



October 18, 2021

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

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

Dear Sir/Madam,

Sub: Annual Report for the Financial Year ended June 30, 2021 and Notice calling the 54th Annual General Meeting of the Company

We refer to our letter dated September 18, 2021, intimating the date of 54th Annual General Meeting. In this respect, please find enclosed Annual Report for the Financial Year ended June 30, 2021 and Notice calling the 54th 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 on October 18, 2021, to Shareholders whose e-mail addresses are registered with the Company. The copy of the Notice along with the Annual Report is enclosed herewith and is also available on the Company's website: <https://www.pghealthindia.com/investors/>.

Further, it may be noted that shareholders who would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, E-mail id, mobile number at investorgrievance.im@pg.com from the date of this notice up to November 8, 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 Procter & Gamble Health Limited

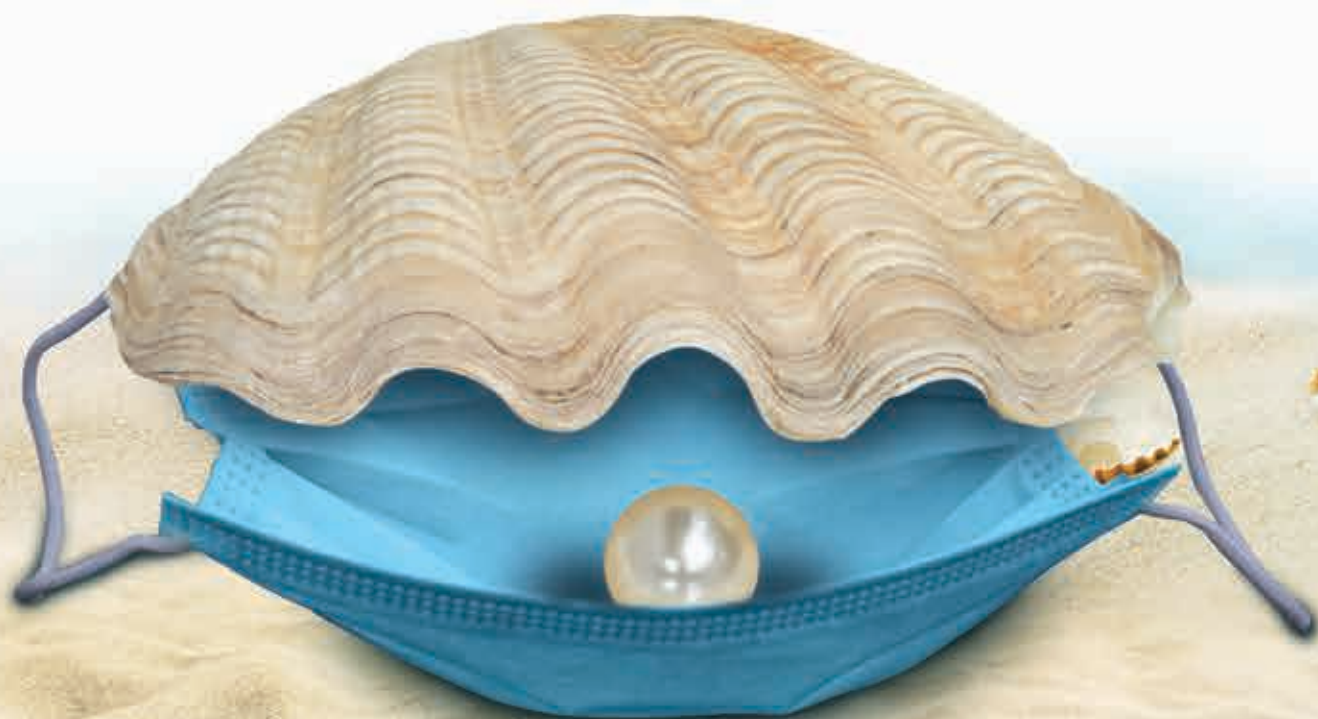
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Flavia Machado
Senior Manager-Legal & Secretarial

Procter & Gamble Health Limited

CIN: L99999MH1967PLC013726
Registered Office: Godrej One, 8th Floor,
Pirojshanagar, Eastern Express Highway, Vikhroli East,
Mumbai 400 079 | Tel: (91-22) 6866 9000
www.pghealthindia.com

Growing through
Resilience





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Corporate Information

Board of Directors and Key Managerial Personnel

Mr. Suresh Talwar
Independent Director – Chairman

Ms. Rani Jadhav
Independent Director

Mr. Milind Thatte
Managing Director

Mr. Amit Gupta
Executive Director (Finance) & Chief Financial Officer

Mr. Sujay Wasan
Non-Executive Director (up to September 23, 2021)

Mr. Aalok Agrawal
Non-Executive Director

Dr. Elizabeth Desmond
Non-Executive Director (Appointed w.e.f. September 24, 2021)

Ms. Preeti Bishnoi
Company Secretary (up to June 30, 2021)

Ms. Zeal Shah
Company Secretary (Appointed w.e.f. August 26, 2021)

Corporate Identity Number (CIN)

L99999MH1967PLC013726

Registered Office

Procter & Gamble Health Limited
Godrej One, 8th Floor, Pirojshanagar,
Eastern Express Highway, Vikhroli (East),
Mumbai – 400 079, India

Phone: +91 22 6866 9000

Fax: +91 22 2518 6828

Website: www.pghealthindia.com

Email: investorgrievance.im@pg.com

Investor grievance contact: +91 8291902520/
+91 8657500524

Statutory Auditor

Haribhakti & Co. LLP
Chartered Accountants

Cost Auditor

Joshi Apte & Associates
Cost Accountants

Secretarial Auditor

Dholakia & Associates LLP
Company Secretaries

Listed on Stock Exchanges

National Stock Exchange of India Limited
BSE Limited

Plant Location

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

Registrar and Share Transfer Agent

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

Cautionary Statement

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

Such statements involve known and unknown risks, uncertainties and other factors that may cause actual outcome to differ from those expressed or implied in these statements. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, on the basis of any subsequent development, new information or future events or otherwise except as required by applicable law.



Foreword

“Resilience

is the ability to adapt to new circumstances when life presents the unpredictable”

- Salvatore R. Maddi

Resilience is going back to the drawing board, with a view and willingness to alter course. Pressing on and doing whatever it takes to keep moving forward; even when the going is tough.

Resilience is the difference between success and enduring success.

In this 54th Annual Report, we present to you, your Company's Journey of Growth and how Resilience helped us to Reimagine, Reinvent, Revamp, Reassure and Reinforce in an unprecedented year.



Managing Director's Message



Dear Shareholders,

At the outset, on behalf of the Board of Directors and the Procter & Gamble Health Limited team, I would like to take this opportunity to thank you for your continued support and confidence in your Company in an unprecedented year.

We began this year embracing the new normal; continuing our journey to strengthen our presence in consumer health focused on offering superior brands, driving increased reach, and improving awareness. As the pandemic continued to present challenges to health, life, and business, your Company stayed resilient, delivering quarter on quarter growth and sales of ₹ 990.8 crores in the Financial Year.

Covid-19 pandemic brought about improved awareness on preventive healthcare and this was reflected in the increased uptake of health supplements. Your Company reimagined and reinvented to ensure access and availability of our trusted, quality medicines and nutraceutical products for patients, consumers and doctors. Our brand franchises remained unstoppable doubling down efforts to improve visibility, reach and awareness across categories.

We hope you were able to catch some of our brands on your TV screens and in your online viewing as they went on air, and across digital and OTT platforms for the very first time.

Leveraging technology, our medical and sales teams ensured continuous connects with healthcare practitioners and pharmacists through multiple innovative initiatives and platforms. While our frontliners in manufacturing, product supply and exports ensured uninterrupted availability of our essential medicines and nutraceutical products, our sales frontliners - upskilled on hybrid *phygital* detailing models - ensured uninterrupted customer service. The year also saw the launch of new SKUs from our *Neurobion* franchise, *Neurobion* alfa and alfa D, and strengthened medico-marketing efforts across our export markets. I am delighted to share that four of your Company's brands were ranked among the Top 10 brands in the Industry in Sri Lanka.

We continued to invest in strengthening public health in India through our flagship CSR program '*SEHAT*' (meaning Health). Under *SEHAT*, we recently announced a 3-year collaboration with Tata Trusts for '*YES To POSHAN*', a new initiative which aims to advance the nutritional status of

women and children at the grassroots level. As part of the 'P&G Suraksha India' Covid-19 relief program, P&G India contributed to the donation of 10 lakh vaccine doses for 5 lakh citizens in partnership with state governments and local authorities, while continuing to support communities in collaboration with our partner NGOs.

Reinforcing our commitment to protecting the health and well-being of our employees and partners, the year saw a continued and rigorous focus through a series of measures: a dedicated Covid-19 helpdesk, safety protocols and use of protective gear; network and collaboration tool upgrades and training to ensure productivity and flexibility when working remotely; and enhanced benefits and wellness resources to help navigate the challenges of managing work and family. Our solidarity and team glue – one of our key success factors – stayed strong through the pandemic as we continued to huddle together connecting, sharing, celebrating, and pivoting with agility and customer-focus. We also accelerated our efforts to improving gender diversity, tripling the number of women in our sales team within a year.

In the next few pages of this Annual report, we would like to share glimpses of this journey of Growing through Resilience-of Reimagining, Reinventing, Revamping, Reassuring, and Reinforcing as we collectively created an operating model that enabled business continuity and safety.

While the pandemic remains, so does our commitment to step up, guided by our three core principles: (1) protecting the health and well-being of our employees; (2) serving consumers and customers who count on our brands and the benefits they provide; (3) and supporting communities,

relief agencies and people who are on the front lines of this global pandemic. Taken together, these principles will help ensure that P&G will be there for the employees, consumers, and communities who have always been there for us.

While the external environment continues to be volatile and the near term will be challenging, we will continue to keep resilience as our inherent strength and step forward, not back - focused on our integrated strategy and our immediate priorities to keep growing; offering quality healthcare solutions for our patients, customers, and consumers, and creating value for our shareholders.



Yours sincerely,
Milind Thatte

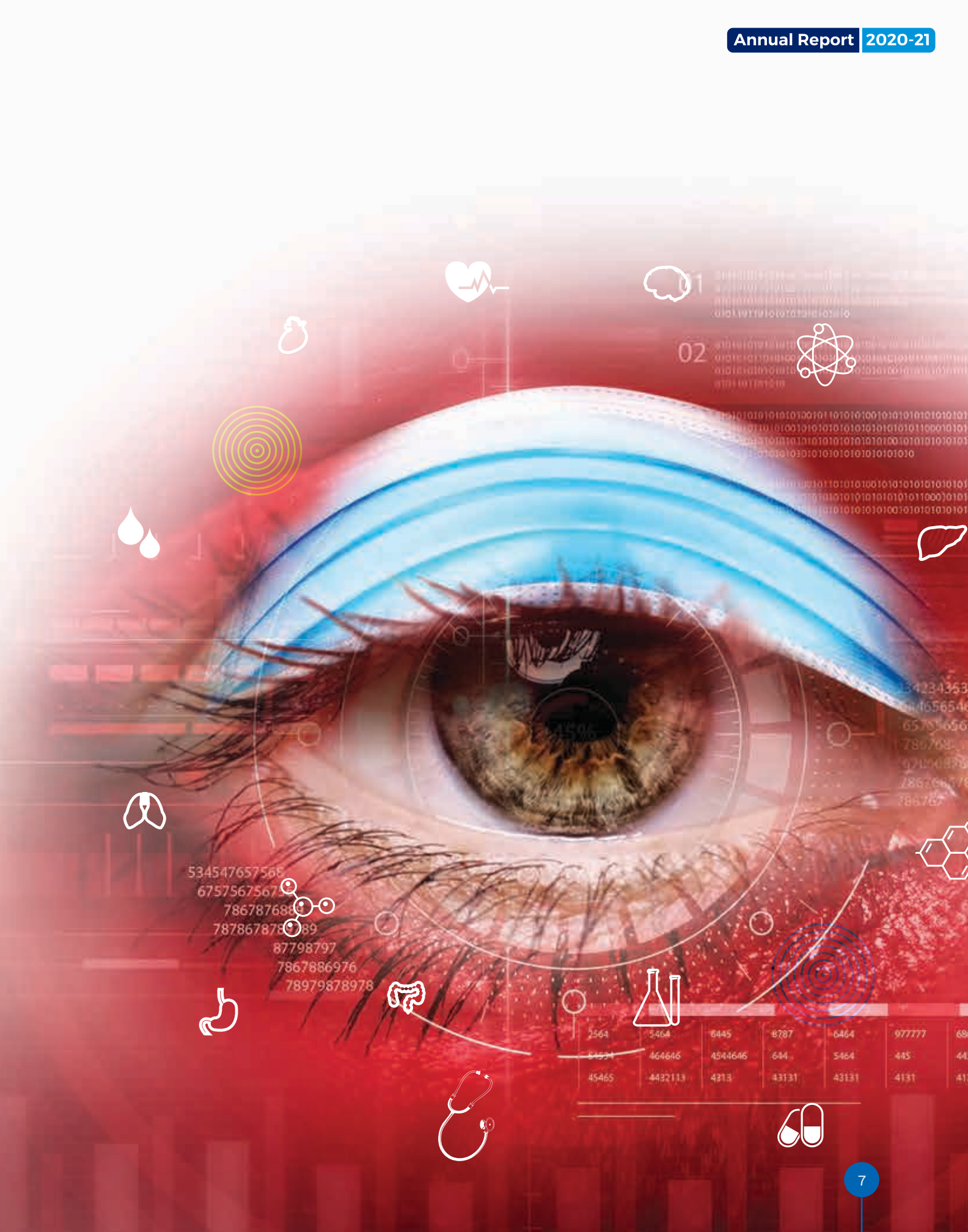


Resilience is to

REIMAGINE...

to have the willingness to view the future through new eyes

Covid-19 has brought about improved awareness on preventive healthcare, and this was reflected in the increased uptake of health supplements. Focused towards ensuring access and availability of our trusted and quality medicines and nutraceutical products for patients, consumers and doctors, our brand franchises remained unstoppable; doubling down efforts to improve visibility, reach and awareness across categories.



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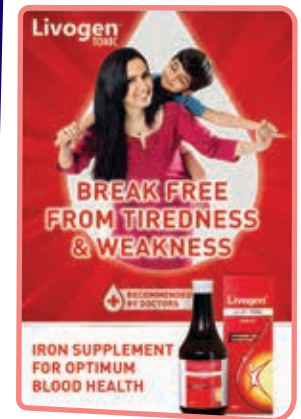
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45465	4432113	4313	43131	43131	4131	41

Resilience is to **REIMAGINE**

...having the willingness to
view the future
through new eyes

First Time on Air, Television Commercials
for Evion, Livogen and Polybion



Virtual Launch of NEW Neurobion Alfa and Neurobion Alfa D



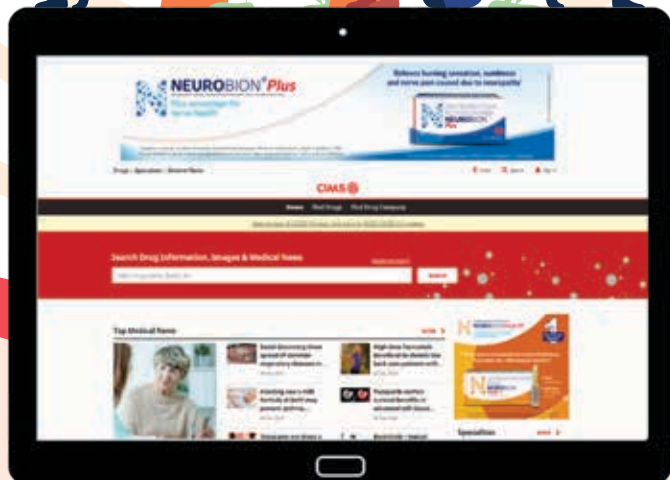


New Television Commercials were launched for Neurobion Forte and Nasivion



We also actively leveraged OTT and Digital platforms to expand our reach to our consumers, patients and healthcare practitioners

A central illustration of a hand holding a smartphone. The phone screen displays a social media post for Neurobion Forte with the text 'Neurobion Forte Supports Healthy Nerves' and a 'LEARN MORE' button. The post includes a video player with three frames showing a man, and text: 'Welcome to you IPL with all fans', 'I'm waiting for seems Hitman batting', and 'I am big fan rcb'. Below the post is a 'Koi Yaar Nahi Far' advertisement. The background is light blue with various health-related icons: a pill, a heart with a pulse line, a syringe, and a DNA helix. To the left of the hand is a screenshot of an Evion advertisement titled 'Evion - Nourish your cells' with the text 'Antioxidant supplements play a vital role in prevention of oxidative stress and muscle damage. Watch this video to understand more.' Below this is another Evion ad titled 'Various factors may increase risk of muscle damage' with icons for 'Strenuous activities', 'Lifting heavy weights', and 'Delayed intake'. To the right of the hand is another Evion advertisement titled 'Evion Nourish your cells for a renewed you.' with the text 'Cell Nourishment Process' and 'For muscle, skin and hair health'. At the bottom right, there is a small blue circle containing the number '9'.





4
PROCTER & GAMBLE HEALTH LIMITED BRANDS

RANKED AMONG THE TOP
10
BRANDS IN THE INDUSTRY IN SRI LANKA

Data Source: IQVIA Sri Lanka MAT MAR' 21

Procter & Gamble Health Limited ranked amongst
TOP 150 WEALTH CREATORS
by the Dalal Street Investment Journal Group



P&G Health

Breaking NEWS

DALAL STREET INVESTMENT JOURNAL
DSIJ **150** Wealth-Creators

Procter & Gamble Health Limited has been ranked amongst the **TOP 150 Wealth-Creators** by the Dalal Street Investment Journal Group.

Selected on the weighted scores across parameters of profitability, net worth, increased shareholder wealth etc, these 150 companies have been recognized as the leading aggregators of wealth in India.

Photo: P&G Health Limited



Resilience is to

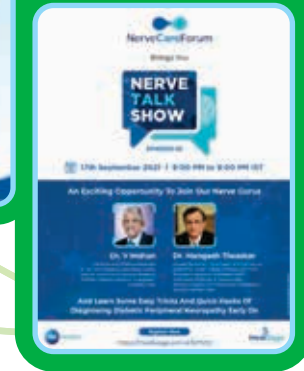
REINVENT...

finding ways to ride disruptive changes

Stepping up as trusted scientific partners to healthcare practitioners and pharmacists, our Medical and Sales Teams embraced technology and innovation to ensure continuous connects, learning and sharing of medical insights and scientific updates across multiple virtual forums and touchpoints.

Resilience is to **REINVENT**

...finding ways to
ride disruptive changes



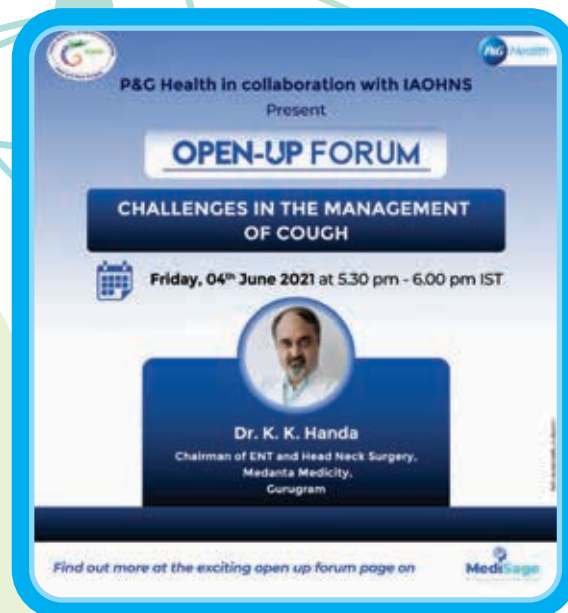
NerveCareForum

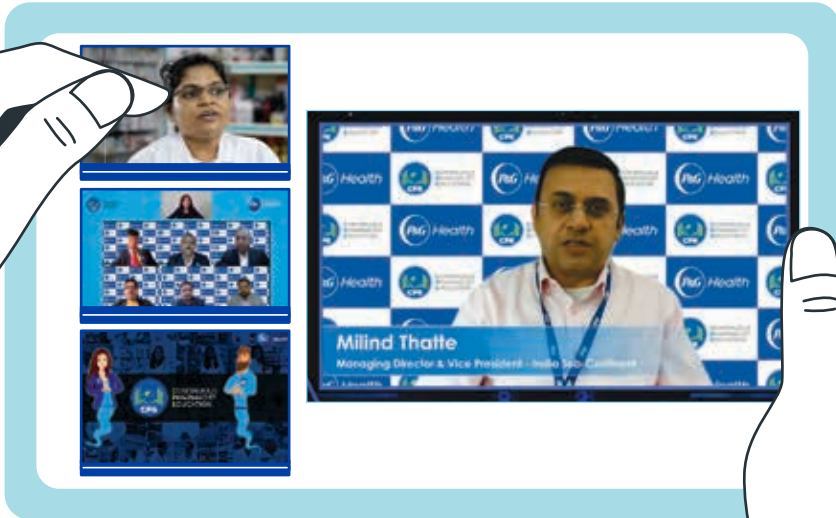
Conducted across **900+ Cities**,
with participation
from over **60000 HCPs**

OPEN-UP

Evaluating new pathways for managing nasal blockage

Overwhelming participation received from over **1700 ENTs and Pediatricians** in collaboration with **17 leading Key Opinion Leaders** and *'Indian Academy of Otorhinolaryngology Head and Neck Surgery'*





CONTINUOUS PHARMACIST EDUCATION

Continuous Pharmacist Education program launched towards upskilling and knowledge sharing



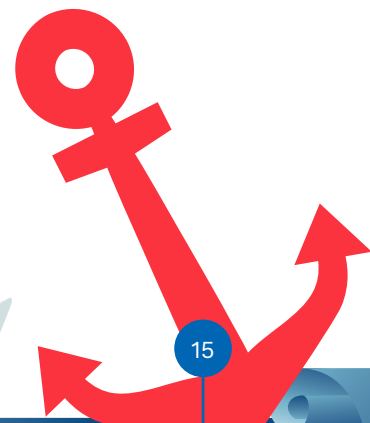
Continued discussions and deliberations with over **60000 HCPs** through Vitamin E Founders' Month



Interactive sessions with over **18000 Gynaecologists and General Practitioners** in collaboration with **30 leading Key Opinion Leaders** and 'Federation of Obstetrics and Gynaecological Societies of India' and 'Mumbai Obstetric and Gynaecological Society'

Omnicuris
India's Largest Online Platform for Doctors

Digital CME Initiative on Omnicuris in collaboration with 'Pediatrics Association of India' reaching **over 20000 HCPs** with **over 150000 hours** of HCP Engagement



Resilience is to

REVAMP...

having the courage and vision to rearrange
the pieces and start again

Adversity fuelled our imagination as teams across the board demonstrated leadership, agility, perseverance, and collaboration to ensure that we continued to serve our customers and consumers. While our frontliners in manufacturing, product supply and exports ensured uninterrupted availability of our essential medicines and nutraceutical products, our sales frontliners - upskilled on hybrid 'phygital' detailing models, ensured uninterrupted customer service and reach, and the technical and regulatory teams continued their efforts behind the scenes on innovation, health authority approvals and registrations.



Resilience is to **REVAMP**

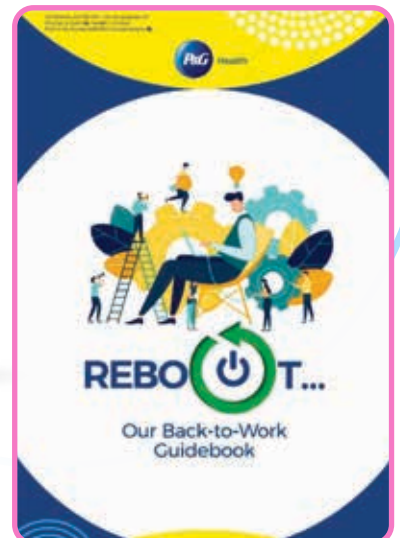
...having the courage and
vision to rearrange
the pieces and start again

**Secured product supply
during lockdown**



Built capability through...

2000+
detailing and selling
skills sessions and
work-from-home
refresher
trainings

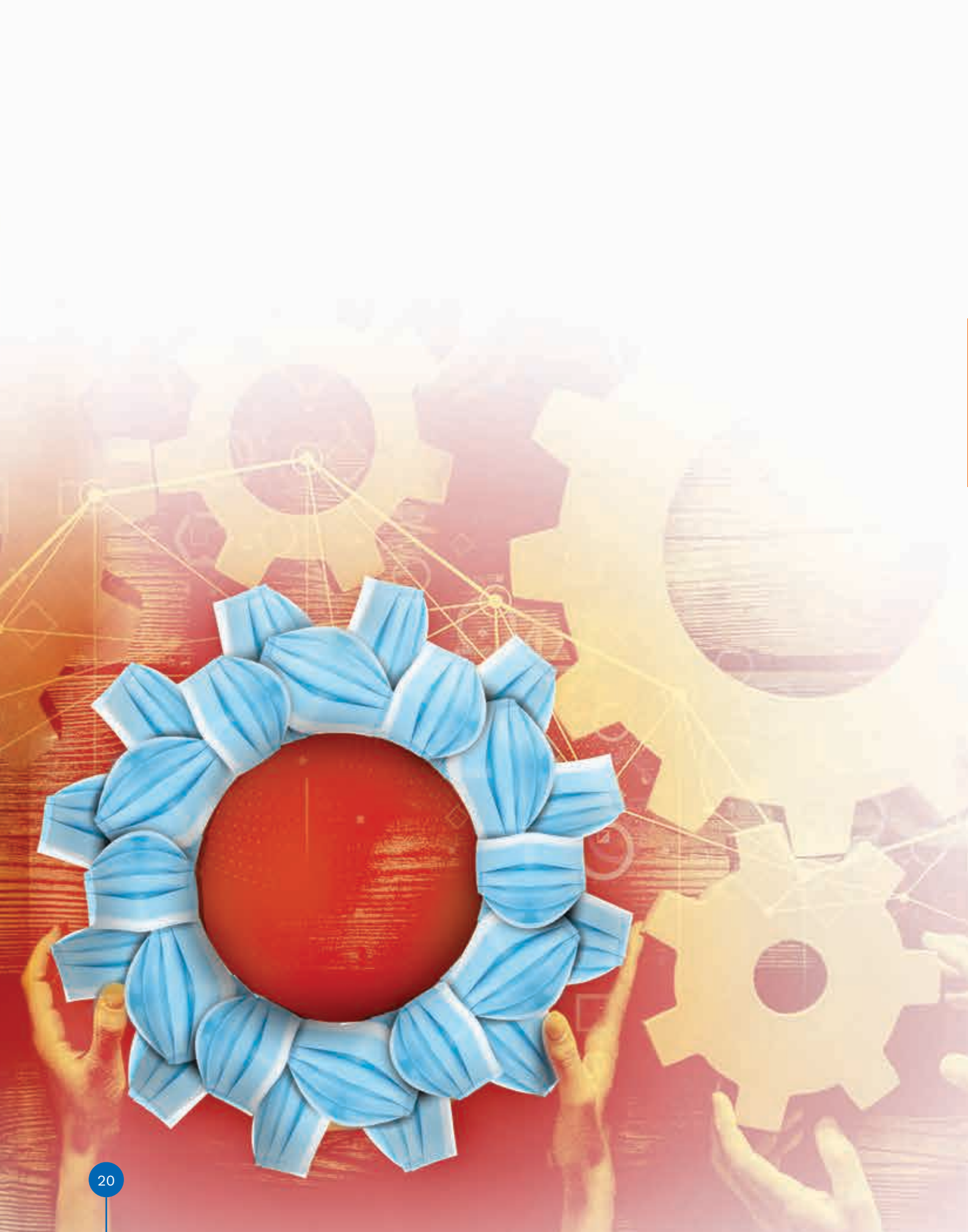




Launch of
iTech
detailing initiative:
enabling field force
to transition
to tabs for detailing

Introduction of
New Contract
Manufacturing sites
and
Technology
Transfer projects

Revamped Sales and
Trade Operations Models
to improve focus,
reach and efficiency



Resilience is to

REINFORCE...

staying true to our commitments no matter
the circumstances

With the aspiration to make a sustainable difference to Public Health in India, we continued to channelize all our CSR efforts towards building a Healthier India with our 'SEHAT' (meaning Health) CSR Initiative. While further strengthening ongoing projects in public health capability and capacity, we continued to reach out to support communities and relief efforts in collaboration with partner NGOs. As part of the 'P&G Suraksha India' Covid-19 relief program, we also contributed to the donation of 10 lakh vaccine doses for 5 lakh citizens in partnership with state governments and local authorities.

Resilience is to **REINFORCE**

...staying true to
our commitments, no matter
the circumstances

'P&G Public Health Scholarship' with Public Health Foundation of India (PHFI)

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

With the twin-fold objective of:

1 Helping build a Public Health Cadre to address India's complex set of existing and emerging public health challenges

2 Support interested candidates to choose public health as a career opportunity to improve health conditions and thus quality of life (QoL) of Indians

Your Company instituted the 'P&G Public Health Scholarship' for deserving students from socially and economically deprived communities seeking to pursue 'Masters in Public Health' across PHFI's IIPH (Indian Institute of Public Health) Institutes.



59
**NEW P&G
HEALTH
SCHOLARS**

initiated their careers in public health across Indian Institutes of Public Health (IIPHs) at Gandhinagar, Delhi NCR, Hyderabad and Shillong with the help of the 'P&G Public Health scholarship' with the aspiration to become tomorrow's change makers. Since its inception in 2019, the scholarship program has benefited 93 bright and earnest young scholars.





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

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

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

In 2020-21, the project was expanded to Vidisha District in Madhya Pradesh. Under this project, *Swasthya Sakhis*, selected by PHFI from the District Communities and empowered with PHFI's Technological Innovation 'Swasthya Sahayak' (SS) - a portable/backpack sized point-of-care information gathering and diagnostic tool - have been deployed to seek and digitize health information of families including conducting diagnostics of pregnant women and to refer high-risk cases to Public Health Centres.

Due to the onset of Covid-19 and subsequent lockdowns, field work by Swasthya Sakhis had been paused intermittently in line with advisories issued by the Government and keeping in mind the safety of both the Sakhis and the beneficiaries.

Field work has now resumed as per local area guidelines and the project extensions have been given to PHFI for all 3 states with the aim to reach a total of ~1500000 beneficiaries by June'22.

128
Swasthya Sakhis
have reached out to
over
600000
beneficiaries
till date.



'Yes to Poshan' Program - with Tata Trusts

Malnutrition is a complex public health problem with inter-generational repercussions. The urgent need to ensure adequate nutrition in women and children in India prompted the Government's POSHAN Abhiyaan to reduce stunting, undernutrition and low birth weight in children and anaemia amongst women and children.

Your Company and Tata Trust announced a 3-year collaboration for 'Yes to POSHAN' - a grassroots behavioural change program across 5 villages in Krishna district in Andhra Pradesh to promote diet diversity and address challenges of limited or age-inappropriate diet amongst Pregnant and Lactating Women (PLW) and children aged less than 2 years.

Interventions include a five-fold behaviour change campaign, surveys, growth monitoring, and capacity building of Anganwadi workers and 'Poshan Sakhis' to promote diet diversity.

Additionally, participatory learning and action initiatives would be rolled out to nearly 3000 women in the reproductive age group.

'YES to POSHAN' programme launched in Krishna district

PHFI | Hyderabad
Initiatives to improve public health problems existing in the National Capital Region (NCR) have a 2016 grant worth ₹100 crore to support the health and nutrition of women and children in the region. The grant is being used to support the health and nutrition of women and children in the region. The grant is being used to support the health and nutrition of women and children in the region.

P&G, Tata Trusts tie up to beat malnutrition

'Yes To Poshan' to begin in five villages

Hyderabad
The Government of India has announced a three-year collaboration with P&G Health Swasthya Sakhi (SS) to improve the health and nutrition of women and children in the region. The grant is being used to support the health and nutrition of women and children in the region.

Worries Rise
In India, 17.5% of all women between 15 and 49 years of age, or 16.8% were undernourished and 14.8% had a low body mass index (BMI), highlighting the need for greater focus on nutrition.

Launched in March'21, the program will cover nearly 1200 Pregnant and Lactating Women and approximately 500 children over a period of 3 years.

'Gift of Health' Program (Children) with Catalysts for Social Action (CSA)



An estimated **370000 children stay in childcare institutions (CCIs) in India**, with only a small number getting adopted. Improving children's health & hygiene conditions at these CCIs is important towards ensuring a good base for development of children.

With the objective of supporting health needs of children under institutional care, the Company instituted the 'Gift of Health' program with 'Catalysts for Social Action' as its 'Healthcare Partner' to provide health and hygiene support to **nearly 3000 children in the age group of 6-18 years residing at 67 CCIs across Maharashtra, Madhya Pradesh, Odisha and Goa.**

2020-21 activities included regular health check-up camps, distribution of hygiene kits and sanitary napkins, and awareness sessions on good hygiene and dental care practices. This year, Covid-19 support items were also provided at these CCIs. It included sanitization kits, hygiene kits, oximeters, etc. Adolescent girls were also provided with sanitary napkins. Preventive healthcare and personal hygiene training on dental, skin and general health was conducted virtually for all children. To provide children access to safe drinking water, your Company also supported the installation of water purifiers at 10 childcare institutions across Odisha and Pune.

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



Today there are an estimated 100 million elders in India. Of them 90 million still need to work to survive, 55 million sleep hungry and affording quality medical care is a distant dream for most. During the pandemic, the elderly were among the most vulnerable groups due to their increased susceptibility to the coronavirus. The subsequent lockdowns also posed additional challenges of livelihood for the elderly especially in poorer states with significant populations living hand-to-mouth.



Your Company supported HelpAge India's Emergency Response Initiative to distribute 'Survival Kits' – made in consultation with the elderly communities – consisting of daily essentials (groceries), masks, soaps and hygiene material to help them tide over the immediate situation. During the year, 2670 survival kits were distributed to the disadvantaged elderly across the states of Goa, Maharashtra, Odisha, Karnataka and Chhattisgarh districts.



Daan Utsav 'Post & Give Challenge' with HelpAge India

For the second consecutive year, your Company's employees across India joined the country in celebrating 'Daan Utsav' to engage in different acts of 'giving'. They were asked to post and share acts of care extended to the elderly in terms of time and support. For every act of 'Giving', your Company committed to match an amount towards HelpAge India's community outreach health initiative - Mobile Healthcare program in Mumbai - to provide essential Primary Health Services to the Disadvantaged Elderly at their doorstep. With their collective acts of giving, *our employees enabled the Mobile Healthcare program to take healthcare services to the doorstep of nearly 700 senior citizens.*



Upgradation of school infrastructure at village schools in Goa with Round Table India

Towards enabling access to an education which is in sync with today's digital world, your Company supported the upgradation of

3 Smart Classrooms
and

1 Smart Library

at Sarvodaya High School in Usgao Village in Goa.



Resilience is to

REASSURE...

standing strong as One Team, One Family with care, connection, and celebration

All day, every day, P&G employees have been stepping up and serving others as a force for good. With an unwavering focus on protecting the health and well-being of our people, the year saw a continued and rigorous focus on health and well-being through dedicated helpdesk, safety protocols and protective gear; network and collaboration tool upgrades and training to ensure productivity and flexibility when working remotely; and enhanced benefits and wellness resources to help navigate the challenges of managing work and family.





Resilience is to **REASSURE**

...standing strong as One team,
One family with care,
connection,
and celebration.

Dedicated Covid-19 Helpdesk led by HR to handhold employees through the pandemic; included regular advisories, vaccination drives and employee monitoring support through Connect & Heal platform.



“

For many people including me, P&G as an employer has been our pillar of strength & stability during a time of chronic uncertainty. I have personally experienced various engagements by HR and our leaders and was also privileged to be able to avail the required support and benefits; be it regarding WFH advisory, regular connect on hospitalization, information on Covid-19 recovery, among several other things.

We also connected with our local teams across India when there was a specific need from any of our ailing colleagues, pertaining to availability of beds or ICU wards in hospitals, procuring medicines, Oxygen etc. I received help in these areas when my wife and daughter suffered from Covid-19 and were hospitalised.

I sincerely thank P&G for taking care of me, my family and my entire team during these challenging times.

Abhijit Roy
Director-Sales

”



Our solidarity and team glue – one of our key success factors – stayed strong through the pandemic as we continued to huddle together connecting, sharing, celebrating; while the connects were virtual, the joy was real!

Virtual Cycle Meetings connecting & engaging **1000 EMPLOYEES**

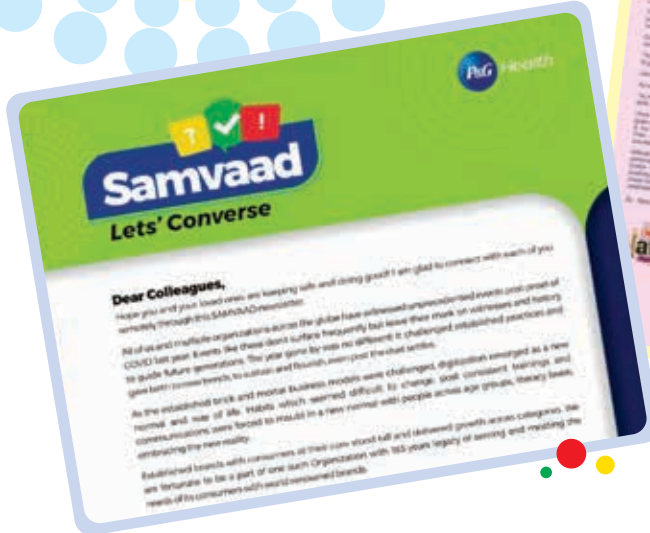


We launched our New Yammer Community
Life@Pghealthindia



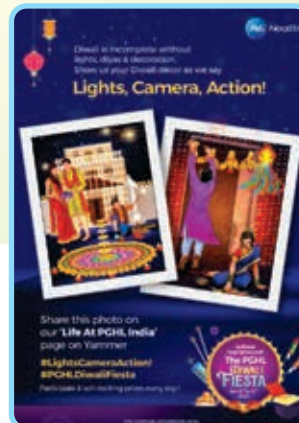
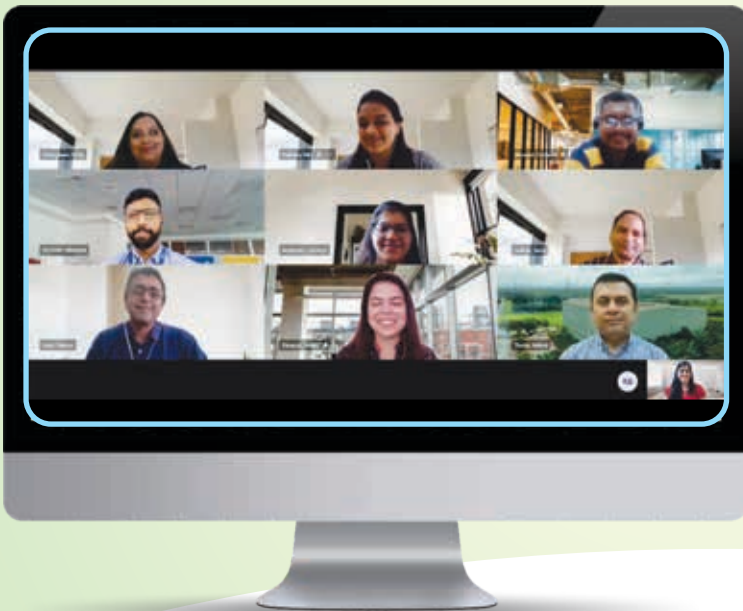
HI FM

Internal Radio Station
for Employees



We continued sharing updates through Samvaad and 115 IYA Post

Leadership Connects, Candid Conversations, Breakfast Meets, Anniversary and Festival Celebrations



Celebrated each milestone through Virtual Rewards, Recognitions and Celebrations



The Company also launched a new initiative **‘WISH 100 (Women In Sales Hierarchy) and beyond’**

to improve gender diversity, successfully tripling the number of women in sales within the first year itself.

REPORT OF THE DIRECTORS

Your Directors have the pleasure of presenting the 54th Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2020-21	2019-20
Income from Operations	100,873	135,586
Other Income	1,810	6,889
Profit before Interest, Depreciation and Tax	26,412	38,430
Depreciation/ Impairment	3,004	2,945
Profit before tax	23,328	35,485
Provision for Taxation (net)	5,648	10,077
Profit after tax	17,680	25,408
Appropriations:		
Opening Reserve	53,226	116,797
Re-measurement gain/loss on defined benefit plan (net of tax)	42	(926)
Dividend (including tax on dividend)	(38,178)	(88,053)
Balance carried to the Balance Sheet	32,770	53,226
Earnings per share		
- Basic (₹)	107	153
- Diluted (₹)	107	153

Note: Previous Financial Year 2019-20 was an eighteen months' period hence figures reported are not comparable versus current Financial Year.

FINANCIAL YEAR

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

DIVIDEND

Your Board of Directors are pleased to recommend a final dividend of ₹ 130 per equity share, which includes a one-time special dividend of ₹ 90 per equity share for the Financial Year ended June 30, 2021. This final dividend is subject to approval of the Members at the ensuing 54th Annual General Meeting of the Company.

BUSINESS PERFORMANCE

During the Financial Year ended June 30, 2021, your Company achieved a turnover of ₹ 99,079 lakhs from operations as against a turnover of ₹ 132,921 lakhs in the previous eighteen month's financial period. After providing for taxes, net profit was ₹ 17,680 lakhs.

Due to transition to new Financial Year period July-June, the current twelve months' financials are not comparable versus last period of eighteen months. In spite of a challenging year impacted by COVID-19 pandemic, your Company closed the period with a Net Profit ratio of 17.5% of income from operations. Sustained growth in total income coupled with stringent expense management in the wake of COVID-19 pandemic, enabled your Company to achieve resilient growth in a challenging period. The detailed operational performance of your Company is provided in the Management Discussion and Analysis Report forming part of this report.

FINANCIAL RATIOS

Particulars	2020-21	2019-20	change (%)
Debtors turnover	13.0	11.2	16.5
Inventory turnover	8.0	7.3	9.4
Interest coverage ratio	N.A.	N.A.	N.A.
Current ratio	3.5	3.9	-9.7
Debt equity ratio	-	-	-
Operating profit margin	23%	26%	-11.33
Net profit margin	17.5%	18.7%	-6.5
Return on Networth	22%	20.8%	5.7

Note: Previous Financial Year 2019-20 was an eighteen months' period hence figures reported are not comparable versus current Financial Year.

BUSINESS RESPONSIBILITY REPORT

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

CORPORATE SOCIAL RESPONSIBILITY

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

ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

Environmental sustainability is embedded in our *Purpose, Values, Principles*, and our business. Your Company is committed to improving lives, now and for generations to come by ensuring that our products, packaging and operations are safe for

employees, consumers and the environment. We ensure by focusing on technologies, processes and improvements that matter for the environment.

Environment, Health and Safety encompasses the laws, rules, guidance and processes designed to help protect employees, the public and the environment from harm, further supported by group standards, current best approaches and audits at regular intervals. There is a systematic approach for complying with environmental regulations, such as managing waste water and air emissions. This also includes hazardous and other waste management at the Company's plant at Goa. The Goa plant ensured 100% compliance to management of waste water via continuous online monitoring of all legal parameters and hazardous waste management via last mile disposal to government authorized waste disposal vendors.

Your Company constantly strives to reduce energy consumption by taking energy saving initiatives across all our operations. These initiatives are not only limited to improvement in machinery but also optimization in the operations strategy.

In Financial Year 2020-21, some of the key initiatives taken at the Company's Goa plant in this direction were:

1. Improving energy efficiency by replacement of multiple old pumps and motors with state of art designs to reduce overall power consumption.
2. Boiler return condensate recovery to pre heat make up water and help reduce usage of fuel thus minimizing direct Green House Gases (GHG) footprint.
3. The utility team worked on optimization in consumption of power used in air compressors by carrying out compressed air demand studies and revamping the operating strategy.
4. Replacement of old conventional light fixtures with LED lights which require less maintenance as well as save electricity.

In Financial Year 2021-22, your Company aspires to take these savings even further to reduce its carbon footprint by another 10% and take measures with active participation from employees on energy conservation. Alongside, the Goa plant aims to source 25% of its energy from renewable/clean energy source via 2MW onsite land mounted powerplant.

TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Your Company has the advantage of availing advanced technology and upgradation thereof from The Procter

& Gamble Company, USA and its subsidiaries (Procter & Gamble group). This is an unmatched competitive advantage that helps the Company deliver strong business results.

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

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

	(₹ in Lakhs)	
Expenditure on R&D*	2020-21	2019-20
Capital	3	375
Recurring	393	661
Total	396	1,036
Total R&D expenditure as a percentage of total turnover	0.40%	0.78%

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

Note: Previous Financial Year 2019-20 was an eighteen months' period hence figures reported are not comparable versus current 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 Financial Year ended June 30, 2021	For the Financial Year ended June 30, 2020
Foreign Exchange earnings	13,312	21,750
Foreign Exchange outgo	14,622	22,897

Note: Previous Financial Year 2019-20 was an eighteen months' period hence figures reported are not comparable versus current Financial Year.

RELATED PARTY TRANSACTIONS

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

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

There were no material related party transactions entered into by the Company during Financial Year 2020-21. 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.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits from the public or the members of the Company during the Financial Year 2020-21.

PARTICULARS OF LOANS, AND GUARANTEES GIVEN OR INVESTMENTS MADE

Your Company has neither given any loans or guarantees nor made any investments during the Financial Year 2020-21.

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

Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. The Company has ensured a wide dissemination of the Policy and have conducted various awareness program at all locations of the Company. The Company has constituted an Internal Complaints Committee. During the Financial Year, no complaints with allegations of Sexual Harassment were filed with the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) Such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) 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 Report on Corporate Governance along with certificate from a Practicing Company Secretary thereon, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed and forms part of this Report.

NUMBER OF MEETINGS OF THE BOARD

Five (5) meetings of the Board were held during the Financial Year 2020-21. For details of the meetings of the Board and its Committees, please refer to the Corporate Governance section of the Annual Report.

ANNUAL RETURN

The annual return as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the

Companies (Management and Administration) Rules, 2014 is available on the website of the Company, which can be accessed at <https://www.pghealthindia.com/investors/>.

MANAGEMENT & PERSONNEL

The strength of business and resilience, particularly in this year due to COVID-19 pandemic and 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, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at investorgrievance.im@pg.com.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Preeti Bishnoi ceased to be the Company Secretary and Compliance Officer of the Company effective June 30, 2021. Ms. Zeal Shah has been appointed as Compliance Officer of the Company effective July 1, 2021 and as the Company Secretary of the Company effective August 26, 2021.

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

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, have appointed Dr. Elizabeth Desmond, as an Additional (Non-Executive) Director, effective September 24,

2021, to hold office upto the ensuing 54th Annual General Meeting. It is proposed to appoint Dr. Elizabeth Desmond as a Non-Executive Director of the Company, liable to retire by rotation, at the ensuing 54th Annual General Meeting.

Mr. Aalok Agrawal, Director, retires by rotation and being eligible, offers himself for re-appointment at the ensuing 54th 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 54th Annual General Meeting of the Company.

The Independent Directors of your Company have given declarations to your Company stating that they meet the criteria of independence as mentioned under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is of the opinion that all the Independent Directors of the Company possess integrity, have relevant expertise and experience and fulfill the conditions specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the Financial Year, none of the Directors and key managerial personnel of the Company had any material pecuniary relationship or transactions with the Company.

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

AUDITORS

The Shareholders at their 50th Annual General Meeting (AGM) held on May 31, 2017 had approved the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants (ICAI Firm Registration No.: 103523W/W100048), as statutory auditors of the Company, to hold office from the conclusion of the 50th AGM upto the conclusion of the 55th AGM. The Report given by

the Statutory Auditors on the financial statements of the Company for the Financial Year ended June 30, 2021 is part of the Report. There has been no qualification, reservation or adverse remark given by the Auditors in their Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been carried out by Dholakia & Associates LLP, Company Secretaries, for the Financial Year ended June 30, 2021. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company. The Secretarial Audit report has been appended as **Annexure IV**.

SECRETARIAL STANDARDS

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

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Central Government has prescribed cost audit of the accounts to be maintained by your Company. M/s. Joshi Apte & Associates, Cost Accountants carried out the cost audit for applicable business during the Financial Year 2020-21. The Board of Directors has re-appointed M/s Joshi Apte & Associates, Cost Accountants for the Financial Year 2021-22. The Cost Audit Report for the Financial Year ended June 30, 2021 will be filed within prescribed timelines.

A resolution for ratification of the remuneration payable to the Cost Auditor for the Financial Year 2021-22 is included in the Notice of the ensuing 54th Annual General Meeting.

MATERIAL ORDERS PASSED BY THE REGULATORS AND COURTS

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

In 2016, the National Pharmaceutical Pricing Authority (NPPA) passed an order against the Company, for pricing one of its products at an amount higher than the applicable ceiling price during a limited period

between 2006 and 2009. Consequently, the Company was, at that time, asked to pay a sum of ₹ 1,168 lakhs on account of overpricing, plus an interest thereon. The Company has challenged the said order before the Hon'ble Delhi High Court. Currently, the matter is pending before this Court.

The abovementioned matter was considered material by the Company. Accordingly, necessary disclosures to stock exchanges had been made. The Company has also made a provision of ₹ 580 lakhs in its accounts for any liability which may arise as a result of the outcome in the abovementioned matter.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

In terms of the provisions of Section 177(9) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has implemented a vigil mechanism. The Company provides protection to employees and business associates reporting unethical practices and encourages employees to report genuine concerns or grievances such as unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Audit Committee oversees the vigil mechanism and number of cases reported alongwith the status report and action taken (if any) are reported to the Committee. Whistleblower complaints and their redressal are discussed at each Audit Committee meeting of the Company. No employee has been denied access to the Audit Committee. The Vigil Mechanism is available on the Company's website at <https://www.pghealthindia.com/investors/>.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

Mumbai
August 26, 2021

S. N. Talwar
Chairman

ANNEXURE I BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L99999MH1967PLC013726
2.	Name of the Company	Procter & Gamble Health Limited
3.	Registered address	Godrej One, 8 th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400079
4.	Website	https://www.pghealthindia.com/
5.	E-mail id	investorgrievance.im@pg.com
6.	Financial Year reported	July 1, 2020 to June 30, 2021
7.	Sector that the Company is engaged in (industrial activity code-wise)	Pharmaceutical products (NIC 21002)
8.	List three key products / services that the Company manufactures / provides	Healthcare products
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations	None
	(b) Number of National Locations	The Company's business and operations are spread across the country. Details of location of plants are given below: Plant location: Plot No. 11/1, Marvasodo Usgaon, Taluka Ponda, Goa - 403 407
10.	Markets served by the Company	The Company's products have a national presence and some of the products are also exported to other countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up Capital	₹ 16.59 Crores
2.	Total Turnover	₹ 990.79 Crores
3.	Total profit after taxes	₹ 176.80 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Corporate Social Responsibility Report which is appended as Annexure II to the Directors' Report
5.	List of activities in which expenditure in point 4 above has been incurred	Refer Corporate Social Responsibility Report which is appended as Annexure II to the Directors' Report

SECTION C: OTHER DETAILS

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

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director / Directors responsible for Business Responsibility

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

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

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

All successful and sustainable companies have one thing in common – good governance practices. Your Company believes in *“Doing the Right Thing, Everytime”*. Your Company operates with integrity - at all levels, both internally and externally. Our actions and the actions of all our employees are governed by our Purpose, Values and Principles.

Business Responsibility Principles:

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

Details of compliance:

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

Note: Y = Yes

Governance related to Business Responsibility

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

Your Company is committed to being a good corporate citizen and doing the right thing. *Our Purpose, Values and Principles (PVPs)* are the foundation of the

Company. Our objective is to create industry-leading value by maintaining and enhancing our strong corporate reputation through a strong ethics and compliance culture. We operate within the spirit and letter of the law, maintaining high ethical standards wherever we conduct business. 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. External business partners and their suppliers are expected to share your Company's commitment to these standards.

Your Company, being a part of the Procter & Gamble group, 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. Calls made to the Helpline are reported to the Company's Corporate Security, Global Internal Audit 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. In compliance with the requirement under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Company has adopted the Whistle Blower Policy as the vigil mechanism for Directors and employees to report concerns or grievances such as unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Audit Committee oversees the vigil mechanism and cases reported alongwith the status and action taken (if any) are reported to the Committee. During the Financial Year, 4 complaints were received, which are dealt with in accordance with the *Worldwide Business Conduct Manual*.

Principle 2: Safety and Sustainability throughout the life cycle

In order to improve lives, now and for generations to come, we ensure that our products, packaging and operations are safe for employees, consumers and the environment. We ensure this with a focus on technologies, processes and improvements that matter for the environment. Product quality and safety are of the utmost importance to your Company. Our purpose is to make superior products that not only delight consumers but are also produced responsibly. We provide products of superior quality and value that improve the lives of the consumers. Just as we provide safe, quality products, we expect our suppliers to assure the quality and safety of the products and services they provide to us. Systematic approach is followed for complying with environmental regulations, such as managing wastewater and air emissions. This also includes hazardous and other waste management at Company's Goa plant. The Goa plant ensured

100% compliance to management of waste water via continuous online monitoring of all legal parameters and hazardous waste management via last mile disposal to government authorized waste disposal vendors.

Your Company continuously strives to deliver products with an improved environmental profile.

At your Company's Goa plant, we continue to strive for very high standards of safety. We have a very active Health, Safety & Environment team in the plant working on all the key safety programs and upgradation of systems to make it safer for the plant employees and community in general. In this Financial Year, we have invested heavily into making our old infrastructure safer to operate especially in the areas of electrical safety and machine safety. We have also invested a lot of time in various system audits which has enabled us to identify even more areas of improvement and in the coming Financial Year, we will continue to invest into these actions.

Principle 3: Employee Well-Being

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

Health & Safety of our employees is our topmost priority. We supported employees during these tough situations of COVID-19 pandemic. We have institutionalized COVID Care Helpdesk and Vibrant Living as platforms which supports employees through regular awareness and safety measures, organizing voluntary vaccination drives for employees and their families, any kind of support during an emergency including cash advance and emergency loans during the COVID peak. "We care" initiative of the Company in reaching out to employees via check in calls to inquire about their (and families) overall wellbeing. Even at our plant level we have ensured implementation of safety measures through social

distancing, sanitization, thermal screening and pick up and drop facilities for our employees. Also, we strictly adhere to the government guidelines.

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

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

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

As on June 30, 2021, your Company had a total of 1362 permanent employees, including 176 permanent women employees and 1 permanent employee with disability. 199 persons were engaged on temporary/contractual basis. There is an employee association that is recognized by management, having 8% of permanent employees being members of the association. During the Financial Year under review, the Company did not receive any complaints relating to child labour, forced labour, involuntary labour, discriminatory employment or sexual harassment. All the employees and persons engaged on temporary / contractual basis were given safety & skill up-gradation training.

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

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

In collaboration with 'Pediatrics Association of India', your Company undertook - Digital CME Initiative on 'Omnicuris' reaching over 20,000 healthcare professionals with over 1,50,000 hours of engagement with healthcare professionals. Interactive sessions were held with over 18,000 gynaecologists and general practitioners in collaboration with 30 leading key opinion leaders and 'Federation of Obstetrics and Gynecological Societies of India' and 'Mumbai Obstetric and Gynaecological Society'. Your Company also launched 'Continuous Pharmacist Education' Program for upskilling and knowledge sharing. Continued discussions and deliberations were held with over 60,000 healthcare professionals through Vitamin E Founders' month.

Stepping up as trusted scientific partners to healthcare practitioners and pharmacists, our Medical and Sales Teams embraced technology and innovation to ensure continuous connects, learning and sharing of medical insights and scientific updates across multiple virtual forums and touchpoints.

Your Company also believes that only way to build a sustainable business is to improve lives. It engages with disadvantaged, vulnerable and marginalized stakeholders through its Corporate Social Responsibility initiatives under *SEHAT*. Projects under *SEHAT* include, but are not limited to preventive healthcare, community health and public health interventions, health awareness, screening and education, financial support for healthcare needs of marginalized & underprivileged communities, capability-building of healthcare professionals, healthcare infrastructure and healthcare assistance as part of disaster relief and support.

The Company's CSR initiatives are elaborated in the CSR Report which is appended as Annexure II to the Directors' Report.

Principle 5: Human Rights

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

P&G's Purpose is to touch and improve the lives of the world's consumers. In order for us to deliver upon our Purpose, we must first reflect the diversity of the consumers we serve and we must touch and improve our employees' lives through Trusting, Open & Inclusive culture.

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. 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. *Diversity & Inclusion* at P&G comes to life through winning the Employee Moments of Truth. These everyday moments, experiences and interactions encourage leadership, innovative thinking, and collaboration, and are crucial to our ongoing success in a global marketplace. We are respectful of all employees irrespective of race, gender, color, religion, national origin, age, sexual orientation, gender identity or expression, disability, or any other non-job-related personal characteristic.

The Company also launched a new initiative '*WISH 100 (Women In Sales Hierarchy) & beyond*' to improve gender diversity, successfully tripling the number of women in sales within the first year itself.

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.

The Human Rights Policy statement extends to all the employees and all stakeholders associated with the Company. No complaints with respect to Human Rights violation were received by the Company during the Financial Year.

Principle 6: Environment Protection

Protecting the Earth is both a responsibility and a business opportunity. Our goal is to create brands that enable consumers to make more sustainable choices. We have integrated sustainability into our business practices, operations, innovation, brand building and culture. The environment sustainability guidelines of the Company cover both the Company and other people associated with the Company.

Environmental sustainability is embedded in your Company's *Purpose, Values, Principles*, and 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.

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

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

The Goa Plant has also achieved 'zero waste to landfill' certification within the Company where 100% of its solid waste is being utilized instead of being sent to landfill. In the coming Financial Year, we are targeting to further reduce our energy and water footprint. As a step to manage Goa plant site food waste in a better manner, on site organic waste converter is installed for conversion of food waste to organic manure for agricultural purposes.

Principle 7: Business Policy & Advocacy

As a corporate citizen, your Company often engages in efforts to affect legislation or government policy on issues that could impact our business and society at large. Your Company ensures that all its advocacy activities are consistent with its *Purpose, Values & Principles* and applicable laws.

Your Company is a member of following trade and chambers of association:

- The Organization of Pharmaceutical Producers of India (OPPI); and
- Indian Society Clinical Research (ISCR)

Some of the key issues on which your Company engaged with the Government in Financial Year 2020-21 include:

- Plastic Waste Management Rules;
- Matters with respect to safety and return of field workforce during pandemic; and
- Partnering in National Rural Health Mission with respect to 'Anemia Mukat Bharat' programme

Principle 8: Inclusive growth and Equitable development

Your Company believes that the only way to build a sustainable business is to improve lives. For your Company, Sustainability means making every day better for people through how we innovate and how we act. This strategy has inspired an enduring CSR strategy supported by- P&G *SEHAT*, details of which are mentioned in the CSR Report which is appended as Annexure II to the Directors' Report.

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 with our communication based on the consumer insights, 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 superiority in our product, packaging, in field executions and consumer value proposition is most important for us. Providing Superiority in all aspects to the consumers is at the heart of your Company's business.

Adversity fuelled our imagination as teams across the board demonstrated leadership, agility, perseverance, and collaboration to ensure that we continued to serve our customers and consumers. While our frontliners in manufacturing, product supply and exports ensured uninterrupted availability of our essential medicines and nutraceutical products, our sales frontliners - upskilled on hybrid '*phygital*' detailing models - ensured uninterrupted customer service and reach, and the technical and regulatory teams continued their efforts behind-the-scenes on innovation, health authority approvals and registrations.

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

ANNEXURE II

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Brief outline of the Company's CSR policy

As a responsible Healthcare Company, during the Financial Year 2020-2021, your Company continued to channelize all its CSR efforts towards building a Healthier India under its CSR umbrella program - 'SEHAT' (meaning Health).

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

Projects under SEHAT are co-created and implemented with reputable public health and non-profit partner organizations.

Details of our CSR programs are available on our website – <https://www.pghealthindia.com/csr/>

Details of the CSR activities undertaken by the Company during the Financial Year are as follows:

(1) 'P&G Health Public Health Scholarship' program – In partnership with 'Public Health Foundation of India' (PHFI), a recognized leader in Public Health program implementation organization

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

With the twin-fold objective of (1) helping build a Public Health Cadre to address India's complex set of existing and emerging public health challenges and (2) support interested candidates to choose public health as a career opportunity to improve health conditions and thus, quality of life (QoL) of Indians - the Company instituted the 'P&G Public Health Scholarship' for deserving students from socially & economically deprived communities seeking to pursue

'Masters in Public Health' across PHFI's IIPH (Indian Institute of Public Health) Institutes. The scholarship program aims to also encourage scholars to take up role in non-governmental organizations and backward areas of the country to implement public health programs.

The selection process for P&G Public Health Scholarship is based on the Institutional guidelines, including but not restricted to merit and demonstrated need. Advertisement announcing 'P&G Public Health scholarship' is published on the PHFI website, sent via email to students and the scholarship form is uploaded on PHFI website. The scholarship committee - under the Chairmanship of Vice President, Academics, Public Health Foundation of India - reviews all scholarship applications received from the self-sponsored candidates selected for Masters in Public Health program across IIPHS based on criteria established by PHFI. Candidates belonging to socially and economically weaker sections of society are given preference for award of scholarships. Finally, the scholarship is awarded to the students by IIPHS after verification of their original documents, testimonials and work experience certificates in public health.

In 2020-21 session, 59 new P&G Health Scholars initiated their career in public health across the three IIPHS at Gandhinagar, Delhi NCR and Hyderabad with the help of the 'P&G Public Health scholarship' with the aspiration to become tomorrow's change makers. Since its inception in 2019, the scholarship program has benefited 93 bright and earnest young scholars.

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

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

The Company's Maternal & Child Health Community Project 'Swasthya Sakhi' (Health companions) - contributing to Employment, Entrepreneurship and access to affordable

screening, diagnostics & digital health-continued to take point-of-care diagnostics to remote and underserved locations in Uttar Pradesh and Goa. During the Financial Year 2020-21, the project was expanded to Vidisha District in Madhya Pradesh.

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

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

128 Swasthya Sakhis have reached out to ~6,00,000 beneficiaries till date. Due to the onset of Covid-19 and subsequent lockdowns, field work by Swasthya Sakhis had been paused intermittently in line with advisories issued by the Government and keeping in mind the safety of both the Sakhis and the beneficiaries. Field work has now resumed as per local area guidelines and the project extensions has been given to PHFI for all 3 states with the aim to reach a total of ~15,00,000 beneficiaries by June 2022.

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

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

With the objective of supporting health needs of children under institutional care, the Company instituted the 'Gift of Health' program with 'Catalysts for Social Action' as its 'Healthcare Partner' to provide health and hygiene support to ~3000 children in age group of 6-18 years residing at 67 CCIs across Maharashtra, Madhya Pradesh, Odisha and Goa.

Activities for the Financial Year 2020-21, includes regular health check-up camps, distribution of hygiene kits and sanitary napkins and awareness sessions on good hygiene and dental care practices. This year covid support items were also provided at these CCIs. This included sanitization kits, hygiene kits, oximeters, etc. Adolescent girls were also provided with sanitary napkins. Preventive healthcare & personal hygiene training on dental, skin and general health for all children was also conducted virtually.

The Company also supported the installation of water purifiers at 10 childcare institutions across Odisha and Pune to provide children access to safe drinking water.

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

Malnutrition is a complex public health problem with inter-generational repercussions. The urgent need to ensure adequate nutrition in women and children in India prompted the Government's POSHAN Abhiyaan to reduce stunting, undernutrition and low birth weight in children and anaemia amongst women and children.

The Company's 'Yes to POSHAN' program is a grass-roots behavioural change campaign across 5 villages in Krishna district in Andhra Pradesh to promote diet diversity and address challenges of limited or age-inappropriate diet amongst Pregnant and Lactating Women and children <2 years.

Interventions include a five-fold behaviour change campaign, surveys, growth monitoring, and capacity building of Anganwadi workers and 'Poshan Sakhis' to promote diet diversity. Launched in March 2021, the program will cover ~ 1200 Pregnant & Lactating Women and ~500 children over a period of 3 years. Additionally, participatory learning and action initiatives would be rolled out to ~3000 women in the reproductive age group.

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

For the second consecutive year, your Company's employees across India joined the country in celebrating 'Daan Utsav' to engage in different acts of 'giving'. They were asked to post and share acts of care extended to elderly in terms of time and support. For every act of 'Giving', your Company committed to match an amount towards HelpAge India's community outreach health initiative - Mobile Healthcare program in Mumbai - to provide essential Primary Health Services to Disadvantaged Elderly at their doorstep. With their collective acts of giving, our employees enabled the Mobile Healthcare program to take healthcare services to the doorstep of ~700 senior citizens.

(6) GIFT OF HEALTH PROGRAM (ELDERLY) - In partnership with HelpAge India

Today there are an estimated 100 million elders in India. Of them 90 million still need to work to survive, 55 million sleep hungry and affording quality medical care is a far dream for most. During the pandemic, the elderly were among the most vulnerable groups due to their increased susceptibility to Coronavirus. The subsequent lockdowns also posed additional challenges of livelihood for the elderly especially in poorer states with significant populations living hand-to-mouth.

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

During the year, 2670 survival kits were distributed to disadvantaged elderly across the states of Goa, Maharashtra, Odisha, Karnataka and Chhattisgarh districts.

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

Towards enabling access to an education which is in sync with today's digital world, the Company supported the upgradation of 3 smart classrooms and 1 smart library at Sarvodaya High School in Usgaon Village in Goa.

(8) Donation of vaccine doses in support of Government Vaccination drive

Committed to playing an active role in India's fight against COVID-19, the Company contributed ₹ 2.5 Crores to the Goa Chief Minister's Relief Fund to support Government vaccination drives in the state.

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

The composition of the CSR Committee as on date:

Name of the Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Suresh N. Talwar	Chairman	2	2
Mr. Milind Thatte	Member	2	2
Mr. Amit Gupta	Member	2	2

2. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).
- **Not applicable**

3. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any – **NIL**
4. Average net profit of the company for last three Financial Years – ₹ **231.62 Crores**
5.
 - a) Prescribed CSR expenditure (2% of amount as in item 4) – ₹ **4.64 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) – ₹ **4.64 Crores**
6. Details of CSR spent during Financial Year:
 - a) Total amount to be spent for the Financial Year – ₹ **4.64 Crores**
 - b) Amount unspent, if any – **Not applicable**
 - c) Total Amount transferred to Unspent CSR Account as per section 135(6) of the Companies Act, 2013 – **Not applicable**
 - d) Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Companies Act, 2013 – **Not applicable**

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

Sr No	CSR project or activity identified/ Name of the Project.	Sector in which the Project is covered	Local Area (yes/no)	Projects or programs (1) Local area or other (2) Specify State & District where projects / programs were undertaken	Project Duration	Amount allocated for the project (INR)	Amount spent on the projects or programs (INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (INR)	Cumulative expenditure up to the reporting period (INR)	Mode of Implementation : Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name and CSR Registration number
1	Swasthya Sakhi Project	Healthcare	Yes	Sitapur (UP), Goa, Vidisha (MP)	1 year	1,92,10,212	1,92,10,212	Nil	1,92,10,212	No	Public Health Foundation of India-CSR00001071
2	P&G Health Scholarship Program	Healthcare	No	Gurgaon (Delhi), Gandhinagar (Gujarat), Hyderabad (Telangana)	1 year	30,00,000	30,00,000	Nil	30,00,000	No	Public Health Foundation of India -CSR00001071
3	Gift of health (Children)	Healthcare	Yes	Mumbai, Maharashtra	1 year	36,95,339	36,95,339	Nil	36,95,339	No	Catalysts for Social Action - CSR00002803
4	Yes To Poshan	Healthcare	No	Krishna district (Andhra Pradesh)	1 year	63,30,000	63,30,000	Nil	63,30,000	No	Tata Trusts - CSR00003775
5	Daan Utsav contribution for Mobile Healthcare Unit	Healthcare	Yes	Mumbai, Maharashtra	1 year	10,00,000	10,00,000	Nil	10,00,000	No	HelpAge India - CSR00000901
6	Gift of health (Elderly)	Healthcare	Yes	Goa, Maharashtra, Odisha, Karnataka and Chhattisgarh	1 year	40,05,000	40,05,000	Nil	40,05,000	No	HelpAge India - CSR00000901

f) Details of CSR amount spent against other than ongoing projects for the Financial Year:

Sr. No.	Name of the Project	(3) Item from the list of activities in schedule VII to the Companies Act, 2013	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (INR)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Upgradation of village school infrastructure at Goa	Education	Yes	Goa	Usgaon	24,71,911	No	Round Table India	CSR00000895
2.	Supporting Government Vaccination drive	Preventive healthcare	Yes	Goa	Goa	2,50,00,000	No	Chief Minister's Relief Fund, Goa	N.A.

- g) Amount spent in Administrative Overheads - **Not applicable**
 - h) Amount spent on Impact Assessment, if applicable – **Not applicable**
 - i) Total amount spent for the Financial Year (d+e+f+g+h) - ₹ **6.47 Crores**
 - j) Excess amount for set-off, if any : **Not applicable**
7. 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**
8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details) - **Not applicable**
9. 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.

Milind Thatte
Managing Director

Suresh Talwar
Chairman, Corporate Social Responsibility Committee

ANNEXURE III

Statement of Disclosure of Remuneration as required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

Name of director	Designation	Salary (₹ in lakhs)	Commission (₹ in lakhs)	Sitting Fee (₹ in lakhs)	Total (₹ in lakhs)	Ratio of median remuneration
Mr. Suresh N. Talwar	Independent Director	-	12.00	4.55	16.55	4.17
Mrs. Rani Ajit Jadhav	Independent Director	-	8.00	3.00	11.00	2.77
Mr. Aalok Agrawal	Non-Executive Director	-	-	-	-	-
Mr. Sujay Wasan	Non-Executive Director	-	-	-	-	-
Mr. Milind Thatte	Managing Director	323.45	-	-	323.45	81.52
Mr. Amit Gupta	Executive Director	166.82	-	-	166.82	42.05

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

ii. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the Financial Year:

Director, Chief Financial Officer & Company Secretary	% Increase in remuneration during the financial year
Mr. Suresh Talwar (Chairman and Independent Director)	Nil
Mrs. Rani Ajit Jadhav (Independent Director)	Nil
Mr. Milind Thatte (Managing Director)	15%
Mr. Amit Gupta (Executive Director and Chief Financial Officer)	8%
Mr. Aalok Agrawal (Non-executive Director)	N.A.
Mr. Sujay Wasan (Non-executive Director)	N.A.
Ms. Preeti Bishnoi (Company Secretary)	N.A.

iii. The percentage increase in the median remuneration of employees in the Financial Year: 9%
iv. The number of permanent employees on the rolls of Company: 1362 as on June 30, 2021.
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

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

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

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

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

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

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

ANNEXURE IV
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

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

To,
The Members,

PROCTER & GAMBLE HEALTH LIMITED

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Procter & Gamble Health Limited (CIN L99999MH1967PLC013726)** (hereinafter called 'the Company') for the financial year ended 30th June 2021 through electronic platform due to widespread outbreak of pandemic COVID-19 resulting in partial lockdown during the period under audit. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

- v. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
 - vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- B. Based on our on-line verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 30th June 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter.
- C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30th June 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.
- VA. 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.
- VB. The Company has not undertaken any of the activities during the audit period envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit:-
- (a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- VI The following Acts and Rules made thereunder pertaining to Company's business are applicable to the Company:
- (a) Drugs and Cosmetics Act, 1940;
 - (b) Narcotic Drugs and Psychotropic Substances Act, 1985;
 - (c) Petroleum Act, 1934; and
 - (d) Maharashtra Non-Biodegradable Garbage (Control) Act, 2006 and the rules framed thereunder.
- D. We have also examined compliance with the applicable clauses which, are generally adhered to, of the following:
- i. Secretarial Standards in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) along with the relevant Advisories issued by the ICSI from time to time;
 - ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent of delay in filing:
- (i) Form IEPF 2 pursuant to Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 on account of technical issues; and
 - (ii) Certificate under Regulation 7(3) of the LODR for the half year ended on 31st December 2020 with the Stock Exchanges.
- E. We further report that,
- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
 - II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - III. Majority decision is carried through and there was no instance of any director expressing any dissenting views.

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

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

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)

Sd/-

CS Bhumitra V. Dholakia

Designated Partner

Place : Mumbai

Date : August 26, 2021

FCS-977

UDIN : F000977C000839837

CP No. 507

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC SCENARIO

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 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 online consultations and purchases. Movement restrictions have also led to creation of newer distribution channels. During 2020-2021, the rural market recorded strong growth and outpaced the urban demand across categories.

BUSINESS 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. The government continued its focus on supporting local manufacturing for both pharma API and fixed formulations by extending long term incentives supporting local manufacturing. These initiatives will further strengthen the resilient Indian pharmaceutical industry and help revive economy and increase demand. 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 term challenges this year, the medium to long-term outlook for the healthcare sector remains positive. Your Company is well-positioned to sustain and improve its performance with a resilient workforce, leverage opportunities with agility, address challenges and overcome the risks.

BUSINESS PERFORMANCE 2020-21

Your Company is well known in India for its rich heritage in healthcare with brands that are household names. Despite challenging circumstances during the fiscal year due to the Covid-19 pandemic, your Company's brand franchises delivered strong results

continuing to further our commitment to bringing quality and affordable vitamins, minerals and supplements to patients, consumers and customers across the country.

Neurobion delivered strong growth fuelled by focused initiatives to build awareness on neuropathy, nerve care and the benefit of *Neurobion* across customer and consumer touchpoints. True to its brand promise, your Company's flagship brand *Neurobion Forte* has been helping true heroes fight body discomforts due to lack of Vitamin B for over 50 years. *Neurobion* also launched new variants like *Neurobion Alfa & Alfa D* for patients with Diabetic Neuropathy.

As a leader in the Vitamin E segment in India, *Evion* continued to create awareness on the benefits of Vitamin E among Health Care Professionals (HCPs) and consumers and for the first time went direct to consumers with advertisements on TV and Digital medium, delivering strong double digit growth.

Livogen continued to be the No.1 Doctor prescribed Iron Supplement of India. Since January 2021, the brand has doubled down on its efforts to increase reach and awareness by advertising across Uttar Pradesh, Madhya Pradesh, Bihar, Andhra Pradesh and Telangana.

Nasal decongestant brand *Nasivion* continued to reach consumers through Television, OTT and display mediums.

Overall, your Company's consumer health business saw very strong growth in 2020-21.

EXPORTS

Your Company continued to export its pharmaceutical products to third parties based out of Asia including Sri Lanka, Nepal, Myanmar & Maldives. In 2020-21, the Company's total exports were ₹ 12,284 lakhs.

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. The Company's Risk Management process focus on ensuring that these risks are identified on a timely basis and reasonably addressed.

As part of the business sustainability and governance process, in order to ensure a robust risk management system, in line with the applicable laws, the

Company follows a proactive risk management policy, aimed at protecting its employees, assets and the environment, while at the same time ensuring growth and continuity of its business.

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

BUSINESS RELATED RISKS

The Company's performance is impacted by factors such as coverage of products under price control, ability to launch successful line extensions or product applications with proper timing, customer behaviour change, new demand development of the Company's products, impact of COVID-19 on economy, changing economic policies due to geopolitical situations, changed composition of legacy brand product sales to total turnover, employee talent development and management, employee union negotiations, trade unions, etc.

LEGAL RISKS

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

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 comply with all legal requirements at all times; to understand exactly what legal requirements apply to the work function and to immediately report any instance of violations.

A number of training programs were rolled-out for employees on various compliance related areas

such as Pharma Compliance Guidelines, Global Anti-Corruption Standards, Prevention of Sexual Harassment at Workplace, Whistleblower Mechanism, Conflict of Interest, Data Integrity etc.

THIRD PARTY DEPENDENCE RISKS

The Company uses third party support in regard to manufacturing and distribution of its products. These parties have access to the Company's assets and business process. The Company uses internal control and audit measures to safeguard itself against any adverse events. Periodic audits and review of open items in audit takes place for these units throughout the year. Business interruptions could arise due to any unforeseen negative events taking place or disagreements on contractual terms and conditions with the service provider which can lead to stoppage of outsourced activities.

INFORMATION TECHNOLOGY RISKS

The Company uses varied IT systems and processes in order to have efficient data collection, monitoring and reporting. There are software related precautions like handling of data integrity, access rights, virus firewalls, data protection, social media risk, etc. The Company's guidelines and processes are in place and their adherence is continuously monitored and subject to global audits at regular intervals.

ENVIRONMENT AND SAFETY RISKS

Environment, Health and Safety encompasses the laws, rules, guidance and processes designed to help protect employees, the public and the environment from harm, further supported by group standards, current best approaches and audits at regular intervals. There is a systematic approach for complying with environmental regulations, such as managing waste water and air emissions. This also includes hazardous and other waste management at the plant. The plant ensured 100% compliance to management of waste water via continuous online monitoring of all legal parameters and hazardous waste management via last mile disposal to government authorised waste disposal vendors.

INTERNAL CONTROLS AND THEIR ADEQUACY

Your Company continues to prioritize sustainable control processes that are integral part of organization culture. It has built strong Internal Controls Environment and Risk Assessment / Management systems. These systems enable Company to comply with Internal Company policies, procedures, standard guidelines and local laws to help protect Company's assets and confidential information against financial

losses and unauthorized use. The robust controls environment at your Company is efficiently managed through:

- Controls Self-Assessments (CSAs) are performed during July 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 independent fulltime Internal Controls experts, their role is to ensure that all key processes i.e. selling, revenue, distribution, trade & marketing spends, vendor payments, and plant operations are reviewed and assessed at appropriate intervals. The observations and findings are shared with senior management for implementing quality action plans to strengthen overall controls environment in these processes. The assessments of High risks and SOX Compliance areas are assessed by an independent internal audit department lead by the Company's Global Internal Audit team. This team comprises of certified internal controls process experts who have experiences across different markets that the company operates in. The action taken by the management to correct the processes is then reviewed and reported appropriately.
- Governance Board comprises of the Managing Director, Chief Financial Officer, Chief Human Resource Officer, Supply Chain Leader, General Counsel and Sales leader. The Board assesses and reviews enterprise level risks and works with process owners and functional managers to ensure that corrective action is taken, and risk is mitigated as appropriate.

HR INITIATIVES

For your Company, human capital is an intangible asset or quality which is not listed in the Company's balance sheet. Thus, human capital is the stock of knowledge, skills, know-how and other acquired personal attributes. Human Resources department oversees workforce management, workforce planning and strategy, recruitment, employee training and development, reporting and analytics and employee safety. We continue to facilitate and speed up expansion with a clear roadmap "SMILE" (S-Seamless Teams, M – Meaningful Work, I – Inclusion

& Equality, L – Leadership & Capability Building, E – Empowered and Entrepreneurial Organization). We leverage Talent Exposure and Growing talent from within through diverse workforce.

Health & Safety of our employees is our topmost priority. We support employees during these tough situations of COVID-19 pandemic. We have institutionalized COVID Helpdesk and Vibrant Living as platforms which supports employees through regular awareness and safety measures, organizing voluntary vaccination drives for employees and their family, any kind of support during an emergency including cash advance and emergency loans during the COVID peak. "We care" initiative of the Company reached out to employees via check in calls to inquire about their (and families) overall wellbeing. Even at our plant level we have ensured implementation of safety measures through social distancing, sanitization, thermal screening and pick up and drop facilities for our employees. Also, we strictly adhere to the government guidelines.

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

We have established key processes like Stewardship and Governance Process, POSH awareness and always doing the right thing. In order to keep the workforce highly engaged & motivated we follow the best-in-class recruitment practices, innovation and digitization, development of employee skills and capabilities, celebrating the key milestones of our employees and employee recognition.

The Company also launched a new initiative 'WISH 100 (Women In Sales Hierarchy) & beyond' to improve gender diversity, successfully tripling the number of women in sales within the first year itself.

To conclude, P&G's Purpose is to touch and improve the lives of the world's consumers. In order for us to deliver upon our Purpose, we must first reflect the diversity of the consumers we serve AND we must touch and improve our employees' lives through Trusting, Open & Inclusive culture. The number of employees as on June 30, 2021 was 1362.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

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

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

All Independent Directors have provided declaration to the Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The 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 of the Company have completed the registration with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs.

All Directors have confirmed that they have not been disqualified from being appointed as a Director pursuant to section 164(2) of the Companies Act, 2013. The Company has obtained a certificate from M/s. Saraf & Associates, Practicing Company Secretary, dated August 26, 2021, (annexed to this Report), confirming that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing to hold office of Director of Companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such authority.

The composition of the Board and summary of other Directorship(s) and Committee Membership(s) of Directors as on June 30, 2021 are given below:

Name of the Director	Category	Designation	No. of Directorships in other companies*	Membership of Board Committees of other companies **	
				Member	Chairman
Mr. Suresh N. Talwar	ID	Chairman	6	1	0
Mrs. Rani Ajit Jadhav	ID	Director	3	1	Nil
Mr. Milind Thatte	ED	Managing Director	Nil	Nil	Nil
Mr. Amit Gupta	ED	Director & Chief Financial Officer	Nil	Nil	Nil
Mr. Aalok Agrawal	NED	Director	Nil	Nil	Nil
Mr. Sujay Wasan	NED	Director	Nil	Nil	Nil

NED – Non-Executive Director

ED – Executive Director

ID – Independent Director

Notes:

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

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

The Board of Directors at their meeting held on August 26, 2021, on the recommendation of the Nomination & Remuneration Committee, have appointed Dr. Elizabeth Desmond as an Additional Director and Non-Executive Director effective allotment of Director Identification Number (DIN). Subsequently, on allotment of DIN, Dr. Desmond assumed her position as a Non-Executive Additional Director effective September 24, 2021, subject to approval of Shareholders at the ensuing 54th Annual General Meeting.

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

Name of Director	Directorship in other listed companies
Mr. Suresh N. Talwar	Non-Executive Independent Director of: Elantas Beck India Limited
Mrs. Rani Ajit Jadhav	Non-Executive Independent Director of: Forbes & Company Limited
Mr. Milind Thatte	Nil
Mr. Amit Gupta	Nil
Mr. Sujay Wasan	Nil
Mr. Aalok Agrawal	Nil

(b) Meetings of the Board

The Board meets at least once a quarter to discuss financial results and other business

and compliance matters, including business performance and strategy. The Board and Committee meetings are scheduled well in advance.

During the Financial year July 1, 2020 to June 30, 2021, five meetings of the Board of Directors were held. These meetings were held on September 15, 2020, November 11, 2020, December 8, 2020, February 10, 2021 and May 6, 2021.

(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 26, 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. Suresh N. Talwar	5	5	Yes
Mrs. Rani Ajit Jadhav	5	4	Yes
Mr. Milind Thatte	5	5	Yes
Mr. Amit Gupta	5	5	Yes
Mr. Aalok Agrawal	5	5	Yes
Mr. Sujay Wasan	5	5	Yes

* Board Meetings during Financial Year 2020-21 and Annual General Meeting for Financial year 2019-20 were convened through video-conference in accordance with circulars/notifications issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

(d) Separate meeting of Independent Directors

The Independent Directors of the Company met separately without the presence of Non-Independent Directors or management representatives on September 15, 2020 and August 11, 2021 (held via video-conferencing for the Financial Years 2019-20 and 2020-21 respectively) to review the performance of non-independent directors; the Board & the Chairperson of the Company, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(e) Related Party Transactions

The Company has adopted Related Party Transaction Policy ('RPT Policy') to ensure that all Related Party Transactions entered into by the Company shall be in the best interest of the Company and in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Related Party Transaction Policy is available on the Company's website at <https://www.pghealthindia.com/investors/>.

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

ensure transactions are in ordinary course of business, at arm's length and are in compliance with the Related Party Transaction Policy of the Company. There are no material pecuniary relationships / significant transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 36 forming part of the Financial Statements.

(f) Remuneration of Directors

Members of the Company at their 51st Annual General Meeting held on June 1, 2018 had approved payment of commission to the Independent Directors of the Company upto a maximum of 1% of the net profits of the Company per annum in the aggregate, for a period of 5 years w.e.f. January 1, 2018 and had also empowered the Board of Directors to fix the quantum of commission payable to the Independent Directors and to also determine the period for which said commission is payable. The Board of Directors at their meeting held on August 26, 2021 approved variable payment of annual commission to Independent Directors. The Independent Directors are paid commission to compensate for their valuable contribution to the Company owing to their wealth of experience and knowledge.

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

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

(₹ in Lakhs)

Name of the Director	Relationship with other Directors	Salary including Bonus + PF contribution	Commission	Sitting Fees	Shares held (Equity Shares of ₹ 10/- each)*
Mr. Suresh N. Talwar	None	-	12.00	4.55	5,914
Mrs. Rani Ajit Jadhav	None	-	8.00	3.00	-
Mr. Milind Thatte	None	323.45 [#]	-	-	-
Mr. Amit Gupta	None	166.82	-	-	-
Mr. Aalok Agrawal	None	-	-	-	-
Mr. Sujay Wasan	None	-	-	-	-

* Excludes shares held by relatives.

[#] Mr. Milind Thatte has exercised Stock Options of the ultimate Holding Company amounting to ₹ 1,28,01,622 under its Employee Stock Option Plan, which is excluded in the above-mentioned remuneration.

Stock Options

The Company does not have any Stock Option Plan for its employees. However, all employees of the Company are given the right to purchase shares of the Ultimate Holding Company – The Procter & Gamble Company, USA under its ‘International Stock Ownership Plan’. Certain employees of the Company are also entitled to Stock Option of the Ultimate Holding Company under its Employee Stock Option Plan. Details as regards the same are disclosed vide Note 34 forming part of the Financial Statements.

(g) Committees of the Board

Audit Committee

The Audit Committee presently comprises of Mr. Suresh N. Talwar (Chairman), Mrs. Rani Ajit Jadhav (Member) and Mr. Milind Thatte (Member). During the Financial Year 2020-21, the Audit Committee held 4 meetings on September 15, 2020, December 8, 2020, February 10, 2021 and May 6, 2021.

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

Directors	Designation	Category	No. of meetings held during tenure*	No. of meetings attended
Mr. Suresh N. Talwar	Chairman	ID	4	4
Mrs. Rani Ajit Jadhav	Member	ID	4	4
Mr. Milind Thatte	Member	ED	4	4

ID – Independent Director

ED – Executive Director

* The Committee meetings during Financial Year 2020-21 were convened through video-conference in accordance with circulars / notifications issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

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

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

The Audit Committee powers include the following:

- i. Oversight of the Company financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Reviewing the quarterly and annual financial statements before submission to the Board for approval, focusing inter-alia on;
 - Any changes in accounting policies and practices and reasons for the change;
 - Major accounting entries involving estimates based on exercise of judgment by Management;
 - Significant adjustments arising out of audit findings;
 - The going concern assumption;
 - Compliance with Accounting Standards; and
 - Analysis of the effects of alternative generally accepted accounting principles on the financial statements.
- iv. Compliance with listing and other legal requirements concerning financial statements;
- v. Approval of the related party transactions;
- vi. Review of annual Management Discussion and Analysis of financial condition and results of operations and the Directors’ Responsibility Statement;
- vii. Overseeing the Company’s financial reporting process and the disclosure of its financial information, including earnings and press release, to ensure that the financial statements are correct, sufficient and credible;
- viii. Disclosures made under the CEO and CFO certification to the Board;
- ix. Reviewing with the Management, Statutory Auditors and Internal Auditors, adequacy of internal control systems and recommending improvements to the Management;
- x. Recommending the appointment/removal of the Statutory Auditors, fixing audit fees, non-audit fees, evaluating Auditors performance, qualifications and independence;
- xi. Reviewing the adequacy of internal audit function, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of Internal Auditors;
- xii. Discussing with the Internal Auditors and senior Management, significant internal audit findings and follow-up thereon;

- xiii. Reviewing the findings of any internal investigation by the Internal Auditors into matters involving suspected fraud or irregularity or a failure of internal control system of a material nature and report the matter to the Board;
- xiv. Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as conduct post- audit discussions to ascertain any area of concern;
- xv. Reviewing the Company's financial and risk management policies; and
- xvi. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
- xvii. Reviewing any other areas which may be specified as role of the Audit Committee under the SEBI Listing Regulations, 2015, Companies Act, 2013 and other statutes, as amended from time to time.

Stakeholders Relationship Committee

The Stakeholder Relationship Committee presently comprises of Mr. Suresh N. Talwar (Chairman), Mr. Milind Thatte (Member) and Mr. Amit Gupta (Member). During the Financial Year, four meetings were held on September 15, 2020, November 11, 2020, February 10, 2021 and May 6, 2021.

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

Directors	No. of meetings held during tenure*	No. of meetings attended
Mr. Suresh N. Talwar	4	4
Mr. Milind Thatte	4	4
Mr. Amit Gupta	4	4

* The Committee meetings during Financial Year 2020-21 were convened through video-conference in accordance with circulars/notifications issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

The terms of reference of this Committee are:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various

services being rendered by the Registrar & Share Transfer Agent; and

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

During the Financial Year under review, the Company received 16 complaints from Shareholders, which were resolved by the Company. There were no pending complaints as on June 30, 2021.

Ms. Preeti Bishnoi ceased to be the Company Secretary and Compliance Officer to the Committee with effect from June 30, 2021. Ms. Zeal Shah has been appointed as the Compliance Officer to the Committee effective July 1, 2021 and the Company Secretary of the Company effective August 26, 2021.

Nomination and Remuneration Committee

The Nomination & Remuneration Committee presently comprises of Mrs. Rani Ajit Jadhav (Chairperson), Mr. Suresh N. Talwar (Member) and Mr. Aalok Agrawal (Member). During the Financial Year, one meeting was held on September 15, 2020.

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

Members of the Committee	No. of meetings held during tenure*	No. of meetings attended
Mrs. Rani Ajit Jadhav	1	1
Mr. Suresh N. Talwar	1	1
Mr. Aalok Agrawal	1	1

* The Committee meetings during Financial Year 2020-21 were convened through video-conference in accordance with circulars/notifications issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

The terms of reference of the Committee are:

- Ensure that the Board is comprised of directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance;
- Review the composition of the Board and devise a policy on Board diversity;
- To formulate criteria for determining qualifications, positive attributes and independence of a director and to identify persons who are qualified

to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend the Board of their appointment and removal;

- Formulate the criteria for evaluation of independent directors on the Board;
- Review and recommend to the Board the overall strategies in relation to executive and non – executive remuneration policies; and
- Evaluation of every director’s performance.

The Company has adopted Nomination and Remuneration Policy. The Nomination and Remuneration Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Regulation 19 of the SEBI (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://www.pghealthindia.com/investors/>.

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

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

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee presently comprises of Mr. Suresh N. Talwar

(Chairman), Mr. Milind Thatte (Member) and Mr. Amit Gupta (Member). During the Financial Year, two meetings were held on September 15, 2020 and February 10, 2021.

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

Directors	No. of meetings held during tenure*	No. of meetings attended
Mr. Suresh N. Talwar	2	2
Mr. Milind Thatte	2	2
Mr. Amit Gupta	2	2

* The Committee meetings during Financial Year 2020-21 were convened through video-conference in accordance with circulars/notifications issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

The terms of reference of CSR committee is as follows:

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

Risk Management Committee

Your Company constituted a Risk Management Committee to monitor and review the Risk Management Policy and plans of the Company. The Committee presently comprises of Mr. Milind Thatte (Chairman), Mr. Suresh N. Talwar (Member) and Mr. Amit Gupta (Member). During the Financial Year under review, one meeting of the Committee was held on September 15, 2020.

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

Directors	No. of meetings held during tenure*	No. of meetings attended
Mr. Milind Thatte	1	1
Mr. Suresh N. Talwar	1	1
Mr. Amit Gupta	1	1

* The Committee meetings during Financial Year 2020-21 were convened through video-conference in accordance with circulars/notifications issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

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;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

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

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

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

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

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

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

(i) Succession planning

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

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

(j) Key Board qualifications, expertise and attributes

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

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

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

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

Name of the Director	Area of Expertise
Mr. Suresh N. Talwar	Legal, Regulatory & Policy
Mrs. Rani Ajit Jadhav	Regulatory & Policy
Mr. Milind Thatte	Strategy & Business Operation, Healthcare, Finance & Accounting
Mr. Amit Gupta	Strategy & Business Operation, Healthcare, Finance & Accounting
Mr. Aalok Agrawal	Strategy & Business Operation, Healthcare, Finance & Accounting
Mr. Sujay Wasan	Strategy & Business Operation, Healthcare, Finance & Accounting

(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 based on feedback received from the directors.

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

i. Mr. Aalok Agrawal

Mr. Aalok Agrawal has completed his Bachelor of Science (Physics) from St. Xavier's College, Mumbai and MBA from Indian Institute of Management, Ahmedabad. He has been with P&G for over 23 years, with leadership experience on consumer healthcare & FMCG businesses and deep mastery in diverse OTC value creation business models. He has worked in diverse cultural contexts across Europe, North America & Asia/ India and has deep knowledge of go-to-market & commercial environments, competitive environments & healthcare regulations. Currently, he is Senior Vice President, P&G Health – Asia, Pacific, Middle East and Africa. Mr. Aalok Agrawal, Non-Executive Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing 54th Annual General Meeting.

ii. Dr. Elizabeth Desmond

Dr. Elizabeth Desmond has completed her B.Sc, Hons. from Microbiology University College Cork, Ireland and she was awarded PhD by the Molecular Biology Reading University UK & Institute for Animal Health UK for research into the replication mechanisms of Avian Influenza Virus. She has worked with Procter & Gamble for over 20 years and has specialised in the Personal Health Care category for the past 16 years.

Dr. Desmond holds office as an additional director up to the date of the ensuing 54th Annual General Meeting. It is proposed to appoint Dr. Desmond as a Non-Executive Director of the Company at the ensuing 54th 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 timelines as prescribed by the Securities & Exchange Board of India. Audited Annual Results are announced within 60 days of the end of Financial Year or within the timelines as prescribed by the Securities & Exchange Board of India. Results were published in Business Standard and Mumbai Lakshadeep newspapers.

- (ii) The Company's results and official news releases are published on Company's website: <https://www.pghealthindia.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 Agent, 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 dated September 18, 2021 which is put up on the website at <https://www.pghealthindia.com/investors/>, in order facilitate company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be submitted as per instructions in the said letter on or before October 25, 2021 in order to enable the Company to determine and deduct appropriate TDS.

SUSTAINABILITY INITIATIVE

In line with our 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).

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

GENERAL MEETINGS AND POSTAL BALLOT

For the year ended	Venue	Day and Date	Time
2017	Annual General Meetings were held at Sunville Banquets,	Friday, 01.06.2018	3:00 p.m.
2018	3 rd Floor, Royal Room, Dr. A.B. Road, Worli, Mumbai - 400 018	Friday, 31.05.2019	3:00 p.m.
2019-20	Meeting was held through Video Conference / Other Audio Visual Means	Thursday, 26.11.2020	3:30 p.m.

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

During the Financial Year, no special resolution was approved through 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 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 Obligation and Disclosure Requirements) Regulations, 2015:

- a. The Company's financial statements for the Financial Year 2020-21 have an unmodified audit opinion.
- b. The Internal Auditor of the Company reports to the Audit Committee.

WHISTLE BLOWER POLICY

The Company being a part of the P&G group is guided by a Whistle Blower Policy as laid down in its "Worldwide Business Conduct Manual". Any employee or other interested person can call on 'The Worldwide Business Conduct Helpline', twenty-four hours a day, seven days a week, to report any concerns about violations of the Company's "Worldwide Business Conduct Standards".

The Worldwide Business Conduct Helpline is not staffed or monitored by the Company personnel. All calls can be completed anonymous if the caller desires. The Helpline can take calls in most languages spoken by employees around the world.

Calls made to the Helpline are reported to the Company's corporate security and legal personnel, who will ensure appropriate investigation and follow-up of all calls. Callers are given a confidential identification number so they can inquire about the status of their reported concerns.

The 'Worldwide Business Conduct Helpline' is accessible to all employees.

In compliance with the requirement under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Company has implemented the Vigil Mechanism for Directors and employees to report genuine concerns or grievances such as unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

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

The vigil mechanism is available on the website - <https://www.pghealthindia.com/investors/>.

CODE OF CONDUCT

(i) Code of Conduct for Directors and Senior Management

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

(ii) Code of Conduct for Prohibition of Insider Trading

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

GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting

Pursuant to the Circular nos. 14/2020, 17/2020, 20/2020 and 02/2021 passed by Ministry of Corporate Affairs and by circular nos. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 and SEBI/HO/CFD/ CMD2/CIR/P/2021/11 passed by the Securities Exchange Board of India, the Fifty-Fourth Annual General Meeting (AGM) will be held on **Thursday, November 11, 2021** at **3:30 p.m.** through Video conferencing facility. Deemed venue of the meeting shall be 'Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli East, Mumbai 400 079.' Details of the link for joining and participating in the meeting through video-conferencing is provided in the notice for convening the 54th Annual General Meeting. A copy of the transcript of the AGM will be made available on the Company's website at <https://www.pghealthindia.com/>

II. Financial Calendar

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

III. Book Closure Dates

The Company's Register of Members and Share Transfer Books will remain closed from Friday, November 5, 2021 to Thursday, November 11, 2021 (both days inclusive) for the purposes of payment of dividend for the Financial Year ended June 30, 2021, if approved by members at the above mentioned AGM.

IV. Dividend Payment Date

On or before December 8, 2021.

V. Total fees paid to Statutory Auditors of the Company

Total fees of ₹ 33 lakhs for Financial Year 2020-21, was paid by the Company to M/s. Haribhakti & Co. LLP, Statutory Auditors of the Company.

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2020-21 are as under:

Number of complaints filed during the Financial Year: Nil

Number of complaints disposed of during the Financial Year: Nil

Number of complaints pending as at end of the Financial Year: Nil

VII. Recommendations of Committees of the Board

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

VIII. Listing of Equity Shares on Stock Exchanges

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

IX. Stock Code

BSE Limited: **500126**

National Stock Exchange of India Limited: **PGHL**

Dematerialisation ISIN Code: **INE199A01012**

X. Stock Price Data

Month	BSE		NSE	
	High	Low	High	Low
July – 2020	4,311.05	4,003.70	4,311.15	4,000.05
August – 2020	5,148.95	4,130.00	5,150.00	4,173.95
September – 2020	5,683.00	4,697.70	5,685.00	4,695.00
October – 2020	5,476.70	5,000.00	5,495.00	5,006.65
November – 2020	6,975.00	5,166.00	6,976.00	5,160.00

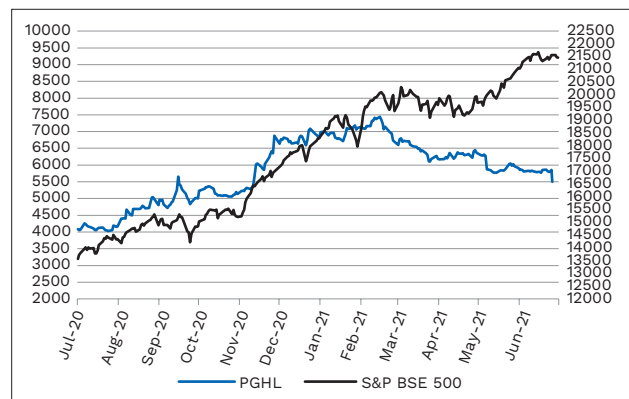
Month	BSE		NSE	
	High	Low	High	Low
December – 2020	7,356.35	6,321.05	7,249.95	6,406.35
January – 2021	7,473.20	6,625.00	7,472.00	6,700.00
February – 2021	7,499.95	6,511.00	7,492.95	6,600.00
March – 2021	6,840.00	6,010.20	6,850.00	6,017.00
April – 2021	6,530.00	6,087.20	6,576.00	6,082.10
May – 2021	6,420.00	5,700.00	6,429.00	5,740.05
June – 2021	5,953.30	5,480.00	5,967.90	5,495.00

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

Note: High and low are in Rupees (₹) per traded share

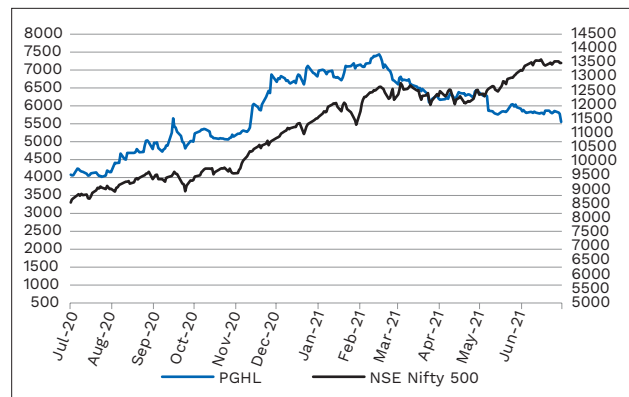
XI. Stock Performance in comparison to the BSE Sensex and NSE Nifty

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



(Source: www.bseindia.com)

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



(Source: www.nseindia.com)

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

Category	Number of shares held	% of shares Held
Foreign promoters	86,01,071	51.82
Resident Individuals and HUF	40,71,738	24.53
Mutual Funds	10,95,058	6.60
Financial Institutions / Banks	799	0.00
Insurance Companies	8,64,153	5.21
Foreign Portfolio Investors	10,70,348	6.45
Bodies Corporate	5,34,461	3.22
Non-Resident Indians	2,46,202	1.48
Others	1,15,552	0.69
TOTAL	1,65,99,382	100.00

XIII. Registrar and Share Transfer Agents

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

Toll free number: 1-800-309-4001

Email : einward.ris@kfintech.com

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

XIV. Share Transfer and Demat System

As per SEBI directions, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form effective April 1, 2019. The transfer deed(s) lodged prior to deadline, i.e., April 1, 2019, and returned due to deficiency in the document were allowed to be re-lodged for transfer with M/s. KFin Technologies Private Limited, RTA, on or before March 31, 2021 (cut-off date) as fixed by SEBI vide circular dated September 7, 2020. Henceforth, no physical transfer lodgement/re-lodgement will be allowed. Further, the shares that are re-lodged for transfer (including those request that are pending with the company / RTA, as on date) will be issued only in demat mode.

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

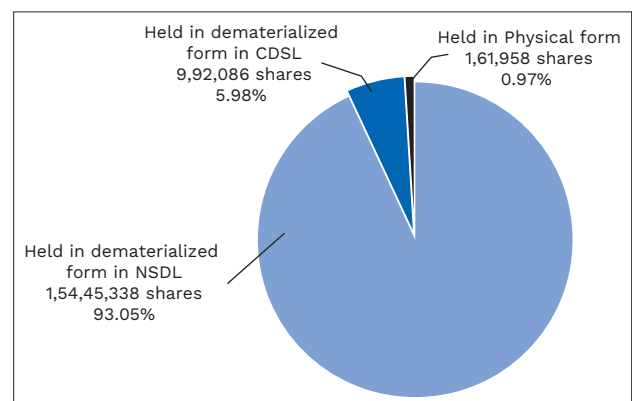
Shareholding (No. of shares)	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 5000	59,400	98.07	23,31,589	14.05
5001 - 10000	609	1.01	4,43,472	2.67
10001 - 20000	277	0.46	3,97,663	2.40
20001 - 30000	76	0.13	1,89,947	1.14
30001 - 40000	45	0.07	1,55,484	0.94
40001 - 50000	23	0.04	1,07,803	0.65
50001 - 100000	60	0.10	4,10,685	2.47
100001 & above	76	0.13	1,25,62,739	75.68
TOTAL	60,566	100.00	1,65,99,382	100.00

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 in NSDL	1,54,45,338	93.05
Held in dematerialized form in CDSL	9,92,086	5.98
Held in Physical form	1,61,958	0.97
Total	1,65,99,382	100.00

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. During the year, no Analyst/Investor Meetings were held.

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

The Company does not have any exposure hedged through commodity derivatives. The details of foreign currency risk management are disclosed in Note 33 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 December 31, 2014 and for the subsequent years, which remain unpaid or unclaimed, will be due for transfer to the IEPF on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's RTA, M/s. KFin Technologies Private Limited.

Date of Declaration	For the Financial year	Transfer to IEPF
08.04.2015	2014	14.05.2022
10.06.2016	2015	16.07.2023
04.05.2017	2016	09.06.2024

Date of Declaration	For the Financial year	Transfer to IEPF
01.06.2018	2017	07.07.2025
31.05.2019	2018	06.07.2026
26.11.2020	2019-20	01.01.2028

During the Financial Year 2020-21 and up to the date of this report, unclaimed dividend amount for the Financial Year ended December 31, 2013 amounting to ₹ 8,94,863 were transferred to the IEPF Authority. Further 15,920 shares were also transferred to the IEPF.

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

Ms. Preeti Bishnoi ceased to be the nodal officer of the Company on June 30, 2021. Ms. Zeal Shah has been appointed as nodal officer effective August 26, 2021. Ms. Flavia Machado is the deputy nodal officer under the IEPF Rules.

XXI. Plant Location

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

XXII. Investor Queries and Grievance Redressal

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

Company Secretary and Compliance Officer
Procter & Gamble Health Limited

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

Tel. No. : 022-6866 9000

Investor Helpline No.: +91 8291902520 /
+91 8657500524

Fax : 022-2518 6828

Email ID: investorgrievance.im@pg.com

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members have confirmed compliance with the Directors' Code of Conduct for the Financial Year ended June 30, 2021 and the Senior Management has complied with the Business Conduct Manual for the Financial Year ended June 30, 2021.

For **Procter & Gamble Health Limited**

Mumbai
August 26, 2021

Sd/-
Milind Thatte
Managing Director

CERTIFICATE OF COMPLIANCE WITH CORPORATE GOVERNANCE

**[Pursuant to Regulation 34(3) read with paragraph E of Schedule V of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,
The Members

PROCTER & GAMBLE HEALTH LIMITED

CIN: L99999MH1967PLC013726
Godrej One, 8th Floor, Pirojshanagar,
Eastern Express Highway, Vikhroli (East),
Mumbai City Maharashtra 400079 IN.

I have examined the compliance of the conditions of Corporate Governance by **PROCTER & GAMBLE HEALTH LIMITED** (CIN - L99999MH1967PLC013726) ("the Company") as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the year ended on June 30, 2021.

The compliance with the terms and conditions contained in Corporate Governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on June 30, 2021.

I 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.

For Saraf & Associates
Practising Company Secretaries

Place : Mumbai
Date : 26.08.2021
UDIN : F001596C000839851

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

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

To,
The Members,

PROCTER & GAMBLE HEALTH LIMITED

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PROCTER & GAMBLE HEALTH LIMITED having CIN : L99999MH1967PLC013726 and having registered office at Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai City 400079 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 30th June, 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 Director	DIN	Date of appointment in Company*
1.	Suresh Narsappa Talwar	00001456	17/01/1984
2.	Rani Jadhav Ajit	07070938	05/02/2015
3.	Milind Vasant Thatte	08092990	01/04/2018
4.	Amit Gupta	08295179	06/12/2018
5.	Aalok Agrawal	08468145	01/06/2019
6.	Sujay Wasan	08497942	01/07/2019

* 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 my 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

Place : Mumbai
Date : 26.08.2021
UDIN : F001596C000839851

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

INDEPENDENT AUDITOR REPORT

To the Members of Procter & Gamble Health Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Procter & Gamble Health Limited** (“the Company”), which comprise the Balance Sheet as at June 30, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Act, of the state of affairs of the Company as at June 30, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
1.	<p>Evaluation of uncertain tax and other legal matters positions (Refer Note 39 to the Ind AS financial statements)</p> <p>The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities and National Pharmaceutical Pricing Authorities on a range of taxation and pricing matters, respectively, during the normal course of business including but not limiting to direct tax, transfer pricing, indirect tax and product pricing matters. These involve significant management judgment to determine the possible outcome of the uncertain tax and other legal matters positions, consequently having an impact on related accounting and disclosures in the Ind AS financial statements. Hence, this has been considered as a key audit matter.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained detailed list of matters under dispute and other uncertain tax and other legal matters positions as at June 30, 2021; • Read and evaluated select key correspondences, external legal opinions / consultations, if any, and evaluation of the same by the legal department of Company; • Discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions; and • Assessed the management’s estimate of the possible outcome of the disputed cases.

Other Information

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on June 30, 2021, and taken on record by the Board of Directors, none of the directors is 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 2";
 - g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 39 on Contingent Liabilities to the Ind AS financial statements;
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

– Refer Note 17 to the Ind AS financial statements;

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Hemant J. Bhatt

Partner

Membership No.036834

UDIN: 21036834AAAABH9994

Place: Mumbai

Date: August 26, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Procter & Gamble Health Limited ("the Company") on the Ind AS financial statements for the year ended June 30, 2021]

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of immovable properties, other than self-constructed properties, recorded as Property, Plant & Equipment in the books of account of the Company are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. For stocks lying with third parties at the yearend, these have substantially been confirmed by them. No material discrepancies were noticed on physical verification carried out during the year.
- (iii) 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, clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loan or made any investment or provided any guarantee or security, covered under the provisions of sections 185 and 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

- (v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

 - (b) The dues outstanding with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty on account of any dispute, as listed in Appendix 1 have not been deposited by the Company.
- (viii) During the year, the Company has not taken any loans or borrowings from any financial institution, bank or government nor has it issued any debentures. Accordingly, clause 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud

by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

- (xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the

year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Hemant J. Bhatt

Partner

Membership No.036834

Place: Mumbai

UDIN: 21036834AAAABH9994

Date: August 26, 2021

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

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and Penalty	923.23	2002-03, 2005-06, 2008-09, 2012-13, 2013-14	Income Tax Appellate Tribunal
		150.05	1998-99, 2003-04	AO to pass order giving effect of ITAT
		6,752.90	2007-08, 2008-09, 2011-12, 2015-16, 2016-17, 2017-18	CIT (A)
		12.34	1986-87	High Court
Central Excise Act, 1944	Tax and Penalty	2,241.08	2009-14, 2014-15	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Tax and Penalty	80.19	2017-18	Deputy Commissioner
Local State Sales Tax Act and Central Sales Tax Act 1956	Duty and Penalty	683.16	2010-11, 2011-12, 2012-13, 2014-15	Additional commissioner (Commercial Tax)
		27.39	2014-15	Additional Commissioner (Appeal) Commercial Tax
		2,253.89	2012-13, 2013-14, 2014-15	Joint Commissioner of Sales Tax (Appeal)
		395.26	2015-16, 2016-17	Joint Commissioner of Sales Tax
GST Act, 2017	Tax and Penalty	6.01	2011-12	Deputy Commissioner (Commercial Tax)
		264.70	2018-19, 2019-20	Deputy Commissioner
		116.50	2018-19	Additional State Tax officer
		1785.31	2017-18	High Court

In respect of the above, Income tax and Sales Tax dues ₹ 1,983.88 Lakhs and ₹ 294.67 Lakhs have been paid under protest.

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Procter & Gamble Health Limited on the Ind AS financial statements for the year ended June 30, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Procter & Gamble Health Limited** ("the Company") as of June 30, 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls

with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at June 30, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Hemant J. Bhatt
Partner
Membership No.036834
UDIN: 21036834AAAABH9994
Place: Mumbai
Date: August 26, 2021

BALANCE SHEET AS AT JUNE 30, 2021

	Notes	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Assets			
Non-current assets			
Property, plant and equipment	4	9 337	9 771
Capital work-in-progress	4	3 915	2 145
Investment property	5	295	330
Right-of-use assets	4	747	---
Intangible assets	6	12	21
Financial assets			
(i) Loans	7	541	7
(ii) Other financial assets	8	818	776
Deferred tax assets (Net)	9	1 991	1 515
Other non-current assets	10	609	664
Non-current tax assets (Net)	11	7 637	6 989
Total non-current assets		25 902	22 218
Current assets			
Inventories	12	11 837	13 411
Financial assets			
(i) Trade receivables	13	5 943	9 527
(ii) Cash and cash equivalents	14	46 405	63 569
(iii) Bank balances other than (ii) above	14.1	486	340
(iv) Loans	7	145	9
(v) Other financial assets	8	598	401
Other current assets	10	7 300	8 099
Total current assets		72 714	95 356
Total assets		98 616	117 574
Equity and Liabilities			
Equity			
Equity share capital	15	1 660	1 660
Other equity	16	68 711	88 974
Total equity		70 371	90 634
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	20	286	---
Provisions	17	4 005	4 085
Other non-current liabilities	18	57	121
Total non-current liabilities		4 348	4 206
Current liabilities			
Financial liabilities			
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	600	699
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	12 276	11 697
(b) Other financial liabilities	20	9 586	8 563
Other current liabilities	18	824	888
Provisions	17	186	436
Current tax liabilities (Net)	21	425	451
Total current liabilities		23 897	22 734
Total liabilities		28 245	26 940
Total Equity and Liabilities		98 616	117 574
Significant accounting policies	2		

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

As per our attached report of even date.

For and on behalf of Board of Directors

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

S.N Talwar
Chairman
DIN No. 00001456

Milind Thatte
Managing Director
DIN No. 08092990

Hemant J. Bhatt
Partner
M. No.: 036834

Amit Gupta
Chief financial officer
DIN No. 08295179

Zeal Shah
Company Secretary

Place: Mumbai
Date: August 26, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED JUNE 30, 2021

	Notes	Year ended June 30, 2021 ₹ in lakhs	18 months ended June 30, 2020 ₹ in lakhs
Income			
Revenue from operations	22	1 00 873	1 35 586
Other income	23	1 810	6 889
Total income		1 02 683	1 42 475
Expenses			
Cost of raw and packing materials consumed	24	28 912	41 610
Purchase of stock-in-trade	25	2 116	2 837
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	454	(1 303)
Employee benefits expense	27	15 047	18 293
Finance cost	28	80	----
Depreciation and amortisation expense	4, 5 & 6	3 004	2 945
Other expenses	29	29 742	42 608
Total expense		79 355	1 06 990
Profit before exceptional items and tax		23 328	35 485
Tax expense	30		
Current tax		6 360	10 278
Deferred tax		(490)	599
Tax for earlier years		(222)	(800)
		5 648	10 077
Net Profit for the year/ period		17 680	25 408
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plans		56	(1 237)
Income tax related to items that will not be reclassified to profit or loss		(14)	311
Total other comprehensive income for the year/period		42	(926)
Total comprehensive income for the year/ period		17 722	24 482
Earnings per equity share			
Basic and Diluted (in ₹)	31	107	153
Face Value of Equity Share (in ₹)		10	10
Significant accounting policies	2		

See accompanying notes form an integral part of these Financial Statements

As per our attached report of even date.

For and on behalf of Board of Directors

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

S.N Talwar
Chairman
DIN No.00001456

Milind Thatte
Managing Director
DIN No. 08092990

Hemant J. Bhatt
Partner
M. No.: 036834

Amit Gupta
Chief financial officer
DIN No. 08295179

Zeal Shah
Company Secretary

Place: Mumbai
Date: August 26, 2021

STATEMENT OF CHANGES IN EQUITY FROM JULY 1, 2020 TO JUNE 30, 2021**a. Equity share capital**

	Amount ₹ in lakhs
Balance as at 1 January 2019	1 660
Changes in equity share capital during the period	----
Balance as at 30 June 2020	1 660
Changes in equity share capital during the year	----
Balance as at 30 June 2021	1 660

b. Other equity

Particulars	Reserves & surplus						
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Share options outstanding account	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Balance as at 1 January 2019	26	1 113	26	34 389	1 16 797	----	1 52 351
Profit for the period	----	----	----	----	25 408	----	25 408
Other comprehensive income for the period	----	----	----	----	(926)	----	(926)
Total comprehensive income for the period	----	----	----	----	24 482	----	24 482
Dividend	----	----	----	----	(73 037)	----	(73 037)
Dividend distribution tax	----	----	----	----	(15 016)	----	(15 016)
Recognition of share based payment	----	----	----	----	----	194	194
Balance as at 30 June 2020	26	1 113	26	34 389	53 226	194	88 974
Profit for the year	----	----	----	----	17 680	----	17 680
Other comprehensive income for the year	----	----	----	----	42	----	42
Recognition of share based payment	----	----	----	----	----	193	193
Total comprehensive income for the year	----	----	----	----	17 722	193	17 915
Dividend	----	----	----	----	(38 178)	----	(38 178)
Balance as at 30 June 2021	26	1 113	26	34 389	32 770	387	68 711
Significant accounting policies	Note 2						

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

As per our attached report of even date.

For and on behalf of Board of Directors

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

S.N Talwar
Chairman
DIN No. 00001456

Milind Thatte
Managing Director
DIN No. 08092990

Hemant J. Bhatt
Partner
M. No.: 036834

Amit Gupta
Chief financial officer
DIN No. 08295179

Zeal Shah
Company Secretary

Place: Mumbai
Date: August 26, 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	Year ended June 30, 2021 ₹ in lakhs	18 months ended June 30, 2020 ₹ in lakhs
A. Cash Flows from Operating Activities		
Profit before tax	23 328	35 485
Adjustments for:		
Net unrealised foreign exchange loss	305	66
Rent equalisation reserve	----	54
Allowance for doubtful receivables	108	(107)
Inventory written off	48	----
GST input credit written off	354	----
Depreciation of property, plant and equipment	3 004	2 945
Income from letting of office premises	(209)	(325)
Provision for employee benefits	537	1 472
Loss on sale of property, plant and equipment	42	325
Share-based payment to employees	193	194
Provisions no longer required written back	----	(242)
Finance Cost	80	----
Interest income	(1 506)	(5 598)
Operating profit before working capital changes	26 284	34 269
Working capital adjustments:		
Decrease/ (Increase) in inventories	1 526	(2 075)
Decrease/ (Increase) in trade receivables	3 470	(2 920)
(Increase)/ Decrease in financial and other Assets	(684)	1 405
Increase in trade payables	181	3 547
Increase/ (Decrease) in other liabilities and provisions	762	(530)
Cash generated from operations	31 538	33 696
Income taxes paid (net)	(6 812)	(10 159)
Net cash generated from operating activities (A)	24 726	23 537
B. Cash Flows from Investing Activities		
Purchase and construction of property, plant and equipment	(5 258)	(2 327)
Proceeds from sale of asset	121	30
Income from letting of office premises	209	325
Interest received	1 708	6 056
Redemption of bank deposits	----	12 381
Security deposit placed against commitments	(7)	----
Net cash (used in)/ generated from investing activities (B)	(3 227)	16 464

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	Year ended June 30, 2021 ₹ in lakhs	18 months ended June 30, 2020 ₹ in lakhs
C. Cash flow from financing activities		
Dividend paid	(38 178)	(73 325)
Dividend tax paid	----	(15 016)
Payment of lease liability	(485)	----
Net cash flow used in financing activities (C)	(38 663)	(88 341)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(17 164)	(48 340)
Cash and cash equivalents at the beginning of the year/ period	63 569	1 11 909
Cash and cash equivalents at the end of the year/ period	46 405	63 569
Components of Cash and Cash equivalents:		
Cash in Hand	----	----
Cheque in hand	457	----
Balance with Banks		
In Current accounts	4 638	4 229
In Term deposits (less than 3 months maturity)	41 310	59 340
	46 405	63 569
Note:		
The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.		
Significant accounting policies		Note 2
See accompanying notes form an integral part of these Financial Statements.		

As per our attached report of even date.

For and on behalf of Board of Directors

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

S.N Talwar
Chairman
DIN No.00001456

Milind Thatte
Managing Director
DIN No. 08092990

Hemant J. Bhatt
Partner
M. No.: 036834

Amit Gupta
Chief financial officer
DIN No. 08295179

Zeal Shah
Company Secretary

Place: Mumbai
Date: August 26, 2021

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

1 Corporate information

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

2 Significant accounting policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

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

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

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

Fair value in accordance with Ind AS 113 is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company

takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, and measurement that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

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

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

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

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

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

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

The areas involving critical estimates and judgements are:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

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

2.3 Summary of significant accounting policies

a. Revenue recognition

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

However, sales tax / value added tax (VAT) / goods and services tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- a. the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b. the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c. the amount of revenue can be measured reliably;
- d. it is probable that the economic benefits associated with the transaction will flow to the Company; and

- e. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from shared service

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

Export Incentives

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

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

Interest income

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

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

Rental income

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

Processing income

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

b. Leasing

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

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

The Company as a lessee

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

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

The Company as a lessor

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

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

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

c. Foreign currencies

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

Transaction and balances

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

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

d. Borrowing costs

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

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

e. Employee benefits

i) Post-employment Benefits

a) Defined Contribution Plans:

The Company has Defined Contribution Plans for post employment benefits charged to the Statement of Profit and Loss, in the form of

- Provident Fund administered by the Regional Provident Fund Commissioner;
- Superannuation Fund as per Company policy administered by Company managed trust; and
- State Defined Contribution Plans: Employer's Contribution to Employees' State Insurance.

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

b) Defined Benefit Plans:

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

- Gratuity for all employees administered through trust.

Unfunded Plan: The Company has unfunded Defined Benefit Plans in the form of Compensated Absences as per its policy.

The Company's net obligation in respect of a defined benefit plan is calculated by

estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of any plan assets are deducted. Liability for the above defined benefit plans is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

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

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

- #### ii) Liability for Compensated Absences and Leave Travel Allowance which are in the nature of short term benefits is provided for as per company rules based on the undiscounted amount of benefits expected to be paid in exchange of services rendered.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

- 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 (refer note 2.3(e)), together with a corresponding increase in equity (other reserves) over the period in which the service and performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Recharge to parent company to the extent of fair value of options will be debited in equity reserves and any excess recharge above the fair value of options will be recognised as equity distribution from the Company.

Employee share purchase plan

The Procter & Gamble Company, USA has an "International Stock Ownership Plan (ISOP)" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of the Ultimate Holding Company i.e. The Procter & Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll

deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary) and charged to employee benefits expense. The expenses related to ISOP are recognised immediately in the Statement of Profit and Loss since there are no vesting conditions attached to the scheme.

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

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

g. Taxation

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

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

taxable profit will be available against which those deductible temporary differences can be utilised.

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

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

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

Current and deferred tax for the year

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

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

h. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when

it is probable that future economic benefits associated with the item will flow.

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

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

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

The management's estimate of useful lives are in accordance with Schedule II to the Act, other than certain assets which are based on the Company's expected usage pattern supported by technical assessment.

The estimated useful life of certain property, plant and equipment of the Company are as follows:

Asset Class	Useful lives
Buildings	20-30 years
Plant & equipment	10-15 years
Furniture and fixtures	3-15 years
Office equipment	3-15 years
Vehicles	4-18 years
Moulds & Dies	3-15 years

Leasehold improvements are amortised over the primary period of lease.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Depreciation on fixed assets added/ disposed off/ discarded during the year is provided on pro-rata basis with reference to month of addition/ disposal/ discarding.

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

i. Impairment of property, plant and equipment

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

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

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

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

j. Investment property

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

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

k. Intangible assets

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

l. Non-current assets held for sale

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

Such assets are generally measured at lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit or Loss.

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

m. Inventories

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

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

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

n. Provisions, Contingent Liabilities and Contingent Assets

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

obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

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

Contingent liabilities are disclosed in the notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

o. Financial instruments

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

p. Financial assets

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

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

Classification of financial assets

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

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

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

Effective interest method

The effective interest is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount in initial recognition.

Income is recognised on an effective interest basis for debt instruments. Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

Impairment of financial assets

The Company applies expected credit loss model for recognising impairment loss on

financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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

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

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

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

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.

q. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

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.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

r. Offsetting financial instruments

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

s. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided

to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

t. Cash and Cash Equivalents

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

u. Research and development

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

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

v. Earnings Per Share

Basic earnings per share is computed by dividing the profit / loss for the year after tax attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

w. Claims

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

x. 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 affects both current and future periods.

3.2 Key sources of estimation uncertainty

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

a. Useful lives of property, plant and equipment

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

b. Fair value measurements and valuation processes

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 33.

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 27, ‘Employee benefits expense’.

d. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions (refer note 30).

e. Measurement and likelihood of occurrence of provisions and contingencies – As disclosed in Note 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 JULY 1, 2020 TO JUNE 30, 2021

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

	At June 30, 2021 ₹ in lakhs	At June 30, 2020 ₹ in lakhs
Owned Assets	9,337	9,771
Right -of -use assets	747	-
	10,084	9,771

A. Owned Assets

	Freehold land	Buildings and Flats	Leasehold Improvements	Plant & Machinery	Computer / Hardware	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross block									₹ in lakhs
Balance as at 01 January 2019	50	3 062	----	13 385	393	980	1	598	18 469
Additions	----	467	33	1 793	700	44	----	27	3 064
Disposals	----	(532)	----	(790)	----	(180)	(3)	(157)	(1 662)
Reclassification of assets	----	625	----	(412)	(184)	(51)	31	(81)	(72)
Balance as at 30 June 2020	50	3 622	33	13 976	909	793	29	387	19 799
Additions	----	406	35	1 245	185	32	----	311	2 214
Disposals	----	(126)	----	(1 462)	(20)	(118)	(18)	(168)	(1 912)
Reclassification of assets	----	574	----	(304)	----	(40)	----	(230)	----
Balance as at 30 June 2021	50	4 476	68	13 455	1 074	667	11	300	20 101
Accumulated depreciation including impairment									
Balance as at 1 January 2019	----	1 251	----	6 274	290	366	----	355	8 536
Depreciation for the period	----	194	1	2 172	137	131	5	196	2 836
Accumulated depreciation on disposals	----	(496)	----	(512)	----	(148)	(1)	(151)	(1 308)
Accumulated depreciation on reclassification of assets	----	244	----	(124)	(154)	109	11	(122)	(36)
Balance as at 30 June 2020	----	1 193	1	7 810	273	458	15	278	10 028
Depreciation for the year	----	706	3	1 478	167	59	4	60	2 477
Accumulated depreciation on disposals	----	(104)	----	(1 333)	(16)	(107)	(16)	(165)	(1 741)
Accumulated depreciation on reclassification of assets	----	381	----	(215)	----	(21)	----	(145)	----
Balance as at 30 June 2021	----	2 176	4	7 740	424	389	3	28	10 764

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

	Freehold land	Buildings and Flats	Leasehold Improvements	Plant & Machinery	Computer / Hardware	Furniture and Fixtures	Vehicles	Office Equipment	Total
Net carrying amount									
Net block as at 30 June 2021	50	2 300	64	5 715	650	278	8	272	9 337
Net block as at 30 June 2020	50	2 429	32	6 166	636	335	14	109	9 771
Net block as at 1 January 2019	50	1 811	----	7 111	103	614	1	243	9 933

B. Right - of - use assets

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

The Company has adopted Ind AS 116 effective July 1, 2020, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application July 1, 2020. Accordingly, previous period information has not been restated.

C. Capital work-in-progress

	At June 30, 2021 ₹ in lakhs	At June 30, 2020 ₹ in lakhs
Capital work-in-progress	3 915	2 145
	3 915	2 145

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

5 Investment property

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

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Gross Carrying Amount		
Opening Gross Carrying Value	521	521
Closing Gross Carrying Value	521	521
Accumulated Depreciation		
Opening accumulated depreciation	191	139
Depreciation during the year/period	35	52
Closing accumulated depreciation	226	191
Net carrying value	295	330

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

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Rental income	209	325
Direct operating expenses from property that generated rental income	27	21
Profit from Investment Property before Depreciation	182	304
Depreciation	35	52
Profit from Investment Property	147	252

b) Contractual Obligations

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

c) Fair Value

Based on Independent valuation report as on 21 July 2021, for one of the property located in the same premises, the management has estimated fair value of ₹ 2 817 lakhs for the investment properties. The aforesaid estimated amount will not be materially different from the fair value of the property as on June 30, 2021.

d) Policy for Estimation of Fair Value

Market Approach/ Direct Comparison Approach

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021**6 Intangible assets**

	Computer Software ₹ in lakhs	Total ₹ in lakhs
Gross block		
Balance as at 1 January 2019	91	91
Additions	----	----
Disposal	(4)	(4)
Reclassification of assets	72	72
Balance as at 30 June 2020	159	159
Additions	3	3
Disposals	----	----
Reclassification of assets	----	----
Balance as at 30 June 2021	162	162
Amortisation and impairment		
Balance as at 1 January 2019	48	48
Amortisation for the period	57	57
Accumulated amortisation on disposals	(4)	(4)
Accumulated amortisation on reclassification of assets	36	36
Balance as at 30 June 2020	137	137
Amortisation for the year	13	13
Accumulated amortisation on disposals	----	----
Accumulated amortisation on reclassification of assets	----	----
Balance as at 30 June 2021	150	150
Net block as at 30 June 2021	12	12
Net block as at 30 June 2020	21	21
Net block as at 1 January 2019	43	43

7 Loans

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Unsecured, considered good unless otherwise stated		
Non-current		
Loan to employees (refer note below)	541	7
Less: Allowance for bad and doubtful loans	----	----
	541	7
Current		
Loan to employees (refer note below)	145	9
Less: Allowance for bad and doubtful loans	----	----
	145	9

Notes:

- (a) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Act.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

8 Other financial assets

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Non-current		
Security Deposits		
Unsecured, considered good	818	776
Unsecured, doubtful	----	----
Less: Allowance for doubtful deposits	----	----
	818	776
Current		
Interest accrued but not due on term deposits	32	258
Other receivables		
from related parties (refer note 36)	495	81
from Others	71	62
	598	401

9 Deferred tax assets (Net)

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Deferred tax assets	1 991	1 581
Deferred tax liabilities	----	(66)
	1 991	1 515

Deferred tax assets / (liabilities) in relation to:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

1 January 2019 to 30 June 2020	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Property plant and equipment and intangible assets	(139)	75	----	(64)
Provision for doubtful trade receivables, deposits and advances	78	(61)	----	17
Personnel and other related provisions	645	(416)	311	540
Provision for sales tax matters	342	(117)	----	225
Other provisions	877	(80)	----	797
	1 803	(599)	311	1 515

10 Other assets

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Non-current		
Capital advances	14	26
Balances with government authorities		
Unsecured, considered good	595	638
	609	664
Current		
Advance to employees		
Unsecured, considered good	23	57
Less: Allowance for doubtful advances	----	----
	23	57
Prepaid expenses	77	375
Advance for supply of goods	147	189
Balances with government authorities	7 053	7 478
	7 300	8 099

11 Non current tax assets (net)

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Advance income tax [Net of provision for tax ₹ 69,985 lakhs (30 June 2020: ₹ 64,025 lakhs)]	7 637	6 989
	7 637	6 989

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

12 Inventories

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Inventories (valued at lower of cost and net realisable value)		
Raw materials	4 445	5 693
Packing materials	1 211	1 136
Work-in-progress	1 039	1 605
Finished goods / Stock in trade [Includes stock-in-transit ₹ Nil (30 June 2020: ₹ 65 lakhs)]	5 059	4 947
Consumable stores and spares	83	30
	11 837	13 411

13 Trade receivables

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Unsecured, considered good	5 943	9 527
Unsecured, considered doubtful	178	70
	6 121	9 597
Less: Allowance for doubtful debts	(178)	(70)
	5 943	9 527

14 Cash and cash equivalents

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

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Cash in Hand	----	----
Cheque in Hand	457	----
Balances with banks:		
- In current accounts	4 638	4 229
- Deposits with original maturity of less than three months	41 310	59 340
	46 405	63 569

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

14.1 Bank balances other than cash and cash equivalents

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Earmarked accounts		
- Unclaimed / Unpaid dividend account	479	340
- 'Balances with banks to the extent held as security deposit against commitments	7	----
	486	340

Unpaid dividend of ₹ 479 lakhs (30 June 2020: ₹ 340 lakhs), included in bank balances, is not available for use by the Company.

15 Equity share capital

	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Authorised share capital:		
1 80 00 000 fully paid equity shares of ₹ 10 each (as at June 30, 2020: 1 80 00 000)	18 00 00 000	18 00 00 000
Issued, subscribed and paid up share capital:		
1 65 99 382 fully paid equity shares of ₹ 10 each (as at June 30, 2020: 1 65 99 382)	16 59 93 820	16 59 93 820
	16 59 93 820	16 59 93 820

15.1 Fully paid equity shares

	Number of shares	Share Capital ₹ in lakhs
Balance at December 31, 2018	1 65 99 382	1 660
Changes in equity share capital during the period	----	----
Balance at June 30, 2020	1 65 99 382	1 660
Changes in equity share capital during the year	----	----
Balance at June 30, 2021	1 65 99 382	1 660

Terms/ rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

No shares are reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

No shares are allotted as fully paid up pursuant to contracts without being payment received in cash during the period of 5 years immediately preceding the Balance Sheet date.

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

	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Ultimate Holding Company		
The Procter & Gamble Company, USA	----	----
Holding Company		
Procter & Gamble Overseas India BV, The Netherlands [(as at June 30 2021 : 86 01 071 Shares and as at June 30 2020 : 86 01 071 shares)]	8 60 10 710	8 60 10 710

Note:

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

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

	As at June 30, 2021		As at June 30, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity shares of ₹ 10 each fully paid				
Procter & Gamble Overseas India BV, The Netherlands	86 01 071	51.82%	86 01 071	51.82%

15.4 Dividend

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Dividend on equity shares paid during the year		
Final dividend for the 2019-20: ₹ 230/- (Previous year for FY 2018: ₹440) per equity share of ₹ 10 each	38 178	73 037
Dividend distribution tax on final dividend	----	15 016
TOTAL	38 178	88 053

Proposed Dividend:

Subject to approval of shareholders at the annual general meeting, Board of Directors have recommended dividend of 1300% (at the rate of ₹ 130/- per share of ₹ 10 each) on 16,599,382 equity shares for the year ended 30 June 2021.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021**16 Other equity**

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Reserves & surplus		
Capital reserve	26	26
Capital redemption reserve	26	26
Securities premium	1 113	1 113
Share options outstanding account	387	194
General reserve	34 389	34 389
Retained earnings	32 770	53 226
	68 711	88 974

16.1 Capital Reserve

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year/ period	26	26
Movement during the year/ period	----	----
Balance at the end of year/ period	26	26

Capital Reserve balance represents

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

16.2 Capital redemption reserve

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year/ period	26	26
Movement during the year/ period	----	----
Balance at the end of year/ period	26	26

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

16.3 Securities premium

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year/ period	1 113	1 113
Movement during the year/ period	----	----
Balance at the end of year/ period	1 113	1 113

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

16.4 Share options outstanding account

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year/ period	194	----
Arising on share-based compensation	193	194
Balance at the end of year/ period	387	194

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 34.

16.5 General reserve

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year/ period	34 389	34 389
Movement during year/ period	----	----
Balance at the end of year/ period	34 389	34 389

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

16.6 Retained earnings

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance at the beginning of year/ period	53 226	1 16 797
Profit attributable to the owners of the Company	17 680	25 408
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	42	(926)
Payment of final dividend on equity shares	(38 178)	(73 037)
Dividend distribution tax	----	(15 016)
Balance at the end of year/ period	32 770	53 226

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

17 Provisions

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Long term provision		
Provision for employee benefits:		
Provision for Gratuity (refer note 35)	1 502	1 507
Provision for Compensated Absences (refer note 35)	21	----
Provision for other employee benefits (refer note 41)	317	343
Provision for sales tax (refer note 41)	994	1 064
Provision for others (refer note 41)	1 171	1 171
TOTAL	4 005	4 085
Short term provision		
Provision for employee benefits:		
Provision for Compensated Absences (refer note 35)	186	436
TOTAL	186	436

18 Other liabilities

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Non-current		
Rent equalisation reserve	----	54
Security deposit	57	67
	57	121
Current		
Advances from customers	100	110
Payables towards statutory dues	704	766
Advance rental income	20	12
	824	888

19 Trade payables

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Total outstanding dues of micro and small enterprises (refer note 40)	600	699
Total outstanding dues of Creditors other than micro and small enterprises	12 276	11 697
	12 876	12 396

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

20 Other financial liabilities

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Non Current		
Leased Liabilities (refer note 37)	286	----
	286	----
Current		
Leased Liabilities (refer note 37)	475	----
Creditors for capital purchases	438	1 729
Employee benefits payable	1 443	1 822
Payable towards services received	6 751	4 672
Unpaid dividend	479	340
	9 586	8 563

21 Current tax liabilities (Net)

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Provision for tax [net of advance tax paid ₹ 31 171 lakhs (30 June 2020: ₹ 31 128 lakhs)]	425	451
	425	451

22 Revenue from operations

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Sale of products	99 079	1 32 921
Other operating revenues		
Sale of scrap	43	59
Duty drawback on exports	58	79
Income from shared services	1 693	2 527
	1 00 873	1 35 586

23 Other income

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Interest income earned on:		
Bank deposits/Others	1 506	5 598
Income tax refund	----	127
	1 506	5 725
Other non-operating income (net of expenses directly attributable to such income)		
Net gain on account of foreign exchange fluctuations	----	267
Provisions no longer required written back	----	242
Miscellaneous income	304	655
	304	1 164
Total	1 810	6 889

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

24 Cost of raw and packing materials consumed

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Cost of raw and packing materials consumed	28 912	41 610

25 Purchase of Stock in trade

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Purchase of Stock-in-trade	2 116	2 837

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

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Inventories at the beginning of year / period		
Finished Goods/ Stock in trade	4 947	4 711
Work-in-process	1 605	538
	6 552	5 249
Inventories at the end of year/ period		
Finished Goods/ Stock in trade	5 059	4 947
Work-in-process	1 039	1 605
	6 098	6 552
Net Decrease / (Increase)	454	(1 303)

27 Employee benefits expense

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Salaries, wages and bonus*	12 559	15 323
Contribution to provident and other funds (refer note 35)	774	875
Share-based payment to employees (refer note 34)	353	197
Gratuity (refer note 35)	428	383
Staff welfare expense	933	1 515
	15 047	18 293

* Salaries and Wages includes ₹ 243 lakhs (Previous period: ₹ Nil lakhs) for expenditure on Voluntary Retirement Scheme.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021**28 Finance costs**

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Interest costs:		
Lease finance costs	80	----
	80	----

29 Other expenses

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Consumption of store and spares	470	847
Processing charges	4 565	6 761
Power and fuel	1 297	1 909
Logistics cost	3 271	4 820
Rent	139	1 097
Rates and taxes	394	1 430
Repairs and maintenance		
Plant and machinery	427	671
Buildings	316	21
Others	387	536
Advertising/ Sales promotion expenses	8 643	11 896
Royalty	1 975	2 605
Travelling and conveyance	1 087	3 953
Insurance	85	79
Legal and professional fees (refer note 29.1)	4 658	4 007
Research and development expenses	393	661
Corporate social responsibility (refer note 29.2)	647	311
Inventory written off (net of Insurance claims recovered)	48	----
Bad debts written off	----	130
Allowance for doubtful receivables	108	(107)
Loss on sale of property, plant and equipment (net of impairment reversal)	42	325
Miscellaneous expenses	790	656
	29 742	42 608

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021**29.1 Payments to auditors:**

(included in Legal and professional fees above)

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
(a) To statutory auditors (excluding GST)		
For audit	24	24
For taxation matters and other services	8	8
Reimbursement of expenses	----	3
(b) To cost auditors for cost audit (excluding GST)		
For audit	2	2
For other services	2	2
	36	39

29.2 Corporate Social Responsibility

	Year ended June 30, 2021 ₹ in lakhs	18 Months 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/ period.	464	303
(i) Amount spent for purposes of Construction/ acquisition of asset	----	----
(ii) Amount spent for purposes other than (i) above	647	311
Total	647	311

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 period.

30 Income tax expense**30.1 Income tax recognised in Statement of Profit and Loss**

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Current income tax		
In respect of the current year/period	6 360	10 278
In respect of prior years	(222)	(800)
	6 138	9 478
Deferred tax		
Change in unrecognised deductible temporary differences	(490)	599
	(490)	599
Tax expense	5 648	10 077
Total Income tax expense recognised in the current year /period	5 648	10 077

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

30.2 Income tax recognised in other comprehensive income

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Deferred tax		
Arising on expense recognised in other comprehensive income		
Remeasurement of defined benefit obligations	(14)	311
	(14)	311
Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss	(14)	311

30.3 Reconciliation of effective tax rate

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Profit for the year/ period before tax	23 328	35 485
Tax using the Company's domestic tax rate 25.17%	5 872	8 932
Tax effect of:		
CSR Expenses	163	78
Liability based on calendar year and tax financial year	----	1 460
Cess Deduction	(66)	----
Impact of reduction in tax rate	----	505
Others	(99)	(98)
	5 870	10 877
Adjustment recognised in current year/ period in relation to Current tax expenses of prior years	(222)	(800)
Income tax expense recognised in the Statement of Profit and Loss	5 648	10 077
Effective tax rate (%)	25.16	30.65

31 Earnings per share

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Calculation of weighted average number of equity shares		
Number of equity shares outstanding at the beginning of the year /period	1 65 99 382	1 65 99 382
Number of equity shares outstanding at the end of the year /period	1 65 99 382	1 65 99 382
Weighted average number of equity shares outstanding during the year/ period	1 65 99 382	1 65 99 382

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Profit for the period/year attributable to owners of the Company	17 680	25 408
Earnings used in calculation of basic and diluted earnings per share	17 680	25 408

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

31.1 Basic and Diluted earnings per share

	Year ended June 30, 2021 ₹	18 Months ended June 30, 2020 ₹
Basic and diluted earnings per share		
Total basic earnings per share (face value ₹ 10)	107	153
Total diluted earnings per share (face value ₹ 10)	107	153

32 Segment information

32.1 General Information

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

32.2 Geographical segment information

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

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

	Revenue from continuing operations		Segment assets	
	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
India	87 003	1 20 227	14 911	12 927
Outside India	13 870	15 359	4	4
	1 00 873	1 35 586	14 915	12 931

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

33 Financial instruments & related disclosures

33.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Equity share capital and other equity are considered for the purpose of Company's capital management.

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders if any, return on capital to shareholders or issue new shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

33.2 Categories of financial instruments

₹ in lakhs

June 30, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Long term Loans	----	----	541	541	----	----	----	----
Security Deposits	----	----	818	818	----	818	----	818
Trade and other receivables	----	----	5 943	5 943	----	----	----	----
Cash and cash equivalents	----	----	46 405	46 405	----	----	----	----
Other bank balances	----	----	486	486	----	----	----	----
Loans	----	----	145	145	----	----	----	----
Other financial assets	----	----	598	598	----	----	----	----
	----	----	54 936	54 936	----	818	----	818
Financial liabilities								
Trade and other payables	----	----	12 876	12 876	----	----	----	----
Other financial liabilities	----	----	9 872	9 872	----	----	----	----
	----	----	22 748	22 748	----	----	----	----
June 30, 2020								
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Long term Loans	----	----	7	7	----	----	----	----
Security Deposits	----	----	776	776	----	776	----	776
Trade and other receivables	----	----	9 527	9 527	----	----	----	----
Cash and cash equivalents	----	----	63 569	63 569	----	----	----	----
Other bank balances	----	----	340	340	----	----	----	----
Loans	----	----	9	9	----	----	----	----
Other financial assets	----	----	401	401	----	----	----	----
	----	----	74 629	74 629	----	776	----	776
Financial liabilities								
Trade and other payables	----	----	12 396	12 396	----	----	----	----
Other financial liabilities	----	----	8 563	8 563	----	----	----	----
	----	----	20 959	20 959	----	----	----	----

33.3 Fair value measurements

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

33.4 Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment, policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes. The Company has exposure to the following risks arising from financial instruments:

33.4.1 Credit risk management

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

Trade and other receivables

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

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows (before allowance for doubtful debts):

Particulars	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Neither past due nor impaired	3 448	8 692
Past due but not impaired		
Past due 1–90 days	2 297	773
Past due 91–180 days	359	60
Past due 181–270 days	----	9
Past due 271–360 days	1	----
Past due more than 360 days	16	63
	6 121	9 597

Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at 30 June 2021 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Balance as at the beginning of the year/ period	70	177
Impairment loss recognised/ (reversed) (net)	108	(107)
Amounts written back	----	----
Balance as at the year/ period end	178	70

Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of ₹ 46,412 lakhs (30 June 2020: ₹ 63,569 lakhs). The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

33.4.2 Liquidity risk management

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

As of 30 June 2021 the Company has working capital of ₹ 49,980 lakhs (30 June 2020: ₹ 72,662 lakhs) including cash and cash equivalents and other bank balances of ₹ 46,412 lakhs (30 June 2020: ₹ 63,569 lakhs). Working capital is calculated as current assets less current liabilities.

The table below analyse financial liabilities of the Company into relevant maturity groupings based on the reporting period from the reporting date to the contractual maturity date:

	Less than 1 Year ₹ in lakhs	Between 1 to 5 Years ₹ in lakhs	Over 5 years ₹ in lakhs	Total ₹ in lakhs	Carrying Value ₹ in lakhs
At June 30, 2021					
Trade and other payables	12 876	----	----	12 876	12 876
Other financial liabilities	9 586	286	----	9 872	9 872
At June 30, 2020					
Trade and other payables	12 396	----	----	12 396	12 396
Other financial liabilities	8 563	----	----	8 563	8 563

33.4.3 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

33.4.4 Currency risk

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

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

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	Amount in rupees		Amount in foreign currency	
		As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Trade receivable	USD	3 349	3 781	45	50
	EUR	1 597	557	18	7
Trade payable	USD	2 021	3 638	27	48
	EUR	768	67	9	1

33.4.5 Foreign currency sensitivity analysis

The Company is mainly exposed to the currencies stated above.

The following table details impact to profit or loss of the Company by sensitivity analysis of a 10% increase and decrease in the respective currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change on foreign currency rates.

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

Effect in Rupees	Profit or loss before tax		Equity, gross of tax	
	Strengthening ₹ in lakhs	Weakening ₹ in lakhs	Strengthening ₹ in lakhs	Weakening ₹ in lakhs
June 30, 2021				
USD	133	(133)	133	(133)
EUR	83	(83)	83	(83)
June 30, 2020				
USD	14	(14)	14	(14)
EUR	49	(49)	49	(49)

33.4.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

33.4.7 Exposure to interest rate risk

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

Particulars	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Fixed Rate instruments		
Financial assets	-	-

Interest rate sensitivity - fixed rate instruments

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

34 Share-based payments

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

The Procter & Gamble Company, USA has an "International Stock Ownership Plan" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of the Ultimate Holding Company i.e. The Procter & Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary). Such contribution is charged under employee benefits expense.

The shares of The Procter & Gamble Company, USA are listed with New York Stock Exchange and are purchased on behalf of the employees at market price on the date of purchase. During the year ended June 30, 2021, 1 350.97 (Previous period ended June 30, 2020: Nil) shares excluding dividend were purchased by employees at weighted average fair value of ₹ 10,557.23 (Previous period ended June 30, 2020: Nil) per share. The Company's contribution during the year on such purchase of shares amounts to ₹ 32.6 Lakhs (Previous period ended June 30, 2020: Nil) has been charged under employee benefits expense under Note 27.

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

The Procter & Gamble Company, USA has an "Employee Stock Option Plan" whereby specified employees of its subsidiaries covered by the plan are granted an option to purchase shares of the Ultimate Holding Company i.e. The Procter & Gamble Company, USA at a fixed price (grant price) for a fixed year of time. The shares of The Procter & Gamble Company, USA are listed with New York Stock Exchange. The Options Exercise price equal to the market price of the underlying shares on the date of the grant. The Grants issued are vested after 3 years and have a 5/10 years life cycle.

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

	Year ended June 30, 2021 ₹ in lakhs	Period ended June 30, 2020 ₹ in lakhs
Expense arising from equity-settled share-based payment transactions	353	194
Total expense arising from share-based payment transactions	353	194

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

Movements during the year/ period

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 per unit	Period ended June 30, 2020	Period ended June 30, 2020	Estimated fair value of options granted per unit
	Number	WAEP (in \$)	in ₹	Number	WAEP (in \$)	in ₹
Outstanding at July 1/ January 1	17 587	119.57	----	----	-	----
Granted during the year/ period						
1-Oct-20	5 318	139.24	11,720.14	----	----	----
28-Feb-19	----	----	----	2 269	98.55	7 066
1-May-19	----	----	----	2 384	104.93	7 523
2-Jan-20	----	----	----	1 622	123.41	8 848
28-Feb-20	----	----	----	10 579	113.23	1 086
28-Feb-20	----	----	----	733	113.23	188
Forfeited during the year/ period	----	----	----	----	----	----
Exercised during the year/ period	(1 192)	140.42	----	----	----	----
Expired during the year/ period	----	----	----	----	----	----
Outstanding at June 30	21 713		----	17 587		----
Exercisable at June 30	----	----	----	----	----	----

The weighted average share price at the date of exercise of these options was \$ 140.42 (June 30, 2020: \$ Nil).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2021 was 6.51 years (June 30, 2020: 6.62 years).

The weighted fair value of options granted during the year was ₹ 2 765 (June 30, 2020: ₹ 3 408).

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 18 months ended 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%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

35 Employee benefit plans

35.1 Defined Benefit plans

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

a) Gratuity Plan (Funded)

The Company sponsors funded defined benefit gratuity plan for all eligible employees of the Company. The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered trust. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is administered by a separate trust that is legally separated from the Company. The board of the trust is composed of representatives from both employer and employees. The board of the trust is required by law and by its articles of association to act in the interest of the trust and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employer. The board of the trust is responsible for the investment policy with regard to the assets of the trust.

b) Compensated absences (Unfunded)

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

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality rate of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase on the salary of plan participants will increase the plans liability.

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at June 30, 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 JULY 1, 2020 TO 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
Discount rate:		
Gratuity plan (funded)	6.00%	5.50%
Compensated absence plan (unfunded)	6.00%	5.50%
Expected rate of salary increase		
Gratuity plan (funded)	9.00%- 12.00%	11.00%
Compensated absence plan (unfunded)	12.00%	11.00%
Attrition rate		
Gratuity plan (funded)	10.00%- 12.00%	10.00%
Compensated absence plan (unfunded)	10.00%- 12.00%	10.00%

Demographic Assumptions

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

B. Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

	Year ended June 30, 2021 ₹ in lakhs	18 months ended June 30, 2020 ₹ in lakhs
Gratuity Plan (Funded)		
Service costs:		
Current service cost	356	382
Past service cost	----	----
Net interest expense	72	1
Components of defined benefit costs recognised in Statement of Profit and Loss (A)	428	383
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(639)	615
Actuarial losses arising from changes in experience adjustments	698	600
Actuarial (gains) arising from changes in demographic assumptions	(58)	----
Return on plan asset	(57)	22
Components of defined benefit costs recognised in other comprehensive income (B)	(56)	1 237
Total (C = (A+B))	372	1 620
Compensated absence plan (Unfunded)		
Service costs:		
Current service cost	22	(161)
Net interest expense	16	63
Immediate recognition of (gains)/losses – other long term employee benefit plans	15	164
Remeasurement of other long term benefits	----	----
Components of defined benefit costs recognised in Statement of Profit and Loss (D)	53	66
Total defined benefit costs recognised in the Statement of Profit and Loss (A + D)	481	449
Total defined benefit costs recognised in the other comprehensive income (B)	(56)	1 237

The remeasurement of the net defined benefit liability is included in other comprehensive income.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO 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:**

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Gratuity Plan (Funded)		
Present value of funded defined benefit obligation	4 866	4 641
Fair value of plan assets	(3 363)	(3 134)
Net liability arising from defined benefit obligation	1 503	1 507
Compensated absence plan (Unfunded)		
Present value of funded defined benefit obligation	207	436
Net liability arising from defined benefit obligation	207	436

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

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Gratuity Plan (Funded)		
Opening defined benefit obligation	4 641	2 943
Current service cost	356	382
Past service cost	----	----
Interest cost	245	323
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(639)	543
Actuarial (gains) / losses arising from changes in experience adjustments	698	600
Actuarial (gains) / losses arising from changes in demographic assumptions	(58)	72
Benefits paid	(377)	(222)
Closing defined benefit obligation	4 866	4 641

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

	Year ended June 30, 2021 ₹ in lakhs	18 Months ended June 30, 2020 ₹ in lakhs
Gratuity Plan		
Opening fair value of plan assets	3 134	2 800
Interest income	172	322
Employer contributions	----	34
Actuarial gains/(loss)	57	(22)
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	----	----
Benefits paid	----	----
Closing fair value of plan assets	3 363	3 134

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

F. The fair value of the plan assets for plan at the end of the reporting period for each category, are as follows:

	Gratuity Plan	
	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Insurer managed funds	3 364	3 134
Total	3 364	3 134

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

Expected employer contributions for the year ending June 30, 2021 is ₹ Nil (for the period ending June 30, 2020: ₹ Nil)

The actual return on plan assets was ₹ 172 lakhs (for the period ending on June 30, 2020: ₹ 322 lakhs)

Maturity profile of defined benefit obligation:	Gratuity Plan ₹ in lakhs
Within 1 year	506
1 - 2 year	546
2 - 3 year	667
3 - 4 year	702
4 - 5 year	776
5 - 10 years	3 630

Significant actuarial assumptions of the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

G. Sensitivity analysis

Gratuity Plan (Funded)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in defined benefit obligation to be the amount shown below.

Balance of defined benefit obligations	As at June 30, 2021		As at June 30, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points)	133	140	141	149
Future salary growth (50 basis points)	130	125	136	130

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

c) Long term service award (unfunded)

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

Contribution to Provident fund, Superannuation fund and others

Amount of ₹ 774 lakhs (2020: ₹ 875 lakhs) is recognised as an expense and included in “Employee costs” (refer note 27) in the Statement of Profit and Loss.

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

The Institute of Actuaries of India has issued guidance for measurement of provident fund liabilities on actuarial basis. Based on this guidance note, the actuary has provided an actuarial valuation of the provident fund liability of the Company as at 30 June 2021.

36 Related party disclosures

The Group Companies of The Procter & Gamble Company, USA, include, among others,

(a) Related party where control exists:

Relationship	Name of the Company
Ultimate Holding Company	The Procter & Gamble Company, USA
Holding Company	Procter & Gamble Overseas India BV, The Netherlands

(b) Other parties with whom transactions have taken place during the year.

(i) Fellow Subsidiaries

S. No.	Name of the Company	S. No.	Name of the Company
1	Procter & Gamble Health Germany GmbH	6	Procter & Gamble International Operations SA-ROHQ
2	Procter & Gamble Hygiene & Health Care Limited	7	The Procter & Gamble US Business Services Company
3	P&G Health Austria GmbH & Co. OG	8	Procter & Gamble International Operations SA Singapore Branch
4	Gillette India Limited	9	Procter & Gamble International Operations SA Geneva
5	Procter & Gamble Home Products Pvt. Ltd		

(iii) Post Employment Benefit Plan:

Merck Provident Fund Trust, India

(iii) Key Management Personnel of the Company:

S. No.	Name	Designation
1	Mr. Suresh Talwar	Chairman and Independent Director
2	Mrs. Rani Ajit Jadhav	Independent Director
3	Mr. Milind Thatte	Managing Director
4	Mr. Amit Gupta	Executive Director & Chief Financial Officer
5	Mr. Aalok Agarwal	Non-Executive Director
6	Mr. Sujay Wasan	Non-Executive Director

Note: Related parties have been identified by the management.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

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

						₹ in lakhs
S. No.	Nature of Transactions	Year/Period ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel	Post Employment Benefit Plan
1	Purchase of Goods	2021	----	1 538	----	----
		2020	----	1 753	----	----
2	Purchase of Equipment/Assets/ Spares	2021	----	----	----	----
		2020	----	112	----	----
3	Sale of Products	2021	----	3 343	----	----
		2020	----	4 816	----	----
4	Expenses cross-charged	2021	126	2 123	----	----
		2020	----	953	----	----
5	Services rendered	2021	1 743	----	----	----
		2020	1 824	513	----	----
6	Reimbursement of expenses	2021	----	69	----	----
		2020	----	14	----	----
7	Business Process Outsourcing expenses	2021	----	546	----	----
		2020	----	122	----	----
8	Royalty	2021	1 975	----	----	----
		2020	1 752	976	----	----
9	Dividend Paid	2021	19 782	----	----	----
		2020	37 845	----	----	----
10	Contribution to provident fund	2021	----	----	----	1 330
		2020	----	----	----	1 278
11	Computer expenses	2021	----	674	----	----
		2020	----	1 924	----	----
12	Managerial Remuneration #	2021	----	----	490	----
		2020	----	----	470	----
13	Director's sitting fees and Commission	2021	----	----	28	----
		2020	----	----	42	----
Outstanding as at year / period end						
14	Trade and other receivables	2021	414	1 389	----	----
		2020	498	81	----	----
15	Payables	2021	504	2 916	28	----
		2020	1 561	2 555	42	----

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties in the current year or prior years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Remuneration does not include charge for gratuity, compensated absences and share based payments, as employee-wise break-up is not available.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021**(d) Disclosure in respect of material transactions of the same type with related parties during the year/ period:**

		₹ in lakhs	
S. No.	Nature of Transactions	Year ended June 30, 2021	18 months ended June 30, 2020
1	Purchase of Goods		
	Procter & Gamble Health Germany GmbH	----	1 540
	Procter & Gamble International Operations SA Geneva	749	----
	Procter & Gamble International Operations SA Singapore Branch	789	213
2	Purchase of Equipment/Assets/Spares		
	Procter & Gamble Hygiene & Health Care Limited	-	112
3	Sale of Products		
	Procter & Gamble Health Austria GmbH & Co. OG	3 343	4 816
4	Expenses cross-charged		
	Procter & Gamble Hygiene and Health Care Limited	524	155
	Procter & Gamble Home Products Pvt. Ltd	794	732
	Procter & Gamble International Operations SA-ROHQ	533	----
	Others	397	66
5	Service rendered		
	The Procter & Gamble Company	1 743	1 824
	Procter & Gamble Health Germany GmbH	----	513
6	Reimbursement of expense		
	Procter & Gamble Home Products Pvt Ltd	30	14
	Procter & Gamble Hygiene and Health Care Limited	39	----
7	Business Process Outsourcing expenses		
	Procter & Gamble International Operations SA-ROHQ	546	122
8	Royalty		
	The Procter & Gamble Company	1 975	1 752
	Procter & Gamble Health, Germany	----	976
9	Dividend Paid		
	Procter & Gamble Overseas India B.V.	19 782	37 845
10	Contribution to provident fund		
	Merck Provident Fund Trust, India	1 330	1 278
11	Computer Expenses		
	The Procter & Gamble US Business Services Company	674	1 924
12	Managerial Remuneration		
	Mr. Milind Thatte (Managing Director)	323	257
	Mr. Amit Gupta (Executive Director)	167	213
13	Director's sitting fees and Commission		
	Mr. S. N. Talwar	17	25
	Mrs. Rani A. Jadhav	11	17
S. No.	Nature of Transactions - Balance sheet	As at June 30, 2021	As at June 30, 2020
14	Balance payables		
	Procter & Gamble International Operations SA Geneva	643	----
	Procter & Gamble Hygiene and Health Care Ltd	374	285
	The Procter & Gamble US Business Services Company	471	1 653
	Procter & Gamble International Operations SA-ROHQ	784	130
	The Procter & Gamble Company	504	1 561
	Others	671	529
15	Balance receivable		
	P&G Health Austria GmbH & Co. OG	1 308	498
	The Procter & Gamble Company	414	81
	Others	81	----

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

37 Operating lease arrangements

37.1 Company as a lessee

37.1.1 Right-of-use assets

Following are the changes in the carrying value of right of use assets:

	As at June 30, 2021 ₹ in lakhs
Gross Carrying Amount	
Addition on account of Transition to Ind AS 116 - July 1, 2020	1 227
Closing Gross Carrying amount	1 227
Accumulated Depreciation	
Depreciation for the year	480
Closing accumulated depreciation	480
Net carrying amount as at June 30, 2021	747

The aggregate depreciation expense on ROU assets is included under depreciation and amortization in the Statement of Profit and Loss.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 8.45%

Following are the changes in the carrying value of Lease Liability:

	As at June 30, 2021 ₹ in lakhs
Balance as at beginning	-
Additions	1 166
Finance cost accrued during the period	80
Deletions	-
Less: Payment of lease liabilities	485
	761

As referred in note 2.3 (b) of the accounting policy the company has adopted Ind AS 116 using modified retrospective approach whereby Right-of-use assets (ROU) and Lease liabilities of ₹ 1 166 Lakhs was recognised on transition date. Also, in accordance with IND AS 116 the ROU asset has been adjusted towards the fair value of security deposit of ₹ 61 Lakhs.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken on lease certain warehouses with an option of renewal at the end of the lease term and escalation clause in some of the cases. These leases can be terminated with a prior notice as per terms and conditions of the respective lease agreements. The cost of lease for the warehouses are disclosed under rent expense.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

37.2 Company as a lessor

37.2.1 Leasing arrangements

The Company has leased out certain office premises which have been classified as investment property. The lease term is 60 months with non cancellable period of 48 months. There is escalation clause in the lease agreement. The carrying amount of property given on operating lease and depreciation thereon for the year/ period are:

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Gross carrying amount	521	521
Accumulated depreciation	226	191
Net carrying amount	295	330
Depreciation for the year/ period	35	52

37.2.2 Non-cancellable operating lease receivables

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Within one year	205	171
After one year but not more than five years	612	----
More than five years	----	----
Total	817	171

During the year, an amount of ₹ 209 lakhs (2020: ₹ 325 lakhs) has been recognized as rental income and has been included in Other income under the head "Miscellaneous income" in the Statement of Profit and Loss.

38 Commitments

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advance ₹ 14 lakhs (30 June 2020: ₹ 26 lakhs)]	1 755	144
	1 755	144

39 Contingent liabilities

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
a) Claims against company not acknowledged as debts		
Income tax matters	10 387	10 387
Sales tax matters	3 562	3 250
Excise duty, GST, Service tax and custom duty matters	4 488	2 241
	18 437	15 878

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

- b) In June 2016, National Pharmaceutical Pricing Authority (NPPA) served a demand notice on the Company alleging that during the period from January 2006 to June 2009 the Company sold Polybion 100ml syrup at a price higher than the ceiling price fixed by it on 05 June 2008. Pursuant to orders passed by Kolkata High Court, NPPA gave another opportunity of hearing to the Company. NPPA did not accede to any of the Company's contention and issued a fresh demand notice demanding a sum of ₹ 3307 lakhs (₹ 1168 lakhs on account of overcharge during the said period and ₹ 2138 lakhs for interest thereon) for sales made by the Company during the period May 2006 to June 2009. The Company has challenged the said demand by way of writ petition, which is pending before Hon'ble Delhi High Court. In a separate proceedings filed by the manufacturer of the said drug, Cradel Pharmaceutical Private Limited, Hon'ble Kolkata High Court stayed the demand provided it deposits a sum of ₹ 225 lakhs with the NPPA. The Company has been legally advised that the Company has a defendable case before Delhi High Court. The Company holds provision of ₹ 580 lakhs in its books towards possible liability.
- c) During the year 2014, the Company had made a provision of ₹ 699 lakhs towards a possible liability which may accrue to the Company due to a judgment passed by the Supreme Court in the year 2014 impacting the Pharmaceutical industry in India including the Company. The provision of ₹108 lakhs was transferred as a part of BPL Business transferred to Merck Life Science Private Limited. The Company holds provision of ₹ 591 lakhs in its books towards possible liability.
- d) National Pharmaceutical Pricing Authority (NPPA) issued the price fixation orders for about 350 drugs on 21 June 2013 including Metformin, a formulation used by the Company in Company's product Carbophage 500 SR. The orders did not clarify whether the prices so fixed are applicable only for plain tablet or innovative dosages as well. The Company sought clarification from NPPA, however, no clear response has been received. Pending this clarification NPPA had sent a notice dated June 06, 2014, claiming the differential pricing charged by the Company for Carbophage 500 SR over the prices notified. On the basis of a recent judgement passed by the High Court of Bombay, the Company made a provision of ₹ 320 lakhs towards a possible liability which may accrue to the Company. Since Carbophage was part of the BPL business transferred to Merck Life Science Private Limited, the underlying provision was transferred out.

Further, NPPA has also issued a demand order dated May 10, 2017 of ₹ 52 lakhs to the Company under the provisions of Drug Prices (Control) Order, 2013 ("DPCO") for overcharging in respect of Concor 5 mg Tablets (containing the bulk drug Bisoprolol 5 mg) with interest thereon @15% on the said amount.

The Company has challenged both the above matters by writ petition which are pending adjudication in the Bombay High Court. In the view of the management, future course of action in relation to both these matters, including any liabilities thereof will be managed directly by Merck Life Science Private Limited. Managements of the Company and Merck Life Science Private Limited are aligning this understanding basis business transfer agreements and hence, these matters are disclosed as contingent liabilities."

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

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

	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year /period	600	699
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/ period	136	1
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		
Principal paid beyond the appointed date	13 417	16 268
Interest paid in terms of Section 16 of the Act	----	----
(d) The amount of interest due and payable for the year /period	136	1
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year /period	136	6
(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	----	----

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.

41 Disclosure relating to provisions

Personnel and other related provision

The Company has made provisions for performance-based incentives.

Provisions in respect of sales tax matters

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

Other provisions

The Company has also made provisions for matters related to National Pharmaceutical Pricing Authority (NPPA).

Summary of the movement in the provisions is given below:

Particulars	₹ in lakhs				
	Opening balance	Additions during the year / period	Utilizations	Reversals	Closing balance
Personnel provision*	343	-	26	-	317
	(357)	(-)	(-)	(14)	(343)
Provisions in respect of sales tax matters*	1064	-	-	70	994
	(874)	(190)	(-)	(-)	(1064)
Other provision*	1171	-	-	-	1171
	(590)	(581)	(-)	(-)	(1171)

* Figures in " () " represent balance as on 30 June 2020.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2020 TO JUNE 30, 2021

42 Transfer pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2020. Management believes that the Company's transactions with related parties post March 2020 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

44 Figures for the previous period have been re-grouped/re-arranged wherever necessary to conform current period's classification. The Figures of the current year are for twelve months and hence are not comparable with previous period which were for eighteen months.

45 Approval of financial statements

The financial statements were approved for issue by the board of directors on August 26, 2021.

Signatures to Notes 1 to 45

As per our attached report of even date.

For and on behalf of Board of Directors

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

S.N Talwar
Chairman
DIN No.00001456

Milind Thatte
Managing Director
DIN No. 08092990

Hemant J. Bhatt
Partner
M. No.: 036834

Amit Gupta
Chief financial officer
DIN No. 08295179

Zeal Shah
Company Secretary

Place: Mumbai
Date: August 26, 2021

TEN YEAR FINANCIAL HIGHLIGHTS

	IGAAP					IND AS				
	2011	2012	2013	2014	2015	2016^	2017^	2018^	2019-20^	2021
YEAR END FINANCIAL POSITION (₹ Crores)										
Net Fixed Assets	71.94	76.90	94.06	137.34	138.73	140.64	123.97	117.11	122.67	143.06
Net Worth	410.08	483.66	523.03	554.30	591.55	663.82	733.26	1,540.11	906.34	703.71
SUMMARY OF OPERATIONS (₹ Crores)										
Revenue from operations	557.57	658.07	772.96	832.45	908.32	1,001.77	711.47	848.99	1,355.86	1,008.73
Profit Before Taxation and exceptional items	95.59	116.79	88.25	66.56	83.33	115.17	81.92	151.41	354.85	233.28
Exceptional items	-	-	-	-	-	-	17.00	6.57	-	-
Profit Before Taxation after exceptional items	-	-	-	-	-	-	98.92	157.98	354.85	233.28
Provision for Taxation	31.91	38.39	32.37	23.34	29.77	36.04	37.88	56.24	100.77	56.48
Profit after taxation from continued operations%	-	-	-	-	-	-	61.04	101.74	254.08	176.80
Profit before tax from discontinued operations%	-	-	-	-	-	-	53.27	979.59	-	-
Tax expense of discontinued operations	-	-	-	-	-	-	20.40	242.61	-	-
Profit after taxation from discontinued operations	-	-	-	-	-	-	32.87	736.98	-	-
Profit after taxation	63.68	78.40	55.88	43.22	53.56	79.13	93.91	838.72	254.08	176.80
Dividend	-	2.50	8.50	6.00	7.50	11.00	15.00	440.00	230.00	130.00
PER SHARE DATA										
Earnings per share continued operations	-	-	-	-	-	-	36.77	61.29	153.00	106.51
Earnings per share discontinued operations%	-	-	-	-	-	-	19.80	443.98	-	-
Earning per share total	38.40	47.20	33.70	26.00	32.30	47.70	56.57	505.27	153.00	106.51
Dividend (%)	-	25%	85%	60%	75%	110%	150%	4400%	2300%	1300%
NUMBER OF SHARES										
Shares (Lakhs)	165.99	165.99	165.99	165.99	165.99	165.99	165.99	165.99	165.99	165.99

Notes :

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

Profit and Loss account summary figures for the year 2017, 2018 and 2019-20 pertain to continued operations, viz, Consumer health business.

The figures for year 2019-20 are for 18 months

The dividend for year 2021 is subject to approval by the shareholders at Annual General Meeting

OUR PURPOSE

VALUES & PRINCIPLES

PURPOSE

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

CONSUMERS

P&G BRANDS

P&G PEOPLE

VALUES

LEADERSHIP

OWNERSHIP

PASSION
FOR
WINNING

INTEGRITY

TRUST

- 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.

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

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





Procter & Gamble Health Limited

Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway,
Vikhroli East, Mumbai 400 079 | Tel: (91-22) 6866 9000



NOTICE

NOTICE is hereby given that the Fifty-Fourth Annual General Meeting (AGM) of the Members of the Company will be held on **Thursday, November 11, 2021, at 3.30 p.m.** through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the registered office of the Company at Godrej One, 8th Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai – 400 079.

ORDINARY BUSINESS

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 declare Final Dividend for the Financial Year ended June 30, 2021.
3. To appoint a Director in place of Mr. Aalok Agrawal, Non-Executive Director (DIN 08468145), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

Appointment of Dr. Elizabeth Desmond (DIN 09333010) as a Non-Executive Director of the Company, liable to retire by rotation

“RESOLVED THAT Dr. Elizabeth Desmond (DIN 09333010) who was appointed as an Additional (Non-Executive) Director of the Company effective September 24, 2021, by the Board of Directors in terms of Section 161 of the Companies Act, 2013, pursuant to recommendation of the Nomination & Remuneration Committee and pursuant to the Articles of Association of the Company, and who holds such office until this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

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

Ratification of payment of remuneration to the Cost Auditor for the Financial Year 2021-22

“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013, Rules framed thereunder (as amended from time to time) and other applicable laws, such other permissions as may be necessary, the Members hereby ratify payment of remuneration of ₹ 2,62,500 per annum plus out of pocket expense

payable to M/s. Joshi Apte & Associates, Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records maintained by the Company for the Financial Year 2021-22.”

By Order of the Board of Directors

**Zeal Shah
Company Secretary**

Mumbai
August 26, 2021

Registered Office:

Godrej One, 8th Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (E), Mumbai - 400 079

NOTES

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item No. 4 and 5 is annexed hereto and forms a part of this Notice.
2. In view of the COVID-19 pandemic and pursuant to the Circular Nos. 20/2020, 14/2020, 17/2020 and 02/2021 issued by the Ministry of Corporate Affairs (MCA) and Circular nos. 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) (hereinafter collectively referred to as “the Circulars”), companies are permitted to hold the Annual General Meeting through Video Conference (“VC”) or Other Audio Visual Means (“OAVM”) without the physical presence of the Members at a common venue, during the calendar year 2021.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and in accordance with, the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 54th AGM of the Company shall be conducted through VC / OAVM. 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 / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC is explained in this Notice.

4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxies to attend and cast votes on behalf of the members is not available for this AGM. However, the bodies corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. As the AGM shall be conducted through VC / OAVM, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Members can join 54th AGM through VC/OAVM mode 30 minutes before the time scheduled to start the meeting, by following the procedure mentioned below, in the notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.
6. In accordance with, the General Circular Nos. 20/2020 and 2/2021 dated 5th May, 2020 and 13th January, 2021 issued by MCA and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by 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).
7. The Notice of AGM along with Annual Report for the Financial Year 2020-21, is available on the website of the Company at <https://www.pghealthindia.com/investors/> and 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.
8. The Registers to be maintained under the Companies Act, 2013 will be available electronically for inspection by the members during the AGM, upon login on NSDL e-voting system at <https://www.evoting.nsdl.com>.

Instructions for Members for attending the 54th Annual General Meeting through VC are as under:

9. Members will be provided with a facility to attend the AGM 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 to avoid last minute rush. Further members

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

10. Members are encouraged to join the Meeting through Laptops for better experience.
11. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
12. **Shareholders who would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at investorgrievance.im@pg.com from the date of this notice upto November 8, 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 questions depending on the availability of time for the AGM.**
13. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
14. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to designated email ID at evoting@nsdl.co.in

The instructions for Members relating to remote e-Voting and e-Voting at the AGM are as under:

15. The remote e-Voting period commences on Sunday, November 7, 2021 at 9:00 a.m. and ends on Wednesday, November 10, 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 4, 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 shall not be allowed to change it subsequently. The Company has appointed M/s. Dholakia & Associates LLP, Practicing Company Secretaries, represented by Mr. B. V. Dholakia, Practicing Company Secretary and in his absence Mr. Nrupang B. Dholakia, Practicing Company Secretary to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-Voting given hereinafter.
16. 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., Thursday, November 4, 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.

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

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

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

Step 1: Access to NSDL e-Voting system

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or 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.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p>

Type of shareholders	Login Method
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL . Click on NSDL to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	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 & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. 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.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 118595 then user ID is 118595001***

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

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

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

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

- 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.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.

- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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:

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

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

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- Only those members/shareholders, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

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.

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

General Guidelines for shareholders

20. 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 scrutinizer@dholakia-associates.com with a copy marked to evoting@nsdl.co.in.
21. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, November 05, 2021, to Thursday, November 11, 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.
22. The final dividend on Equity Shares for the Financial Year ended June 30, 2021, as recommended by the Directors, if approved at the AGM, will be paid on or before December 08, 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 04, 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 11, 2021.
23. 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 18, 2021, which is put up on the website at <https://www.pghealthindia.com/investors/>, in order to facilitate Company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be uploaded on RTA's website at <https://ris.kfintech.com/form15> on or before October 25, 2021 in order to enable the Company to determine and deduct appropriate TDS. For any clarification, please write to us at einward.ris@kfintech.com or investorgrievance.im@pg.com
24. 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 Registrar and Share Transfer Agent, ("RTA"), KFin Technologies Private Limited.
25. Members holding shares in the physical form are requested to intimate the following directly to the Company's RTA, KFin Technologies Private Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana. Toll free number: 1-800-309-4001, e-mail: einward.ris@kfintech.com.
 - (a) Bank Mandate with full particulars for remittance of dividend directly into their Bank Accounts, if declared at the Meeting;
 - (b) Intimate changes, if any, in their address/ name, bank details, NECS/ECS, mandates, nominations, power of attorney etc. at an early date;
 - (c) Apply for consolidation of folios, if shareholdings are under multiple folios in identical names or joint holding in the same order of names; and
 - (d) Request for nomination forms for making nominations, as per the format prescribed under the Companies Act, 2013.

Members holding shares in the Dematerialized (electronic) form are requested to intimate the aforesaid changes directly to their DPs, as applicable.
26. SEBI has mandated submission of Permanent Account Number ("PAN") for all transactions in the securities market. Members who are holding shares in dematerialized form are requested to submit their PAN details to their respective DP. Members holding shares in physical form can submit their PAN details to the Company's RTA, KFin Technologies Private Limited.
27. 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 KFin Technologies Private Limited (Registrar & Transfer Agents), 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 request that are pending with the Company / RTA, as on date) will be issued only in demat mode.
28. 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.

29. Non-resident Indian Members are requested to immediately inform the Company or its RTA or the concerned DP, as the case may be, about the following:
 - (a) The change in the residential status on return to India for permanent settlement;
 - (b) The particulars of the NRE account with a Bank in India, if not furnished earlier.
30. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on June 30, 2020 are available on the website of the Company <https://www.pghealthindia.com/investors/>. The shareholders whose dividend/ shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
31. Members are requested to contact the Company's RTA, KFin Technologies Private 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.

32. Members are requested to address all correspondences, including share and dividend matters to the Company's RTA, KFin Technologies Private Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana. Toll free number: 1-800-309-4001, e-mail: einward.ris@kfintech.com.
Members are requested to quote their ledger folio numbers in all their correspondence to enable the Company to provide better services to the Members.
33. 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 54th AGM forms integral part of the Notice of the 54th AGM.
34. The results along with the Scrutinizer's Report, shall be placed on the website of the Company and on the website of NSDL within 48 hours of conclusion of the AGM and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

By Order of the Board of Directors

Zeal Shah
Company Secretary

Mumbai
August 26, 2021

Registered Office:

Godrej One, 8th Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (E), Mumbai - 400 079

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

Item No. 4

Appointment of Dr. Elizabeth Desmond (DIN 09333010) as a Non-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 26, 2021, appointed Dr. Elizabeth Desmond as an Additional (Non-Executive) Director of the Company effective September 24, 2021 pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company. Dr. Elizabeth Desmond holds such office till the date of ensuing 54th Annual General Meeting of the Company.

Dr. Desmond has completed her B.SC, Hons. from Microbiology University College, Cork, Ireland and she was awarded PhD by the Molecular Biology Reading University UK & Institute for Animal Health UK for research into the replication mechanisms of Avian Influenza Virus. She has worked with Procter & Gamble for over 20 years and has specialized in the Personal Health Care category for the past 16 years. She is currently, Senior Director-Research and Development, based at P&G Singapore.

The Board recommends passing of the resolution at item no. 4 as an Ordinary resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Dr. Elizabeth Desmond, are concerned or interested, financially or otherwise, in this item.

Item No. 5

Ratification of Payment of Remuneration to the Cost Auditor for the Financial Year 2021-22

The Board of Directors at their meeting held on August 26 2021, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Joshi Apte & Associates, Cost Accountants as the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year 2021-22 at a remuneration of ₹ 2,62,500/- per annum plus out of pocket expense.

In terms with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

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

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

By Order of the Board of Directors

Zeal Shah
Company Secretary

Mumbai
August 26, 2021

Registered Office:

Godrej One, 8th Floor,
Pirojshanagar, Eastern Express Highway,
Vikhroli (E), Mumbai - 400 079

**DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED BY ROTATION
AT THE FORTHCOMING 54th ANNUAL GENERAL MEETING**

Resolution at Item No.	3	4
Name of Director	Mr. Aalok Agrawal	Dr. Elizabeth Desmond
Age	45 years	51 years
Date of appointment on the Board	01-06-2019	24-09-2021
Expertise in specific field	M.B.A. (Business Management)	Research and development
Names of other Companies in which he / she holds Directorships	Nil	Nil
Companies in which he/she is a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager	Nil	Nil
Chairman/Member of the Committee(s) of the Board of Directors of the Company	Member of Committees: Nomination & Remuneration Committee	Nil
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other Directors, Manager or key Managerial Personnel, if any	None	None