478	0.45
				16-08-2019	(14)	Sell	145464	0.45
				23-08-2019	(13)	Sell	145451	0.45
				30-08-2019	(713)	Sell	144738	0.44
				06-09-2019	(32)	Sell	144706	0.44
				20-09-2019	(172)	Sell	144534	0.44
				27-09-2019	(13)	Sell	144521	0.44
				04-10-2019	(13)	Sell	144508	0.44
				11-10-2019	(14)	Sell	144494	0.44
				18-10-2019	(24)	Sell	144470	0.44
				25-10-2019	(191)	Sell	144279	0.44
				01-11-2019	(29)	Sell	144250	0.44
				08-11-2019	(117)	Sell	144133	0.44
				15-11-2019	(37)	Sell	144096	0.44
				19-11-2019	(217)	Sell	143879	0.44
				22-11-2019	(13)	Sell	143866	0.44
				29-11-2019	(82)	Sell	143784	0.44
				06-12-2019	9901	Purchase	153685	0.47
				13-12-2019	(9)	Sell	153676	0.47
				20-12-2019	(222)	Sell	153454	0.47
				27-12-2019	(56)	Sell	153398	0.47
				31-12-2019	(109)	Sell	153289	0.47
				03-01-2020	(205)	Sell	153084	0.47
				10-01-2020	(40)	Sell	153044	0.47
				17-01-2020	(3)	Sell	153041	0.47
				24-01-2020	25186	Purchase	178227	0.55
				31-01-2020	(11)	Sell	178216	0.54
				06-03-2020	18145	Purchase	196361	0.60
				13-03-2020	621	Purchase	196982	0.60
				20-03-2020	5119	Purchase	202101	0.62
				27-03-2020	569	Purchase	202670	0.62
				31-03-2020	799	Purchase	203469	0.62
				03-04-2020	3501	Purchase	206970	0.64
				10-04-2020	8275	Purchase	215245	0.66
				01-05-2020	(78)	Sell	215167	0.66



Sr. No.	Name of Shareholder	Shareholding at the beginning / end of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				08-05-2020	(558)	Sell	214609	0.66
				26-06-2020	2652	Purchase	217261	0.67
		217261	0.67	30-06-2020				
7.	Bright Star Investments Pvt Ltd	290000	0.89	01-07-2019	-	-	290000	0.89
				29-11-2019	(765)	Sell	289235	0.88
				06-12-2019	(12326)	Sell	276909	0.85
				13-12-2019	(6167)	Sell	270742	0.83
				27-12-2019	(2856)	Sell	267886	0.82
				31-12-2019	(731)	Sell	267155	0.82
				03-01-2020	(302)	Sell	266853	0.82
				10-01-2020	(581)	Sell	266272	0.82
				24-01-2020	(25000)	Sell	241272	0.74
				07-02-2020	(1532)	Sell	239740	0.73
				17-04-2020	(2736)	Sell	237004	0.73
				24-04-2020	(7362)	Sell	229642	0.70
				05-06-2020	(837)	Sell	228805	0.70
				19-06-2020	(25500)	Sell	203305	0.62
				26-06-2020	(4013)	Sell	199292	0.61
		199292	0.61	30-06-2020				
8.	Jupiter India Fund	300012	0.92	01-07-2019	-	-	300012	0.92
				06-09-2019	(351)	Sell	299661	0.92
				13-09-2019	(2766)	Sell	296895	0.91
				20-09-2019	(9520)	Sell	287375	0.88
				27-09-2019	(20165)	Sell	267210	0.82
				30-09-2019	(1768)	Sell	265442	0.81
				04-10-2019	(6288)	Sell	259154	0.80
				08-11-2019	(432)	Sell	258722	0.79
				15-11-2019	(64)	Sell	258658	0.79
				10-01-2020	(2776)	Sell	255882	0.78
				17-01-2020	(6350)	Sell	249532	0.77
				24-01-2020	(4799)	Sell	244733	0.75
				21-02-2020	(2906)	Sell	241827	0.74
				06-03-2020	(2939)	Sell	238888	0.73
				08-05-2020	(3410)	Sell	235478	0.72
				15-05-2020	(4919)	Sell	230559	0.71
				22-05-2020	(1995)	Sell	228564	0.70
				12-06-2020	(2489)	Sell	226075	0.69
				19-06-2020	(14870)	Sell	211205	0.65
				26-06-2020	(5137)	Sell	206068	0.63
		196897	0.60	30-06-2020	(9171)	Sell	196897	0.60

Sr. No.	Name of Shareholder	Shareholding at the beginning / end of the year		Date of change in shareholding	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9.	Vanguard Total International Stock Index Fund	116135	0.36	01-07-2019	-	116135	No change during the year	0.36
		116135	0.36	30-06-2020				
10.	Vanguard Emerging Markets Stock Index Fund a Series Of Vanguard International Equity Index Funds	123496	0.38	01-07-2019	-	-	123496	0.38
				27-03-2020	(372)	Sell	123124	0.38
				17-04-2020	(850)	Sell	122274	0.38
				24-04-2020	(840)	Sell	121434	0.37
				01-05-2020	(460)	Sell	120974	0.37
				08-05-2020	(1060)	Sell	119914	0.37
				29-05-2020	(1577)	Sell	118337	0.36
				05-06-2020	(5495)	Sell	112842	0.35
				19-06-2020	(983)	Sell	111859	0.34
		26-06-2020	(6415)	Sell	105444	0.32		
		104759	0.32	30-06-2020	(685)	Sell	104759	0.32

Note: The above information is based on the weekly beneficiary position received from Depositories.

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Director	Shareholding at the beginning of the year		Date of change of Shareholding	Increase/ Decrease in shareholding	Reason for change	Shareholding at the end of the year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Mr. Pramod Agarwal	50	0.00	01-July-2019	-	-	50	0.00
				27-May-2020	50 Shares (0.00 % of Share Capital)	Open market Acquisition	100	0.00
				30-June-20	-	-	100	0.00

None of the other directors/Key managerial personnel held shares in the Company during the Financial Year 2020.

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the Financial Year 2019-2020.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors

₹ In Lakhs

Sr. No.	Particulars of Remuneration	Mr. Madhusudan Gopalan*	Mr. Karthik Natarajan **	Mr. Gagan Sawhney#	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	85.43	38.01	49.87	173.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.14	20.17	1.17	21.48
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others	-	-	-	-
	Total	85.57	58.18	51.04	194.79
	Ceiling as per the Act	1584.34	1584.34	1584.34	3168.67

*Mr. Madhusudan Gopalan is paid remuneration from Procter & Gamble Hygiene and Health Care Ltd and the Company contributes towards the same in proportion to its Net Outside Sales.

**Mr. Natarajan received remuneration from P&G Singapore. Certain components of his remuneration have been charged to the Company during the Financial Year. Remuneration includes amount cross charged to Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited in terms of the common service agreement.

Mr. Gagan Sawhney is paid remuneration from Procter & Gamble Home Products Private Ltd and the Company contributes towards the same in proportion to its Net Outside Sales.

B. Remuneration to other Directors

₹ in Lakhs

Particulars of Remuneration	Mr. B. S. Mehta	Mr. C. R. Dua	Mr. G. C. Das	Mr. A. K. Gupta	Mr. N. P. Sarada	Ms. A. C. Duggal	Mr. P. Agarwal	Total Amount
Fee for attending Board / Committee meetings	3.20	2.85	4.25	4.25	3.20	2.90	3.50	24.15
Commission	14.00	14.00	14.00	14.00	14.00	14.00	14.00	98.00
Total	17.20	16.85	18.25	18.25	17.20	16.90	17.50	122.15
Ceiling as per the Act								316.87

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole Time Director during the Financial Year

₹ in lakhs

Sr. No.	Particulars of remuneration	Mr. Ghanashyam Hegde (Company Secretary)*
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	182.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17.17
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
5	Others, please specify	46.50*
	Total	245.98

Mr. Ghanashyam Hegde is paid by the Company and portion of the remuneration is cross charged to Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited in proportion to their respective Net Outside Sales.

* Mr. Ghanashyam Hegde was paid a one-time retention bonus of ₹ 46,50,000.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of the any section of Companies Act, 2013 against the Company or its Directors or other officers in default during the Financial Year.

ANNEXURE IV

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

i. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

Name of Director	Designation	Salary (₹ in lakhs)	Commission (₹ in lakhs)	Sitting Fees (₹ in lakhs)	Total (₹ in lakhs)	Ratio
Mr. Madhusudan Gopalan*	MD	85.57	-	-	85.57	13.27
Mr. B. S. Mehta	ID	-	14.00	3.20	17.20	2.67
Mr. C. R. Dua	ID	-	14.00	2.85	16.85	2.61
Mr. G. Das	ID	-	14.00	4.25	18.25	2.83
Mr. A. K. Gupta	ID	-	14.00	4.25	18.25	2.83
Mr. N. P. Sarda	ID	-	14.00	3.20	17.20	2.67
Mr. P. Agarwal	NED	-	14.00	3.50	17.50	2.71
Ms. A. C. Duggal	ID	-	14.00	2.90	16.90	2.62
Ms. S. Dhawan	NED	-	-	-	-	-
Mr. Karthik Natarajan**	ED	58.18	-	-	58.18	9.02
Mr. Gagan Sawhney***	ED	51.04	-	-	51.04	7.91

MD- Managing Director

ID- Independent Director

NED- Non-Executive Director

ED- Executive Director

* Mr. Madhusudan Gopalan received remuneration from Procter & Gamble Hygiene and Health Care Limited, and the Company reimbursed towards the same in proportion to its Net Outside Sales.

** Mr. Karthik Natarajan received remuneration from P&G Singapore. Certain components of his remuneration have been changed to the Company during the Financial Year. Remuneration includes amount cross charged to Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited in terms of the common service agreement.

*** Mr. Gagan Sawhney received remuneration from Procter & Gamble Home Products Private Limited, and the Company reimbursed towards the same in proportion to its Net Outside Sales.

ii. % increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary in the Financial Year:

Name of Key Managerial Personnel	Designation	% increase in remuneration
Mr. Madhusudan Gopalan	Chief Executive Officer	26%
Mr. Ghanashyam Hegde	Company Secretary	12%
Mr. Gagan Sawhney	Chief Financial Officer and Executive Director	25%

iii. The % increase in the median remuneration of employees in the Financial Year is 6.3 %.

iv. The number of permanent employees on the rolls of Company is 576.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 6.5% whereas the increase in managerial remuneration was 13.1%. The average increase every year is an outcome of company's market competitiveness as against peer group companies.

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



ANNEXURE V

Nomination & Remuneration Policy and its Framework

1. CHARTER

This charter governs the formation and operation of the Nomination and Remuneration Committee (the 'Committee') of Gillette India Limited (the 'Company').

2. INTRODUCTION

The Company believes in conducting its affairs in a non-discriminatory and transparent manner by adopting highest standards of professionalism and good corporate governance practices. The Company believes that a good corporate governance system is necessary to ensure its long term success. The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board and/or the Committees of the members of the Board.

3. FORMATION OF COMMITTEE

The Nomination and Remuneration Committee of the Company was constituted on August 12, 2014 consisting of 3 Directors. The Committee and Nomination and Remuneration Policy (the 'Policy') is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Clause 49 of the Listing Agreement.

4. CONSTITUTION OF THE COMMITTEE

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Term of the Committee shall be continued unless terminated by the Board of Directors.
- 4.3 Chairman of the Committee shall be an Independent Director. The Chairperson of the Company may be appointed as a member of the Committee but shall not be the Chairman of the Committee.

5. QUORUM & MEETINGS

Minimum two (2) members shall constitute a quorum for a Committee meeting. In the event only two (2) members are present, the unanimous vote of the two (2) members shall constitute an act of the Committee. In case of an equality of votes, the Chairman shall have a second or casting vote. Where the Committee comprises of more than two (2) members, the act of a majority

of the members present will constitute an act of the Committee.

The Committee shall meet at least twice in a financial year, with additional meetings when circumstances require, as determined by the Committee Chairman.

6. MINUTES

Minutes of each meeting will be prepared by or under the direction of the Company Secretary. The Company Secretary shall maintain a permanent record of the minutes of the meeting/s, and shall distribute minutes to members of the Committee as also directors who are not members of the Committee.

7. REPORTING AND DISCLOSURE

The Company Secretary or any other person nominated by the Board shall apprise the Board at its next meeting or earlier, if required by the law, of all material matters and recommendations proposed by the Committee from time to time.

Membership of the Committee, brief description of term of reference, programs under corporate social responsibility and attendance of the member of the Committee during the year shall be disclosed in the Annual Report.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. FUNCTIONS OF THE COMMITTEE

9.1 Corporate Governance: To 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;

9.2 Board diversity: review the composition of the Board and devise a policy on Board diversity;

9.3 Appointment Criteria: 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;



- 9.4 **Appointment of Independent Directors:** To formulate the criteria for evaluation of independent directors on the Board;
- 9.5 **Remuneration Policy:** To review and recommend to the Board the overall strategies in relation to executive and non – executive remuneration policies;
- 9.6 **Performance evaluation:** To carry out evaluation of every director’s performance.

10. REVIEW

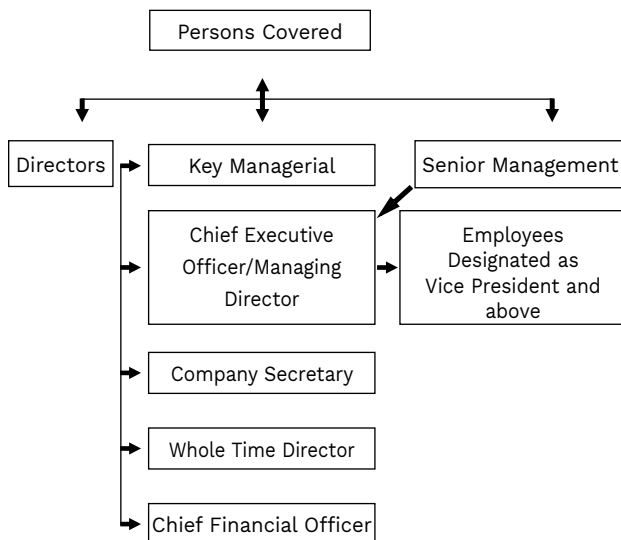
The Committee shall review and reassess the framework and the Policy, on an annual basis and obtain the approval of the Board of Directors, for any changes/ amendment in the framework/ policy.

NOMINATION AND REMUNERATION POLICY

1. PREFACE

The Nomination and Remuneration Policy (“Policy”) for members of the Board of Directors, Key Managerial Personnel and Senior Management of the Company 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.

2. POLICY IS APPLICABLE TO:



3.1 GUIDING PRINCIPLES – Key Management Personnel Compensation

Our fundamental and overriding objective is to create value for our shareholders at leadership levels on a consistent long-term basis. To accomplish this goal, the global guidelines on executive compensation programs provide the following guiding principles:

1. *Emphasize Pay for Performance*
Aligning incentives with business strategies to reward executives who achieve or exceed Company, business unit, and individual goals, while discouraging excessive risk-taking by removing any incentive to focus on a single performance goal to the detriment of others.
2. *Pay Competitively*
Set target compensation opportunities to be competitive with other multinational corporations of similar size, value, and complexity.
3. *Focus on Long-Term Success*
Include equity as a cornerstone of our executive pay programs and by using a combination of short-term and long-term incentives to ensure a strong connection between Company performance and actual compensation realized.

3.2 GUIDING PRINCIPLES – Compensation to Independent Directors

1. *Ensure compliance with local laws*
Compensation to Independent Directors cannot exceed the threshold provided under local law as per the Companies Act.
2. *Pay Competitively in line with peer companies*
Target compensation to be competitive with other corporations of similar size, value, and complexity.

The company will undertake periodic exercise to benchmark the pay-out of key peer/ same sector companies.

4. REMUNERATION OF EXECUTIVE DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT (“EXECUTIVE EMPLOYEE”)

The Human Resources department will determine remuneration criteria and recommend the same to the Board, using the above guiding principles.



- i **SALARY-** Each executive employee will be entitled to receive a salary which will be competitive and based on executive's responsibilities and performance.
- ii **SHORT TERM INCENTIVES** - Based on the achievement of an individual, pre-defined financial and strategic business targets presented by the Committee and ratified by the Board of Directors.
- iii **LONG TERM INCENTIVES** - Each Executive Employee will be entitled to receive long term incentives, as per the global guidelines and as recommended by the Management, from time to time.
- iv **SEVERANCE PAY AND PENSION CONTRIBUTION** - As per employment terms.
- v **OTHER BENEFITS-** Executive employees will be entitled to insurance policy (s), pension scheme and such other benefits as the Company may provide from time to time.

5. RATIFICATION OF REMUNERATION TO KEY MANAGEMENT PERSONNEL

The committee will bi-annually ratify the remuneration of the key Management Personnel.

6. MAXIMUM MANAGERIAL REMUNERATION

The total managerial remuneration payable by the Company, to its directors, including managing director and whole-time director and non executive directors shall be within the limits as prescribed under the law.

7. REMUNERATION OF INDEPENDENT DIRECTOR

The Company will remunerate Independent Directors in a manner designed to attract and maintain high quality Board members. Independent Directors are paid remuneration by way of commission and/or sitting fees. The Company may pay a sitting fee per meeting to Independent Directors for attending Board meetings within the limits prescribed under law. Further, if the shareholders approve, commission may be paid to Independent Directors including Independent Directors within the statutory monetary limits. Such commission is paid on a uniform basis to reinforce the principle of collective responsibility.

The remuneration of Independent directors is consistent with and supportive of maintaining the Independent director's independence.

8. POLICY AND PROCEDURE FOR SELECTION AND APPOINTMENT OF NEW DIRECTORS

- (A) The selection criteria for the appointment and re-appointment of directors will normally be based on an analysis of the composition of the existing Board, its skill and experience and its independence requirements.

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- The skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- The capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments;
- Potential conflicts of interest, and independence in accordance with the Companies Act, 2013 and the SEBI Regulations, as specified and applicable from time to time.

- (B) Each director will prior to their appointment provide to the company sufficient information to allow the Board to adequately assess the independence of the director. Directors should ensure that updated information is provided to the Board if the circumstances relating to the assessment of their independent status changes.

- (C) The identification of potential Directorial candidates may be assisted by the use of external search organisations as appropriate.

9. Evaluation

9.1 Evaluation of Key Managerial Personnel

- The Managing Director performs the evaluation of performance on an annual basis.
- The Managing Director does a review of the performance based on the efforts put in by the employee, results achieved against the goals set, and impact of external /internal factors.
- The performance review will also include the review of remuneration of the KMP.

9.2 Evaluation of Independent Directors

The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, basis the contributions made to the Board deliberations in the board meetings.

10. REVIEW AND DISCLOSURE

- 10.1 The Company shall disclose in the Board's report, the ratio of the remuneration of each director, to the median employee's remuneration and such other details as prescribed under law.
- 10.2 The Company discloses in its Annual Report all elements of remuneration package of individual directors summarized under major groups details of fixed component and performance linked incentives together with material terms, service contracts like notice period, severance fees (if any) and stock option details (if any).
- 10.3 The Board is responsible for approving the remuneration strategy for directors, executive and senior management. In determining whether to approve the relevant level of remuneration, the Board is to consider the recommendations from the Committee, prevailing market conditions, performance by the individual and the business strategies and objectives of the Company. The Board shall disclose the remuneration of senior executives in the Company's Annual Report. The Human Resources department of the Company will monitor the day to day compliance with this Policy.

ANNEXURE VI

Dividend Distribution Policy

In India, regulatory framework as laid down under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, requires the Company to put in place policy framework for distribution of dividend. Accordingly, the Board of Directors of Gillette India Limited ("the Company") have formally adopted the following written policy.

This policy documents the principles for distribution of dividends for the Equity Shareholders of the Company.

Principles for declaring dividend are as follows:

The Board of Directors will consider appropriate dividend periodically in a manner in which it:

1. Rewards the Shareholders with **sustainable returns;**
2. Retains **sufficient capital** to support investments to accelerate growth.

The Board of Directors will forward the dividend recommendation for the approval of the Shareholders.

The dividend distribution shall be made in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends, as in force and as amended from time to time.

Periodicity:

The Company shall declare its Annual Dividend at its Annual General Meeting every year, as per recommendation by the Board of Directors. The Board may declare any interim dividend(s), based on management review during the Financial Year.

Accounting Year:

The Company shall account for dividend (including dividend distribution tax) in the year in which it is approved in the Annual General Meeting and the interim dividend in the year in which it is approved in Board meeting. This is subject to any regulatory requirements.

Disclosure:

This policy shall be disclosed on the website of the Company.



ANNEXURE VII
SECRETARIAL AUDIT REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2020

[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,
Gillette India Limited

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

We have conducted the secretarial audit through periodical visits of our authorized person and electronic platform namely on-line means to verify the documents during the lock down period, of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gillette India Limited (CIN L28931MH1984PLC267130)** ('the Company') for the financial year ended 30th June, 2020. 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 record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - 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 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 verification (including 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 30th June, 2020, 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, 2020 according to the provisions of:
- I. The Companies Act, 2013 (the 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.

V. A. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

V. B. The Company has not undertaken any of the activities during the audit period as 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:-

- (a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

VI The following Acts and Rules made thereunder pertaining to Company's business are applicable to the Company:

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

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

i. 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

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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,-

I. 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 period under review were carried out in compliance with the provisions of the Companies Act, 2013.

II. 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.

III. 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)

Sd/-
CS Bhumitra V. Dholakia
Designated Partner
FCS-977
CP No. 507

Place : Mumbai
Date : 26th August, 2020
UDIN : F000977B000619815



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY AND MARKETS

The International Monetary Fund (IMF) projects the Indian economy to degrow at 10.3% in 2020. Prior to the pandemic, India was already witnessing a market slowdown and weak demand. The outbreak of COVID-19, the subsequent lockdown and restrictions imposed to contain the spread of the COVID-19 pandemic resulted in disruptions which further decelerated growth. The government has introduced reforms and a slew of measures focused on driving economic recovery, which are aimed to address challenges like subdued consumption, investment and income levels. The reduction in corporate tax rate and interest rates is also a welcome move for the industry.

OPPORTUNITIES, RISK AND OUTLOOK

While there are short to medium-term challenges this year, the long-term outlook for the FMCG sector remains positive. The government introduced several initiatives and measures to revive and boost the economy and increase demand. As per the IMF, the Indian economy is expected to bounce back and grow by 6% in 2021-22. Good monsoon and government initiatives focused on rural economy will provide an impetus to the growth and demand from the rural sector. The emergence of new distribution channels coupled with increasing digital penetration will create new opportunities for the FMCG industry to reach consumers. However, amidst the economic uncertainty, it will be imperative for companies to focus on superior propositions and adapt quickly to meet the evolving consumer needs. Your company is well-positioned to sustain its performance with resilience, leverage opportunities with agility, address challenges and overcome the risks.

PERFORMANCE OVERVIEW

The discussion on financial performance of the Company and its various businesses is elaborated in the Directors' Report.

RISK MANAGEMENT

Your Company has set up a Risk Management Committee. The Company has also adopted a risk management policy. The Company's risk management policy is in line with the parent Company's global guidelines and as such adequate

measures have been adopted by the Company to anticipate, plan and mitigate the spectrum of risks it faces.

BUSINESS, FINANCE & OPERATIONAL RISKS

On business risks (competition, consumer preferences and technology changes) the Company undertakes a Competition Response Model program. For financing risks, it has a robust operational contingency and legal plan. It also undertakes Business Contingency Plan for key vendors and natural disasters. The Company also has adequate Insurance coverage to protect the value of its assets. This coverage duly covers any risks relating to business interruption resulting from property damage and legal liability resulting from property damage or personal injury.

The Company has in place a very stringent and responsive system under which all its distributors and vendors are assessed before being selected.

REGULATORY AND COMPLIANCE RISKS

Your Company operates within the letter and spirit of all applicable laws. General compliance with legal requirements is an important component of P&G's Worldwide Business Conduct Manual and the same directs the following action from every employee:

- To obey all legal requirements at all times;
- To understand exactly what legal requirements apply to the work function;
- To consult the legal personnel if there are conflicting legal requirements in different jurisdictions;
- To strictly follow the directions from the legal personnel;
- To address and resolve, in a timely manner, any legal compliance issues that have been identified;
- Absolutely no violation of any law; and
- To immediately report any instance of violations to the Legal Department.

Your Company has set in place the requisite mechanism for meeting with the compliance requirements, periodic monitoring of compliance to avoid any deviations, and regular updates to keep pace with the regulatory changes.

SECURITY RISKS

Your Company has implemented comprehensive security programs supported by latest technology and trained manpower to protect employees and assets, at all its offices and plants. During the Financial Year under review, no major security breaches or incidents occurred at any of the Company's plants. A comprehensive security risk assessment is carried out regularly and adequate security measures are implemented to cater to changing security scenario. Your Company has installed the best of the security measures and processes to protect its personnel and assets.

INTERNAL AUDITOR

During the Financial Year, the Board of Directors had appointed Mr. Raj Lekhwani, Chartered Accountant as the Internal Auditor of the Company for the Financial Year 2019-20.

INTERNAL CONTROLS & THEIR ADEQUACY

Your Company continues to prioritize sustainable control processes that are integral part of organization Culture. It has built strong Internal Controls Environment and Risk Assessment / Management systems. These systems enable 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)** are performed during October to December period of every Financial Year across business processes. The purpose of this thorough exercise is to review and evaluate process compliances against standard Control objective, activities and attributes. This enables organization to proactively identify control weaknesses and initiate actions to sustainably mitigate them.
- **Stewardship and Global Internal Audit (GIA)** Reviews led by a team of three independent fulltime Internal Controls experts, their role is to ensure that all key processes i.e. selling, revenue, distribution, trade & marketing spends, vendor payments, and plant operations are reviewed and assessed at appropriate intervals. The observations and findings are shared

with senior management for implementing quality action plans to strengthen overall controls environment in these processes. The assessments of High risks and SOX Compliance areas are assessed by an independent internal audit department lead 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** comprises of the Managing Director, Group Chief Financial Officer, Chief Human Resource Officer, Supply Chain Leader and General Counsel. The 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.

HR INITIATIVES

Your Company operates in a highly competitive environment vis-à-vis attracting the best talent for its operations and therefore the human resources management function has assumed vital importance in the Company. Your Company focuses on attracting, motivating and retaining the best talent. Its people systems like talent supply, performance management and talent development are robust and competitive. We have put in place robust HR programs to ensure that the organization is geared up to deliver the future.

Attracting & Retaining Talent: India continues to be a key source for Global talent and an Employer of Choice in India. Given our build from within strategy and our focus on our core campus programs coupled with our innovative programs ensures we continue to be an Employer of Choice in our Core Campuses and beyond. We implemented a virtual internship this year for all our interns. We are ranked in the Top 10 Employers in the Annual Nielsen Campus Survey.

Developing Talent: Our policies on leadership pipeline, talent planning, mentoring and diversity & inclusion policies continue to ensure that we attract and retain the best talent. Our New hires into the company are given a thorough on-boarding through our 'GetIN Program' and 'SPARK- Sales



New Hire Program' to ensure that they are early contributors in their roles and feel valued. We have onboarded and empowered our new hires towards success using a virtual App based onboarding program this year. Building organization capability continues to be a key focus area for us and we continue to organize virtual learning sessions and trainings under the umbrella of 'Level Up'.

Our Company's performance management system is robust and drives the employees to perform at their PEAK. 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 our focus on inclusive development, we were recognized by 'Working Mothers' Magazine as one of the Best Companies for Women in India. We have a robust talent management process to ensure we build world class leaders. This is supported by a strong Learning & Development program, leveraging internal and external experts to ensure our people are exposed and learn from the very best. The number of employees as on June 30, 2020 was 576.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Your Directors are pleased to present the Corporate Governance Report:

Corporate Governance is a set of systems, principles and process by which a Company is governed. Governance process has to ensure that the Company operates in a manner that meets with the stakeholders' aspirations and societal expectations. Corporate Governance consists of laws, policies, procedures, and, most importantly, practices, that ensure the well-being of the assets of the Company. Corporate Governance is at its highest levels when Management is acting as if they are long-term investors in the Company.

Your Company has a strong history of operating with integrity at all levels, both internally and externally. Our actions and the actions of all our employees are governed by our *Purpose, Values and Principles* (PVPs). For more on our PVPs, please visit <https://in.pg.com/policies-and-practices/purpose-values-and-principles/>. Our commitment to operate responsibly is reflected in the steps we have in place to ensure rigorous financial discipline and Corporate Governance.

The Board of Directors have the necessary experience which helps us maintain the highest standards of Corporate Governance. Our Audit Committee is comprised of Independent Directors, with appropriate financial skills to provide good oversight. We have in place strong internal controls, to ensure compliance with all relevant regulations and standards. Our rigorous business process controls include ongoing programs of self-assessment, controls, as well as internal and external audits. 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.

Further, your Company reinforces responsibilities on all its employees, including key employees, of observing high standards of Corporate Governance 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 "Worldwide Business Conduct Standards". These standards flow from the following core values of the Company:

- Treat the Company's assets as you would treat your own;
- Behave with the Company's long term success in mind;
- Always do the right thing; and
- Operate within the letter and spirit of law.

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, following best practices for safety and health of Company personnel, environmental protection, trading in securities and a host of special legal issues.

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 has an optimum combination of Executive and Non-Executive Directors. As on June 30, 2020, the Board comprised of a Non-Executive Independent Chairman, three Executive Directors and seven other Non-Executive Directors. All other Directors, except Managing Director and Non-Executive Independent Directors, are liable to retire by rotation.

The Non-Executive Independent Directors bring external perspective and independence to decision making. The terms and conditions of appointment of Independent Directors are available on the website of the Company at <https://in.pg.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 SEBI (Listing



Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all the Independent Directors have completed the registration with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs. Requisite disclosures have been received from the directors in this regard.

The Company has obtained a certificate from M/s. Dholakia & Associates LLP, Practicing Company Secretaries, dated August 26, 2020 (annexed to this Report), confirming that none of the Directors on the Board of the Company have been debarred or disqualified from holding the 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 of Directors and other Directorships held as on June 30, 2020 are given below:

Name of the Director	Category	Designation	Directorships in other Companies*	Membership of Board Committees of other Companies**	
				Member	Chairman
Mr. Bansidhar S. Mehta [#]	NED/ID	Chairman	4	4	1
Mr. Gurcharan Das	NED/ID	Director	2	—	—
Mr. Madhusudan Gopalan	ED	Managing Director	2	2	—
Mr. Chittranjan Dua	NED/ID	Director	13	3	—
Mr. Anil Kumar Gupta	NED/ID	Director	1	2	—
Mr. Narendra P. Sarda [§]	NED/ID	Director	1	1	—
Ms. Anjuly Chib Duggal	NED/ID	Director	—	—	—
Mr. Pramod Agarwal	NED	Director	2	—	—
Ms. Sonali Dhawan	NED	Director	1	—	—
Mr. Karthik Natarajan	ED	Executive Director	1	—	—
Mr. Gagan Sawhney [^]	ED	Executive Director & Chief Financial Officer	1	—	—

NED – Non-Executive Director

ED – Executive Director

ID– Independent Director

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

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

[#] Mr. Bansidhar S. Mehta shall cease to be Director and Chairperson on completion of his tenure on September 28, 2020.

[§] Mr. Narendra P. Sarda shall cease to be a Director on completion of his tenure on August 28, 2020.

[^] Mr. Gagan Sawhney was appointed as Executive Director-Finance effective August 22, 2019.

The other listed companies in which Directors on the Board of your Company are also Directors as on June 30, 2020 are listed below:

S.No.	Name of the Director	Directorships in other listed companies
1	Mr. Bansidhar S. Mehta	Non-Executive Independent Director: 1. Procter & Gamble Hygiene and Health Care Limited 2. Pidilite Industries Limited 3. Century Enka Limited 4. Atul Limited
2	Mr. Madhusudan Gopalan	Managing Director: 1. Procter & Gamble Hygiene and Health Care Limited
3	Mr. Chittranjan Dua	Non-Executive Independent Director: 1. TVS Motor Company Limited 2. Pearl Global Industries Limited
4	Mr. Gurcharan Das	Nil
5	Mr. Anil Kumar Gupta	Non-Executive Independent Director: 1. Procter & Gamble Hygiene and Health Care Limited
6	Mr. Narendra P. Sarda	Non-Executive Independent Director: 1. Blue Dart Express Limited
7	Ms. Anjuly Chib Duggal	Nil
8	Mr. Pramod Agarwal	Non-Executive Director: 1. Procter & Gamble Hygiene and Health Care Limited
9	Mr. Karthik Natarajan	Non-Executive Director: 1. Procter & Gamble Hygiene and Health Care Limited
10	Ms. Sonali Dhawan	Non-Executive Director: 1. Procter & Gamble Hygiene and Health Care Limited
11	Mr. Gagan Sawhney	Non-Executive Director: 1. Procter & Gamble Hygiene and Health Care Limited

(b) Number of meetings of the Board:

Four (4) meetings of the Board of Directors were held during the Financial Year July 1, 2019 to June 30, 2020. These meetings were held on August 22, 2019, November 5, 2019, February 13, 2020 and May 7, 2020.

(c) Directors' attendance record:

The attendance of the Directors at the Board Meetings held during the Financial Year and at the last Annual General Meeting 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. Bansidhar S. Mehta	4	4	Yes
Mr. Gurcharan Das	4	4	No
Mr. Madhusudan Gopalan	4	4	Yes
Mr. Chittranjan Dua	4	3 [#]	Yes
Mr. Anil Kumar Gupta	4	4	Yes
Mr. Narendra P. Sarda	4	4	Yes
Ms. Anjuly Chib Duggal	4	4	No
Mr. Pramod Agarwal	4	4	Yes
Ms. Sonali Dhawan	4	3	Yes



Name of the Director	No. of Board meetings held during the tenure	No. of Board meetings attended*	Last Annual General Meeting (Whether attended)
Mr. Karthik Natarajan	4	2	No
Mr. Gagan Sawhney [§]	3	3	Yes

* Board Meeting held on May 7, 2020 was convened through video-conference.

Mr. Chittranjan Dua attended the Board Meeting held on August 21, 2019 and November 5, 2019 via video-conferencing.

§ Mr. Gagan Sawhney was appointed as Executive Director-Finance effective August 22, 2019.

(d) Separate meeting of Independent Directors:

The Independent Directors of the Company had a meeting separately without the presence of Non-Independent Directors or management representatives on August 26, 2020 (via video-conferencing) to review the performance of Non-Independent Directors; the Board & the Chairperson of the Company, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(e) 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 Listing Regulations, 2015. The RPT Policy is available on the Company's website at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/>.

The Company obtains prior approval of the Audit Committee for all related party transactions. Prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive nature. All related party transactions are reviewed by chartered accountant firm to ensure transactions are in ordinary course of business, at arm's length and are in compliance with the RPT Policy of the Company. All related party transactions are placed before the Audit Committee for periodical review.

Details of material related party transactions entered into during the Financial Year 2019-2020 are given below:

Name of Related Party	Procter & Gamble International Operations S.A., Singapore Branch
Nature of transaction	Import of Finished Goods
Amount of transaction during Financial Year 2019-2020	₹ 269.63 Crores

The above transaction was approved by the shareholders by passing an Ordinary Resolution through postal ballot on January 8, 2018. The promoter shareholders had abstained from voting on the said resolution.

There are no other material pecuniary relationships / significant transactions made by the Company with its promoters, directors or management, or their relatives etc. which have potential conflict with the interests of the Company at large.

Transactions with related parties are disclosed in Note 32 forming part of the Financial Statements.

(f) Remuneration of Directors:

The Members of the Company at their 33rd Annual General Meeting held on November 15, 2017, had accorded approval for payment of commission upto 1% of the net profits per annum in aggregate to the Non-Executive Directors of the Company for a period of five years effective January 1, 2018 by way of a Special Resolution. The said resolution had also empowered the Board of Directors to fix the quantum of commission payable to each of the Non-Executive Directors and to also determine the period for which said commission is payable. The Board of Directors at their meeting held on August 26, 2020 approved a payment of annual commission of ₹ 14 lakhs, to Non-P&G Non-Executive Directors. Such Directors are paid to compensate their valuable contribution to the Company owing to their wealth of experience and knowledge.

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

Details of the remuneration to the Directors of the Company for the Financial Year ended June 30, 2020 are given below:

Amount 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. Bansidhar S. Mehta	None	—	14.00	3.20	—
Mr. Chittranjan Dua	None	—	14.00	2.85	—
Mr. Madhusudan Gopalan	None	— ^{\$}	—	—	—
Mr. Gurcharan Das	None	—	14.00	4.25	—
Mr. Anil Kumar Gupta	None	—	14.00	4.25	—
Mr. Narendra P. Sarda	None	—	14.00	3.20	—
Ms. Anjuly Chib Duggal	None	—	14.00	2.90	—
Mr. Pramod Agarwal	None	—	14.00	3.50	100
Ms. Sonali Dhawan	None	— ^{\$\$}	—	—	—
Mr. Karthik Natarajan	None	58.18 ^{\$\$\$}	—	—	—
Mr. Gagan Sawhney	None	— ^{\$\$\$\$}	—	—	—

*Excludes shares held by relatives.

^{\$} ₹ 78.32 Lakhs being Company's contribution to remuneration of Mr. Madhusudan Gopalan has been cross charged from Procter & Gamble Hygiene and Health Care Limited in terms of the common service agreement.

^{\$\$} ₹ 5.56 Lakhs being Company's contribution to remuneration of Ms. Sonali Dhawan has been cross charged from Procter & Gamble Home Products Private Limited in terms of the common service agreement.

^{\$\$\$} Mr. Karthik Natarajan received remuneration from P&G Singapore. Certain components of the remuneration have been charged to the Company during the year. Remuneration includes amount cross charged to Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited in terms of the common service agreement.

^{\$\$\$\$} ₹ 39.54 Lakhs being Company's contribution to remuneration of Mr. Gagan Sawhney has been cross charged from Procter & Gamble Home Products Private Limited in terms of the common service agreement.

Stock Options

The Company does not have any Stock Option Plan for its employees. However, all employees of the Company including its Managing Director 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 31 forming part of the Financial Statements.

(g) Committees of the Board:

Audit Committee

As on June 30, 2020, the Audit Committee comprised of Mr. Chittranjan Dua (Chairman), Mr. Gurcharan Das (Member), Mr. Bansidhar S. Mehta (Member), Mr. Anil Kumar Gupta (Member), Mr. Narendra P. Sarda (Member), Ms. Anjuly Chib Duggal (Member), Mr. Pramod Agarwal (Member) and Mr. Madhusudan Gopalan (Member). The Company Secretary is the Secretary of the Audit Committee. The Audit Committee met on August 22, 2019, November 5, 2019, February 13, 2020 and May 7, 2020.

The attendance of the members of the Audit Committee during Financial Year 2019-2020 is as under:

Members of the Committee	Designation	Category	No. of meetings held during tenure ^{&}	No. of meetings attended
Mr. Chittranjan Dua	Chairman	NED/ID	4	3 [#]
Mr. Bansidhar S. Mehta [@]	Member	NED/ID	4	4
Mr. Gurcharan Das	Member	NED/ID	4	4
Mr. Anil Kumar Gupta	Member	NED/ID	4	4
Mr. Narendra P. Sarda [§]	Member	NED/ID	4	4
Mr. Madhusudan Gopalan	Member	ED	4	4
Mr. Pramod Agarwal [*]	Member	NED	3	3
Ms. Anjuly Chib Duggal [*]	Member	NED/ID	3	3

NED – Non-Executive Director

ID – Independent Director

ED – Executive Director

[&] Audit Committee Meeting held on May 7, 2020 was held through video-conference.

[#] Mr. Chittranjan Dua attended the Audit Committee meeting held on August 21, 2019 and November 5, 2019 via video-conferencing.

^{*} Mr. Pramod Agarwal and Ms. Anjuly Chib Duggal were inducted as Members of the Audit Committee effective August 22, 2019.

[@] Mr. Bansidhar S. Mehta shall cease to be a member of the Audit Committee on September 28, 2020.

[§] Mr. Narendra P. Sarda shall cease to be a member of the Audit Committee on August 28, 2020.

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

The Audit Committee powers include the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice; and
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee role includes the following:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;

- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Examination and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;



- Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.
- x. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - xi. Monitoring the end use of funds raised through public offers and related matters and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - xiv. Discussion with internal auditors of any significant findings and follow up there on;
 - xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Reviewing any other areas which may be specified as role of the Audit Committee under the SEBI Listing Regulations, 2015, the Companies Act, 2013 and other statutes, as amended from time to time.

The minutes of the Committee are placed before the Board.

Stakeholder Relationship Committee

The Stakeholder Relationship Committee comprises of Mr. Anil Kumar Gupta (Chairman), Mr. Madhusudan Gopalan (Member) and Ms. Sonali Dhawan (Member). Mr. Ghanashyam Hegde is the Company Secretary & Compliance Officer to the Committee. During the Financial Year, three meetings were held on August 22, 2019, November 5, 2019 and February 13 2020.

Attendance of the members of the Stakeholders Relationship Committee during the Financial Year:

Members of the Committee	No. of meetings held during tenure	No. of meetings attended
Mr. Anil Kumar Gupta	3	3
Mr. Madhusudan Gopalan	3	3
Ms. Sonali Dhawan	3	2

The role of the Committee is as follows:

- Resolving the grievances of the security holders of the Company 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and



- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the Shareholders of the Company.

During the Financial Year, the Company received 6 complaints from Shareholders. These complaints have been resolved during the Financial Year.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. Gurcharan Das (Chairman), Mr. Anil Kumar Gupta (Member), Mr. Chittranjan Dua (Member), Mr. Pramod Agarwal (Member) and Ms. Sonali Dhawan (Member). During the Financial Year, two meetings were held on August 22, 2019 and February 13, 2020.

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
Mr. Gurcharan Das	2	2
Mr. Chittranjan Dua	2	1 [#]
Mr. Anil Kumar Gupta	2	2
Ms. Sonali Dhawan	2	1
Mr. Pramod Agarwal*	2	2

[#] Mr. Chittranjan Dua attended the Nomination and Remuneration Committee meeting held on August 21, 2019 via video-conferencing.

* Mr. Pramod Agarwal was inducted as member of the Nomination of Remuneration Committee effective August 22, 2019.

The role of the Committee is as follows:

- Formulation of criteria for determining qualifications, positive attributes and independence of Directors;
- Formulation of evaluation criteria for performance evaluation of Independent Directors and the Board;
- Recommendation to the Board of a Policy, relating to the remuneration of Directors, key managerial personnel and senior management;

- Identification of persons who are qualified to become directors and who may be appointed in senior management and recommendation to the Board their appointment and removal;
- Carrying out evaluation of every Director's performance;
- Devise a policy on Board diversity; and
- Any other role & responsibility, as may be mandated by any statutory legislation, from time to time.

The Company has adopted a 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is designed to attract, motivate and retain leadership members in a competitive and international market. The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for Shareholders. The Policy is available on the website of the Company at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/>. This Policy is also annexed to the Directors' Report as **Annexure V**.

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

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

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Mr. Anil Kumar Gupta (Chairman), Mr. Madhusudan Gopalan (Member), Mr. Gurcharan

Das (Member) and Ms. Sonali Dhawan (Member). During the Financial Year, two meetings were held on August 22, 2019 and February 13, 2020.

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. Anil Kumar Gupta	2	2
Ms. Sonali Dhawan	2	1
Mr. Madhusudan Gopalan	2	2
Mr. Gurcharan Das	2	2

The role of the Committee is as follows:

- Formulation and recommendation to the Board, a Policy which shall indicate the activities to be undertaken by the Company;
- Recommendation of the amount of expenditure to be incurred on the CSR activities;
- Monitoring the CSR Policy of the Company from time to time;
- Formulation and monitoring of implementation of business responsibility policies; and
- Annual assessment of the business responsibility performance and reporting.

The Company has adopted a Corporate Social Responsibility Policy ('CSR Policy'). In line with the global principles followed by the 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:
 - Environment – by conservation of resources, using renewable resources, generating worth from waste; and
 - Social – by providing the comforts of home, improving health and hygiene of people, social and cultural development, imparting education, training and social awareness.

The CSR initiatives of the Company form part of the Directors' Report. The CSR Policy is available on the Company's website at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/>.

Risk Management Committee

The 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. Madhusudan Gopalan (Chairman), Mr. Chittranjan Dua (Member), Mr. Karthik Natarajan (Member), Mr. Pramod Agarwal (Member), Mr. Gurcharan Das (Member), Mr. Ghanashyam Hegde (Member) and Mr. Gagan Sawhney (Member). During the Financial Year, three meetings were held on August 22, 2019, November 05, 2019 and February 13, 2020.

The Company has adopted a Risk Management Policy, which aims to create a standard, structured and efficient approach to identify, assess and mitigate risks. Our Company meetings are structured to plan, assess and mitigate risks. These include annual & monthly business planning meetings as well as specific category and go-to-market assessments.

The role of the Committee is as follows:

- To monitor and review the Risk Management policy and plans of the Company; and
- To monitor and review cyber security risk.

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. Madhusudan Gopalan	3	3
Mr. Chittranjan Dua [#]	3	2 [#]
Mr. Gurcharan Das	3	3
Mr. Karthik Natarajan	3	2
Mr. Pramod Agarwal	3	3
Mr. Gagan Sawhney	3	3
Mr. Ghanashyam Hegde	3	3

[#] Mr. Chittranjan Dua attended the Risk Management Committee meetings held on August 22, 2019 and November 05, 2019 via video-conferencing.



Cash & Investment Committee

The Company has constituted a Cash & Investment Committee, comprising of Mr. Pramod Agarwal (Chairman), Mr. Chittranjan Dua (Member), Mr. Anil Kumar Gupta (Member) and Mr. Karthik Natarajan (Member). During the Financial Year, two Meetings were held on August 22, 2019 and February 13, 2020.

Attendance of the members of the Cash & Investment Committee during the Financial year:

Members of the Committee	No. of meetings held during tenure	No. of meetings attended
Mr. Pramod Agarwal	2	2
Mr. Chittranjan Dua	2	1*
Mr. Anil Kumar Gupta	2	2
Mr. Karthik Natarajan	2	2

* Mr. Chittranjan Dua attended the Cash & Investment Committee Meetings held on August 22, 2019 via video-conferencing.

The role of the Committee is as follows:

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

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

(h) Familiarization programme for Independent Directors:

The familiarization programme aims at familiarizing the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the Company.

Your Company conducts induction session for new independent directors and 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 help the Independent Directors to understand the Company's strategy, business model, operations, market, competition, organization structure, risk analysis and such other areas.

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:

- Issues a formal letter of appointment at the time of appointment;
- Provides introductory documents including Annual Report, Board committee framework, codes of conducts as may be applicable to the Director, various Policies and procedures adopted by the Company.

The familiarization programme is available on the Company's website at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/#fam-programme>.

(i) 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 endeavor to introduce new perspectives while maintaining experience and continuity.

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

(j) Key Board qualifications, expertise and attributes:

The Company is engaged in manufacturing and selling of branded packaged fast-moving consumer goods in the grooming and oral care businesses.

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

Finance & 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. Experience in digital, technology driven businesses.
FMCG Domain Expertise	Experience of FMCG industry.
Regulatory / Policy	Experience of regulatory advisory, policy formulation & implementation, public administrative experience.

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

Name of Director	Area of Expertise
Mr. Bansidhar S. Mehta	Finance & Accounting Strategy & Business Operation
Mr. Chittranjan Dua	Legal Strategy & Business Operation Regulatory & Policy
Mr. Madhusudan Gopalan	Strategy & Business Operation FMCG Industry Finance & Accounting
Mr. Gurcharan Das	Strategy & Business Operation Finance & Accounting Regulatory & Policy FMCG Industry
Mr. Anil Kumar Gupta	Strategy & Business Operation FMCG Industry Finance & Accounting
Mr. Narendra P. Sarda	Finance & Accounting
Ms. Anjuly Chib Duggal	Regulatory & Policy Finance & Accounting

Name of Director	Area of Expertise
Mr. Pramod Agarwal	Finance & Accounting Strategy & Business Operation FMCG Industry
Ms. Sonali Dhawan	Strategy & Business Operation FMCG Industry
Mr. Karthik Natarajan	Finance & Accounting Strategy & Business Operation FMCG Industry
Mr. Gagan Sawhney	Finance & Accounting Strategy & Business Operation FMCG Industry

(k) Annual Evaluation of the Directors:

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

(l) Disclosures regarding re-appointment of Directors:

1. Mr. Pramod Agarwal

Mr. Pramod Agarwal is an MBA from Indian Institute of Management, Ahmedabad. After over 28 years of experience with P&G, he retired in 2016. He worked in seven geographies - India, Thailand, Japan, Philippines, USA, Singapore and Switzerland. Mr. Agarwal has led several major changes which have had a lasting impact on the business and organization. He is now a management consultant, an angel investor and mentor to several start-ups. He is also a Director on the Board of Procter & Gamble Hygiene and Health Care Limited. Mr. Agarwal, retires by rotation and being eligible, offers himself for re-appointment at the ensuing 36th Annual General Meeting.

2. Ms. Sonali Dhawan

Ms. Sonali Dhawan is a graduate from Lady Shriram College, with a B.Com (Hons) in Business Studies. She completed her MBA in marketing from the Indian Institute of Management, Ahmedabad. Ms. Dhawan



has been with P&G for over 22 years and is currently Senior Vice President, Marketing, Feminine Hygiene, Asia, Middle East & Africa. She has worked across multiple regions including ASEAN, India, Australia & Middle East. She is also a Director on the Board of Procter & Gamble Hygiene and Health Care Limited. Ms. Dhawan, retires by rotation and being eligible, offers herself for re-appointment at the ensuing 36th Annual General Meeting.

COMMUNICATION TO SHAREHOLDERS

- (i) 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. Results for the quarter ended September 30, 2019, December 31, 2019 and for the year ended June 30, 2020 were published in the Business Standard, Mumbai Lakshadeep and the Asian Age. Financial Results for the quarter ended March 31, 2020 were published in Financial Express, Sakal Mumbai and the Asian Age.
- (ii) The Company's results and official news releases are published on Company's website: <https://in.pg.com/>.
- (iii) No presentations were made to Analysts and Institutional Investors during the Financial Year.
- (iv) This Annual Report alongwith Notice calling the Annual General Meeting, for the Financial Year 2019-2020, 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.

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. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number with the Company's Registrar & Transfer Agent (RTA) at info@masserv.com.

The Company, with the help of the RTA and the depositories has reached out to the shareholders who have not registered their email addresses, requesting them to update their email addresses. Your Company greatly appreciates your response and assistance in this regard.

STATUTORY COMPLIANCE

The Company was compliant with applicable requirements prescribed by the regulatory and statutory authorities during the preceding three Financial Years on all matters related to capital markets and no penalties / strictures in this respect have been imposed on the Company.

GENERAL MEETINGS

AGM	Date	Time	Venue	No. of Special Resolutions passed
35 th	26.11.2019	11:00 a.m.	Y. B. Chavan Pratisthan, Gen.	4
34 th	30.11.2018	11:00 a.m.	Jagannathrao Bhonsle Marg,	—
33 rd	15.11.2017	11:00 a.m.	Mumbai – 400 021	1

At the 35th Annual General Meeting held on November 26, 2019, the following Special Resolutions were passed approving:

- (i) Re-appointment of Mr. Bansidhar S. Mehta as an Independent Director of the Company for a term of one year with effect from September 29, 2019.
- (ii) Re-appointment of Mr. Anil Kumar Gupta as an Independent Director of the Company for a term of five years with effect from September 29, 2019.
- (iii) Re-appointment of Mr. Gurcharan Das as an Independent Director of the Company for a term of five years with effect from September 29, 2019.

(iv) Re-appointment of Mr. Chittranjan Dua as an Independent Director of the Company for a term of five years with effect from September 29, 2019.

At the 33rd Annual General Meeting held on November 15, 2017, the following Special Resolution was passed:

Payment of commission to the Non-Executive Directors of the Company for a period of five years with effect from January 1, 2018.

POSTAL BALLOT

During the Financial Year, no resolution was approved by postal ballot mechanism. 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 requirement of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was provided to the Board of Directors in the prescribed format for the Financial Year 2019-2020, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- There are no audit qualifications in the Company's financial statements for the Financial Year 2019-20;
- The Internal Auditor of the Company directly 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 (previously called the Alertline)', 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 (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 Whistle Blower Policy as the vigil mechanism for Directors and employees to report genuine concerns or grievances such as unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The Audit Committee oversees the vigil mechanism and number of cases reported alongwith the status report and action taken (if any) are reported to the Committee. No personnel has been denied access to the Audit Committee.

The Vigil Mechanism is available on the Company's website at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/>.

CODE OF CONDUCT

(i) Code of Conduct for Directors:

The Company has in place a Code of Conduct for its Directors and senior management. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct.

The Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct and a certificate from the Managing Director to that effect is annexed to this Corporate Governance Report. The Code of Conduct has been hosted on the Company's website at <https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/#code>.

(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://in.pg.com/india-governance-and-policies/gil/terms-and-policies/#code>.

GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting

Pursuant to the Circular nos. 14/2020, 17/2020 and 20/2020 passed Ministry of Corporate Affairs and by circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 passed by the Securities Exchange Board of India, the 36th Annual General Meeting will be held on Wednesday, November 25, 2020 at 11.00 a.m. through Videoconferencing facility, in view of the massive outbreak of the COVID-19 and social distancing being a norm to be followed. Deemed Venue for Meeting shall be the Registered Office of the Company: P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai - 400 099. Details of the link for joining and participating in the meeting through video-conferencing are provided in the notice convening the 36th Annual General Meeting. A recording of the transcript of the Annual General Meeting will be made available on the Company's website at <https://in.pg.com>.

II. Financial Calendar

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

III. Book Closure Dates: Thursday, November 19, 2020 to Wednesday, November 25, 2020 (both days inclusive). The said book closure is for payment of dividend.

IV. Dividend Payment Date: On or before December 21, 2020.

V. Total fees paid to Statutory Auditors of the Company: Total fees of ₹ 129.74 lakhs for Financial Year 2019-2020, was paid by the Company to Kalyaniwalla & Mistry LLP, Statutory Auditors of the Company.

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details

relating to the number of complaints received and disposed of during the Financial Year 2019-2020 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 2019-2020, wherein the Board had not accepted recommendations made by any Committee of the Board.

VIII. Listing of Equity Shares on Stock Exchange(s)

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective Stock Exchanges.

IX. Stock Code

BSE Limited : 507815

National Stock Exchange of India Limited : GILLETTE

Dematerialization ISIN Code : INE322A01010.

X. Stock Price Data

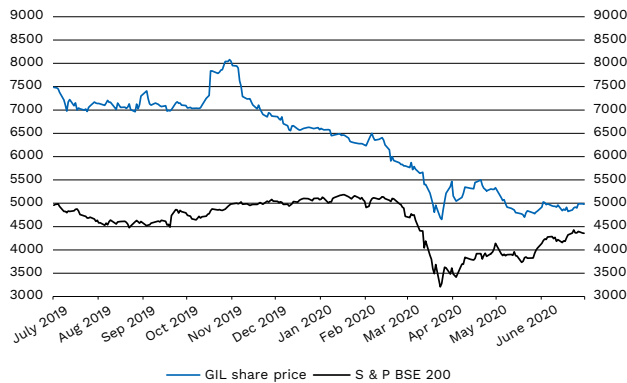
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July - 2019	7,499.80	6,914.00	7,523.90	6,905.00
August - 2019	7,329.90	6,900.00	7,325.00	6,890.40
September - 2019	7,449.00	6,947.05	7,450.00	6,915.50
October - 2019	8,200.00	7,013.00	8,140.00	7,000.00
November - 2019	8,120.65	6,815.00	8,086.20	6,810.10
December - 2019	7,013.75	6,525.00	7,021.90	6,500.00
January - 2020	6,678.05	6,234.10	6,625.00	6,240.00
February - 2020	6,649.00	5,718.00	6,650.00	5,699.90
March - 2020	5,958.70	4,420.00	5,998.00	4,450.00
April - 2020	5,563.40	4,984.10	5,559.00	4,980.00
May - 2020	5,331.00	4,681.00	5,329.95	4,670.10
June - 2020	5,150.10	4,800.00	5,175.20	4,805.00

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



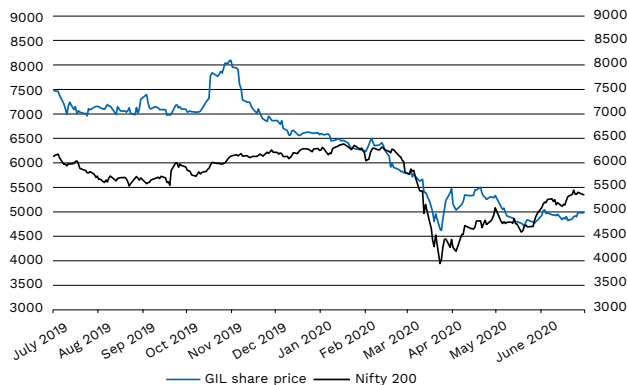
XI. Stock Performance in comparison to the BSE Sensex and NSE Nifty

The following chart shows the performance of the Company’s shares as compared to the BSE Sensex during the Financial Year 2019-2020:



(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 2019-2020:



(Source: www.nseindia.com)

XII. Registrar and Transfer Agents

Mas Services Limited
 T-34, 2nd floor, Okhla Industrial Area Phase II,
 New Delhi – 110 020.
 Ph: 011-26387281/82/83, Fax: 011-26387384
 E-mail : info@masserv.com

XIII. Share Transfer System/Demat

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 01, 2019. The transfer deed(s) lodged prior

to deadline, i.e., April 1, 2019, and returned due to deficiency in the document may be re-lodged for transfer with Mas Services Limited (Registrar & Transfer Agents), on or before March 31, 2021, cut-off date, as fixed by SEBI vide circular dated September 07, 2020. Further, the shares that are re-lodged for transfer (including those request that are pending with the listed company / RTA, as on date) shall henceforth be issued only in demat mode.

Transfer of shares is effected by the Registrar & Transfer Agents and share certificates are dispatched within a period of 15 days from the date of receipt of relevant documents, provided they are complete in all respects.

Similarly, 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.

XIV. Distribution of shareholding by size class as on June 30, 2020

Shareholding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 5000	42 893	98.573	12 35 325	3.79
5001 – 10000	327	0.75	2 35 725	0.72
10001 – 20000	147	0.34	2 05 407	0.63
20001 – 30000	53	0.12	1 34 638	0.41
30001 – 40000	13	0.03	47 180	0.15
40001 – 50000	15	0.03	69 614	0.21
50001 – 100000	23	0.05	1 74 496	0.54
100001 and above	43	0.10	3 04 82 832	93.55
Total	43 514	100.00	3 25 85 217	100.00

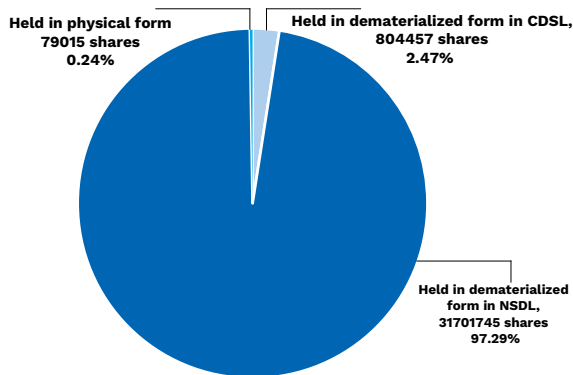
XV. Dematerialization of shares and liquidity

The Company’s shares are required to be compulsorily traded in the stock exchanges in dematerialized form. As on June 30, 2020, 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 CDSL	8,04,457	2.47
Held in dematerialized form in NSDL	3,17,01,745	97.29
Held in physical form	79,015	0.24
Total	3,25,85,217	100.00

Shares held in demat/physical form as on June 30, 2020



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

XVII. Distribution of shareholding by ownership as on June 30, 2020

Category	Number of Shares held	% of Shares held
Foreign & Indian promoters	2,44,37,803	75.00
Resident Individuals and others	23,90,725	7.33
Mutual Funds	15,06,140	4.62
Financial Institutions / Banks	10,39,725	3.19
Foreign Institutional Investors	11,78,262	3.62
Private Bodies Corporate	18,98,667	5.83
NRIs	1,33,895	0.41
TOTAL	3,25,85,217	100.00

XVIII. Commodity price risk or foreign exchange risk and hedging activities

The Company has no exposure to commodity and commodity risks in Financial Year 2019-20. The details of foreign currency risk management

are disclosed in Note 30 forming part of the Financial Statements. The company has not entered into any hedging activities in Financial Year 2019-20.

XIX. 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 June 30, 2013 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. Members who have not encashed their dividend warrants for these years are requested to claim their dividend, on or before the due dates mentioned therein, by writing to the Company's RTA, M/s. Mas Services Limited. Once the unclaimed dividend/shares are transferred to IEPF, no claim whatsoever shall be entertained by the Company thereafter.

For the Financial Year ended	Date of Declaration	Transfer to IEPF
30.06.2013	19.11.2013	25.12.2020
30.06.2014	29.09.2014	04.11.2021
30.06.2015	26.10.2015	01.12.2022
Interim 2015-16	12.10.2015	17.11.2022
30.06.2016	30.11.2016	05.01.2024
Interim 2016-17	06.05.2017	11.06.2024
30.06.2017	15.11.2017	21.12.2024
30.06.2018	30.11.2018	05.01.2026
Interim 2018-19	07.02.2019	15.03.2026
30.06.2019	26.11.2019	01.01.2027

During the Financial Year 2019-2020, unclaimed final dividend amount for the Financial Year ended June 30, 2012 amounting to ₹ 8,91,195



and 6,993 shares were transferred to the IEPF. The details of unpaid/ unclaimed dividend as on date of previous Annual General Meeting, i.e., November 26, 2019 have been hosted on the website of the Company, viz., <https://in.pg.com/>. Mr. Ghanashyam Hegde is the Nodal Officer of the Company under the IEPF Rules.

XX. Plant Locations:

(i) Bhiwadi Plant

SPA-65A,
Bhiwadi Industrial Area, Bhiwadi, Dist.
Alwar – 301019

(ii) Baddi Plant

Plot no. 4, Industrial Area, Village Katha,
Bhatoli K.alan Dist. Solan Baddi – 173205
Himachal Pradesh

XXI. Investor Queries and Grievances 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:

Mr. Ghanashyam Hegde

Compliance Officer & Company Secretary

Gillette India Limited

P&G Plaza, Cardinal Gracias Road,
Chakala, Andheri (East) Mumbai – 400 099
Investor Helpline nos.: 86575 12368 /
86575 00524

Ph : 022-28266000

Fax : 022-28267337

Email Id: investorgil.im@pg.com

Declaration

As provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members have confirmed compliance with the Directors' Code of Conduct for the Financial Year ended June 30, 2020 and the Senior Management has complied with the Business Conduct Manual for the Financial Year ended June 30, 2020.

For **GILLETTE INDIA LIMITED**

Madhusudan Gopalan
Managing Director

Mumbai,
August 26, 2020



CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of Gillette India Limited

1. We have been engaged to issue certificate that none of the directors on the board of the **Gillette India Limited** ("Company") having **CIN L28931MH1984PLC267130** have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority in terms of Para 10 (i) of Part C of Schedule V read with Regulations 34(3) and 53 (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations):
2. We have examined the following:
 - (a) The declaration given by each of the Directors of the Company with respect to their interest in other entities as Director or otherwise along with names of their relatives in pursuance of Section 184 of the Companies Act, 2013 and taken on record by the Company,
 - (b) Declarations given by all the Directors of the Company confirming that they are not disqualified to hold the Office of Directors as on 30th June, 2020 in pursuance of Section 164 of the Companies Act, 2013 and taken on record by the Company,
 - (c) The particulars of Directors of the Company as displayed on the web portal of the Ministry of Corporate Affairs and
 - (d) General Search on the website of the Securities and Exchange Board of India.
3. Based on the above verification and to the best of our information and according to the explanations provided to us, we are of the opinion that none of the following Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority as on 30th June, 2020:

No.	Name of the Directors	DIN
1	Mr.Bansidhar Sunderlal Mehta	00035019
2	Mr. Madhusudan Gopalan	08158357
3	Mr. Chittranjan Dua	00036080
4	Mr.Pramod Agarwal	00066989
5	Mr.Gurcharan Das	00100011
6	Mr.Anil Kumar Ishwar Dayal Gupta	02588131
7	Mr.Narendra Pansukhlal Sarda	03480129
8	Ms.Anjuly Chib Duggal	05264033
9	Mr.Karthik Natarajan	06685891
10	Ms.Sonali Dhawan	06808527
11	Mr.Gagan Sawhney	08279568

4. It should be noted that our responsibility is to express a reasonable assurance in the form of an opinion as to the qualification/eligibility of each of the Directors of the Company to hold the office as Director in the Companies in accordance with the generally accepted procedure and the process of due-diligence followed based on the available information on best efforts basis as on 30th June, 2020 and it is neither an audit nor an expression of opinion on the personal credentials of the Directors of the Company.

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

CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Place: Mumbai
Date : 26th August 2020
UDIN: F000977B000619826



INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE MEMBERS OF GILLETTE INDIA LIMITED

This Certificate is issued in accordance with the terms of our engagement letter dated July 10, 2020.

This certificate is issued with regard to compliance of conditions of Corporate Governance by **Gillette India Limited** ('the Company') for the year ended on June 30, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We conducted our verification in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI which includes the concept of test check and materiality.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as applicable during the year ended June 30, 2020.

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

Restriction on use

This certificate has been issued at the request of the Company solely for confirming the compliance of conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and is not to be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS

Firm Regn. No.: 104607W / W100166

Daraius Z. Fraser
Partner

M. No.: 42454

UDIN.: 20042454AAAADC4598

Mumbai: August 26, 2020.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GILLETTE INDIA LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **GILLETTE INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at June 30, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (India Accounting Standard)

Key Audit Matters

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

Sr.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition (note no. 2.3(a) and 19 to the financial statements)</p> <p>Revenue is measured net of trade discounts, rebates and various types of Marketing and Distribution Activities such as incentives and promotions.</p> <p>The estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be judgmental owing to the varying terms of the agreements with customers which are based on annual contracts or shorter term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span over a year end.</p>	<p>Our audit procedures included:</p> <p>(a) Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts and incentives by comparing with applicable accounting standards.</p> <p>(b) Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue and rebates/schemes in the general ledger accounting system.</p>

Sr.	Key Audit Matter	Auditor's Response
	<p>Accumulated experience is used to estimate the provision for discounts and rebates considering the terms of the underlying schemes and arrangements with customers.</p> <p>There is also a risk that revenue may be overstated due to fraud including through manipulation of the discounts and incentives recognised resulting from the pressure local management may feel to achieve performance targets.</p>	<p>(c) We tested the design, implementation and operating effectiveness of controls over the calculation of discounts and rebates including review of the independent service auditor's SOC 1 (Type 2) report with regards to the third party service organization's system and the suitability of the design and operating effectiveness of IT / manual controls relating to processing of claims.</p> <p>(d) Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices/contracts and shipping documents.</p> <p>(e) We compared the historical discounts, rebates/schemes and allowances to current payment trends. We also considered the historical accuracy of the Company's estimates in previous years.</p> <p>(f) Performing substantive testing by checking samples of rebate/schemes transactions to supporting documentation.</p> <p>(g) We assessed manual journals posted to revenue to identify unusual items</p> <p>(h) Considering the adequacy of the Company's disclosures in respect of revenue.</p>
2.	<p>Uncertain Tax Positions (note no. 26 and 35 to the financial statements)</p> <p>The Company is subject to a range of tax risks. There is inherent judgement involved in determining provisions for uncertain tax positions. The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct taxes, transfer pricing and indirect taxes. Applicable tax laws and regulations are subject to differing interpretations and the resolution of a final tax position can take several years to complete. Where the amount of tax payable is uncertain, the Company establishes provisions based on Management's judgement of the likelihood of settlement being required.</p> <p>Given the number of judgements involved in estimating the provisions relating to uncertain tax positions and the complexities of dealing with tax rules, this was considered as a key audit matter.</p>	<p>Our audit procedures included:</p> <p>(a) We evaluated the design and tested the operating effectiveness of controls over the assessment of uncertain tax positions and completeness of disclosures.</p> <p>(b) We discussed the status and potential exposures in respect of significant tax litigations with the Company's tax team including their views on the likely outcome of each assessment / litigation and magnitude of potential exposure.</p> <p>(c) We focused on the judgements made by Management in assessing the likelihood of potentially material exposures and the estimates used to determine such provisions where required. In particular, we focused on the impact of changes in local tax regulations and ongoing inspections by local tax authorities, which could materially impact the amounts recorded in the financial statements.</p>

Sr.	Key Audit Matter	Auditor's Response
		<p>(d) We involved our in-house tax experts to evaluate and challenge the appropriateness of Management's assessment and judgements to estimate the provisions held in respect of uncertain tax positions. To do this, we assessed the provisions recognized in the financial statements using the outcome of prior and ongoing tax assessments conducted on the Company, correspondences between the Company and relevant tax authorities, judgemental positions taken in tax returns and current year estimates, our own experience in these areas and assessing whether the approach applied by the Company is supported by the practice in the industry.</p> <p>(e) We have also assessed the adequacy of the Company's disclosures in respect of tax and uncertain tax positions.</p>
3	<p>Existence and condition of inventory (note no. 8 to the financial statements)</p> <p>The Company's inventories include raw materials, packing materials, work-in-progress, finished goods, stock-in-trade and engineering stores and spares which are located at its factories, depots, distribution centres and third party manufacturing locations.</p> <p>The Company's Management conducts physical verification of inventories throughout the year on a cyclical basis every month by covering 100% of the inventories within a period of one month. However, on account of the COVID-19 related lockdown restrictions on account of health, travel and safety concerns, we were unable to attend the physical verification of inventories lying at various locations as at the balance sheet date.</p> <p>In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.</p>	<p>We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items"; as at the year end, since we were not able to observe the physical stock verification conducted by Management:</p> <p>(a) Understood and evaluated the Management's internal controls process to establish the existence and condition of inventories, such as, the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any and the processes around purchase and sales which eventually impact the inventory balance held at the balance sheet date.</p> <p>(b) Obtained, on a sample basis, details / documents of results of the cyclical count performed by the Management throughout the year.</p> <p>(c) Performed alternate procedures to audit the existence and condition of inventory as at the year end, which includes inspection, on a sample basis, of supporting documentation relating to purchases, subsequent sales supported by acknowledged lorry receipts, stock transfers, as applicable, and consumption/production details.</p> <p>(d) Employed appropriate cut-off procedures as also verified documentary records for inventories in-transit.</p>

Information Other than the Ind-AS financial statements and Auditor's Report Thereon

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

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

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

Management's Responsibility for the Ind-AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors 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 these 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial

controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the Directors as on June 30, 2020, taken on record by the Board of Directors, none of the Directors are disqualified as on June 30, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
- g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. 35 to the Ind-AS financial statements.

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Darius Z. Fraser
Partner

M. No. 42454

UDIN: 20042454AAAADB5396

Mumbai: August 26, 2020.

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the Members of the Company on the Ind-AS financial statements for the year ended June 30, 2020)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account. We were not in a position to physically attend the fixed assets verification scheduled for the year-end due to restrictions on account of health, travel and safety concerns following the nationwide lockdown imposed by the Government of India in view of the COVID-19 pandemic.

Consequently, in the absence of physical attendance at the fixed assets verification, we have conducted alternative procedures and relied on other internal controls for drawing comfort on the existence of fixed assets as reported in the financial statements as at the year-end.

- c) According to the information and explanations given to us, the title deeds, comprising all the immovable properties of buildings, other than self-constructed buildings, are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as non-current / current assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) The inventory has been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material. We were not in a position to physically attend the inventory verification scheduled for the year-end due to restrictions on account of health, travel and safety concerns following the nationwide lockdown imposed by the Government of India in view of the COVID-19 pandemic. Consequently, in the absence of physical attendance at the inventory verification, we have conducted alternative procedures and relied on other internal controls for drawing comfort on the inventory as reported in the financial statements as at the year-end.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to investments made, guarantees given and securities provided.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and records of the Company examined by us, in our opinion:
- a) the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess, Professional Tax and other statutory dues, as applicable, with the appropriate authorities and there are no undisputed amounts which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.
- b) there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Goods and Services Tax which have not been deposited with the appropriate authorities on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates *	Amount Involved (₹ in lakhs) **
The Central Excise Act, 1944	Excise Duty	Appellate Authority - up to Commissioners / Revisional authorities level	1994-95 to 1997-98, 2002-03 to 2004-05, 2006-07 to 2017-18	30,362
		Customs, Excise and Service Tax Appellate Tribunal	2004-05 to 2007-08	8
		High Court	1990-91	9

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates *	Amount Involved (₹ in lakhs) **
Sales Tax and Laws as per statutes applicable in various states	Sales Tax and VAT	Appellate Authority - up to Commissioners / Revisional authorities level	1999-00 to 2007-08, 2009-10 to 2013-14, 2015-16 to 2017-18	1,139
		Appellate Authority - Tribunal	1999-2000, 2002-2003, 2006-07 to 2011-12	1,630
Customs Act, 1962	Customs Duty	Appellate Authority - up to Commissioners / Revisional authorities level	2005-06 to 2006-07, 2012-13	1,534
Finance Act, 1994	Service Tax	Appellate Authority - up to Commissioners / Revisional authorities level	2007-08 to 2017-18	3,044
		Customs, Excise and Service Tax Appellate Tribunal	2010-11 to 2013-14	106
Income-tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2013-14	3,627

* Period denotes the financial year April to March

** includes penalty and interest on taxes, wherever applicable

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Ind-AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of



the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Daraius Z. Fraser
Partner

M. No. 42454

UDIN: 20042454AAAADB5396

Mumbai: August 26, 2020.

Annexure B to the Independent Auditor's Report

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

June 30, 2020)

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

We have audited the internal financial controls with reference to financial statements of **GILLETTE INDIA LIMITED** ("the Company") as of June 30, 2020 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding

of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial



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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

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

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at June 30, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS

Firm Regn. No.: 104607W / W100166

Daraius Z. Fraser
Partner

M. No. 42454

UDIN: 20042454AAAADB5396

Mumbai: August 26, 2020.



BALANCE SHEET

as at June 30, 2020

	Notes	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Assets			
Non-current assets			
Property, plant and equipment	4	29 646	30 018
Capital work-in-progress	4	2 119	2 455
Financial assets			
(i) Loans	5	3 073	2 611
Deferred tax assets (Net)	6	2 304	3 217
Non-current tax assets (Net)		14 458	13 635
Other non-current assets	7	7 105	8 989
Total non-current assets		58 705	60 925
Current assets			
Inventories	8	28 427	23 401
Financial assets			
(i) Trade receivables	9	19 067	18 249
(ii) Cash and cash equivalents	10 (a)	23 070	13 993
(iii) Bank balances other than (ii) above	10 (b)	178	179
(iv) Loans	5	409	562
(v) Other financial assets	11	1 686	1 516
Other current assets	7	3 640	2 216
Total current assets		76 477	60 116
Total assets		1 35 182	1 21 041
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	3 259	3 259
Other equity	13	87 869	74 577
Total equity		91 128	77 836
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	16	14	—
Provisions	14	6 141	5 110
Total non-current liabilities		6 155	5 110
Current liabilities			
Financial liabilities			
(i) Trade payables			
Dues to micro and small enterprises	15	188	1 016
Dues to others	15	28 547	27 155
(ii) Other financial liabilities	16	1 315	1 146
Provisions	14	2 824	2 822
Current tax liabilities (Net)	17	690	636
Other current liabilities	18	4 335	5 320
Total current liabilities		37 899	38 095
Total liabilities		44 054	43 205
Total equity and liabilities		1 35 182	1 21 041

See accompanying notes to the financial statements

In terms of our report attached

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

Daraius Z. Fraser
Partner
M. No : 42454

Place: Mumbai
Date: August 26, 2020

For and on behalf of Board of Directors

B. S. Mehta
Chairman

Gagan Sawhney
Director & Chief Financial Officer

Madhusudan Gopalan
Managing Director

Ghanashyam Hegde
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended June 30, 2020

	Notes	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Income			
Revenue from operations	19	1 67 906	1 86 165
Other income	20	1 142	1 360
Total income		1 69 048	1 87 525
Expenses			
Cost of raw and packing materials consumed	21	18 882	23 358
Purchases of stock-in-trade (Traded Goods)		56 528	60 847
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(2 503)	(2 271)
Employee benefits expense	23	11 918	10 830
Finance costs	24	544	785
Depreciation expense	4	5 105	4 770
Other expenses	25	47 177	55 301
Total expense		1 37 651	1 53 620
Profit before tax from operations			
		31 397	33 905
Tax expense			
Current tax	26.1	8 243	13 520
Deferred tax	26.1	953	(1 299)
Prior year tax adjustments	26.1	(817)	(3 608)
Income tax expense		8 379	8 613
Profit for the year			
		23 018	25 292
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss:			
Re- measurement of the defined benefit plans	29.2(B)	(160)	(796)
Income tax effect	26.2	40	278
Total other comprehensive income for the year			
		(120)	(518)
Total comprehensive income for the year			
		22 898	24 774
Earnings per equity share			
- Basic (in ₹)	28	70.64	77.62
- Diluted (in ₹)		70.64	77.62
Face Value of Equity Share (in ₹)			
		10.00	10.00

See accompanying notes to the financial statements

In terms of our report attached

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

Daraius Z. Fraser
Partner
M. No : 42454

Place: Mumbai
Date: August 26, 2020

For and on behalf of Board of Directors

B. S. Mehta
Chairman

Gagan Sawhney
Director & Chief Financial Officer

Madhusudan Gopalan
Managing Director

Ghanashyam Hegde
Company Secretary



STATEMENT OF CASH FLOWS

for the year ended June 30, 2020

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
A. Cash Flows from Operating Activities		
Profit before tax	31 397	33 905
Adjustments for:		
Depreciation expense	5 105	4 770
Loss on disposal of property, plant and equipment	82	300
Finance costs	544	785
Provision for doubtful receivables (net)	298	6
Interest income	(760)	(1 096)
Net unrealised foreign exchange loss/(gain)	93	(437)
Expense recognised in respect of equity settled share based payments	199	116
Operating profit before working capital changes	36 958	38 349
Working capital adjustments		
(Increase) in trade receivables	(1 087)	(727)
(Increase) in financial assets	(471)	(1 723)
(Increase) in inventories	(5 026)	(3 386)
Decrease/(Increase) in other assets	460	(3 416)
(Decrease) in trade and other payables	(726)	(5 438)
Increase in provisions	525	4 327
Cash generated from operations	30 633	27 986
Income taxes paid (net of refund)	(8 111)	(14 568)
Net cash generated from operating activities	22 522	13 418
B. Cash Flows from Investing Activities		
Payment to acquire property, plant and equipment	(3 555)	(7 547)
Loans realised	—	10 000
Loans given	—	(10 000)
Interest received	652	1 110
(Decrease) in earmarked balances	—	(31)
Net cash (used in) investing activities	(2 903)	(6 468)



STATEMENT OF CASH FLOWS

for the year ended June 30, 2020 (Contd.)

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
C. Cash Flows from Financing Activities		
Dividend paid on equity shares	(8 146)	(13 686)
Dividend distribution tax	(1 659)	(2 786)
Principal payment of lease liabilities	(735)	—
Interest paid on lease liabilities	(2)	—
Net cash (used in) financing activities	(10 542)	(16 472)
Net increase/(decrease) in cash and cash equivalents	9 077	(9 522)
Cash and cash equivalents at the beginning of the year	13 993	23 515
Cash and cash equivalents at the end of the year (refer note 10(a))	23 070	13 993

Note:

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

See accompanying notes to the financial statements

In terms of our report attached

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

Daraius Z. Fraser
Partner
M. No : 42454

Place: Mumbai
Date: August 26, 2020

For and on behalf of Board of Directors

B. S. Mehta
Chairman

Gagan Sawhney
Director & Chief Financial Officer

Madhusudan Gopalan
Managing Director

Ghanashyam Hegde
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2020

a. Equity share capital

	Amount ₹ in lakhs
Balance as at July 1, 2018	3 259
Changes in equity share capital during the year	—
Balance as at June 30, 2019	3 259
Changes in equity share capital during the year	—
Balance as at June 30, 2020	3 259

b. Other equity

	Attributable to the equity share holders of the Company						
	Reserves & surplus						
	General reserve ₹ in lakhs	Securities premium ₹ in lakhs	Share options outstanding account ₹ in lakhs	Retained earnings ₹ in lakhs	Capital Reserve ₹ in lakhs	Contingency reserve ₹ in lakhs	Total ₹ in lakhs
Balance as at July 1, 2018	14 323	3 290	385	22 672	12 589	12 900	66 159
Profit for the year	—	—	—	25 292	—	—	25 292
Items of OCI for the year, net of tax	—	—	—	—	—	—	—
Remeasurement benefit of defined benefit plans	—	—	—	(518)	—	—	(518)
Total comprehensive income for the year	—	—	—	24 774	—	—	24 774
Payment of dividends (refer note 39)	—	—	—	(13 686)	—	—	(13 686)
Payment of dividend distribution tax	—	—	—	(2 786)	—	—	(2 786)
Transfer from retained earnings	—	—	—	—	—	—	—
Recognition of share-based payments	—	—	116	—	—	—	116
Balance as at June 30, 2019	14 323	3 290	501	30 974	12 589	12 900	74 577
Profit for the year	—	—	—	23 018	—	—	23 018
Items of OCI for the year, net of tax	—	—	—	—	—	—	—
Remeasurement benefit of defined benefit plans	—	—	—	(120)	—	—	(120)
Total comprehensive income for the year	—	—	—	22 898	—	—	22 898
Payment of dividends (refer note 39)	—	—	—	(8 146)	—	—	(8 146)
Payment of dividend distribution tax	—	—	—	(1 659)	—	—	(1 659)
Recognition of share-based payments	—	—	199	—	—	—	199
Balance as at June 30, 2020	14 323	3 290	700	44 067	12 589	12 900	87 869

See accompanying notes to the financial statements

In terms of our report attached
For **KALYANIWALLA & MISTRY LLP**
Chartered Accountants
Firm Regn No : 104607W/W100166
Daralus Z. Fraser
Partner

M: No : 42454
Place: Mumbai
Date: August 26, 2020

For and on behalf of Board of Directors

B. S. Mehta
Chairman

Gagan Sawhney
Director & Chief Financial Officer

Madhusudan Gopalan
Managing Director
Ghanashyam Hegde
Company Secretary



Notes to Financial Statements for the year ended June 30, 2020

1 Corporate information

Gillette India Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 having CIN L28931MH1984PLC267130. Its ordinary shares (Equity) are listed on two recognised stock exchanges in India. The registered office of the Company is located at P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai - 400099.

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

2 Significant accounting policies

2.1 Statement of compliance

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

2.2 Basis of preparation and Measurement

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

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

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

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

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

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

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

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



Notes to Financial Statements for the year ended June 30, 2020

2.3 Summary of significant accounting policies

a. Revenue recognition

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

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

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

Sale of goods

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

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

Interest income

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

b. Leasing

Effective July 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on July 1, 2019, except those which are exempted under this standard, using the modified retrospective approach. Accordingly, comparatives for the year ended June 30, 2019 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 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 land and equipments. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is,



Notes to Financial Statements for the year ended June 30, 2020

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

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

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

c. Foreign currencies

The financial statements are presented in Indian 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 the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on such translations are recognised in the Statement of Profit and Loss in the period which they arise.



Notes to Financial Statements for the year ended June 30, 2020

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) 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 :

- Superannuation Fund as per Company policy administered by the Life Insurance Corporation of India.
- State Defined Contribution Plans: Employer's Contribution to Employees' State Insurance.

b) Defined Benefit Plans:

Funded Plan: The Company has Defined Benefit Plan for post employment benefits in the form of

- Gratuity for all employees administered through a trust, which is administered through trustees and / or Life Insurance Corporation of India, where one of the group company is also the participant.
- Provident Fund for all permanent employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognised by the Income Tax authorities where two other group Companies are also participants. Periodic contributions to the Fund are charged to revenue and when services are rendered by the employees. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government.

Unfunded Plan: The Company has unfunded Defined Benefit Plans in the form of Post Retirement Medical Benefits (PRMB) and Compensated Absences (plant technicians) as per its policy.

Liability for the above defined benefit plans is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Notes to Financial Statements for the year ended June 30, 2020

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
- ii) Liability for Compensated Absences, Bonus, Leave Travel Allowance etc which are in the nature of short term benefits is provided for as per Company rules based on the undiscounted amount of benefits expected to be paid in exchange of services rendered.
- iii) 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, 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 and Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary) and charged to employee benefit expenses. The expenses related 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.



Notes to Financial Statements for the year ended June 30, 2020

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

g. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Provision for current tax for the Company's financial year ended on June 30 is based on the results of the period July 1 to March 31 (later part of the fiscal year ended March 31) and for the balance and for the period April 1 to June 30 (beginning of the next fiscal year) as per the provisions of the Income Tax Act, 1961 and other applicable tax laws. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

h. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at acquisition cost less accumulated

Notes to Financial Statements for the year ended June 30, 2020

depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Cost of Property, plant and equipment which are not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful life, using straight-line method. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management's estimate of useful lives are in accordance with Schedule II to the 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 & machinery	10 - 15 years
Furniture and fixtures	3 - 15 years
Office equipment	3 - 15 years
Vehicles	4 - 8 years
Moulds & Dies	3 - 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

i. Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



Notes to Financial Statements for the year ended June 30, 2020

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its own carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal is recognised immediately in the Statement of Profit and Loss.

j. Inventories

Inventories consist of raw and packing materials, stores and spares, work in progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realisable value after providing for obsolescence and other losses where considered necessary. Cost of inventories is determined on weighted average basis. Cost of manufactured finished goods and work-in-progress includes material cost determined on weighted average basis and also includes an appropriate portion of allocable overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, its present value, that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Financial Statements. Contingent liabilities are disclosed for (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.

l. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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



Notes to Financial Statements for the year ended June 30, 2020

m. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured at either amortised cost or fair value through profit or loss or fair value through other comprehensive income, depending on the classification of the financial assets. Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that does not meet the above conditions are subsequently measured at fair value. Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). A financial asset not classified as either amortised cost or Fair Value through OCI, is classified as Fair Value through Profit or loss.

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



Notes to Financial Statements for the year ended June 30, 2020

instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables or any contractual right to receive cash, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience with adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all of the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing 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.

n. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liability or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.



Notes to Financial Statements for the year ended June 30, 2020

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 at initial recognition are classified as financial liabilities at fair value through profit or loss, loans, borrowings and trade payables, as appropriate.

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of the subsequent accounting period. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance costs" in the Statement of Profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount at initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instrument and are recognised in 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.

o. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

p. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

q. Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the year after tax for the period 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.



Notes to Financial Statements for the year ended June 30, 2020

For the purpose of calculating diluted earnings per share, the net profit / loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

r. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

s. Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from July 1, 2020.

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 Critical judgments in applying accounting policies

In the application of the Company's accounting policies, which are described in Note 2, the Directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

3.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. Useful lives of property, plant and equipment

As described at 2.3 (h) above, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period.

b. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management of the Company determines appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 30.

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 23, 'Employee benefits expense'.



Notes to Financial Statements for the year ended June 30, 2020

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 26).

- e. Measurement and likelihood of occurrence of provisions and contingencies – As disclosed in Note 14 and Note 35, Management has estimated and measured the likelihood of the litigations and accounted the provision and contingencies as appropriate.

Notes to Financial Statements for the year ended June 30, 2020

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

Property, plant and equipment	At June 30, 2020 ₹ in lakhs	At June 30, 2019 ₹ in lakhs
Owned Assets	28 908	30 018
Leased Assets	738	—
Total	29 646	30 018

A. Owned Assets

	Buildings ₹ in lakhs	Plant & equipment ₹ in lakhs	Furniture and fixtures ₹ in lakhs	Office equipment ₹ in lakhs	Vehicles ₹ in lakhs	Moulds & Dies ₹ in lakhs	Total ₹ in lakhs
Gross Block							
At July 1, 2018	3 660	26 488	746	2 286	100	4 086	37 366
Additions	2 427	4 852	307	231	—	860	8 677
Disposals	(3)	(219)	(21)	(75)	—	(84)	(402)
At June 30, 2019	6 084	31 121	1 032	2 442	100	4 862	45 641
Additions / Adjustment (Refer note c. below)	548	78	1 547	140	64	1 674	4 051
Disposals	(8)	(94)	(7)	(6)	—	—	(115)
At June 30, 2020	6 624	31 105	2 572	2 576	164	6 536	49 577
Accumulated depreciation							
At July 1, 2018	429	8 305	184	839	26	1 142	10 925
Depreciation charge for the year	310	3 790	204	235	10	221	4 770
Disposals	—	(27)	(5)	(29)	—	(11)	(72)
At June 30, 2019	739	12 068	383	1 045	36	1 352	15 623
Depreciation charge for the year	342	3 885	290	251	12	309	5 089
Disposals	(1)	(39)	(1)	(2)	—	—	(43)
At June 30, 2020	1 080	15 914	672	1 294	48	1 661	20 669
Net carrying amount							
At June 30, 2020	5 544	15 191	1 900	1 282	116	4 875	28 908
At June 30, 2019	5 345	19 053	649	1 397	64	3 510	30 018
At July 1, 2018	3 231	18 183	562	1 447	74	2 944	26 441

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 34.
- Adjustments comprise of reclassification between the class of assets, however, there is no impact on the depreciation charge for the year.

Notes to Financial Statements for the year ended June 30, 2020

4 Property, plant and equipment and capital work-in-progress (Contd.)

B. Leased Assets

	Land ₹ in lakhs	Plant & machinery ₹ in lakhs	Total ₹ in lakhs
Addition on account of Transition to Ind AS 116 - July 1, 2019	731	23	754
Additions	—	—	—
Disposals	—	—	—
At June 30, 2020	731	23	754
Accumulated depreciation			
Disposals	11	5	16
At June 30, 2020	11	5	16
Net Block as at June 30, 2020	720	18	738

The Company has adopted Ind AS 116 effective July 1, 2019, 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, 2019. Accordingly, previous period information has not been restated.

C. Capital work-in-progress

	At June 30, 2020 ₹ in lakhs	At June 30, 2019 ₹ in lakhs
Capital work-in-progress	2 119	2 455
	2 119	2 455

5 Loans

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Unsecured considered good		
Non-current		
Security deposits	387	330
Loans to related parties (refer note (a), (c) and note 32)	—	4
Loan to employees (refer note (c))	2 686	2 277
	3 073	2 611
Current		
Security deposits	29	41
Loans to related parties (refer note (b), (c) and note 32)	—	15
Loan to employees (refer note (c))	380	506
	409	562

Notes:

- Non-current loans to related parties includes loan to key managerial personnel ₹ Nil lakhs (June 30, 2019: ₹ 4 lakhs).
- Current loans to related parties includes loan to key managerial personnel ₹ Nil lakhs (June 30, 2019: ₹ 15 lakhs).
- Loans given to employees / key managerial personnel as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Act.

Notes to Financial Statements for the year ended June 30, 2020

6 Deferred tax assets (Net)

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Deferred tax assets	2 688	3 873
Deferred tax liabilities	(384)	(656)
	2 304	3 217

Deferred tax assets / (liabilities) in relation to:

2019-2020	Opening Balance ₹ in lakhs	Recognised in profit or loss ₹ in lakhs	Recognised in other comprehensive income ₹ in lakhs	Closing Balance ₹ in lakhs
Property plant and equipment	(656)	272	—	(384)
Voluntary retirement scheme	657	(288)	—	369
Allowance for doubtful debts	141	(41)	—	100
Disallowance u/s 43 B of the Income Tax Act, 1961	2 123	(625)	40	1 538
Other temporary differences	952	(271)	—	681
	3 217	(953)	40	2 304

2018-2019	Opening Balance ₹ in lakhs	Recognised in profit or loss ₹ in lakhs	Recognised in other comprehensive income ₹ in lakhs	Closing Balance ₹ in lakhs
Property plant and equipment	(477)	(179)	—	(656)
Voluntary retirement scheme	376	281	—	657
Provision for doubtful debts	90	51	—	141
Disallowance u/s 43 B of the Income Tax Act, 1961	699	1 146	278	2 123
Other temporary differences	952	—	—	952
	1 640	1 299	278	3 217

7 Other assets

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Non-current		
Prepaid expenses	—	715
Other loans and advances (refer note (b) below)	1 391	1 340
Capital advances	204	—
Balances with government authorities	5 510	6 934
	7 105	8 989

Notes to Financial Statements for the year ended June 30, 2020

7 Other assets (Contd.)

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Current		
Prepaid expenses	30	16
Other advances (including advance to vendors)	862	672
Advance to employees (refer note (a) below)	8	53
Balances with government authorities (includes Service Tax and Cenvat credit receivable)	2 740	1 475
	3 640	2 216

- (a) Advances 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) Includes amounts deposited with Excise, Sales Tax and other authorities, pending resolution of disputes.

8 Inventories

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Inventories (lower of cost and net realisable value)		
Raw materials (including packing materials)	6 130	4 034
Work-in-progress	963	766
Finished goods	4 233	3 649
Stock-in-trade [Includes in transit ₹ 8 741 lakhs (June 30, 2019: ₹ 6 373 lakhs in transit)]	14 795	13 073
Consumable stores and spares	2 306	1 879
	28 427	23 401

- (a) The cost of inventories recognised as an expense during the year is disclosed in note 21, 22 and 25.
- (b) The cost of inventories recognised as an expense includes ₹ Nil lakhs (during 2018-2019: ₹ Nil lakhs) in respect of write-downs of inventory to net realisable value. There has been no reversal of such write down in current and previous years.

9 Trade receivables

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Unsecured, considered good	19 067	18 249
Credit Impaired	575	288
	19 642	18 537
Less: Allowance for expected credit loss	(575)	(288)
	19 067	18 249

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Notes to Financial Statements for the year ended June 30, 2020

9 Trade receivables (Contd.)

Movement in the allowance for doubtful receivables

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balance at the beginning of the year	288	274
Amounts written off during the year (net)	(11)	8
Changes in allowance for credit impairment during the year	298	6
Balance at end of the year	575	288

10(a) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting year as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balances with banks:		
- In current accounts	3 884	4 303
- Deposits with original maturity of less than three months	19 186	9 690
Cash and cash equivalents as per Balance Sheet	23 070	13 993
Cash and cash equivalents as per Statement of Cash Flows	23 070	13 993

10(b) Other bank balances

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Earmarked accounts		
- Unclaimed / Unpaid dividend account	174	175
- Other earmarked accounts (deposits with sales tax authorities)	1	1
Bank deposits with original maturity more than 3 months but less than 12 months	3	3
	178	179

11 Other financial assets

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Current		
Due from related parties (refer note 32)	1 673	1 450
Interest accrued on deposits with banks	13	5
Other receivables (includes receivable from vendors)	—	61
	1 686	1 516

Notes to Financial Statements for the year ended June 30, 2020

12 Equity share capital

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Authorised share capital:		
3 30 00 000 fully paid equity shares of ₹ 10 each	3 300	3 300
	3 300	3 300
Issued and subscribed share capital:		
3 25 85 217 fully paid equity shares of ₹ 10 each	3 259	3 259
	3 259	3 259

12.1 Fully paid equity shares

	Number of shares	Share Capital ₹ in lakhs
Balance at July 1, 2018	3 25 85 217	3 259
Movements	—	—
Balance at June 30, 2019	3 25 85 217	3 259
Movements	—	—
Balance at June 30, 2020	3 25 85 217	3 259

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.

12.2 Details of shares held by ultimate holding company / holding company and / or their subsidiaries / associates

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Ultimate Holding Company		
The Procter & Gamble Company, USA	—	—
Holding Company		
Procter & Gamble Overseas India BV, The Netherlands	1 307	1 307
Subsidiaries of the Ultimate Holding Company		
Gillette Diversified Operations Private Limited	1 136	1 136



Notes to Financial Statements for the year ended June 30, 2020

12.3 Details of shareholders holding more than 5% equity shares in the company

	As at June 30, 2020		As at June 30, 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<i>Equity shares of ₹ 10 each fully paid</i>				
Procter & Gamble Overseas India BV, The Netherlands	1 30 73 465	40.12	1 30 73 465	40.12
Gillette Diversified Operations Private Limited	1 13 64 338	34.88	1 13 64 338	34.88

13 Other equity

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Reserves & surplus		
General reserve	14 323	14 323
Securities premium	3 290	3 290
Share options outstanding account	700	501
Retained earnings	44 067	30 974
Capital reserve	12 589	12 589
Contingency reserve	12 900	12 900
	87 869	74 577

13.1 General reserve

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balance at the beginning of year	14 323	14 323
Transferred from surplus in Statement of Profit and Loss	—	—
Balance at the end of year	14 323	14 323

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

13.2 Securities Premium

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balance at the beginning of year	3 290	3 290
Movements	—	—
Balance at the end of year	3 290	3 290

The amount received in excess of face value of the equity shares is recognised in securities premium which is utilised in accordance with the provisions of the Act.

Notes to Financial Statements for the year ended June 30, 2020

13.3 Share options outstanding account

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balance at the beginning of year	501	385
Arising on share-based compensation	199	116
Balance at the end of year	700	501

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 31.

13.4 Retained earnings

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balance at the beginning of year	30 974	22 672
Profit attributable to the owners of the Company	23 018	25 292
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	(120)	(518)
Payment of interim / final dividend on equity shares (refer note 39)	(8 146)	(13 686)
Dividend distribution tax	(1 659)	(2 786)
Balance at the end of year	44 067	30 974

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefits obligation. This Reserve can be utilised in accordance with the provisions of the Act.

In December 2019, final dividend for the FY 2018-19 of ₹ 25 per share (total dividend including tax thereon ₹ 9 805 lakhs) was paid to holders of fully paid equity shares. In December 2018, final dividend for the FY 2017-18 paid was ₹ 23 per share (total dividend including tax thereon ₹ 9 021 lakhs).

In March 2019, an interim dividend of ₹ 19 per share (total dividend including tax thereon ₹ 7 452) was paid to holders of fully paid equity shares.

13.5 Capital reserve

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balance at the beginning of year	12 589	12 589
Movements	—	—
Balance at the end of year	12 589	12 589

The above reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations / amalgamations and the consideration paid for such combinations / amalgamations and capital grant received from its erstwhile parent.

Notes to Financial Statements for the year ended June 30, 2020

13.6 Contingency reserve

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balance at the beginning of year	12 900	12 900
Transferred from retained earnings	—	—
Balance at the end of year	12 900	12 900

The Company had in earlier years filed a writ petition in the High Court of Himachal Pradesh at Shimla challenging the premature withdrawal of Excise duty exemption for packing/repacking activities at its Baddi Manufacturing Facility. The High Court has since passed an order on April 24, 2008 in favour of the Company and has struck down the notification withdrawing the excise exemption. The Excise department has preferred an appeal on October 31, 2009 with the Hon'ble Supreme Court of India against the said order of the High Court. The Company has, as a matter of prudence, created a Contingency Reserve of ₹ 12 900 lakhs (Previous Year: ₹ 12 900 lakhs) by way of appropriation of profits to the extent of excise duty payable (net of Cenvat credit) on dispatches made from the Baddi plant. This Reserve will be reviewed as and when this litigation is finally decided. The appropriation has been made till March 9, 2017, being the last date of excise exemption.

14 Provisions

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Employee benefits (refer note (i) below)	6 165	5 132
Other provisions (refer note (ii) below)	2 800	2 800
	8 965	7 932
Current	2 824	2 822
Non - current	6 141	5 110
	8 965	7 932

Other provisions

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Balance at the beginning of year	2 800	—
Additional provision recognised	—	2 800
Reduction arising from payments	—	—
Balance at the end of year	2 800	2 800

- (i) The provision for employee benefits includes gratuity, post retirement medical benefits (PRMB) and compensated absences. For other disclosures refer note 29.
- (ii) Other provisions are in respect of an estimated liability that may arise from a potential demand against the Company.

Notes to Financial Statements for the year ended June 30, 2020

15 Trade payables

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Dues to micro and small enterprises (refer note 36)	188	1 016
Dues to others	28 547	27 155
	28 735	28 171

16 Other financial liabilities

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Non-current		
Leased liabilities	14	—
	14	—
Current		
Leased liabilities	5	—
Payables for property, plant and equipment	1 136	971
Unclaimed / Unpaid dividends *	174	175
	1 315	1 146

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as at June 30, 2020 (Previous year: Nil).

17 Current tax liabilities (Net)

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Income tax payable	690	636
	690	636

18 Other current liabilities

	As at June 30, 2020 ₹ in lakhs	As at June 30, 2019 ₹ in lakhs
Superannuation	5	5
Taxes and other liabilities (including statutory remittances, excise and sales tax payable)	4 330	5 315
	4 335	5 320



Notes to Financial Statements for the year ended June 30, 2020

19 Revenue from operations

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Sale of products	1 67 867	1 86 115
Other operating revenues		
Scrap sales	39	50
	1 67 906	1 86 165

20 Other income

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Interest income earned on:		
Bank deposits	657	736
Loan to related parties (refer note 32)	3	360
Income tax refund	100	—
Other financial assets carried at amortised cost	94	90
	854	1 186
Other non-operating income (net of expenses directly attributable to such income)		
Write-back of liabilities no longer required	259	135
Miscellaneous Income	29	39
	288	174
Total	1 142	1 360

21 Cost of raw and packing materials consumed

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Inventories at the beginning of year	4 034	2 787
Add: Purchases	20 978	24 605
	25 012	27 392
Less: inventories at the end of year	6 130	4 034
Cost of raw and packing materials consumed	18 882	23 358

Notes to Financial Statements for the year ended June 30, 2020

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

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Inventories at the beginning of year:		
Finished Goods	3 649	3 680
Stock-in-Trade	13 073	10 982
Work-in-Progress	766	555
	17 488	15 217
Inventories at the end of year:		
Finished Goods	4 233	3 649
Stock-in-Trade	14 795	13 073
Work-in-Progress	963	766
	19 991	17 488
Net (Increase)/Decrease	(2 503)	(2 271)

23 Employee benefits expense

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Salaries and wages*	8 305	7 183
Contribution to provident and other funds (refer note 29)	1 249	1 120
Share-based payment to employees (refer note 31)	511	670
Staff welfare expense	614	590
Reimbursement of employee cost cross charged by related parties (refer note 37)	1 239	1 267
	11 918	10 830

* Salaries and Wages includes ₹ Nil lakhs (Previous year: ₹ 71 lakhs) for expenditure on Voluntary Retirement Scheme.

24 Finance costs

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Interest costs:		
Interest expense on trade payables (refer note 36)	136	155
Interest on lease liabilities	2	—
Interest on entry tax	42	355
Interest on Income tax	16	—
Net interest on the net defined benefit liability (refer note 29)	348	275
	544	785



Notes to Financial Statements for the year ended June 30, 2020

25 Other expenses

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Consumption of store and spares	1 081	1 553
Processing charges	3 870	2 949
Power and fuel	1 322	1 696
Freight, transport, warehousing and distribution charges	6 113	7 959
Rent (Refer note 33)	359	423
Rates and taxes	432	1 634
Insurance	67	73
Repairs and maintenance		
Plant and machinery	175	89
Buildings	5	2
Others	684	794
Trade incentives	2 300	5 916
Advertising expenses	18 059	19 933
Royalty	1 237	1 420
Business process outsourcing expenses	3 263	3 068
Travelling and conveyance	679	884
Communication costs	38	87
Computer expenses	571	249
Legal and professional fees	1 265	1 607
Directors commission	98	75
Payment to auditors (refer note 25.1)	129	124
Exchange differences (net)	345	(247)
Inventory written off (net of Insurance claims recovered)	468	278
Provision/(Recovery) for doubtful receivables (net)	298	6
Loss on sale of property, plant and equipment (net)	82	300
Miscellaneous expenses	3 348	4 138
Reimbursement of expenses shared by related parties (refer note 37)	889	291
	47 177	55 301

25.1 Payments to auditors:

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
(a) To statutory auditors		
For audit	105	101
For other services	19	18
Reimbursement of expenses	5	5
	129	124

Notes to Financial Statements for the year ended June 30, 2020

25.2 Corporate Social Responsibility

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
The Company has spent towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. This amount corresponds with the gross amount required to be spent by the company during the year.	707	699
(i) Amount spent for purposes of Construction/ acquisition of asset	—	—
(ii) Amount spent for purposes other than (i) above	707	699

None of the above amount spent is through any related party / affiliate. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

26 Income tax expense

26.1 Income tax recognised in the Statement of Profit and Loss

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Current tax		
In respect of the current year	8 243	13 520
In respect of prior years	(817)	(3 608)
	7 426	9 912
Deferred tax		
In respect of the current year	953	(1 299)
In respect of prior years	—	—
	953	(1 299)
Total income tax expense recognised in the current year	8 379	8 613

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Profit before tax	31 397	33 905
Income tax expense calculated at 25.168% (2018-2019: 34.944%)	7 902	11 848
Effect of allowances	—	—
Effect of expenses that are not deductible in determining taxable profits	1 294	444
Effect of income that is exempt from taxation	—	(71)
	9 196	12 221
Adjustments recognised in the current year in relation to the current tax/deferred tax of prior years	(817)	(3 608)
Income tax expense recognised in the Statement of Profit and Loss	8 379	8 613

The tax rate used for 2019-20 is the corporate tax rate of 25.168%. The tax rate used for 2018-19 is a weighted average of the corporate tax rate of 34.944% applicable till March 31, 2019 and 25.168% applicable from April 1, 2019 under the Indian laws.

Notes to Financial Statements for the year ended June 30, 2020

26.2 Income tax recognised in other comprehensive income

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Deferred tax		
Arising on expense recognised in other comprehensive income	(40)	(278)
Remeasurement of defined benefit obligations	(40)	(278)
Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss	(40)	(278)

27 Segment information

27.1 Products from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered. The directors of the Company have chosen to organise the Company around differences in products. No operating segments have been aggregated in arriving at the reportable segments of the Company.

Specifically, the Company's reportable segments under Ind AS 108 are as follows:

- The grooming segment, produces and sells shaving system and cartridges, blades, toiletries and components.
- The oral care segment, produces and sells tooth brushes and oral care products.

27.2 Segment revenues and results

	Segment revenue		Segment profit	
	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Grooming	1 28 355	1 45 835	26 268	27 511
Oral Care	39 551	40 330	4 265	5 605
Total	1 67 906	1 86 165	30 533	33 116
Add / (Less): unallocated corporate expenses net of unallocated income			266	214
Other income			1 142	1 360
Finance costs			(544)	(785)
Profit before tax			31 397	33 905

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2018-2019: Nil lakhs).

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.3(o). Segment profit represents the profit before tax earned by each segment without allocation of unallocated corporate expenses net of unallocated income, other income as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Notes to Financial Statements for the year ended June 30, 2020

27.3 Segment assets and liabilities

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Segment assets		
Grooming	69 144	65 677
Oral Care	9 572	8 652
Total segment assets	78 716	74 329
Unallocated	56 466	46 712
Total assets	1 35 182	1 21 041
Segment liabilities		
Grooming	22 489	22 752
Oral Care	7 382	6 390
Total segment liabilities	29 871	29 142
Unallocated	14 183	14 063
Total liabilities	44 054	43 205

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than loans, other financial assets and income and deferred tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than other financial liabilities and current tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to the segment cost ratio.

27.4 Other segment information

	Depreciation expense		Capital expenditure	
	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Grooming	5 087	4 765	3 555	7 547
Oral Care	—	—	—	—
	5 087	4 765	3 555	7 547

27.5 Geographical information

The Company operates in two principal geographical areas - India (country of domicile) and outside India. The Company's revenue from external customers by location of operations and information about its segment assets by location of assets are detailed below:

	Revenue from external customers		Segment assets	
	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
India	1 55 296	1 71 943	78 716	74 329
Outside India	12 610	14 222	—	—
	1 67 906	1 86 165	78 716	74 329

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

Notes to Financial Statements for the year ended June 30, 2020

28 Earnings per share

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Basic and diluted earnings per share		
Total basic earnings per share (face value ₹ 10)	70.64	77.62
Total diluted earnings per share (face value ₹ 10)	70.64	77.62

28.1 Basic and Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Profit for the year attributable to owners of the Company	23 018	25 292
Earnings used in calculation of basic and diluted earnings per share	23 018	25 292

	Year ended June 30, 2020	Year ended June 30, 2019
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	3 25 85 217	3 25 85 217

29 Employee benefit plans

29.1 Defined contribution plans

The Company operates defined contribution superannuation fund and employees' state insurance plan for all qualifying employees of the Company. Where employees leave the plan, the contributions payable by the Company is reduced by the amount of forfeited contributions.

The employees of the Company are members of a state-managed employer's contribution to employees' state insurance plan and superannuation fund which is administered by the Life Insurance Corporation of India. The Company is required to contribute a specific percentage of payroll costs to the contribution schemes to fund the benefit. The only obligation of the Company with respect to the contribution plan is to make the specified contributions.

The total expense recognised in the statement of profit and loss of ₹ 55 lakhs (for the year ended June 30, 2019: ₹ 61 lakhs) for superannuation fund represent contributions payable to these plans by the Company at rates specified in the rules of the plans. As at June 30, 2020, contributions of ₹ 5 lakhs (as at June 30, 2019: ₹ 5 lakhs) due in respect of 2019-2020 (2018-2019) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting periods.

29.2 Defined benefit plans

a) Gratuity Plan (Funded)

The Company sponsors funded defined benefit gratuity plan for all eligible employees of the Company. The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered trust, which is administered through trustees and / or Life Insurance Corporation of India, where one of the group company is also the participant. 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.

Notes to Financial Statements for the year ended June 30, 2020

b) **Provident Fund (Funded)**

Provident Fund for all permanent employees is administered through a trust. The provident fund is administered by trustees of an independently constituted common trust recognised by the Income Tax authorities where one of the group company is also a participant. Periodic contributions to the fund are charged to revenue. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

c) **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.

d) **Compensated absences for Plant technicians (Unfunded)**

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

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality rate of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase on the salary of plan participants will increase the plans liability.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at June 30, 2020. 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 ended June 30, 2020

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

	Valuations as at	
	June 30, 2020	June 30, 2019
Discount rate		
Gratuity plan (funded)	6.50%	7.00%
Compensated absence plan (unfunded)	6.50%	7.00%
Post retirement medical benefit (PRMB) (unfunded)	6.50%	7.00%
Expected rate of salary increase		
Gratuity plan (funded)	9.00%	9.00%
Compensated absence plan (unfunded)	9.00%	9.00%
Post retirement medical benefit (PRMB) (unfunded)	NA	NA
Medical Inflation rate		
Post retirement medical benefit (PRMB) (unfunded)	5.50%	5.50%
Average longevity at retirement age for current beneficiaries of the plan (years)		
Post retirement medical benefit (PRMB) (unfunded)	19.14	20.68
Demographic Assumptions		
Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table		
Mortality in Retirement: LIC Annuity Rates (1996-98) 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, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Gratuity Plan (Funded)		
Service costs:		
Current service cost	469	396
Net interest expense	308	239
Components of defined benefit costs recognised in the statement of profit and loss (A)	777	635
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(25)	(4)
Actuarial (gains) / losses arising from changes in assumptions	367	611
Actuarial (gains) / losses arising from changes in demographic assumptions	(11)	63
Actuarial (gains) / losses arising from changes in experience adjustments	(159)	119
Components of defined benefit costs recognised in other comprehensive income (B)	172	789
Total (C=(A+B))	949	1 424

Notes to Financial Statements for the year ended June 30, 2020

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Compensated absence plan (Unfunded)		
Service costs:		
Current service cost	65	53
Net interest expense	32	29
Immediate recognition of (gains)/losses – other long term employee benefit plans	19	26
Components of defined benefit costs recognised in the statement of profit and loss (D)	116	108
Post retirement medical benefit (PRMB) (Unfunded)		
Service costs:		
Current service cost	2	1
Net interest expense	7	7
Components of defined benefit costs recognised in the statement of profit and loss (E)	9	8
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	6	12
Past service cost - plan amendments	—	—
Actuarial (gains) / losses arising from changes in demographic adjustments	(0)	1
Actuarial (gains) / losses arising from changes in experience adjustments	(18)	(6)
Components of defined benefit costs recognised in other comprehensive income (F)	(12)	7
Total (G=(E+F))	(3)	15
Total defined benefit costs recognised in the statement of profit and loss	902	751
Total defined benefit costs recognised in other comprehensive income	160	796

The current service cost for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The net interest expense for the year is included in the 'Finance costs' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Notes to Financial Statements for the year ended June 30, 2020

C. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Gratuity Plan (Funded)		
Present value of funded defined benefit obligation	6 509	5 604
Fair value of plan assets	(1 153)	(1 198)
Net liability arising from defined benefit obligation	5 356	4 406
Compensated absence plan (Unfunded)		
Present value of funded defined benefit obligation	567	463
Net liability arising from defined benefit obligation	567	463
Post retirement medical benefit (PRMB) (Unfunded)		
Present value of funded defined benefit obligation	101	105
Net liability arising from defined benefit obligation	101	105

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

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Gratuity Plan (Funded)		
Opening defined benefit obligation	5 604	4 241
Current service cost	469	396
Interest cost	387	334
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	367	611
Actuarial (gains) / losses arising from changes in demographic assumptions	(11)	63
Actuarial (gains) / losses arising from changes in experience adjustments	(159)	119
Benefits paid	(148)	(160)
Closing defined benefit obligation	6 509	5 604
Compensated absence plan (Unfunded)		
Opening defined benefit obligation	463	361
Current service cost	65	53
Interest cost	32	29
Immediate recognition of (gains)/losses – other long term employee benefit plans	19	26
Benefits paid	(12)	(6)
Closing defined benefit obligation	567	463

Notes to Financial Statements for the year ended June 30, 2020

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Post retirement medical benefit (PRMB) (Unfunded)		
Opening defined benefit obligation	105	91
Current service cost	2	1
Interest cost	7	7
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	6	12
Past service cost - plan amendments	—	—
Actuarial (gains) / losses arising from changes in demographic adjustments	(0)	1
Actuarial (gains) / losses arising from changes in experience adjustments	(18)	(6)
Benefits paid	(1)	(1)
Closing defined benefit obligation	101	105

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

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Gratuity Plan (Funded)		
Opening fair value of plan assets	1 198	1 259
Interest Income	78	95
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	25	4
Benefits paid	(148)	(160)
Closing fair value of plan assets	1 153	1 198

F. The fair value of the plan assets for plan at the end of the reporting year is as follows:

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Life Insurance Corporation of India	1 153	1 198
Total	1 153	1 198

Expected employer contributions for the period ending June 30, 2021 is ₹ Nil Lakhs (for the year ended June 30, 2020: ₹ Nil lakhs)

The Company's Plan Assets in respect of Gratuity, alongwith one of the group company, is funded through the group scheme of the Life Insurance Corporation of India.

The actual return on plan assets was ₹ 103 lakhs (for the year ended June 30, 2019: ₹ 99 lakhs).

Notes to Financial Statements for the year ended June 30, 2020

Maturity profile of defined benefit obligation:

	Gratuity Plan ₹ in lakhs
Within 1 year	222
1 - 2 year	249
2 - 3 year	335
3 - 4 year	382
4 - 5 year	602
5 - 10 years	2956

Significant actuarial assumptions of the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Gratuity Plan (Funded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 367 lakhs (increase by ₹ 400 lakhs) (as at June 30, 2019: decrease by ₹ 319 lakhs (increase by ₹ 348 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 384 lakhs (decrease by ₹ 357 lakhs) (as at June 30, 2019: increase by ₹ 339 lakhs (decrease by ₹ 314 lakhs)).

Compensated absence plan (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 34 lakhs (increase by ₹ 37 lakhs) (as at June 30, 2019: decrease by ₹ 27 lakhs (increase by ₹ 30 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 36 lakhs (decrease by ₹ 33 lakhs) (as at June 30, 2019: increase by ₹ 29 lakhs (decrease by ₹ 27 lakhs)).

Post retirement medical benefit (PRMB) (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 6 lakhs (increase by ₹ 7 lakhs) (as at June 30, 2019: decrease by ₹ 6 lakhs (increase by ₹ 7 lakhs)).

If the expected medical inflation rate increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 6 lakhs (decrease by ₹ 6 lakhs) (as at June 30, 2019: increase by ₹ 6 lakhs (decrease by ₹ 6 lakhs)).

The sensitivity analysis presented above may not be representative of the actual change of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method as the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to Financial Statements for the year ended June 30, 2020

29.3 Provident Fund

The Provident Fund assets and liabilities are managed by "Gillette India Limited Provident Fund" in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at June 30, 2020.

The Company's contribution to Provident Fund ₹ 725 Lakhs (Previous Year: ₹ 662 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense (refer note 23).

The details of the "Gillette India Limited Provident Fund" and plan assets position as at June 30, 2020 is given below:

Particulars	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Present value of benefit obligation at period end	236	251
Plan assets at period end, at fair value, restricted to asset recognized in Balance Sheet	236	251

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	Valuations as at	
	June 30, 2020	June 30, 2019
Discounting Rate	6.50%	7.00%
Expected Guaranteed interest rate	8.50%*	8.65%*

* Rate mandated by EPFO

30 Financial instruments

30.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns 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 group's capital management.

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

The Company's risk management committee manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares.

Notes to Financial Statements for the year ended June 30, 2020

30.2 Categories of financial instruments

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Financial assets		
Measured at amortised cost		
(i) Trade receivables	19 067	18 249
(ii) Cash and cash equivalents	23 070	13 993
(iii) Bank balances other than (ii) above	178	179
(iv) Loans	3 482	3 173
(v) Other financial assets	1 686	1 516
Financial liabilities		
Measured at amortised cost		
(i) Trade payables	28 735	28 171
(ii) Other financial liabilities	1 329	1 146

30.3 Financial risk management objectives

The Company's overall policy with respect to managing risks associated with financial instruments is to minimise potential adverse effects of financial performance of the Company. The policies for managing specific risks are summarised below.

30.4 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities as at		Assets as at	
	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
USD	11 611	10 879	6 061	10 876
EUR	1 448	691	—	—
JPY	148	68	—	—
GBP	458	91	—	—
BDT	—	457	146	—
AUD	36	157	—	—
CNY	—	—	—	6
SEK	—*	5	—	—
PLN	5	—	—	—
SGD	27	23	—	—

* denotes amount less than ₹ 50 000

Notes to Financial Statements for the year ended June 30, 2020

30.4.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the currencies stated above.

The following table details impact to profit or loss of the Company by sensitivity analysis of a 10% increase and decrease in the respective currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change on foreign currency rates.

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of the Company, profit or loss will increase (decrease) by:

	Increase / (decrease) at + 10%		Increase / (decrease) at - 10%	
	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
USD	(555)	—*	555	—*
EUR	(145)	(69)	145	69
JPY	(15)	(7)	15	7
GBP	(46)	(9)	46	9
BDT	15	(46)	(15)	46
AUD	(4)	(16)	4	16
TRY	—	—	—	—
CNY	—	1	—	(1)
SEK	—	(1)	—	—
PLN	—*	—	—*	—
SGD	(3)	(2)	3	2

* denotes amount less than ₹ 50 000

30.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company performs ongoing credit evaluation of the counterparty's financial position as a means of mitigating the risk of financial loss arising from defaults. The Company only grants credit to creditworthy counterparties.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics as disclosed in Note 9 to the financial statements.

30.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have interest bearing borrowings, it is not exposed to risk of changes in market interest rates. The Company has not used any interest rate derivatives.

30.7 Other price risk management

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is not exposed to pricing risk as the Company does not have any investments in equity instruments and bonds.

30.8 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company maintains adequate highly liquid assets in the form of cash to ensure necessary liquidity.



Notes to Financial Statements for the year ended June 30, 2020

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 ₹ in lakhs	Between 1 to 5 Years ₹ in lakhs	Over 5 years ₹ in lakhs	Total ₹ in lakhs	Carrying Value ₹ in lakhs
As at June 30, 2020					
Trade Payables	28 735	—	—	28 735	28 735
Other financial liabilities	1 315	14	—	1 329	1 329
Provisions	2 824	6 141	—	8 965	8 965
Other Current Liabilities	4 335	—	—	4 335	4 335
As at June 30, 2019					
Trade Payables	28 171	—	—	28 171	28 171
Other financial liabilities	1 146	—	—	1 146	1 146
Provisions	2 822	5 110	—	7 932	7 932
Other Current Liabilities	5 320	—	—	5 320	5 320

30.9 Fair value measurements

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

31 Share-based payments

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

The Gillette Company, USA (TGC) had a "Global Employee Stock Ownership Plan" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of TGC. Every employee who opted for the scheme contributed by way of payroll deduction up to a specified percentage (upto 15%) of his gross salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of gross salary). Such contribution is charged under employee benefits expense. Subsequent to the worldwide merger of Aquarium Acquisition Corporation (wholly owned subsidiary of the Procter & Gamble Company, USA) with TGC on October 1, 2005, the shares of TGC got delisted from the New York Stock Exchange and the share purchase plan has been adopted by the Procter & Gamble Company, USA.

The shares of TGC (till September 30, 2005) / The Procter & Gamble Company, USA are listed with New York Stock Exchange of USA and are purchased on behalf of the employees at market price on the date of purchase. During the year 3282.80 shares (Previous year: 3237.377 shares) were purchased by employees at weighted average fair value of ₹ 7 950.05 (Previous year: ₹ 6 587.26) per share. The Company's contribution during the year on such purchase of shares amounting to ₹ 73 lakhs (Previous year: ₹ 54 lakhs) has been charged under employee benefits expense under Note 23.

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

The Gillette Company, USA (TGC) had an Employees Stock Options Scheme whereby specified employees of its subsidiaries covered by the plan were granted an option to purchase shares of the Parent Company i.e. The Gillette Company, USA at a fixed price (grant price) for a fixed period of time. Subsequent to the worldwide merger of Aquarium Acquisition Corporation (wholly owned subsidiary of The Procter & Gamble Company, USA) with The Gillette Company, USA on October 1, 2005, the shares of The Gillette Company got delisted from the New York Stock Exchange. Upon this change in control the 2005 Gillette Option award got automatically converted into P&G options at the established conversion ratio of 0.975 shares in The Procter and Gamble Company, USA for every share held in The Gillette Company. The shares of The Gillette Company (till September 30, 2005) / The Procter & Gamble Company, USA were/are listed

Notes to Financial Statements for the year ended June 30, 2020

with New York Stock Exchange of USA. The options were issued to Key Employees of the Company with 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/5 years and have a 5 years /10 years life cycle.

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

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Expense arising from equity-settled share-based payment transactions	438	616
Total expense arising from share-based payment transactions	438	616

There were no cancellations or modifications to the awards in June 30, 2020 or June 30, 2019.

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, 2020 Number	Year ended June 30, 2020 WAEP (in \$)	Estimated fair value of Options Granted in ₹	Year ended June 30, 2019 Number	Year ended June 30, 2019 WAEP (in \$)	Estimated fair value of Options Granted in ₹
Outstanding at July 1	58 242	109.65	—	77 198	78.06	—
Granted during the year						
28-Feb-20	2 581	113.23	190	—	—	—
28-Feb-20	5 480	113.23	1,099	—	—	—
1-Aug-18	—	—	—	2 480	81	5 683
2-Jan-19	—	—	—	1 096	91	6 432
28-Feb-19	—	—	—	770	99	6 944
28-Feb-19	—	—	—	10 412	99	994
Exercised during the year	(19 224)	120.67	—	(33 614)	93.18	—
Expired during the year	—	—	—	—	—	—
Forfeited during the year	(100)	—	—	(100)	—	—
Outstanding at June 30	46 979	119.57		58 242	109.65	
Exercisable at June 30	22 570	119.57		32 926	109.65	

The weighted average share price at the date of exercise of these options was \$ 120.67 (June 30, 2019: \$ 93.18).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2020 was 5.93 (June 30, 2019: 6.05) years.

The weighted average fair value of options granted during the year was ₹ 808 (June 30, 2019: ₹ 2 496).

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, 2020 and June 30, 2019, respectively:

	As at June 30, 2020	As at June 30, 2019
Dividend yield (%)	2.39%	3.03%
Expected volatility (%)	16.63%	16.56%
Risk-free interest rate (%)	1.30%	2.60%



Notes to Financial Statements for the year ended June 30, 2020

32 Related party disclosures

The Group Companies of The Procter & Gamble Company, USA include, among others, Gillette Worldwide Holding LLC; Procter & Gamble India Holdings BV; Procter & Gamble Iron Horse Holding BV; Procter & Gamble Eastern Europe LLC; Procter & Gamble Nordic LLC; Procter & Gamble Global Holding Limited; Procter & Gamble Luxembourg Global SARL; Procter & Gamble International SARL; Procter & Gamble India Holdings Inc.; Procter & Gamble International Operations, SA; Gillette Group (Europe) Holdings, BV; Procter & Gamble Canada Holding BV; Procter & Gamble Overseas Canada, BV.

(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	The Procter & Gamble Distributing LLC	12	Procter & Gamble Europe SA Singapore Branch
2	The Procter & Gamble US Business Services Company	13	Procter & Gamble Nigeria Limited
3	The Gillette Company LLC	14	Procter & Gamble Trading (Thailand) Limited
4	Procter & Gamble International Operations SA	15	Procter & Gamble Middle East FZE
5	Gillette Poland International SP. Z.O.O	16	Procter & Gamble International Operations Sa-Rohq
6	Procter & Gamble Home Products Private Limited	17	Gillette Diversified Operations Private Limited
7	Procter & Gamble Health Limited	18	Procter & Gamble (Guangzhou) Ltd.
8	Pt Procter & Gamble Home Products Indonesia	19	Procter & Gamble International Operations SA Singapore Branch
9	Procter & Gamble Polska SP.Z O.O	20	Procter & Gamble South African Trading (Pty) Ltd
10	Gillette (Shanghai) Ltd	21	Procter & Gamble International Operations S.A. Dubai Branch
11	Procter & Gamble Hygiene & Health Care Limited	22	Procter & Gamble Bangladesh Private Limited

(ii) Investing company in respect of which the Company is an associate:

S. No.	Name of the Company
1	Gillette Diversified Operations Private Limited (w.e.f.December 22, 2017)



Notes to Financial Statements for the year ended June 30, 2020

(iii) Key Management Personnel of the Company:

S. No.	Name	Designation
1	Mr. Madhusudan Gopalan	Managing Director (w.e.f. July 1, 2018)
2	Mr. Gagan Sawhney	Chief Financial Officer (w.e.f. January 1, 2017)
3	Mr. Gagan Sawhney	Executive Director (w.e.f. August 22, 2019)
4	Mr. Karthik Natarajan	Whole time director (w.e.f. January 23, 2017)
5	Ms. Sonali Dhawan	Non-executive Director

Note : Related parties have been identified by the management.

(c) Details of related party transactions between the Company and its related parties are as under:

					₹ in lakhs
S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel
1	Purchase of Goods	2020	—	37 862	—
		2019	—	42 161	—
2	Purchase of Equipment/Assets/Spares	2020	—	1 742	—
		2019	—	3 646	—
3	Purchase of Duty Scripts	2020	—	448	—
		2019	—	—	—
4	Sale of Products	2020	—	11 280	—
		2019	—	13 021	—
5	Sale of Capital goods	2020	—	—	—
		2019	—	14	—
6	Loans Given	2020	—	—	—
		2019	—	10 000	—
7	Loans Realised	2020	—	—	19
		2019	—	10 000	14
8	Interest Income	2020	—	3	1
		2019	—	360	1
9	Recovery of Expenses Cross charged	2020	225	2 872	—
		2019	468	4 733	—
10	Expenses cross-charged	2020	247	1 589	—
		2019	481	1 394	—
11	Reimbursement of expenses shared by group cos. (Income)	2020	—	136	—
		2019	—	57	—
12	Reimbursement of expenses shared by group cos. (Expense)	2020	—	2 628	—
		2019	—	1 905	—
13	Business Process Outsourcing expenses	2020	2 625	637	—
		2019	2 370	698	—

Notes to Financial Statements for the year ended June 30, 2020

₹ in lakhs

S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel
14	Processing Charges	2020	—	—	—
		2019	—	514	—
15	Royalty	2020	—	1 237	—
		2019	—	1 420	—
16	Computer Expenses	2020	—	571	—
		2019	—	249	—
17	Rent expenses	2020	—	429	—
		2019	—	493	—
18	Dividend Remitted/Paid	2020	3 268	2 841	—
		2019	5 491	4 773	—
19	Managerial Remuneration	2020	—	—	425
		2019	—	—	429
20	Outstanding as at June 30 th Loans	2020	—	—	—
		2019	—	—	19
	Trade and other receivables	2020	—	7 630	—
		2019	—	12 028	—
	Trade payables	2020	558	13 207	—
		2019	1 457	10 461	—

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties in the current year or prior years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(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, 2020	Year ended June 30, 2019
1	Purchase of Goods		
	Procter & Gamble International Operations SA Singapore Br	26 963	34 923
	Others	10 899	7 238
2	Purchase of Equipment/Assets/Spares		
	The Procter & Gamble Distributing LLC	1 742	3 646
	Others	—	—
3	Purchase of Duty Scripts		
	Gillette Diversified Operations Pvt. Ltd	448	—

Notes to Financial Statements for the year ended June 30, 2020

		₹ in lakhs	
S. No.	Nature of Transactions	Year ended June 30, 2020	Year ended June 30, 2019
4	Sale of Products		
	Procter & Gamble International Operations SA Singapore Br	7 206	8 318
	Procter & Gamble Bangladesh Pvt. Ltd	3 928	3 916
	Others	146	787
5	Sale of Capital goods		
	Procter & Gamble Home Products Private Ltd	—	14
6	Loans Given		
	Gillette Diversified Operations Pvt. Ltd	—	10 000
7	Loans Realised		
	Gillette Diversified Operations Pvt. Ltd	—	10 000
8	Interest Income		
	Gillette Diversified Operations Pvt. Ltd	3	360
9	Recovery of Expenses Cross charged		
	Procter & Gamble Home Products Private Ltd	2 056	2 785
	Procter & Gamble Hygiene and Health Care Limited	496	613
	The Procter & Gamble Company, USA	225	468
	Procter & Gamble International Operations SA	12	806
	Others	308	529
10	Expenses cross-charged		
	Procter & Gamble Home Products Private Ltd	1 180	863
	Gillette Diversified Operations Pvt. Ltd	223	381
	Procter & Gamble Hygiene and Health Care Limited	70	123
	The Procter & Gamble Company, USA	247	481
	Others	116	27
11	Reimbursement of expenses shared by group cos. (Income)		
	Procter & Gamble Home Products Private Ltd	79	38
	Procter & Gamble Hygiene and Health Care Limited	57	19
12	Reimbursement of expenses shared by group cos. (Expense)		
	Procter & Gamble Hygiene and Health Care Limited	733	1 120
	Procter & Gamble Home Products Private Ltd	1 895	785
13	Business Process Outsourcing expenses		
	Procter & Gamble International Operations SA-ROHQ	637	698
	The Procter & Gamble Company, USA	2 625	2 370
14	Processing Charges		
	Gillette Diversified Operations Private Ltd	—	514
15	Royalty		
	The Gillette Company LLC	1 237	1 420
16	Computer Expenses		
	The Procter & Gamble US Business Services Company	571	249
17	Rent expenses		
	Procter & Gamble Home Products Private Ltd	429	493
18	Dividend Remitted/Paid		
	Procter & Gamble Overseas India BV, The Netherlands	3 268	5 491
	Gillette Diversified Operations Pvt. Ltd	2 841	4 773



Notes to Financial Statements for the year ended June 30, 2020

(e) Compensation of key management personnel

The remuneration of directors and other key management personnel during the year was as follows:

	₹ in lakhs	
	Year ended June 30, 2020	Year ended June 30, 2019
Short-term benefits	133	190
Post-employment benefits	292	239
	425	429

(f) Other transactions with key management personnel

	₹ in lakhs	
	Year ended June 30, 2020	Year ended June 30, 2019
Loan realised	19	14
Interest Income	1	1

Notes:

- 1 Disclosure required under 186(4) of the Companies Act, 2013 for loans given :

		₹ in lakhs	
Name	Relations	Year ended June 30, 2020	Year ended June 30, 2019
Intercorporate loans			
Gillette Diversified Operations Private Ltd	Fellow Subsidiary	—	—

Above intercorporate loans have been given for general business purposes for meeting their working capital requirements.

33 Leasing arrangements

The Company has taken on lease certain guesthouses, office premises and warehouses with an option of renewal at the end of the lease term and escalation clause in some of the cases. These leases can be terminated with a prior notice as per terms and conditions of the respective lease agreements. The cost of lease for the guesthouses, office premises and warehouses are disclosed under rent expense.

34 Commitments

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for	233	337
	233	337

Notes to Financial Statements for the year ended June 30, 2020

35 Contingent liabilities

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Claims against company not acknowledged as debts:		
(a) Income tax matters	43 022	43 230
(b) Sales tax matters		
(i) Non submission of "C" Forms/"F" Forms	2 021	436
(ii) Other sales tax matters	613	2 227
(c) Excise duty, service tax and customs duty matters		
(i) Denial of excise duty benefits at excise exempt location of which the Company has a right to claim Cenvat credit of ₹ 16 034 lakhs (July 30, 2016: ₹ 16 034 lakhs, July 1, 2015: ₹ 12 822 lakhs)	30 320	30 320
(ii) Denial of Cenvat credit	23	23
(iii) Service tax matters	3 254	3 254
(iv) Customs valuation disputes	1 528	1 528
(v) Other excise, service tax and customs matters	178	178
(d) Other matters		
(i) Other claims - The Company is a party to various legal proceedings in the normal course of business.	141	86
(ii) Demand from delhi development authority	3 424	3 424
	84 524	84 706

36 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	188	1 016
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	554	418
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	4 437	5 060
Principal paid beyond the appointed date	4 437	5 060
Interest paid in terms of Section 16 of the Act	—	—
(d) The amount of interest due and payable for the year	136	155
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	554	418
(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	3	7

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.



Notes to Financial Statements for the year ended June 30, 2020

37 (a) Reimbursement/(Recovery) of expenses cross charged to related parties include payment/recoveries on account of finance, personnel, secretarial, administration and planning services rendered under common services agreement of the Company with Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited. (refer note 38).

37 (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.

38 (a) Managerial Remuneration

The computation of managerial remuneration excludes an amount of ₹ 123 lakhs (Previous year: ₹ 147 lakhs) in respect of managerial personnel cross-charged from Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited in terms of common services agreement referred to in note 37 (a) above.

38 (b) Commission to Non-Executive Directors

During the current year, an aggregate amount of ₹ 98 lakhs (Previous Year: ₹ 75 lakhs) has been provided as commission payable to the Non-Executive Directors which is within the overall limits of commission payable to such directors under Schedule V to the Companies Act, 2013.

39 Dividend

	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2019 ₹ in lakhs
Dividend on equity shares paid during the year		
Final dividend for the FY 2018-19: ₹ 25 (Previous year for FY 2017-18: ₹ 23) per equity share of ₹ 10 each	8 146	7 495
Dividend distribution tax on final dividend	1 659	1 526
Interim dividend for the FY 2018-19: ₹ Nil (Previous year for FY 2018-19: ₹ 19) per equity share of ₹ 10 each	—	6 191
Dividend distribution tax on interim dividend	—	1 260
TOTAL	9 805	16 472

Proposed Dividend:

The Board of Directors at its meeting held on August 26, 2020 have recommended a payment of final dividend of ₹ 49 per equity share of face value of ₹ 10 each for the financial year ended June 30, 2020 resulting in a dividend payout of ₹ 15 967 lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.



Notes to Financial Statements for the year ended June 30, 2020

40 As a result of the nationwide lockdown imposed by the Government of India in view of the Covid-19 pandemic, the operations of the Company were temporarily disrupted at its manufacturing, warehouse and distribution locations from second half of March 2020. The operations have gradually resumed in a phased manner in line with the Government directives issued from time to time. The Company's Management has evaluated the impact of this pandemic on its business operations and financial position and based on such review, there is no significant impact on the Company's assets, capital and financial resources, profitability parameters or liquidity positions as at June 30, 2020. The Management does not envisage any impact on the going concern assumption in the foreseeable future. However, the impact assessment of COVID-19 will be a continuing process given the uncertainties associated with its nature and duration.

41 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

42 Approval of financial statements

The financial statements were approved for issue by the board of directors on August 26, 2020.

Signatures to Notes 1 to 42

For and on behalf of Board of Directors

B. S. Mehta
Chairman

Madhusudan Gopalan
Managing Director

Gagan Sawhney
Director & Chief Financial Officer

Ghanashyam Hegde
Company Secretary

Place: Mumbai
Date: August 26, 2020



TEN YEAR FINANCIAL HIGHLIGHTS

	IGAAP						IND AS				
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2015-16^	2016-17^	2017-18^	2018-19^	2019-20^
YEAR END FINANCIAL POSITION (₹ Crores)											
Net Fixed Assets	159	189	200	233	219	274	266	277	305	325	318
Net Worth	600	619	649	643	742	858	937	501	694	778	911
SUMMARY OF OPERATIONS (₹ Crores)											
Gross Sales	1073	1249	1459	1766	1984	2072	1863	1788	1677	1862	1679
Profit before Tax	134	117	138	81	246	327	328	374	345	339	314
Profit after Tax	86	76	87	51	158	213	214	253	229	253	230
Dividend	48.88	48.88	48.88	48.88	48.88	**81.07	**64.78	**566.98	32.59	**136.86	81.46
PER SHARE DATA											
EPS (₹)	26.44	23.24	26.75	15.78	48.53	65.38	65.73	77.67	70.29	77.62	70.64
Dividend (%)	150	150	150	150	150	249	199	1740	100	420	250
NUMBER OF SHARES											
Shares (Lakhs)	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85

Note :

^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.

**includes interim dividend



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