



**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

October 30, 2021

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, 2021 and Notice calling the 37<sup>th</sup> Annual General Meeting of the Company**

We refer to our letter dated September 17, 2021, informing the date of 37<sup>th</sup> Annual General Meeting (AGM). In this respect, please find enclosed Annual Report for the Financial Year ended June 30, 2021 and Notice calling the 37<sup>th</sup> Annual General Meeting of the Company.

In accordance with, the General Circular numbers 20/2020, 14/2020, 17/2020 and 02/2021 issued by the Ministry of Corporate Affairs (MCA) and Circular numbers SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India (SEBI), the Annual Report for the Financial Year 2020-21, including the Notice of AGM has been sent in electronic mode to Members today, October 30, 2021, whose e-mail addresses are registered with the Company. The copy of the Notice along with the Annual Report is enclosed herewith and is also available on the Company's website: <https://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](mailto:investorgil.im@pg.com) or [machado.f.1@pg.com](mailto:machado.f.1@pg.com) from the date of this notice up to November 20, 2021 (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  
Digitally signed  
by FLAVIA PETER  
MACHADO  
Date: 2021.10.30  
18:25:46 +05'30'

**Flavia Machado**  
Company Secretary



# **Gillette India Limited**

## Annual Report 2020-21



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## Corporate Information

### Board of Directors & Key Managerial Personnel

Mr. Gurcharan Das	Independent Director and Chairman
Mr. Madhusudan Gopalan	Managing Director
Mr. Chittranjan Dua	Independent Director
Mr. Anil Kumar Gupta	Independent Director
Ms. Anjuly Chib Duggal	Independent Director
Mr. Pramod Agarwal	Non-Executive Director
Mr. Karthik Natarajan	Non-Executive Director
Ms. Sonali Dhawan	Non-Executive Director
Mr. Gagan Sawhney	Non-Executive Director
Mr. Gautam Kamath	Executive Director and Chief Financial Officer
Mr. Srinivas Maruthi Patnam	Executive Director
Ms. Flavia Machado	Company Secretary
Mr. Ghanashyam Hegde	Erstwhile Company Secretary (cessation effective August 31, 2021)

### 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  
Email Id: investorgil.im@pg.com

### Registrar & Share Transfer Agents

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

### Auditors

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

### Secretarial Auditor

Saraf & Associates  
Company Secretaries

### Listed on Stock Exchanges

BSE Limited  
National Stock Exchange of India Limited

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



**Mr. Madhusudan Gopalan,  
Managing Director**

Mr. Madhusudan Gopalan is an alumnus of Indian Institute of Management, Calcutta, who joined Procter & Gamble in 1999. He has over 22 years of experience working across business units and diverse geographies like India, US and ASEAN countries. He is Chief Executive Officer, P&G - Indian Subcontinent. Prior to this role, he was leading the P&G business in Indonesia where he led strong sales growth, share turnaround, strong value creation and cash productivity.



**Mr. Chittranjan Dua,  
Independent Director**

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

Mr. Anil Kumar Gupta is an engineer from Indian Institute of Technology, 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. Pramod Agarwal,  
Non-Executive Director**

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

Mr. Karthik Natarajan is a Chartered Accountant and has completed his Bachelor of Commerce from R. A. Podar College, Mumbai. He has been with P&G for over 21 years and is currently the Senior Vice President, and regional CFO, Asia Pacific, Middle East & Africa. Over his experience at P&G he has worked across multiple locations including India, US, China, Philippines, Middle East 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. Gautam Kamath,  
Executive Director and  
Chief Financial Officer**

Mr. Gautam Kamath is a Chartered Accountant and has done his MBA from IIM-Ahmedabad with overall experience of over 20 years in Finance & Accounting, across several industries and geographies. He has spent the last 14 years with P&G across three geographies, holding global responsibilities and leading transformational projects having impact on several important P&G businesses. In his previous roles, Mr. Kamath was the regional CFO of the Fabric and Home Care Business Unit (Singapore) for four years and prior to that, he was CFO of P&G's Australia/New Zealand business for three years. He has led several transformational programs that enable significant improvement in business units, deliver huge savings across trade spend and logistics and enable reinvestments for growth. Currently, he is Vice-President, Finance, P&G Indian subcontinent.



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

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 23 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,  
Non-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, Greater China and Middle East. Presently, Mr. Sawhney is Vice President, Finance, P&G. He has held several leadership roles, such as leading Finance for P&G Indian subcontinent and providing assurance and consulting support across regions as Finance Director, Internal Audit for P&G Global operations.



**Mr. Srinivas Maruthi Patnam,  
Executive Director**

Mr. Srinivas Maruthi Patnam has done his Bachelor of Engineering from Nagpur University and has an MBA in Human Resources from Symbiosis Institute of Business Management, Pune. He has been associated with the Procter & Gamble group for the last 21 years. He is currently Vice President, Human Resources, P&G Indian subcontinent. As an HR leader he has headed and driven transformational projects in various business units across five geographies.





## Dear Shareholders,

It gives me great pleasure to share with you the performance of your Company for the Financial Year 2020-21. The pandemic has presented us with unprecedented challenges and has impacted every aspect of life, business and economy. During the last fiscal, your Company navigated these tough times with resilience and agility to deliver strong double-digit growth driven by its unwavering

commitment to serve its employees, consumers and communities during these challenging times.

Your Company has built citizenship into its way of doing business and in response to the pandemic, the Company continued to step up as a force for good. The Company contributed to the P&G group's '*P&G Suraksha India*' program and the donation towards vaccine doses in India. Under the program, the Company also donated oxygen concentrators and lakhs of masks and sanitizers for the protection of frontline workers and underprivileged communities. We continued to leverage the voice of our brands on mass media to create awareness about preventive measures to combat the spread of COVID-19. To extend our support to India's healthcare infrastructure, we are partnering with TATA Trusts to support hospital capacity expansion in various locations.

In addition, your Company continued its focus on educating underprivileged children in India by supporting the '*P&G Shiksha*' program. This program in India has supported thousands of schools that will impact the lives of millions of children. *P&G Shiksha's* efforts are focused on three main areas – improving learning outcomes, empowering marginalized girls through education and improving educational infrastructure. During the pandemic, as schools remain closed, the program continued to provide online education and has reached out to thousands of children during this time.

While the near-term outlook remains uncertain, 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.

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

**Gurcharan Das**  
Chairman



## Dear Shareholders,

I want to take this opportunity to share with you the overall performance of your Company in 2020-21. Our focus on raising the bar on superiority, improving productivity, and the resilience and agility of our people has enabled us to deliver strong results consistently during the Financial Year.

Before I get into the fiscal results, I want to highlight the priorities that we established to carry us through the pandemic:

- Protect the health and well-being of our employees
- Maximize the availability of our products that help our consumers with their health and hygiene needs, which have never been greater
- Support the communities, relief agencies and people on the front lines of this pandemic

Last fiscal, your Company delivered sales of ₹2,009 crores, up 20% vs year ago and Profit After Tax was ₹310 crores, up 35% vs year ago. This strong performance is a testament to the strength of our product portfolio and strategic choices to drive meaningful superiority across products, packages, communication, retail execution and value. Our strategy is fueled by driving productivity in everything we do and a more empowered, agile and accountable organization.

In the grooming business, *Gillette* continued to be the market leader and registered its strongest year-on-year value, volume and share growth behind irresistible superiority on products and commercial innovations. In the oral care business, *Oral B* continued to innovate, grow share and penetration by delighting consumers with superior value propositions and value to meet their hygiene needs.

Our brands continued to step up as a force for good during these challenging times. As an extension to the '*Barber Suraksha Program*' launched in the previous fiscal, *Gillette* launched '*Barber Parivaar Suraksha Program*' to help the barber community get back on their feet. This program provides health insurance cover not to just barbers but their families as well.

Despite challenges and uncertainty in the short term, the FMCG sector continues to be an essential contributor to the economy. As the market recovers, we will continue to focus on our unwavering strategy which has consistently enabled us to deliver balanced growth; to drive superiority, fuel productivity and strengthen the organization.

**Madhusudan Gopalan**  
Managing Director



# REPORT OF THE DIRECTORS

Your Directors have the pleasure of presenting the 37<sup>th</sup> Annual Report and the Audited Financial Statements of the Company for the Financial Year ended June 30, 2021.

## FINANCIAL RESULTS

(Figures in ₹ Crores)

Particulars	2020-21	2019-20
Revenue from operations	2,009	1,679
Profit before tax	429	314
Profit after tax	310	230

## FINANCIAL YEAR

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

## DIVIDEND

During the Financial Year, the Board of Directors declared an interim dividend of ₹ 33 per Equity Share and a special dividend of ₹ 50 per Equity Share. The payment of the said interim dividend and special dividend to the Shareholders was completed on February 25, 2021 and May 28, 2021 respectively.

Your Directors are pleased to recommend a final dividend of ₹ 36 per Equity Share for the Financial Year ended June 30, 2021. This final dividend is subject to approval of the members at the ensuing 37<sup>th</sup> Annual General Meeting.

## BUSINESS PERFORMANCE

Despite a challenging market environment due to COVID-19, your Company delivered a strong performance with sales of ₹ 2,009 crores up 20% vs year ago and Profit after tax of ₹ 310 crores up 35% vs year ago during the Financial Year 2020-21.

## GROOMING

Your Company’s grooming business had one of the milestone years this time. Our irresistible superiority on product and commercial innovations continued to add millions of new users to the *Gillette* franchise delivering holistic topline, bottom-line and share growth.

This year, we launched *Gillette Guard 3*, an affordable three blade system razor that provides the smoothest shave in just one go. We also launched *King C Gillette*, a premium range of unparalleled grooming products backed by 100+ years of research and development, marking our entry into beard care segment. *Gillette Guard*, our pioneering entry level system, registered its strongest year-on-year value, volume and share growth behind product restage with *Guard Platinum*, strong awareness, activation and go-to-market plans. *Gillette Double Edge* blades continued to grow behind strong fundamentals.





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 2019-20, *Oral-B* delivered another year of strong results

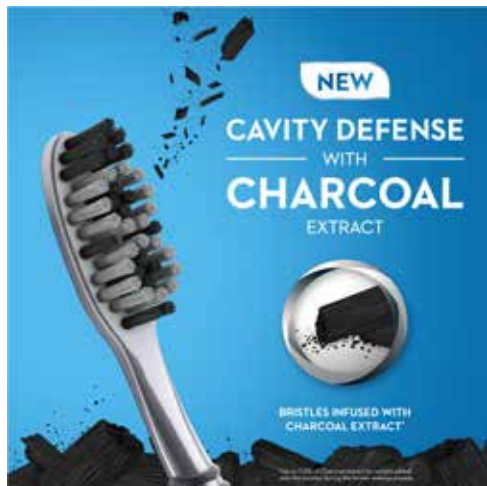
in Financial Year 2020-21 with strong growth across value share, volume share and market penetration for the brand. We led the innovation in this category by introducing the superior *Criss Cross* range of toothbrushes, expanding our naturals portfolio with the launch of mid-tier charcoal toothbrushes. We launched *Complete Clean*, our entry-level toothbrush which will help bring quality oral care at an affordable price to millions of consumers.

In the electric toothbrush range, we drove stronger growth behind our digital activations to help deliver on our promise to provide superior oral care to our consumers.

The combination of strong innovations, with a robust go-to-market execution and strong media presence led to meaningful value to our consumers and customers helping us 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 with the launch of the 'Smile Suraksha Program', in collaboration with the Indian Dental Association.



**FINANCIAL RATIOS**

	2020-21	2019-20	Change (%)	Explanation for changes over 25% in the ratios, if any
Debtors turnover	<b>10.3</b>	9.0	15	-
Inventory turnover	<b>6.2</b>	6.5	-5	-
Interest coverage ratio	<b>82.8</b>	58.7	41	Improvement is due to strong profit growth, while maintaining low interest expense.
Current ratio	<b>1.5</b>	2.0	-29	The ratio has decreased on account of higher Trade Payables.
Debt equity ratio	-	-	-	-
Operating profit margin	<b>22%</b>	19%	14	-
Net profit margin	<b>15%</b>	14%	13	-
Return on Networth	<b>37%</b>	27%	34	The variation is on account of higher Dividends paid out in this financial year.

- Company Overview
- Board's Report
- MD&A
- Corporate Governance
- Financial Statements



## BUSINESS RESPONSIBILITY REPORT

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

## CORPORATE SOCIAL RESPONSIBILITY & CITIZENSHIP EFFORTS

Since its foundation, giving back to the communities has been an integral part of your Company's purpose and values. Our CSR strategy is supported by three pillars – *P&G Shiksha*, *P&G Suraksha India* and Timely Disaster Relief. *P&G Shiksha* provides access to holistic education for underprivileged children through a 360-degree educational intervention. In response to the COVID-19 pandemic, the Company launched the '*#PGSurakshaIndia*' program through which we have been positively impacting communities in partnership with the government and relief organization. Your Company's disaster relief aims to provide comforts to those affected by natural disasters.

### P&G SHIKSHA

Your Company's signature corporate social responsibility 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 2,500 schools (+200 since last year) across the country that will impact the lives of over 23 lakh children (+300,000 since last year). 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) and 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.

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 software-based adaptive learning solutions across government schools, on-ground remedial learning interventions and strengthening early childhood education.

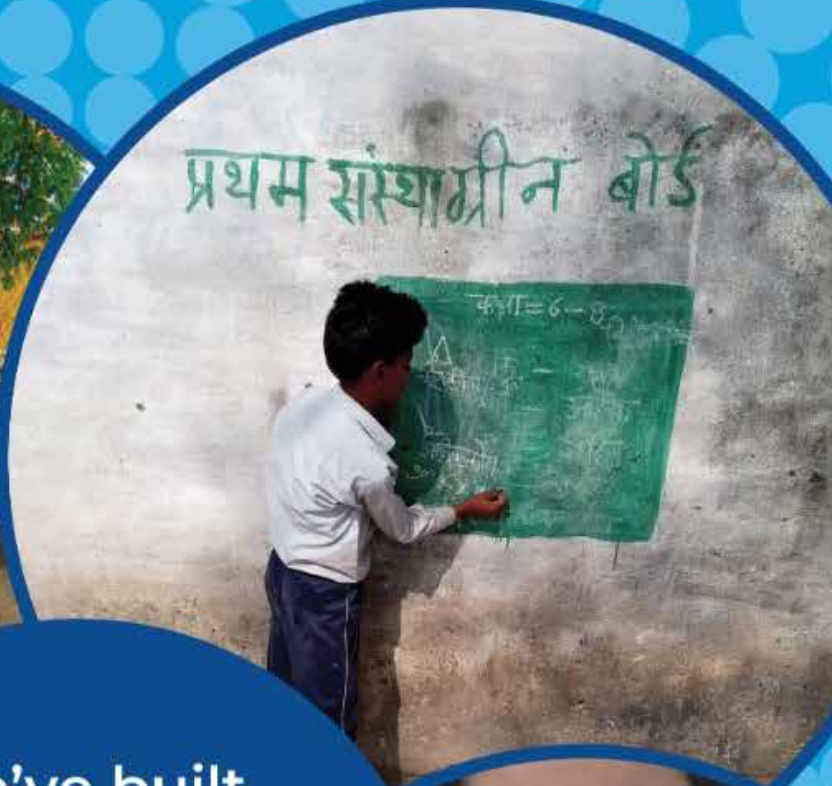
*P&G Shiksha* also partnered with Educational Initiatives (EI) to implement *Mindspark*, a computer-based adaptive learning tool to remediate learning gaps in students across schools in Rajasthan, Himachal Pradesh, Maharashtra, Madhya Pradesh

and Andhra Pradesh. The tool integrates pedagogy, teacher instruction and a learning management system to assess student's learning level and develop a customized learning path for each one of them. During the pandemic-related lockdown, we upgraded the tool to make it available on smartphones and enabled more than 60,000 children to continue learning at home. Despite school closure, the learning levels of all students engaged in the program were sustained or improved. We also set up a helpline wherein students who didn't have access to smartphones could learn via a phone call.

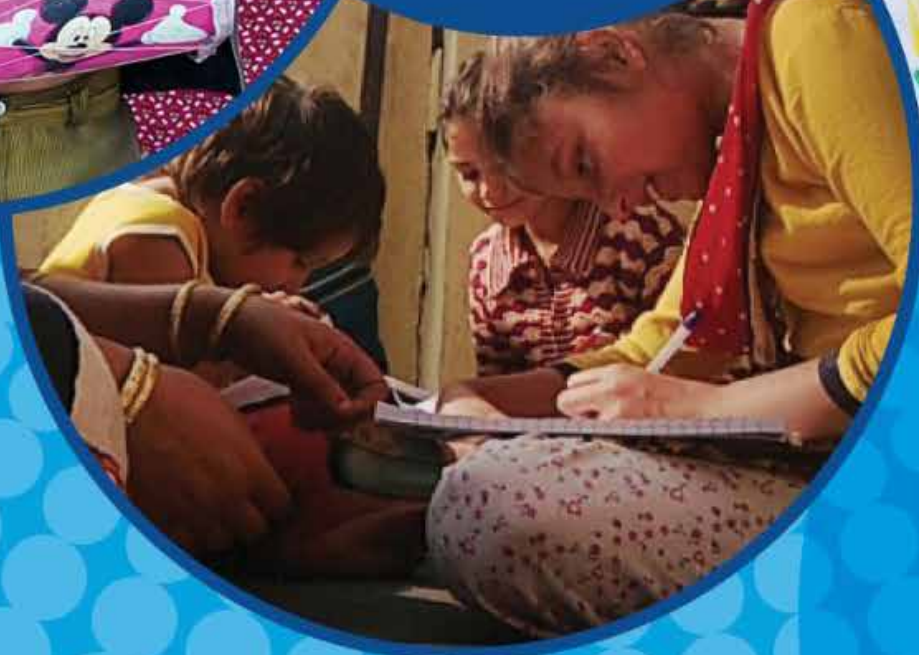
Along with our NGO partner, Pratham Education Foundation, we are bridging the expected and existing learning gaps in children through on-ground remedial learning interventions. During the lockdown, we shared simple project-based activities with children focused on language, math, and science to enable them to continue learning. We leveraged WhatsApp, phone calls and SMSs to share a series of curated messages in text, audio and video formats. With the easing of the lockdown, we adapted our approach to conduct learning activities for children not just remotely but within the communities through identified and trained volunteers. During the year, we reached out to more than 30,000 children via online education and community-based learning interventions. At the end of the intervention, more than 70% of children could read and perform arithmetic basis their grade level compared to less than 20% at the start 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. During the pandemic related lockdown, we engaged with parents to conduct learning activities with children at home using simple materials available at home like fruits, vegetables, beads, clay and more. We also identified and trained volunteers from within the community who conducted learning activities with children. During the year, we reached more than 55,000 children through this program. At the end of the intervention, more than 80% of children in the intervention group demonstrated socio-emotional, cognitive, motor and language skills compared to less than 10% at the start of the intervention. Your Company also continued to impact the communities around its plants in a holistic manner throughout the Financial Year.





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





## #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.

Vaccination is critical to contain the spread of the pandemic. The P&G group in India, has contributed nearly ₹ 50 Crores towards 10 lakh vaccine doses. This has been donated to 20+ state governments that will benefit nearly 5 lakh citizens. Masks and hand sanitizers are essential in our fight against COVID-19. The P&G group in India has also donated nearly 20 lakh masks and sanitizers to support frontline workers. Your Company is also partnering with TATA Trusts to support hospital capacity expansion in the country, an essential need during these tough times.

In addition to this, your Company leveraged its communications expertise to encourage consumers to follow public health measures like social distancing, to help flatten the curve and slow the spread of the virus.

Last year, your Company extended its support to the barber community who are impacted by the lockdown, through its 'Gillette Barber Suraksha' Program. The program aimed to educate, protect and provide resources to them as they return to business. *Gillette* provided an insurance cover of up to ₹1 lakh to barbers, educated them on safe operations via videos co-created with stylist Aalim Hakim and provided them back-to-business support through a curated product-kit that would cover their requirement for two months. Taking a step further, this year, *Gillette* launched the 'Barber Parivaar Suraksha' Program to provide an insurance cover not just to barbers but also their families.

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 place measures like temperature scans, shift rotations, queuing avoidance, physical distancing, personal protective equipment for all including 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. Further, your Company is facilitating voluntary vaccination drives for employees for their health and safety.

We provided financial support to families impacted by COVID-19 through our employee fund raiser program. We also empowered partner employees with insurance covering risks against COVID-19, cashless treatment or reimbursement of medical expenses.

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

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

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

## ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

Environmental sustainability is embedded in our *Purpose, Values, Principles*, and 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.

Our plants are leveraging technology, experts, employees and renewable sources of energy to reduce our overall carbon footprint, improve energy and water efficiency and make our operations more sustainable. Your Company's plant at Bhiwadi has significantly reduced its environmental footprint and is adopting advanced waste management systems to improve water circulation. Apart from this, the plant is also raising awareness about environmental sustainability in the neighboring community through engagements and plantation drives.



# Stepping up as a force for good in response to COVID-19

With the outbreak of the pandemic, we launched our COVID-19 response and relief program #PGSurakshaIndia to serve our employees, consumers and communities.



**PROTECTING  
P&G PEOPLE**



**SERVING  
CONSUMERS**



**SUPPORTING  
COMMUNITIES**

With guidance from medical professionals & health experts, we're **continuously updating the robust safety measures** at our offices and plants to help our people stay safe at work

We set-up a dedicated **'COVID CARE HELPDESK'** that has supported employees and their family members on health queries, testing, treatment, doctor consultation, medication, hospitalization and vaccination

We partnered with the government & industries to kickstart **'Suraksha Circles'** & engaged with organizations to lay down hygiene & safety standards at manufacturing facilities

As P&G group, we're leveraging our brands' voice to reach **5 crore+ consumers with important safety and hygiene messages** like social distancing, wearing masks and encouraging vaccination to help combat the spread of the virus

We launched **'force for good' campaigns** like *Gillette Barber Parivaar Suraksha Program*

Our in-store counsellors & DTC team are **connecting with consumers via telephone and through social media videos to raise awareness on hygienic practices**

The P&G group in India, contributed ₹ 50 Cr towards 10 lakh vaccine doses, for 5 lakh Indian citizens

We **partnered with relief organizations to support hospital capacity expansion and donated oxygen concentrators to local authorities**

The P&G group in India, **donated 20 lakh+ masks and sanitizers** to frontline workers & underprivileged communities



We are committed to help reduce the flow of plastic by making changes now and bringing long-term solutions. 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.

We're building partnerships with external organizations to combat some of the challenges and issues we are facing today on sustainability. In 2019, as P&G India group, we set up an 'Environmental Sustainability Fund,' to collaborate with external partners offering environmentally sustainable business solutions. Through this fund, our goal is to identify and implement step-changing environmentally sustainable solutions like packaging innovations, renewable sources of energy and reducing carbon footprint.

Certain measures taken by our Plant sites for conservation of energy are given below:

- 1. Inspection of compressed air systems and equipment for air leakage detection:** Regular inspection and maintenance of compressed air systems and use of specialized equipment for air leakage detection has minimized compressed air leaks and resulted in reduction in consumption of power.
- 2. Installation of automatic tube cleaning system for chillers:** Automation in cleaning systems has reduced the usage of water as well as resulted in a reduction of power consumption used by air cooling systems which is among the largest consumers of electricity.
- 3. Optimization of temperature:** Optimization of the shop floor area temperature led to load reduction on the chiller resulting in power savings.

## TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

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

Your Company benefits from the Procter & Gamble group's research and development efforts and activities across the globe. Technology absorption and adaptation is a continuous process. The products manufactured / sold by the Company are

a result of the imported technology received on an ongoing basis from the Procter & Gamble group. Initiatives are constantly undertaken for innovation of products, new product development, improvement of packaging, enhancement of product quality and application of best information technology to automate, simplify and generate efficiencies in various business processes.

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

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

## FOREIGN EXCHANGE EARNINGS & OUTGO

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

(₹ in Lakhs)

	For the year ended June 30, 2021	For the year ended June 30, 2020
Foreign Exchange earnings	11,980	14,056
Foreign Exchange outgo	57,284	46,918

## RELATED PARTY TRANSACTIONS

Your Company has formulated a policy on related party transactions which is 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 2020-21 are given below:

Name of Related Party	<b>Procter &amp; Gamble International Operations S.A., Singapore Branch</b>
Nature of transaction	<b>Import of Finished goods</b>
Amount of transaction during Financial Year 2020-21	<b>₹ 260 crores</b>

The above transaction was approved by the Shareholders by passing an Ordinary Resolution through Postal Ballot on January 8, 2018. Being related parties, 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 and Rules made thereunder, your Company has constituted Internal Complaints Committee. During the Financial Year, two complaints with allegations of sexual harassment were filed with the Company. The complaints were closed during the Financial Year. No complaints were pending as on June 30, 2021.

#### **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, 2021,

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, 2021, 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.

#### **ANNUAL RETURN**

The Annual Return for Financial Year 2020-21, as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at <https://in.pg.com/india-investors/gil/reports-announcements/announcements/>.

#### **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 2020-21 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 III** to this Report.

The information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. As per the provisions of first proviso to Section 136 (1) of the Companies Act, 2013, 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](mailto:investorgil.im@pg.com).

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

Mr. Narendra P. Sarda ceased to be Director of the Company on August 28, 2020 on completion of his tenure as Independent Director. 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.

Mr. Bansidhar S. Mehta ceased to be Director of the Company and Chairperson of the Board on September 28, 2020 on completion of his tenure as Independent Director. 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.

Mr. Gurcharan Das, Independent Director was appointed as the Chairman of the Board with effect from September 29, 2020.

Mr. Gagan Sawhney ceased to be the Chief Financial Officer of the Company effective July 31, 2021 and was re-designated as 'Non-Executive Director' of the Company effective August 1, 2021. Mr. Gautam Kamath has been appointed as the Chief Financial Officer of the Company effective August 1, 2021. The Board of

Directors, on the recommendation of the Nomination & Remuneration Committee has also appointed Mr. Gautam Kamath as an Additional Director upto ensuing Annual General Meeting of the Company and Executive Director for a period of five years, effective August 1, 2021, subject to requisite approvals.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee have appointed Mr. Srinivas Maruthi Patnam, as an Additional Director upto the ensuing Annual General Meeting of the Company and Executive Director for a period of five years, effective September 1, 2021. The said appointment is subject to approval of the Shareholders of the Company at the ensuing Annual General Meeting of the Company.

Mr. Karthik Natarajan was redesignated as Non-Executive Director of the Company effective August 24, 2021.

Mr. Ghanashyam Hegde shall cease to be the Company Secretary & Compliance Officer of the Company effective August 31, 2021. Ms. Flavia Machado has been appointed as the Company Secretary & Compliance Officer of the Company effective September 1, 2021.

Mr. Karthik Natarajan and Mr. Gagan Sawhney, Directors, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing 37<sup>th</sup> Annual General Meeting.

Brief profiles and details of the Directorships of Directors proposed to be appointed and re-appointed as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the Notice convening the ensuing 37<sup>th</sup> Annual General Meeting of the Company.

Appropriate resolutions for the appointment / re-appointment of the aforesaid Directors are being proposed at the ensuing 37<sup>th</sup> Annual General Meeting, which the Board recommends for approval of the Shareholders of the Company.

The Independent Directors of your Company have given 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. The details of the familiarization programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance section of the Report.

#### NUMBER OF MEETINGS OF BOARD OF DIRECTORS

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.

#### POLICIES

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

#### AUDITORS

Kalyaniwalla & Mistry LLP, Chartered Accountants were appointed as Statutory Auditors of your Company at the 33<sup>rd</sup> 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, 2021 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 M/s. Saraf & Associates, Practicing Company Secretaries for the Financial Year 2020-21. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company. The Secretarial Audit report has been appended as **Annexure IV** 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.

#### ACKNOWLEDGEMENT

We are grateful to The Procter & Gamble Company, USA and its subsidiaries for their invaluable support in terms of access to the latest information and knowledge in the field of research & development for products, ingredients and technologies; timely inputs to exceptional marketing strategies; and the goodwill of its world-renowned Trademarks and superior brands. We are proud to acknowledge this unstinted association that has vastly benefited the Company.

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

**On behalf of the Board of Directors**

**Mumbai**  
**August 24, 2021**

**Gurcharan Das**  
**Chairman**



**ANNEXURE I**  
**BUSINESS RESPONSIBILITY REPORT**

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

Sr. No.	Particulars	Details
1.	Corporate Identification 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, 2020 to June 30, 2021
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: <b>Plant locations</b> <b>Bhiwadi Plant</b> SPA – 65A, Bhiwadi Industrial Area, Bhiwadi, Dist. Alwar, Rajasthan – 301019 <b>Baddi Plant</b> 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	₹ 2,009 Crores
3.	Total profit after taxes	₹ 310 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

## SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company(ies)?	The Company does not have any Subsidiary Company.
2.	Do the Subsidiary Company(ies) participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(ies).	Not applicable, as the Company does not have any Subsidiary Company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	Your Company's Sustainability Guidelines for External Business Partners set our expectations with our 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 Kumar 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)

#### 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 or 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	<a href="https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/">https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy(ies) to address stakeholders' grievances related to the policy(ies)?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: Y = Yes

**Governance related to Business Responsibility**

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

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

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



### Community Impact

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



### Equality & Inclusion

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



### Environmental Sustainability

Constantly improving our efficiency while reducing our carbon footprint



We are serving our employees, consumers and communities in response to the COVID-19 pandemic.



As P&G group, we have reached 1 lakh+ children through online and community-based learning during pandemic related school closure

#### GILLETTE BARBER PARIVAAR SURAKSHA

Gillette is providing insurance cover to barbers and their families as they return to business

#### LEVERAGING OUR VOICE

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



#### SHARE THE CARE LEAVE POLICY

Our new policy provides all new parents including biological parents, domestic partners, adoptive parents, parents in same-sex couples to 8 weeks of fully paid parental leave



#### #WeSeeEqual SUMMIT

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



#### ADVANCING GENDER EQUALITY

We increased representation of women at our manufacturing sites in India.



#### GABLE NETWORK

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



#### ZERO MANUFACTURING WASTE TO LANDFILL

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



#### RECYCLING PACKAGING WASTE

We are working with waste management companies and industry to collect, segregate and recycle packaging waste



#### REDUCING OUR FOOTPRINT

We continuously strive to reduce our carbon footprint and improve efficiency



#### JOINING FORCES ON SUSTAINABILITY

Joined forces with companies globally to form 'The Alliance to End Plastic Waste' to find environmentally sustainable solutions



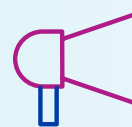
## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

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

Your Company reinforces responsibilities on all its employees, of observing high standards of Corporate Governance through the Company's *Worldwide Business Conduct Manual* which sets forth management's commitment to conduct its business affairs with high ethical standards. The Sustainability Guidelines for external business partners explain the global standards to be followed by the external business partners in their daily business activities on behalf of the Company. External business partners and their suppliers are expected to share your Company's commitment to these standards.

Your Company is committed to creating a work environment that fosters open communication and supports employees in reporting potential violations. Your Company being a part of the Procter & Gamble group is guided by a Whistle Blower Policy as laid down in its *Worldwide Business Conduct Manual*. Any employee or other interested person can call on The *Worldwide Business Conduct Helpline*, twenty-four hours a day, seven days a week, to report any concerns about violations of the Company's *Worldwide Business Conduct Standards*. The *Worldwide Business Conduct Helpline* is not staffed or monitored by the Company personnel. All calls can be completed anonymous if the caller desires. The *Helpline* can take calls in most languages spoken by employees around the world. Calls made to the *Helpline* are reported to the Company's Corporate Security and Legal personnel, who ensure appropriate investigation and follow-up of all calls. Callers are given a confidential identification number so they can inquire about the status of their reported concerns. The *Worldwide Business Conduct Helpline* is accessible to all employees. Your Company is committed to reviewing all allegations of wrongdoing, and we do not tolerate retaliation of any kind.



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

In compliance with the requirement under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Company has adopted the said whistle blower policy as the vigilance 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 cases reported alongwith the status report and action taken (if any) are reported to the Committee. During the Financial Year, 7 complaints were received. These cases were dealt with in accordance with the *Worldwide Business Conduct Manual*.





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

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

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

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

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:

1. **Manufacturing:** Between the procurement of raw materials and the creation of a product, we strive to reduce waste, water, energy, and CO<sub>2</sub> through systemic conservation efforts. We apply smart eco-design through innovative construction process improvements. And, we re-use where feasible, giving new life to what was once waste.
2. **Finished Product Logistics:** In the logistics stage, we reduce waste in customization by applying more sustainable designs. We have also optimized our transportation efficiency by making changes to the rate, route, mode and

method of transportation. We have focused on eliminating inefficiencies such as loading and unloading delays, rush transport up-charges, dead legs (empty trucks) and P&G production line stops. We are identifying solutions that optimize the distribution routes and drive increased use of multi-modal transportation thereby reducing our carbon footprint.

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

## Principle 3: Employee Well-Being

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

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

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

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 and 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. With guidance from medical professionals & health experts, we're continuously updating the robust safety measures at our offices and plants to help our people stay safe at work.



We set-up a dedicated COVID CARE Helpdesk that has supported 2500+ P&G India employees and their family members on health queries, testing, treatment, doctor consultation, medication, hospitalization and vaccination. This helpdesk helped also saved lives of our employees and their families during the second wave of the pandemic. We also facilitated vaccination drives for our 5000+ employees of P&G India group and their family members.

Your Company has identified the creation of a highly engaged, business focused organization as a key priority. Our engagement strategy continues to



position the Company as an exciting and inspiring place to work, in line with our business strategy. Our overall plan for the year had several interventions including best in class recruitment practices, meaningful diversity & inclusion initiatives, learning & development opportunities, digital capability building and opportunities for individuals to innovate.

As employees worked remotely, the in-office collaboration, celebration and a sense of community was significantly impacted. To continue providing this experience to employees, a 360° program #Stayconnected was designed to help employees navigate through the challenges of the 'new normal' irrespective of function and life stage.

Your Company is at the forefront of re-imagining the future of work post-pandemic with the objective of - how employees can best manage their work and personal priorities, how they can continue to improve on their productivity & how they can maintain strong connectedness via a hybrid new work environment.

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.

#### Principle 4 : Stakeholder Engagement & Relation

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

As a Company committed to being a force for good and a force for growth, we believe we have a responsibility to give back to the communities we operate in. In response to the COVID-19 pandemic, we launched the '#PGSurakshaIndia' program through which we have been positively impacting communities in partnership with the government and relief organizations. The Company also received an award as recognition from the Bhiwadi Manufacturers Association (BMA) for the contributions made to fight COVID-19 pandemic.

We partnered with the government & industries to kickstart 'Suraksha Circles' & engaged with 1400+ organizations to lay down hygiene & safety standards at manufacturing facilities. 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 and hygiene benefits they provide.

We are leveraging the voice of our brands and our media muscle to share important health and safety guidelines with consumers. Through our communications expertise, we are encouraging consumers to follow measures like social distancing, wearing masks and encouraging vaccination to help combat the spread of the virus.

Our in-store counsellors & Direct-to-Customer team are connecting with consumers via telephone and through social media videos to raise awareness on hygienic practices.

In the current situation and going forward, vaccines play a critical role in containing the spread of the virus.



To support the government's inoculation efforts, P&G India, as a group, contributed ₹ 50 Crore towards 10 lakh vaccine doses for 5 lakh citizens, to 20+ State Governments in India. Our products play an important role in ensuring hygiene which is more critical than ever before. In partnership with the government and relief organizations, P&G India donated 35 lakh+ health and hygiene products to underprivileged communities, childcare institutions and frontline workers across the country. Masks and hand sanitizers play an essential role in preventing the spread of the pandemic. P&G India donated 20 lakh+ masks and sanitizers to frontline workers & underprivileged communities.

We are committed to step up to support our communities during this unprecedented time. In partnership with TATA Trusts, P&G India is upgrading and expanding hospital facilities across 10 hospitals in India. This will help support and enhance the urgent healthcare facilities needed in our fight against the pandemic. These permanent facilities will not only meet the immediate needs but also be helpful to the communities in the long-term. The hospitals will be armed with critical care capabilities, radiological equipment, life-saving machines like ventilators, and more. Additionally, we are also setting-up oxygen plants at hospitals and have donated oxygen concentrators to local authorities to support their fight against the pandemic.

#### Principle 5 : Human Rights Protection

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

Our core values as a Company include treating everyone with respect. We have a strong non-discrimination policy and have zero tolerance for unlawful discrimination. Your Company advocates for all employees, regardless of race, religion, gender, sexuality, age or disability. We respect everyone's right to be who they are, and want all employees to feel safe, included and able to bring their whole selves to work. We aspire to create a gender-equal world with equal representation for all individuals. We are committed to driving equality within the Company. We are adopting equality based policies, broadening our definition of leadership and empowering our people



to join us in building a workplace that is equal for all individuals. We are driving equality across the shop floor through deliberate interventions right from the recruitment stage. Your Company's Human Rights Policy statement extends to all the employees and all stakeholders associated with the Company. No complaints with respect to Human Rights violation were received by the Company during the Financial Year.

began more than 25 years ago as a network for fostering workplace equality for LGBTQ+ employees, today it has grown into a supportive and global community, with chapters in 40 countries including India. These chapters represent the diversity of our employees, as well as strong allies who support individuality and inclusion. In India, we are busting myths, initiating series of conversations internally and externally and taking meaningful steps towards creating a truly inclusive culture, where all LGBTQ+ employees and allies can bring their full selves to work every day.



#ShareTheCare

Your Company had undertaken following initiatives towards fostering Equality and Inclusion during the year:

#### **#ShareTheCare – Equality Begins at Home**

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

#### **GABLE network**

GABLE is dedicated to fostering an inclusive, supportive global network that enables Lesbian, Gay, Bisexual and Transgender employees, and their allies, to contribute to their fullest potential and to bring their whole self to work every day. At P&G, GABLE



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

At P&G, we believe 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 achieving gender equality, we have partnered with Catalyst on their MARC™ (Men Advocating Real Change) initiative. Through MARC, we aspire to engage the hearts and minds of men as full partners in achieving gender equality inside and outside P&G. Through this effort, men better understand the impact that stereotypes, unconscious bias and male-dominant culture have on women's career progression.

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

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

#### **Partnering with NITIE to Advance Gender Equality in STEM**

Data shows that about 40% of science, technology engineering and mathematics (STEM) graduates in India are women, which is the highest in the world. But women are significantly underrepresented in STEM constituting a mere 14% of the available roles. One of the reasons for this, is the deep rooted myths and stereotypes that hold back the advancement of women in STEM roles. To break these stereotypes, P&G group, has partnered with NITIE to host the first



P&G-NITIE Equality Summit to spark conversations on issues that perpetuate a glass ceiling for women, uncover deep-rooted stereotypes that still exist, and motivate change specifically linked to equal representation in STEM and Supply Chain. P&G India has also committed to annually engage with 150+ colleges offering STEM curriculum via a dedicated program focused on breaking gender barriers in STEM and Supply Chain.

#### **Advancing gender equality at manufacturing site**

Gender Equality is a longstanding value at P&G. Over the past 4 years, P&G India has made significant progress and increased the representation of women at its manufacturing sites in India (including the manufacturing sites of the Company). This has been possible through our deliberate approach to identify and bust barriers that are holding women back.

An example of this is our 'Venus Betiyan Program' that provides a platform to girls wanting to pursue a career in manufacturing. Through this program, girls are provided with an exclusive three-year training program and an apprenticeship opportunity to gain hands-on experience on the shop floor. We are also offering mentorship programs to female family members of our employees who wish to pursue careers in manufacturing.

Earlier this year, we also announced our commitment to advance women in science, technology engineering and mathematics (STEM) roles by leveraging Government's NEEM Mission at our manufacturing plants to create upskilling opportunities exclusively for girls in the neighbouring communities.

#### **#WeSeeEqual Summit**

During the year, to mark International Women's Day, your Company hosted first virtual #WeSeeEqual Summit in India. The #WeSeeEqual Summit welcomed those with diverse perspectives and backgrounds allowing employees, P&G partners and change-makers to share their stories as part of our commitment to gender equality. The annual event was born out of your Company's aspiration to create a world free from gender bias, a world with equal representation and an equal voice for all individuals. To celebrate and acknowledge the amazing impact of women inside P&G and beyond, this year's summit featured a variety of panel discussions with P&G leaders and like-minded influencers and thought leaders. During the forum, the panelists discussed various issues like, the importance of equality-based policies, the recognition of stereotypical expectations, etc.



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

P&G has been leveraging its voice in advertising and media to spark conversations on gender equality. As we continue to drive accurate portrayal of women in front of the camera, we announced our commitment to drive equal representation behind the camera. Over the next three years, P&G has committed to achieve equal representation of women directors for advertisements across its brands in India. Having more women behind the camera will help





## P&G India announced its declarations to take action and inspire change on Gender Equality in India



**Educate 2.5 crore+ adolescent girls, on puberty and hygiene over the next three years**



**Spend ₹300 Cr by deliberately working with women-owned businesses over the next three years**



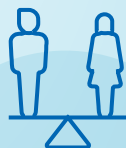
**Have equal representation of female directors for our advertisements over the next three years**



**Building digital and technological capability of 10,000+ women across P&G's external network over the next year**



**Leveraging Government's NEEM Mission to upskill and create opportunities exclusively for girls**



**Engaging 150+ colleges that offer STEM curriculum to break gender barriers in STEM and Supply Chain**

the industry achieve a more accurate and unbiased portrayal of women in advertising. P&G will lead this through a comprehensive set of actions that build, fuel and connect a pipeline of diverse female talent in advertising, media and content opportunities as a systemic solution.

### Principle 6 : Environment

At P&G, environmental sustainability is embedded in how we do business. We continue to reduce our footprint and strive for more circular solutions. We're building partnerships with external organizations to combat some of the most pressing challenges and complex issues we face today. And most importantly, our employees are committed to ensuring that sustainability is built into their work, not bolted on.

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

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

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

With our operations, we strive to grow responsibly, constantly improving our efficiency while reducing our environmental footprint. We are proud that our manufacturing site in India is 'Zero Manufacturing Waste to Landfill' which means that no manufacturing waste is discharged 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.

We are committed to help reduce the flow of plastic by making changes now and bringing long-term solutions. We have put in place a system to recover and recycle packaging waste. We are working with various waste management companies and the industry to collect, segregate and recycle plastic packaging waste. Last year, P&G India collected, segregated, and recycled over 7200 MT of waste.

We're building partnerships with external organizations to combat some of the challenges and issues we are facing today on sustainability.

In 2019, we 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'. The Alliance is supporting an array of projects and partnerships that focus on solutions in four core areas: infrastructure, innovation, education and cleanup, with particular emphasis where the need is most urgent in Southeast Asia including India. In India, the focus is to incentivize the unorganized sector through investments in businesses, value-adding to collection and sorting of waste, and expansion of plastic waste processing and recycling capacity.

With serious challenges facing us — climate change, plastic waste, and more — P&G along with the industry is stepping up and joining forces with NGOs, academics, governments and more to collectively develop solutions at scale. We are also identifying solutions that optimize the distribution routes and drive increased use of multi-modal transportation thereby reducing our carbon footprint. We know P&G alone does not have all the answers. It will take innovative partnerships and collaboration with carriers, retailers and the broader transportation industry to find unique ways to deliver our products with fewer and friendlier miles.

#### 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); and
- India Home & Personal Care Industry Association (IHPCIA).

Some of the key issues on which your Company engaged with the Government in 2020-21 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;
- Obtaining permits for use of specified raw materials in manufacturing plants and processes;
- Plastic waste management rules, single use plastic ban Notifications, EPR Framework; and
- Obtaining permissions for administering vaccinations to employees at various sites.

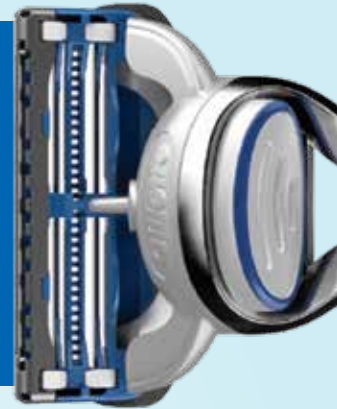
#### Principle 8 : Inclusive growth and Equitable development

We aspire to create a company and a world where equality and inclusion is achievable for all. Your Company believes that the only way to build a sustainable business is to improve lives. For your Company, sustainability means making every day





*Gillette's 'Barber Parivaar Suraksha' program supports barbers and their families*



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 three pillars – *P&G Shiksha*, *P&G Suraksha India* and Timely Disaster Relief. *P&G Shiksha* provides access to holistic education for underprivileged children through a 360-degree educational intervention. In response to the COVID-19 pandemic, the Company launched the '*#PGSurakshaIndia*' program through which we have been positively impacting communities in partnership with the government and relief organizations. Your Company's disaster relief aims to provide comforts to those affected by natural disasters. Your Company has undertaken Corporate Social Responsibility initiatives during the Financial Year amounting to ₹ 16.10 Crores which are 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 P&G's walls. We are driving action to make a meaningful difference, and we care deeply about our impact, always striving to make the world a little bit better through our actions.

We continued to provide education to underprivileged children through our program '*P&G Shiksha*'. In addition to this work, our brands and people are doing tremendous work to make a positive difference in the lives of so many.

#### **Gillette Barber Suraksha Program**

The barber community are among those who are greatly impacted by the pandemic related lockdown. In 2020, your Company launched '*Gillette Barber Suraksha*' Program aimed at educating, protecting,

and providing resources to the barbers as they return to business. As an extension to this program, in 2021, the Company launched '*Gillette Barber Parivaar Suraksha*' program providing health insurance cover of ₹ 1 lakh to the families of barbers as well. The insurance cover is aimed at providing barbers and their families the much-needed support as they return to business during these tough times.

#### **Empowering marginalized girls through education**

We are committed to breaking gender-biased barriers to education for girls in India. We partnered with 'Save the Children' to support the government run residential Kasturba Gandhi Balika Vidyalaya (KGBV) in Rajasthan to provide quality education to girls through holistic infrastructure and learning interventions. Through our program, over the years, we have impacted more than 80,000 girls to date.

#### **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 Procter & Gamble'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:

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

imparting education, training and social awareness.

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

- Imparting education, training (vocational and skill based) and creating social awareness
- Awareness programs on girl education
- Empowerment of women for education/health & self-employment
- Empowerment of differently abled children and their self-development
- Skill development and generation of employment by locally driven initiatives
- Promoting preventive healthcare and sanitation by providing health and hygiene products
- Making available safe drinking water
- Promoting sports and cultural activities
- Creating awareness and development of infrastructure for sports and cultural activities
- Measures for the benefit of armed forces veterans, war widows and their dependents and
- Relief and support to victims of natural calamities in any part of the Country.

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

**2. The composition of the CSR Committee as on date:**

Name of the Member of the Committee	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Anil Kumar Gupta	Chairman	3	3
Mr. Madhusudan Gopalan	Member	3	3
Mr. Gurcharan Das	Member	3	3
Ms. Sonali Dhawan	Member	3	3

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





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

The Company conducts internal assessments to monitor and evaluate its strategic CSR programs. The requirement of impact assessment report is not applicable to the Company for the Financial Year 2020-21.

**4. Details of amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any - Not Applicable.**

**5. Average net profit of the Company for last three Financial Years – ₹ 333.44 Crores**

6. a) Prescribed CSR expenditure (2% of amount as in item 5) – ₹ 6.67 Crores

b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years – Nil

c) Amount required to be set off for the Financial Year – Nil

d) Total CSR obligation for the Financial Year (a+b-c) – ₹ 6.67 Crores

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

a) Total amount spent for the Financial Year – ₹ 16.1 Crores

b) Total Amount transferred to Unspent CSR Account as per section 135 (6) of the Companies Act, 2013 – Nil

c) Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Companies Act, 2013 – Nil

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

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project	(6) Amount spent for the project (in ₹ Crores)	(7) Mode of Implementation: Direct (Yes/No)	(8) Mode of implementation Through implementing agency	
							Name	CSR registration number
1	P&G Shiksha: Build & Support Schools	Promoting education	Yes	Pan-India	1.80	No	Round Table India Trust	CSR00000895
2	P&G Shiksha: Supporting remedial learning via digital learning	Promoting education	Yes	Rajasthan, Madhya Pradesh, Himachal Pradesh, Telangana	2.00	Yes	-	-
3	P&G Suraksha India: Hospital capacity expansion	Promoting healthcare	Yes	Himachal Pradesh, Rajasthan, Telangana, Madhya Pradesh Maharashtra	2.80	No	TATA Trusts	CSR00003775
4	Contribution to State of Kerala for COVID-19 vaccination of citizens in the State of Kerala	Promoting healthcare	No	Kerala	0.50	No	-	-
5	Contribution to State of Rajasthan for COVID-19 vaccination of citizens in the State of Rajasthan	Promoting healthcare	Yes	Rajasthan	5.00	No	-	-
6	Contribution to State of Tamil Nadu for COVID-19 vaccination of citizens in the State of Tamil Nadu	Promoting healthcare	No	Tamil Nadu	1.00	No	-	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project	Amount spent for the project (in ₹ Crores)	Mode of Implementation: Direct (Yes/No)	Mode of implementation Through implementing agency	
							Name	CSR registration number
7	Contribution to State of Karnataka for COVID-19 vaccination of citizens in the State of Karnataka	Promoting healthcare	No	Karnataka	1.00	No	-	-
8	Contribution to State of Andhra Pradesh for COVID-19 vaccination of citizens in the State of Andhra Pradesh	Promoting healthcare	No	Andhra Pradesh	1.00	No	-	-
9	Contribution to State of West Bengal for COVID-19 vaccination of citizens in the State of West Bengal	Promoting healthcare	No	West Bengal	0.50	No	-	-
10	Contribution to State of Uttarakhand for COVID-19 vaccination of citizens in the State of Uttarakhand	Promoting healthcare	No	Uttarakhand	0.50	No	-	-

10. a. Amount spent in Administrative Overheads – Nil  
b. Amount spent on Impact Assessment, if applicable – Nil  
c. Total amount spent for the Financial Year – ₹ 16.10 Crores  
d. Excess amount for set-off, if any -

Sr. No.	Particulars	Amount (in ₹ Crores)
1	Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013	6.67
2	Total amount spent for the Financial Year	16.10
3	Excess amount spent for the Financial Year [(2)-(1)]	9.43
4	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
5	Amount available for set off in succeeding Financial Years [(3)-(4)]	9.43

11. a) Details of Unspent CSR amount for the preceding three Financial Years: Not Applicable  
b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s): Not Applicable

12. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year – Not applicable

13. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) of the Companies Act, 2013 - Not applicable

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

**Madhusudan Gopalan**  
**Managing Director**

**Anil Kumar Gupta**  
**Chairman of the CSR Committee**

## ANNEXURE III

**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	Remuneration (₹ in lakhs)	Commission (₹ in lakhs)	Sitting Fees (₹ in lakhs)	Total (₹ in lakhs)	Ratio
Mr. Madhusudan Gopalan <sup>§</sup>	MD	92.41	-	-	<b>92.41</b>	8.00
Mr. Bansidhar S. Mehta	ID	-	3.49	2.00	<b>5.49</b>	0.48
Mr. Chittranjan Dua	ID	-	15.00	8.50	<b>23.50</b>	2.03
Mr. Gurcharan Das	ID	-	15.00	8.50	<b>23.50</b>	2.03
Mr. Anil Kumar Gupta	ID	-	15.00	8.75	<b>23.75</b>	2.06
Mr. Narendra P. Sarda	ID	-	2.42	2.00	<b>4.42</b>	0.38
Ms. Anjuly Chib Duggal	ID	-	15.00	6.50	<b>21.50</b>	1.86
Mr. Pramod Agarwal	NED	-	15.00	7.75	<b>22.75</b>	1.97
Ms. Sonali Dhawan	NED	-	-	-	-	-
Mr. Karthik Natarajan	ED	-	-	-	-	-
Mr. Gagan Sawhney <sup>§§</sup>	ED	48.19	-	-	<b>48.19</b>	4.17

<sup>§</sup> ₹ 92.41 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.

<sup>§§</sup> ₹ 48.19 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. Mr. Sawhney has been redesignated as Non-Executive director on the Board effective August 1, 2021.

**ii. % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:**

Designation	Name of Director/KMP	% increase in remuneration
Chief Executive Officer	Mr. Madhusudan Gopalan	7.4%
Company Secretary	Mr. Ghanashyam Hegde	6.0%
Chief Financial Officer and Executive Director	Mr. Gagan Sawhney	6.6%
Independent Director	Mr. Chittranjan Dua	7.1%
Independent Director	Mr. Gurcharan Das	7.1%
Independent Director	Mr. Anil Kumar Gupta	7.1%
Independent Director	Ms. Anjuly Chib Duggal	7.1%
Independent Director	Mr. Bansidhar S. Mehta	N.A.
Independent Director	Mr. Narendra P. Sarda	N.A.
Non-Executive Director	Mr. Pramod Agarwal	7.1%
Non-Executive Director	Ms. Sonali Dhawan	N.A.
Non-Executive Director	Mr. Karthik Natarajan	N.A.

**iii. The % increase in the median remuneration of employees in the Financial Year- 5.5%**
**iv. The number of permanent employees on the rolls of Company- 573.**
**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 12.58% whereas the increase in managerial remuneration was 15.39%. The average increase every year is an outcome of Company's market competitiveness as against peer group companies.

**I affirm that the remuneration is as per the remuneration policy of the Company.**





**ANNEXURE IV**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2021**

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

**To,**  
**The Members,**  
**GILLETTE INDIA LIMITED**  
**CIN: L28931MH1984PLC267130**  
 P&G Plaza, Cardinal Gracias Rd,  
 Chakala, Andheri (E),  
 Mumbai MH 400099 IN.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GILLETTE INDIA LIMITED (L28931MH1984PLC267130)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 me; 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, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 30<sup>th</sup> June, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30<sup>th</sup> June, 2021 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) 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;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

The Company has further complied with below mentioned laws, which are specifically applicable to the Company.

- i. Drugs and Cosmetics Act, 1940
- ii. Cosmetics Rules, 2020
- iii. The Legal Metrology Act, 2009 and
- iv. The Legal Metrology (Packaged Commodities) Rules, 2011



Following laws were not applicable to the Company during the Audit period:

- i. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- ii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

I have also examined compliance with the applicable clauses of the following

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with 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 and Standards, etc as mentioned above.

I further report that:

- The Board 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 Act.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions were carried through unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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

I further report that during the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

For **Saraf & Associates**  
**Practising Company Secretaries**

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

Place : Mumbai  
Date : 24.08.2021  
UDIN : F001596C000826739

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this report.



## 'ANNEXURE 1'

**To,**  
**The Members,**  
**GILLETTE INDIA LIMITED**  
**CIN: L28931MH1984PLC267130**  
 P&G Plaza, Cardinal Gracias Rd,  
 Chakala, Andheri (E),  
 Mumbai MH 400099 IN.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Saraf & Associates**  
**Practising Company Secretaries**

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

Place : Mumbai  
 Date : 24.08.2021  
 UDIN : F001596C000826739





# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMY AND MARKETS

The year 2020 was volatile with unprecedented challenges. The COVID-19 pandemic impacted each aspect of human life and the world economy including India. The Indian economy contracted by 7.3% in 2020-2021. The outbreak of the COVID-19, the subsequent lockdown and restrictions imposed to contain the spread of the COVID-19 pandemic resulted in supply chain disruptions. However, with easing of the lockdown, the economy displayed signs of recovery. The Government introduced several initiatives and measures which provided impetus and boosted the economy.

The pandemic also caused changes in the consumer landscape in India. The increased adoption of digitization and technologies have led to a surge in consumers shopping online. Movement restrictions have also led to creation of newer distribution channels. During 2020-2021, the rural market recorded double digit growth and outpaced the urban demand across categories including personal and household care.

## OPPORTUNITIES, RISK AND OUTLOOK

The International Monetary Fund (IMF) projects the Indian economy to grow by 9.5% in 2021-2022. The trajectory of the pandemic continues to be unpredictable. However, the roll-out of vaccines and government initiatives are expected to boost the growth of the economy. New distribution channels are emerging, and digital penetration is increasing, creating opportunities for the FMCG industry. However, amidst this, it will be imperative for companies to navigate through these uncertainties and capitalize on the available opportunities with agility.

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

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

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

## REGULATORY AND COMPLIANCE RISKS

Your Company operates within the letter and spirit of all applicable laws. General compliance with legal requirements is an important component of 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 Ms. Pooja Bhutra, Chartered Accountant, as the Internal Auditor of the Company for the Financial Year 2020-21.

## INTERNAL CONTROLS & THEIR ADEQUACY

Your Company continues to prioritize sustainable control processes that are integral part of organization Culture. It has built strong Internal Controls Environment and Risk Assessment / Management systems. These systems enable the Company to comply with Internal Company policies, procedures, standard guidelines and local laws to help protect Company's assets and confidential information 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 the Company 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 and 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 Governance Board assesses and reviews enterprise level risks and works with process owners and functional managers to ensure that corrective action is taken, and risk is mitigated as appropriate.

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

## HR INITIATIVES

Your Company operates in a highly competitive environment vis-à-vis attracting the best talent for its operations. 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 and supported them with the necessary infrastructure and high-impact live projects. COVID CARE was extended to them as applicable during the second wave. We have maintained best-in-class campus engagement over the year and are ranked in the Top 10 Employers in the Annual Universum Campus Survey.

**Developing Talent:** Our policies on leadership pipeline, talent planning, mentoring and diversity & inclusion continue to ensure that we attract and retain the best talent. Our new hires into the Company are given a thorough on-boarding to ensure that they are early contributors in their roles and feel valued. Building organization capability continues to be a key focus area for us as we continue to organize virtual learning sessions and trainings.

Our Company's performance management system is robust and strives for Impact through Growth. It clearly assesses and differentiates employees on the basis of performance. We have established a CARE program to build the capability of our people managers. With 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, 2021 was 573.



# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PHILOSOPHY

Your Directors are pleased to present the Corporate Governance Report.

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

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

- 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, fair employment practices, diversity and inclusion and environmental protection.

Your Company has a highly experienced Board of Directors, which helps to maintain the highest standards of Corporate Governance. The Audit Committee is comprised of Independent Directors, with appropriate financial skills to provide good oversight. Your Company has adopted a Code of Conduct for its Directors, which is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. Your Company has in place strong internal controls, to ensure compliance with all relevant regulations and standards. Its rigorous business process controls include ongoing programs of self-assessment, controls, as well as internal and external audits.

Our reputation is earned by our conduct: what we say, what we do, the products we make, the services

we provide, and the way we act and treat others. As conscientious citizens and employees, we want to do what is right. For your Company, this is the only way to do business.

## BOARD OF DIRECTORS

### (a) Composition of the Board:

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors. As on date, the Board comprises of a Non-Executive Independent Chairman, two 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 Independent Directors are independent of the management and bring external perspective 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/india-governance-and-policies/gil/terms-and-policies/>.

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. 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. All Independent Directors have completed the registration with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs.

All Directors have confirmed that as on June 30, 2021, they have not been disqualified from being appointed as a Director in terms of section 164(2) of the Companies Act, 2013. The Company has obtained a certificate from Saraf & Associates, Company Secretaries, annexed to this Report, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing to hold office of Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.



The composition of the Board of Directors and other Directorships held as on June 30, 2021 are given below:

Name of the Director	Category	Designation	Directorships in other Companies*	Membership of Board Committees of other Companies**	
				Member	Chairman
Mr. Gurcharan Das	ID	Chairman	2	—	—
Mr. Madhusudan Gopalan	ED	Managing Director	2	2	—
Mr. Chittranjan Dua	ID	Director	13	4	1
Mr. Anil Kumar Gupta	ID	Director	1	2	-
Ms. Anjuly Chib Duggal	ID	Director	-	-	-
Mr. Pramod Agarwal	NED	Director	2	-	-
Ms. Sonali Dhawan	NED	Director	1	-	-
Mr. Karthik Natarajan <sup>@</sup>	ED	Executive Director	1	-	-
Mr. Gagan Sawhney <sup>#</sup>	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

<sup>@</sup> Mr. Karthik Natarajan has been redesignated as Non-Executive Director effective August 24, 2021.

<sup>#</sup> Mr. Gagan Sawhney ceased to be the Chief Financial Officer of the Company effective July 31, 2021 and has been re-designated as Non-Executive Director effective August 01, 2021.

The Board of Directors at their meeting held on July 6, 2021, on the recommendation of the Nomination & Remuneration Committee, have appointed Mr. Gautam Kamath, as an Additional Director and Executive Director for a period of five years effective August 1, 2021, subject to approval of the Shareholders, being sought by Postal Ballot and subject to approval of the Central Government

The Board of Directors at their meeting held on August 24, 2021, on the recommendation of the Nomination & Remuneration Committee, have appointed Mr. Srinivas Maruthi Patnam, as an Additional Director and Executive Director for a period of five years effective September 1, 2021, subject to approval of Shareholders at the ensuing 37<sup>th</sup> Annual General Meeting.

The other listed companies in which Directors on the Board of your Company are also Directors as on June 30, 2021 are listed below:

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

**(b) Meetings of the Board:**

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

Four meetings of the Board of Directors were held during the Financial Year July 1, 2020 to June 30, 2021. These meetings were held on August 26, 2020, November 10, 2020, February 4, 2021, and May 5, 2021. Apart from the Board meetings, the Directors also had an additional meeting on March 23, 2021 for a detailed strategic discussion on business and operations of the Company.

**(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 held on November 25, 2020, 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 <sup>#</sup>	1	1	NA
Mr. Gurcharan Das	4	4	Yes
Mr. Madhusudan Gopalan	4	4	Yes
Mr. Chittranjan Dua	4	4	Yes
Mr. Anil Kumar Gupta	4	4	Yes
Mr. Narendra P. Sarda <sup>@</sup>	1	1	NA
Ms. Anjuly Chib Duggal	4	4	Yes
Mr. Pramod Agarwal	4	4	Yes
Ms. Sonali Dhawan	4	4	No
Mr. Karthik Natarajan	4	2	Yes
Mr. Gagan Sawhney	4	4	Yes

\* Board Meetings held during the year were convened through video-conference.

<sup>#</sup> Mr. Bansidhar S. Mehta ceased to be Director and Chairperson on the Board on September 28, 2021 on completion of his tenure.

<sup>@</sup> Mr. Narendra P. Sarda ceased to be Director on the Board on August 28, 2021 on completion of his tenure.

**(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 and August 11, 2021 (via videoconferencing) 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. The Chairperson did not participate in discussions pertaining to his own evaluation.

**(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 Obligations and Disclosure Requirements) 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/>.

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 transaction entered into during the Financial Year 2020-21 are given below:

<b>Name of Related Party</b>	Procter & Gamble International Operations S.A., Singapore Branch
<b>Nature of transaction</b>	Import of Finished Goods
<b>Amount of transaction during Financial Year 2020-21</b>	₹ 260 Crores

The above transaction was approved by the shareholders by passing an Ordinary Resolution through postal ballot on January 8, 2018. Being related parties, 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 33<sup>rd</sup> 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 and 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 24, 2021 approved a payment of annual commission of ₹ 15 lakhs, to Non-P&G (who are not in employment of any P&G group entity) Non-Executive Directors. These Directors are paid to compensate their valuable contribution to the Company owing to their wealth of experience and knowledge.

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

Details of the remuneration paid / provided to the Directors of the Company for the Financial Year ended June 30, 2021 are given below:

Name of the Director	Relationship with other Directors	Salary including Bonus + PF contribution	Commission	Sitting Fees	Amount in ₹ lakhs
					Shares held (Equity Shares of ₹ 10/- each)*
Mr. Bansidhar S. Mehta <sup>^</sup>	None	—	3.49 <sup>#</sup>	2.00	—
Mr. Chittranjan Dua	None	—	15.00	8.50	—
Mr. Madhusudan Gopalan	None	— <sup>\$</sup>	—	—	—
Mr. Gurcharan Das	None	—	15.00	8.50	—
Mr. Anil Kumar Gupta	None	—	15.00	8.75	—
Mr. Narendra P. Sarda <sup>^</sup>	None	—	2.42 <sup>#</sup>	2.00	—
Ms. Anjuly Chib Duggal	None	—	15.00	6.50	—
Mr. Pramod Agarwal	None	—	15.00	7.75	100
Ms. Sonali Dhawan	None	—	—	—	—
Mr. Karthik Natarajan	None	—	—	—	—
Mr. Gagan Sawhney	None	— <sup>\$\$</sup>	—	—	—

\* Excludes shares held by relatives.

<sup>#</sup> Commission paid for part of the financial year based on tenure of Directorship.

<sup>\$</sup> ₹ 92.41 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.

<sup>\$\$</sup> ₹ 48.19 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. Mr. Sawhney has been redesignated as Non-Executive Director on the Board effective August 1, 2021.

<sup>^</sup> Mr. Narendra P. Sarda and Mr. Bansidhar S. Mehta ceased to be Directors of the Company on completion of their tenure on August 28, 2020 and September 28, 2020 respectively.



### 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

The Audit Committee presently comprises of Mr. Chittranjan Dua (Chairman), Mr. Gurcharan Das (Member), Mr. Anil Kumar Gupta (Member), Ms. Anjuly Chib Duggal (Member), Mr. Pramod Agarwal (Member) and Mr. Madhusudan Gopalan (Member). Mr. Ghanashyam Hegde is the Secretary of the Audit Committee. During the Financial Year, the Audit Committee met on August 26, 2020, November 10, 2020, February 4, 2021, and May 5, 2021.

The attendance of the members of the Audit Committee during Financial Year 2020-21 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	4
Mr. Bansidhar S. Mehta <sup>®</sup>	Member	NED/ID	1	1
Mr. Gurcharan Das	Member	NED/ID	4	4
Mr. Anil Kumar Gupta	Member	NED/ID	4	4
Mr. Narendra P. Sarda <sup>§</sup>	Member	NED/ID	1	1
Ms. Anjuly Chib Duggal	Member	NED/ID	4	4
Mr. Madhusudan Gopalan	Member	ED	4	4
Mr. Pramod Agarwal	Member	NED	4	4

NED – Non-Executive Director; ID – Independent Director

ED – Executive Director

\* Meetings held during the year were convened through video-conference.

® Mr. Bansidhar S. Mehta ceased to be a member of the Audit Committee on September 28, 2020 on completion of his tenure.

§ Mr. Narendra P. Sarda ceased to be a member of the Audit Committee on August 28, 2020 on completion of his tenure.

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;

- vi. Evaluation of internal financial controls and risk management systems;
  - vii. 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;
  - viii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - ix. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of 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 presently comprises of Mr. Anil Kumar Gupta (Chairman), Mr. Madhusudan Gopalan (Member) and Ms. Sonali Dhawan (Member). During the Financial Year, two meetings were held on November 10, 2020 and February 4, 2021.
- 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	2	2
Mr. Madhusudan Gopalan	2	2
Ms. Sonali Dhawan	2	2

\*Meetings held during the year were convened through video-conference.

The role of the Committee is as follows:

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

During the Financial Year, the Company received 7 complaints from Shareholders. These complaints have been resolved during the Financial Year. There were no pending complaints as on June 30, 2021.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently comprises of Mr. Chitranjan Dua (Chairman), Mr. Anil Kumar Gupta (Member), Mr. Gurcharan Das (Member), Mr. Pramod Agarwal (Member) and Ms. Sonali Dhawan (Member). During the Financial Year, two meetings were held on August 26, 2020, and February 4, 2021.

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

Members of the Committee	No. of meetings held during tenure*	No. of meetings attended
Mr. Chitranjan Dua	2	2
Mr. Gurcharan Das	2	2
Mr. Anil Kumar Gupta	2	2
Ms. Sonali Dhawan	2	1
Mr. Pramod Agarwal	2	2

\* Meetings held during the year were convened through video-conference.

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/>.

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 presently comprises of Mr. Anil Kumar Gupta (Chairman), Mr. Madhusudan Gopalan (Member), Mr. Gurcharan Das (Member) and Ms. Sonali Dhawan (Member). During the Financial Year, three meetings were held on August 26, 2020, February 4, 2021 and May 5, 2021.

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	3	3
Ms. Sonali Dhawan	3	3
Mr. Madhusudan Gopalan	3	3
Mr. Gurcharan Das	3	3

\* Meetings held during the year were convened through video-conference.

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:
  - i. Environment – by conservation of resources, using renewable resources, generating worth from waste; and
  - ii. Social – by providing the comforts of home, improving health and hygiene of people, social and cultural development, imparting education, training and social awareness.

The CSR initiatives of the Company form part of the Directors' Report. The CSR Policy is available on the Company's website at <https://in.pg.com/india-governance-and-policies/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 26, 2020, November 10, 2020 and February 4, 2021.

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 formulate a detailed risk management policy which shall include details, as prescribed by law from time to time.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.



- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- To review appointment, removal and terms of remuneration of the chief risk officer (if any).

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	3
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

\* Meetings held during the year were convened through video-conference.

#### 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, three Meetings were held on August 26, 2020, February 4, 2021 and May 5, 2021.

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	3	3
Mr. Chittranjan Dua	3	3
Mr. Anil Kumar Gupta	3	3
Mr. Karthik Natarajan	3	3

\* Meetings held during the year were convened

through video-conference.

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:

- protecting long term growth of the Company;
- maximizing return to the Shareholders; and
- 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 conducts presentations at meetings of the Board and meeting of various Committees of the Board periodically to familiarize the Independent Directors with the business performance, business strategy, operations and functions of the Company. Such presentations are made by functional heads so that Independent Directors can have direct interaction with them. This helps the Independent Directors to understand the Company's strategy, business model, operations, market, competition, organization structure, risk analysis and such other areas.

The Company updates the Independent Directors on changes in relevant laws / regulations from time to time. Each member of the Board, including the Independent Directors, are given any information relating to the Company, whenever they so request. Independent Directors have the freedom to interact with the Company's management.

In case of appointment of new Independent Director on the Board of the Company, the Company:

- 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:

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

<b>FMCG Domain Expertise</b>	Experience of FMCG industry.
<b>Regulatory / Policy</b>	Experience of regulatory advisory, policy formulation & implementation, public administrative experience.

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

<b>Name of Director</b>	<b>Area of Expertise</b>
Mr. Gurcharan Das	Strategy & Business Operation Finance & Accounting Regulatory & Policy FMCG Industry
Mr. Chittranjan Dua	Legal Strategy & Business Operation Regulatory & Policy
Mr. Madhusudan Gopalan	Strategy & Business Operation FMCG Industry Finance & Accounting
Mr. Anil Kumar Gupta	Strategy & Business Operation FMCG Industry Finance & Accounting
Ms. Anjuly Chib Duggal	Regulatory & Policy Finance & Accounting
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
Mr. Gautam Kamath*	Finance & Accounting Strategy & Business Operation FMCG Industry

\* Mr. Gautam Kamath was appointed as a Director on the Board and Chief Financial Officer of the Company effective August 1, 2021.

**(k) Annual Evaluation of the Directors:**

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

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

**(l) Disclosures regarding appointment / re-appointment of Directors:**

**1. Mr. Karthik Natarajan**

Mr. Natarajan is a Chartered Accountant and has completed his Bachelor of Commerce from R. A. Podar College, Mumbai. He has been with P&G for over 21 years and is currently the Senior Vice President and regional CFO, Asia Pacific, Middle East & Africa. Over his experience at P&G, he has 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. He has been re-designated as a Non-Executive Director of the Company effective August 24, 2021 and is also a Director on the Board of Procter & Gamble Hygiene and Health Care Limited. Mr. Natarajan, retires by rotation and being eligible, offers himself for re-appointment at the ensuing 37<sup>th</sup> Annual General Meeting.

**2. Mr. Gagan Sawhney**

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, Greater China and Middle East. Presently, Mr. Sawhney is Vice President, Finance, P&G. He has held several leadership roles, such as leading Finance for P&G

Indian subcontinent and providing assurance and consulting support across regions as Finance Director, Internal Audit for P&G Global operations. He has been re-designated as a Non-Executive Director of the Company effective August 01, 2021 and is also a Director on the Board of Procter & Gamble Hygiene and Health Care Limited. Mr. Sawhney, retires by rotation and being eligible, offers himself for re appointment at the ensuing 37<sup>th</sup> Annual General Meeting.

**3. Mr. Srinivas Maruthi Patnam**

Mr. Srinivas Maruthi Patnam has done his Bachelor of Engineering from Nagpur University and has an MBA in Human Resources from Symbiosis Institute of Business Management, Pune. He has been associated with the Procter & Gamble group for the last 21 years. As an HR leader he has headed and driven transformational projects in various business units across five geographies. He is currently Vice President, Human Resources, P&G Indian subcontinent. Mr. Srinivas holds office as an additional director up to the date of the ensuing 37<sup>th</sup> Annual General Meeting. It is proposed to appoint Mr. Srinivas as Executive Director of the Company for a period of five years effective September 1, 2021, at the ensuing 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. Financial Results were published in the Business Standard and Mumbai Lakshadeep.
- (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 along with Notice calling the Annual General Meeting, for the Financial Year 2020-21, 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.
- (v) Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961

as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source (“TDS”) on the distribution of dividend income to its shareholders at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the requisite documents as mentioned in our letter, which is put up on the website at <https://in.pg.com/india-investors/gil/reports-announcements/announcements/>, in order to facilitate company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be emailed to Company’s Registrar & Transfer Agent (RTA) on or before November 7, 2021 in order to enable the Company to determine and deduct appropriate TDS.

### 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](mailto: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. The company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### GENERAL MEETINGS

AGM	Date	Time	Venue	No. of Special Resolutions passed
36 <sup>th</sup>	25.11.2020	11:00 a.m.	Annual general Meeting was convened through Video conferencing/ other audio visual means.  Deemed venue for the meeting was the Registered Office of the Company : P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai - 400 099.	—
35 <sup>th</sup>	26.11.2019	11:00 a.m.	Y. B. Chavan	4
34 <sup>th</sup>	30.11.2018	11:00 a.m.	Pratisthan, Gen. Jagannathrao Bhonsle Marg, Mumbai – 400 021	—

At the 35<sup>th</sup> Annual General Meeting held on November 26, 2019, the following Special Resolutions were passed:

- (i) Re-appointment of Mr. Bansidhar Sunderlal 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.

### POSTAL BALLOT

During the Financial Year, no special 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 2020-21, 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:

- a. There are no audit qualifications in the Company's financial statements for the Financial Year 2020-21;
- b. 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*', 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 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

The 37<sup>th</sup> Annual General Meeting will be held on **Tuesday, November 23, 2021 at 11.00 a.m.** through Videoconferencing facility. Deemed Venue for Meeting shall be the Registered Office of the Company: P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai - 400 099. Details of the link for joining and participating in the meeting through video-conferencing are provided in the notice convening the 37<sup>th</sup> Annual General Meeting. A transcript of the Annual General Meeting will be made available on the Company's website at <https://in.pg.com>.

### II. Financial Calendar

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

**III. Book Closure Dates:** Wednesday, November 17, 2021 to Tuesday, November 23, 2021 (both days inclusive). The said book closure is for payment of dividend.

**IV. Dividend Payment Date:** On or before December 17, 2021.



**V. Total fees paid to Statutory Auditors of the Company:** Total fees of ₹ 129.25 lakhs for Financial Year 2020-2021, 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 2020-21 are as under:

- a. Number of complaints filed during the Financial Year: 2
- b. Number of complaints disposed of during the Financial Year: 2
- c. Number of complaints pending as at end of the Financial Year: NIL

**VII. 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.

**VIII. Recommendations of Committees of the Board**

There were no instances during the Financial Year 2020-21, wherein the Board had not accepted recommendations made by any Committee of the Board.

**IX. Listing of Equity Shares on Stock Exchanges**

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.

**X. Stock Code**

BSE Limited : 507815  
 National Stock Exchange of India Limited : GILLETTE  
 Dematerialization ISIN Code : INE322A01010

**XI. Stock Price Data**

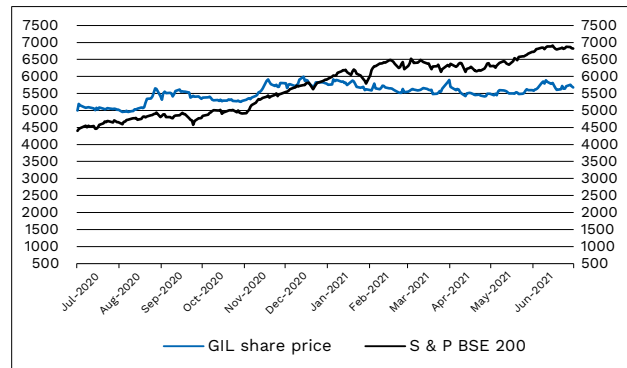
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July - 2020	5,367.90	4,910.00	5,394.00	4,946.05
August - 2020	5,752.60	4,902.05	5,750.00	4,941.00
September - 2020	5,729.90	5,178.80	5,669.20	5,103.30
October - 2020	5,432.35	5,011.00	5,461.00	5,218.00
November - 2020	6,000.00	5,252.85	5,999.00	5,240.40

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
December - 2020	6,730.15	5,600.00	6,200.00	5,555.10
January - 2021	5,956.80	5,555.00	5,939.95	5,630.60
February - 2021	5,994.00	5,500.05	6,000.00	5,495.00
March -2021	5,930.00	5,420.00	5,700.00	5,405.00
April - 2021	5,923.30	5,400.00	5,895.00	5,400.00
May - 2021	5,710.40	5,410.00	5,670.00	5,435.90
June - 2021	5,946.80	5,545.90	5,945.00	5,500.00

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

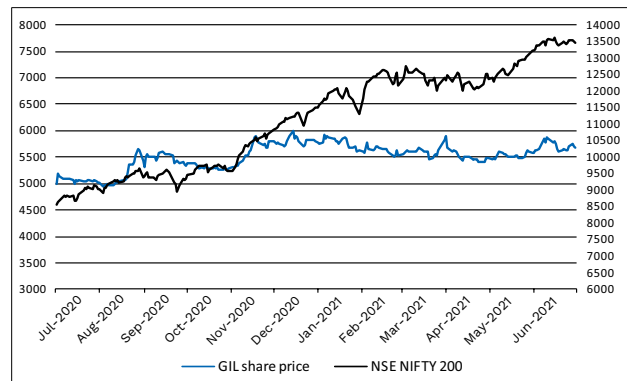
**XII. Stock Performance in comparison to the BSE Sensex and NSE Nifty**

The following chart shows the performance of the Company's shares as compared to the BSE Sensex during the Financial Year 2020-21:



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

The following chart shows the performance of the Company's shares as compared to the NSE Nifty during the Financial Year 2020-21:



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

**XIII. Registrar and Transfer Agents**

MAS Services Limited  
 T-34, 2<sup>nd</sup> floor, Okhla Industrial Area Phase II,  
 New Delhi - 110 020.  
 Ph: 011-26387281/82/83, Fax: 011-26387384  
 E-mail : [info@masserv.com](mailto:info@masserv.com)

#### XIV. 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), latest by 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.

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.

#### XV. Distribution of shareholding by size class as on June 30, 2021

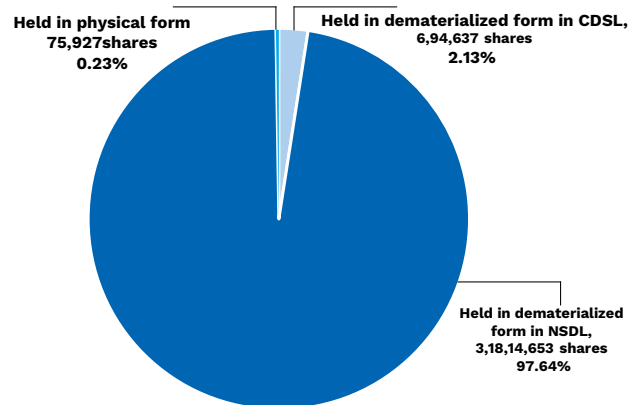
Shareholding (No. of Shares)	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	47,686	98.78	12,81,830	3.93
501 – 1000	307	0.63	2,22,474	0.68
1001 – 2000	139	0.29	1,93,639	0.60
2001 – 3000	47	0.09	1,18,724	0.36
3001 – 4000	14	0.03	51,407	0.16
4001 – 5000	18	0.04	84,376	0.26
5001 – 10000	23	0.05	1,72,212	0.53
10001 and above	42	0.09	3,04,60,555	93.48
<b>Total</b>	<b>48,276</b>	<b>100.00</b>	<b>3,25,85,217</b>	<b>100.00</b>

#### XVI. 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, 2021, the number of shares in dematerialized and physical mode are as under:

Particulars	No. of shares	% to total capital issued
Held in dematerialized form with CDSL	6,94,637	2.13
Held in dematerialized form with NSDL	3,18,14,653	97.64
Held in physical form	75,927	0.23
<b>Total</b>	<b>3,25,85,217</b>	<b>100.00</b>

#### Shares held in demat/physical form as on June 30, 2021



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

#### XVIII. Distribution of shareholding by ownership as on June 30, 2021

Category	Number of Shares held	% of Shares held
Foreign & Indian promoters	2,44,37,803	75.00
Resident Individuals and others	23,18,445	7.11
Mutual Funds	14,89,251	4.57
Financial Institutions / Banks	19,90,826	6.11
Foreign Institutional Investors	6,76,536	2.08
Private Bodies Corporate	15,45,270	4.74
NRIs	1,27,086	0.39
<b>TOTAL</b>	<b>3,25,85,217</b>	<b>100.00</b>

#### XIX. Commodity price risk or foreign exchange risk and hedging activities

The Company has no exposure to commodity and commodity risks in Financial Year 2020-21. 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 2020-21.

#### XX. 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, 2014 and for the subsequent years, which remain unpaid or unclaimed, will be due for transfer to the IEPF of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's RTA, M/s. Mas Services Limited.

For the Financial Year ended	Date of Declaration	Transfer to IEPF
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
30.06.2020	25.11.2020	31.12.2027
1 <sup>st</sup> Interim 2020-21	04.02.2021	12.03.2028
Special dividend 2020-21	05.05.2021	10.06.2028

During the Financial Year 2020-21, unclaimed final dividend amount for the Financial Year ended June 30, 2013 amounting to ₹ 814,545 and 833 shares were transferred to the IEPF. The details of unpaid/ unclaimed dividend as on June 30, 2020 have been hosted on the website of the Company, viz., <https://in.pg.com/>. As on date of this report, Mr. Ghanashyam Hegde is the Nodal Officer of the Company under the IEPF Rules.

## XXI. Plant Locations

### (i) Bhiwadi Plant

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

### (ii) Baddi Plant

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

## XXII. 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.

### Address for Correspondence:

Compliance Officer & Company Secretary | IEPF Nodal Officer

### 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, 2021 and the Senior Management has complied with the Business Conduct Manual for the Financial Year ended June 30, 2021.

For **GILLETTE INDIA LIMITED**

**Madhusudan Gopalan**  
Managing Director

Mumbai,  
August 24, 2021





## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**GILLETTE INDIA LIMITED**  
**CIN: L28931MH1984PLC267130**  
P&G Plaza, Cardinal Gracias Rd,  
Chakala, Andheri (E),  
Mumbai MH 400099 IN.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **GILLETTE INDIA LIMITED** having **CIN : L28931MH1984PLC267130** and having registered office at P&G Plaza, Cardinal Gracias Rd, Chakala, Andheri (E) Mumbai MH 400099 IN (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 30<sup>th</sup> June, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company*
1	Chittranjan Dua	00036080	31/07/2002
2	Pramod Agarwal	00066989	08/05/2015
3	Gurcharan Das	00100011	29/01/2007
4	Anil Kumar Ishwar Dayal Gupta	02588131	28/03/2009
5	Anjuly Chib Duggal	05264033	26/03/2019
6	Karthik Natarajan	06685891	23/01/2017
7	Sonali Dhawan	06808527	25/02/2014
8	Gopalan Madhusudan	08158357	01/07/2018
9	Gagan Sawhney	08279568	22/08/2019

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

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

For **Saraf & Associates**  
**Practising Company Secretaries**

Sd/-

**K.G. SARAF**

Proprietor

FCS: 1596 | CP: 642

FRN. S1988MH004801

PR. 1003/2020

Place : Mumbai  
Date : 01.09.2021  
UDIN : F001596C000875766



# 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 15, 2021.

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, 2021 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) I, 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, 2021.

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: 21042454AAAAEB9280

**Mumbai: August 24, 2021**



# 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, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

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

Standard) Rules, 2015, as amended (Ind-AS), and with other accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2021, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

Sr.	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition (note no. 2.3(a) and 19 to the financial statements)</b></p> <p>Revenue is measured net of trade discounts, rebates and various types of Marketing and Distribution Activities such as incentives and promotions.</p> <p>The estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be judgmental owing to the varying terms of the agreements with customers which are based on annual contracts or shorter term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span over a year end.</p>	<p>Our audit procedures included:</p> <p>(a) Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts 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><b>Uncertain Tax Positions (note no. 26 and 35 to the financial statements)</b></p> <p>The Company is subject to a range of tax risks. There is inherent judgement involved in determining provisions for uncertain tax positions. The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct taxes, transfer pricing and indirect taxes. Applicable tax laws and regulations are subject to differing interpretations and the resolution of a final tax position can take several years to complete. Where the amount of tax payable is uncertain, the Company establishes provisions based on Management's judgement of the likelihood of settlement being required.</p> <p>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>

### 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, 2021, taken on record by the Board of Directors, none of the Directors are disqualified as on June 30, 2021 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: 21042454AAAADZ7425

**Mumbai: August 24, 2021.**

### 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, 2021)

- (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.
- 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.
- (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
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	1,095
		Appellate Authority - Tribunal	1999-2000, 2002-2003, 2006-07 to 2011-12	1,603
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, 2015-16	15,190
	DDT	National Faceless Assessment Centre (NFAC)	2015-16	33

\* 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: 21042454AAAADZ7425

**Mumbai: August 24, 2021.**



## 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, 2021)

### 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, 2021 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, 2021, 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: 21042454AAAADZ7425

**Mumbai: August 24, 2021.**





# BALANCE SHEET

as at June 30, 2021

	Notes	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	30 977	29 646
Capital work-in-progress	4	7 204	2 119
Financial assets			
(i) Loans	5	2 756	3 073
Deferred tax assets (Net)	6	2 787	2 304
Non-current tax assets (Net)		13 643	14 458
Other non-current assets	7	5 240	6 205
<b>Total non-current assets</b>		<b>62 607</b>	<b>57 805</b>
<b>Current assets</b>			
Inventories	8	36 658	28 427
Financial assets			
(i) Trade receivables	9	19 794	19 067
(ii) Cash and cash equivalents	10 (a)	16 435	23 070
(iii) Bank balances other than (ii) above	10 (b)	197	178
(iv) Loans	5	447	409
(v) Other financial assets	11	646	1 686
Other current assets	7	2 740	4 540
<b>Total current assets</b>		<b>76 917</b>	<b>77 377</b>
<b>Total assets</b>		<b>1 39 524</b>	<b>1 35 182</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	12	3 259	3 259
Other equity	13	75 642	87 869
<b>Total equity</b>		<b>78 901</b>	<b>91 128</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Other financial liabilities	16	11	14
Provisions	14	7 911	6 141
<b>Total non-current liabilities</b>		<b>7 922</b>	<b>6 155</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables			
Dues to micro and small enterprises	15	1 148	188
Dues to others	15	39 691	28 547
(ii) Other financial liabilities	16	4 408	1 315
Provisions	14	3 509	2 824
Current tax liabilities (Net)	17	909	690
Other current liabilities	18	3 036	4 335
<b>Total current liabilities</b>		<b>52 701</b>	<b>37 899</b>
<b>Total liabilities</b>		<b>60 623</b>	<b>44 054</b>
<b>Total equity and liabilities</b>		<b>1 39 524</b>	<b>1 35 182</b>
<b>See accompanying notes to the financial statements</b>			

In terms of our report attached

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

**Daraius Z. Fraser**  
Partner  
M. No : 42454

Place: Mumbai  
Date: August 24, 2021

For and on behalf of Board of Directors

**Gurcharan Das**  
Chairman  
DIN No : 00100011

**Gautam Kamath**  
Director & Chief Financial Officer  
DIN No : 09235167

**Madhusudan Gopalan**  
Managing Director  
DIN No : 08158357

**Ghanashyam Hegde**  
Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended June 30, 2021

	Notes	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Income</b>			
Revenue from operations	19	2 00 942	1 67 906
Other income	20	3 173	1 142
<b>Total income</b>		<b>2 04 115</b>	<b>1 69 048</b>
<b>Expenses</b>			
Cost of raw and packing materials consumed	21	48 267	22 156
Purchases of stock-in-trade (Traded Goods)		41 655	56 528
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(1 849)	(2 503)
Employee benefits expense	23	14 322	11 918
Finance costs	24	525	544
Depreciation expense	4	5 752	5 105
Other expenses	25	52 497	43 903
<b>Total expense</b>		<b>1 61 169</b>	<b>1 37 651</b>
<b>Profit before tax from operations</b>		<b>42 946</b>	<b>31 397</b>
<b>Tax expense</b>			
Current tax	26.1	10 790	8 243
Deferred tax	26.1	59	953
Prior year tax adjustments	26.1	1 059	(817)
Income tax expense		<b>11 908</b>	<b>8 379</b>
<b>Profit for the year</b>		<b>31 038</b>	<b>23 018</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss:			
Re-measurement of the defined benefit plans	29.2(B)	(613)	(160)
Income tax effect	26.2	154	40
<b>Total other comprehensive income for the year</b>		<b>(459)</b>	<b>(120)</b>
<b>Total comprehensive income for the year</b>		<b>30 579</b>	<b>22 898</b>
Earnings per equity share	28		
- Basic (in ₹)		95.25	70.64
- Diluted (in ₹)		95.25	70.64
Face Value of Equity Share (in ₹)		10.00	10.00
<b>See accompanying notes to the financial statements</b>			

In terms of our report attached

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

**Daraius Z. Fraser**  
Partner  
M. No : 42454

Place: Mumbai  
Date: August 24, 2021

For and on behalf of Board of Directors

**Gurcharan Das**  
Chairman  
DIN No : 00100011

**Gautam Kamath**  
Director & Chief Financial Officer  
DIN No : 09235167

**Madhusudan Gopalan**  
Managing Director  
DIN No : 08158357

**Ghanashyam Hegde**  
Company Secretary



# STATEMENT OF CASH FLOWS

for the year ended June 30, 2021

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit before tax</b>	<b>42 946</b>	<b>31 397</b>
<b>Adjustments for:</b>		
Depreciation expense	5 752	5 105
(Gain)/Loss on disposal of property, plant and equipment	(77)	82
Finance costs	525	544
Provision for doubtful receivables (net)	712	298
Interest income	(1 073)	(760)
Net unrealised foreign exchange loss	279	93
Expense recognised in respect of equity settled share based payments	206	199
<b>Operating profit before working capital changes</b>	<b>49 270</b>	<b>36 958</b>
<b>Working capital adjustments</b>		
(Increase) in trade receivables	(615)	(1 087)
Decrease/(Increase) in financial assets	1 310	(471)
(Increase) in inventories	(8 231)	(5 026)
Decrease in other assets	1 989	460
Increase/(Decrease) in trade and other payables	10 345	(726)
Increase in provisions	1 452	525
<b>Cash generated from operations</b>	<b>55 520</b>	<b>30 633</b>
Income taxes paid (net of refund)	(11 204)	(8 111)
<b>Net cash generated from operating activities</b>	<b>44 316</b>	<b>22 522</b>
<b>B. Cash Flows from Investing Activities</b>		
Payment to acquire property, plant and equipment	(9 017)	(3 555)
Interest received	1 082	652
(Decrease) in earmarked balances	—	—
<b>Net cash (used in) investing activities</b>	<b>(7 935)</b>	<b>(2 903)</b>



# STATEMENT OF CASH FLOWS

for the year ended June 30, 2021 (Contd.)

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>C. Cash Flows from Financing Activities</b>		
Dividend paid on equity shares	(43 012)	(8 146)
Dividend distribution tax	–	(1 659)
Principal payment of lease liabilities	(3)	(735)
Interest paid on lease liabilities	(1)	(2)
<b>Net cash (used in) financing activities</b>	<b>(43 016)</b>	<b>(10 542)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6 635)</b>	<b>9 077</b>
Cash and cash equivalents at the beginning of the year	23 070	13 993
<b>Cash and cash equivalents at the end of the year (refer note 10(a))</b>	<b>16 435</b>	<b>23 070</b>

**Note:**

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

**See accompanying notes to the financial statements**

In terms of our report attached

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

**Daraius Z. Fraser**  
Partner  
M. No : 42454

Place: Mumbai  
Date: August 24, 2021

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

**Gurcharan Das**  
Chairman  
DIN No : 00100011

**Gautam Kamath**  
Director & Chief Financial Officer  
DIN No : 09235167

**Madhusudan Gopalan**  
Managing Director  
DIN No : 08158357

**Ghanashyam Hegde**  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2021

### a. Equity share capital

	Amount ₹ in lakhs
<b>Balance as at July 1, 2019</b>	<b>3 259</b>
Changes in equity share capital during the year	—
<b>Balance as at June 30, 2020</b>	<b>3 259</b>
Changes in equity share capital during the year	—
<b>Balance as at June 30, 2021</b>	<b>3 259</b>

### b. Other equity

	Attributable to the equity share holders of the Company						Total ₹ in lakhs
	General reserve ₹ in lakhs	Securities premium ₹ in lakhs	Share options outstanding account ₹ in lakhs	Reserves & surplus		Contingency reserve ₹ in lakhs	
<b>Balance as at July 1, 2019</b>	<b>14 323</b>	<b>3 290</b>	<b>501</b>	<b>30 974</b>	<b>12 589</b>	<b>12 900</b>	<b>74 577</b>
Profit for the year	—	—	—	23 018	—	—	23 018
Items of OCI for the year, net of tax	—	—	—	(120)	—	—	(120)
Remeasurement benefit of defined benefit plans	—	—	—	(120)	—	—	(120)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>22 898</b>	<b>—</b>	<b>—</b>	<b>22 898</b>
Payment of dividends (refer note 39)	—	—	—	(8 146)	—	—	(8 146)
Payment of dividend distribution tax	—	—	—	(1 659)	—	—	(1 659)
Transfer from retained earnings	—	—	—	—	—	—	—
Recognition of share-based payments	—	—	199	—	—	—	199
<b>Balance as at June 30, 2020</b>	<b>14 323</b>	<b>3 290</b>	<b>700</b>	<b>44 067</b>	<b>12 589</b>	<b>12 900</b>	<b>87 869</b>
Profit for the year	—	—	—	31 038	—	—	31 038
Items of OCI for the year, net of tax	—	—	—	(459)	—	—	(459)
Remeasurement benefit of defined benefit plans	—	—	—	(459)	—	—	(459)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>30 579</b>	<b>—</b>	<b>—</b>	<b>30 579</b>
Payment of dividends (refer note 39)	—	—	—	(43 012)	—	—	(43 012)
Recognition of share-based payments	—	—	206	—	—	—	206
<b>Balance as at June 30, 2021</b>	<b>14 323</b>	<b>3 290</b>	<b>906</b>	<b>31 634</b>	<b>12 589</b>	<b>12 900</b>	<b>75 642</b>

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 24, 2021

**For and on behalf of Board of Directors**  
**Gurcharan Das**  
Chairman  
DIN No : 00100011

**Madhusudan Gopalan**  
Managing Director  
DIN No : 08158357

**Gautam Kamath**  
Director & Chief Financial Officer  
DIN No : 09235167

**Ghanashyam Hegde**  
Company Secretary



# Notes to Financial Statements for the year ended June 30, 2021

## 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, 2021

## 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.

# Notes to Financial Statements for the year ended June 30, 2021

## 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, 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





## Notes to Financial Statements for the year ended June 30, 2021

fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

### d. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### 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

## Notes to Financial Statements for the year ended June 30, 2021

in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
  - Net interest expense or income
- 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 statement since there are no vesting conditions attached to the scheme.



## Notes to Financial Statements for the year ended June 30, 2021

The expense in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

### g. Taxation

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

#### Current tax

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

#### 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.



## Notes to Financial Statements for the year ended June 30, 2021

### h. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

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

The management's estimate of useful lives are in accordance with Schedule II to the 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 if 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.





## Notes to Financial Statements for the year ended June 30, 2021

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

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

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

### **j. Inventories**

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

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

### **k. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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

## Notes to Financial Statements for the year ended June 30, 2021

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

### m. Financial assets

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

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

#### Classification of financial assets

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

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

Debt instruments that does not meet the above conditions are subsequently measured at fair value. 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.



## Notes to Financial Statements for the year ended June 30, 2021

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

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

### **Derecognition of financial assets**

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

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

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



# Notes to Financial Statements for the year ended June 30, 2021

## Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities 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.



## Notes to Financial Statements for the year ended June 30, 2021

### 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.

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, 2021.

## 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.





## Notes to Financial Statements for the year ended June 30, 2021

### 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'.

### 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, 2021

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

Property, plant and equipment	At June 30, 2021 ₹ in lakhs	At June 30, 2020 ₹ in lakhs
Owned Assets	30 255	28 908
Leased Assets	722	738
<b>Total</b>	<b>30 977</b>	<b>29 646</b>

### 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
<b>Gross Block</b>							
<b>At July 1, 2019</b>	<b>6 084</b>	<b>31 121</b>	<b>1 032</b>	<b>2 442</b>	<b>100</b>	<b>4 862</b>	<b>45 641</b>
Additions	548	78	1 547	140	64	1 674	4 051
Disposals	(8)	(94)	(7)	(6)	—	—	(115)
<b>At June 30, 2020</b>	<b>6 624</b>	<b>31 105</b>	<b>2 572</b>	<b>2 576</b>	<b>164</b>	<b>6 536</b>	<b>49 577</b>
Additions	268	4 705	248	174	—	1 777	7 172
Disposals	(30)	(73)	(11)	(11)	—	(25)	(150)
<b>At June 30, 2021</b>	<b>6 862</b>	<b>35 737</b>	<b>2 809</b>	<b>2 739</b>	<b>164</b>	<b>8 288</b>	<b>56 599</b>
<b>Accumulated depreciation</b>							
<b>At July 1, 2019</b>	<b>739</b>	<b>12 068</b>	<b>383</b>	<b>1 045</b>	<b>36</b>	<b>1 352</b>	<b>15 623</b>
Depreciation charge for the year	342	3 885	290	251	12	309	5 089
Disposals	(1)	(39)	(1)	(2)	—	—	(43)
<b>At June 30, 2020</b>	<b>1 080</b>	<b>15 914</b>	<b>672</b>	<b>1 294</b>	<b>48</b>	<b>1 661</b>	<b>20 669</b>
Depreciation charge for the year	360	4 256	324	190	17	589	5 736
Disposals	(9)	(30)	(5)	(5)	—	(12)	(61)
<b>At June 30, 2021</b>	<b>1 431</b>	<b>20 140</b>	<b>991</b>	<b>1 479</b>	<b>65</b>	<b>2 238</b>	<b>26 344</b>
<b>Net carrying amount</b>							
<b>At June 30, 2021</b>	<b>5 431</b>	<b>15 597</b>	<b>1 818</b>	<b>1 260</b>	<b>99</b>	<b>6 050</b>	<b>30 255</b>
<b>At June 30, 2020</b>	<b>5 544</b>	<b>15 191</b>	<b>1 900</b>	<b>1 282</b>	<b>116</b>	<b>4 875</b>	<b>28 908</b>
<b>At July 1, 2019</b>	<b>5 345</b>	<b>19 053</b>	<b>649</b>	<b>1 397</b>	<b>64</b>	<b>3 510</b>	<b>30 018</b>

### Notes:

- (a) None of the above assets are mortgaged / hypothecated as security by the Company.  
 (b) The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note 34.

## Notes to Financial Statements for the year ended June 30, 2021

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

#### B. Leased Assets

	Land	Plant & machinery	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs
Addition on account of Transition to Ind AS 116 - July 1, 2019	731	23	754
Additions	—	—	—
Disposals	—	—	—
<b>At June 30, 2020</b>	<b>731</b>	<b>23</b>	<b>754</b>
Additions	—	—	—
Disposals	—	—	—
<b>At June 30, 2021</b>	<b>731</b>	<b>23</b>	<b>754</b>
<b>Accumulated depreciation</b>			
Depreciation charge for the year	11	5	16
<b>At June 30, 2020</b>	<b>11</b>	<b>5</b>	<b>16</b>
Depreciation charge for the year	11	5	16
<b>At June 30, 2021</b>	<b>11</b>	<b>5</b>	<b>16</b>
<b>Net Block as at June 30, 2020</b>	<b>720</b>	<b>18</b>	<b>738</b>
<b>Net Block as at June 30, 2021</b>	<b>709</b>	<b>13</b>	<b>722</b>

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.

#### C. Capital work-in-progress

	At June 30, 2021 ₹ in lakhs	At June 30, 2020 ₹ in lakhs
Capital work-in-progress	7 204	2 119
	<b>7 204</b>	<b>2 119</b>

### 5 Loans

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Unsecured considered good</b>		
<b>Non-current</b>		
Security deposits	400	387
Loan to employees (refer note (a))	2 356	2 686
	<b>2 756</b>	<b>3 073</b>
<b>Current</b>		
Security deposits	21	29
Loan to employees (refer note (a))	426	380
	<b>447</b>	<b>409</b>

#### Notes:

(a) 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, 2021

### 6 Deferred tax assets (Net)

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Deferred tax assets	3 304	2 688
Deferred tax liabilities	(517)	(384)
	<b>2 787</b>	<b>2 304</b>

#### Deferred tax assets / (liabilities) in relation to:

2020-2021	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	(384)	(133)	—	(517)
Voluntary retirement scheme	369	(57)	—	312
Allowance for doubtful debts	100	20	—	120
Disallowance u/s 43 B of the Income Tax Act, 1961	1 538	615	154	2 307
Other temporary differences	681	(116)	—	565
	<b>2 304</b>	<b>329</b>	<b>154</b>	<b>2 787</b>

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
Provision 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
	<b>3 217</b>	<b>(953)</b>	<b>40</b>	<b>2 304</b>

### 7 Other assets

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Non-current</b>		
Other loans and advances		
Other advances	—	176
Capital advances	20	204
Balances with government authorities (includes amounts deposited with Excise, Sales Tax and othe authorities, pending resolution of disputes)	5 220	5 825
	<b>5 240</b>	<b>6 205</b>

# Notes to Financial Statements for the year ended June 30, 2021

## 7 Other assets (Contd.)

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Current</b>		
Prepaid expenses	1	30
Other advances (including advance to vendors)	274	1 762
Advance to employees (refer note (a) below)	32	8
Balances with government authorities (includes Service Tax and Cenvat credit receivable)	2 433	2 740
	<b>2 740</b>	<b>4 540</b>

(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.

## 8 Inventories

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials (including packing materials)	12 859	6 130
Work-in-progress	1 261	963
Finished goods	10 550	4 233
Stock-in-trade [Includes in transit ₹ 8 057 lakhs (June 30, 2020: ₹ 8 741 lakhs in transit)]	10 029	14 795
Consumable stores and spares	1 959	2 306
	<b>36 658</b>	<b>28 427</b>

(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 2019-2020: ₹ 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, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Unsecured, considered good	19 794	19 067
Credit Impaired	535	575
	<b>20 329</b>	<b>19 642</b>
Less: Allowance for expected credit loss	(535)	(575)
	<b>19 794</b>	<b>19 067</b>

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

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



## Notes to Financial Statements for the year ended June 30, 2021

### 9 Trade receivables (Contd.)

#### Movement in the allowance for doubtful receivables

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of the year	575	288
Amounts written off during the year (net)	25	(11)
Changes in allowance for credit impairment during the year	(65)	298
<b>Balance at end of the year</b>	<b>535</b>	<b>575</b>

### 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, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Balances with banks:</b>		
- In current accounts	2 769	3 884
- Deposits with original maturity of less than three months	13 666	19 186
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>16 435</b>	<b>23 070</b>
<b>Cash and cash equivalents as per Statement of Cash Flows</b>	<b>16 435</b>	<b>23 070</b>

### 10(b) Other bank balances

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Earmarked accounts		
- Unclaimed / Unpaid dividend account	193	174
- 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
	<b>197</b>	<b>178</b>

### 11 Other financial assets

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Current</b>		
Due from related parties (refer note 32)	642	1 673
Interest accrued on deposits with banks	4	13
	<b>646</b>	<b>1 686</b>

# Notes to Financial Statements for the year ended June 30, 2021

## 12 Equity share capital

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Authorised share capital:</b>		
3 30 00 000 fully paid equity shares of ₹ 10 each	3 300	3 300
	<b>3 300</b>	<b>3 300</b>
<b>Issued and subscribed share capital:</b>		
3 25 85 217 fully paid equity shares of ₹ 10 each	3 259	3 259
	<b>3 259</b>	<b>3 259</b>

### 12.1 Fully paid equity shares

	Number of shares	Share Capital ₹ in lakhs
<b>Balance at July 1, 2019</b>	3 25 85 217	3 259
Movements	—	—
<b>Balance at June 30, 2020</b>	<b>3 25 85 217</b>	<b>3 259</b>
Movements	—	—
<b>Balance at June 30, 2021</b>	<b>3 25 85 217</b>	<b>3 259</b>

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Ultimate Holding Company</b>		
The Procter & Gamble Company, USA	—	—
<b>Holding Company</b>		
Procter & Gamble Overseas India BV, The Netherlands	1 307	1 307
<b>Subsidiaries of the Ultimate Holding Company</b>		
Gillette Diversified Operations Private Limited	1 136	1 136



## Notes to Financial Statements for the year ended June 30, 2021

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

	As at June 30, 2021		As at June 30, 2020	
	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, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Reserves &amp; surplus</b>		
General reserve	14 323	14 323
Securities premium	3 290	3 290
Share options outstanding account	906	700
Retained earnings	31 634	44 067
Capital reserve	12 589	12 589
Contingency reserve	12 900	12 900
	<b>75 642</b>	<b>87 869</b>

#### 13.1 General reserve

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year	14 323	14 323
Transferred from surplus in Statement of Profit and Loss	—	—
<b>Balance at the end of year</b>	<b>14 323</b>	<b>14 323</b>

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

#### 13.2 Securities Premium

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year	3 290	3 290
Movements	—	—
<b>Balance at the end of year</b>	<b>3 290</b>	<b>3 290</b>

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

## Notes to Financial Statements for the year ended June 30, 2021

### 13.3 Share options outstanding account

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year	700	501
Arising on share-based compensation	206	199
<b>Balance at the end of year</b>	<b>906</b>	<b>700</b>

The above reserve relates to share options granted by the Ultimate Holding Company to specific employees of its subsidiaries under its employee stock option plan. Further information about share-based payments to employees is set out in note 31.

### 13.4 Retained earnings

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year	44 067	30 974
Profit attributable to the owners of the Company	31 038	23 018
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	(459)	(120)
Payment of interim / final dividend on equity shares (refer note 39)	(43 012)	(8 146)
Dividend distribution tax	—	(1 659)
<b>Balance at the end of year</b>	<b>31 634</b>	<b>44 067</b>

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 2020, final dividend for the FY 2019-20 of ₹ 49 per share (total dividend including tax thereon ₹ 15 967 lakhs) was paid to holders of fully paid equity shares. In December 2019, final dividend for the FY 2018-19 paid was ₹ 25 per share (total dividend including tax thereon ₹ 9 805 lakhs).

In February 2021, an interim dividend of ₹ 33 per share (total dividend including tax thereon ₹ 10 753 lakhs) was paid to holders of fully paid equity shares.

In May 2021, an interim dividend of ₹ 50 per share (total dividend including tax thereon ₹ 16 292 lakhs) was paid to holders of fully paid equity shares.

### 13.5 Capital reserve

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year	12 589	12 589
Movements	—	—
<b>Balance at the end of year</b>	<b>12 589</b>	<b>12 589</b>

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, 2021

### 13.6 Contingency reserve

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year	12 900	12 900
Transferred from retained earnings	—	—
<b>Balance at the end of year</b>	<b>12 900</b>	<b>12 900</b>

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, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Employee benefits (refer note (i) below)	7 944	6 165
Other provisions	3 476	2 800
	<b>11 420</b>	<b>8 965</b>
Current	3 509	2 824
Non - current	7 911	6 141
	<b>11 420</b>	<b>8 965</b>

#### Other provisions

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Balance at the beginning of year</b>	2 800	2 800
Additional provision recognised	676	—
Reduction arising from payments	—	—
<b>Balance at the end of year</b>	<b>3 476</b>	<b>2 800</b>

(i) The provision for employee benefits includes gratuity, post retirement medical benefits (PRMB) and compensated absences. For other disclosures refer note 29.



# Notes to Financial Statements for the year ended June 30, 2021

## 15 Trade payables

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Dues to micro and small enterprises (refer note 36)	1 148	188
Dues to others	39 691	28 547
	<b>40 839</b>	<b>28 735</b>

## 16 Other financial liabilities

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
<b>Non-current</b>		
Leased liabilities	11	14
	<b>11</b>	<b>14</b>
<b>Current</b>		
Leased liabilities	5	5
Payables for property, plant and equipment	4 210	1 136
Unclaimed / Unpaid dividends *	193	174
	<b>4 408</b>	<b>1 315</b>

\*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as at June 30, 2021 (Previous year: Nil).

## 17 Current tax liabilities (Net)

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Income tax payable	909	690
	<b>909</b>	<b>690</b>

## 18 Other current liabilities

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Superannuation	5	5
Taxes and other liabilities (including statutory remittances, excise and sales tax payable)	3 031	4 330
	<b>3 036</b>	<b>4 335</b>



## Notes to Financial Statements for the year ended June 30, 2021

### 19 Revenue from operations

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Sale of products	2 00 942	1 67 867
Other operating revenues		
Scrap sales	—	39
	<b>2 00 942</b>	<b>1 67 906</b>

### 20 Other income

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Interest income earned on:</b>		
Bank deposits	1 073	657
Loan to related parties (refer note 32)	—	3
Income tax refund	—	100
Other financial assets carried at amortised cost	87	94
	<b>1 160</b>	<b>854</b>
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Write-back of liabilities no longer required	17	259
Miscellaneous Income	1 996	29
	<b>2 013</b>	<b>288</b>
<b>Total</b>	<b>3 173</b>	<b>1 142</b>

### 21 Cost of raw and packing materials consumed

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Inventories at the beginning of year	6 130	4 034
Add: Purchases	54 996	24 252
	<b>61 126</b>	<b>28 286</b>
Less: inventories at the end of year	12 859	6 130
Cost of raw and packing materials consumed	<b>48 267</b>	<b>22 156</b>

# Notes to Financial Statements for the year ended June 30, 2021

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

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Inventories at the beginning of year:		
Finished Goods	4 233	3 649
Stock-in-Trade	14 795	13 073
Work-in-Progress	963	766
	<b>19 991</b>	<b>17 488</b>
Inventories at the end of year:		
Finished Goods	10 550	4 233
Stock-in-Trade	10 029	14 795
Work-in-Progress	1 261	963
	<b>21 840</b>	<b>19 991</b>
<b>Net (Increase)</b>	<b>(1 849)</b>	<b>(2 503)</b>

## 23 Employee benefits expense

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Salaries and wages*	9 673	8 305
Contribution to provident and other funds (refer note 29)	1 294	1 249
Share-based payment to employees (refer note 31)	652	511
Staff welfare expense	758	614
Reimbursement of employee cost cross charged by related parties (refer note 37)	1 945	1 239
	<b>14 322</b>	<b>11 918</b>

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

## 24 Finance costs

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Interest costs:		
Interest expense on trade payables (refer note 36)	134	136
Interest on lease liabilities	1	2
Interest on entry tax	—	42
Interest on Income tax	—	16
Net interest on the net defined benefit liability (refer note 29)	390	348
	<b>525</b>	<b>544</b>

## Notes to Financial Statements for the year ended June 30, 2021

### 25 Other expenses

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Consumption of store and spares	1 872	1 081
Processing charges	3 283	3 870
Power and fuel	1 432	1 322
Freight, transport, warehousing and distribution charges	2 553	2 839
Rent (Refer note 33)	372	359
Rates and taxes	655	432
Insurance	28	67
Repairs and maintenance		
Plant and machinery	214	175
Buildings	—	5
Others	679	684
Trade incentives	2 753	2 300
Advertising expenses	23 638	18 059
Royalty	1 890	1 237
Business process outsourcing expenses	2 421	3 263
Travelling and conveyance	450	679
Communication costs	98	38
Computer expenses	460	571
Legal and professional fees	1 298	1 265
Directors commission	81	98
Payment to auditors (refer note 25.1)	129	129
Exchange differences (net)	581	345
Inventory written off (net of Insurance claims recovered)	1 370	468
Provision for doubtful receivables (net)	712	298
Loss on sale of property, plant and equipment (net)	(77)	82
Miscellaneous expenses	4 809	3 348
Reimbursement of expenses shared by related parties (refer note 37)	796	889
	<b>52 497</b>	<b>43 903</b>

### 25.1 Payments to auditors:

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>(a) To statutory auditors</b>		
For audit	105	105
For other services	19	19
Reimbursement of expenses	5	5
	<b>129</b>	<b>129</b>

## Notes to Financial Statements for the year ended June 30, 2021

### 25.2 Corporate Social Responsibility

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ 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.	1 610	707
(i) Amount spent for purposes of Construction/ acquisition of asset	—	—
(ii) Amount spent for purposes other than (i) above	1 610	707

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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Current tax</b>		
In respect of the current year	10 790	8 243
In respect of prior years	1 447	(817)
	<b>12 237</b>	<b>7 426</b>
<b>Deferred tax</b>		
In respect of the current year	59	953
In respect of prior years	(388)	—
	<b>(329)</b>	<b>953</b>
<b>Total income tax expense recognised in the current year</b>	<b>11 908</b>	<b>8 379</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Profit before tax	42 946	31 397
Income tax expense calculated at 25.168% (2019-2020: 25.168%)	10 809	7 902
Effect of allowances	—	—
Effect of expenses that are not deductible in determining taxable profits	40	1 294
Effect of income that is exempt from taxation	—	—
	<b>10 849</b>	<b>9 196</b>
Adjustments recognised in the current year in relation to the current tax/deferred tax of prior years	1 059	(817)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>11 908</b>	<b>8 379</b>

The tax rate used for 2020-21 is the corporate tax rate of 25.168%. The tax rate used for 2019-20 is the corporate tax rate of 25.168% applicable under the Indian laws.



## Notes to Financial Statements for the year ended June 30, 2021

### 26.2 Income tax recognised in other comprehensive income

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Deferred tax</b>		
Arising on expense recognised in other comprehensive income		
Remeasurement of defined benefit obligations	(154)	(40)
	<b>(154)</b>	<b>(40)</b>
<b>Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss</b>	<b>(154)</b>	<b>(40)</b>

### 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Grooming	1 53 535	1 28 355	37 262	26 268
Oral Care	47 407	39 551	5 144	4 265
<b>Total</b>	<b>2 00 942</b>	<b>1 67 906</b>	<b>42 406</b>	<b>30 533</b>
Add / (Less): unallocated corporate expenses net of unallocated income			(2 108)	266
Other income			3 173	1 142
Finance costs			(525)	(544)
<b>Profit before tax</b>			<b>42 946</b>	<b>31 397</b>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2019-2020: 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, 2021

### 27.3 Segment assets and liabilities

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Segment assets</b>		
Grooming	83 249	69 144
Oral Care	10 855	9 572
<b>Total segment assets</b>	<b>94 104</b>	<b>78 716</b>
Unallocated	45 420	56 466
<b>Total assets</b>	<b>1 39 524</b>	<b>1 35 182</b>
<b>Segment liabilities</b>		
Grooming	34 162	22 489
Oral Care	10 887	7 382
<b>Total segment liabilities</b>	<b>45 049</b>	<b>29 871</b>
Unallocated	15 574	14 183
<b>Total liabilities</b>	<b>60 623</b>	<b>44 054</b>

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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Grooming	5 734	5 087	9 017	3 555
Oral Care	—	—	—	—
	<b>5 734</b>	<b>5 087</b>	<b>9 017</b>	<b>3 555</b>

### 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
India	1 85 954	1 55 296	94 104	78 716
Outside India	14 988	12 610	—	—
	<b>2 00 942</b>	<b>1 67 906</b>	<b>94 104</b>	<b>78 716</b>

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, 2021

## 28 Earnings per share

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Basic and diluted earnings per share</b>		
Total basic earnings per share (face value ₹ 10)	95.25	70.64
Total diluted earnings per share (face value ₹ 10)	95.25	70.64

### 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Profit for the year attributable to owners of the Company	31 038	23 018
<b>Earnings used in calculation of basic and diluted earnings per share</b>	<b>31 038</b>	<b>23 018</b>

	Year ended June 30, 2021	Year ended June 30, 2020
<b>Weighted average number of equity shares for the purposes of basic and diluted earnings per share</b>	<b>3 25 85 217</b>	<b>3 25 85 217</b>

## 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 ₹ 58 lakhs (for the year ended June 30, 2020: ₹ 55 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, 2021, contributions of ₹ 5 lakhs (as at June 30, 2020: ₹ 5 lakhs) due in respect of 2020-2021 (2019-2020) 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, 2021

### 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, 2021. 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, 2021

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

	Valuations as at	
	June 30, 2021	June 30, 2020
<b>Discount rate:</b>		
Gratuity plan (funded)	6.50%	6.50%
Compensated absence plan (unfunded)	6.50%	6.50%
Post retirement medical benefit (PRMB) (unfunded)	6.50%	6.50%
<b>Expected rate of salary increase</b>		
Gratuity plan (funded) - Managers	9.00%	9.00%
Gratuity plan (funded) - Non-managers	12.00%	9.00%
Compensated absence plan (unfunded)	9.00%	9.00%
Compensated absence plan (unfunded) - Non-managers	12.00%	9.00%
Post retirement medical benefit (PRMB) (unfunded)	NA	NA
<b>Medical Inflation rate</b>		
Post retirement medical benefit (PRMB) (unfunded)	5.50%	5.50%
<b>Average longevity at retirement age for current beneficiaries of the plan (years)</b>		
Post retirement medical benefit (PRMB) (unfunded)	21.82	19.14
<b>Demographic Assumptions</b>		
Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table		
Mortality in Retirement: Indian Individual Annuitant's Mortality Table (2012-15) (PY: LIC Annuitants (1996-1998) Ultimate)		

### B. Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows:

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Service costs:		
Current service cost	456	469
Net interest expense	348	308
<b>Components of defined benefit costs recognised in the statement of profit and loss (A)</b>	<b>804</b>	<b>777</b>
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(5)	(25)
Actuarial (gains) / losses arising from changes in assumptions	1 097	367
Actuarial (gains) / losses arising from changes in demographic assumptions	(503)	(11)
Actuarial (gains) / losses arising from changes in experience adjustments	24	(159)



## Notes to Financial Statements for the year ended June 30, 2021

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Components of defined benefit costs recognised in other comprehensive income (B)</b>	<b>613</b>	<b>172</b>
<b>Total (C=(A+B))</b>	<b>1 417</b>	<b>949</b>
<b>Compensated absence plan (Unfunded)</b>		
Service costs:		
Current service cost	55	65
Net interest expense	36	32
Immediate recognition of (gains)/losses – other long term employee benefit plans	141	19
<b>Components of defined benefit costs recognised in the statement of profit and loss (D)</b>	<b>232</b>	<b>116</b>
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Service costs:		
Current service cost	1	2
Net interest expense	6	7
<b>Components of defined benefit costs recognised in the statement of profit and loss (E)</b>	<b>7</b>	<b>9</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	—	6
Past service cost - plan amendments	—	—
Actuarial (gains) / losses arising from changes in demographic adjustments	—	—
Actuarial (gains) / losses arising from changes in experience adjustments	—	(18)
<b>Components of defined benefit costs recognised in other comprehensive income (F)</b>	<b>—</b>	<b>(12)</b>
<b>Total (G=(E+F))</b>	<b>7</b>	<b>(3)</b>
<b>Total defined benefit costs recognised in the statement of profit and loss</b>	<b>1 043</b>	<b>902</b>
<b>Total defined benefit costs recognised in other comprehensive income</b>	<b>613</b>	<b>160</b>

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, 2021

### 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Present value of funded defined benefit obligation	7 685	6 509
Fair value of plan assets	(913)	(1 153)
<b>Net liability arising from defined benefit obligation</b>	<b>6 772</b>	<b>5 356</b>
<b>Compensated absence plan (Unfunded)</b>		
Present value of funded defined benefit obligation	784	567
<b>Net liability arising from defined benefit obligation</b>	<b>784</b>	<b>567</b>
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Present value of funded defined benefit obligation	106	101
<b>Net liability arising from defined benefit obligation</b>	<b>106</b>	<b>101</b>

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

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Opening defined benefit obligation	6 509	5 604
Current service cost	456	469
Interest cost	413	387
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	1 097	367
Actuarial (gains) / losses arising from changes in demographic assumptions	(503)	(11)
Actuarial (gains) / losses arising from changes in experience adjustments	24	(159)
Benefits paid	(311)	(148)
<b>Closing defined benefit obligation</b>	<b>7 685</b>	<b>6 509</b>
<b>Compensated absence plan (Unfunded)</b>		
Opening defined benefit obligation	567	463
Current service cost	55	65
Interest cost	36	32
Immediate recognition of (gains)/losses – other long term employee benefit plans	141	19
Benefits paid	(15)	(12)
<b>Closing defined benefit obligation</b>	<b>784</b>	<b>567</b>

## Notes to Financial Statements for the year ended June 30, 2021

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Opening defined benefit obligation	101	105
Current service cost	1	2
Interest cost	6	7
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	—	6
Past service cost - plan amendments	—	—
Actuarial (gains) / losses arising from changes in demographic adjustments	—	—
Actuarial (gains) / losses arising from changes in experience adjustments	—	(18)
Benefits paid	(2)	(1)
<b>Closing defined benefit obligation</b>	<b>106</b>	<b>101</b>

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

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Opening fair value of plan assets	1 153	1 198
Interest Income	65	78
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	5	25
Employer Contributions	1	—
Benefits paid	(311)	(148)
<b>Closing fair value of plan assets</b>	<b>913</b>	<b>1 153</b>

### F. The fair value of the plan assets for plan at the end of the reporting year is as follows:

#### Gratuity Plan (Funded)

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Life Insurance Corporation of India	913	1 153
<b>Total</b>	<b>913</b>	<b>1 153</b>

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 ₹ 70 lakhs (for the year ended June 30, 2020: ₹ 103 lakhs).

## Notes to Financial Statements for the year ended June 30, 2021

### Maturity profile of defined benefit obligation:

	<b>Gratuity Plan ₹ in lakhs</b>
Within 1 year	432
1 - 2 year	591
2 - 3 year	644
3 - 4 year	838
4 - 5 year	814
5 - 10 years	4214

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 ₹ 341 lakhs (increase by ₹ 368 lakhs) (as at June 30, 2020: decrease by ₹ 367 lakhs (increase by ₹ 400 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 349 lakhs (decrease by ₹ 327 lakhs) (as at June 30, 2020: increase by ₹ 384 lakhs (decrease by ₹ 357 lakhs)).

#### Compensated absence plan (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 44 lakhs (increase by ₹ 49 lakhs) (as at June 30, 2020: decrease by ₹ 34 lakhs (increase by ₹ 37 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 46 lakhs (decrease by ₹ 43 lakhs) (as at June 30, 2020: increase by ₹ 36 lakhs (decrease by ₹ 33 lakhs)).

#### Post retirement medical benefit (PRMB) (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 7 lakhs (increase by ₹ 7 lakhs) (as at June 30, 2020: 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, 2020: 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, 2021

### 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, 2021.

The Company's contribution to Provident Fund ₹ 780 Lakhs (Previous Year: ₹ 725 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Present value of benefit obligation at period end	1 099	236
Plan assets at period end, at fair value, restricted to asset recognized in Balance Sheet	1 099	236

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, 2021	June 30, 2020
Discounting Rate	6.50%	6.50%
Expected Guaranteed interest rate	8.50%*	8.50%*

\* 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, 2021

### 30.2 Categories of financial instruments

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(i) Trade receivables	19 794	19 067
(ii) Cash and cash equivalents	16 435	23 070
(iii) Bank balances other than (ii) above	197	178
(iv) Loans	3 203	3 482
(v) Other financial assets	646	1 686
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(i) Trade payables	40 839	28 735
(ii) Other financial liabilities	4 419	1 329

### 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
USD	15 027	11 611	10 387	6 061
EUR	1 231	1 448	—	—
JPY	211	148	—	—
GBP	66	458	—	—
BDT	571	—	—	146
AUD	52	36	—	—
SEK	—*	—*	—	—
PLN	15	5	—	—
SGD	11	27	—	—

\* denotes amount less than ₹ 50 000

## Notes to Financial Statements for the year ended June 30, 2021

### 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
USD	(464)	(555)	464	555
EUR	(123)	(145)	123	145
JPY	(21)	(15)	21	15
GBP	(7)	(46)	7	46
BDT	(57)	15	57	(15)
AUD	(5)	(4)	5	4
SEK	—*	—	—*	—
PLN	(2)	—	2	—
SGD	(1)	(3)	1	3

\* 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.



## Notes to Financial Statements for the year ended June 30, 2021

### 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.

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
<b>As at June 30, 2021</b>					
Trade Payables	40 839	—	—	40 839	40 839
Other financial liabilities	4 408	11	—	4 419	4 419
<b>As at June 30, 2020</b>					
Trade Payables	28 735	—	—	28 735	28 735
Other financial liabilities	1 315	14	—	1 329	1 329

### 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 3117.14 shares (Previous year: 2827.97 shares) excluding dividend were purchased by employees at weighted average fair value of ₹ 9 923.26 (Previous year: ₹ 8 666.41) per share. The Company's contribution during the year on such purchase of shares amounts to ₹ 89 lakhs (Previous year: ₹ 73 lakhs).

#### 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

## Notes to Financial Statements for the year ended June 30, 2021

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 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Expense arising from equity-settled share-based payment transactions	575	438
<b>Total expense arising from share-based payment transactions</b>	<b>575</b>	<b>438</b>

There were no cancellations or modifications to the awards in June 30, 2021 or June 30, 2020.

### 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, 2021	Year ended June 30, 2021	Estimated fair value of Options Granted in ₹	Year ended June 30, 2020	Year ended June 30, 2020	Estimated fair value of Options Granted in ₹
	Number	WAEP (in \$)		Number	WAEP (in \$)	
Outstanding at July 1	46 979	119.57	—	58 242	109.65	—
Granted during the year						
15-Sep-20	223	138.63	1,497	—	—	—
1-Oct-20	2 140	139.24	10,252	—	—	—
1-Oct-20	4 637	139.24	1 562	—	—	—
28-Feb-20	—	—	—	2 581	113.23	190
28-Feb-20	—	—	—	5 480	113.23	1 099
Exercised during the year	(10 273)	132.66	—	(19 224)	120.67	—
Expired during the year	—	—	—	—	—	—
Forfeited during the year	(650)	—	—	(100)	—	—
<b>Outstanding at June 30</b>	<b>43 056</b>	<b>134.93</b>		<b>46 979</b>	<b>119.57</b>	
Exercisable at June 30	15 025	134.93		22 570	119.57	

The weighted average share price at the date of exercise of these options was \$ 132.66 (June 30, 2020: \$ 120.67).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2021 was 6.18 (June 30, 2020: 5.93) years.

The weighted average fair value of options granted during the year was ₹ 4 216 (June 30, 2020: ₹ 808).



## Notes to Financial Statements for the year ended June 30, 2021

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, 2021 and June 30, 2020, respectively:

	As at June 30, 2021	As at June 30, 2020
Dividend yield (%)	2.38%	2.39%
Expected volatility (%)	20.17%	16.63%
Risk-free interest rate (%)	0.59%	1.30%

### 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	13	Procter & Gamble Nigeria Limited
2	The Procter & Gamble US Business Services Company	14	Procter & Gamble Trading (Thailand) Limited
3	The Gillette Company LLC	15	Procter & Gamble Middle East FZE
4	Procter & Gamble International Operations SA	16	Procter & Gamble International Operations Sa-Rohq
5	Gillette Poland International SP. Z.O.O	17	Gillette Diversified Operations Private Limited
6	Procter & Gamble Home Products Private Limited	18	Procter & Gamble Services Company NV
7	Procter & Gamble Health Limited	19	Procter & Gamble International Operations SA Singapore Branch
8	Pt Procter & Gamble Home Products Indonesia	20	Procter & Gamble South African Trading (Pty) Ltd
9	Procter & Gamble Polska SP.Z O.O	21	Procter & Gamble International Operations S.A. Dubai Branch
10	Gillette (Shanghai) Ltd	22	Procter & Gamble Bangladesh Private Limited
11	Procter & Gamble Hygiene & Health Care Limited	23	The Procter & Gamble Manufacturing Company
12	Procter & Gamble Europe SA Singapore Branch	24	Procter & Gamble Indochina Company Limited



# Notes to Financial Statements for the year ended June 30, 2021

## (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)

## (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	Mr Gautam Kamath	Executive Director and Chief Financial Officer (w.e.f. August 1, 2021)

\*Ceased to be the Chief Financial Officer effective July 31, 2021.

\*\* Redesignated as Non-Executive Director effective August 01, 2021.

\*\*\*Redesignated as Non-Executive Director effective August 24, 2021.

**Note:** Related parties have been identified by the management.

## (c) Details of related party transactions between the Company and its related parties are as under:

₹ 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	2021	—	36 039	—
		2020	—	37 862	—
2	Purchase of Equipment/Assets/Spares	2021	—	6 009	—
		2020	—	1 742	—
3	Purchase of Duty Scripts	2021	—	325	—
		2020	—	448	—
4	Sale of Products	2021	—	13 750	—
		2020	—	11 280	—
5	Sale of Capital goods	2021	—	134	—
		2020	—	—	—
6	Loans Realised	2021	—	—	—
		2020	—	—	19
7	Interest Income	2021	—	—	—
		2020	—	3	1
8	Recovery of Expenses Cross charged	2021	228	1 262	—
		2020	225	2 872	—
9	Expenses cross-charged	2021	365	1 685	—
		2020	247	1 589	—
10	Reimbursement of expenses shared by group cos. (Income)	2021	—	2 404	—
		2020	—	136	—

## Notes to Financial Statements for the year ended June 30, 2021

₹ in lakhs

S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel
11	Reimbursement of expenses shared by group cos. (Expense)	2021	—	5 688	—
		2020	—	2 628	—
12	Business Process Outsourcing expenses	2021	1 719	660	—
		2020	2 625	637	—
13	Royalty	2021	—	1 890	—
		2020	—	1 237	—
14	Computer Expenses	2021	—	501	—
		2020	—	571	—
15	Rent expenses	2021	—	444	—
		2020	—	429	—
16	Dividend Remitted/Paid	2021	17 257	15 001	—
		2020	3 268	2 841	—
17	Managerial Remuneration	2021	—	—	232
		2020	—	—	425
18	<b>Outstanding as at June 30</b>				
	Trade and other receivables	2021	—	9 853	—
		2020	—	7 630	—
	Trade payables	2021	822	15 000	—
		2020	558	13 207	—

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, 2021	Year ended June 30, 2020
<b>1</b>	<b>Purchase of Goods</b>		
	Procter & Gamble International Operations SA Singapore Br	26 004	26 963
	Procter & Gamble International Operations SA	4 204	—
	Others	5 831	10 899
<b>2</b>	<b>Purchase of Equipment/Assets/Spares</b>		
	The Procter & Gamble Distributing LLC	6 009	1 742

## Notes to Financial Statements for the year ended June 30, 2021

		₹ in lakhs	
S. No.	Nature of Transactions	Year ended June 30, 2021	Year ended June 30, 2020
<b>3</b>	<b>Purchase of Duty Scripts</b>		
	Gillette Diversified Operations Pvt. Ltd	325	448
<b>4</b>	<b>Sale of Products</b>		
	Procter & Gamble International Operations SA Singapore Br	7 661	7 206
	Procter & Gamble Bangladesh Pvt. Ltd	5 292	3 928
	Others	797	146
<b>5</b>	<b>Sale of Capital goods</b>		
	Procter & Gamble Indochina Company Ltd	134	—
<b>6</b>	<b>Interest Income</b>		
	Gillette Diversified Operations Pvt. Ltd	—	3
<b>7</b>	<b>Recovery of Expenses Cross charged</b>		
	Procter & Gamble Home Products Private Ltd	508	2 056
	Procter & Gamble Hygiene and Health Care Limited	67	496
	The Procter & Gamble Company, USA	228	225
	Procter & Gamble International Operations SA	9	12
	Gillette Diversified Operations Pvt. Ltd	233	—
	Procter & Gamble Health Ltd	216	—
	Others	229	308
<b>8</b>	<b>Expenses cross-charged</b>		
	Procter & Gamble Home Products Private Ltd	1 173	1 180
	Gillette Diversified Operations Pvt. Ltd	120	223
	Procter & Gamble Hygiene and Health Care Limited	334	70
	The Procter & Gamble Company, USA	365	247
	Others	58	116
<b>9</b>	<b>Reimbursement of expenses shared by group cos. (Income)</b>		
	Procter & Gamble Home Products Private Ltd	1 483	79
	Procter & Gamble Hygiene and Health Care Limited	921	57
<b>10</b>	<b>Reimbursement of expenses shared by group cos. (Expense)</b>		
	Procter & Gamble Hygiene and Health Care Limited	2 109	733
	Procter & Gamble Home Products Private Ltd	3 579	1 895
<b>11</b>	<b>Business Process Outsourcing expenses</b>		
	Procter & Gamble International Operations SA-ROHQ	660	637
	The Procter & Gamble Company, USA	1 719	2 625
<b>12</b>	<b>Royalty</b>		
	The Gillette Company LLC	1 890	1 237

## Notes to Financial Statements for the year ended June 30, 2021

₹ in lakhs

S. No.	Nature of Transactions	Year ended June 30, 2021	Year ended June 30, 2020
<b>13</b>	<b>Computer Expenses</b>		
	The Procter & Gamble US Business Services Company	501	571
<b>14</b>	<b>Rent expenses</b>		
	Procter & Gamble Home Products Private Ltd	444	429
<b>15</b>	<b>Dividend Remitted/Paid</b>		
	Procter & Gamble Overseas India BV, The Netherlands	17 257	3 268
	Gillette Diversified Operations Pvt. Ltd	15 001	2 841

### (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, 2021	Year ended June 30, 2020
Short-term benefits	141	133
Post-employment benefits	—	292
Share-based payments	91	—
	<b>232</b>	<b>425</b>

### (f) Other transactions with key management personnel

₹ in lakhs

	Year ended June 30, 2021	Year ended June 30, 2020
Loan realised	—	19
Interest Income	—	1

### 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, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for	666	233
	<b>666</b>	<b>233</b>

# Notes to Financial Statements for the year ended June 30, 2021

## 35 Contingent liabilities

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
<b>Claims against company not acknowledged as debts:</b>		
<b>(a) Income tax matters</b>	52 651	43 022
<b>(b) Sales tax matters</b>		
(i) Non submission of "C" Forms/"F" Forms	1 935	2 021
(ii) Other sales tax matters	640	613
<b>(c) Excise duty, service tax and customs duty matters</b>		
(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	29	23
(iii) Service tax matters	3 235	3 254
(iv) Customs valuation disputes	1 528	1 528
(v) Other excise, service tax and customs matters	25	178
<b>(d) Other matters</b>		
(i) Other claims - The Company is a party to various legal proceedings in the normal course of business.	126	141
(ii) Demand from Delhi Development Authority	3 424	3 424
	<b>93 913</b>	<b>84 524</b>

## 36 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1 148	188
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	688	554
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	4 782	4 437
Principal paid beyond the appointed date	4 782	4 437
Interest paid in terms of Section 16 of the Act	—	—
(d) The amount of interest due and payable for the year	134	136
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	688	554
(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	9	3

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, 2021

**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 ₹ 141 lakhs (Previous year: ₹ 123 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 ₹ 81 lakhs (Previous Year: ₹ 98 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**

	<b>Year ended June 30, 2021 ₹ in lakhs</b>	<b>Year ended June 30, 2020 ₹ in lakhs</b>
<b>Dividend on equity shares paid during the year</b>		
Final dividend for the FY 2019-20: ₹ 49 (Previous year for FY 2018-19: ₹ 25) per equity share of ₹ 10 each	15 966	8 146
Dividend distribution tax on final dividend	—	1 659
Two Interim dividends for the FY 2020-21: ₹ 83 (Previous year for FY 2019-20: ₹ Nil) per equity share of ₹ 10 each	27 046	—
Dividend distribution tax on interim dividend	—	—
<b>TOTAL</b>	<b>43 012</b>	<b>9 805</b>

#### **Proposed Dividend:**

The Board of Directors at its meeting held on August 24, 2021 have recommended a payment of final dividend of ₹ 36 per equity share of face value of ₹ 10 each for the financial year ended June 30, 2021 resulting in a dividend payout of ₹ 11 731 lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

**40** During the current year, National Anti Profiteering Authority (NAA) passed an order alleging that the Company has profiteered to the tune of ₹ 5 799 lakhs (excluding interest) and had directed the Company to deposit the said amount along with interest @18% into the Consumer Welfare Funds. The Company filed an appeal before Hon'ble Delhi High Court against the said order of NAA and the Hon'ble High Court has passed a 'status quo' order in favour of the Company, effectively staying the operation of the NAA order.

**41** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



# Notes to Financial Statements for the year ended June 30, 2021

## 42 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on August 24, 2021.

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### Signatures to Notes 1 to 42

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#### For and on behalf of Board of Directors

**Gurcharan Das**  
*Chairman*  
DIN No : 00100011

**Gautam Kamath**  
*Director & Chief Financial Officer*  
DIN No : 09235167

Place: Mumbai  
Date: August 24, 2021

**Madhusudan Gopalan**  
*Managing Director*  
DIN No : 08158357

**Ghanashyam Hegde**  
*Company Secretary*



## TEN YEAR FINANCIAL HIGHLIGHTS

	IGAAP					IND AS					
	2011-12	2012-13	2013-14	2014-15	2015-16	2015-16^	2016-17^	2017-18^	2018-19^	2019-20^	2020-21^
<b>YEAR END FINANCIAL POSITION (₹ Crores)</b>											
Net Fixed Assets	189	200	233	219	274	266	277	305	325	318	<b>382</b>
Net Worth	619	649	643	742	858	937	501	694	778	911	<b>789</b>
<b>SUMMARY OF OPERATIONS (₹ Crores)</b>											
Gross Sales	1249	1459	1766	1984	2072	1863	1788	1677	1862	1679	<b>2009</b>
Profit before Tax	117	138	81	246	327	328	374	345	339	314	<b>429</b>
Profit after Tax	76	87	51	158	213	214	253	229	253	230	<b>310</b>
Dividend	48.88	48.88	48.88	48.88	**81.07	**64.78	**566.98	32.59	**136.86	81.46	<b>**430.12</b>
<b>PER SHARE DATA</b>											
EPS (₹)	23.24	26.75	15.78	48.53	65.38	65.73	77.67	70.29	77.62	70.64	<b>95.25</b>
Dividend (%)	150	150	150	150	249	199	1740	100	420	250	<b>1320</b>
<b>NUMBER OF SHARES</b>											
Shares (Lakhs)	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	<b>325.85</b>

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

# Our Purpose, Values and Principles



## OUR PURPOSE

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



## OUR PRINCIPLES

We show respect for all individuals.

The interests of the Company and the individual are inseparable.

We are strategically focused on our work.

Innovation is the cornerstone of our success.

We are externally focused.

We value personal mastery.

We seek to be the best.

Mutual interdependency is a way of life.

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**Concerned about something you've seen or heard?**

Learn more about our PVPs and how to contact the Helpline at [wbcm.pg.com](http://wbcm.pg.com)



## **Gillette India Limited**

P&G Plaza, Cardinal Gracias road, Chakala,  
Andheri (East), Mumbai : 400099

Tel. : (91-22) 2826 6000

Fax: (91-22) 2826 7337







## NOTICE

NOTICE is hereby given that the Thirty-Seventh Annual General Meeting ("AGM") of the Members of the Company will be held on **Tuesday, November 23, 2021, 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 Road, Chakala, Andheri East, Mumbai - 400 099.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at June 30, 2021 and the Statement of Profit and Loss for the Financial Year ended on that date, together with the Reports of the Auditors and Directors thereon.
2. To confirm the payment of interim dividend and special dividend and to declare final dividend for the Financial Year ended June 30, 2021.
3. To appoint a Director in place of Mr. Karthik Natarajan (DIN 06685891), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Gagan Sawhney (DIN 08279568), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

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

**Appointment of Mr. Srinivas Maruthi Patnam (DIN 09296558) as Executive Director of the Company, liable to retire by rotation**

*"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable provisions of the Act (including any statutory modification or re-enactment thereof) read with the applicable provisions of the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded for appointment of Mr. Srinivas Maruthi Patnam (DIN 09296558) as Executive Director of the Company for a period of five years with effect from September 1, 2021, as per the terms and conditions detailed in the explanatory statement attached hereto.*

*RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to modify / revise the terms and conditions of remuneration of Mr. Srinivas Maruthi Patnam, provided however, the terms of remuneration of Mr. Srinivas Maruthi Patnam shall not exceed the ceiling as set out in Section 197 of the Act read with Schedule V to the Act, as amended from time to time."*

**By Order of the Board of Directors**

**Flavia Machado  
Company Secretary**

Mumbai  
October 28, 2021

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

### NOTES

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item no. 5 is annexed hereto and forms a part of this Notice.
2. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors proposed to be appointed/re-appointed by rotation at the ensuing 37<sup>th</sup> AGM, forms integral part of the Notice of the 37<sup>th</sup> AGM.
3. In view of the COVID-19 pandemic, and pursuant to Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 issued by the Ministry of Corporate Affairs (MCA), physical attendance of the Members at the AGM venue is not required and AGM can be held through video conferencing (VC) or other audio visual means (OAVM).
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in accordance with the said circulars of MCA and applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 37<sup>th</sup> AGM of the Company shall be conducted through VC. Your Company has appointed National Securities Depositories Limited ('NSDL') for providing facility for voting through remote e-Voting, for participation in the AGM through VC facility and e-Voting during the AGM. The procedure for participating in the meeting through VC is explained at Note No. 9 below.
5. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.  
  
However, the bodies corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-Voting. Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Companies Act, 2013 to the Company at investorgil.im@pg.com.
6. In accordance with, the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 and General Circular No. 2/2021 dated 13<sup>th</sup> January, 2021 issued by MCA, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 issued by the Securities and Exchange Board of India (SEBI), the financial statements (including Report of Board of Directors, Auditor's report or other documents required



to be attached therewith), including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

The Notice of AGM and the Annual Report for the Financial Year 2020-21, is available on the website of the Company at <https://in.pg.com/india-investors/gil/shareholder-information/info/>, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- 7. The Members can join the 37<sup>th</sup> AGM through VC/OAVM mode 30 minutes before the time scheduled to start the meeting, by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
- 8. **The Instructions for Members relating to remote e-Voting and e-Voting at the AGM are as under:**

The remote e-Voting period commences on **Thursday, November 18, 2021 at 9:00 a.m.** and ends on **Monday, November 22, 2021 at 5:00 p.m.** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on November 16, 2021, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently. The Company has appointed M/s. 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.

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., **Tuesday, November 16, 2021** only shall be entitled to avail the facility of remote e-Voting or for participation at the AGM and voting. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.

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

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

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





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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>



	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <p> </p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/ Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

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

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

- 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 ‘Shareholder/Member’ section.
  - A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- 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.	<p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 118639 then user ID is 118639001***</p>
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Password details for shareholders other than Individual shareholders are given below:

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

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

- i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
- ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- iii. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - Click on **“Forgot User Details/ Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - Click on **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- e. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

- f. Now, you will have to click on “Login” button.
- g. After you click on the “Login” button, Home page of e-Voting will open.

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

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back) and PAN (self attested scanned copy of PAN card) by email to [investorgil.im@pg.com](mailto: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 and PAN (self attested scanned copy of PAN card) to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.

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

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

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

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- b. Only those Members/Shareholders, who will be present in the AGM through VC facility and have not 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.
- c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

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

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

**9. Instructions for Members for joining the 37<sup>th</sup> Annual General Meeting through VC/OAVM are as under:**

- a. Members will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice below, to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. **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](mailto:investorgil.im@pg.com) and [machado.f1@pg.com](mailto:machado.f1@pg.com) from the date of this notice up to November 20, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.**

**General guidelines for shareholders**

10. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature

of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [gilagm2021@sarafandassociates.com](mailto:gilagm2021@sarafandassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

11. The results along with the Scrutinizer’s Report, shall be placed on the website of the Company and on the website of NSDL within two working days of conclusion of the AGM and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
12. SEBI has mandated submission of Permanent Account Number (“PAN”) for all transactions in the securities market. Members who are holding shares in dematerialized form are requested to submit their PAN details to their respective DP. Members holding shares in physical form can submit their PAN details to the Company’s Registrar and Share Transfer Agent (“RTA”), M/s. MAS Services Limited.
13. During the AGM, the Registers to be maintained under the Companies Act, 2013, shall be available electronically for inspection by the Members, upon login at NSDL e-Voting system at <https://www.evoting.nsdl.com>.
14. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
15. Members are requested to note that the transfer deed(s) lodged prior to deadline, i.e., April 1, 2019, and returned due to deficiency in the document were allowed to be re-lodged for transfer with the Company’s RTA, M/s. MAS Services Limited, on or before March 31, 2021. Henceforth, no physical transfer lodgement/re-lodgement will be allowed. Further, the shares that are re-lodged for transfer (including those requests that are pending with the Company / RTA, as on date) will be issued only in demat mode.

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

16. The Register of Members and the Share Transfer books of the Company will remain closed from **Wednesday, November 17, 2021 to Tuesday, November 23, 2021** (both days inclusive), for the purpose of determining the names of Members eligible for final dividend on Equity Shares, if declared at the Annual General Meeting.
17. The final dividend on Equity Shares for the Financial Year ended June 30, 2021, as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or before December 20, 2021:
  - a) To all beneficial owners, in respect of shares held in dematerialized form, as per details furnished by the Depositories for this purpose as at the close of business hours on November 16, 2021;
  - b) To all Members, in respect of shares held in physical form, whose names shall appear on the Company’s Register of Members as on November 23, 2021.

18. In line with the 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 RTA, M/s. MAS Services Ltd.
19. Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source (“TDS”) on the distribution of dividend income to its shareholders at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the requisite documents as mentioned in our letter dated September 17, 2021, which is put up on the website at <https://in.pg.com/india-investors/gil/reports-announcements/announcements/#announcements>, in order to facilitate the Company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be emailed to Company’s RTA at [investor@masserv.com](mailto:investor@masserv.com) on or before **November 7, 2021** in order to enable the Company to determine and deduct appropriate TDS. For any clarification, please write to us at [investor@masserv.com](mailto:investor@masserv.com) or [investorgil.im@pg.com](mailto:investorgil.im@pg.com).
20. 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, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020; Tel: (011) 26387281/82/83, Fax: (011) 26387384; e-mail: [info@masserv.com](mailto:info@masserv.com).
- Bank Mandate with full particulars for remittance of dividend directly into their Bank Accounts, if declared at the Meeting;
  - Intimate changes, if any, in their address/ name, bank details, NECS/ECS, mandates, nominations, power of attorney etc. at an early date;
  - Apply for consolidation of folios, if shareholdings are under multiple folios in identical names or joint holding in the same order of names; and
  - Request for nomination forms for making nominations, as per the format prescribed under the Companies Act, 2013.
- Members holding shares in the dematerialized form are requested to intimate the aforesaid changes directly to their DPs, as applicable.
21. 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.
22. Non-resident Indian Members are requested to immediately inform the Company or its RTA or the concerned DP, as the case may be, about the following:
- The change in the residential status on return to India for permanent settlement;
  - The particulars of the NRE account with a Bank in India, if not furnished earlier.
23. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/ unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on June 30, 2020 are available on the website of the Company at [https:// in.pg.com/](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>.
24. Members are requested to contact the Company’s RTA, M/s. MAS Services Limited, for claiming the unclaimed dividends. The detailed dividend history and due dates for transfer to IEPF are provided in the “Corporate Governance” section of the Annual Report.
25. 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, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020; Tel: (011) 26387281/82/83; Fax: (011) 26387384; e-mail: [info@masserv.com](mailto:info@masserv.com).
- Members are requested to quote their ledger folio numbers in all their correspondence to enable the Company to provide better services to the Members.





## EXPLANATORY STATEMENT

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

### Item No. 5:

***Appointment of Mr. Srinivas Maruthi Patnam (DIN 09296558), as Executive Director of the Company, liable to retire by rotation***

Pursuant to the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on August 24, 2021 appointed Mr. Srinivas Maruthi Patnam, Vice President - Human Resources, as an Additional (Executive) Director of the Company with effect from September 1, 2021 pursuant to Section 161 (1) of the Companies Act, 2013, read with the Articles of Association of the Company. Mr. Srinivas holds office up to the date of the ensuing 37<sup>th</sup> Annual General Meeting.

Further, pursuant to the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on August 24, 2021 have approved the appointment of Mr. Srinivas Maruthi Patnam, Vice President - Human Resources as an Executive Director of the Company effective September 1, 2021, subject to the approval of the Shareholders of the Company.

Mr. Srinivas Maruthi Patnam is the Head of Human Resources for P&G India. He has completed his Bachelor of Engineering from Nagpur University and MBA in Human Resources from Symbiosis Institute of Business Management, Pune. He has spent the last 21 years with Procter & Gamble group across five geographies, including India, China, Singapore, Australia & New Zealand and Indonesia. In his previous role, he was the business & organization strategy director for P&G's Indonesia market and alongwith it, was overseeing human resources for manufacturing units in Thailand, Vietnam, Philippines, Singapore & Malaysia.

The proposed terms of appointment of Mr. Srinivas are as under:

- i. Mr. Srinivas Maruthi Patnam shall be paid remuneration upto ₹ 3 Crores by the Company, viz., Gillette India Limited. Procter & Gamble Home Products Private Limited and Procter & Gamble Hygiene and Health Care Limited, P&G group Companies, shall contribute

towards the remuneration based on proportion of their Net Outside Sales.

- ii. In addition to the above, he shall be entitled to incentives, perquisites and allowances, as per Company policy, including but not limited to long term incentive plan, star bonus, global stock options etc.
- iii. Contribution from the Company, viz., Gillette India Limited towards his total compensation shall not exceed ₹ 2 Crores per annum.
- iv. He will not be entitled to sitting fees for attending meetings of the Board or any Committees thereof.
- v. He shall be liable to retire by rotation.
- vi. The Board of Directors shall be entitled to modify/ revise the terms and conditions of appointment of Mr. Srinivas Maruthi Patnam provided, however, the terms of his remuneration shall not exceed the ceiling as set out in Section 197 of the Companies Act, 2013 read with Schedule V to the Act, as amended from time to time.

The Board recommends passing of the resolution at item no. 5 as an Ordinary resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Srinivas Maruthi Patnam to whom this resolution relates, are concerned or interested, financially or otherwise, in this item.

**By Order of the Board of Directors**

**Flavia Machado**  
Company Secretary

Mumbai  
October 28, 2021

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

**DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED BY ROTATION AT THE FORTHCOMING  
37<sup>TH</sup> ANNUAL GENERAL MEETING**

<b>Resolution at Item No.</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Name of Director</b>	<b>Mr. Karthik Natarajan</b>	<b>Mr. Gagan Sawhney</b>	<b>Mr. Srinivas Maruthi Patnam</b>
<b>Age</b>	<b>44 years</b>	<b>45 years</b>	<b>45 years</b>
Date of appointment on the Board	23.01.2017	22.08.2019	01.09.2021
Expertise in specific field	Chartered Accountant	M.B.A. in Finance	M.B.A. in Human Resources
Names of other Companies in which he/ she holds Directorships	Procter & Gamble Hygiene and Health Care Limited	Procter & Gamble Hygiene and Health Care Limited	Nil
Companies in which he/she is a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager	Nil	Nil	Nil
Chairman/Member of the Committee(s) of the Board of Directors of the Company	Member of Committees: Risk Management Committee	Member of Committees: Risk Management Committee	Nil
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 Limited: Member of Committees: 1. Corporate Social Responsibility Committee 2. Risk Management Committee	Procter & Gamble Hygiene and Health Care Limited: Member of Committees: 1. Nomination & Remuneration Committee 2. Risk Management Committee	Nil
Shareholding in the Company	Nil	Nil	Nil
Relationship with other Directors, Manager or key Managerial Personnel, if any	None	None	None
Remuneration last drawn by each Director	Nil	₹ 48.19 lakhs (remuneration drawn by Mr. Sawhney as an Executive Director)	Nil
Number of Meetings of the Board attended during the year	4 out of 4	4 out of 4	No meetings held since appointment. Hence, Not Applicable.