



November 08, 2023

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

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

Dear Sir / Madam,

**Sub: Annual Report and Notice calling the 56<sup>th</sup> Annual General Meeting of the Company for the Financial Year ended June 30, 2023**

We refer to our letter dated October 20, 2023, informing the date of 56<sup>th</sup> Annual General Meeting. In this respect, please find enclosed Annual Report and Notice calling the 56<sup>th</sup> Annual General Meeting of the Company for the Financial Year ended June 30, 2023.

In accordance with the Circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Annual Report for the Financial Year 2022-23, including the Notice of AGM have been sent in electronic mode to Members, today, November 08, 2023 whose e-mail address is registered with the Company. The copy of the Notice along with the Annual Report enclosed herewith and is also available on the Company's website: <https://www.pghealthindia.com/investors/#annual-general-meeting>

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](mailto:investorgrievance.im@pg.com) or [shah.zs@pg.com](mailto:shah.zs@pg.com) from the date of this notice up to November 27, 2023 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

Kindly take the same on record and oblige.

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

**Zeal Rupani**  
**Company Secretary**

**Procter & Gamble Health Limited**  
CIN: L99999MH1967PLC013726  
Registered Office: Ground Floor and First Floor,  
P&G Plaza, Cardinal Gracias Road, Chakala,  
Andheri-E, Mumbai-400 099 | Tel: (91-22) 6866 9000  
[www.pghealthindia.com](http://www.pghealthindia.com)

## NOTICE

**NOTICE** is hereby given that the Fifty-Sixth Annual General Meeting (AGM) of the Members of the Company will be held on **Thursday, November 30, 2023, at 3:30 p.m.** through video conference / other audio-visual Means, to transact the business mentioned in the notice. The venue of the meeting shall be deemed to be the Registered Office of the Company at P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai – 400 099.

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at June 30, 2023 and the Statement of Profit and Loss for the Financial Year ended on that date, together with the Reports of the Auditors and Directors thereon.
2. To confirm payment of interim dividend and to declare final dividend for the Financial Year ended June 30, 2023.
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:**

#### **Ratification of remuneration payable to the Cost Auditor for the Financial Year 2023-24**

“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 ₹ 280,000 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 2023-24.”

**By Order of the Board of Directors**

**Zeal Rupani**  
Company Secretary

Mumbai  
August 23, 2023

#### **Registered Office:**

P&G Plaza,  
Cardinal Gracias Road,  
Chakala, Andheri East,  
Mumbai 400099

### NOTES

1. The relevant Explanatory Statement in respect of business under Item no. 4 is annexed hereto and forms a part of this Notice.
2. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein after referred to as '[the SEBI (LODR) Regulations, 2015]' in respect of the Directors proposed to be re-appointed by rotation at the ensuing 56<sup>th</sup> AGM, forms integral part of this Notice.
3. The Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 2/2022,10/2022 latest being No. 09/2023, dated September 25,2023, has allowed the companies to conduct AGM through video-conference/ other audio visual means till September 30,2024 without physical presence of Members at a common venue.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, 2015 and in accordance with the said circulars of MCA and applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the 56<sup>th</sup> AGM of the Company shall be conducted through VC. Your Company has appointed National Securities Depositories Limited ('NSDL') for providing facility for voting through remote e-Voting, for participation in the AGM through VC facility and e-Voting during the AGM. The procedure for participating in the meeting through VC is explained at Note No. 9 below.
5. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the bodies corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-Voting. Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Companies Act, 2013 to the Company at [investorgrievance.im@pg.com](mailto:investorgrievance.im@pg.com).
6. In accordance with, the General Circular No. 02/2022 dated May 05, 2022 issued by MCA and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 issued

by the Securities and Exchange Board of India (SEBI), the financial statements (including Report of Board of Directors, Auditor’s report or other documents required to be attached therewith), including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

The Notice of AGM and the Annual Report for the Financial Year 2022-23, is available on the website of the Company at <https://www.pghealthindia.com/investors/#annual-reports>, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

7. Members may kindly note that as Members of the Company they are entitled to be furnished, free of cost a printed copy of the Annual Report of the Company, upon receipt of requisition at any time. Members holding shares in physical form, who have not registered/updated their respective e-mail addresses, are requested to get their email Ids registered with the Company by writing to the Registrar Kfin Technologies Limited. Members holding shares in dematerialized form, who have not registered/updated their respective e-mail ids, are requested to do so with their respective DPs

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

The remote e-Voting period commences on **Saturday, November 25, 2023 at 9:00 a.m. and ends on Wednesday, November 29, 2023 at**

**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 <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e- Services home page click on the “ <b>Beneficial Owner</b> ” icon under “ <b>Login</b> ” which is available under ‘ <b>IDEAS</b> ’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ <b>Access to e-Voting</b> ” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**5:00 p.m.** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on November 23, 2023, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently. The Company has appointed M/s. Dholakia & Associates LLP, Practicing Company Secretaries, represented by Mr. Nrupang B. Dholakia, Practicing Company Secretary and in his absence Mr. Vishvesh G. Bhagat, Practicing Company Secretary to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-Voting given hereinafter.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Thursday, November 23, 2023 only shall be entitled to avail the facility of remote e-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(s) maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat account(s) in order to access e-Voting facility.

**Type of shareholders**
**Login Method**

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nSDL.com>. Select **“Register Online for IDeAS Portal”** or click at <https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (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.
4. Shareholders/Members can also download NSDL Mobile App **“NSDL Speede”** facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing User ID and Password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi/Easiest facility are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password.
2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com), click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered mobile number & e-mail as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of all e-voting Service Providers.

Type of shareholders	Login Method
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

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

d. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 127018 then user ID is 127018001***

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

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

**How to retrieve your 'initial password'?**

- i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
- iii. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - Click on **"Forgot User Details/ Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- iv. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- v. Now, you will have to click on "Login" button.
- vi. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

- a. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.

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

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

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

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

may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the nos.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**9. Instructions for Members for joining the 55<sup>th</sup> Annual General Meeting through VC/OAVM are as under:**

- a. Members will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice below, to avoid last minute rush.
- b. The Members can join the 56<sup>th</sup> AGM through VC/OAVM mode 30 minutes before the time scheduled to start the meeting, by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. Participation of members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.

Members are encouraged to join the Meeting through Laptops for better experience.

- c. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- e. Shareholders who would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at investorgrievance.im@pg.com from the date of this notice up to November 27, 2023 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.**

#### General guidelines for shareholders

10. During the AGM, the Registers to be maintained under the Companies Act, 2013, shall be available for inspection by the Members.
11. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to scrutinizer@dholakia-associates.com with a copy marked to evoting@nsdl.com.
12. The results along with the Scrutinizer's Report, shall be placed on the website of the Company and on the website of NSDL within two working days of conclusion of the AGM and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
13. SEBI has mandated submission of Permanent Account Number ("PAN") for all transactions in the securities market. Members who are holding shares in dematerialized form are requested to submit their PAN details to their respective DP. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent ("RTA"), M/s. KFin Technologies Limited.
14. During the AGM, the Registers to be maintained under the Companies Act, 2013, shall be available for inspection by the Members.
15. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities.
16. Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its circular dated January 25, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form viz, Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Transmission; Transposition, etc. For the purpose of the same, after due verification, registrar and transfer agent/issuer companies shall retain share certificates and process the service requests by issuing letter of confirmation, valid for a period of 120 days. As per the process, shareholders are required to submit their demat requests within this validity period, failing which the Company shall credit the securities to a suspense escrow demat account of the Company.

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

17. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, November 24, 2023 to Thursday, November 30, 2023 (both days inclusive), for the purpose of determining the names of Members eligible for final dividend on Equity Shares, if declared at the ensuing 56<sup>th</sup> Annual General Meeting.
18. The final dividend on Equity Shares for the Financial Year ended June 30, 2023, as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or before December 18, 2023:
  - 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 23, 2023;
  - 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 30, 2023.
19. In line with the Securities and Exchange Board of India ("SEBI") directives, the Company is required to update bank details of the Members of the Company to enable usage of the electronic



mode of remittance for distributing dividends and other cash benefits to its Members. In this regard, Members holding shares in electronic form are requested to furnish their bank details to their Depository Participants (“DPs”). Members holding shares in physical form are requested to intimate change, if any, in their bank details by sending duly signed KYC updation form alongwith required documents to the Company/Registrar and Share Transfer Agent.

20. Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all holders of physical securities in listed companies to furnish of PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. The folios wherein any one of the cited documents/details are not available on or after December 31, 2023, shall be frozen in accordance with the above circular. The Company has sent out intimations to those Members, holding shares in physical form, whose folios are incomplete with PAN, KYC and/ or Nomination details, requesting them to update the details so as to avoid freezing of the folios, in accordance with above mentioned circulars. For further details, shareholders are requested to follow steps mentioned in the circular uploaded on the website of the Company.

The said physical folios shall be referred by the Company or RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025. In this regard, Company has sent reminder letters to all shareholders, having shares in the physical form, to update their PAN, Nomination details, KYC etc. and has requested them to get their shares dematerialized.

21. 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 were requested to submit the requisite documents as mentioned in our letter which is put up on the website at <https://www.pghealthindia.com/investors/>, in order to facilitate the Company to deduct TDS at time of final dividend. The said documents (duly completed and signed) were required to be emailed to Company’s RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), on or before October 30, 2023. For any clarification, please write to us at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [investorgrievance.im@pg.com](mailto:investorgrievance.im@pg.com).

22. Non-resident Indian Members are requested to immediately inform the Company or its RTA or the concerned DP, as the case may be, about the following:
- The change in the residential status on return to India for permanent settlement;
  - The particulars of the NRE account with a Bank in India, if not furnished earlier.
23. As per 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. Said 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 lying unpaid with the Company within time period detailed in the Corporate Governance section of the Annual Report for the Financial Year 2022-23. The details of the unpaid / unclaimed amounts lying with the Company as on June 30, 2023 are available on the website of the Company. The shareholders whose dividend / shares as transferred to the IEPF Authority can now claim the same from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

24. Members are requested to contact the Company's RTA, M/s. KFin Technologies Limited, for claiming the unclaimed dividends.
25. Members are requested to address all correspondences, including Share related documents and dividend matters to the Company's RTA, M/s. KFin Technologies Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad, Telangana – 500 032. Toll Free No: 1- 800-309-4001
- Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
- Website: [www.kfintech.com](http://www.kfintech.com)
- Members are requested to quote their ledger folio numbers in all their correspondence to

enable the Company to provide better services to the Members.

**By Order of the Board of Directors**

**Zeal Rupani**  
**Company Secretary**

Mumbai  
August 23, 2023

Registered Office:  
P&G Plaza,  
Cardinal Gracias Road,  
Chakala, Andheri East,  
Mumbai 400099

**EXPLANATORY STATEMENT**

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

**Item No. 4****Ratification of Payment of Remuneration to the Cost Auditor for the Financial Year 2023-24**

The Board of Directors at their meeting held on August 23, 2023, 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 2023-24 at a remuneration of ₹ 2,80,000/- 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. 4 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 Rupani**  
**Company Secretary**

Mumbai  
August 23, 2023

Registered Office:  
P&G Plaza,  
Cardinal Gracias Road,  
Chakala, Andheri East,  
Mumbai 400099

**Details of Director proposed to be re-appointed at the ensuing 56<sup>th</sup> Annual general meeting**

<b>Resolution at item no.</b>	<b>3</b>
<b>Name of Director</b>	<b>Mr. Aalok Agrawal</b>
Age	47 years
Original date of appointment on the Board	01-06-2019
Date of re-appointment	23-11-2022
Expertise in specific field	M.B.A. (Business Management)
Names of other Companies in which he holds Directorships	None
Listed entities from which he has resigned in the past three years	None
Companies in which he is a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager	None
Chairman/Member of the Committee(s) of the Board of Directors of the Company	Member of Committee: Nomination & Remuneration Committee
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	None
Shareholding in the Company	Nil
Relationship with other Directors, Manager or key Managerial Personnel, if any	None
Remuneration last drawn by each Director	Nil
Number of Meetings of the Board attended during the year	4 out of 4





# Getting Closer

**Our continued commitment to better understanding  
the customers, consumers, and communities we serve**

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## Cautionary Statement

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

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

# About your Company

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

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

## Company Secretary

Ms. Zeal Rupani

## Statutory Auditor

Haribhakti & Co. LLP  
Chartered Accountants

## Listed on Stock Exchanges

National Stock Exchange of India Limited  
BSE Limited

## Registered Office

Procter & Gamble Health Limited  
P&G Plaza, Cardinal Gracias Road, Chakala,  
Andheri (E), Mumbai - 400009, India  
Phone: +91 22 6866 9000  
Fax: +91 22 2518 6828  
Website: [www.pghealthindia.com](http://www.pghealthindia.com)  
Email: [investorgrievance.im@pg.com](mailto:investorgrievance.im@pg.com)

## Secretarial Auditor

Dholakia & Associates LLP  
Company Secretaries

## Cost Auditor

Joshi Apte & Associates  
Cost Accountants

## Plant Location

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

## Registrar and Share Transfer Agent

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



# Meet your Board



**Mr. Suresh Talwar**

Chairman and Independent Director

Mr. Talwar is a B.com., LLB graduate and a solicitor. Mr. Talwar is a co-founder of Talwar, Thakore and Associates. He has over 44 years of experience in the legal profession, specializing in corporate law dealing specifically with mergers and acquisitions, corporate taxation, foreign exchange laws, international issues of Indian securities and real estate laws among others. He has been a Director on the Boards of several prominent companies in India.

**Mrs. Rani Jadhav**

Independent Director

Mrs. Jadhav is a retired IAS Officer. She worked for 38 years in the Indian Administrative Service before retiring in 2008 from the position of Chairperson, Mumbai Port Trust, in the rank of Secretary in the Indian government. She has held a number of senior positions in government both at the federal and state levels and is, therefore, well acquainted with all aspects of public administration in India. The positions held by her included Principal Secretary, Textiles; Managing Director, Maharashtra State Textiles Corporation; Joint Secretary (Fund-Bank), Ministry of Finance, GOI; Managing Director, State Petro-Chemicals Corporation, Khadi, and Village Industries. She held the position of Chairperson, Tariff Authority for Major Ports till June, 2013.



**Mr. S. Madhavan**

Independent Director

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





### Mr. Milind Thatte

#### Managing Director

Mr. Thatte holds dual master's degree in Pharmaceutical Science and Business Administration. In a career spanning over 31 years, he has worked across functions such as Sales & Marketing, Business Development, Formulation R&D, Market Research and SFE in APAC with leading healthcare companies. He brings with him extensive experience in marketing, portfolio development and rebalancing across prescription, OTC, and consumer health categories.

### Mr. Lokesh Chandak

#### Executive Director and Chief Financial Officer

Mr. Lokesh Chandak is a Chartered Accountant and a Company Secretary. He comes with an experience of over 15 years in finance and accounting across multiple geographies. He has spent the last 13 years with P&G across 3 geographies, multiple businesses and leading various projects, having significant impact on business and controls. In his last role, Mr. Lokesh Chandak was Director - Commercial Finance & Stewardship, India Consumer Health & Director - Stewardship, Personal Health Care (Asia, Middle East & Africa) of the Company. Mr. Chandak was also appointed as Internal Auditor of the Company for the past 2 years.



### Mr. Aalok Agrawal

#### Non-Executive Director

Mr. Agrawal holds a Bachelor's Degree in Science (Physics) and an MBA from Indian Institute of Management, Ahmedabad. He has been with P&G for 25 years with leadership experience in consumer healthcare & FMCG businesses and deep mastery in diverse OTC value creation business models. He has worked in diverse cultural contexts across the globe. He is currently Sr. Vice President & General Manager, Consumer Healthcare for Asia-Pacific, India, Middle East & Africa.



### Ms. Seema Sambasivan

#### Non-Executive Director

Ms. Seema Sambasivan holds a Master's degree in Science (Microbiology) from the University of Mumbai. She has been with P&G for over 25 years and has specialized in the health care category. She is currently the Senior Director for Personal Health Care - Global Product Stewardship across Africa, Middle East, Asia-Pacific and China. Over the last 18 years, Ms. Sambasivan has focused on Regulatory Affairs and leads a team across the region delivering compliance strategies. Her experience encompasses a wide portfolio including medicines, medical devices, electronic devices, supplements, food and cosmetics across diverse categories including Respiratory, Nerve Care, Anaemia, Energy & Muscle Health, General Health, Digestive Wellness, and Oral Care.





# Managing Director's Message

Dear Shareholders,  
I am delighted to connect with you to share the Annual Report of your Company, and take you through our journey of Getting Closer to our consumers, patients, healthcare practitioners, customers and partners through the year 2022-23.

Getting closer symbolizes your Company's commitment to being there for our consumers and patients when and where they need us, to bridging the gap between cutting-edge scientific research and patient care, to extending healthcare to our communities, and, last but not the least, to serving and caring for our own.

Over the past year, we continued to invest towards consumer awareness programs across therapy areas towards early diagnoses, timely treatment and improved outcomes.

To help drive visibility in our operating categories, we introduced various continuous in-clinic education initiatives, consumer awareness campaigns, and strategic collaborations with new-age digital platforms. Through scientifically backed communication disseminated across new-age social and digital platforms, we worked towards raising awareness about Iron Deficiency Anemia through the chants of 'Bolo India Na Na Anemia!' powered by

Livogen; our flagship brand Neurobion empowered consumers to identify signs of nerve damage and seek timely management to be able to 'Feel Life' again; Polybion, spearheaded conversations on the role played by B vitamins in bolstering recovery, energy, and immunity, thereby helping people to 'Stay Always On'; Evion, helped educate consumers on the need to nourish from within to radiate beauty on the outside through 'Evion In Beauty On'; and, and Nasivion reiterated the promise to provide 'Fast Relief' for nasal congestion. The year also witnessed us set a new benchmark in association with the Indian Medical Association, by achieving a GUINNESS WORLD RECORD™ for the 'Largest Attendance for a Virtual Pharmaceutical Conference in one day' during our first-ever 'Phygital' Recovery Summit 2023.

Our collaboration with healthcare professionals, pharmacists, and healthcare organizations, helped foster better scientific collaboration and knowledge-sharing within the medical fraternity, thereby facilitating to build an ecosystem empowering HCPs and pharmacists to deliver the best possible care to patients. We did this through bespoke scientific exchange forums such as Blood Health Forum, Nerve Care Forum, the Care Summit, Recovery Summit, thereby

engaging experts within the industry. These engagements helped drive our core belief of bringing care closer to patients through innovative approaches.

We bolstered our go-to-market strategy and strengthened our partnerships across omnichannel stores, increasing the availability and access of our brands across online and offline platforms, thereby helping meet the needs of our consumers and customers.

Together, these efforts have helped us deliver resilient performance and consistent growth through the year amidst significant industry headwinds, a tough competitive landscape and category slowdown.

Your Company's continues to be guided by our strong citizenship framework based on key pillars of Community Impact, Equality and Inclusion and Environmental Sustainability, with a strong foundation of Ethics and Corporate Social Responsibility (CSR) guiding everything we do. SEHAT, our flagship CSR program, continued to remain a priority during this fiscal year where we continued to strengthen public health through our strategic initiatives. Our Employees also made a strong contribution to SEHAT through volunteering initiatives with our partner NGOs, and our Annual Joy of Giving Internal Campaign.

Moving ahead, we remain focused on our integrated strategy which comprises a portfolio of quality, trusted and highly recommended healthcare products where performance drives brand choice; with superiority across product, package, brand communication, retail execution, and value;

productivity; constructive disruption; and an agile, empowered organization. We believe these are the right strategies to help us navigate our short and mid-term challenges and help us deliver balanced growth.

I would like to take this opportunity to thank each of you, our dear shareholders, for your steadfast support.

Step by step, quarter on quarter, initiative by initiative we continue determined to become a leading Company in Consumer Health in India. With a strategic interest in the health and well-being of consumers, strong portfolio of brands backed by science and trusted by doctors, consumers and pharmacists, the passion and perseverance of our talented and passionate team, and your support and encouragement, we believe we can make it happen.

Yours Sincerely,



Milind Thatte

# Foreword

**Getting Closer to our patients and consumers**

**Getting Closer to the science fraternity**

**Getting Closer to our communities**

**Getting Closer to our people**

Footprints of every step we took to get closer to you can be found bound together in this Annual Report, where we proudly present, Procter & Gamble Health Limited's commitment to building an ecosystem of healthcare with human care.

**Getting  
Closer**

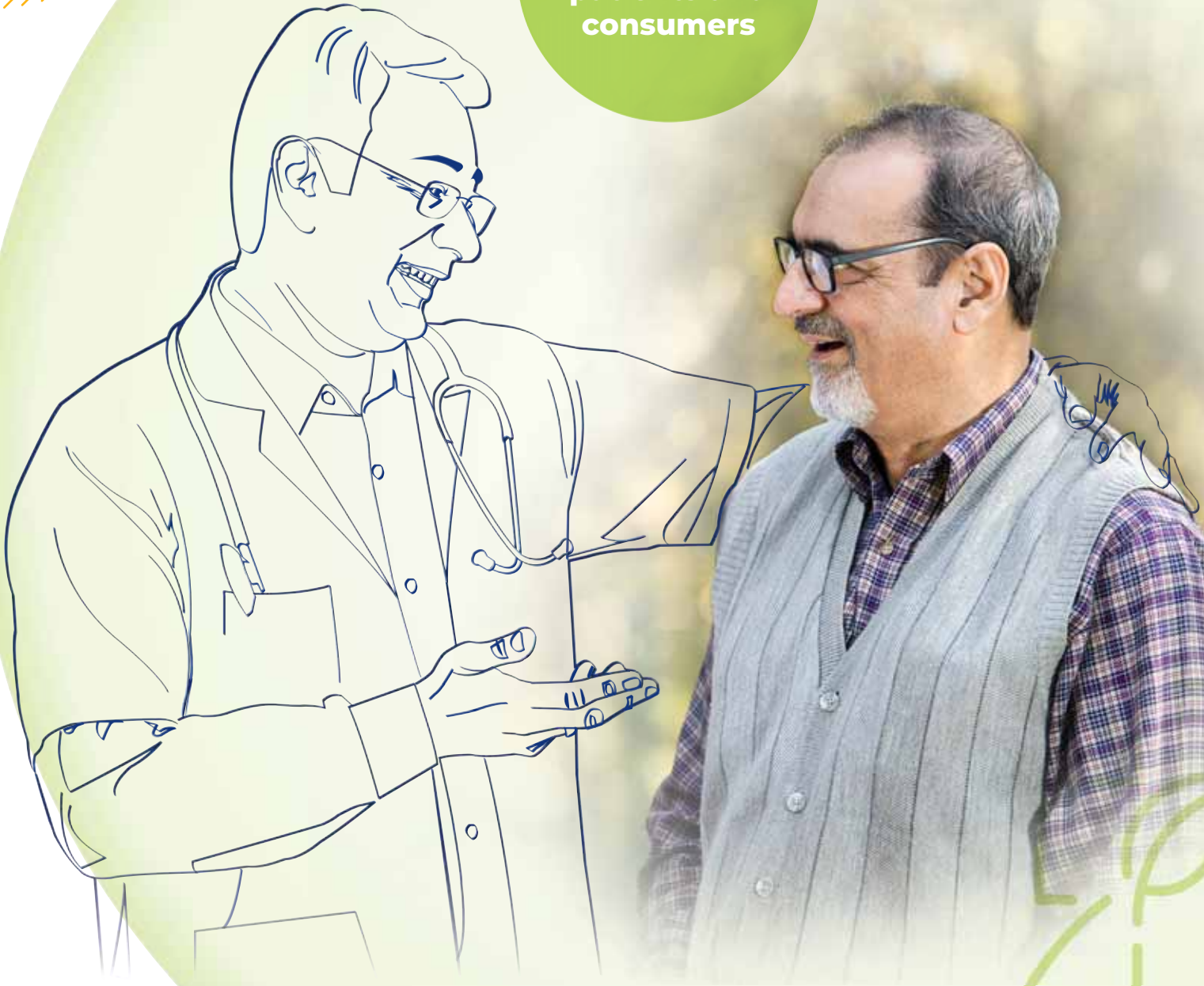


# Getting closer to our consumers by creating awareness and empowering them to make the right choices

P&G Health is driven by patient and consumer centric innovation that enables a superior product experience and we invest a lot in research to understand what our consumers need.

There has been an increase in incidence of Peripheral Neuropathy and Iron Deficiency Anemia among the Indian population. A significant percentage of this population neglects and dismisses early signs and symptoms. This year, we continued our unwavering efforts to raise awareness through omnichannel awareness campaigns to empower people to recognize early signs and symptoms and seek timely diagnosis. Furthermore, we also raised awareness and education on the role that vitamins and micronutrients play in aiding recovery, energy, and immunity as well as in nourishing our cells from within to experience beauty from the outside.

**Getting  
Closer to our  
patients and  
consumers**





**With activations across multiple touch points, we aimed to get closer to consumers to help increase symptomatic disease awareness and urge them to seek early diagnosis and timely management. This was done through scientifically backed, insightful communication shared across print and digital media and through strategic partnerships with new-age social media platforms.**



This year, we tried different digital formats to engage our consumers on platforms where they like to spend their time.





We amped up our efforts to increase in-store visibility and e-commerce presence and further expanded our distribution channels. We brought our products closer to the consumers through a transformed go-to-market model, loyalty programs for our distributors, and extensive pharmacy outreach.



# Stepping up to deliver Scientific Education till the last mile

Best-in-class, innovative scientific efforts in collaboration with renowned Health Care Organizations, helped foster collaboration within the medical community and helped build a community of scientific research and technical data, empowering HCPs and pharmacists to deliver the best to patients and consumers.

This year our efforts focused on getting closer to bridging the gap between science and patient care.



**Getting  
Closer to  
the science  
fraternity**



We hosted and participated in HCP conferences, enabling scientific collaboration among the medical fraternity. We engaged with approximately 1,50,000 HCPs and 20 HCOs in this fiscal year, to continue our efforts towards driving superior patient care.





# NerveCareForum



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We partnered with renowned Health Care Organizations.



Our convoys took us closer to the rural hinterlands of India, supporting our mission to impart education among the HCPs and to equip them with the right tools for conducting diagnosis.



Over 2800 HCPs joined us for the first-ever Phygital Recovery Summit which hosted a panel of India's top recovery experts who shared their expertise on the role played by micronutrients in recovery. The conference marked another milestone for us: We were awarded with the **GUINNESS WORLD RECORD™** for the 'Largest attendance for a virtual pharmaceutical conference in one day'.



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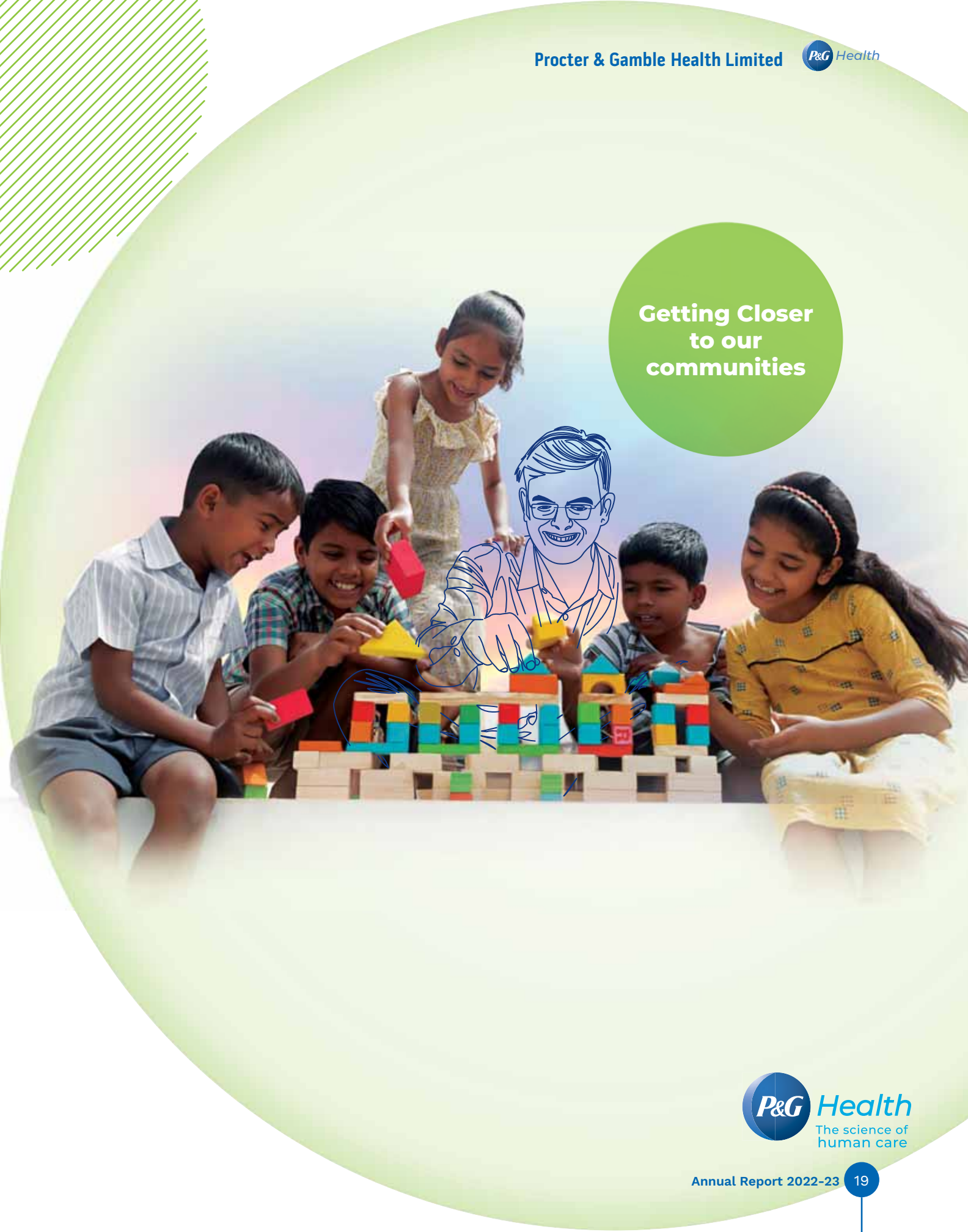


# Committed to get closer to our communities, fostering a stronger bond for positive change.

Through our flagship CSR initiative '**SEHAT**', the Company aspires to make a meaningful impact in the area of Public Health in India.

SEHAT addresses the 3 aspects of Public Health - Capability, Accessibility and Intervention, in collaboration with credible NGO partners.

Getting Closer  
to our  
communities



## 'P&G Public Health Scholarship Program' – in partnership with Public Health Foundation of India (PHFI)

With the twin-fold objective of helping build a Public Health Cadre to address India's complex set of existing and emerging public health challenges and supporting interested candidates to choose public health as a career opportunity to improve health conditions and thus, quality of life (QoL) of Indians, PGHL instituted the 'P&G Public Health Scholarship' for deserving students from socially & economically disadvantaged communities seeking to pursue 'Masters in Public Health' across PHFI's IIPH (Indian Institute of Public Health) Institutes.



## 'Swasthya Sakhi' Program - In partnership with Public Health Foundation of India (PHFI)

P&G Health's Maternal & Child Health Community Project 'Swasthya Sakhi' (Health companions) continued to take point-of-care diagnostics to remote and underserved locations in Uttar Pradesh, Goa, and Madhya Pradesh.

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



### 'Gift of Health' Program (Children) - In partnership with Catalysts for Social Action

With the objective of supporting health needs of children under institutional care, we continued to provide health, nutrition, and hygiene support to over 2200 children in the age group of 6-18 years residing at 56 Child Care Institutions across Maharashtra, Madhya Pradesh, Odisha, and Goa.

In 2022-23, our activities included hosting of regular health check-up camps, distribution of hygiene kits and sanitary napkins, and awareness sessions on good hygiene and dental care practices. Preventive healthcare and personal hygiene training on dental, skin, and general health and hygiene were conducted for all children across Child Care Institutions.



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

P&G Health continued to support HelpAge India's Mobile Healthcare Unit (MHU) which provides best and quality healthcare treatment to the disadvantaged elderly. During the year, MHUs were deployed at Assam, Madhya Pradesh and Odisha.



## Daan Utsav 'Post & Give Challenge' - In partnership with HelpAge India



For the fourth consecutive year, P&G employees across India joined the Country in celebrating 'Daan Utsav': A national celebration of 'Festival of Giving' celebrated every year, starting 2<sup>nd</sup> October until the 8<sup>th</sup> October to mark the birth anniversary of Mahatma Gandhi while engaging in different acts of giving.



This year, employees were asked to express their gratitude and indulge in different acts of giving during the week and for every act, P&G Health donated to HelpAge India's community outreach health initiative to provide primary healthcare services to the disadvantaged elderly.



With our collective expressions of gratitude, we were able to support 3 MHUs in Assam, Madhya Pradesh & Odisha to provide healthcare services for elderly at their doorstep for a period of 3 months.



### Upgradation of village school infrastructure at Goa - in partnership with Round Table India

Continuing our efforts to upgrade school infrastructure in villages around our manufacturing site, to facilitate the growth of the community and their quality of life, we supported the construction of 6 new classrooms at St. Joseph's High School in Usgao village in Goa. Through our initiative, we enabled students to have access to state-of-the-art digital infrastructure. Besides this, we also distributed school kits to the students who needed it the most across 15 schools around the Company's Goa site.



Company Overview

Boards Report and MDA

### 'PHC Cares – Support for pharmacy waste segregation and management' - in partnership with Lakshya and Recycle India Foundation

After the successful completion of the pilot project, P&G health reinforced its commitment to responsible waste management through a first-of-its-kind partnership with Lakshya and Recycle India Foundation for waste segregation and management among pharmacies in India, by extending the project to cover 100 pharmacies across the five cities of Noida, Kolkata, Patna, Coimbatore and Hubli this year.

The program promotes responsible waste management through on-ground awareness campaigns for pharmacy owners and staff members on the necessity and appropriate methods of segregation, disposal, and recycling of waste material.



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# SEHAT

RISE WITH HEALTH

A CSR Initiative from Procter & Gamble Health Limited

## 'Women in Healthcare Scholarship' - in partnership with Centre for Civil Society

To encourage more women to pursue a career in healthcare, we extended the scholarship and mentoring program to deserving girl students pursuing courses in pharmacy from 3 pharmacy colleges in Maharashtra & Telangana.



## 'Maternal and Newborn Health' for the urban poor - in partnership with Apnalaya



In collaboration with Apnalaya, P&G Health's Maternal and Newborn Health program works towards strengthening antenatal care services through the use of technology for early identification of pregnancies and high-risk cases to ensure that underprivileged pregnant women from urban communities receive timely care and support.

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





**'Yes to Poshan' Program**  
- in partnership with  
TATA Education and Development Trusts

Our 'YES TO POSHAN' program in collaboration with TATA Trusts continued to promote dietary diversity and address challenges of limited diet or age-appropriate diet amongst Pregnant and Lactating Women and children < 2 years of age. Interventions include a five-fold behaviour change campaign, surveys, growth monitoring, and capacity building of Anganwadi workers and Poshan Sakhis to promote dietary diversity.

Additionally, participatory learning and action initiatives are also being rolled out to women in the reproductive age group.

This year, we also launched a special nutritional recipe book for pregnant women. With the help of the District Collector of the NTR district, the book is now accessible to Anganwadi centers in the NTR district.





# Nurturing employee well-being

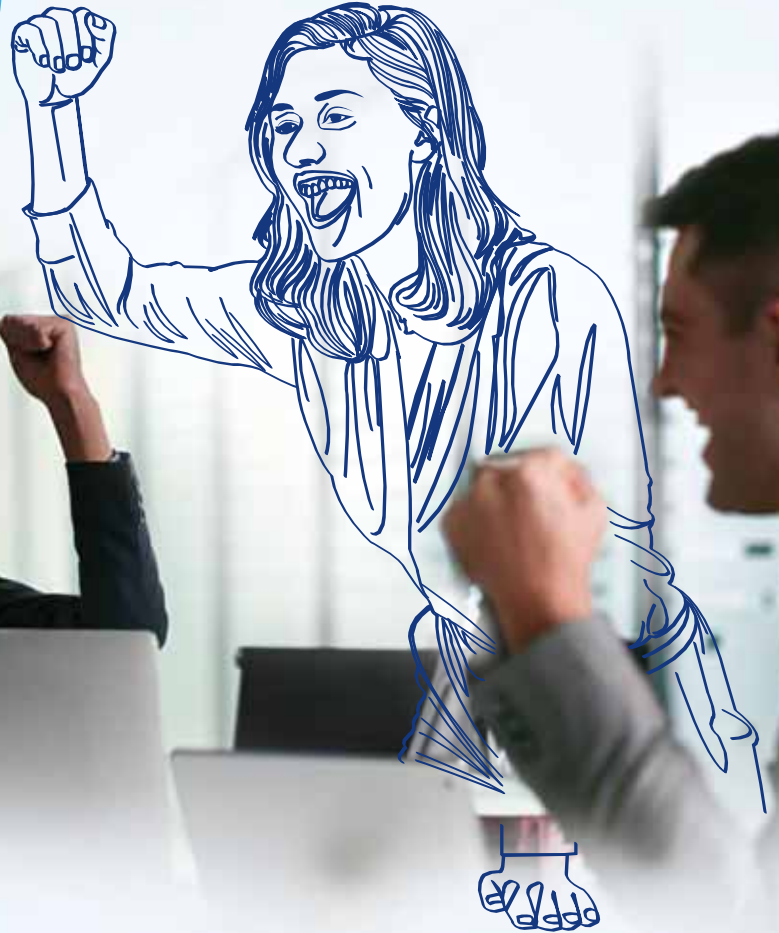
## towards building a productive and resilient team

Constantly keeping our ears to the ground while getting closer when caring for our own.

Regular celebrations, continuous investment on capabilities and enhanced benefits, brought celebration, care, and support closer to our people.



**Getting Closer  
to our own**



We introduced a unique policy to support employees who are caregivers for children up to 18 years old with special needs. It includes expanded medical coverage, specialized treatments, day-care support, and EAP partnership with Optum. We also introduced a co-pay India Day Care Policy for children aged 6 months to 6 years. These policies are available to all employees, including the field salesforce, with the aim of supporting mothers, and empowering them to strike a healthy work-life balance.



We leveraged digitization to build an interactive online community for our employees, enabling everyone across the country to stay connected





P&G Health India  
**celebrated**  
its first Family Day  
across 108 locations  
in India





Our Equality & Inclusion (E&I) efforts are integrated into how we serve diverse consumers and support our employees. Our ability to do this most effectively is enabled by a workforce and culture that understands, respects and reflects the uniqueness of all consumers we serve.



**LYTHOUSE | P&G**

**REITERATING OUR COMMITMENT TO EMPLOYEE SAFETY**

P&G brings a comprehensive employee safety app for all of you in collaboration with Lythouse.

**SAFE LOCATIONS** Alert others to unknown locations

**SOS** Access help with just one click

**ISSUE ALERTS** No more of your smartphone

**EMERGENCY COMMUNICATIONS** Communicate quickly during emergencies

The Lythouse mobile app combines powerful features for identifying threats and communicating. You can get assistance whenever and wherever you are by pressing SOS.

**LYTHOUSE**

**Lythouse Mobile Safety App**

A dedicated mobile safety app for all employees

- Alerts** Get notified about safety threats
- SOS button** Get help with just one click
- Report Risk Status** Report safety issues in real-time
- Emergency Services** Get help from emergency services
- Safety Resources** Access safety resources and training



This year, we continued our efforts in conducting Capability Building sessions for our salesforce including virtual 'colleges' that enabled cross-cluster learning and interactions helping build relevant skills of our salesforce.

## Capability Trainings



With the right interventions and initiatives such as the emergency safety hotline and constant facilitation of an environment of security and safety for women, we are encouraging and empowering more women to take up roles in Sales, ensuring that we truly represent the consumers we serve.



# External Recognitions



## Awards for SEHAT, P&G Health India's flagship CSR & Public Health initiative



- 🏆 Silver Award for the Public Health Initiative of the Year at the India Health and Wellness (IHW) Awards, 2022, supported by NITI Aayog
- 🏆 Best CSR Impact Award at the CSR Summit & Awards 2023
- 🏆 Best Innovative CSR Project at the CSR Summit & Awards 2023



## P&G Health's flagship brands continue their efforts in raising awareness and educating consumers and patients

- 🏆 Neurobion received Gold for Health Awareness Campaign of the Year at the India Health and Wellness (IHW) Awards, 2022, supported by NITI Aayog
- 🏆 Livogen received Gold for Health Awareness Campaign of the Year at the India Health and Wellness (IHW) Awards, 2022, supported by NITI Aayog

**At the forefront of all successful awareness campaigns are communications and PR strategies strategically crafted by the brands**



- 🏆 Neurobion was awarded with Gold for Best use of Social Media for Health Communication campaign at the PRMoment Healthcomm Awards 2023
- 🏆 Evion received Bronze for Influencer Impact: Social Media/PR Influencer Award at the e4m IPRCCA Awards 2022
- 🏆 Livogen was awarded with Silver for Best Public Health Communications Campaign at the PRMoment HealthComm Awards 2023

**Individual accolades received by P&G people**



- 🏆 Mr. Amit Gupta, erstwhile CFO of the company, was recognized as the Leading CFO of the Year 2022 under the Sectoral Category of Pharma and Chemicals by the Confederation of Indian Industry at the 2<sup>nd</sup> edition of the CFO Excellence Awards



- 🏆 Dr. Poonam Sule, Director-Global Clinical Development, PHC, was bestowed with the Hall of Fame Awards by the Indian Society of Clinical Research (ISCR) for her contributions to the Real-World Evidence Council

- 🏆 Mr. Vijay Kumar Pampana, Director-Marketing, was recognised as the CMO Rising Star at the Pitch CMO Awards 2023 organized by exchange4media





# 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.





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

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

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

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

The Board of Directors have the pleasure of presenting the 56<sup>th</sup> Annual Report and the Audited Financial Statements of the Company for the Financial Year ended June 30, 2023.

### FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	2022-23	2021-22
Revenue from Operations	1,229.62	1,114.41
Sale of Products	1,205.86	1,092.04
Other Income	18.39	13.19
Profit before Interest, Depreciation and Tax	342.34	281.60
Profit before tax	314.20	253.37
Profit after tax	229.47	192.52
<b>Appropriations:</b>		
Opening Reserve	237.07	327.70
Re-measurement gain/loss on defined benefit plan (net of tax)	(1.84)	0.70
Dividend paid in the year	(93.79)	(283.85)
Balance carried to the Balance Sheet	370.91	237.07
Earnings per share		
- Basic (₹)	138	116
- Diluted (₹)	138	116

### FINANCIAL YEAR

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

#### DIVIDEND

During the Financial Year, the Board of Directors of the Company at its meeting held on February 5, 2023, declared an interim dividend of ₹ 45 per equity share, which was paid on March 2, 2023.

The Board of Directors of the Company, at its meeting held on August 23, 2023, have recommended a final dividend of ₹ 50 per equity share, for the Financial Year ended June 30, 2023. This final dividend is subject to approval of the Members at the ensuing 56<sup>th</sup> Annual General Meeting of the Company.

The aggregate dividend for the Financial Year ended June 30, 2023, (including the interim dividend) amounts to ₹ 95 per equity share.

#### ECONOMY AND MARKETS

The operating environment this year continued to be volatile, marked by macro-economic challenges and high commodity inflation contributing to significant cost headwinds. Consumers continued to face inflationary pressures during the year, leading to consumer demand remaining tepid. Despite these headwinds, the Indian economy gained momentum towards the end of the Fiscal Year, achieving a real GDP growth of 7.2%\* in Fiscal Year 2022-23.

Several initiatives and measures taken by the Government, including higher Capital Expenditure (Capex) among others contributed to the economic growth as it boosted private consumption and consumer confidence. Further, encouraging growth in the country's digital and physical infrastructure, innovative measures such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output, have also contributed significantly to the economic growth.

\* Source: Press release of Ministry of Statistics & Programme Implementation dated May 31, 2023.

### OPPORTUNITIES, RISK AND OUTLOOK

The International Monetary Fund (IMF) projects Indian economy to grow by 6.3%^ in 2023-24. With this, India continues to enjoy a positive outlook as one of the fastest-growing major economies in the world, also reaffirmed by global economic agencies.

The IMF projects that global headline inflation is expected to steadily decline from its peak of 8.7%^ in 2022 (annual average) to 6.9%^ in 2023 and 5.8%^ in 2024. Amidst this, it will be imperative to navigate through uncertainties caused by external factors and leverage the opportunities with agility and resilience. The long-term outlook for the consumer healthcare sector remains positive. The Company is well positioned to sustain and improve its performance with a resilient workforce, leverage opportunities with agility, address challenges and overcome the risks.

^ Source: IMF World Economic Outlook, October 2023.

### FINANCIAL RATIOS

Particulars	2022-23	2021-22	change (%)
Debtors (trade receivables) turnover	12.35	15.56	(21%)
Inventory turnover	9.83	9.54	3%
Return on investment <sup>^</sup>	0.05	0.03	67%
Net capital turnover	2.50	2.96	(16%)
Trade payables turnover*	1.86	1.30	43%
Return on Capital Employed	0.42	0.41	2%
Interest coverage ratio**	N.A.	N.A.	-
Current ratio	2.62	2.62	0%
Debt equity ratio**	N.A.	N.A.	-
Operating profit margin	26%	23%	13%
Net profit margin	19%	17%	8%
Return on Network	42%	41%	2%

<sup>^</sup> Due to increase in interest rates

\* Due to optimised credit terms with vendors

\*\* The Company did not have any borrowings during the Financial Year.

**FINANCIAL & BUSINESS PERFORMANCE**

The Company recorded sales of ₹ 1,205.86 crores for the Financial Year ending June 30, 2023, up by 10% vs year ago, supported by strong established brands trusted by healthcare professionals. Profit after tax (PAT) for the Financial Year ended June 30, 2023 is ₹ 229.47 crores, up by 19% vs. year ago. The Company continued its efforts towards brand and category development and thus delivered a strong performance in the fiscal, marked by consistent growth across all its brands.

During the Financial Year, in order to achieve efficiencies in its operations, the Company transitioned from its previous go-to-market model, which was serviced via carrying and forward agents, to a new distributor led go-to-market model by appointing distributors. This transition was completed in April 2023.

The Company bolstered its go-to-market strategy and strengthened its partnerships across omni-channel stores, increasing the availability and access of its brands across online and offline platforms, thereby helping meet the needs of our consumers and customers.

The 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 where industry has seen low footfall of patients, the Company’s brand franchises delivered strong results continuing to further our commitment to bringing quality and affordable vitamins, minerals and supplements to patients, consumers and customers across the country.

*Neurobion* delivered double digit growth fuelled by focused initiatives to build awareness on neuropathy, nerve care and the benefits of *Neurobion* across customer and consumer touchpoints. True to its brand promise, the Company’s flagship brand *Neurobion Forte* has been helping consumers fight body discomforts due to lack of Vitamin B. Recently launched variants like *Neurobion Alfa & Alfa D* for patients with Diabetic Neuropathy have seen prolific growth fuelled by robust activations driving the scientific superiority among Health Care Professionals (HCPs). Being a Nerve health promoter and a partner to International Diabetes Federation, on World Diabetes Day 2022, the Company launched a large-scale collective awareness effort on Peripheral Neuropathy which was recognized among India’s top diabetes campaigns by Obesity International. During the year, the Company also raised awareness and education among its consumers through initiatives

like the Neuropathy Awareness Week, wherein leading global health experts converged to address the growing public health concern of Peripheral Neuropathy. This also reinforced Company's efforts towards building an ecosystem for scientific collaboration and knowledge-sharing among HCPs.

*Livogen* delivered a strong year of growth, driven mainly by industry leading campaign “*Na Na Anemia*” aimed to drive awareness and diagnosis about Iron Deficiency-Anemia. On World Iron Deficiency Day, the Company in partnership with FOGSI (The Federation of Obstetric and Gynecological Societies of India) initiated the 'Na Na Anemia Bus Yatra', a 40-day Bus Yatra across 20 cities and 5 states of India to create awareness on Iron Deficiency.

*Polybion* continued to strengthen its foothold with a year of remarkable growth. During the year, we launched *Polybion A* injection, a new and improved formulation, helped to deliver superior benefits to the Consumers. The Company also commemorated World Health Day by launching the Pragati Utsav, an initiative to raise awareness and empower the HCPs of rural hinterlands, on Vitamin B deficiency.

*Evion* continued to create awareness on the benefits of Vitamin E among HCPs and consumers. Innovative campaigns helped deliver another year of strong growth.

Nasal decongestant brand *Nasivion* delivered another year of double digit growth behind brand building activations like cricket partnerships & in-serial integrations.

**INTEGRATED STRATEGIC CHOICES**



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

### RISK MANAGEMENT

The Company has set up a Risk Management Committee and has also adopted a risk management policy. The Company's risk management policy is in line with the parent Company's global guidelines and as such adequate measures have been adopted by the Company to anticipate, plan and mitigate the spectrum of risks it faces. The Company's Risk Management process focuses on ensuring that these risks are identified on a timesely basis and adequately addressed.

For financing risks, the Company has a robust operational contingency plan. It also undertakes Business Contingency Plan for key vendors and natural disasters. The Company also has adequate insurance coverage to protect the value of its assets.

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

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

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

### REGULATORY AND COMPLIANCE

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

- To uphold our Purpose, Values, and Principles in our work and in the business decisions we make;
- To do the right thing at all times;
- To follow standards set forth in the WBCM and the law at all times;
- To know and fully comply with the laws, regulations, and Company policies that apply to the employees' work; and
- To be alert to any situations or actions that may violate the law, the WBCM or Company policies, and to report them appropriately.

The Company's business is subject to stringent compliances under various laws, such as the local pricing regulations set by the Government, Foods and Drugs Administration 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 HCPs. 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 set in place the requisite mechanism for meeting with the compliance requirements, periodic monitoring of compliance to avoid any deviations, and regular updates to keep pace with the regulatory changes.

A number of training programs are conducted periodically for employees with respect to various compliance related topics such as Pharma Compliance Guidelines, Global Anti-Corruption Standards, Prevention of Sexual Harassment at Workplace, Whistle-blower Mechanism, Conflict of Interest, Data Privacy, Data Integrity, Anti-Trust Compliance, etc.

### INFORMATION TECHNOLOGY (IT)

The Company uses varied IT systems and processes in its day-to-day businesses operations. There are software related precautions like handling of data integrity, access rights, virus firewalls, data protection, social media risk, etc. The Company has robust framework and policies on information security which cover risks related to cyber security. Adherence to the Company's information security guidelines and processes is continuously monitored and are subject to Controls Self-Assessments and global audits at regular intervals.

## INTERNAL CONTROLS AND THEIR ADEQUACY

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

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

CSAs are performed every Financial Year across business processes. The purpose of this thorough exercise is to review and evaluate process compliances against standard control objective, activities, and attributes. This enables the Company to proactively identify control weaknesses and initiate actions to sustainably mitigate them.

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

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

- **Governance Board:**

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

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

### CORPORATE SOCIAL RESPONSIBILITY

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

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

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

### ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

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.

The Company's plant at Goa is zero-manufacturing-waste-to-landfill site. The Company has a systematic approach for complying with environmental regulations, such as managing wastewater, air emissions and hazardous wastes. This also includes other non-hazardous waste management at site. The plant strives to reduce environmental pollution with a proactive approach. Use of renewable fuel for generating energy, use of solar energy for generating power are some examples for reducing carbon foot print.

An 2MW in-house solar power plant had been commissioned at the Goa Plant site last year.

During the Financial Year 2022-23, some of the key initiatives taken at the Goa plant in this direction were:

1. Installation of rainwater harvesting system at three different locations within the site which helped to reduce underground water dependency by 15KL/Day;
2. Automation of quality control air handling unit (AHU) & forced draft ventilation (FDV) for time-based operations. AHU & FDV made to run based on set time as per area requirement reducing power consumption;
3. Energy audit conducted for the entire site for identifying opportunities & eliminating losses in power, steam, compressed air etc.

### TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

The Company avails benefits from The Procter & Gamble Company and its subsidiaries' research and development efforts and activities across the globe, including India.

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

Technology absorption and adaptation is a continuous process. The products manufactured and sold by the Company are a result of the imported technology received on an ongoing basis. Initiatives are constantly undertaken for innovation of products, new product development, improvement of packaging, enhancement of product quality and application of best information technology to automate, simplify and generate efficiencies in various business processes.

The Company believes in exploring the latest technology from both within India and beyond to ensure the best quality product is made by the company for our consumers.

Details of the expenditure on Research & Development (R&D) undertaken during the Financial Year:

	(₹ in Lakhs)	
Expenditure on R&D*	2022-23	2021-22
Capital	-	-
Recurring	571	655
Total	571	655
Total R&D expenditure as a percentage of total turnover	0.47%	0.60%

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

### FOREIGN EXCHANGE EARNINGS & OUTGO

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

(₹ in Crores)

	For the Financial Year ended June 30, 2023	For the Financial Year ended June 30, 2022
Foreign Exchange earnings	146.52	122.61
Foreign Exchange outgo	160.54	126.28

### 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/>.

Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are subjected to independent review by Chartered Accountant firm to confirm compliance with the requirements under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

### PUBLIC DEPOSITS

The Company has not accepted any public deposits during the Financial Year 2022-23.

### PARTICULARS OF LOANS AND GUARANTEES GIVEN OR INVESTMENTS MADE

The Company has neither given any loans or guarantees nor made any investments during the Financial Year 2022-23.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy

on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. The Company has ensured a wide dissemination of the Policy and has conducted various awareness program at all locations of the Company. The Company has constituted an Internal Complaints Committees. During the Financial Year, 3 complaints with allegations of Sexual Harassment were filed with the Company. The said complaints were addressed and closed during the Financial Year. No complaints were pending as on June 30, 2023.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) of the Companies Act, 2013, the Directors confirm that:

- That in the preparation of the annual accounts for the Financial year ended June 30, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors had selected appropriate accounting policies 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;
- That the Directors have taken proper and sufficient care 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;
- That the Directors have prepared annual accounts on a going concern basis;
- That the Directors have had laid down appropriate internal financial controls and that such internal financial controls were adequate and were operating effectively; and
- That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### CORPORATE GOVERNANCE

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

### ANNUAL RETURN

The annual return for the Financial Year 2022-23 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company, which can be accessed at <https://www.pghealthindia.com/investors/>.

### HUMAN RESOURCES

The Company continues to look at the fundamentals of creating an appealing employer brand, attracting talent that is a suitable match for the Company, and consequently nurturing that talent. We have designed holistic Human Resource strategies to ensure that the organization is geared up to deliver the future.

India continues to be a critical source of talent. With the changing times we have strategized to be preemptive with our campus initiatives. We have proactively launched new innovative campus programs, along with revamping existing programs. Our internships, onboarding, and learning & development programs are being executed in a mix of virtual and face-to-face setup, to accommodate a dispersed audience. We continue to retain our rankings across various campus surveys. We bolster nurturing our talent to create diverse leaders and set them up for success as they grow in the ecosystem.

To craft a winning culture, it is vital that we enroll and empower the organization right from Day 1 during their comprehensive corporate on-boarding program - GETiN. By enhancing our company DNA via Growth Mindset, we also encourage our organization to create a love of learning and resilience that is essential for achieving organizational and personal goals.

We strongly believe in co-creating careers with our employees, which allows them to partner with the business to achieve a fulfilling career with us. We encourage our employees to bring their true authentic self to work in order to consistently evolve from Good to Great. Our Company's performance management system continues to clearly assess employees based on their impact through growth, and not only performance.

AVTAR Seramount recognized P&G India as top 100 Best Companies for Women.

The number of employees as on June 30, 2023 was 1,407.

The statement of disclosure of remuneration under Section 197 of the Companies Act, 2013 and Rule 5 (1)



of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure III** to this Report.

As per the provisions of first proviso to Section 136(1) of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at [investorgrievance.im@pg.com](mailto:investorgrievance.im@pg.com).

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

Mr. Amit Gupta, Executive Director & Chief Financial Officer and Dr. Elizabeth Desmond, Non-Executive Director resigned from the Board of the Company effective March 31, 2023. The Board places on record its appreciation for the contributions of Mr. Amit Gupta and Dr. Elizabeth Desmond during their tenure of directorship on the Board of the Company.

The Board of Directors, at its meeting held on March 17, 2023, on the recommendation of the Audit Committee and Nomination & Remuneration Committee, have appointed Mr. Lokesh Chandak as Executive Director & Chief Financial Officer of the Company for a period of five years, effective April 1, 2023 and Ms. Seema Sambasivan as Non-Executive Director of the Company, effective April 1, 2023. The Shareholders of the Company approved said appointments by resolutions passed by postal ballot & e-voting on May 10, 2023.

The Board of Directors, at its meeting held on February 5, 2023, on the recommendation of the Nomination & Remuneration Committee, have re-appointed Mr. Milind Thatte as the Managing Director of the Company for a further term of five years effective April 01, 2023. The shareholders of the Company approved his re-appointment as Managing Director vide resolution passed by postal ballot and e-voting on March 22, 2023.

Mr. Aalok Agrawal, Non-Executive Director, retires by rotation and being eligible, offers himself for re-appointment at the ensuing 56<sup>th</sup> Annual General Meeting. Brief profile and details of the Directorships of Mr. Agrawal, are contained in the Corporate Governance section of this Annual Report.

All Independent Directors of the Company have given declarations to the Company stating that they meet the criteria of independence as mentioned

under Section 149 (6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that all the Independent Directors of the Company possess integrity, have relevant expertise and experience and fulfil the conditions specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the familiarization programmes and annual Board evaluation process for Directors have been provided under Corporate Governance section of the report.

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

### **NUMBER OF MEETINGS OF THE BOARD**

Six (6) meetings of the Board were held during the Financial Year 2022-23. For details of the meetings of the Board and its Committees, please refer to the Corporate Governance section of the Report.

### **POLICIES**

The Company has adopted various policies including policies on related party transactions, corporate social responsibility, vigil mechanism, nomination and remuneration, materiality of events and dividend distribution, which are available on the website of the Company at <https://www.pghealthindia.com/investors/#policies>

### **INTERNAL AUDITOR**

Mr. Lokesh Chandak was appointed as Internal Auditor of the Company for the Financial Year 2022-23. Pursuant to appointment of Mr. Chankak as Executive Director and Chief Financial Officer of the Company, effective April 1, 2023, he ceased to be Internal Auditor of the Company. Mr. Arihant Jain was appointed as Internal Auditor of the Company, in place of Mr. Chandak for the period April 1, 2023 to June 30, 2023.

### **STATUTORY AUDITORS**

The Shareholders at the 55<sup>th</sup> Annual General Meeting (AGM) held on November 23, 2022 had approved the re-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 55<sup>th</sup> AGM upto the conclusion of the 60<sup>th</sup> AGM.

The Report issued by the Statutory Auditors on the financial statements of the Company for the Financial

Year ended June 30, 2023 is part of the Report. There have been no qualification, reservation or adverse remark given by the Auditors in their Report.

#### SECRETARIAL AUDITORS

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, 2023. 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, the Company has complied with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

#### COST AUDITORS

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 the Company. M/s. Joshi Apte & Associates, Cost Accountants carried out the cost audit for the Financial Year 2022-23. The Board of Directors has re-appointed M/s. Joshi Apte & Associates, Cost Accountants for the Financial Year 2023-24.

A resolution for ratification of the remuneration payable to the Cost Auditor for the Financial Year

2023-24 is proposed in the Notice of the ensuing 56<sup>th</sup> 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.

#### ACKNOWLEDGEMENT

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

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

**On behalf of the Board of Directors**

Mumbai  
August 23, 2023

**S. N. Talwar**  
Chairman

## ANNEXURE I

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2022-23

Dear Shareholders,

We are presenting the Company's Business Responsibility and Sustainability Report for the Financial Year ended June 30, 2023.

P&G's objective is to create value for our shareholders by serving consumers, retail partners, employees and the communities in which we live and work. We create irresistibly superior propositions for consumers in daily-use categories, where performance drives brand choice. We aim to create the best product, packaging, communication, in-store and online presentation and value for our consumers and retail partners. To do this successfully, we integrate our Citizenship efforts into our business strategy, supported by strong governance policies and practices. Environmental sustainability as an integral part of superior consumer propositions creates competitive advantage and drives value for consumers, customers and P&G shareholders. Our strategy is enabled by a diverse and accountable organization that represents the consumers we serve, understands their needs and has the ability to design and deliver superior solutions for them.

Our Citizenship framework is based on key pillars of Community Impact, Equality & Inclusion and Environmental Sustainability, with a strong foundation of Ethics & Corporate Responsibility guiding everything we do.

Our efforts in Environmental Sustainability are important to create superior propositions for consumers, customers, and shareholders, while improving our environmental impact. We seek to reduce the footprint of our operations and enable consumers to reduce their footprint.

We are firm in our belief that the most meaningful way of doing business is to also improve lives. We have stepped up to ensure we are serving our consumers not only through our leading brands but going beyond business and creating a meaningful impact in their lives through our community programs. We continue to give back to the communities we serve through our flagship Corporate Social Responsibility program – SEHAT (meaning Health). With SEHAT, we aspire to make a meaningful impact in the area of Public Health in India.

Our Equality & Inclusion (E&I) efforts are integrated into how we serve diverse consumers and support our employees. Our ability to do this most effectively is enabled by a workforce and culture that understands, respects, and reflects the uniqueness of all the consumers we serve.

P&G's Purpose, Values and Principles set high standards that we hold ourselves and each other accountable for, and create a strong culture focused on winning the right way.

Our overall approach, with consumers at the centre, and an organization built to serve them, has served us and our many stakeholders well. It will guide our actions as we move forward. If we do this effectively, consumers will benefit, customers will grow their businesses, employees will develop and thrive, we will have a positive impact on society, and shareholders will continue to be rewarded for their investment.

**Milind Thatte**  
**Managing Director**

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN)	L99999MH1967PLC013726
2.	Name of the Company	Procter & Gamble Health Limited
3.	Year of incorporation	1967
4.	Registered office address	P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai – 400099
5.	Corporate office address	
6.	E-mail id	<a href="mailto:investorgrievance.im@pg.com">investorgrievance.im@pg.com</a>
7.	Telephone number	Tel no.: +91 022 6866 9000 Investor helpline no.: +91 82919 02520
8.	Website	<a href="https://www.pghealthindia.com/">https://www.pghealthindia.com/</a>
9.	Financial Year reported	July 1, 2022 to June 30, 2023
10.	Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> <li>BSE Limited</li> <li>National Stock Exchange of India Limited</li> </ul>
11.	Paid up capital	₹ 16.59 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Zeal Rupani Company Secretary & Compliance Officer Tel no.: +91 022 6866 9000 Email ID: <a href="mailto:investorgrievance.im@pg.com">investorgrievance.im@pg.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report are made on Standalone basis

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture and sale of health care products	Manufacture and sale of healthcare products, viz., vitamins, minerals and supplements	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Healthcare products viz., vitamins, minerals and supplements	NIC 21002	100%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	24	25
International	-	-	-

**17. Markets served by the entity:**

**a. Number of locations**

Locations	Number
National (No. of States)	The Company has a pan-India presence, and its products are sold across India (28 States and 8 Union Territories).
International (No. of Countries)	7 countries*

\* During the Financial Year 2022-23, the Company exported products to 7 countries.

**b. What is the contribution of exports**

Percentage of exports to the total turnover of the entity	10.85%
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**c. A brief on types of customers**

The Company is engaged in manufacturing and selling of healthcare products, viz., vitamins, minerals and supplements. Patients are end consumers of the products. The Company’s distribution channels (direct & indirect), inter alia, include distributors, health care professionals, pharmacies and chemists.

**IV. Employees**

At P&G, we are committed to an equal and inclusive workplace, by building equality and inclusion into the core of our business, unlocking value, and driving growth. We strive to create a workforce and culture that understands, respects, and reflects the uniqueness of all the consumers we serve, so that we can better meet their needs. For us, every individual matters and we support our employees so that they can make an impact, grow their skills, and feel valued, rewarded and inspired every day.

**18. Details as at the end of Financial Year**

**a. Employees and workers (including differently abled)**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	222	163	73%	59	27%
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>222</b>	<b>163</b>	<b>73%</b>	<b>59</b>	<b>27%</b>
<b>Workers</b>						
4.	Permanent (F)	1185	1075	91%	110	9%
5.	Other than Permanent (G)*	193	126	65%	67	35%
6.	<b>Total workers (F + G)</b>	<b>1378</b>	<b>1201</b>	<b>87%</b>	<b>177</b>	<b>13%</b>

\* Other than permanent workers include contractual labour engaged through third-party contractors.

**b. Differently abled employees and workers: Nil**

## 19. Participation/Inclusion/Representation of women

Sr. No.	Designation	Total (A)	No. and percentage of females	
			No. (B)	% (B/A)
1.	<b>Board of Directors</b>	7	2	28.57%
2.	<b>Key Managerial Personnel (KMP)</b>	3*	1	33.33%

\* 2 KMPs, viz., Mr. Milind Thatte, Managing Director and Mr. Lokesh Chandak, Executive Director and CFO are also part of the Board of Directors.

## 20. Turnover rate for permanent employees and workers

	F.Y. 2022-23			F.Y. 2021-22		
	Male	Female	Total	Male	Female	Total
Permanent Employees	14.80%	32.50%	16.90%	11.90%	26.70%	13.80%
Permanent Workers	19.17%	43.09%	19.51%	10.00%	8.30%	9.80%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	The Procter & Gamble Company, USA	Ultimate holding company	52.18% (Indirect through its subsidiaries)	The Company is a subsidiary of The Procter & Gamble Company, USA, ("P&G US") and has adopted the P&G's global standards set forth in P&G's Worldwide Business Conduct Manual, as Company's business responsibility policy. The Company's business responsibility initiatives are guided by the global standards and practices, followed by P&G US.
2.	Procter & Gamble Overseas India B.V., The Netherlands	Holding company	52.18% (Direct shareholding)	

## VI. CSR Details

We continue to give back to the communities we serve through our flagship Corporate Social Responsibility program – SEHAT (meaning Health) which focuses on making a meaningful impact in the area of Public Health in India.

### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) **Turnover:** ₹ 1205.86 Crores

(iii) **Net worth:** ₹ 751 Crores

**VII. Transparency and Disclosures Compliances**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) <i>(If Yes, then provide web-link for grievance redress policy)</i>	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Company's Worldwide Business Conduct Manual (the WBCM) sets forth Company's standards of the business responsibility and any grievances with respect to the WBCM are handled in accordance with process set forth in the WBCM Web-link to the WBCM:  <a href="https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/">https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/</a>	Nil	Nil	-	Nil	Nil	-
Employees and workers		59	17	-	41	4	-
Customers		Nil	Nil	-	Nil	Nil	-
Value Chain Partners		7	5	-	1	Nil	-
Investors (other than Shareholders)	The Company has dedicated contact details for investors and shareholders- investorgrievance.im@pg.com	Nil	Nil	-	Nil	Nil	-
Shareholders		20	Nil	-	4	Nil	-

**24. Overview of the entity's material responsible business conduct issues**

*Note: Information provided in this report, including in response to this item, should not be construed as "material" for purposes of financial reporting or otherwise under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Indian Companies Act, 2013 (read with Rules thereunder) or U.S. securities laws and regulations. We provide information below on the environmental and social matters that we judge to be most relevant and meaningful to our business.*

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Plastic packaging waste	Risk	The Company's products have plastic packaging.	The Company is committed towards reducing plastic packaging waste. The Company has been collecting plastic packaging waste and fulfilling its Extended Producer Responsibility (EPR) Obligations.	Creating superior and sustainable packaging solutions represents an opportunity to delight consumers and create incremental sales and profit in return. However, the cost of developing sustainable packaging alternative and cost implementing processes to be put in place for compliance with EPR obligations in respect of reuse, recycle and end of life disposal of plastic packaging waste could be significant.
2.	Diversity and Inclusion	Opportunity	Diversity & inclusion will help employees to develop and thrive and will also benefit our consumers.	Our Equality & Inclusion (E&I) efforts are integrated into how we serve diverse consumers. Our ability to do this most effectively is enabled by a workforce and culture that understands, respects and reflects the uniqueness of all the consumers we serve.	We believe that our E&I efforts provide us with a sustained competitive advantage and further enhances shareholder value.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Community impact	Opportunity	Being a good corporate citizen is core to who we are as a Company. Therefore, it remains a priority now, and in the future.	We continue to give back to the communities we serve through our flagship Corporate Social Responsibility program – SEHAT (meaning Health). With SEHAT, the Company aspires to make a meaningful impact to Public Health in India.	The Company is committed to making a positive impact in the communities we serve creating positive equity for P&G and its brands.

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

*This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements*

Principle 1 Ethics, Transparency and Accountability (P1)

Principle 2 Safe and Sustainable Products (P2)

Principle 3 Employees’ Well-being (P3)

Principle 4 Stakeholder Engagement (P4)

Principle 5 Human Rights (P5)

Principle 6 Environment Protection (P6)

Principle 7 Policy Advocacy (P7)

Principle 8 Inclusive Growth (P8)

Principle 9 Customer Value (P9)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	The Company has adopted P&G’s WBCM as its Business Responsibility policy, which sets forth global standards, covering all NGRBC Principles.								
	b. Has the policy been approved by the Board?	The Board of the Company at its meeting held on August 8, 2019, had approved P&G’s Worldwide Business Conduct Manual (WBCM), as Company’s Business Responsibility policy.								
	c. Web Link of the Policies, if available	<a href="https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/">https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/</a>								
2.	Whether the entity has translated the policy into procedures	While the WBCM policy lays down core global standards explaining legal & ethical responsibilities, there are detailed policies and procedures in place in respect of various expectations laid down in the WBCM.								
3.	Do the enlisted policies extend to your value chain partners	P&G expects its value chain partners to follow relevant aspects of our WBCM. Further information is available at <a href="http://pgsupplier.com">pgsupplier.com</a> .								
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Our Human Rights Policy Statement communicates our support for the UN Guiding Principles on Business and Human Rights, and the principles concerning fundamental rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. (P5)  The Company’s Health & Safety Environment management systems follow stringent and robust internal standards (P3, P6).								



Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Continuous efforts of reducing environmental footprint: We have made progress across our focus areas of climate, water, and waste. We continue to be committed to leveraging renewable sources of energy in our operations.								
<b>Governance, leadership and oversight</b>										
6.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Milind Thatte, Managing Director								
7.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Managing Director is responsible for decision making.								
8.	Details of Review of NGRBCs by the Company:  Performance against above policies and follow up action; and Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances  a. Whether review was undertaken by Director / Committee of the Board / Any other Committee  b. Frequency of review	The Audit Committee reviews the Vigil Mechanism report, viz., complaints filed as per process laid down in the WBCM, on a quarterly basis.  Compliance with statutory requirements is reviewed by the Board of Directors, quarterly, including statutory requirements relevant to NGBRC Principles.  The Corporate Social Responsibility Committee reviews the business responsibility and sustainability report annually.  Further, the Board is updated on various actions or updates relevant to the NGBRC Principles from time to time, eg. compliance with Plastic Waste management regulations.								
9.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has a robust internal audit process led by the Global Internal Audit (GIA) function which consists of a team of independent fulltime Internal Controls experts. GIA function carries out audits on various matters, including various policies and processes under the WBCM, on a regular basis.								
10.	If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:  The entity does not consider the Principles material to its business (Yes/No)  The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)  The entity does not have the financial or/ human and technical resources available for the task (Yes/No)  It is planned to be done in the next financial year (Yes/No)  Any other reason (please specify)	Not Applicable								

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Taken together, Our Purpose, Values and Principles are the foundation for P&G's unique culture. Throughout our history, our business has grown and changed while these elements have endured and will continue to be passed down to generations of P&G people to come. More information about our Purpose, Values and Principles are contained in the WBCM.

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training / awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	5*	<ul style="list-style-type: none"> <li>Sustainability initiatives update</li> <li>Vigil mechanism (Ethics)</li> <li>Community impact- CSR initiatives</li> <li>Plastic Waste Regulations compliance</li> <li>Customer value &amp; engagement</li> </ul>	100%
Employees (including Key Managerial Personnel)	4**	<ul style="list-style-type: none"> <li>Anti-bribery and Anti-Corruption Compliance</li> <li>Doing the Right Thing- Integrity</li> <li>Safeguarding Access to P&amp;G Systems (Information Security)</li> <li>Introduction to Phishing (Information Security)</li> </ul>	100%

\* Various topics discussed at Board & Committee meetings, and other connects held from time to time.

\*\* Above cover the system-monitored mandatory web-based trainings deployed to all employees. Apart from the above, there are various other virtual and in-person trainings conducted from time-to-time to relevant employees, based on functions, new-joiners etc. on various topics such as World-wide Business Conduct Manual, Prevention of Sexual Harassment, Data Privacy, Anti-bribery, Anti-Trust Compliances etc.

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year [Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website]

During the Financial Year, there were no material fines/penalties punishment / award / compounding fees/ settlement amount paid (either monetarily or non-monetarily) as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.

#### 3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	Not Applicable

#### 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes, the Company has an anti-bribery Policy. The Company's anti-bribery policy prohibits bribes to government officials and employees everywhere we do business. The Policy also prohibits allowing an

external party to do so on the Company’s behalf. The Company conducts regular trainings for employees in order to create awareness of the anti-bribery policy. The anti-bribery policy is hosted on the Company intranet. Details of the anti-bribery policy forms part of Company’s WBCM, which is available at <https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/>.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption**

	2022-23	2021-22
Directors	Nil	Nil
KMP	Nil	Nil
Employee	Nil	Nil
Worker	Nil	Nil

**6. Details of complaints with regard to conflict of interest**

	2022-23		2021-22	
	Number	Remark	Number	Remark
In relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
In relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest-** Not Applicable

**PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

	2022-23	2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	As the Company avails benefits of research and development of The Procter & Gamble Company, USA and its subsidiaries across the globe, the Company has not incurred any expenditure on research and development specific to technologies to improve the environmental and social impacts of product during the Financial Year. The Company from time to time spends on energy efficient equipment, such as energy efficient pumps, energy efficient lighting etc. During the Financial Year, spend towards such equipment have not been substantial vs. total capital expenditure of the Company.
Capex	Nil	Nil	

**2. a. Does the entity have procedures in place for sustainable sourcing?**

The Company has a ‘Responsible Sourcing Expectations for External Business Partners’ which shares expectations with our external business partners on various ESG parameters, including, *inter alia*, legal compliance, respecting human rights, no child labor, no discrimination, environmental sustainability, prevention of bribery & corruption. Further, based on risk relevance of the nature of business or operations of the Supplier, certain assessments are undertaken, such as EcoVadis sustainability assessment or Sedex Members Ethical Trade Audit (SMETA).

**b. If yes, what percentage of inputs were sourced sustainably?**

100% of the Company’s suppliers are covered under Company’s ‘Responsible Sourcing Expectations for External Business Partners’. Based on risk relevance of the nature of business or operations of the Supplier, certain suppliers are required to undertake assessments, such as EcoVadis sustainability assessment or Sedex Members Ethical Trade Audit (SMETA).

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life:**

The Company's waste management processes are in line with relevant rules and regulations in respect of waste management.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Extended Producer Responsibility (EPR) is applicable to the Company and the Company has submitted the waste collection plan in line with the Extended Producer Responsibility (EPR) plan to Pollution Control Board.

**PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains**

**1. a. Details of measures for the well-being of employees**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees (other than workers)</b>											
Male	163	163	100%	163	100%	N.A.	N.A.	163	100%	163	100%
Female	59	59	100%	59	100%	59	100%	N.A.	N.A.	59	100%
<b>Total</b>	<b>222</b>	<b>222</b>	<b>100%</b>	<b>222</b>	<b>100%</b>	<b>59</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>222</b>	<b>100%</b>
<b>Other than Permanent employees</b>											
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**b. Details of measures for the well-being of workers**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	1075	1075	100%	1075	100%	-	-	1075	100%	1075	100%
Female	110	110	100%	110	100%	110	100%	-	-	110	100%
<b>Total</b>	<b>1185</b>	<b>1185</b>	<b>100%</b>	<b>1185</b>	<b>100%</b>	<b>110</b>	<b>-</b>	<b>1075</b>	<b>-</b>	<b>1185</b>	<b>100%</b>
<b>Other than Permanent workers*</b>											
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\*Other than permanent workers\* are workers engaged through third-party contractors, and their well-being is managed through contractual terms & conditions with the third-party contractors.

## 2. Details of retirement benefits, for Current and Previous Financial Year

Benefits	2022-23			2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
<b>Provident Fund</b>	100%	100%	Yes	100%	100%	Yes
<b>Gratuity</b>	100%	100%	N.A.	100%	100%	N.A.
<b>Employees' State Insurance</b>	Nil	7%	Yes	Nil	9.50%	Yes

## 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard**

We recognize the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016 and are taking steps to support the needs of individuals with disabilities. Our Company has implemented various measures to provide accessible infrastructure, including ramps, wheelchair access, braille signages at meeting rooms and elevators, fire hooter and flasher integrated with fire alarm system, automated sliding doors, height adjustable workstations, reserved accessible parking for persons with disabilities etc. We believe that accessibility is an essential aspect of social responsibility and are persistent in our efforts to create an inclusive environment for everyone.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

The Company's WBCM sets forth that the Company is committed to providing equal opportunities in employment. The WBCM prohibits employees from engaging in any form of unlawful discrimination. The WBCM requires to follow all anti-discrimination laws, and that in the employment decisions (such as recruiting, hiring, training, salary and promotion), one must not discriminate against individuals on the basis of disability, race, color, gender, age, national origin, religion, sexual orientation, gender identity, gender expression, marital status, citizenship, veteran status, HIV / AIDS status or any other legally protected factor.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes
Permanent Workers	The WBCM sets out several ways employees and others may report concerns, including via The Worldwide Business Conduct Helpline which is available via telephone, email, or web reporting around the world 24 hours a day, seven days a week. It is staffed by an independent company and can take calls in most languages. Reports of actual or suspected violations may also be made anonymously, where allowed by applicable law.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

## 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees	222	Nil	Nil	213	Nil	Nil
- Male	163	Nil	Nil	155	Nil	Nil
- Female	59	Nil	Nil	58	Nil	Nil
Total Permanent Workers	1185	76	6.41%	1155	99	8.57%
- Male	1075	71	6.60%	1031	91	8.83%
- Female	110	5	4.55%	124	8	6.45%

## 8. Details of training given to employees and workers

Category	2022-23					2021-22				
	Total	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (F/D)	No. (F)	% (F/D)
<b>Employees (other than workers)</b>										
- Male	163	163	100%	163	100%	155	155	100%	155	100%
- Female	59	59	100%	59	100%	58	58	100%	58	100%
Total	<b>222</b>	<b>222</b>	<b>100%</b>	<b>222</b>	<b>100%</b>	<b>213</b>	<b>213</b>	<b>100%</b>	<b>213</b>	<b>100%</b>
<b>Workers</b>										
- Male	1075	1075	100%	1075	100%	1031	1031	100%	1031	100%
- Female	110	110	100%	110	100%	124	124	100%	124	100%
Total	<b>1185</b>	<b>1185</b>	<b>100%</b>	<b>1185</b>	<b>100%</b>	<b>1155</b>	<b>1155</b>	<b>100%</b>	<b>1155</b>	<b>100%</b>

## 9. Details of performance and career development reviews of employees and worker

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
- Male	163	163	100%	155	155	100%
- Female	59	59	100%	58	58	100%
<b>Workers</b>						
- Male	1075	1075	100%	1031	1031	100%
- Female	110	110	100%	124	124	100%

## 10. Health and safety management system

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, we have a robust occupational health and safety management system which covers all employees and workers of the Company, and external parties, who work at or visit the Company's sites.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company is committed to having safe and healthy operations around the world to protect the life and health of its employees and the community surrounding its operations, to protect its assets, to ensure business continuity and to engender public trust.

On a routine basis, the Company ensures that health, safety & environmental required tests, inspections and monitoring of devices, equipment, process systems, and facility systems are conducted per the required frequencies and procedures. We also ensure that results are assessed for potential risks and, if necessary, a remedial plan and schedule are developed.

On non-routine basis, the Company ensures appropriate health, safety & environmental risk assessments, studies, classifications, and clearances are completed by appropriately trained or qualified persons before commissioning. We also ensure appropriate measures, including engineering and administrative controls, have been incorporated in the design and construction of facilities and operating systems to meet legal requirements and protect employees, the community and the environment from physical, health and environmental hazards.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, the WBCM of the Company expects every employee who becomes aware of, or suspects, any unsafe working conditions or other safety issues, to report the situation to the employee’s manager or respective site safety leader or legal immediately. Adequate measures are taken to mitigate any work-related hazards.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, employees and workers of the Company have access to non-occupational medical and healthcare services.

**11. Details of safety related incidents:**

Safety Incident/Number	Category	2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employee	Nil	Nil
	Worker	Nil	Nil
Total recordable work-related injuries	Employee	Nil	Nil
	Worker	Nil	1
No. of fatalities	Employee	Nil	Nil
	Worker	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employee	Nil	Nil
	Worker	Nil	Nil

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace**

We are committed to promoting respect of our employees in the workplace, ensuring workplace health and safety, and ensuring fair employment practices. Accordingly, we are committed to the highest standards of safety to protect ourselves, our employees and external parties who work at or visit our sites. All P&G employees must follow safety and security procedures, as well as applicable laws and regulations. If employees are aware of, or suspect, any unsafe working conditions or other safety issues, they must report the situation to their manager, site safety leader or Legal immediately. If there are any concerns about health at work, the employee must promptly contact their site Health Services (Medical) unit.

**13. Number of complaints on the following made by employees and workers**

	2022-23			2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

\* The Company has in place a compliance monitoring tool for assessing compliances with respect to various laws. Further, the company sites also go through extensive H&SE internal audits, periodically.

**14. Assessments for the year**

	% of your plants and offices that were assessed * (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions-** Not applicable

**PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders**

**1. Describe the processes for identifying key stakeholder groups of the entity**

Groups which are impacted or are likely to be impacted by the business operations of the Company or which impact or are likely to impact the business operations of the Company, are identified as key stakeholders of the Company. Key stakeholders identified by the Company are its employees, shareholders, consumers, customers, health care professionals, suppliers & value chain partners, government & regulatory bodies and community, at large.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>Regular organizational engagements (in-person &amp; virtual)</li> <li>Email</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Employee engagement activities</li> <li>Learning and development</li> <li>Employee recognition</li> <li>Employee performance review and career development</li> <li>Employee safety and well-being</li> </ul>
Shareholders / Investors	No	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Postal ballots/e-voting</li> <li>Website updates</li> <li>Newspaper notices</li> <li>Email</li> </ul>	Annual Event based Event based Ongoing Event based	<ul style="list-style-type: none"> <li>Engagement with management on business performance &amp; strategy</li> <li>Seeking approval on resolutions</li> <li>Disclosure of information</li> <li>Resolution of share related grievances</li> </ul>
Consumer	No	<ul style="list-style-type: none"> <li>Advertisements on various media (TV, Social media, newspaper etc.)</li> <li>Website</li> <li>Email</li> <li>Phone</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Awareness of Company's products</li> <li>Seeking consumer feedback</li> <li>Resolution of consumer queries / complaints</li> </ul>



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> <li>Email</li> <li>Phone</li> <li>Market visits and In-person meetings</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Distribution of goods</li> </ul>
Healthcare professionals & pharmacies	No	<ul style="list-style-type: none"> <li>Visits by sales executives, Round table discussions, pharmacist meetings, etc.</li> </ul>	Regular	<ul style="list-style-type: none"> <li>Detailing of Company' products</li> </ul>
Suppliers & value chain partners	No	<ul style="list-style-type: none"> <li>Email</li> <li>Phone</li> <li>Supplier portal- website</li> <li>Meetings</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Sourcing related discussions</li> <li>Conducting third-party risk assessment for engaging suppliers</li> </ul>
Government & Regulatory bodies	No	<ul style="list-style-type: none"> <li>In-person meetings</li> <li>Advocacy through Trade Associations</li> <li>Email</li> <li>Statutory filings (electronic physical filing)</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Advocacy on proposed laws and policies impacting business &amp; operations</li> <li>Various applications, incl. licenses etc.</li> <li>Statutory compliances</li> </ul>
Community	Yes	<ul style="list-style-type: none"> <li>Connects via NGO partners</li> <li>On-ground field visits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>CSR activities</li> <li>Equality &amp; Inclusion objectives</li> </ul>

**PRINCIPLE 5 - Businesses should respect and promote human rights**

Respect for Human Rights is fundamental to the way we manage our business. Our Human Rights Policy Statement communicates our support for the UN Guiding Principles on Business and Human Rights, which respects and honors the principles of internationally recognized human rights consisting of those rights expressed in the International Bill of Human Rights (i.e., Universal Declaration of Human Rights and the International Covenants on Economic, Social and Cultural Rights, and Civil and Political Rights) and the principles concerning fundamental rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, namely: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment. These fundamentals are set forth in the Company’s WBCM.

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity**

Category	2022-23			2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (D)	No. of employees / workers covered (e)	% (E / D)
<b>Employees (other than workers)</b>						
Permanent	222	222	100%	213	213	100%
Other than permanent	-	-	-	-	-	-
Total Employees	222	222	100%	213	213	100%
<b>Workers</b>						
Permanent	1185	1185	100%	1155	1155	100%
Other than permanent	-	-	-	-	-	-
Total Employees	1185	1185	100%	1155	1155	100%

Note: All employees of the Company are trained on the expectations under the Worldwide Business Conduct Manual. Additionally, WBCM compliance certifications are obtained from all Managers of the Company annually.

## 2. Details of minimum wages paid to employees and workers

Category	2022-23					2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (c)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees (other than workers)</b>										
Permanent	222	Nil	Nil	222	100%	213	Nil	Nil	213	100%
Male	163	Nil	Nil	163	100%	155	Nil	Nil	155	100%
Female	59	Nil	Nil	59	100%	58	Nil	Nil	58	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
Permanent	1185	Nil	Nil	1185	100%	1155	Nil	Nil	1155	100%
Male	1075	Nil	Nil	1075	100%	1031	Nil	Nil	1031	100%
Female	110	Nil	Nil	110	100%	124	Nil	Nil	124	100%
Other than Permanent*	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

\* 'Other than permanent workers' are workers engaged through third-party contractors, and their wages are managed by the third-party contractors, who are contractually obligated to comply with legal requirements, including compliance in respect of wages.

## 3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (₹ In Lakhs)	Number	Median remuneration / salary / wages of respective category (₹ In Lakhs)
Board of Directors (BoD)	5	69	2	22
Key Managerial Personnel <sup>^</sup>	2	193	1	13
Employees	163	6	59	6
Workers	1075	5	110	5

<sup>^</sup> Includes Managing Director, Company Secretary and Chief Financial Officer

## 4. Do you have a focal point responsible for addressing human rights impacts or issues caused or contributed to by the business?

At P&G, respect for Human Rights is fundamental to the way we manage our business. We support the U.N. Guiding Principles for Business and Human Rights which respects and honors the principles of internationally recognized human rights, including:

- Those rights expressed in the International Bill of Human Rights (i.e., Universal Declaration of Human Rights and the International Covenants on Economic, Social and Cultural Rights and Civil & Political Rights)
- The principles concerning fundamental rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

We are committed to doing the right thing by respecting human rights in every aspect of our business operations. We embrace this commitment and responsibility of ensuring that human rights are upheld all along our end-to-end value chain, which in turn encompasses our stakeholders, particularly our employees, our consumers, the communities where we do business, and our business partners.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The WBCM sets out several ways employees and others may report concerns, including via The Worldwide Business Conduct Helpline which is available via telephone, email, or web reporting around the world 24 hours a day, seven days a week. It is staffed by an independent company and can take calls in most languages. Reports of actual or suspected violations may also be made anonymously, where allowed by applicable law.

**6. Number of Complaints on the following made by employees and workers**

	2022-23			2021-22		
	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Sexual harassment	3	Nil	-	1	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child labour	Nil	Nil	-	Nil	Nil	-
Forced labour / Involuntary labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

P&G does not tolerate any form of retaliation against any person who reports a suspected violation in good faith. In addition, no one who participates or cooperates honestly and completely in the investigation of a report will be subject to retaliation for doing so. Anyone who retaliates against a person for making a good faith report or for participating in the investigation of a report would be subject to disciplinary action, which may include termination. Further information is contained in the WBCM and our global Anti-Retaliation Policy available to all employees.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Human Rights requirements, such as prohibition of use of Child labour or bonded labour, form part of various business agreements.

**9. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company has in place a compliance monitoring tool for assessing compliances with respect to various laws. Further, the company sites also go through extensive H&SE internal audits, periodically.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments:** Not Applicable

**PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment**
**1. Details of total energy consumption (in Joules or multiples) and energy intensity**

Parameter	2022-23	2021-22
Total electricity consumption (A)	46140 GJ	49964 GJ
Total fuel consumption- Renewable sources (B)	49712 GJ	50523 GJ
Total fuel consumption- Non-Renewable sources (C)	4531 GJ	4375 GJ
Energy consumption through other sources (D)	-	-
<b>Total energy consumption (A+B+C+D)</b>	<b>100383 GJ</b>	<b>104862 GJ</b>
Energy intensity per rupee of turnover (GJ/₹ Lakhs) (Total energy consumption / turnover)	0.83	0.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any-**

Not applicable, as the Company does not fall in the category of industries mandated under PAT scheme.

**3. Provide details of the following disclosures related to water**

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	216398	232356
(iii) Third party water (Municipal water)	3279	3573
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>219677</b>	<b>235929</b>
Total volume of water consumption (in kilolitres)	<b>219677</b>	<b>235929</b>
Water intensity per rupee of turnover Water withdrawn (Kl) / turnover (₹ lakhs)	1.82 Kl per ₹ lakhs	2.16 Kl per ₹ lakhs

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No.

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation**

No, however the Company continuously strives to achieve water efficiency.

**5. Please provide details of air emissions (other than GHG emissions) by the entity**

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx	N.A.	Nil	Nil
SOx	SO2 kg/hour	0.41	0.59
Particulate matter (PM)	mg/Nm <sup>3</sup>	169.86	238.89
Persistent organic pollutants (POP)	N.A.	Nil	Nil
Volatile organic compounds (VOC)	N.A.	Nil	Nil
Hazardous air pollutants (HAP)	N.A.	Nil	Nil
Others – please specify	N.A.	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

## 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Unit	2022-23	2021-22
Total Scope 1 emissions	Tons	374	363
Total Scope 2 emissions	Tons	Nil*	Nil*
Total Scope 1 and Scope 2 emissions per rupee of turnover	Tons per ₹ lakhs	0.00	0.00

\*The Company's Scope 2 GHG emissions are Nil due to the purchase of RECs (Renewable Energy Credits).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

## 7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

We have an ambition to reduce Green House Gas (GHG) emissions across our operations. The Company will continue to strive in its efforts towards this ambition.

## 8. Provide details related to waste management by the entity

Parameter	2022-23	2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	48.05	59.00
E-waste (B)	Nil	1.38
Bio-medical waste (C)	0.98	0.97
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any (G)		
Used MS Drums	45.00	42.00
HDPE Drums /cnt	10.17	9.80
Gelatin waste	50.53	63.20
Residue/ Forerun	Nil	59.14
Resin	1.52	Nil
Other Non-hazardous waste generated (H). Please specify, if any.		
Paper carton	98.39	167.60
Wood/Garbage	45.89	118.04
Glass waste	38.47	86.00
Total (A + B + C + D + E + F + G + H)	339.0	607.13

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	2022-23	2021-22
(i) Recycled*	338.02	606.16
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	338.02	606.16

Parameter	2022-23	2021-22
<i>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</i>		
Category of waste		
(i) Incineration	0.98	0.98
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations (Coproducting)	Nil	Nil
Total	0.98	0.98

\* Waste sent to Government approved vendors for purpose of recycling

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes**

Within our operations, we strive to grow responsibly and continuously improve our efficiency while reducing our carbon footprint.

Company's plant site at Goa is a zero-manufacturing-waste-to-landfill site, which means that no manufacturing waste is discharged into the environment. The Company continues to be compliant with the government's Extended Producer Responsibility (EPR) guidelines on plastic packaging waste collection.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details**

Sr no	Location of operations/offices	Types of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances**

Yes, the Company is compliant with applicable environmental law, regulations and guidelines in India.

**PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

1. **a. Number of affiliations with trade and industry chambers/ associations** - The Company is affiliated with 4 (four) trade and industry chambers/associates.
- b. List the top trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
1	The Advertising Standard Council of India (ASCI)	National
2	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3	The Organization of Pharmaceutical Producers of India (OPPI)	National
4	Indian Society Clinical Research (ISCR)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities-** Not applicable

**PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

The WBCM sets out several ways employees and others may report concerns, including via The Worldwide Business Conduct Helpline which is available via telephone, email, or web reporting around the world 24 hours a day, seven days a week. It is staffed by an independent company and can take calls in most languages. Reports of actual or suspected violations may also be made anonymously, where allowed by applicable law.

The link to the Worldwide Business Conduct Manual is <https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/>.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers**

	2022-23
Directly sourced from MSMEs / small producers	12.84%
Sourced directly from within the district and neighboring districts	49.61%

**PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

Our Purpose is to provide branded products of superior quality and value that improve the lives of the consumers, now and for generations to come.

The Company has well-established consumer relations mechanism to address consumer complaints and feedback. Consumers can contact the Company through various mediums such as-

- Phone – 1800-202-1364 or +91 22-24942113
- Email- [Consumer Contact Email](#)
- WhatsApp chat
- Link- [Consumer Contact WhatsApp](#)
- or
- QR code-



**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and/or safe disposal – 100%**

The Company ensures compliance with legally mandated disclosure of information on product, across all products, including information on environmental and social parameters relevant to the product, safe and responsible usage, recycling or safe disposal, wherever relevant.

**3. Number of consumer complaints in respect of the following**

	2022-23		2021-22	
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil
Other – Product quality / performance, offers & promotions etc.	142	Nil	286	Nil

**4. Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

Yes, P&G has a robust framework and policies on information security which cover risks related to cyber security. The Company also has detailed framework and policies on risks related to data privacy.



Various policies, standards, guidelines, and control requirements for cyber security and data privacy are communicated to employees on the Company's intranet site. The Company also undertakes trainings and awareness programs for employees on cyber security and data privacy. Yes, P&G has a robust framework and policies on information security which cover risks related to cyber security. The Company also has detailed framework and policies on risks related to data privacy. Various policies, standards, guidelines, and control requirements for cyber security and data privacy are communicated to employees on the Company's intranet site. The Company also undertakes trainings and awareness programs for employees on cyber security and data privacy. Details of P&G's privacy policy can be viewed at <https://privacypolicy.pg.com/en/>.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services**

Not applicable, as there were no incidents or penalties/regulatory action levied in respect of issues pertaining to delivery of essential services; advertising; cyber security and data privacy of customers; re-occurrence of instances of product recalls; or product safety during the financial year 2022-23.

## ANNEXURE II

## CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

## [Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**Brief outline of the Company's CSR policy**

The Company continued to channelize its CSR efforts towards building a Healthier India with its CSR umbrella program - 'SEHAT' (meaning Health).

With SEHAT, our aspiration is to make a sustainable impact to Public Health in India. Projects under SEHAT include, but are not limited to preventive health, community health and public health interventions; health awareness, screening, and education; financial support for healthcare needs of marginalized & underprivileged communities; capability-building of healthcare professionals, healthcare infrastructure and healthcare assistance.

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/>

**Brief details of the CSR activities undertaken by the Company during the Financial Year are as follows:****(1) Public Health Scholarship Program – In partnership with Public Health Foundation of India (PHFI)**

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) supporting 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 Indian Institute of Public Health.

**(2) Swasthya Sakhi Program – In partnership with Public Health Foundation of India (PHFI)**

The Company's Maternal & Child Health Community Project 'Swasthya Sakhi' (Health companions) - contributing to access to affordable screening, diagnostics & digital health-continued to take point-of-care diagnostics to remote and underserved locations in Uttar Pradesh, Goa and Madhya Pradesh. Under this project, Swasthya Sakhis, selected by PHFI

from the District Communities are empowered with PHFI's technological innovation 'Swasthya Sahayak' - a portable/backpack sized point-of-care information gathering & diagnostic tool.

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. The tests which can be conducted using Swasthya Sahayak include blood pressure, body temperature, pulse oximeter, urine protein and sugar, blood hemoglobin, blood sugar and pregnancy test. Swasthya Sahayak also contains decision support tools to enable users to deliver quality recommendations for achieving better health.

**(3) 'Gift of Health' Program (Children) – In partnership with Catalysts for Social Action**

With the objective of supporting health needs of children under institutional care, the Company continued its 'Gift of Health' program with 'Catalysts for Social Action' as it's 'Healthcare Partner' to provide health and hygiene support to children residing at 56 Child Care Institutions across Maharashtra, Madhya Pradesh, Odisha, and Goa. Activities held during the Financial Year 2022-23 include regular health check-up camps, distribution of hygiene kits and sanitary napkins, and awareness sessions on good hygiene and dental care practices. Preventive healthcare & personal hygiene training on dental, skin and general health & hygiene were conducted for these children.

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

The Company continued to support HelpAge India's Mobile Healthcare Unit (MHU) which provides healthcare treatment to the disadvantaged elderly. During the year, MHUs were deployed at Assam, Madhya Pradesh and Orissa.

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

In its fourth consecutive year, the Company's employees across India joined the Country in celebrating 'Daan Utsav' (a national celebration

of festival of Giving celebrated every year from 2<sup>nd</sup> to 8<sup>th</sup> October, marking the birth anniversary of Mahatma Gandhi) to engage in different acts of 'giving'.

In 2022-23, employees were encouraged to express their gratitude and indulge in different acts of giving for the week. The Company donated to HelpAge India's community outreach health initiative to provide essential Primary Health Services to disadvantaged elderly. With this project, Company helped support 3 Mobile Healthcare Units in Assam, Madhya Pradesh and Orissa to provide healthcare services for elderly at their doorstep for 3 months.

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

Continuing our initiative to upgrade school infrastructure in villages around Company's manufacturing site in Goa, the Company supported the construction of 6 new classrooms at St. Joseph's High School in Usgao Village, enabling access to state-of-the-art digital infrastructure to students. Along with the school infrastructure project, school kits were also distributed to the needy students from 15 schools around the Company's plant.

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

The Company is committed to sustainable waste management through a first-of-its-kind partnership with Lakshya and Recycle India Foundation for sustainable pharmacy waste segregation and management project. This year, the project was extended to 100 pharmacies across 5 cities - Noida, Kolkata, Patna, Coimbatore and Hubli. The program promoted sustainable waste management practices through an on-ground awareness campaign for pharmacy owners and their staff on the need and appropriate methods of segregation, disposal, and recycling of waste material in a responsible manner.

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

The Company is committed towards encouraging more and more women to pursue a career in healthcare through efforts in the area of recruitment, career planning and development, inclusion and safety. Towards continuing this

cause, the Company in partnership with the Center for Civil Society extended its scholarship and mentoring program to deserving girl students pursuing courses in pharmacy from 3 pharmacy colleges in Maharashtra & Telangana.

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

In collaboration with Apnalaya, the Company's Maternal and Newborn Health program aims to strengthen antenatal care services through the use of technology for early identification of pregnancies and high-risk cases to ensure they receive timely care and support. Active across 8 government Health Posts in Mumbai, Arogya Sakhis are working in collaboration with Government health workers to support the beneficiaries through screening for high-risk pregnancies, education on maternal health and nutrition, and encouraging timely utilization of antenatal care and post-natal care services provided at government healthcare providers.

**(10) 'Yes to Poshan' Program – In partnership with Tata Education and Development Trusts**

The Company's 'Yes to POSHAN' program in collaboration with Tata Trusts continued to promote dietary diversity and address challenges of limited diet or age-inappropriate diet amongst Pregnant and Lactating Women, and children of less than 2 years of age. Interventions include a five-fold behavior change campaign, surveys, growth monitoring, and capacity building of Anganwadi workers and 'Poshan Sakhis' to promote dietary diversity of Pregnant & Lactating Women and children, over a period of 3 years. Additionally, participatory learning and action initiatives are also being rolled out to women in the reproductive age group. This year we also launched a special nutritional recipe book for pregnant women.

In recognition of our impact on Public Health, in the year 2022-23, the Company's SEHAT bagged 2 Awards at the 7<sup>th</sup> edition of CSR summit - Award for 'Best CSR Impact Award' and 'Best Innovative CSR Project Award;' and a Silver Award for the 'Best Public Health Initiative of the Year' at the 8<sup>th</sup> edition of India Health & Wellness Awards 2022.

Company's 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 during the year:

Name of the Director	Designation	Number of meetings of CSR Committee held during the tenure	Number of meetings of CSR Committee attended during the tenure
Mr. Suresh N. Talwar	Chairman	2	2
Mr. Milind Thatte	Member	2	2
Mr. Amit Gupta*	Member	1	1
Mr. Lokesh Chandak*	Member	1	1

\* Mr. Amit Gupta ceased to be member of the Corporate Social Responsibility Committee effective March 31, 2023 and Mr. Lokesh Chandak was inducted as member of the Corporate Social Responsibility Committee effective April 1, 2023.

- 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- **The Company conducts internal assessments to monitor and evaluate its CSR programs. The requirement of impact assessment report is not applicable to the Company for the Financial Year 2022-23.**
- 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- **Not Applicable**
- Average net profit of the company for last three Financial Years – ₹ **280.96 Crores**
- Prescribed CSR expenditure (2% of amount as in item 3) – ₹ **5.62 Crores**
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **Nil**
  - Amount required to be set off for the Financial Year- **Nil**
  - Total CSR obligation for the financial year (a+b-c) - ₹ **5.62 Crores**
- 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 –
  - Amount available for set off - ₹ **0.05 Crores**
  - Amount required for set off for Financial Year - **Nil**
- Details of CSR spent during Financial Year:
  - Total amount to be spent for the Financial Year – ₹ **5.62 Crores**
  - Amount unspent, if any – ₹ **0.90 Crores**
  - Total Amount transferred to Unspent CSR Account as per section 135(6)- ₹ **0.90 Crores**
  - Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)- **Not applicable**

**7. Manner in which the amount spent during the financial year as detailed below (ongoing projects):**

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 areas or others (2) Specify State & district where projects programs were undertaken	Project Duration	Amount allocated for the project (in ₹ Crores)	Amount spent on the projects or programs Total (₹ Crores)	Amount transferred to Unspent CSR Account of the project as per Section 135(6) for the Companies Act, 2013 (in ₹ Crores)	Mode of Implementation : Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name and CSR Registration number.
1	Gift of health (Elderly)	Healthcare	No	Chennai, Tamil Nadu and Guwahati, Assam	2 years	0.56	0.03	0.52	No	Helpage India CSR00000901
2	'Maternal and Newborn Health' for the urban poor in partnership with Apnalaya	Healthcare	Yes	Mumbai, Maharashtra	2 years	0.59	0.32	0.27	No	Apnalaya CSR000003515
3	Yes to Poshan – a nutrition project in partnership with TATA Trust	Healthcare	No	NTR district, Andhra Pradesh	2 years	0.44	0.33	0.11	No	TATA Trust CSR000003775

Note: Amount of ₹ 1.59 Crores was disbursed to above mentioned NGO's for ongoing projects during the FY 2022-23, out of the same, amount of ₹ 0.09 Crores was transferred to the unspent CSR Account as same remained unutilized at the end of the Financial Year, as per Section 135(6) of the Companies Act, 2013.

8. Details of CSR amount spent againstst other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹ Crores).	(7) Mode of implementation on - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	P&G Public Health Scholarship Program (with Public Health Foundation of India)	Education	No	Gujarat, Telangana, Delhi, Odisha	Delhi, Gandhi Nagar, Hyderabad, Bhubaneswar	0.30	No	Public Health Foundation of India	CSR000001071
2	Women in Healthcare Scholarship	Education	No	Maharashtra, Telangana	Mumbai, Pune, Hyderabad	0.08	No	Center for Civil Society	CSR000001802
3	Upgradation of village school infrastructure	Education	Yes	Goa	Ponda	0.26	No	Round Table India Trust	CSR000000895
4	PHC Cares - Sustainable pharmacy waste segregation and management'	Sustainability	No	Delhi, West Bengal, Bihar, Karnataka, Tamil Nadu	Delhi, Patna, Kolkata, Hubballi, Coimbatore	0.47	No	Lakshya a society for Social and Environmental Development	CSR00018054
5	Gift of health (Children)	Healthcare	No	Maharashtra, Madhya Pradesh, Odisha, Goa	Pune, Aurangabad, Indore, Bhubaneswar etc	0.45	No	Catalyst for Social Action	CSR000002803
6	Swasthya Sakhi Project (with Public Health Foundation of India)	Healthcare	No	Uttar Pradesh, Goa, Madhya Pradesh	Vidisha, Sitapur, South Goa	2.15	No	Public Health Foundation of India	CSR000001071
7	Daan Utsav	Healthcare	No	Madhya Pradesh, Orissa, Assam	Khandwa, Puri, Guwahati	0.30	No	HelpAge India	CSR000000901
<b>TOTAL</b>						<b>4.00</b>			

9. a. Amount spent in Administrative Overheads – ₹ **0.02 Crores**  
 b. Amount spent on Impact Assessment, if applicable – **Not applicable**  
 c. Total amount spent for the Financial Year (d+e+f) – ₹ **5.62 Crores**  
 d. Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹ Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	<b>5.62</b>
(ii)	Total amount spent for the Financial Year	<b>5.62</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	<b>Nil</b>
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	<b>Nil</b>
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	<b>0.05</b>

10. a) Details of Unspent CSR amount for the preceding three financial years - **Nil**  
 b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) - **Nil**
11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).  
 a) Date of creation or acquisition of the capital asset(s)- **Not Applicable**  
 b) Amount of CSR spent for creation or acquisition of capital asset - **Not Applicable**  
 c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Not Applicable**  
 d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - **Not Applicable**
12. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- **Not applicable**

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

**Milind Thatte**  
**Managing Director**

**Suresh Talwar**  
**Chairman of the CSR Committee**

## ANNEXURE III

**Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**
**i. Ratio of remuneration to the median remuneration of the employees of the Company and % increase in remuneration of Directors & Key Managerial Personnel for the Financial Year:**

Name of Director	Designation	Total remuneration (₹ in lakhs)	% increase in remuneration	Ratio to median remuneration
Mr. Suresh N. Talwar	Independent Director	23.75	33%	4.24
Mrs. Rani Jadhav	Independent Director	22.00	41%	3.93
Mr. S. Madhavan	Independent Director	21.25	49%	3.80
Mr. Aalok Agrawal	Non-Executive Director	-	-	-
Mr. Milind Thatte	Managing Director	251.84	10%	45.00
Dr. Elizabeth Desmond <sup>^</sup>	Erstwhile Non-Executive Director	-	-	-
Ms. Seema Sambasivan <sup>*</sup>	Non-Executive Director	-	-	-
Mr. Amit Gupta <sup>@</sup>	Erstwhile Director & Chief Financial Officer	193.26	9%	34.57
Mr. Lokesh Chandak <sup>&amp;</sup>	Executive Director & Chief Financial Officer	69.39	-	12.41
Ms. Zeal Rupani	Company Secretary	13.20	N.A.	2.36

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.

<sup>^</sup> Dr. Elizabeth Desmond ceased to be Non-Executive Director effective March 31, 2023

<sup>\*</sup> Ms. Seema Sambasivan was appointed as Non-Executive Director effective April 1, 2023

<sup>@</sup> Mr. Amit Gupta ceased to be Executive Director & Chief Financial Officer effective March 31, 2023. Mr. Amit Gupta has exercised Stock Options of the ultimate Holding Company amounting to ₹ 41,28,900.50 under its Employee Stock Option Plan, which is included in the above-mentioned remuneration.

<sup>&</sup> Mr. Lokesh Chandak was appointed as Executive Director & Chief Financial Officer effective April 1, 2023, hence % increase in remuneration is not applicable.

**ii. The percentage increase in the median remuneration of employees in the financial year: 14%**
**iii. The number of permanent employees on the rolls of Company: 1,407 as on June 30, 2023.**
**iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average increase in the remuneration of salaries of the employees is based on a detailed performance evaluation which *inter-alia* include their performance *vis-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 14%.

**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 30<sup>TH</sup> JUNE, 2023

*[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**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Procter & Gamble Health Limited (CIN L99999MH1967PLC013726)** ("Company") for the financial year ended 30<sup>th</sup> June, 2023. 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 verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 30<sup>th</sup> June, 2023, 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 30<sup>th</sup> June, 2023 according to the provisions of:

- I. The Companies Act, 2013 ('Act') and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only as the Company has neither made any Overseas Direct Investment nor obtained External Commercial Borrowings during the audit period.

- VA. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (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 as envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit:-
- (a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; 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').
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').
- E.** We further report that,
- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
  - 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)

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

Place : Mumbai

Date : 23<sup>rd</sup> August 2023

UDIN : F010032E000851224

Peer Review Certificate No: 2404/2022

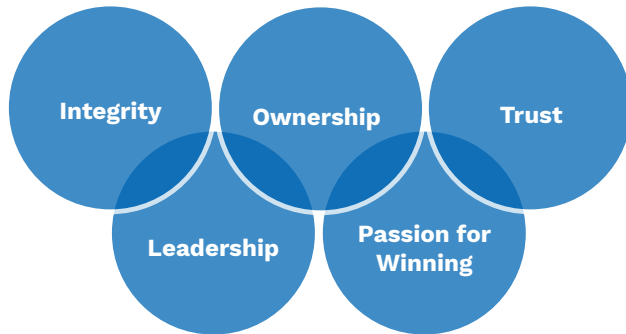
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# CORPORATE GOVERNANCE REPORT

The Board of Directors are pleased to present the Corporate Governance Report.

The Company's actions and the actions of its employees are governed by its Purpose, Values and Principles.

The Company reinforces responsibilities of observing high standards of Corporate Governance on 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. The core values of the Company are:



While the WBCM policy sets forth core global standards explaining legal & ethical responsibilities, there are detailed policies and procedures in place in respect of various expectations laid down in the WBCM.

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 Directors, with appropriate financial skills to provide good oversight. The 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. The 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.

The Company has a robust internal audit process led by the Global Internal Audit (GIA) function which consists of a team of independent fulltime Internal Controls experts.

The Company's objective is to create value for our shareholders by serving consumers, retail partners, employees and the communities in which we live and work. Our Citizenship framework is based on

key pillars of Community Impact, Equality & Inclusion and Environmental Sustainability, with a strong foundation of Ethics & Corporate Responsibility guiding everything we do.

## BOARD OF DIRECTORS, ITS COMMITTEES AND GOVERNANCE

### (a) Composition of the Board

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors. As on date, the Board comprises of a Non-Executive Independent Chairman, a Managing Director, four Non-Executive Directors (including one women Independent Director) and one Executive Director. All Directors, except the Managing Director and the Non-Executive Independent Directors, are liable to retire by rotation.

The Independent Directors are independent of the management and bring external perspective of decision making. The terms & conditions of appointment of Independent Directors are available on the website of the Company at <https://www.pghealthindia.com/investors/#letters-of-appointment>.

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

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

All Directors have confirmed that they have not been disqualified from being appointed as a Director pursuant to section 164(2) of the Companies Act, 2013.

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

The composition of the Board and summary of other Directorship(s) and Committee Membership(s) of Directors as on June 30, 2023 are given below:

Name of the Director	No. of Directorships in other companies*	Membership of Board Committees of other companies **		Directorships in other listed companies
		Member	Chairman	
Mr. Suresh N. Talwar Chairman and Independent Director	5	0	0	Nil
Mrs. Rani Jadhav Independent Director	1	1	Nil	Non-Executive Independent Director 1) Forbes & Company Limited
Mr. S. Madhavan Independent Director	7	7	4	Non-Executive Independent Director 1) Sterlite Technologies Limited 2) ICICI Bank Limited 3) Transport Corporation of India Limited 4) HCL Technologies Limited
Mr. Milind Thatte Managing Director	Nil	Nil	Nil	Nil
Mr. Lokesh Chandak* Executive Director and Chief Financial officer	Nil	Nil	Nil	Nil
Mr. Aalok Agrawal Non-Executive Director	Nil	Nil	Nil	Nil
Ms. Seema Sambasivan <sup>§</sup> Non-Executive Director	Nil	Nil	Nil	Nil

**Notes:**

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

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

# Mr. Lokesh Chandak was appointed as an Executive Director & Chief Financial Officer on the Board effective April 1, 2023.

§ Ms. Seema Sambasivan was appointed as Non-Executive Director on the Board effective April 1, 2023.

**(b) Meetings of the Board**

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

During the Financial year July 1, 2022 to June 30, 2023, six meetings of the Board of Directors were held. These meetings were held on August 29, 2022, November 11, 2022, February 05, 2023, March 17, 2023, May 15, 2023 and June 16, 2023.

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

To provide a background of Company's policies, standard of practices and other information, every Director is provided a set of Company's constitutional and policy documents, on their appointment on the Board of the Company.

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

As part of green initiative for reducing usage of papers, agenda is circulated via email, restricting the email to only Directors and Key Managerial Personal of the Company. The Company Secretary

of the Company attends all the meetings and is primarily responsible for noting of the minutes of the meeting. The draft Minutes are circulated to the Board and its Committees in compliance with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. On receipt of comments, the Minutes are entered in the books within 30 days of the Meeting.

The Company Secretary notes actionable items discussed during the meeting. The Management

reports back to the Board on the status of such items in the subsequent meeting or as needed post the meeting.

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

#### (d) Directors' attendance record

The attendance of the Directors at the Board Meetings held during the Financial Year and at the last Annual General Meeting held on November 23, 2022, 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	6	6	Yes
Mrs. Rani Jadhav	6	6	Yes
Mr. S. Madhavan	6	6	Yes
Mr. Milind Thatte	6	6	Yes
Mr. Amit Gupta*	4	4	Yes
Mr. Lokesh Chandak#	2	2	Not Applicable
Mr. Aalok Agrawal	6	6	Yes
Dr. Elizabeth Desmond*	4	3	Yes
Ms. Seema Sambasivan <sup>§</sup>	2	2	Not Applicable

\* Mr. Amit Gupta & Dr. Elizabeth Desmond ceased to be Directors of the Company effective March 31, 2023

# Mr. Lokesh Chandak was appointed as Executive Director and Chief Financial Officer of the Company effective April 1, 2023

§ Ms. Seema Sambasivan was appointed as Non-Executive Director of the Company effective April 1, 2023

#### (e) 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.

The 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 and operations. The Company also annually conducts a strategy meeting for the Board of Directors to discuss plans and updates on

Company's business, organisation and strategy. 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/#familiarisationProgramme>

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

The Company is in the healthcare industry, engaged in manufacturing and marketing of pharmaceuticals and chemicals. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

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

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

Name of Director					
Mr. Suresh N. Talwar	-	✓	-	-	✓
Mrs. Rani Jadhav	✓	-	✓	-	✓
Mr. S. Madhavan	✓	-	✓	-	✓
Mr. Milind Thatte	✓	-	✓	✓	-
Mr. Lokesh Chandak	✓	-	✓	✓	-
Mr. Aalok Agrawal	✓	-	✓	✓	-
Ms. Seema Sambasivan	-	-	✓	✓	-

**(g) Annual evaluation of the Directors and separate meeting of Independent Directors**

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

The Company has an evaluation process in place where feedback is 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, independence, structure & composition, Board oversight and effectiveness, cohesion in meetings, meeting process, flow of information etc. Performance evaluation process is led by

the Lead Independent Director based on the responses received from the Directors.

Mr. S. Madhavan was appointed as Lead Independent Director for the performance evaluation process for the Financial Year 2022-23.

The Independent Directors of the Company met separately without the presence of Non-Independent Directors or management representatives on August 11, 2023 (via video-conferencing) to review the performance of Directors individually; the Chairperson of the Company; the Board and its Committees, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The overall performance evaluation exercise was completed to the satisfaction of the Independent Directors of the Board. The key outcome of the evaluation and actionable areas were discussed at the meetings of the Nomination and Remuneration Committee and the Board and the same were noted to be acted upon.

#### (h) 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

Details of the remuneration paid or provided to the Directors of the Company for the Financial Year ended June 30, 2023 are given below:

(₹ in Lakhs)

Name of the Director	Relationship with other Directors	Salary <sup>%</sup>	Commission	Sitting Fees	Shares held (Equity Shares of ₹ 10/- each)*
Mr. Suresh N. Talwar	None	-	13.00	10.75	5914
Mrs. Rani Jadhav	None	-	13.00	9.00	-
Mr. S. Madhavan	None	-	13.00	8.25	-
Mr. Milind Thatte	None	251.84	-	-	-
Mr. Aalok Agrawal	None	-	-	-	-
Mr. Amit Gupta <sup>§</sup>	None	193.26	-	-	-
Mr. Lokesh Chandak <sup>#</sup>	None	69.39	-	-	-
Dr. Elizabeth Desmond <sup>^</sup>	None	-	-	-	-
Ms. Seema Sambasivan <sup>&amp;</sup>	None	-	-	-	-

\* Excludes shares held by relatives.

<sup>§</sup> Mr. Amit Gupta ceased to be Director of the Company effective March 31, 2023. Mr. Amit Gupta has exercised Stock Options of the ultimate Holding Company amounting to ₹ 41.28 lakhs under its Employee Stock Option Plan, which is included in the above-mentioned remuneration.

<sup>#</sup> Mr. Lokesh Chandak was appointed as Executive Director & Chief Financial Officer of the Company effective April 1, 2023.

<sup>^</sup> Dr. Elizabeth Desmond ceased to be Director of the Company effective March 31, 2023

<sup>&</sup> Ms. Seema Sambasivan was appointed as Non -Executive Director of the Company effective April 1, 2023

<sup>%</sup> Salary including Bonus and Provident fund contribution

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 with regard to the same are disclosed vide Note 35 forming part of the Financial Statements.

#### (i) Remuneration of Directors

The Independent Directors are paid sitting fees and commission to compensate for their valuable contribution to the Company owing to their wealth of experience and knowledge.

Members of the Company at their 55<sup>th</sup> Annual General Meeting held on November 23, 2022 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, 2023 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 23, 2023 approved payment of annual commission of ₹ 13 lacs to Independent Directors.

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



**(j) Related Party Transactions**

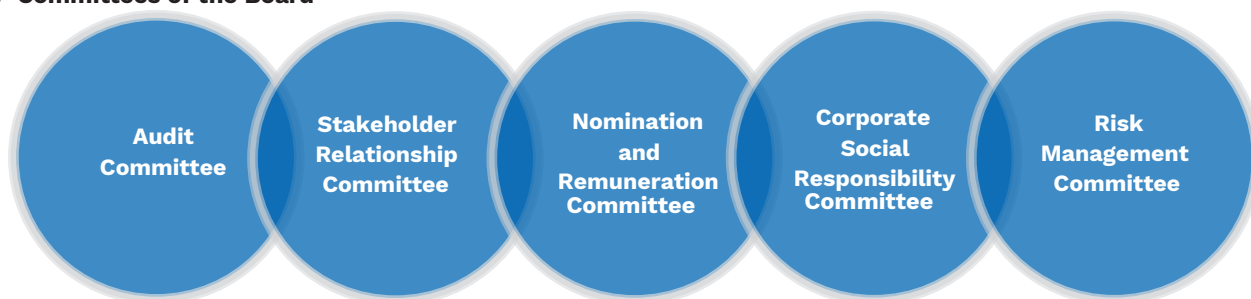
The Company has adopted Related Party Transaction Policy (‘RPT Policy’) to ensure that all Related Party Transactions entered into by the Company shall be in the best interest of the Company and in accordance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Company has amended the Related Party Transactions policy during the Financial Year. The RPT Policy is available on the Company’s website at <https://www.pghealthindia.com/investors/#policies>.

Prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive nature. All related party transactions

are reviewed by independent chartered accountant firm to ensure transactions are in ordinary course of business, at arm’s length and are in compliance with the Related Party Transactions Policy of the Company. All related party transactions are placed before the Audit Committee for quarterly review.

There are no material pecuniary relationships / significant transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 37 forming part of the Financial Statements.

**(k) Committees of the Board**



**Audit Committee**

The Audit Committee presently comprises of Mr. Suresh N. Talwar (Chairman), Mrs. Rani Jadhav (Member), Mr. S. Madhavan (Member) and Mr. Milind Thatte (Member). During the Financial Year, 5 meetings of the Audit Committee were held on August 29, 2022, November 11, 2022, February 05, 2023, March 17, 2023 and May 15, 2023.

Attendance of the Members of the Audit Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of meetings held during tenure	No. of meetings attended
Mr. Suresh N. Talwar	ID	5	5
Mrs. Rani Jadhav	ID	5	5
Mr. S. Madhavan	ID	5	5
Mr. Milind Thatte	ED	5	5

ID= Independent Director, ED = Executive Director

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

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

The terms of reference of the Audit Committee are as follows:

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

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

- xvi. Reviewing any other areas which may be specified as role of the Audit Committee under the SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other statutes, as amended from time to time.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee presently comprises of Mr. Suresh N. Talwar (Chairman), Mr. Milind Thatte (Member), Mr. S. Madhavan (Member) & Mr. Lokesh Chandak (Member). During the Financial Year, four meetings were held on August 29, 2022, November 11, 2022, February 05, 2023 and May 15, 2023.

Attendance of the Members of the Stakeholders' Relationship Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of meetings held during tenure	No. of meetings attended
Mr. Suresh N. Talwar	ID	4	4
Mr. Milind Thatte	ED	4	4
Mr. Amit Gupta <sup>#</sup>	ED	3	3
Mr. Lokesh Chandak <sup>*</sup>	ED	1	1

ID= Independent Director, ED = Executive Director

<sup>#</sup> Mr. Amit Gupta ceased to be member of Stakeholders' Relationship Committee effective March 31, 2023.

<sup>\*</sup> Mr. Lokesh Chandak was inducted as member of Stakeholders' Relationship Committee effective April 1, 2023.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. 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.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. 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
4. 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 20 complaints from Shareholders, which were resolved by the Company during the year. There were no pending complaints as on June 30, 2023.

Ms. Zeal Rupani, Company Secretary is the Compliance Officer of the Company.

### Nomination and Remuneration Committee

The Nomination & Remuneration Committee presently comprises of Mrs. Rani Jadhav (Chairperson), Mr. Suresh N. Talwar (Member) and Mr. Aalok Agrawal (Member). During the Financial Year, three meetings were held on August 29, 2022, February 05, 2023, and March 17, 2023.

Attendance of the Members of the Nomination & Remuneration Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of meetings held during tenure	No. of meetings attended
Mrs. Rani Jadhav	ID	3	3
Mr. Suresh N. Talwar	ID	3	3
Mr. Aalok Agrawal	NED	3	3

ID= Independent Director, NED = Non-Executive Director

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

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

The Company has adopted Nomination and Remuneration Policy. The Nomination and Remuneration Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Regulation 19 of the SEBI (LODR) Regulations, 2015. The Policy is designed to attract, motivate and retain leadership members in a competitive and international market. The Policy reflects the Company’s objectives for good corporate governance as well as sustained long-term value creation for shareholders. The Policy is available on the website of the Company at <https://www.pghealthindia.com/investors/>.

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

### Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee presently comprises of Mr. Suresh N. Talwar (Chairman), Mr. Milind Thatte (Member) and Mr. Lokesh Chandak (Member). During the Financial Year, two meetings were held on August 29, 2022 and May 15, 2023.

Attendance of the Members of the Corporate Social Responsibility Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of meetings held during tenure	No. of meetings attended
Mr. Suresh N. Talwar	ID	2	2
Mr. Milind Thatte	ED	2	2
Mr. Amit Gupta*	ED	1	1
Mr. Lokesh Chandak#	ED	1	1

ID= Independent Director, ED= Executive Director

\* Mr. Amit Gupta ceased to be member of the Corporate Social Responsibility Committee effective March 31, 2023

# Mr. Lokesh Chandak was inducted as member of the Corporate Social Responsibility Committee effective April 1, 2023

The terms of reference of the CSR Committee are as follows:

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

The CSR initiatives of the Company form part of the Directors' Report.

The Company has adopted a Corporate Social Responsibility Policy in lines with terms of the Companies Act, 2013, which is available on the website of the Company at <https://www.pghealthindia.com/investors/#policies>.

### Risk Management Committee

The Risk Management Committee presently comprises of Mr. Milind Thatte (Chairman), Mr. Suresh N. Talwar (Member), Mrs. Rani Jadhav (Member), Mr. S. Madhavan (Member) and Mr. Lokesh Chandak (Member). During the Financial Year under review, four meetings of the Committee were held on August 29, 2022, November 11, 2022, February 05, 2023 and May 15, 2023.

Attendance of the members of the Risk Management Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of meetings held during tenure	No. of meetings attended
Mr. Milind Thatte	ED	4	4
Mr. Suresh N. Talwar	ID	4	4
Mr. Amit Gupta <sup>§</sup>	ED	3	3
Mrs. Rani Jadhav <sup>#</sup>	ID	3	3
Mr. S. Madhavan <sup>#</sup>	ID	3	3
Mr. Lokesh Chandak <sup>®</sup>	ED	1	1

ID= Independent Director, ED= Executive Director

<sup>§</sup> Mr. Amit Gupta ceased to be member of the Risk Management Committee effective March 31, 2023

<sup>#</sup> Mrs. Rani Jadhav & Mr. S. Madhavan were inducted as members of the Risk Management Committee effective August 29, 2022

<sup>®</sup> Mr. Lokesh Chandak was inducted as member of the Risk Management Committee effective April 1, 2023

The terms of reference of the Risk Management Committee are as follows:

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

The Company has adopted a Risk Management Policy, which aims to create a standard, structured and efficient approach to identify, access and mitigate risks. The Governance Board is led by the Managing Director and comprises of Chief Financial Officer, Chief Human Resource Officer, Supply Chain Leader, General Counsel and Sales leader. The Governance Board assesses, and reviews enterprise level risks and works with process owners and functional managers to ensure that corrective action is taken, and risk is mitigated as appropriate.

### (I) Particulars of senior management of the Company as on June 30, 2023

Name of SMP	Designation
Mr. Lokesh Chandak	CFO & Finance Head
Mr. Siddhartha Vachaspati	Sales Leader
Mr. Abhijit Roy	Marketing Strategy & Planning Leader
Mr. M. Padmakar Rao	Commercial Excellence Leader
Mr. Nilesh Barbade	Distributor Operations Leader
Mr. Vijaykumar Pampana	Brand Leader
Ms. Geetha Vijaydas	Product Supply, Supply Network Organization & Planning Leader
Mr. Anit Singh	Human Resources Leader
Ms. Rajashree Potnis	Material Process Delivery Leader

Name of SMP	Designation
Mr. Sachin Pawar	Medical Leader
Mr. Ketan Kotadiya	Regulatory Affairs Leader
Mr. Balvant Joshi	Quality Leader
Ms. Paromita Kundu	Communications & CSR Leader

### (m) Succession planning

The Company believes that by integrating workforce planning with strategic business planning, the Company can put necessary financial and human resources in place so that its objectives can be met.

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. Our Board members bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. To effect the same, the Nomination and Remuneration Committee works with the Board on the Board succession plan to ensure orderly succession in appointments to the Board.

### (n) Disclosures regarding re-appointment of Directors

**Mr. Aalok Agrawal**, Non-Executive Director, retires by rotation and being eligible offers himself for re appointment at the ensuing 56<sup>th</sup> Annual General Meeting. Brief profile for Mr. Agrawal is provided below:

Mr. Agrawal is a Bachelor of Science (Physics) and an MBA from Indian Institute of Management Ahmedabad. He has been with P&G for over 25 years with leadership experience on consumer healthcare & FMCG businesses and deep mastery in diverse OTC value creation business models. He has worked in diverse cultural contexts across the globe. He is currently Sr. Vice President & General Manager, Consumer Healthcare for the Asia-Pacific, India, Middle-East & Africa region.

## COMMUNICATION TO SHAREHOLDERS

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

This Annual Report along with Notice calling the 56<sup>th</sup> Annual General Meeting for the Financial Year 2022-23 is being sent to the Members in electric form at the email address provided/ updated by the Members with the Depository Participants / Registrar & Transfer Agents, as applicable.

Members who need hard copy of the report are requested to write to the Company Secretary at [investorgrievance.im@pg.com](mailto:investorgrievance.im@pg.com). A copy of the report will be delivered to your registered address.

### (ii) Results

The quarterly results of the Company are announced within 45 days of completion of the quarter or within the time as prescribed by the Securities & Exchange Board of India. Audited Annual Results are announced within 60 days of the end of the Financial Year or within the time as prescribed by the Securities & Exchange Board of India. Financial Statements and Results were published in the Business Standard and Mumbai Lakshadeep. The Company's results and official news releases are published on Company's website: <https://www.pghealthindia.com/investors/#financial-results>.

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

Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the applicable rates. In order to enable the Company to determine the appropriate TDS rate, shareholders are requested to submit the requisite documents as and when communicated by the Company. These notices are also put up on the Company's website at <https://www.pghealthindia.com/investors/>.

### (iv) Sustainability Initiative

The Company requests its shareholders to join in its endeavor to conserve resources by updating relevant information for receiving online communication and electronic dividend payout.

### (v) Updation of PAN, KYC and Nomination details

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and circulars for extension thereafter, all the listed companies are required to record the PAN, Nomination and KYC details of all the shareholders and Bank Account details of first holder. This is applicable for all the security holders in physical mode. Shareholders holding shares in physical form with the Company are

requested to update above information with the Company, if pending. It is hereby informed that if any ONE of the above mentioned KYC details are not updated to the Company before December 31, 2023, the folios with respect to such securities shall be frozen as per the above mentioned circular.

The Company, with the help of the RTA and the depositories has dispatched several reminder letters during the year to all shareholders who have not registered their KYC and other details, requesting them to update the same. Said circulars, editable formats and reminder letters are also uploaded on Company's website at <https://pghealthindia.com/>.

As per SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 and circular for extension in deadline thereafter, Members holding shares in dematerialized form, are requested to submit their 'choice of Nomination' for their demat accounts on or before December 31, 2023.

Further, Shareholders have been requested to register their email address and mobile number for receiving intimation and regular updates from the Company.

Your Company greatly appreciates your response and assistance in this regard, to ensure security of shares of its shareholders.

#### **(vi) Share Transfer System and Dematerialization**

As per directions from the Securities and Exchange Board of India, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form effective April 1, 2019.

The transfer deed(s) lodged prior to deadline, i.e., April 1, 2019, and returned due to deficiency in the documents were allowed to be re-lodged for transfer with RTA, on or before March 31, 2022 (cut-off date) as fixed by SEBI vide circular dated September 7, 2020. No physical transfer lodgement/re-lodgement has been allowed thereafter.

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

Exchange of securities certificate; Endorsement; Transmission; Transposition, etc. For the purpose of the same, after due verification, registrar and transfer agent/issuer companies shall retain share certificates and process the service requests by issuing letter of confirmation, valid for a period of 120 days. As per the process, shareholders are required to submit their demat requests within this validity period, failing which the Company shall credit the securities to a suspense escrow demat account of the Company.

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.

#### **(vii) Alternate Dispute Redressal Mechanism**

SEBI vide its Circular No. SEBI/HO/MIRSD\_RTAMB/P/CIR/2022/76 dated 30<sup>th</sup> May, 2022 has prescribed SOPs in accordance with Regulation 40 of the SEBI (LODR) Regulations, 2015, for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents and its Shareholder(s)/ Investor(s) which are emanating from investor services.

The Company along with its RTA has made the investors aware on the availability of dispute resolution mechanism with Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited against the Company and/or its RTA. Communication in this regard was sent through email and/or SMSes to all holders who held the shares of the Company in physical form. The said SEBI Circular is also made available on the Company's website.

#### **STATUTORY COMPLIANCE**

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

## GENERAL MEETINGS

For the Year ended	Venue	Day and Date	Time	No. of Special resolutions passed
2019-20	Annual General Meetings were held through Video Conference / Other Audio Visual Means. Deemed venue for the meeting was the registered office of the Company.	Thursday, 26.11.2020	3:30 p.m.	None
2020-21		Thursday, 11.11.2021	3:30 p.m.	None
2021-22		Wednesday, 23.11.2022	3:30 p.m.	None

## POSTAL BALLOT

During the Financial Year, the following resolutions were approved by way of postal ballot mechanism:

- Description of resolution:** Resolution for re-appointment of Mr. Milind Thatte (DIN 08092990) as the Managing Director of the Company for a period of five years effective April 1, 2023.

Said resolution was passed by the Shareholders of the Company as an Ordinary Resolution with

requisite majority, through Postal Ballot on March 22, 2023. The Board of Directors had appointed Mr. Nrupang Bhumitra Dholakia, Practicing Company Secretary, Designated Partner of Dholakia & Associates LLP and in his absence Mr. Vishvesh G Bhagat, Practicing Company Secretary, Designated Partner of Dholakia & Associates LLP, to act as the scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.

The results of the postal ballot were declared on March 24, 2023. Details of the voting pattern are as under:

Particulars	No. of Votes (Physical ballots and e-voting)	Votes Cast (No. of Shares)	% of Votes
Assented to the resolution	460	1 03 78 962	98.08
Dissented to the resolution	36	2 03 380	1.92
No. of total valid Postal Ballot Forms / e-votes received	496	1 05 82 342	100.00

- Description of resolution:** Resolution for Appointment of Mr. Lokesh Chandak (DIN 10083315) as an Executive Director of the Company for a period of five years, effective April 1, 2023, liable to retire by rotation.

Said resolution was passed by the Shareholders of the Company as an Ordinary Resolution with requisite majority, through Postal Ballot on May 10, 2023. The Board of Directors had appointed Mr. Nrupang Bhumitra Dholakia, Practicing Company Secretary, Designated Partner of Dholakia & Associates LLP and in his absence Mr. Vishvesh G Bhagat, Practicing Company Secretary, Designated Partner of Dholakia & Associates LLP, to act as the scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.

The results of the postal ballot were declared on May 12, 2023. Details of the voting pattern are as under:

Particulars	No. of Votes (Physical ballots and e-voting)	Votes Cast (No. of Shares)	% of Votes
Assented to the resolution	429	1 03 90 954	98.60
Dissented to the resolution	51	1 47 303	1.40
No. of total valid Postal Ballot Forms / e-votes received	480	1 05 38 257	100.00

- 3. Description of resolution:** Resolution for Appointment of Ms. Seema Sambasivan (DIN 10085866) as a Non-Executive Director of the Company, effective April 1, 2023, liable to retire by rotation.

Said resolution was passed by the Shareholders of the Company as an Ordinary Resolution with requisite majority, through Postal Ballot on May

10, 2023. The Board of Directors had appointed Mr. Nrupang Bhumitra Dholakia, Practicing Company Secretary, Designated Partner of Dholakia & Associates LLP and in his absence Mr. Vishvesh G Bhagat, Practicing Company Secretary, Designated Partner of Dholakia & Associates LLP, to act as the scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.

The results of the postal ballot were declared on May 12, 2023. Details of the voting pattern are as under:

Particulars	No. of Votes (Physical ballots and e-voting)	Votes Cast (No. of Shares)	% of Votes
Assented to the resolution	417	1 03 70 623	98.41
Dissented to the resolution	61	1 67 616	1.59
No. of total valid Postal Ballot Forms / e-votes received	478	1 05 38 239	100.00

#### Procedure for Postal Ballot:

In compliance with Regulation 44 of SEBI (LODR) Regulations 2015, Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its Shareholders. The Company engaged the services of National Securities Depository Limited (“NSDL”) for the purpose of providing e-voting facility to all its members. The Shareholders had an option to vote either by postal ballot or through e-voting. The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its Shareholders whose names appeared on the Register of Members/list of beneficiaries as on cut-off date. The postal ballot notice was sent to Shareholders in electronic form to the email addresses registered with the depository participants/Company’s Registrar & Share Transfer Agents. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Secretarial Standards issued by the Institute of Company Secretaries of India, the Companies Act, 2013 and the Rules issued thereunder. Voting rights were reckoned on the paid up value of shares of the Company registered in the names of the Shareholders as on the cut-off date. Shareholders desiring to vote through postal ballot were requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested

to vote before the close of business hours on the last date of e-voting. The Scrutinizer submitted his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company. The results were displayed on the website of the Company at <https://www.pghealthindia.com/investors/#postal-ballot> besides being communicated to the Stock Exchanges.

No special resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

#### MD / CFO CERTIFICATION

A compliance certificate in accordance with Regulation 17(8) of the SEBI (LODR) Regulations, 2015 was provided to the Board of Directors in the prescribed format for the Financial Year 2022-23, which was reviewed by the Audit Committee and taken on record by the Board.

#### ADOPTION OF DISCRETIONARY REQUIREMENTS

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

- There are no audit qualifications in the Company’s financial statements for the Financial Year 2022-23, the Company continues to adopt best practices to ensure regime of unmodified audit opinion; and
- The Internal Auditor of the Company directly reports to the Audit Committee.
- Separation of role between Chairman and Managing Director of the Company.



## WHISTLE BLOWER POLICY

The Company is a subsidiary of The Procter & Gamble Company, USA, (“P&G US”) and has adopted P&G’s global standards and whistle blower mechanism set forth in P&G’s Worldwide Business Conduct Manual (WBCM), as Company’s Vigil Mechanism. The WBCM sets out several ways employees and others may report concerns, including via the Worldwide Business Conduct Helpline which is available via telephone, email, or web reporting around the world 24 hours a day, seven days a week. It is staffed by an independent company and can take calls in most languages. Reports of actual or suspected violations may also be made anonymously, where allowed by applicable law. The Worldwide Business Conduct Helpline is accessible to all employees. The Audit Committee oversees the vigil mechanism and cases reported along with status report and action taken (if any) are reported to the Committee. No personnel has been denied access to the Committee.

## CODE OF CONDUCT

### (i) Code of Conduct for Directors and Senior Management

The Company has in place a Code of Conduct for its Directors and Senior Management. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct and a certificate from Managing Director to that effect is annexed to this Corporate Governance Report. The Code of Conduct for Directors and Senior Management has been hosted on the Company’s website. 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/#policies>.

## GENERAL SHAREHOLDER INFORMATION

### I. Annual General Meeting

Pursuant to the circulars issued by the Ministry of Corporate Affairs and the Securities Exchange Board of India, the 56<sup>th</sup> Annual General Meeting

(AGM) will be held on **Thursday, November 30, 2023 at 3:30 p.m.** via Audio/Video Conference. Deemed Venue for Meeting shall be the Registered Office of the Company: P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai - 400 099. Weblink of the link for joining and participating in the meeting is provided in the notice convening the 56<sup>th</sup> 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/investors/#annual-general-meeting>.

### 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 24, 2023 to Thursday, November 30, 2023 (both days inclusive) for the purposes of payment of dividend for the Financial Year ended June 30, 2023, if approved by members at the above mentioned AGM.

### IV. Dividend Payment Date

On or before December 18, 2023.

### V. Total fees paid to Statutory Auditors of the Company

Total fees of ₹ 36 lakhs for Financial Year 2022-23, 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 2022-23 are as under:

Number of complaints filed during the Financial Year: 3

Number of complaints disposed of during the Financial Year: 3

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 2022-23, wherein the Board had not accepted recommendations made by any Committee of the Board.

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

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

Name of Stock Exchange	Company Scrip Code	Address of stock exchange
BSE Limited	500126	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
National Stock Exchange of India Limited	PGHL	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

### IX. ISIN Code

Dematerialisation ISIN Code: **INE199A01012**

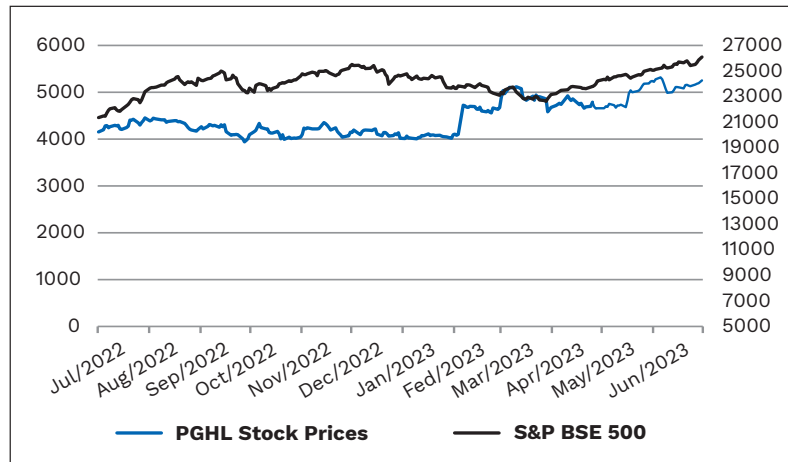
### X. Stock Price Data

Month	BSE		NSE	
	High	Low	High	Low
July -2022	4,488.00	4,194.25	4,500.00	4,102.10
August – 2022	4,489.10	4,111.00	4,491.00	4,154.10
September -2022	4,359.30	3,900.00	4,363.60	3,900.55
October – 2022	4,352.50	3,883.00	4,354.00	3,950.00
November -2022	4,378.65	4,021.40	4,380.00	4,040.05
December – 2022	4,239.95	3,886.10	4,298.00	3,870.10
January – 2023	4,178.95	3,953.00	4,140.00	3,955.10
February – 2023	4,826.20	4,050.00	4,854.45	4,060.75
March – 2023	5,240.00	4,487.50	5,249.00	4,492.80
April – 2023	4,955.00	4,595.85	4,979.90	4,625.00
May – 2023	5,280.20	4,600.00	5,281.00	4,575.00
June – 2023	5,365.60	4,958.90	5,369.00	4,954.00

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

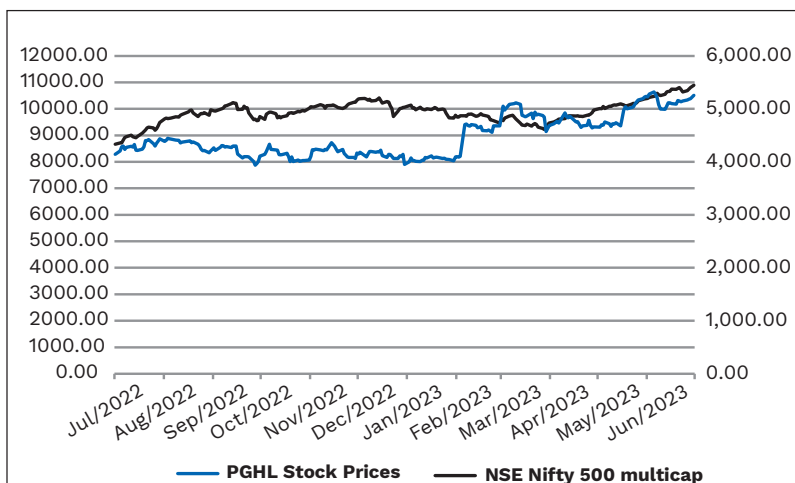
### XI. Stock Performance in comparison to the BSE Sensex and NSE Nifty

The following chart shows the performance of the Company's shares as compared to the BSE Sensex during the Financial Year 2022-23:



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

The following chart shows the performance of the Company’s shares as compared to the NSE Nifty during the Financial Year 2022-23.



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

**XII. Distribution of shareholding by ownership as on June 30, 2023**

Category	Number of shares held	% of shares Held
Foreign promoters	86,01,071	51.82
Resident Individuals and HUF	40,41,529	24.35
Mutual Funds	13,45,092	8.10
Financial Institutions / Banks	765	0.00
Insurance Companies	6,77,590	4.08
Foreign Portfolio Investors	11,86,334	7.15
Bodies Corporate	3,63,524	2.19
Non-Resident Indians	3,08,082	1.86
Others	75,395	0.45
<b>TOTAL</b>	<b>1,65,99,382</b>	<b>100.00</b>

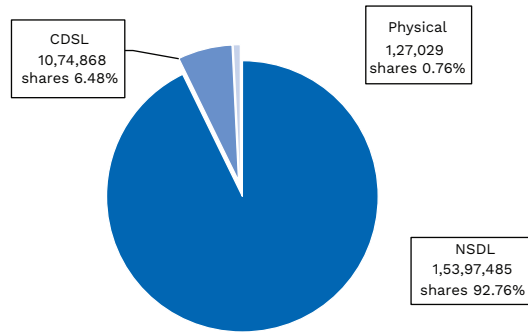
**XIII. Distribution of shareholding by size class as on June 30, 2023**

Shareholding (Rs.)	Number of Shareholders	% to Total	Shares Number	% to Total
<b>Upto 5000</b>	58,613	99.77	37,29,664	22.47
<b>5001 - 10000</b>	72	0.12	4,83,526	2.91
<b>10001 - 20000</b>	24	0.04	3,42,640	2.06
<b>20001 - 30000</b>	10	0.02	2,39,963	1.45
<b>30001 - 40000</b>	4	0.01	1,44,659	0.87
<b>40001 - 50000</b>	5	0.01	2,26,228	1.36
<b>50001 - 100000</b>	10	0.02	7,24,465	4.36
<b>100001 &amp; above</b>	10	0.02	1,07,08,237	64.51
<b>TOTAL</b>	<b>58,748</b>	<b>100.00</b>	<b>1,65,99,382</b>	<b>100.00</b>

#### XIV. 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, 2023, 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	1,53,97,485	92.76
Held in dematerialized form in CDSL	10,74,868	6.48
Held in Physical form	1,27,029	0.76
<b>Total</b>	<b>1,65,99,382</b>	<b>100.00</b>



#### XV. 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, 2016 and for the subsequent years, which remain unpaid or unclaimed, will be due for transfer to the IEPF on the dates mentioned in the table below. The Company has sent

individual notices and issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares / dividends to the IEPF. Members who have not encashed their dividend warrants for these years are requested to approach the Company's RTA, M/s. KFin Technologies Limited for revalidation of their dividend warrants on or before the due dates mentioned herein.

Date of Declaration	For the Financial year	Transfer to IEPF
10.06.2016	2015	16.07.2023
04.05.2017	2016	09.06.2024
01.06.2018	2017	07.07.2025
31.05.2019	2018	06.07.2026
26.11.2020	2019-20	01.01.2028
11.11.2021	2020-21	17.12.2028
05.05.2022	Interim 2021-22	11.06.2029
23.11.2022	2021-22	30.12.2029
05.02.2023	Interim 2022-23	14.03.2030

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

#### Voluntary measures to reduce quantum of unclaimed dividend

The Company, inter alia, has undertaken following initiatives during the year under review to reduce the quantum of unclaimed dividend(s):

- Half-yearly reminders are sent to the shareholders of the Company to claim their outstanding dividend(s).
- Suo motu credit of outstanding dividend(s) are being made to the bank account(s) of shareholders on registration of their bank details.

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

During the Financial Year 2022-23 and up to the date of this report, unclaimed dividend amount for the Financial Year ended December 31, 2015 amounting to Rs. 8,36,228 was transferred to the IEPF Authority.

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

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

#### **XVI. Disclosure in respect of equity shares transferred to Suspense escrow Demat Account**

In accordance with the requirements of Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 on operating guidelines issued by SEBI, the Company has opened a Suspense escrow Demat Account “Procter & Gamble Health Limited – Suspense Escrow Demat Account” with a depository participant for transfer of shares arising out of formalities pertaining to issue of letter of confirmation with respect to duplicate share certificates. During the Financial Year, 319 shares pertaining to 2 shareholders were transferred to the Company’s Suspense Escrow Demat Account. Further, no request was received from shareholders for release of shares from the said suspense escrow demat account of the Company.

During the year under review, All the corporate benefits against these shares like bonus shares, split, etc., would also be transferred to Suspense Escrow Demat Account of the Company. While the dividend for the shares which are lying in Suspense Escrow Demat Account would be credited back to the relevant dividend accounts of the Company. The voting rights on shares lying in Suspense Escrow Demat Account shall remain frozen till the rightful owner claims the shares.

#### **XVII. Other Disclosures:**

- As on date, the Company has not issued GDR / ADR / warrants or any convertible instruments.
- No presentations were made to Analysts and Institutional Investors during the Financial Year
- The Company doesn’t have any subsidiaries.
- No credit rating has been obtained by the Company with respect to its securities.
- The disclosure pertaining to details of utilisation of funds raised through preferential allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the

SEBI (LODR) Regulations is not applicable to the Company.

- Commodity price risk or foreign exchange risk and hedging activities-

The Company does not have any exposure hedged through commodity derivatives. The details of foreign currency risk management are disclosed in Note 34 forming part of the Financial statements. The Company has not entered into any hedging activities in Financial Year 2022-23.

#### **XXII. Plant Location**

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

#### **XXIII. 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:

##### **Procter & Gamble Health Limited**

**Ms. Zeal Rupani**

**Company Secretary and Compliance Officer  
Nodal Officer**

##### **Registered Address:**

P&G Plaza, Cardinal Gracias Road,

Accordingly, the address for communication is as below:

Chakala, Andheri (East) Mumbai – 400 099

Tel. No. : 022-6866 9000

The registered office of the Company has been shifted from “Godrej One, 8<sup>th</sup> Floor, Pirojshanagar, Eastern Express Highway, Vikhroli East Mumbai 400 079” to “P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai – 400099” w.e.f. January 1, 2023.

Investor Helpline No.: +91 8291902520

Email ID: [investorgrievance.im@pg.com](mailto:investorgrievance.im@pg.com)

##### **Registrar and Share Transfer Agent**

KFin Technologies Limited

Selenium Tower B, Plot 31 & 32, Financial District,

Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, Telangana.

Toll free number: 1-800-309-4001 Email : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website: <https://www.kfintech.com> or <https://ris.kfintech.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, 2023 and the Senior Management has complied with the Business Conduct Manual for the Financial Year ended June 30, 2023.

For Procter & Gamble Health Limited

**Milind Thatte**

Managing Director

Mumbai

August 23, 2023

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

To,

The Members,

**Procter & Gamble Health Limited**

P & G Plaza, Cardinal Gracias Road,

Chakala, Andheri East,

Mumbai - 400099

We have examined the compliance of conditions of Corporate Governance by **Procter & Gamble Health Limited** (CIN - L99999MH1967PLC013726) ("Company") for the year ended June 30, 2023, prescribed in Regulations 17 to 27, Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of SEBI LODR for the year ended on June 30, 2023.

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

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

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

Place : Mumbai

Date : 23<sup>rd</sup> August 2023

UDIN : F010032E000851246

Peer Review Certificate No: 2404/2022

FRN: P2014MH034700

### 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**  
P & G Plaza,  
Cardinal Gracias Road,  
Chakala, Andheri East,  
Mumbai City 400099,  
Maharashtra, India.

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 P & G Plaza, Cardinal Gracias Road Chakala, Andheri East Mumbai City 400099 Maharashtra India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 30<sup>th</sup> June, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1.	Suresh Narsappa Talwar	00001456	17/01/1984
2.	Subramanian Madhavan	06451889	15/11/2021
3.	Rani Jadhav Ajit	07070938	05/02/2015
4.	Milind Vasant Thatte	08092990	01/04/2018
5.	Aalok Agrawal	08468145	01/06/2019
6.	Lokesh Chandak	10083315	01/04/2023
7.	Seema Sambasivan	10085866	01/04/2023

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

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

For **Saraf & Associates**  
Practising Company Secretaries

**K.G. SARAF**  
Proprietor

FCS: 1596 | CP: 642  
FRN. S1988MH004801  
PR. 1003/2020

Place : Mumbai  
Date : 23.08.2023  
UDIN : F001596E000852039



# 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at June 30, 2023, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Sr. No.	Key audit matter(s)	How our audit addressed the key audit matter
1.	<p><b>Evaluation of uncertain tax and other legal matters positions (Refer Note 40 to the Ind AS financial statements)</b></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"> <li>• Obtained detailed list of matters under dispute and other uncertain tax and other legal matters positions as at June 30, 2023;</li> <li>• Read and evaluated select key correspondences, external legal opinions / consultations, if any, and evaluation of the same by the legal department of Company;</li> <li>• Discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions; and</li> <li>• Assessed the management’s estimate of the possible outcome of the disputed cases.</li> </ul>

### 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, Business Responsibility Report, Corporate Social Responsibility Report, Statement of Disclosure of Remuneration, Corporate Governance Report, Ten year Financial Highlights, but does not include the Ind AS financial statements, and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (2) As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books. We have been represented by the management that the Company is in the process of complying with the requirement of keeping backup on daily basis of such books of account maintained in electronic mode in a server physically located in India. (refer Note 45 to the financial statements);
- 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, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2023 from being appointed as a director in terms of section 164(2) of the Act;
- f. The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above;
- g. 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";
- h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 40 on Contingent Liabilities to the Ind AS financial statements;
  - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 to the Ind AS financial statements;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 48(d), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iv) (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 48(d), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - (v) As stated in Note 44 to the standalone Ind AS financial statements:
    - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act, as applicable.
    - (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.
    - (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in compliance with section 123 of the Act, as applicable.
  - (vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

**Sumant Sakhardande**  
Partner

Membership No.034828

UDIN: 23034828BGWUFY3415

Place: Mumbai

Date: August 23, 2023

## 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, 2023]**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets and investment property.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee), disclosed in the Ind AS financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the Company as at June 30, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year end, these have substantially been

confirmed by them. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification carried out during the year.

- (b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) (a) During the year, the Company has provided loans to its employees

Sr. No	Particulars	Loans
<b>1</b>	<b>Aggregate amount granted / provided during the year</b>	
	- Subsidiaries/ Joint Ventures/ Associates	-
	- Others	303 Lakhs
<b>2</b>	<b>Balance outstanding as at June 30, 2023 in respect of above cases</b>	
	- Subsidiaries/ Joint Ventures/ Associates	-
	- Others	279 lakhs

- (b) The terms and conditions of the grant of all loans provided by the Company during the year are not prejudicial to the interest of the Company.
- (c) The schedule of repayment of principal and payment of interest in respect of the loans has been stipulated and the repayments or receipts during the year are regular as per stipulation.
- (d) In respect of the aforesaid loans and advances in the nature of loans, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) There were no loans granted which have fallen due during the year, have been renewed or extended. Further, there were no instances of fresh loans being granted to settle the overdues of existing loans given to the same parties.

- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has not granted any loan or made any investment or provided any guarantee or security, covered under the provisions of section 185 and 186 of the Act. Accordingly reporting under clause (iv) of paragraph 3 of order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it.
- AND
- 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 provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, on account of any dispute, are given in Appendix 1.
- (viii) We have not come across any transaction which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year/and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
- (e) On an overall examination of the Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as defined under the Act.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.

- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of audit procedures.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv)(a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit Reports of the Company issued till date, for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (c) As informed by the Company, the Group to which the Company belongs has no CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to section 135(5) of the said Act. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount to a Special Account, within a period of 30 days from the end of the financial year in compliance with section 135(6) of the said Act.

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

ICAI Firm Registration No.103523W / W100048

**Sumant Sakhardande**

Partner

Membership No.034828

Place: Mumbai UDIN: 23034828BGWUFY3415

Date: August 23, 2023

**Appendix 1 as referred to in paragraph vii (b) of Annexure 1 to 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	687.46	2012-13 & 2013-14	Income Tax Appellate Tribunal
		8,715.37	2007-08, 2009-10, 2010-11, 2011-12, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19	CIT (A)
Central Excise Act, 1944	Tax and Penalty	2,241.08	2009-14, 2014-15	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Local State Sales Tax Act and Central Sales Tax Act 1956	Duty and Penalty	2,083.55	2009-10 - 2015-16	Joint Commissioner of Sales Tax (Appeal) / Additional commissioner (Commercial Tax)
		27.39	2014-15	Additional Commissioner (Appeal) Commercial Tax
		98.96	2015-16	Joint Commissioner of Sales Tax
GST Act, 2017	Tax and Penalty	264.70	2018-19, 2019-20	Deputy Commissioner
		116.50	2018-19	Additional State Tax officer
		1,785.31	2017-18	High Court
		26.34	2018-19	Assistant Commissioner
		80.19	2017-18	Deputy Commissioner

In respect of the above, Income tax and Sales tax dues ₹ 1,700.35 lakhs and ₹ 579 Lakhs have been paid under protest.



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(i) 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, 2023]

### **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, 2023 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, 2023, 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

**Sumant Sakhardande**  
Partner  
Membership No.034828  
UDIN: 23034828BGWUFY3415  
Place: Mumbai  
Date: August 23, 2023

## BALANCE SHEET AS AT JUNE 30, 2023

	Notes	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	12 964	10 635
Capital work-in-progress	4	3 249	4 060
Investment property	5	225	260
Right -of -use assets	4	1 114	267
Intangible assets	6	94	4
Financial assets			
(i) Loans	7	630	599
(ii) Other financial assets	8	509	876
Deferred tax assets (Net)	9	2 532	1 965
Other non-current assets	10	930	956
Non-current tax assets (Net)	11	8 262	8 386
<b>Total non-current assets</b>		<b>30 509</b>	<b>28 008</b>
<b>Current assets</b>			
Inventories	12	13 494	11 521
Financial assets			
(i) Trade receivables	13	11 571	8 344
(ii) Cash and cash equivalents	14	43 505	31 940
(iii) Bank balances other than (ii) above	14.1	517	513
(iv) Loans	7	153	157
(v) Other financial assets	8	1 256	746
Other current assets	10	9 114	7 583
<b>Total current assets</b>		<b>79 610</b>	<b>60 804</b>
<b>Total assets</b>		<b>1 10 119</b>	<b>88 812</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	15	1 660	1 660
Other equity	16	73 429	59 989
<b>Total equity</b>		<b>75 089</b>	<b>61 649</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease Liabilities	17	888	---
Provisions	18	3 687	3 913
Other non-current liabilities	19	65	60
<b>Total non-current liabilities</b>		<b>4 640</b>	<b>3 973</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	20	991	1 533
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20	22 713	15 675
(b) Lease Liabilities	17	312	283
(c) Other financial liabilities	22	3 044	3 025
Provisions	18	1 825	1 026
Current tax liabilities (Net)	21	613	724
Other current liabilities	19	893	924
<b>Total current liabilities</b>		<b>30 390</b>	<b>23 190</b>
<b>Total liabilities</b>		<b>35 030</b>	<b>27 163</b>
<b>Total Equity and Liabilities</b>		<b>1 10 119</b>	<b>88 812</b>
<b>Significant accounting policies</b>	2		

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

As per our attached report of even date.

For and on behalf of Board of Directors

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

**S.N Talwar**  
Chairman  
DIN No.00001456

**Milind Thatte**  
Managing Director  
DIN No. 08092990

**Sumant Sakhardande**  
Partner  
M. No.: 034828

**Lokesh Chandak**  
Chief financial officer  
DIN No.10083315

**Zeal Rupani**  
Company Secretary

Place: Mumbai  
Date: August 23, 2023

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED JUNE 30, 2023**

	Notes	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Income</b>			
Revenue from operations	23	1 22 962	1 11 441
Other income	24	1 839	1 319
<b>Total income</b>		<b>1 24 801</b>	<b>1 12 760</b>
<b>Expenses</b>			
Cost of raw and packing materials consumed	25	31 923	32 372
Purchases of stock-in-trade (Traded Goods)	26	3 976	2 083
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	285	(475)
Employee benefits expense	28	20 617	16 756
Finance cost	29	77	42
Depreciation and amortization expense	4, 5 & 6	2 810	2 708
Impairment (reversal) / loss (refer note 49)	4	(73)	73
Other expenses	30	33 766	33 864
<b>Total expense</b>		<b>93 381</b>	<b>87 423</b>
<b>Profit before exceptional items and tax</b>		<b>31 420</b>	<b>25 337</b>
Exceptional items		----	----
<b>Profit before tax from operations</b>		<b>31 420</b>	<b>25 337</b>
Tax expense	31		
Current tax		8 661	6,502
Deferred tax		(506)	4
Tax for earlier years		318	(421)
<b>Income tax expense</b>		<b>8 473</b>	<b>6 085</b>
<b>Profit for the year</b>		<b>22 947</b>	<b>19 252</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement (loss)/gain on defined benefit plans	36	(246)	94
Income tax related to items that will not be reclassified to profit or loss	31.2	62	(24)
<b>Total other comprehensive income for the year</b>		<b>(184)</b>	<b>70</b>
<b>Total comprehensive income for the year</b>		<b>22 763</b>	<b>19 322</b>
<b>Earnings per equity share</b>	32		
Earnings per equity share			
Basic and Diluted (in ₹)		138	116
Face Value of Equity Share (in ₹)		10	10
<b>Significant accounting policies</b>	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**  
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**Milind Thatte**  
Managing Director  
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**Sumant Sakhardande**  
Partner  
M. No.: 034828

**Lokesh Chandak**  
Chief financial officer  
DIN No.10083315

**Zeal Rupani**  
Company Secretary

Place: Mumbai  
Date: August 23, 2023

## STATEMENT OF CHANGES IN EQUITY FROM JULY 1, 2022 TO JUNE 30, 2023

### a. Equity share capital

	Amount ₹ in lakhs
<b>Balance as at 1 July 2021</b>	<b>1 660</b>
Changes in equity share capital during the year	----
<b>Balance as at 30 June 2022</b>	<b>1 660</b>
Changes in equity share capital during the year	----
<b>Balance as at 30 June 2023</b>	<b>1 660</b>

### b. Other equity

Particulars	Reserves & surplus						Total ₹ in lakhs
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Share options outstanding account	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	
<b>Balance as at 1 July 2021</b>	<b>26</b>	<b>1 113</b>	<b>26</b>	<b>34 389</b>	<b>32 770</b>	<b>387</b>	<b>68 711</b>
Profit for the year	----	----	----	----	19 252	----	19 252
Other comprehensive income for the year	----	----	----	----	70	----	70
<b>Total comprehensive income for the year</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>19 322</b>	<b>----</b>	<b>19 322</b>
Payment of dividends (refer note 44)	----	----	----	----	(28 385)	----	(28 385)
Recognition of share-based payments	----	----	----	----	----	341	341
<b>Balance as at 30 June 2022</b>	<b>26</b>	<b>1 113</b>	<b>26</b>	<b>34 389</b>	<b>23 707</b>	<b>728</b>	<b>59 989</b>
Profit for the year	----	----	----	----	22 947	----	22 947
Other comprehensive income for the year	----	----	----	----	(184)	----	(184)
Recognition of share-based payments	----	----	----	----	----	56	56
<b>Total comprehensive income for the year</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>22 763</b>	<b>56</b>	<b>22 819</b>
Payment of dividends (refer note 44)	----	----	----	----	(9 379)	----	(9 379)
<b>Balance as at 30 June 2023</b>	<b>26</b>	<b>1 113</b>	<b>26</b>	<b>34 389</b>	<b>37 091</b>	<b>784</b>	<b>73 429</b>

**Note:**

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

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

As per our attached report of even date.

For and on behalf of Board of Directors

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

**S.N Talwar**  
Chairman  
DIN No.00001456

**Milind Thatte**  
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**Sumant Sakhardande**  
Partner  
M. No.: 034828

**Lokesh Chandak**  
Chief financial officer  
DIN No.10083315

**Zeal Rupani**  
Company Secretary

Place: Mumbai  
Date: August 23, 2023

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit before tax</b>	<b>31 420</b>	<b>25 337</b>
<b>Adjustments for:</b>		
Net unrealised foreign exchange loss	45	346
Allowance for doubtful receivables/ other assets	215	159
Bad debts	-	7
Inventory written off	1 266	518
Provision/ write off of GST and other taxes	1 431	694
Depreciation of property, plant and equipment	2 810	2 708
Provision for Impairment	(73)	73
Income from letting of office premises	(205)	(213)
Provision for employee benefits	(271)	(138)
Provision for sales return/ expiries	302	(753)
(Profit)/loss on sale of property, plant and equipment	(71)	54
Share-based payment to employees	56	341
Finance Cost	77	42
Interest income	(1 433)	(1 107)
<b>Operating profit before working capital changes</b>	<b>35 569</b>	<b>28 068</b>
<b>Working capital adjustments:</b>		
(Increase)/Decrease in inventories	(3 239)	(202)
(Increase)/Decrease in trade receivables	(3 292)	(2 515)
(Increase)/Decrease in financial and other Assets	(3 184)	(2 201)
Decrease/(Increase) in trade payables	6 392	(650)
Decrease/(Increase) in other liabilities and provisions	320	838
<b>Cash generated from operations</b>	<b>32 566</b>	<b>23 338</b>
Income taxes paid (net)	(8 966)	(6 386)
<b>Net cash generated from operating activities (A)</b>	<b>23 600</b>	<b>16 952</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase and construction of property, plant and equipment	(4 248)	(3 792)
Proceeds from sale of asset	474	37
Income from letting of office premises	205	213
Interest received	1 419	988
<b>Net cash (used in) from investing activities (B)</b>	<b>(2 150)</b>	<b>(2 554)</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>C. Cash flow from financing activities</b>		
Dividend paid	(9 379)	(28 385)
Payment of lease liability	(468)	(478)
<b>Net cash flow used in financing activities (C)</b>	<b>(9 847)</b>	<b>(28 863)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>11 602</b>	<b>(14 464)</b>
Cash and cash equivalents at the beginning of the year	<b>31 940</b>	<b>46 405</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>43 542</b>	<b>31 940</b>
<b>Components of Cash and Cash equivalents:</b>		
Balance with Banks		
In Current accounts	9 542	3 800
In Term deposits ( less than 3 months maturity)	34 000	28 140
	<b>43 542</b>	<b>31 940</b>
<b>Note:</b>		
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.		
<b>Significant accounting policies</b>	Note 2	
<b>See accompanying notes form an integral part of these Financial Statements.</b>		

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**  
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Chief financial officer  
DIN No.10083315

**Zeal Rupani**  
Company Secretary

Place: Mumbai  
Date: August 23, 2023

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

## 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 and are subject to approval of members at ensuing Annual General Meeting.

### 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, 2022 TO JUNE 30, 2023

- (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 transaction price 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.

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 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.

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### d. Borrowing costs

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

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

### e. Employee benefits

**i) Short term employee benefits** - Short term employee benefits including salaries and performance incentives, are charged to the Statement of Profit and Loss on an undiscounted, accrual basis during the period of employment.

#### ii) Post-employment Benefits

##### a) Defined Contribution Plans:

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

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

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

##### b) Defined Benefit Plans:

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

- Gratuity for all employees administered through trust.

**Unfunded Plan:** The Company has unfunded Defined Benefit Plans in the form of Post Retirement Medical Benefits (PRMB) and

Compensated Absences as per its policy.

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

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

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

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

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

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

iii) Liability for Compensated Absences and Leave Travel Allowance which are in the nature of short term benefits is provided

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

for as per company rules based on the undiscounted amount of benefits expected to be paid in exchange of services rendered.

- iv) Termination benefits in terms of Company policy are recognised as an expense as and when incurred.
- v) Long Service Awards are payable to employees on completion of specified years of service.

### 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.

Minimum Alternate Tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

### Deferred tax

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

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

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

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

### Current and deferred tax for the year

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred

tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### h. Property, plant and equipment

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

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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

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.

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

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

### i. Impairment of property, plant and equipment

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using

a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

### j. Investment property

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

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

### k. Intangible assets

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

Subsequent expenditure is capitalised only when it increases the future economic benefits

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

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.

### **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 (other than trade receivables) 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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss. However, trade receivables that do not contain significant financing component are measured at transaction price.

### 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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### Derecognition of financial assets

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

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

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in the Statement of Profit and Loss.

### q. Financial liabilities and equity instruments

#### Classification as debt or equity

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

#### Equity instruments

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

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

#### Financial liabilities

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

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.

### Discontinued operation

A discontinued operation is a component of the entity that has been disposed and that represents a separate line of business. The results of discontinued operation is presented separately in the statement of profit and loss.

### 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, 2022 TO JUNE 30, 2023

### 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), vide notification dated 31<sup>st</sup> March, 2023, has made the following amendments to Ind AS which are effective 1<sup>st</sup> July, 2023:

- a) Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- b) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
- c) Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.
- d) These are minor changes involving updating the references and terminology etc. that do not lead to change in the principles of Ind AS 101, 102, 103, 109, 115.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

### 3 Critical accounting judgments and key sources of estimation uncertainty

#### 3.1 Critical judgments in applying accounting policies

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the

period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

#### 3.2 Key sources of estimation uncertainty

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

##### a. Useful lives of property, plant and equipment

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

##### b. Fair value measurements and valuation processes

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 34.

##### c. Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 28, 'Employee benefits expense'.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### d. Income taxes

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

- e. Measurement and likelihood of occurrence of provisions and contingencies – As disclosed in Note 18 and Note 40, Management has estimated and measured the likelihood of the litigations and accounted the provision and contingencies as appropriate.

### f. Expected Credit Loss (ECL)

In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 -Revenue from Contracts with Customers.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances, contract assets and lease receivables. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance

### g. Inventories obsolescence

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory obsolescence to reflect its actual experience on a periodic basis.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

Property, plant and equipment	₹ in lakhs	
	At June 30, 2023 ₹ in lakhs	At June 30, 2022 ₹ in lakhs
Owned Assets	12 964	10 635
Right-of-use assets	1 114	267
	<b>14 078</b>	<b>10 902</b>

A. Owned Assets	₹ in lakhs										Total	
	Freehold land	Buildings	Leasehold Improvements	Property Plant & Equipment	Computer / Hardware	Furniture and Fixtures	Vehicles	Office Equipment				
<b>Gross block</b>												
<b>Balance as at 01 July 2021</b>	50	4 476	68	13 455	1 074	667	11	300				20 101
Additions	----	1 003	----	2 078	147	96	14	313				3 651
Disposals	----	(79)	----	(599)	----	(115)	----	(239)				(1 032)
Reclassification of assets	----	33	----	52	----	(1)	----	(84)				----
<b>Balance as at 30 June 2022</b>	50	5 433	68	14 986	1 221	647	25	290				22 720
Additions	----	934	776	2 093	242	319	----	552				4 916
Disposals	----	(978)	(58)	(1 366)	(118)	(196)	----	(149)				(2 865)
Reclassification of assets	----	----	----	11	----	(3)	(14)	6				----
<b>Balance as at 30 June 2023</b>	50	5 389	786	15 724	1 345	767	11	699				24 771
<b>Accumulated depreciation including impairment</b>												
<b>Balance as at 01 July 2021</b>	----	2 176	4	7 740	424	389	3	28				10 764
Depreciation for the year	----	477	4	1 386	220	52	1	47				2 187
Accumulated depreciation on disposals	----	(49)	----	(566)	----	(320)	----	----				(935)
Accumulated depreciation on reclassification of assets	----	4	----	16	----	----	----	(20)				----
<b>Balance as at 30 June 2022</b>	----	2 608	8	8 576	644	121	4	55				12 016
Depreciation for the year	----	323	18	1 511	262	55	1	86				2 256
Accumulated depreciation on disposals	----	(819)	(9)	(1 260)	(118)	(134)	----	(125)				(2 465)
Accumulated depreciation on reclassification of assets	----	----	----	(1)	----	2	1	(2)				----
<b>Balance as at 30 June 2023</b>	----	2 112	17	8 826	788	44	6	14				11 807
Impairment for the year	----	4	----	59	----	6	----	----				69
<b>Balance as at 30 June 2022</b>	----	4	----	59	----	6	----	----				69
Reversal of impairment on disposal	----	(4)	----	(59)	----	(6)	----	----				(69)
<b>Balance as at 30 June 2023</b>	----	----	----	----	----	----	----	----				----

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

	Freehold land	Buildings	Leasehold Improvements	Property Plant & Equipment	Computer / Hardware	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Net carrying amount</b>									
Net block as at 30 June 2023	50	3 277	769	6 898	557	723	5	685	12 964
Net block as at 30 June 2022	50	2 821	60	6 351	577	520	21	235	10 635
Net block as at 30 June 2021	50	2 300	64	5 715	650	278	8	272	9 337

**Notes:**

None of the above assets are mortgaged / hypothecated as security by the Company.

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note 39.

**B. Right -of - use assets**

	Office Premises ₹ in lakhs	Total ₹ in lakhs
<b>Gross Block</b>		
<b>Balance as at 01 July 2021</b>	1 227	1 227
Additions	----	----
Disposals	----	----
<b>Balance as at 30 June 2022</b>	1 227	1 227
Additions	1 354	1 354
Disposals	(1 227)	(1 227)
<b>Balance as at 30 June 2023</b>	1 354	1 354
<b>Accumulated depreciation</b>		
<b>Balance as at 01 July 2021</b>	480	480
Depreciation for the year	480	480
Accumulated depreciation on disposals	----	----
<b>Balance as at 30 June 2022</b>	960	960
Depreciation for the year	507	507
Accumulated depreciation on disposals	(1 227)	(1 227)
<b>Balance as at 30 June 2023</b>	240	240
<b>Net Block as at June 30, 2022</b>	1 114	1 114
Net Block as at June 30, 2022	267	267

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

**C. Capital work-in-progress**

	At June 30, 2023 ₹ in lakhs	At June 30, 2022 ₹ in lakhs
Capital work-in-progress	3 249	4 060
	<b>3 249</b>	<b>4 060</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### Capital work-in-progress ageing schedule

	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>As at June 30, 2023</b>						
Projects in progress	2 045	403	523	278	3 249	
Projects temporarily suspended	----	----	----	----	----	
<b>Sub Total</b>	<b>2 045</b>	<b>403</b>	<b>523</b>	<b>278</b>	<b>3 249</b>	

	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>As at June 30, 2022</b>						
Projects in progress	2 314	871	875	----	4 060	
Projects temporarily suspended	----	----	----	----	----	
<b>Sub Total</b>	<b>2 314</b>	<b>871</b>	<b>875</b>	<b>----</b>	<b>4 060</b>	

### Details of capital-work-in progress whose completion is overdue as compared to its original plan

	To be completed in					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>As at June 30, 2023</b>						
Under Progress (A)	2 154	----	----	----	2 154	
Temporarily Suspended (B)	----	----	----	----	----	
<b>Sub Total</b>	<b>2 154</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>2 154</b>	

	To be completed in					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
<b>As at June 30, 2022</b>						
Under Progress (A)	----	----	----	----	----	
Temporarily Suspended (B)	----	----	----	----	----	
<b>Sub Total</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>----</b>	

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

## 5 Investment property

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

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Value	521	521
<b>Closing Gross Carrying Value</b>	<b>521</b>	<b>521</b>
<b>Accumulated Depreciation</b>		
Opening accumulated depreciation	261	226
Depreciation during the year	35	35
<b>Closing accumulated depreciation</b>	<b>296</b>	<b>261</b>
<b>Net carrying value</b>	<b>225</b>	<b>260</b>

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

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
Rental income	205	209
Direct operating expenses from property that generated rental income	20	27
<b>Profit from Investment Property before Depreciation</b>	<b>185</b>	<b>182</b>
Depreciation	35	35
<b>Profit from Investment Property</b>	<b>150</b>	<b>147</b>

### 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 17 August 2023, for one of the property located in the same premises, the management has estimated fair value of ₹ 3 130 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, 2023.

### 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, 2022 TO JUNE 30, 2023

### 6 Intangible assets

	Computer Software ₹ in lakhs	Total ₹ in lakhs
<b>Gross block</b>		
<b>Balance as at 1 July 2021</b>	<b>162</b>	<b>162</b>
Additions	3	3
Disposal	(1)	(1)
Reclassification of assets	----	----
<b>Balance as at 30 June 2022</b>	<b>164</b>	<b>164</b>
Additions	102	102
Disposals	(84)	(84)
Reclassification of assets	----	----
<b>Balance as at 30 June 2023</b>	<b>182</b>	<b>182</b>
<b>Amortisation and impairment</b>		
<b>Balance as at 1 July 2021</b>	<b>150</b>	<b>150</b>
Amortisation for the year	7	7
Accumulated amortisation on disposals	(1)	(1)
Accumulated amortisation on reclassification of assets	----	----
<b>Balance as at 30 June 2022</b>	<b>156</b>	<b>156</b>
Amortisation for the year	13	13
Accumulated amortisation on disposals	(81)	(81)
Accumulated amortisation on reclassification of assets	----	----
<b>Balance as at 30 June 2023</b>	<b>88</b>	<b>88</b>
Impairment for the year	4	4
<b>Balance as at 30 June 2022</b>	<b>4</b>	<b>4</b>
Reversal of impairment on disposal	(4)	(4)
<b>Balance as at 30 June 2023</b>	<b>----</b>	<b>----</b>
<b>Net block as at 30 June 2023</b>	<b>94</b>	<b>94</b>
<b>Net block as at 30 June 2022</b>	<b>4</b>	<b>4</b>
<b>Net block as at 30 June 2021</b>	<b>12</b>	<b>12</b>

### 7 Loans

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Non-current</b>		
Loan to employees (refer note below)		
Unsecured, considered good	630	599
Unsecured, doubtful	7	-
Less: Allowance for bad and doubtful loans*	(7)	-
	<b>630</b>	<b>599</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Current</b>		
Loan to employees (refer note below)	153	157
Less: Allowance for bad and doubtful loans*	----	----
	<b>153</b>	<b>157</b>

### Notes:

- (a) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Act.
- (b) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
- repayable on demand; or
  - without specifying any terms or period of repayment

\*The loss allowance on loans to employees has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for loans considered good on the basis that credit risk exists even though it may be very low.

### 8 Other financial assets

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Non-current</b>		
<b>Security Deposits</b>		
Unsecured, considered good	509	876
Unsecured, doubtful	12	----
Less: Allowance for doubtful deposits*	(12)	----
	<b>509</b>	<b>876</b>
<b>Current</b>		
Interest accrued but not due on term deposits	112	98
<b>Other receivables</b>		
from related parties (refer note 37)		
Unsecured, considered good	1 003	644
Unsecured, doubtful	34	----
Less: Allowance for doubtful deposits*	(34)	----
from Others		
Unsecured, considered good	141	4
Unsecured, doubtful	1	----
Less: Allowance for doubtful deposits*	(1)	----
	<b>1 256</b>	<b>746</b>

\*The loss allowance on security deposits/other receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for loans considered good on the basis that credit risk exists even though it may be very low.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 9 Deferred tax assets (Net)

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Deferred tax assets	2 532	1 965
Deferred tax liabilities	----	----
	<b>2 532</b>	<b>1 965</b>

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

1 <sup>st</sup> July 2022 to 30 <sup>th</sup> June 2023	Opening Balance ₹ in lakhs	Recognised in profit or loss ₹ in lakhs	Recognised in OCI ₹ in lakhs	Closing Balance ₹ in lakhs
Property, plant and equipment	276	(114)	----	162
Provision for doubtful trade receivable, deposits and advances	68	54	----	122
Personnel and other related provisions	624	226	62	912
Provision for sales tax matters	250	56	----	306
Other provisions	747	283	----	1 030
	<b>1 965</b>	<b>505</b>	<b>62</b>	<b>2 532</b>

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

### 10 Other assets

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Non-current</b>		
Capital advances	20	----
<b>Balances with government authorities (refer note (a) below)</b>		
Unsecured, considered good	910	956
	<b>930</b>	<b>956</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Current</b>		
<b>Advance to employees</b>		
Unsecured, considered good	4	11
Less: Allowance for doubtful advances	----	----
	<b>4</b>	<b>11</b>
Prepaid expenses	117	49
Other advances (includes advances to vendors)	602	241
Balances with government authorities (includes Service Tax and Cenvat credit receivable)	8 391	7 282
	<b>9 114</b>	<b>7 583</b>

- (a) Includes amounts deposited with Excise, Sales Tax and other authorities pending resolution of disputes.  
 (b) Advances given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Companies Act, 2013.

### 11 Non current tax assets (net)

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Advance income tax [Net of provision for tax ₹ 78 192 lakhs (30 June 2022: ₹ 69 355 lakhs)]	8 262	8 386
	<b>8 262</b>	<b>8 386</b>

### 12 Inventories

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Inventories (valued at lower of cost and net realisable value)</b>		
Raw materials	5 526	3 580
Packing materials	1 390	1 267
Work-in-progress	1 356	1 092
Finished goods/ Stock in trade [Includes stock-in-transit ₹ Nil (30 June 2022: ₹ Nil)]	4 928	5 477
Consumable stores and spares	294	105
	<b>13 494</b>	<b>11 521</b>

#### Notes:

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 13 Trade receivables

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Unsecured, considered good	11 571	8 344
Unsecured, considered doubtful	395	271
	<b>11 966</b>	<b>8 615</b>
Less: Allowance for doubtful debts	(395)	(271)
	<b>11 571</b>	<b>8 344</b>

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

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

Movement in the allowance for doubtful receivables	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Balance at the beginning of the year	271	111
Amounts written off during the year (net)	----	----
Change in allowance for credit impairment during the year	124	161
<b>Balance at end of the year</b>	<b>395</b>	<b>271</b>

#### Ageing for trade receivables As at June 30, 2023

Particulars	Outstanding for following periods from due date of receipt						
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
considered good	10 302	531	307	431	----	----	11 571
which have significant increase in credit risk credit impaired	119	54	42	118	62	----	395
<b>Disputed trade receivables</b>							
considered good	----	----	----	----	----	----	----
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>10 421</b>	<b>585</b>	<b>349</b>	<b>549</b>	<b>62</b>	<b>----</b>	<b>11 966</b>
Less: Allowance for Credit Impairment							(395)
<b>Total</b>							<b>11 571</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023****Ageing for trade receivables As at June 30, 2022**

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

**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:

	<b>As at June 30, 2023 ₹ in lakhs</b>	<b>As at June 30, 2022 ₹ in lakhs</b>
Cash in Hand	----	----
Balances with banks:		
- In current accounts	9 542	3 800
- Deposits with original maturity of less than three months	34 000	28 140
	<b>43 542</b>	<b>31 940</b>
Less: Allowance for doubtful deposits/ balances*	(37)	-
	<b>43 505</b>	<b>31 940</b>

\*The loss allowance on balances with bank has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for bank balances considered good on the basis that credit risk exists even though it may be very low.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 14.1 Bank balances other than cash and cash equivalents

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Earmarked accounts		
- Unclaimed / Unpaid dividend account	517	513
- Balances with banks to the extent held as security deposit against commitments	----	----
	<b>517</b>	<b>513</b>

Unpaid dividend of ₹ 517 lakhs (30 June 2022: ₹ 513 lakhs), included in bank balances, is not available for use by the Company.

### 15 Equity share capital

	As at June 30, 2023 ₹	As at June 30, 2022 ₹
<b>Authorised share capital:</b>		
1 80 00 000 fully paid equity shares of ₹ 10 each (as at June 30, 2022: 1 80 00 000 )	18 00 00 000	18 00 00 000
<b>Issued, subscribed and paid up share capital:</b>		
1 65 99 382 fully paid equity shares of ₹ 10 each (as at June 30, 2022: 1 65 99 382)	16 59 93 820	16 59 93 820
	<b>16 59 93 820</b>	<b>16 59 93 820</b>

#### 15.1 Fully paid equity shares

	Number of shares	Share Capital ₹ in lakhs
<b>Balance at June 30, 2021</b>	1 65 99 382	1 660
Changes in equity share capital during the year	----	----
<b>Balance at June 30, 2022</b>	<b>1 65 99 382</b>	<b>1 660</b>
Changes in equity share capital during the year	----	----
<b>Balance at June 30, 2023</b>	<b>1 65 99 382</b>	<b>1 660</b>

#### Terms/ rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

No shares are bought back by the Company during the period of 5 years immediately preceding the Balance Sheet date.

No shares are allotted as fully paid up by way of bonus shares during the period of 5 years immediately preceding the Balance Sheet date.

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

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

	As at June 30, 2023 ₹	As at June 30, 2022 ₹
<b>Ultimate Holding Company</b>		
The Procter & Gamble Company, USA	----	----
<b>Holding Company</b>		
Procter & Gamble Overseas India BV, The Netherlands [( as at June 30 2023 : 86 01 071 Shares and as at June 30 2022 : 86 01 071 shares)]	8 60 10 710	86 010 710

**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, 2023		As at June 30, 2022	
	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 Details of shareholdings by the Promoter's of the Company

	As at June 30, 2023		As at June 30, 2022		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Procter & Gamble Overseas India BV, The Netherlands	86 01 071	51.82	86 01 071	51.82	-
<b>Total Promoters shareholding</b>	<b>86 01 071</b>	<b>51.82</b>	<b>86 01 071</b>	<b>51.82</b>	<b>-</b>
Total shares outstanding	86 01 071	51.82	86 01 071	51.82	-

## 16 Other equity

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Reserves &amp; surplus</b>		
Capital reserve	26	26
Capital redemption reserve	26	26
Securities premium	1 113	1,113
Share options outstanding account	784	728
General reserve	34 389	34 389
Retained earnings	37 091	23 707
	<b>73 429</b>	<b>59 989</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 16.1 Capital Reserve

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Balance at the beginning of year	26	26
Movement during the year	----	----
<b>Balance at the end of year</b>	<b>26</b>	<b>26</b>

#### 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, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Balance at the beginning of year	26	26
Movement during the year	----	----
<b>Balance at the end of year</b>	<b>26</b>	<b>26</b>

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

### 16.3 Securities premium

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Balance at the beginning of year	1 113	1 113
Movement during the year	----	----
<b>Balance at the end of year</b>	<b>1 113</b>	<b>1 113</b>

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

### 16.4 Share options outstanding account

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Balance at the beginning of year	728	387
Arising on share-based compensation	56	341
<b>Balance at the end of year</b>	<b>784</b>	<b>728</b>

The above reserve relates to share options granted by the Ultimate Holding Company to specific employees of its subsidiaries under its employee stock option plan. Further information about share-based payments to employees is set out in note 35

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

## 16.5 General reserve

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Balance at the beginning of year	34 389	34 389
Movement during the year	----	----
<b>Balance at the end of year</b>	<b>34 389</b>	<b>34 389</b>

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, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Balance at the beginning of year	23 707	32 770
Profit attributable to the owners of the Company	22 947	19 252
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	(184)	70
Payment of final/ interim dividend on equity shares (refer note 44)	(9 379)	(28 385)
<b>Balance at the end of year</b>	<b>37 091</b>	<b>23 707</b>

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

In November 2022, final dividend of ₹ 11.5 per share (total dividend ₹ 1 909 lakhs) for the year ended June 30, 2022 was paid to holders of fully paid equity shares. In February 2023, interim dividend of ₹ 45 per share (total dividend ₹ 7 470 lakhs).

In November 2021, final dividend of ₹ 130 per share (total dividend ₹ 21 579 lakhs) for the year ended June 30, 2021 was paid to holders of fully paid equity shares. In May 2022, a special interim dividend of ₹ 41 per share (total dividend ₹ 6 806 lakhs) was paid to holders of fully paid equity shares.

## 17 Lease liabilities

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Non Current</b>		
Lease liabilities payable beyond 12 months	888	----
	<b>888</b>	<b>----</b>
<b>Current</b>		
Lease liabilities payable within 12 months	312	283
	<b>312</b>	<b>283</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 18 Provisions

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Employee benefits (refer note (i) below)	2 204	1 933
Other provisions	3 308	3 006
<b>TOTAL</b>	<b>5 512</b>	<b>4 939</b>

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

Current	1 825	1 026
Non - current	3 687	3 913
	<b>5 512</b>	<b>4 939</b>

#### Other provisions include\*

##### i) Provisions in respect of indirect tax matters:

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

##### ii) Other provisions

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

Other provisions	Opening Balance	Additions during year	Utilisations	Reversals	Closing Balance
Provisions in respect of Indirat tax matters	464	306	314	----	456
	(464)	----	----	----	(464)
Other provision*	2 542	1 682	393	979	2 852
	(2 902)	(393)	----	(753)	(2 542)

### 19 Other liabilities

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Non-current</b>		
Security deposit	65	60
	<b>65</b>	<b>60</b>
<b>Current</b>		
Advances from customers	43	40
Taxes and other liabilities (including statutory remittances, excise and sales tax payable)	838	868
Advance rental income	12	16
	<b>893</b>	<b>924</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

## 20 Trade payables

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Acceptances	----	----
Total outstanding dues of micro and small enterprises (refer note 42)	991	1 533
Total outstanding dues of Creditors other than micro and small enterprises	22 713	15 675
	<b>23 704</b>	<b>17 208</b>

### Ageing for trade payables As at June 30, 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	----	979	12	----	----	----	991
Undisputed dues - Others	5 372	11 426	4 064	1 368	483	----	22 713
Disputed dues - MSME	----	----	----	----	----	----	----
Disputed - Others	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>5 372</b>	<b>12 405</b>	<b>4 076</b>	<b>1 368</b>	<b>483</b>	<b>----</b>	<b>23 704</b>

### Ageing for trade payables As at June 30, 2022

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	----	1 459	74	----	----	----	1 533
Undisputed dues - Others	5 076	9 337	771	484	1	6	15 675
Disputed dues - MSME	----	----	----	----	----	----	----
Disputed - Others	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>5 076</b>	<b>10 796</b>	<b>845</b>	<b>484</b>	<b>1</b>	<b>6</b>	<b>17 208</b>

## 21 Current tax liabilities (Net)

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Provision for tax [net of advance tax paid ₹ 37,518 lakhs (30 June 2022: ₹ 37 583 lakhs)]	613	724
	<b>613</b>	<b>724</b>

## 22 Other financial liabilities

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Payables for property, plant & equipment	821	845
Employee benefits payable	1 706	1 667
Unpaid dividend	517	513
	<b>3 044</b>	<b>3 025</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 23 Revenue from operations

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
Sale of products	1 20 586	1 09 204
Other operating revenues		
Sale of scrap	85	62
Export incentives	53	230
Income from shared services	2 238	1 945
	<b>1 22 962</b>	<b>1 11 441</b>

#### Reconciliation of Revenue from Sale of products:

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
Contracted Price	1 30 448	1 15 547
Less: Trade Spends, Rebates, Etc.	9 862	6 343
Revenue from Sale of products	<b>1 20 586</b>	<b>1 09 204</b>

### 24 Other income

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Interest income earned on:</b>		
Bank deposits/Others	1 433	988
Income tax refund	----	119
	<b>1 433</b>	<b>1 107</b>
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Net gain on account of foreign exchange fluctuations	34	----
Profit on sale of asset	71	----
Miscellaneous income	301	212
	<b>406</b>	<b>212</b>
<b>Total</b>	<b>1 839</b>	<b>1 319</b>

### 25 Cost of raw and packing materials consumed

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
Cost of raw and packing materials consumed	31 923	32 372

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

## 26 Purchase of Stock in trade

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
Purchase of Stock-in-trade	3 976	2 083

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

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Inventories at the beginning of year</b>		
Finished Goods/ Stock in trade	5 477	5 060
Work-in-process	1 092	1 034
	<b>6 569</b>	<b>6 094</b>
<b>Inventories at the end of year</b>		
Finished Goods/ Stock in trade	4 928	5 477
Work-in-process	1 356	1 092
	<b>6 284</b>	<b>6 569</b>
<b>Net Decrease/ (Increase)</b>	<b>285</b>	<b>(475)</b>

## 28 Employee benefits expense

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
Salaries and wages	17 344	13 207
Contribution to provident and other funds (refer note 36)	1 499	1 436
Share-based payment to employees (refer note 35)	224	904
Staff welfare expense	1 732	1 302
(Recovery)/Expense of employee cost cross charged by related parties (refer note 43)	(182)	(93)
	<b>20 617</b>	<b>16 756</b>

## 29 Finance costs

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Interest costs:</b>		
Lease finance costs	77	42
	<b>77</b>	<b>42</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 30 Other expenses

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
Consumption of store and spares	620	565
Processing charges	4 217	4 376
Power and fuel	1 288	1 470
Freight, transport, warehousing and distribution charges	2 553	3 366
Rent (refer note 38)	47	56
Rates and taxes	2 215	694
Insurance	51	73
Repairs and maintenance		
Plant and machinery	350	338
Buildings	411	236
Others	126	233
Advertising/ Sales promotion expenses	7 449	10 945
Royalty	2 409	2 166
Business process outsourcing expenses	1 350	1 266
Travelling and conveyance	3 120	2 234
Communication costs	86	66
Computer expenses	809	729
Legal and professional fees	2 285	2 160
Directors commission and sitting fees	67	43
Payment to auditors (refer note 30.1)	36	33
Research and development expenses	571	655
Corporate social responsibility (refer note 30.2)	562	357
Exchange differences (net)	----	69
Provision of Inventory (net of reversals)	1 266	518
Bad debts written off	----	7
Allowance for doubtful receivables	215	159
Loss on sale of property, plant and equipment (net of impairment reversal)	----	54
Miscellaneous expenses	1 663	996
	<b>33 766</b>	<b>33 864</b>

#### 30.1 Payments to auditors:

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>(a) To statutory auditors (excluding GST)</b>		
For audit	27	24
For tax audit	8	8
For other services	1	1
	<b>36</b>	<b>33</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

## 30.2 Corporate Social Responsibility

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
(i) Amount required to be spent by the company during the year	562	535
(ii) Amount spent during the year on:		
(a) Construction/ acquisition of asset	----	----
(b) For purposes other than (a) above	562	357
(iii) Set off from previous year	----	178
(iv) Shortfall at the end of the year	----	----
(v) Total of previous years shortfall	----	----
(vi) Reason for shortfall	----	----

(vii) The Corporate Social Responsibility activities to be undertaken by the Company, include, but are not limited to promoting education through interventions in remedial learning, early child education, digital remedial learning, education infrastructure and supporting education of girls and women.

(viii) Amount of surplus to be carried forward in subsequent years for set off:

₹ in lakhs

Amount spent in excess of requirement under section 135(5) of Companies Act, 2013	Opening balance	Amount required to be spent during the year	Actual amount spent during the year	Surplus carried forward to be set off in subsequent years
FY 21 - 22	183	535	357	5
FY 22 - 23	5	562	562	5

(ix) None of the above amount spent is through any related party / affiliate.

(x) The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

(xi) Above includes ₹ 90 lakhs of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 30 June, 2023 (30 June, 2022: ₹ Nil). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 22-23" of the Company within 30 days from end of financial year.

(xii) Details of utilization of funds of ongoing projects.

	Opening balance		Amount required to be spent during the year	Actual amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	With Separate CSR Unspent A/c*
FY 21 - 22	----	----	447	447	----	----	----
FY 22 - 23	----	----	456	366	----	----	90

\*Subsequently transferred to the CSR unspent account in July 2023.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 31 Income tax expense

#### 31.1 Income tax recognised in Statement of Profit and Loss

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Current income tax</b>		
In respect of the current year	8 661	6 502
In respect of prior years	318	(421)
	<b>8 979</b>	<b>6 081</b>
<b>Deferred tax</b>		
In respect of the current year	(506)	4
	<b>(506)</b>	<b>4</b>
Tax expense	8 473	6 085
<b>Total income tax expense recognised in the current year</b>	<b>8 473</b>	<b>6 085</b>

#### 31.2 Income tax recognised in other comprehensive income

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Deferred tax</b>		
Arising on expense recognised in other comprehensive income	62	(24)
Remeasurement of defined benefit obligations	<b>62</b>	<b>(24)</b>
<b>Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss</b>	<b>62</b>	<b>(24)</b>

#### 31.3 Reconciliation of effective tax rate

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Profit for the year before tax</b>	<b>31 420</b>	<b>25 337</b>
Tax using the Company's domestic tax rate 25.17%	7 908	6 377
<b>Tax effect of:</b>		
<b>Effect of expenses that are not deductible in determining taxable profits</b>	262	145
<b>Effect of income that is exempt from taxation</b>	(15)	(16)
	<b>8 155</b>	<b>6 506</b>
Adjustment recognised in current year in relation to Current tax expenses of prior years	318	(421)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>8 473</b>	<b>6 085</b>
<b>Effective tax rate (%)</b>	<b>25.95</b>	<b>25.68</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

## 32 Earnings per share

	Year ended June 30, 2023 ₹ per share	Year Ended June 30, 2022 ₹ per share
Calculation of weighted average number of equity shares		
Number of equity shares outstanding at the beginning of the year	1 65 99 382	1 65 99 382
Number of equity shares outstanding at the end of the year	1 65 99 382	1 65 99 382
Weighted average number of equity shares outstanding during the year	1 65 99 382	1 65 99 382

	Year ended June 30, 2023 ₹ in lakhs	Year Ended June 30, 2022 ₹ in lakhs
Profit for the year attributable to owners of the Company	22 947	19 252
<b>Earnings used in calculation of basic and diluted earnings per share</b>	<b>22 947</b>	<b>19 252</b>
Less: Profit for the year from discontinued operations attributable to owners of the Company	----	----
<b>Earnings used in calculation of basic and diluted earnings per share</b>	<b>22 947</b>	<b>19 252</b>

### 32.1 Basic and Diluted earnings per share

Basic and diluted earnings per share		
Total basic earnings per share (face value ₹ 10)	138	116
Total diluted earnings per share (face value ₹ 10)	138	116

## 33 Segment information

### 33.1 General Information

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

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

### 33.2 Geographical segment information

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

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

	Revenue from operations		Segment assets	
	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
India	1 09 624	100 745	18 576	16 182
Outside India	13 338	10 696	----	----
	<b>1 22 962</b>	<b>1 11 441</b>	<b>18 576</b>	<b>16 182</b>

Two external customers individually constitute more than 10% of the Company's total revenue, amounting to ₹ 27 363 lakhs (Previous year ₹ Nil lakhs)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 34 Financial instruments & related disclosures

#### 34.1 Capital management

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

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

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

#### 34.2 Categories of financial instruments

₹ in lakhs

June 30, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Long term Loans	----	----	630	630	----	----	----	----
Security Deposits	----	----	509	509	----	509	----	509
Trade and other receivables	----	----	11 571	11 571	----	----	----	----
Cash and cash equivalents	----	----	43 505	43 505	----	----	----	----
Other bank balances	----	----	517	517	----	----	----	----
Loans	----	----	153	153	----	----	----	----
Other financial assets	----	----	1 256	1 256	----	----	----	----
	----	----	<b>58 141</b>	<b>58 141</b>	----	<b>509</b>	----	<b>509</b>
<b>Financial liabilities</b>								
Lease liabilities			1 200	1 200	----	1 200	----	1 200
Trade and other payables	----	----	23 704	23 704	----	----	----	----
Other financial liabilities	----	----	3 044	3 044	----	----	----	----
	----	----	<b>27 948</b>	<b>27 948</b>	----	<b>1 200</b>	----	<b>1 200</b>
<b>June 30, 2022</b>								
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Long term Loans	----	----	599	599	----	----	----	----
Security Deposits	----	----	876	876	----	876	----	876
Trade and other receivables	----	----	8 344	8 344	----	----	----	----
Cash and cash equivalents	----	----	31 940	31 940	----	----	----	----
Other bank balances	----	----	513	513	----	----	----	----
Loans	----	----	157	157	----	----	----	----
Other financial assets	----	----	746	746	----	----	----	----
	----	----	<b>43 175</b>	<b>43 175</b>	----	<b>876</b>	----	<b>876</b>
<b>Financial liabilities</b>								
Lease liabilities	----	----	283	283	----	283	----	283
Trade and other payables	----	----	17 208	17 208	----	----	----	----
Other financial liabilities	----	----	3 025	3 025	----	----	----	----
	----	----	<b>20 516</b>	<b>20 516</b>	----	<b>283</b>	----	<b>283</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 34.3 Fair value measurements

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

### 34.4 Financial risk management objectives

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

#### 34.4.1 Credit risk management

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

#### Trade and other receivables

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

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

#### Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at 30 June 2023 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

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

#### Cash and cash equivalents

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of ₹ 43 505 lakhs (30 June 2022 ₹ 31 940 lakhs). The credit

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

### 34.4.2 Liquidity risk management

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

As of 30 June 2023 the Company has working capital of ₹ 49 220 lakhs (30 June 2022: ₹ 37 614 lakhs) including cash and cash equivalents and other bank balances of ₹ 43 505 lakhs (30 June 2022: ₹ 31 940 lakhs). Working capital is calculated as current assets less current liabilities.

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

	Less than 1 Year	Between 1 to 5 Years	Over 5 years	Total	Carrying Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
<b>At June 30, 2023</b>					
Lease liabilities	312	888	----	1 200	1 200
Trade and other payables	23 704	----	----	23 704	23 704
Other financial liabilities	3 044	----	----	3 044	3 044
<b>At June 30, 2022</b>					
Lease liabilities	283	----	----	283	283
Trade and other payables	17 208	----	----	17 208	17 208
Other financial liabilities	3 025	----	----	3 025	3 025

### 34.4.3 Market risk

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

### 34.4.4 Currency risk

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

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

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, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Trade receivable	USD	2 718	2 641	33	33
	EUR	172	380	2	5
Trade payable	USD	4 240	2 964	52	38
	EUR	1 659	767	19	9
	SGD	2	----	----	----
	CNY	73	----	6	----

### 34.4.5 Foreign currency sensitivity analysis

The Company is mainly exposed to the currencies stated above.

The following table details impact to profit or loss of the Company by sensitivity analysis of a 10% increase and decrease in the respective currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change on foreign currency rates.

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

Effect in Rupees	Profit or loss before tax		Equity, gross of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>30 June 2023</b>				
USD	(152)	152	(152)	152
EUR	(149)	149	(149)	149
<b>30 June 2022</b>				
USD	(32)	32	(32)	32
EUR	(39)	39	(39)	39

### 34.4.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

### 34.4.7 Exposure to interest rate risk

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

Fixed Rate instruments	June 30, 2023 ₹ in lakhs	June 30, 2022 ₹ in lakhs
Financial assets	-	-

### Interest rate sensitivity - fixed rate instruments

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 35 Share-based payments

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

The Procter & Gamble Company, USA has an “International Stock Ownership Plan” (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of the Ultimate Holding Company i.e. The Procter & Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary). Such contribution is charged under employee benefits expense.

The shares of The Procter & Gamble Company, USA are listed with New York Stock Exchange and are purchased on behalf of the employees at market price on the date of purchase. During the year ended June 30, 2023, 2 506.10 (Previous period ended June 30, 2022: 2 043.58) shares excluding dividend were purchased by employees at weighted average fair value of ₹ 11 896.54 (Previous period ended June 30, 2022: ₹ 11 655.75) per share. The Company's contribution during the year on such purchase of shares amounts to ₹ 77.21 Lakhs (Previous period ended June 30, 2022: ₹ 60.97 lakhs) has been charged under employee benefits expense under Note 28.

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

The Procter & Gamble Company, USA has an “Employee Stock Option Plan” whereby specified employees of its subsidiaries covered by the plan are granted an option to purchase shares of the Ultimate Holding Company i.e. The Procter & Gamble Company, USA at a fixed price (grant price) for a fixed year of time. The shares of The Procter & Gamble Company, USA are listed with New York Stock Exchange. The Options Exercise price equal to the market price of the underlying shares on the date of the grant. The Grants issued are vested after 3 years and have a 5/10 years life cycle.

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

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
Expense arising from equity-settled share-based payment transactions	224	904
<b>Total expense arising from share-based payment transactions</b>	<b>224</b>	<b>904</b>

There were no cancellations or modifications to the awards in 30 June 2023.

#### Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

	Year ended June 30, 2023	Year ended June 30, 2023	Estimated fair value of options granted per unit	Year ended June 30, 2022	Year ended June 30, 2022	Estimated fair value of options granted per unit
	Number	WAEP (in \$)	in ₹	Number	WAEP (in \$)	in ₹
Outstanding at July 1	21 297	----	----	21 713	----	----
Granted during the year						
3-Oct-22	3 656	129	12 978	----	----	----
15-Sep-22	456	137	2 407	----	----	----

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

	Year ended June 30, 2023	Year ended June 30, 2023	Estimated fair value of options granted per unit	Year ended June 30, 2022	Year ended June 30, 2022	Estimated fair value of options granted per unit
	Number	WAEP (in \$)	in ₹	Number	WAEP (in \$)	in ₹
15-Sep-21	----	----	----	639	145	1 681
1-Oct-21	----	----	----	3 217	140	12 730
Exercised during the year	( 733)	----	----	( 3 899)	----	----
Expired during the year	----	----	----	( 373)	----	----
<b>Outstanding at June 30</b>	<b>24 676</b>	----	----	<b>21 297</b>	----	----
Exercisable at June 30	----	----	----	----	----	----

The weighted average share price at the date of exercise of these options was \$ 131.49 (June 30, 2022: \$ 158.22).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2023 was 6.47 years (June 30, 2022: 6.92 years).

The weighted fair value of options granted during the year was ₹ 3 788 (June 30, 2022: ₹ 4 931).

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, 2023 and June 30, 2022, respectively:

	As at June 30, 2023	As at June 30, 2022
Dividend yield (%)	2.60%	2.45%
Expected volatility (%)	21.00%	18.65%
Risk-free interest rate (%)	3.70%	1.51%

### 36 Employee benefit plans

#### 36.1 Defined Benefit plans / long term benefit plan

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, which is administered through trustees and/or Life Insurance Corporation of India. 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.

##### b) Post Retirement Medical Benefit (PRMB) (Unfunded)

The Company provides certain post-employment medical benefits to employees. Under the scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

types of benefits, depending on their grade at the time of retirement. Employees separated from the Company as part of early separation scheme are also covered under the scheme. The liability for post retirement medical scheme is based on an independent actuarial valuation.

### c) Compensated absences (Unfunded)

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

### d) Long term service award (Unfunded)

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

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, 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

	Valuations as at	
	June 30, 2023	June 30, 2022
<b>Discount rate:</b>		
Gratuity plan (funded)	7.00%	7.20%
Compensated absence plan (unfunded)	7.00%	7.20%
Post retirement medical benefit (PRMB) (unfunded)	7.00%	7.20%
Long service award	7.10%	NA
<b>Expected rate of salary increase</b>		
Gratuity plan (funded)	9.00%- 12.00%	9.00%- 12.00%
Compensated absence plan (unfunded)	9.00%- 12.00%	9.00%- 12.00%

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

	Valuations as at	
	June 30, 2023	June 30, 2022
<b>Medical Inflation Rate</b>		
Post retirement medical benefit (PRMB) (unfunded)	5.50%	5.50%
<b>Gold Inflation Rate</b>		
Long service award (unfunded)	7.00%	NA

### Demographic Assumptions

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

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

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Service costs:		
Current service cost	376	368
Past service cost	----	----
Net interest expense	78	80
<b>Components of defined benefit costs recognised in Statement of profit and loss (A)</b>	<b>454</b>	<b>448</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	54	(337)
Actuarial (gains) / losses arising from changes in experience adjustments	178	298
Actuarial (gains) / losses arising from changes in demographic assumptions	----	----
Return on plan asset	16	(55)
<b>Components of defined benefit costs recognised in other comprehensive income (B)</b>	<b>248</b>	<b>(94)</b>
<b>Total (C = (A+B))</b>	<b>702</b>	<b>354</b>
<b>Compensated absence plan (Unfunded)</b>		
Service costs:		
Current service cost	20	20
Past service cost	84	----
Net interest expense	12	12
Immediate recognition of (gains)/losses – other long term employee benefit plans	38	(29)
Remeasurement of other long term benefits	----	----
<b>Components of defined benefit costs recognised in statement of profit and loss (D)</b>	<b>154</b>	<b>3</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Service costs:		
Current service cost	4	27
Net interest expense	----	----
<b>Components of defined benefit costs recognised in statement of profit and loss (E)</b>	<b>4</b>	<b>27</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	----	----
Actuarial (gains) / losses arising from changes in experience adjustments	----	----
Actuarial (gains) / losses arising from changes in demographic assumptions	(2)	----
<b>Components of defined benefit costs recognised in other comprehensive income (F)</b>	<b>(2)</b>	<b>----</b>
<b>Total (G = (E + F))</b>	<b>2</b>	<b>27</b>
<b>Long Term Service Award (Unfunded)</b>		
Service costs:		
Current service cost	----	----
Past Service cost	529	----
Net interest expense	----	----
Immediate recognition of (gains)/losses – other long term employee benefit plans	92	----
<b>Components of defined benefit costs recognised in statement of profit and loss (H)</b>	<b>621</b>	<b>----</b>
<b>Total defined benefit costs recognised in Statement of Profit and Loss (A+D+E+H)</b>	<b>1 233</b>	<b>478</b>
Total defined benefit costs recognised in Other Comprehensive Income (B+F)	<b>246</b>	<b>(94)</b>

The current service cost for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

- 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, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Present value of funded defined benefit obligation	5 226	5 145
Fair value of plan assets	(3 865)	(3 620)
<b>Net liability arising from defined benefit obligation</b>	<b>1 361</b>	<b>1 525</b>
<b>Compensated absence plan (Unfunded)</b>		
Present value of funded defined benefit obligation	286	200
<b>Net liability arising from defined benefit obligation</b>	<b>286</b>	<b>200</b>
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Present value of funded defined benefit obligation	4	27
<b>Net liability arising from defined benefit obligation</b>	<b>4</b>	<b>27</b>
<b>Long term service award (Unfunded)</b>		
Present value of funded defined benefit obligation	529	----
<b>Net liability arising from defined benefit obligation</b>	<b>529</b>	<b>----</b>

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

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Opening defined benefit obligation	5 145	4 866
Current service cost	376	368
Interest cost	339	282
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	54	(337)
Actuarial (gains) / losses arising from changes in experience adjustments	178	298
Actuarial (gains) / losses arising from changes in demographic assumptions	----	----
Benefits paid	(866)	(332)
<b>Closing defined benefit obligation</b>	<b>5 226</b>	<b>5 145</b>
<b>Compensated absence plan (Unfunded)</b>		
Opening defined benefit obligation	200	207
Current service cost	20	20
Past Service cost	84	----
Interest cost	12	12
Immediate recognition of (gains)/losses – other long term employee benefit plans	39	(29)
Benefits paid	(68)	(10)
<b>Closing defined benefit obligation</b>	<b>287</b>	<b>200</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Opening defined benefit obligation	27	----
Current service cost	2	27
Interest cost	2	----
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from changes in assumptions	(2)	----
Benefits paid	----	----
<b>Closing defined benefit obligation</b>	<b>29</b>	<b>27</b>
<b>Long term service award (Unfunded)</b>		
Opening defined benefit obligation	----	----
Past service cost	529	----
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in experience adjustments	92	----
Benefits paid directly by the Company	(92)	----
<b>Closing defined benefit obligation</b>	<b>529</b>	<b>----</b>

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

	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Gratuity Plan</b>		
Opening fair value of plan assets	3 620	3 363
Interest income	261	202
Employer contributions	----	----
Actuarial gains/(loss)	(16)	55
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	----	----
Benefits paid	----	----
<b>Closing fair value of plan assets</b>	<b>3 865</b>	<b>3 620</b>

**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, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Insurer managed funds	3 865	3 620
<b>Total</b>	<b>3 865</b>	<b>3 620</b>

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

Expected employer contributions for the year ending June 30, 2023 is ₹ Nil (for the year ending June 30, 2022: ₹ Nil)

The actual return on plan assets was ₹ 261 lakhs (for the year ending on June 30, 2022: ₹ 202 lakhs)

<b>Maturity profile of defined benefit obligation:</b>	<b>Gratuity Plan ₹ in lakhs</b>
Within 1 year	642
1 - 2 year	701
2 - 3 year	711
3 - 4 year	914
4 - 5 year	856
5 - 10 years	3 895

Significant actuarial assumptions of the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

### G. Sensitivity analysis

#### Gratuity Plan (Funded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 134 lakhs (increase by ₹ 141 lakhs) (as at June 30, 2022: decrease by ₹ 129 lakhs (increase by ₹ 135 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 145 lakhs (decrease by ₹ 139 lakhs) (as at June 30, 2022: increase by ₹ 140 lakhs (decrease by ₹ 135 lakhs)).

#### Compensated absence plan (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 7.5 lakhs (increase by ₹ 7.9 lakhs) (as at June 30, 2022: decrease by ₹ 4.5 lakhs (increase by ₹ 4.7 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 7.8 lakhs (decrease by ₹ 7.5 lakhs) (as at June 30, 2022: increase by ₹ 4.8 lakhs (decrease by ₹ 4.7 lakhs)).

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

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

If the medical inflation rate is 50 basis points higher (lower), the defined benefit obligation would increase by ₹ 1.10 lakhs (decrease by ₹ 1.05 lakhs)

The sensitivity analysis presented above may not be representative of the actual change of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method as the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### Long term service award (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 11.9 lakhs (increase by ₹ 12.6 lakhs).

If the gold inflation rate is 50 basis points higher (lower), the defined benefit obligation would increase by ₹ 12.5 lakhs (decrease by ₹ 12.0 lakhs)

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### e) Contribution to Provident fund, Superannuation fund and others

Amount of ₹ 991 lakhs (2022: ₹ 905 lakhs) is recognised as an expense and included in “Employee costs” (refer note 28) in the Statement of Profit and Loss.

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

The Institute of Actuaries of India has issued guidance for measurement of provident fund liabilities on actuarial basis. Based on this guidance note, the actuary has provided an actuarial valuation of the provident fund liability of the Company as at 30 June 2023.

## 37 Related party disclosures

As per Ind As 24, the disclosures of transaction with the related parties are given below

### (a) Related party where control exists:

Relationship	Name of the Company
Ultimate Holding Company	The Procter & Gamble Company, USA
Holding Company	Procter & Gamble Overseas India BV, The Netherlands

### (b) Other parties with whom transactions have taken place during the year.

#### (i) Fellow Subsidiaries

S. No.	Name of the Company	S. No.	Name of the Company
1	Procter & Gamble Hygiene & Health Care Limited	8	The Procter & Gamble Distributing LLC
2	P&G Health Austria GmbH & Co. OG	9	Procter & Gamble Philippines Business Services- Inc.
3	Gillette India Limited	10	Procter & Gamble Manufacturing GmbH
4	Procter & Gamble Home Products Pvt. Ltd	11	Gillette Diversified Operations Pvt Ltd
5	Procter & Gamble International Operations SA Singapore	12	Procter & Gamble International Operations SA-ROHQ
6	Procter & Gamble International Operations SA Geneva		
7	The Procter & Gamble US Business Services Company		

#### (ii) Post Employment Benefit Plan:

Merck Provident Fund Trust, India

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023****(iii) Key Management Personnel of the Company:**

S. No.	Name	Designation
1	Mr. Suresh Talwar	Chairman and Independent Director
2	Mrs. Rani Ajit Jadhav	Independent Director
3	Mr. S. Madhavan	Independent Director (w.e.f November 15, 2021)
4	Mr. Milind Thatte	Managing Director
5	Mr. Amit Gupta	Executive Director & Chief Financial Officer (upto March 31, 2023)
6	Mr. Aalok Agarwal	Non-Executive Director
7	Mr. Lokesh Chandak	Executive Director & Chief Financial Officer (w.e.f. April 01,2023)
8	Ms. Seema Sambasivan	Non-Executive Director (w.e.f. April 01, 2023)
9	Dr Elizabeth Desmond	Non-Executive Director (w.e.f. September 24, 2021 and upto March 31,2023)
10	Mr Sujay Wasan	Non-Executive Director (Upto September 23, 2021)

Note: Related parties have been identified by the management.

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

₹ in lakhs						
S. No.	Nature of Transactions	Year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel	Post Employment Benefit Plan
1	Purchase of Goods	<b>2023</b>	----	<b>1 316</b>	----	----
		2022	----	1 077	----	----
2	Purchase of Equipment/ Assets/Spares	<b>2023</b>	----	<b>14</b>	----	----
		2022	----	42	----	----
3	Sale of Products	<b>2023</b>	----	<b>5 171</b>	----	----
		2022	----	3 749	----	----
4	Sale of fixed assets	<b>2023</b>	----	<b>43</b>	----	----
		2022	----	----	----	----
5	Sale of spares	<b>2023</b>	----	----	----	----
		2022	----	3	----	----
6	Expenses cross-charged	<b>2023</b>	----	<b>2 344</b>	----	----
		2022	503	1 746	----	----
7	Services rendered	<b>2023</b>	<b>2 238</b>	----	----	----
		2022	1 945	----	----	----
8	Reimbursement of expenses	<b>2023</b>	<b>125</b>	<b>565</b>	----	----
		2022	195	220	----	----
9	Business Process Outsourcing expenses	<b>2023</b>	----	<b>1 350</b>	----	----
		2022	----	1 266	----	----
10	Royalty	<b>2023</b>	<b>2 409</b>	----	----	----
		2022	2 166	----	----	----
11	Dividend Paid	<b>2023</b>	<b>4 860</b>	----	----	----
		2022	14 708	----	----	----



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

₹ in lakhs

S. No.	Nature of Transactions	Year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel	Post Employment Benefit Plan
12	Contribution to provident fund	<b>2023</b>	----	----	----	<b>1 887</b>
		2022	----	----	----	1 678
13	Computer expenses	<b>2023</b>	----	<b>809</b>	----	----
		2022	----	729	----	----
14	Rent expenses	<b>2023</b>	----	<b>516</b>	----	----
		2022	----	----	----	----
15	Security Deposit given	<b>2023</b>	----	<b>172</b>	----	----
		2022	----	----	----	----
16	Managerial Remuneration #	<b>2023</b>	----	----	<b>515</b>	----
		2022	----	----	822	----
17	Director's sitting fees and Commission	<b>2023</b>	----	----	<b>67</b>	----
		2022	----	----	43	----
	<b>Outstanding as at June 30</b>					
18	Trade and other receivables	<b>2023</b>	<b>782</b>	<b>997</b>	----	----
		2022	509	513	----	----
19	Payables	<b>2023</b>	<b>580</b>	<b>5 316</b>	----	----
		2022	670	2 139	----	----

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. (Except general provision coming in accordance with ECL Model). 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.

Amounts are inclusive of GST wherever applicable.

### (d) Disclosure in respect of material transactions of the same type with related parties during the year:

₹ in lakhs

S. No.	Nature of Transactions	Year Ended June 30, 2023	Year Ended June 30, 2022
<b>1</b>	<b>Purchase of Goods</b>		
	Procter & Gamble International Operations SA Geneva	<b>806</b>	280
	Procter & Gamble International Operations SA Singapore	<b>510</b>	797
<b>2</b>	<b>Purchase of Equipment/Assets/Spares</b>		
	The Procter & Gamble Distributing LLC	<b>14</b>	42
<b>3</b>	<b>Sale of Products</b>		
	P&G Health Austria GmbH & Co. OG	<b>5 171</b>	3 749
<b>4</b>	<b>Sale of fixed assets</b>		
	Procter & Gamble Hygiene and Health Care Limited	<b>43</b>	----

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

		₹ in lakhs	
S. No.	Nature of Transactions	Year Ended June 30, 2023	Year Ended June 30, 2022
<b>5</b>	<b>Sale of spares</b>		
	Procter & Gamble Manufacturing GmbH	----	3
<b>6</b>	<b>Expenses cross-charged</b>		
	Procter & Gamble Hygiene and Health Care Limited	878	337
	Procter & Gamble Home Products Pvt. Ltd	776	899
	The Procter & Gamble Company, USA	----	503
	Gillette India Limited	357	228
	Gillette Diversified Operations Pvt Ltd	328	157
	The Procter & Gamble US Business Services Company	5	125
<b>7</b>	<b>Service rendered</b>		
	The Procter & Gamble Company, USA	2 238	1 945
<b>8</b>	<b>Reimbursement of expense</b>		
	Procter & Gamble Home Products Pvt Ltd	107	51
	Procter & Gamble Hygiene and Health Care Limited	227	165
	The Procter & Gamble Company, USA	125	195
	Procter & Gamble International Operations SA Singapore	7	4
	Gillette India Limited	90	----
	Gillette Diversified Operations Pvt Ltd	134	----
<b>9</b>	<b>Business Process Outsourcing expenses</b>		
	Procter & Gamble Philippines Business Services- Inc.	1 350	1 266
<b>10</b>	<b>Royalty</b>		
	The Procter & Gamble Company, USA	2 409	2 166
<b>11</b>	<b>Dividend Paid</b>		
	Procter & Gamble Overseas India BV, The Netherlands	4 860	14 708
<b>12</b>	<b>Contribution to provident fund</b>		
	Merck Provident Fund Trust, India (on payment basis)	1 887	1 678
<b>13</b>	<b>Computer Expenses</b>		
	The Procter & Gamble US Business Services Company	809	729
<b>14</b>	<b>Rent expenses</b>		
	Procter & Gamble Home Products Pvt Ltd	516	----
<b>15</b>	<b>Security Deposit given</b>		
	Procter & Gamble Home Products Pvt Ltd	172	----
<b>16</b>	<b>Managerial Remuneration</b>		
	Mr. Milind Thatte (Managing Director)	252	485
	Mr. Amit Gupta (Executive Director) (upto March 31, 2023)	193	337
	Mr. Lokesh Chandak (Executive Director) (w.e.f. April 01, 2023)	69	----
<b>17</b>	<b>Director's sitting fees and Commission</b>		
	Mr. S. N. Talwar	24	18
	Mrs. Rani A. Jadhav	22	16
	Mr. S. Madhavan	21	9

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

₹ in lakhs

S. No.	Nature of Transactions	As at June 30, 2023	As at June 30, 2022
<b>18</b>	<b>Balance payables</b>		
	Procter & Gamble International Operations SA Geneva	1 657	767
	Procter & Gamble Hygiene and Health Care Ltd	155	58
	The Procter & Gamble US Business Services Company	1 555	795
	Procter & Gamble International Operations SA-Singapore	822	----
	The Procter & Gamble Company, USA	580	670
	Procter & Gamble Philippines Business Services- Inc.	758	207
	Others	369	312
<b>19</b>	<b>Balance receivable</b>		
	P&G Health Austria GmbH & Co. OG	616	378
	The Procter & Gamble Company, USA	782	509
	Procter & Gamble Hygiene and Health Care Ltd	48	117
	Procter & Gamble Home Products Pvt Ltd	172	----
	Others	161	18

### 38 Operating lease arrangements

#### 38.1 Company as a lessee

##### 38.1.1 Right-of-use assets

Following are the changes in the carrying value of right of use assets:

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Gross Carrying Amount</b>		
Opening balance	1 227	1 227
Addition during the year	1 354	----
Disposal during the year	(1 227)	----
<b>Closing Gross Carrying amount</b>	<b>1 354</b>	<b>1 227</b>
<b>Accumulated Depreciation</b>		
Opening balance	960	480
Depreciation for the year	507	480
Disposal during the year	(1 227)	----
Closing accumulated depreciation	240	960
<b>Net carrying amount as at year end</b>	<b>1 114</b>	<b>267</b>

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%

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023**

Following are the changes in the carrying value of Lease Liability:

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Balance as at beginning	283	761
Additions	1 308	----
Finance cost accrued during the year	77	42
Deletions	----	----
Less: Payment of lease liabilities	(468)	(520)
	<b>1 200</b>	<b>283</b>

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.

**38.2 Company as a lessor****38.2.1 Leasing arrangements**

The Company has leased out certain office premises which have been classified as investment property. The lease term is 60 months with non cancellable period of 48 months. There is escalation clause in the lease agreement. The carrying amount of property given on operating lease and depreciation thereon for the year are:

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Gross carrying amount	521	521
Accumulated depreciation	296	261
<b>Net carrying amount</b>	<b>225</b>	<b>260</b>
<b>Depreciation for the year</b>	<b>35</b>	<b>35</b>

**38.2.2 Non-cancellable operating lease receivables**

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Within one year	205	205
After one year but not more than five years	202	407
More than five years	----	----
<b>Total</b>	<b>407</b>	<b>612</b>

During the year, an amount of ₹ 205 lakhs (2022: ₹ 213 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 39 Commitments

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advance ₹ 20 lakhs (30 June 2022: ₹ Nil)]	897	2 322
	<b>897</b>	<b>2 322</b>

### 40 Contingent liabilities

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>a) Claims against company not acknowledged as debts</b>		
Income tax matters	9 403	10 020
Sales tax matters	2 067	3 611
Excise duty, GST, Service tax and custom duty matters	4 181	4 488
	<b>15 651</b>	<b>18 119</b>

Future cash flow in respect of the above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities.

- b)** In June 2016, National Pharmaceutical Pricing Authority (NPPA) served a demand notice on the Company alleging that during the period from January 2006 to June 2009 the Company sold Polybion 100ml syrup at a price higher than the ceiling price fixed by it on 05 June 2008. Pursuant to orders passed by Kolkata High Court, NPPA gave another opportunity of hearing to the Company. NPPA did not accede to any of the Company's contention and issued a fresh demand notice demanding a sum of ₹ 3 307 lakhs (₹ 1 168 lakhs on account of overcharge during the said period and ₹ 2 138 lakhs for interest thereon) for sales made by the Company during the period May 2006 to June 2009. The Company has challenged the said demand by way of writ petition, which is pending before Hon'ble Delhi High Court. In a separate proceedings filed by the manufacturer of the said drug, Cradel Pharmaceutical Private Limited, Hon'ble Kolkata High Court stayed the demand provided it deposits a sum of ₹ 225 lakhs with the NPPA. The Company has been legally advised that the Company has a defensible 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

Further, NPPA has also issued a demand order dated May 10, 2017 of ₹ 52 lakhs to the Company under the provisions of Drug Prices (Control) Order, 2013 (“DPCO”) for overcharging in respect of Concor 5 mg Tablets (containing the bulk drug Bisoprolol 5 mg) with interest thereon @15% on the said amount.

The Company has challenged both the above matters by writ petition which are pending adjudication in the Bombay High Court. In the view of the management, future course of action in relation to both these matters, including any liabilities thereof will be managed directly by Merck Life Science Private Limited. Managements of the Company and Merck Life Science Private Limited are aligning this understanding basis business transfer agreements and hence, these matters are disclosed as contingent liabilities.

- e) During the year 2014, Central Excise issued a show cause cum demand notice on the Company covering a period of five years for alleged wrong classification of the products, Vitamin E Acetate min. 92% for Poultry/ Cattle/Pig-feed, Vitamin E Liquid for Animal Nutrition (for Pig/Cattle/Poultry) and Vitamin E Dry Powder 50% for Animal Nutrition. The value of total demand was ₹ 2 178 lakhs including penalty and interest.

Further, for same classification matter, the Company has received VAT/CST assessment orders of ₹ 2 178 lakhs and notices covering a period of five years disallowing VAT exemption claimed for Vitamin E Acetate, Vitamin E dry powder, Vitamin E liquid for Animal nutrition classified as Animal feed. For the orders received, the Company has contested before the respective state appellate authorities.

The Central Excise had issued show cause cum demand on similar matter in the past as well. This was contested by the Company before the lower authorities. On the representation made by the Company the demand was dropped after considering various decisions pronounced by judicial and quasi-judicial authorities at the relevant time.

The Company based on legal opinion believes that it has a good case on merits as well as on limitations. The aforesaid amounts have already been included under contingent liability at note 40 (a) to the financial statements.

### 41 Accounting Ratios

No.	Name of the Ratio	Numerator	Denominator	2022-23	2021-22	Change	Explanation for changes over 25% in the ratios, if any
1	Current Ratio	Current assets	Current liabilities	2.62	2.62	0%	
2	Debt equity ratio	Total debt	Equity	-	-	-	
3	Debt Service Coverage Ratio	Earnings available for debt service	Total debt service	-	-	-	
4	Return on Equity	Net profit	Average shareholder equity	34%	29%	15%	
5	Inventory turnover	Total Sales	Average inventory	9.83	9.54	3%	
6	Trade Receivables turnover	Total Sales	Average trade receivable	12.35	15.56	-21%	
7	Trade payables turnover	Total Purchases	Average trade payable	1.86	1.30	43%	Optimised credit terms with vendors
8	Net capital turnover	Total Sales	Working Capital	2.50	2.96	-16%	
9	Net Profit	Net profit	Net Sales	19%	17%	8%	
10	Return on Capital employed	Earning before interest and taxes	Capital employed	0.42	0.41	2%	
11	Return on investment	Income generated from Investments	Time Weighted Average Investments	0.05	0.03	67%	Increase in interest rates

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

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

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	991	1 533
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1	17
(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	14 360	19 883
Interest paid in terms of Section 16 of the Act	----	----
(d) The amount of interest due and payable for the year	107	247
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year /period	354	247
(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.

- 43** (a) Reimbursement / (recovery) of expenses cross charged to related parties include payments / recoveries on account of finance, personnel, secretarial, administration and planning services rendered under common services agreements with Procter & Gamble Hygiene & Health Care Limited, Procter & Gamble Home Products Private Limited, Gillette Diversified Operations Pvt Ltd and Gillette India Limited.
- 43** (b) Certain expenses in the nature of employee costs, relocation costs and other expenses are cross charged by the Company to its fellow subsidiaries at actual. Similar expenses incurred by fellow subsidiaries are cross charged to the Company at actual.

### 44 Dividend

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Dividend on equity shares paid during the year</b>		
Final dividend for the FY 2021-22: ₹ 45 (PY: FY 2020-21: ₹ 130) per equity share of ₹ 10 each	7 470	21 579
Interim dividend for the FY 2022-23: ₹ 11.5 (PY: FY 2021-22: ₹ 41) per equity share of ₹ 10 each	1 909	6 806
<b>TOTAL</b>	<b>9 379</b>	<b>28 385</b>

The Board of Directors at its meeting held on August 23, 2023 have recommended a payment of final dividend of ₹ 50 per equity share of face value of ₹ 10 each for the financial year ended June 30, 2023 resulting in a dividend payout of ₹ 8 299.7 lakhs.

- 45** As per the MCA notification dated August 5, 2022, and the Companies (Accounts) Fourth Amendment Rules, 2022, the Company is required to maintain backups of books of account on servers physically located in India on a daily basis. The Company has maintained periodic backups of certain part of their books of accounts and other relevant books and papers maintained in electronic mode on servers physically located in India. This is in addition to regular backups on the Company's Global Servers. The Company is in process of implementing a system to perform daily backups to comply with the requirements of the relevant Rules

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

### 46 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 2022. Management believes that the Company's transactions with related parties post March 2022 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.

47 There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

48 (a) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- i) Crypto Currency or Virtual Currency
- ii) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- iii) Registration of charges or satisfaction with Registrar of Companies
- iv) Relating to borrowed funds:
  - a) Wilful defaulter
  - b) Borrowings obtained on the basis of security of current assets
  - c) Discrepancy in utilisation of borrowings
  - d) Current maturity of long term borrowings

48 (b) The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 48 (c) Relationship with Struck off companies

Name of struck off company	Nature of transactions with struck off company	As at June 30, 2023	Relationship with struck off company if any to be disclosed	As at June 30, 2022	Relationship with struck off company if any to be disclosed
L and C Pereira Housing Company Pvt Ltd	Payables	----	Vendor	----	Vendor
Revathi Pharma Pvt. Ltd.	Receivables	----	Customer	0.14	Customer
On Line Packaging Pvt. Ltd.	Payables	----	Vendor	17.44	Vendor
Shree Roadways Ltd.	Payables	----	Vendor	----	Vendor

### 48 (d). Utilization of borrowed funds and share premium:

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR JULY 1, 2022 TO JUNE 30, 2023

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**49** During the earlier year, Company had impaired plant and machinery related to product oxynex whose supply terms were completed as at March 31, 2022.

The Company no longer plants for future manufacture and supply of the said product.

The impairment has been reversed during the year on actual sale of the said plant.

**50** Figures for the previous year have been re-grouped/re-arranged wherever necessary to conform current period's classification.

### **51 Approval of financial statements**

The financial statements were approved for issue by the board of directors on August 23, 2023.

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

**Sumant Sakhardande**

*Partner*

M. No.: 034828

Place: Mumbai

Date: August 23, 2023

**S.N Talwar**

*Chairman*

DIN No.00001456

**Lokesh Chandak**

*Chief financial officer*

DIN No.10083315

**Milind Thatte**

*Managing Director*

DIN No. 08092990

**Zeal Rupani**

*Company Secretary*

## TEN YEAR FINANCIAL HIGHLIGHTS

	IGAAP			IND AS						
	2013	2014	2015	2016 <sup>^</sup>	2017 <sup>^</sup>	2018 <sup>^</sup>	2019 <sup>^</sup>	2021 <sup>^</sup>	2022 <sup>^</sup>	2023 <sup>^</sup>
<b>YEAR END FINANCIAL POSITION (₹ Crores)</b>										
Net Fixed Assets	94.06	137.34	138.73	140.64	123.97	117.11	122.67	143.06	152.26	176.46
Net Worth	523.03	554.30	591.55	663.82	733.26	1,540.11	906.34	703.71	616.49	750.89
<b>SUMMARY OF OPERATIONS (₹ Crores)</b>										
Revenue from operations	772.96	832.45	908.32	1,001.77	711.47	848.99	1,355.86	1,008.73	1,114.41	1,229.62
Profit Before Taxation and exceptional items	88.25	66.56	83.33	115.17	81.92	151.41	354.85	233.28	253.37	314.20
Profit after taxation	55.88	43.22	53.56	79.13	93.91	838.72	254.08	176.80	192.52	229.47
Dividend paid in Financial Year	4.15	14.22	9.93	12.45	18.26	24.97	733.25	381.78	283.85	93.79
<b>PER SHARE DATA</b>										
EPS (₹)	33.70	26.00	32.30	47.70	56.57	505.27	153.00	106.51	116.00	138.00
Dividend for the Financial Year (₹)	8.50	6.00	7.50	11.00	15.00	440.00	230.00	130.00	52.50	95.00
<b>NUMBER OF SHARES</b>										
Shares (₹ Crores)	16.60	16.60	16.60	16.60	16.60	16.60	16.60	16.60	16.60	16.60

### Notes :

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

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 2023 is subject to approval by the shareholders at Annual General meeting







**Procter & Gamble Health Limited**

Ground floor and First floor, P&G Plaza, Cardinal Gracious Road,  
Chakala, Andheri East, Mumbai-400 099  
Tel: (91-22) 6866 9000

