



**Procter & Gamble Hygiene
and Health Care Limited**
CIN: L24239MH1964PLC012971
Registered Office:
P&G Plaza
Cardinal Gracias Road, Chakala
Andheri (E), Mumbai 400 099
Tel: (91-22) 2826 6000
Fax: (91-22) 2826 7337
Website: in.pg.com

October 25, 2021

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

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:- 500459

Dear Sir / Madam,

Sub: Annual Report and Notice calling the 57th Annual General Meeting of the Company for the Financial Year ended June 30, 2021

We refer to our letter dated September 17, 2021, informing the date of 57th Annual General Meeting. In this respect, please find enclosed Annual Report and Notice calling the 57th Annual General Meeting of the Company for the Financial Year ended June 30, 2021.

In accordance with, the General Circular numbers 20/2020, 14/2020, 17/2020 and 02/2021 issued by the Ministry of Corporate Affairs and Circular numbers SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India, the Annual Report for the Financial Year 2020-21, including the Notice of AGM have been sent in electronic mode to Members on October 25, 2021 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://in.pg.com/india-investors/pghh/shareholder-info/info/#annual-report>.

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 investorpghh.im@pg.com from the date of this notice up to November 15, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

Kindly take the same on record and oblige.

Thanking you,
Yours faithfully,
For Procter & Gamble Hygiene and Health Care Limited

FLAVIA PETER MACHADO
Digitally signed by
FLAVIA PETER
MACHADO
Date: 2021.10.25
20:26:34 +05'30'

Flavia Machado
Senior Manager- Legal and Secretarial

NOTICE

NOTICE is hereby given that the Fifty-Seventh Annual General Meeting of the Members of the Company will be held on **Wednesday, November 17, 2021, at 11.00 a.m.** through Video Conference / Other Audio Visual Means, to transact the business as specified below. 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, 2021 and the Statement of Profit and Loss for the Financial Year ended on that date, together with the Reports of the Auditors and Directors thereon.
2. To confirm payment of interim dividend and special dividend and to declare final dividend for the Financial Year ended June 30, 2021.
3. To appoint a Director in place of Mr. Pramod Agarwal (DIN 00066989), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Karthik Natarajan (DIN 06685891), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

Appointment of Mr. Ghanashyam Hegde (DIN 08054712) as Executive Director of the Company, liable to retire by rotation

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable provisions of the Act (including any statutory modification or re-enactment thereof) read with the applicable provisions of the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded for appointment of Mr. Ghanashyam Hegde (DIN 08054712) as Executive Director of the Company for a period of five years with effect from September 1, 2021, as per the terms and conditions detailed in the explanatory statement attached hereto.

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

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

Ratification of payment of remuneration to the Cost Auditor for the Financial Year 2021-22

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”), Rules framed thereunder (as amended from time to time) and other applicable laws,

and such other permissions as may be necessary, the Members hereby ratify the remuneration of ₹ 8,50,000 plus out-of-pocket expenses payable to Ashwin Solanki & Associates, Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records maintained by the Company for the Financial Year 2021-22.”

By Order of the Board of Directors

**Ghanashyam Hegde
Company Secretary**

Mumbai
October 25, 2021

Registered Office :

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

NOTES

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item Nos. 5 and 6 is annexed hereto and forms a part of this Notice.
2. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors proposed to be appointed/re-appointed by rotation at the ensuing 57th AGM forms integral part of the Notice of the 57th AGM.
3. In view of the COVID-19 pandemic, and pursuant to Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs (MCA), physical attendance of the Members at the Annual General Meeting (AGM) venue is not required and AGM can be held through video conferencing (VC) or other audio visual means (OAVM).
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in accordance with the said circulars of MCA and applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 57th 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.

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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 investorpghh.im@pg.com.

6. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 and General Circular No. 2/2021 dated 13th January, 2021 issued by MCA, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the SEBI, the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

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

7. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of 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. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. **The Instructions for Members relating to remote e-Voting and e-Voting at the AGM are as under:**

The remote e-Voting period begins on **Friday, November 12, 2021** at **9:00 A.M.** and ends on **Tuesday, November**

Step 1: Access to NSDL e-Voting system

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting"

16, 2021 at 5:00 P.M. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on November 10, 2021, may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently. The Company has appointed Mr. Makarand M. Joshi or failing him, Ms. Kumudini Bhalerao, partner(s) of M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-Voting given hereinafter.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., **Wednesday, November 10, 2021**, only shall be entitled to avail the facility of remote e-Voting or for participation at the AGM and voting. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.

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





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

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

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

Type of shareholders	Login Method
	under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

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Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p>

Type of shareholders	Login Method
	<p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL 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.</p>

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

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

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

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

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

- a. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.

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- b. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- c. 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.

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 118620 then user ID is 118620001***

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.
- Click on “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nSDL.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nSDL.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- e. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- f. Now, you will have to click on “Login” button.
- g. After you click on the “Login” button, Home page of e-Voting will open.

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

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back) and PAN (self attested scanned copy of PAN card) by email to investorpggh.im@pg.com.
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement and PAN (self attested scanned copy of PAN card) to evoting@nSDL.co.in. If you are an Individual 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 for Individual shareholders holding securities in demat mode.

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

- a. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
- b. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
- c. Now you are ready for e-Voting as the Voting page opens.
- d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e. Upon confirmation, the message “Vote cast successfully” will be displayed.
- f. You can also take the printout of the votes cast by you by clicking on the print option +on the confirmation page.
- g. Once you confirm your vote on the resolution, you

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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/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsd.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.nsd.com or call on toll free no.: 1800-222-990 or send a request to designated email ID at evoting@nsdl.co.in

9. Instructions for Members for attending the AGM through VC/OAVM are as under:

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsd.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. **Shareholders who would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at investorpggh.im@pg.com and machado.f1@pg.com from the date of this notice upto November 15, 2021 (5:00 p.m. IST). Those Members who have**

registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and questions depending on the availability of time for the AGM.

General Instructions to Shareholders

10. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in.
11. The results along with the Scrutinizer’s Report, shall be placed on the website of the Company and on the website of NSDL within two working days of conclusion of the AGM and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
12. SEBI has mandated submission of Permanent Account Number (“PAN”) for all transactions in the securities market. Members who are holding shares in dematerialized form are requested to submit their PAN details to their respective DP. Members holding shares in physical form can submit their PAN details to the Company’s RTA, M/s. Link Intime India Private Limited.
13. During the AGM, the Registers to be maintained under the Companies Act, 2013, shall be available electronically for inspection by the Members, upon login at NSDL e-Voting system at <https://www.evoting.nsd.com>.
14. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
15. Members are requested to note that the transfer deed(s) lodged prior to deadline, i.e., April 1, 2019, and returned due to deficiency in the document were allowed to be re-lodged for transfer with the Company’s RTA, M/s. Link Intime India Private Limited, on or before March 31, 2021. Henceforth, no physical transfer lodgement/ re-lodgement will be allowed. Further, the shares that are re-lodged for transfer (including those request that are pending with the Company / RTA, as on date) will be issued only in demat mode.

Instructions related to payment of Dividend to Shareholders:

16. The Register of Members and the Share Transfer books of the Company will remain closed from **Thursday, November 11, 2021, to Wednesday, November 17, 2021** (both days inclusive), for the purpose of determining the names of Members eligible for final dividend on Equity Shares, if declared at the Annual General Meeting.
17. The final dividend on Equity Shares for the Financial Year ended June 30, 2021, as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or before December 14, 2021:
 - (a) To all beneficial owners, in respect of shares held

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in dematerialized form, as per details furnished by the Depositories for this purpose as at the close of business hours on November 10, 2021;

- (b) To all Members, in respect of shares held in physical form, whose names shall appear on the Company's Register of Members as on November 17, 2021.
18. In line with the Securities and Exchange Board of India ("SEBI") directives, the Company is required to update bank details of the Members of the Company to enable usage of the electronic mode of remittance for distributing dividends and other cash benefits to its Members. In this regard, Members holding shares in electronic form are requested to furnish their bank details to their Depository Participants ("DPs"). Members holding shares in physical form are requested to furnish their bank details, alongwith a photocopy of a blank cancelled cheque pertaining to your bank account to the Registrar and Share Transfer Agent, ("RTA"), M/s. Link Intime India Pvt. Ltd.
19. Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 ("the Act") as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the requisite documents as mentioned in our letter dated September 17, 2021, which is put up on the website at <https://in.pg.com/india-investors/pghh/compliance-reports-and-announcements/announcements>, in order facilitate company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be uploaded RTA's website at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before November 1, 2021 in order to enable the Company to determine and deduct appropriate TDS. For any clarification, please write to us at procterdivtax@linkintime.co.in or investorpghh.im@pg.com.
20. Members holding shares in the physical form are requested to intimate the following directly to the Company's RTA, M/s. Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Tel: (022) 4918 6270; e-mail: rnt.helpdesk@linkintime.co.in.
- (a) Bank Mandate with full particulars for remittance of dividend directly into their Bank Accounts, if declared at the Meeting;
- (b) Intimate changes, if any, in their address/name, bank details, NECS/ECS, mandates, nominations, power of attorney etc. at an early date;
- (c) Apply for consolidation of folios, if shareholdings are under multiple folios in identical names or joint holding in the same order of names; and
- (d) Request for nomination forms for making nominations, as per the format prescribed under the Companies Act, 2013.
- Members holding shares in the dematerialized form are requested to intimate the aforesaid changes directly to their DPs, as applicable.
21. In the case of dematerialized shares, the Company is obliged to print Bank details on the dividend warrants, as are furnished by the National Securities Depository Limited ("NSDL") and the Central Depositories Services (India) Limited ("CDSL") ("the Depositories") to the Company and the Company cannot entertain any request for deletion/change of Bank details without confirmation from the Depositories. In this regard, Members are advised to contact their DPs and furnish them the particulars of any change(s) desired.
22. Non-resident Indian Members are requested to immediately inform the Company or its RTA or the concerned DP, as the case may be, about the following:
- (i) The change in the residential status on return to India for permanent settlement;
- (ii) The particulars of the NRE account with a Bank in India, if not furnished earlier.
23. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on November 24, 2020 (date of last Annual General Meeting) are available on the website of the Company at in.pg.com. The shareholders whose dividend/ shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority at <http://iepf.gov.in/IEPFA/refund.html>.
24. Members are requested to contact the Company's RTA, M/s. Link Intime India Private Limited, for claiming the unclaimed dividends. The detailed dividend history and due dates for transfer to IEPF are provided in the "Corporate Governance" section of the Annual Report.
25. At the beginning of the Financial Year, there were 37,552 shares in the name of 290 shareholders lying in the demat suspense account. During the Financial Year, the Company received claims from 8 shareholders, which was duly transferred to the claimant shareholders. As on June 30, 2021, 36,450 shares in name of 282 shareholders are lying in the demat suspense account.
26. Members are requested to address all share and dividend related correspondences to the Company's RTA, M/s. Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083; Tel: (022) 4918 6270; Fax – (022) 4918 6060, e-mail: rnt.helpdesk@linkintime.co.in.

Members are requested to quote their ledger folio numbers in all their correspondence to enable the Company to provide better services to the Members.

NOTICE

EXPLANATORY STATEMENT

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

Item No. 5

Appointment of Mr. Ghanashyam Hegde (DIN 08054712) as Executive Director of the Company, liable to retire by rotation

Mr. Ghanashyam Hegde, is a legal professional with over 20 years of experience across pharma, media & entertainment, financial services and chemical industries. He is an alumnus of Bangalore University and National Law School of India University and holds a degree in law and Post Graduate Diploma in Intellectual Property Rights. He is also a qualified Company Secretary. He is currently the General Counsel for Procter & Gamble, Indian Sub-continent.

The Board, at its meeting held on August 25, 2021, upon the recommendation of the Nomination & Remuneration Committee, appointed Mr. Ghanashyam Hegde (DIN 08054712) as Company Secretary of the Company effective September 1, 2021 and as an Executive Director of the Company for a period of 5 (five) years with effect from September 1, 2021, subject to the approval of the Shareholders of the Company.

The Company has received necessary consent and declarations that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 ("the Act") and that he has not been debarred from holding the office of Director by virtue of any order from SEBI/ MCA or any other such authority.

The proposed terms and conditions of appointment of Mr. Hegde as Executive Director are as given below:

- i. Mr. Ghanashyam Hegde shall be paid remuneration by way of salary upto ₹ 2.5 Crores by Gillette India Limited, a P&G group company, and the Company, viz., Procter & Gamble Hygiene and Health Care Limited shall contribute towards the remuneration based on proportion of its Net Outside Sales.
- ii. In addition to the above, Mr. Hegde shall be entitled to incentives, perquisites and allowances, as per Company policy, including but not limited to long term incentive plan, star bonus, global stock options etc.
- iii. Contribution from the Company, viz., Procter & Gamble Hygiene and Health Care Limited towards total compensation of Mr. Ghanashyam Hegde, shall not exceed ₹ 2 Crores per annum.
- iv. He will not be entitled to sitting fees for attending meetings of the Board or any Committees thereof.

- v. He shall be liable to retire by rotation.
- vi. The Board of Directors shall be entitled to modify/ revise the terms and conditions of appointment of Mr. Ghanashyam Hegde provided, however, the terms of remuneration of Mr. Ghanashyam Hegde shall not exceed the ceiling as set out in Section 197 of the Companies Act, 2013 read with Schedule V to the Act, as amended from time to time.

The Board recommends passing of the resolution at item 5 as an Ordinary resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives, except Mr. Hegde to whom the resolution relates, is interested in or concerned with the resolution.

Item No. 6

Ratification of payment of remuneration to the Cost Auditor for the Financial Year 2021-22

The Board of Directors at their meeting held on August 25, 2021, on the recommendation of the Audit Committee, approved the appointment and remuneration of Ashwin Solanki & Associates, Cost Accountants as the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year 2021-22 and remuneration of ₹ 8,50,000 plus service tax and out-of-pocket expenses.

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. 6 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

**Ghanashyam Hegde
Company Secretary**

Mumbai
October 25, 2021

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

NOTICE

Details of Directors proposed to be appointed/re-appointed at the forthcoming 57th Annual General Meeting

Resolution at Item No.	3	4	5
Name of Director	Mr. Pramod Agarwal	Mr. Karthik Natarajan	Mr. Ghanashyam Hegde
Age	59 years	44 years	43 years
Date of appointment on the Board	08/05/2015	07/05/2014	08/05/2019
Qualification/Expertise in specific field	MBA (Finance)	Chartered Accountant	Bachelor of Law and qualified Company Secretary
Names of other Companies in which he holds Directorships	1. Gillette India Limited 2. Zircon Technologies (India) Limited	1. Gillette India Limited	1. Indian Beauty & Hygiene Association
Companies in which he is a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager	NIL	Nil	Gillette India Limited- Company Secretary (upto August 31, 2021)
Chairman/Member of the Committee(s) of the Board of Directors of the Company	Member of Committees: 1. Risk Management Committee	Member of Committees: 1. Risk Management Committee 2. Corporate Social Responsibility Committee	Member of Committees: 1. Stakeholder Relationship Committee 2. Risk Management Committee
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Gillette India Limited: Member of Committees: 1. Audit Committee 2. Nomination & Remuneration Committee 3. Risk Management Committee	Gillette India Limited: Member of Committees: 1. Risk Management Committee	Gillette India Limited Member of Committees 1. Risk Management Committee
Shareholding in the Company	50 shares	Nil	Nil
Relationship with other Directors, Manager or Key Managerial Personnel, if any	Nil	Nil	Nil
Remuneration last drawn by each Director	Nil	Nil	Nil
Number of Meetings of the Board attended during the year	4 out of 4	3 out of 4	4 out of 4



**Procter & Gamble
Hygiene & Health Care Limited**
Annual Report 2020-21



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CORPORATE INFORMATION

Board of Directors & Key Managerial Personnel

Mr. Chittranjan Dua
 Mr. Madhusudan Gopalan
 Mr. Anil Kumar Gupta
 Ms. Meena Ganesh
 Mr. Krishnamurthy Iyer
 Mr. Pramod Agarwal
 Mr. Karthik Natarajan
 Ms. Sonali Dhawan
 Mr. Gagan Sawhney
 Mr. Ghanashyam Hegde
 Mr. Prashant Bhatnagar
 Ms. Flavia Machado

Independent Director and Chairman
 Managing Director
 Independent Director
 Independent Director
 Independent Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Executive Director and Company Secretary
 Chief Financial Officer
 Erstwhile Company Secretary
 (cessation w.e.f August 31, 2021)

Registered Office:

Procter & Gamble Hygiene and Health Care Limited
 (CIN: L24239MH1964PLC012971)
 P&G Plaza, Cardinal Gracias Road, Chakala,
 Andheri (East), Mumbai – 400 099
 Tel. No.: (022) 2826 6000
 Investor helpline Nos.: 86575 12368 / 86575 00524
 Email Id: investorpghh.im@pg.com

Auditors:

Statutory Auditor:

Kalyaniwalla & Mistry LLP
 Chartered Accountants

Cost Auditor:

Ashwin Solanki & Associates
 Cost Accountants

Secretarial Auditor:

Dholakia & Associates LLP
 Company Secretaries

Registrar & Share Transfer Agents:

Link Intime India Private Limited
 C-101, 247 Park,
 L.B.S. Marg, Vikhroli (West),
 Mumbai – 400 083
 Tel. No.: (022) 4918 6279
 Fax: (022) 4918 6060
 E-mail Id: rnt.helpdesk@linkintime.co.in

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



Company Overview

Board's Report

MD&A

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Mr. Chittranjan Dua, Chairman and Independent Director

Mr. Dua is the founding partner of Dua Associates and is currently Chairman of the firm and engaged in providing strategic advice and direction for its further growth and development. His experience and expertise encompasses a broad range of areas including corporate and commercial law, corporate finance, securities law, infrastructure, public policy and administration, governance and ethics, land acquisition, power projects, foreign investments and collaborations, disinvestments and privatization of public sector undertakings, mergers and acquisitions and exchange control regulations.



Mr. Anil Kumar Gupta, Independent Director

Mr. Gupta is an engineer from the Indian Institute of Technology, New Delhi. He also holds a PG Diploma in Industrial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has a vast experience of over 40 years in India and abroad in the field of manufacturing, projects and supply chain management.



Ms. Meena Ganesh, Independent Director

Ms. Meena Ganesh is one of India's most successful entrepreneurs with nearly three decades of experience in industries including healthcare, consulting, technology, outsourcing, education and e-commerce. Ms. Meena Ganesh is the Managing Director & CEO of Portea Medical, which she co-founded in July 2013. Ms. Meena Ganesh is a PGDM holder from IIM Calcutta and has a graduate degree in Physics from the Madras University. She has been named by Fortune India as one of the 50 'Most Powerful Women in Business' for six consecutive years (2015 - 2020).



Mr. Krishnamurthy Iyer, Independent Director

Mr. Iyer is a bachelor of commerce and a qualified associate member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Mr. Krishnamurthy Iyer is a long term retail professional with wide and varied experience in functional and leadership roles in various industries and countries. During the course of his career spanning over 40 years, he has worked in US, Japan, Taiwan, Hong Kong, Philippines, Thailand and India across industries. His last role was as President & CEO of Walmart India for over 6 years, where, he played a pivotal role in growing the omni channel footprint of Walmart in India.



Mr. Pramod Agarwal, Non-Executive Director

Mr. Agarwal is an MBA from Indian Institute of Management, Ahmedabad. After over 28 years of experience with P&G, he retired in 2016. He has worked in seven geographies - India, Thailand, Japan, Philippines, USA, Singapore and Switzerland. Mr. Agarwal has led several major changes which have had a lasting impact on the business and organization. He is now a management consultant, an angel investor and mentor to several start-ups.



Mr. Madhusudan Gopalan, Managing Director

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



Mr. Karthik Natarajan, Non-Executive Director

Mr. Karthik Natarajan is a Chartered Accountant and has completed his Bachelor of Commerce from R. A. Podar College, Mumbai. He has been with P&G for over 21 years and is currently the Senior Vice President and regional CFO for Asia Pacific, Middle East & Africa. He has over his experience at P&G worked across multiple locations including India, US, China, Philippines and Singapore. He has held global responsibilities and has led strategy development, business and financial planning and operational execution with excellence for several important P&G businesses.



Ms. Sonali Dhawan, Non-Executive Director

Ms. Dhawan is a graduate from Lady Shriram College with a B.Com (Hons) in Business Studies. She completed her MBA in marketing from the Indian Institute of Management, Ahmedabad. Ms. Dhawan has been with P&G for over 23 years and is currently Senior Vice President, Marketing, Feminine Hygiene, Asia, Middle East & Africa. She has worked across multiple regions including ASEAN, India, Australia & Middle East.



Mr. Gagan Sawhney, Non-Executive Director

Mr. Sawhney is an alumnus of the Indian Institute of Management, Ahmedabad who joined P&G in Finance in 2001. He has more than 20 years of experience across multiple geographies : India, ASEAN, Greater China and Middle East. Presently, Mr. Sawhney is Vice President, Finance, P&G. He has held several leadership roles, such as leading Finance for P&G Indian subcontinent and providing assurance and consulting support across regions as Finance Director-Internal Audit for P&G Global operations.



Mr. Ghanashyam Hegde, Executive Director and Company Secretary

Mr. Hegde, is a legal professional with over 20 years of experience across pharma, media & entertainment, financial services and chemical industries. He is an alumnus of Bangalore University and National Law School of India University and holds a degree in law and Post Graduate Diploma in Intellectual Property Rights. He is also Company Secretary of the Company. He joined P&G in 2018 as General Counsel for Indian Sub-continent.



Dear Shareholders,

The last fiscal was one of the most challenging in our history with the pandemic having a significant impact on every aspect of life, business and economy. Despite the challenges, your Company remained agile and committed to serving Indian consumers and delivered strong double-digit growth during the fiscal year. In addition, the Company continued to prioritize employee health and well-being and stepped up as a force for good to help Communities in need during these unprecedented times.

Your Company has built citizenship into its way of doing business and in response to the pandemic, we launched the '*P&G Suraksha India*' program to step up as a force for good. Through this program, as P&G group, we contributed towards vaccine doses in India. We also donated oxygen concentrators, masks and sanitizers for the protection of frontline workers and underprivileged communities. We continued to leverage the voice of our brands on mass media to create awareness about preventive measures to combat the spread of COVID-19. Since the outbreak of the pandemic, we have also donated more than 30 lakh *Whisper* sanitary pads to support women and girls from underprivileged backgrounds. To extend our support to India's healthcare infrastructure, we are partnering with TATA Trusts to support hospital capacity expansion in various locations.

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

While the near-term outlook remains uncertain, we will continue to focus on our strategy to drive superiority and improve productivity to drive balanced growth, while prioritizing the health and safety of our people.

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

Chittranjan Dua
Chairman



Dear Shareholders,

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

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

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

Last fiscal, your Company delivered sales of ₹3,574 crores, up 19% vs year ago and Profit After Tax was ₹ 652 crores, up 51% vs year ago. This strong performance is a testament to the strength of our product portfolio and strategic choices to drive meaningful superiority across products, packaging, communication, retail execution and value. Our strategy is fueled by driving productivity in everything we do and a more empowered, agile and accountable organization.

In the Feminine Care business, *Whisper* continues to be the market leader and we strengthened our position across the portfolio. In the Healthcare business, *Vicks* continued to delight consumers with product innovations backed by a superior go-to-market muscle that fueled an increase in penetration and share.

Our brands continued to step up as a force for good during these challenging times. We launched second edition of our *Whisper #KeepGirlsInSchool* campaign to raise awareness about the need for menstrual education to prevent young girls from dropping out of school. We also advocated for the integration of menstrual education within the school curriculum through our campaign 'Period of Pride.' Our brand *Vicks* launched the third edition of its *#TouchOfCare* campaign, which paid a tribute to the Doctors' community across the nation who have bravely served the nation during the pandemic.

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

Madhusudan Gopalan
Managing Director



REPORT OF THE DIRECTORS

Your Directors have the pleasure of presenting the 57th Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2021.

FINANCIAL RESULTS

(Figures in ₹ crores)

	2020-21	2019-20
Revenue from operations	3,574	3,002
Profit before tax	870	594
Profit after tax	652	433

FINANCIAL YEAR

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

DIVIDEND

During the Financial Year, the Board of Directors declared an interim dividend of ₹ 85 per Equity Share and a special dividend of ₹ 150 per Equity Share. The payment of the said interim dividend and special dividend to the Shareholders was completed on February 25, 2021 and May 27, 2021 respectively.

Your Directors are pleased to recommend a final dividend of ₹ 80 per Equity Share for the Financial Year ended June 30, 2021. This final dividend is subject to approval of the Members at the ensuing 57th Annual General Meeting.

BUSINESS PERFORMANCE

During the Financial Year, business operations were disrupted across the country following the nationwide lockdown imposed to contain the spread of COVID-19. In this unprecedented environment, your Company delivered a resilient performance for the Financial Year with sales of ₹ 3,574 crores, up 19% vs year ago and Profit After Tax of ₹ 652 crores, up 51% vs year ago.

Feminine Care Business



In the feminine care business, *Whisper* continued to hold its position as the market leader. We continue

to delight our consumers with strong innovation across the portfolio. We strengthened our position in the emerging *Premium Nights* segment while playing actively in our base *Ultra & Choice* portfolios.



We ran the second version of *Whisper #KeepGirlsInSchool* campaign this year, to raise awareness about the issue of girls dropping out of school when they attain puberty and how to address the same. We stepped up the drive this year with the *Period Of Pride* Partnership with a major media house. *Whisper* continues to bring transformational change in the community. Through our *Whisper School* program and other consumer touchpoints, last year we actively supported 40,000+ schools educating about 60 lakh adolescent girls on the importance of menstrual hygiene.

Health Care Business

Your Company's health care sales posted super strong growth this Financial Year, despite external challenges due to COVID-19 pandemic. Your Company continued to win externally and grow share in the *Cough & Cold* category with strong offtake growth behind the strength of our portfolio, which includes *Vicks VapoRub*, *Vicks Throat Drops*, *Vicks Action 500 Advanced*, *Vicks Inhaler* and *Vicks BabyRub*.



With world-class communication, all our sub-brands continue to grow share which was further strengthened by strong innovation with the launch of *Vicks Roll-On Inhaler*. Superior go-to-market strategy enabled enhanced presence in stores with more visibility touchpoints per store.

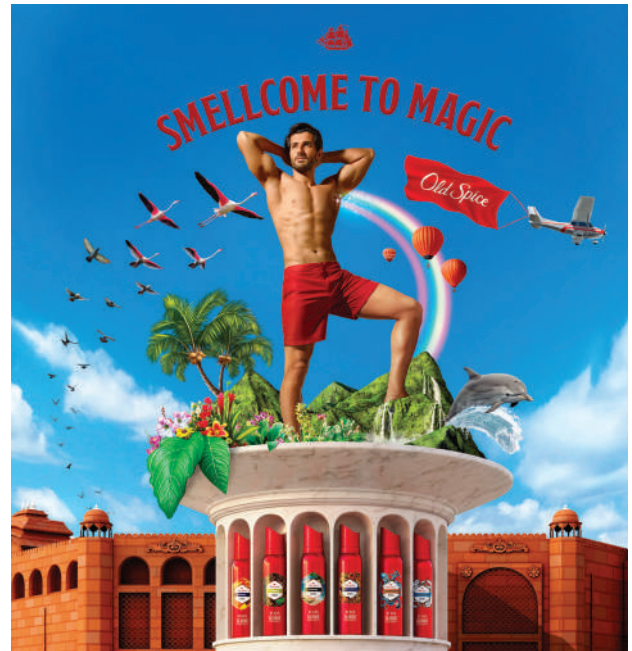


Apart from strong business results, the brand received external recognition for Superior Brand Building- Gold at Sabres South Asia, Bronze at ET Kaleido Awards and Gold at Fulcrum.

While we continue to grow business, we continue to be a force for good, with your Company launching #Vicks Touch of Care 3.0 campaign spreading the message of care and honoring our front liners during these unprecedented times. We backed up our words with action – via helping build a hospital in the memory of late Dr. Bhosale who lost his life while caring for others during the pandemic.

Overall, your Company continued to focus on driving consumer meaningful innovations backed by distribution expansion and strong advertising thereby delivering consistent growth.

Old Spice



Old Spice after shave lotion has demonstrated double digit growth and the newly launched 0% Gas deodorants are strengthening its foothold in the category.

FINANCIAL RATIOS

	2020-21	2019-20	Change	Explanation for changes over 25% in the ratios, if any
Debtors turnover	23.2	17.3	34%	Debtors turnover has improved due to faster collection of receivables.
Inventory turnover	15.7	14.7	7%	-
Interest coverage ratio	143.4	98.8	45%	Interest Coverage ratio has increased due to strong profit growth while interest expense has been largely flat.

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	2020-21	2019-20	Change	Explanation for changes over 25% in the ratios, if any
Current ratio	1.3	2.2	-40%	Current assets have reduced due to reduction in cash driven by payment of special dividend during the year.
Debt equity ratio	-	-	-	-
Operating profit margin	25%	20%	23%	-
Net profit margin	18%	14%	26%	Profit margins have increased due to productivity and scale savings.
Return on Networth	70%	42%	66%	Return on Networth has increased due to strong profit growth.

BUSINESS RESPONSIBILITY REPORT

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

CORPORATE SOCIAL RESPONSIBILITY & CITIZENSHIP EFFORTS

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

P&G Shiksha

Your Company's signature corporate social responsibility program *P&G Shiksha* has focused on three main areas – improving education infrastructure, empowering marginalized girls through education and improving learning outcomes. Till date, the P&G group in India has supported over 2,500 schools (+200 since last year) across the country that will impact the lives of over 23 lakh (+300,000 since last year) children. Along with our NGO partner Round Table India (RTI), we have focused on building and refurbishing school buildings, constructing classrooms, building playgrounds and improving health and hygiene facilities for children at schools. In line with the Sustainable Development Goals (SDGs) and in partnership with NGO Save the Children, we are providing quality education to girls by enhancing the education infrastructure and the quality of education available to them.

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

P&G Shiksha also partnered with Educational Initiatives (EI) to implement *Mindspark*, a computer-based adaptive learning tool to remediate learning gaps in students across schools in Rajasthan, Himachal Pradesh, Maharashtra, Madhya Pradesh and Andhra Pradesh. The tool integrates pedagogy, teacher instruction and a learning management system to assess a student's learning level and develop a customized learning path for each one of them. During the pandemic-related lockdown, we upgraded the tool to make it available on smartphones and enabled more than 60,000 children to continue learning at home. Despite school closure, the learning levels of all students engaged in the program were sustained or improved. We also set up a helpline wherein students who didn't have access to smartphones could learn via a phone call.

Along with our NGO partner Pratham Education Foundation, we are bridging the expected and existing learning gaps in children through on-ground remedial learning interventions. During the lockdown, we shared simple project-based activities with children focused on language, math, and science to enable them to continue learning. We leveraged WhatsApp, phone calls and SMSs to share a series of curated messages in text, audio and video formats. With the easing of the lockdown, we adapted our approach to conduct learning activities for children not just remotely but within the communities through identified and trained volunteers. During the year, we reached out to more than 30,000 children via

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





online education and community-based learning interventions. At the end of the intervention, more than 70% of children could read and perform arithmetic basis their grade level compared to less than 20% at the start of the intervention.

Through our early childhood education program in partnership with Pratham Education Foundation, we aim to develop motor and cognitive skills in children thereby setting them up for a fast-paced growth as they start school. During the pandemic related lockdown, we engaged with parents to conduct learning activities with children at home using simple materials available at home like fruits and vegetables, beads, clay and more. We also identified and trained volunteers from within the community who conducted learning activities with children. During the year, we reached more than 55,000 children through this program. At the end of the intervention, more than 80% of children in the intervention group demonstrated socio-emotional, cognitive, motor and language skills compared to less than 10% at the start of the intervention. Your Company also continued to impact the communities around its plants in a holistic manner throughout the Financial Year.

#PGSURAKSHAINDIA – Our COVID-19 Response and Relief Effort

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

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

to follow public health measures like social distancing, to help flatten the curve and slow the spread of the virus.

Since the outbreak of the pandemic, your Company, in partnership with the government and relief organizations, has distributed over 35 lakh *Whisper* sanitary pads to women and girls from underprivileged and migrant communities, childcare institutions, frontline healthcare workers and sanitation workers across the country.

With guidance from medical professionals, we're constantly evaluating and updating the robust measures already in place to help our people, who are making, packing and shipping products, stay safe at work, and, where possible, enabling others to work from home. We have put in measures like temperature scans, shift rotations, queueing avoidance, physical distancing, personal protective equipment for all including hand sanitizers and masks. We are also conducting comprehensive, methodical cleaning of all production areas and offices, including regular sanitization and surface disinfection that exceeds the most rigorous health authority standards. Further, your Company is facilitating voluntary vaccination drive for employees for the health and safety of our employees.

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

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

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

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

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

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



PROTECTING P&G PEOPLE

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

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

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



SERVING CONSUMERS

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

We paid a tribute to the **Doctor's Community across the nation through our campaign Vicks #TouchOfCare**

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



SUPPORTING COMMUNITIES

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

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

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

ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

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

Within our operations, we strive to grow responsibly and continuously improve our efficiency while reducing our carbon footprint. Our manufacturing plant in Goa is a 'zero waste to landfill' site, which means that there is no manufacturing discharge into the environment.

In the last 10 years, the Goa plant has reduced its carbon emission by 90% and has reduced its energy consumption by nearly 30%. The plant is leveraging technology, experts, employees and renewable sources of energy to reduce our overall carbon footprint, improve energy and water efficiency and make our operations more sustainable.

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

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

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

Water savings initiatives: Following initiatives led to significant water savings:

- Optimization of use of water resources;
- Reclaim and use of circular water;
- Use of rainwater vs. ground water for cooling towers; and

- Use of air conditioning drains for recharging earthing pits.

Energy savings initiatives: Certain initiatives undertaken for saving energy are given below:

- Use of energy efficient compressors;
- Monitoring of air consumption and arresting and controlling air leakages;
- Monthly energy monitoring by Energy Management System and benchmarking;
- Installation of energy efficient pumps and fans for cooling towers; and
- Installation of variable-frequency drives (VFDs) for compressors and sequencing of VFDs for energy efficiency.

Capital investment of approximately ₹ 70 lakhs was incurred on energy conservation equipment such as energy efficient pumps & fans for cooling towers, energy efficient compressor and variable-frequency drives.

TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

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

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

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

As the Company avails benefits of research and development of the Procter & Gamble group across

the globe, your Company has not incurred any expenditure on research and development during the Financial Year.

FOREIGN EXCHANGE EARNINGS & OUTGO

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

(Figures in ₹ Lakhs)

	For the Financial Year ended June 30, 2021	For the Financial Year ended June 30, 2020
Foreign Exchange earnings	4,598	3,753
Foreign Exchange outgo	55,029	59,385

RELATED PARTY TRANSACTIONS

Your Company has formulated a policy on related party transactions which is also available on Company's website at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#policies>. This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions which are of repetitive nature 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.

No material related party transactions were entered during the Financial Year by your Company. 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 your Company.

LOANS AND GUARANTEES GIVEN AND INVESTMENTS MADE

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

PUBLIC DEPOSITS

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committees. During the Financial Year, no complaints with allegation of sexual harassment were filed with the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the Annual Accounts for the Financial Year ended June 30, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for the Financial Year under review;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the accounts for the Financial Year ended June 30, 2021, on a "going concern" basis;
- that the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

ANNUAL RETURN

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

MANAGEMENT & PERSONNEL

The strength of business over the past few years and resilience in this particular year, due to COVID-19 pandemic & multiple economic headwinds in the country, demonstrates the core strength of our employees to stay innovative, reality based and influence the course of business. Financial Year 2020-21 was a year of unprecedented challenges, yet our focus on delivering superiority, fueled by productivity via an empowered organization helped us deliver business results in these tough times.

The statement of disclosure of remuneration under Section 197 of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure III** to this Report.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Rajendra A. Shah ceased to be Director of the Company, and Chairperson of the Board and Mr. Bansidhar S. Mehta ceased to be Director of the Company on September 23, 2020, on completion of their tenure as Independent Directors. Mr. Shah and Mr. Mehta, being stalwarts in the legal and taxation profession respectively, and having deep knowledge about business in India, have been instrumental in the Company's sustained growth through their guidance and counsel to the Company over the decades. The P&G Management and the Board of Directors of the Company express their deepest gratitude for the valuable guidance, leadership, direction and counsel provided during their respective tenures and wish them all the very best on their retirement.

During the year, Mr. Chittranjan Dua and Mr. Krishnamurthy Iyer were appointed as Independent Directors of the Company for a period of 5 years effective August 25, 2020 and December 1, 2020 respectively. Mr. Chittranjan Dua was appointed as the Chairman of the Board with effect from September 24, 2020.

Ms. Flavia Machado shall cease to be Company Secretary of the Company effective August 31, 2021.

Mr. Ghanashyam Hegde has been appointed as Company Secretary and Compliance Officer of the Company effective September 1, 2021. He is also appointed as Executive Director of the Company for a period of five years effective September 1, 2021. The said appointment as Executive Director is subject to approval of Shareholders of the Company at ensuing 57th Annual General Meeting of the Company.

Mr. Karthik Natarajan and Mr. Pramod Agarwal, Directors retire by rotation and being eligible, offer themselves for re-appointment at the ensuing 57th Annual General Meeting of the Company.

Brief profile of Directors proposed to be appointed/re-appointed at the ensuing 57th Annual General Meeting and the details of the Directorships held by them in other companies are provided under the Corporate Governance section of the Report.

Appropriate resolutions for the appointment/re-appointment of the aforesaid Directors are being moved at the ensuing 57th Annual General Meeting, which the Board recommends for approval of the Shareholders of the Company.

The Independent Directors of your Company have given declaration to your Company stating that they meet the criteria of Independence as mentioned under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that all the Independent Directors of the Company possess integrity, have relevant expertise and experience and fulfill the conditions specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the familiarization programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance section of the Annual Report.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

Four (4) meetings of the Board of Directors of the Company were held during the Financial Year. For



further details on meetings of the Board of Directors and its Committees, please refer to the Corporate Governance section of the Annual Report.

POLICIES

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

AUDITORS

Kalyaniwalla & Mistry LLP, Chartered Accountants were appointed as Statutory Auditors of your Company at the 53rd Annual General Meeting held on November 16, 2017 for a term of five consecutive years.

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

COST AUDITORS

Ashwin Solanki & Associates, Cost Accountants carried out the cost audit for applicable business during the Financial Year 2020-21. The Board of Directors has re-appointed Ashwin Solanki & Associates. Cost Accountants as cost auditors for the Financial Year 2021-22.

SECRETARIAL AUDIT

Secretarial Audit was carried out by Dholakia & Associates LLP, Company Secretaries for the Financial Year 2020-21. There were no qualifications,

reservation or adverse remarks given by the Secretarial Auditors of the Company. The Secretarial Audit report has been appended as **Annexure IV** to this Report.

SECRETARIAL STANDARDS

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

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

Mumbai, August 25, 2021

**Chittranjan Dua
Chairman**

Annexure I

Business Responsibility Report for Financial Year 2020-21

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN)	L24239MH1964PLC012971
2.	Name of the Company	Procter & Gamble Hygiene and Health Care Limited
3.	Registered address	P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai – 400099
4.	Website	in.pg.com
5.	E-mail id	investorpggh.im@pg.com
6.	Financial Year reported	July 1, 2020 to June 30, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Ayurvedic products (NIC 21003) Sanitary napkins (NIC 13996) Deodorants (NIC 20237)
8.	List three key products / services that the Company manufactures / provides	1. Healthcare Products 2. Hygiene Products
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	None The Company's business and operations are spread across the country. Details of location of plants are given below: Plant locations Goa: 173, 314, 315, Kundaim Industrial Estate, Kundaim, Goa - 403 115 Baddi: Village Katha, PO. Baddi, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh -173 205
10.	Markets served by the Company	The Company's products have a national presence and some of the products are also exported to other countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up capital	₹ 32.46 Crores
2.	Total turnover	₹ 3,574 Crores
3.	Total profit after taxes	₹ 652 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Corporate Social Responsibility Report which is appended as Annexure II to the Directors' Report.
5.	List of activities in which expenditure in point 4 above has been incurred	Refer Corporate Social Responsibility Report which is appended as Annexure II to the Directors' Report.



SECTION C: OTHER DETAILS

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

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Directors responsible for Business Responsibility

The Corporate Social Responsibility Committee of the Company is responsible for the Business Responsibility policies of the Company.

Details of the Directors responsible for implementation of the Business Responsibility policies:

DIN	02588131	08158357	06685891	06808527
Name	Mr. Anil Kumar Gupta	Mr. Madhusudan Gopalan	Mr. Karthik Natarajan	Ms. Sonali Dhawan
Designation	Independent Director	Managing Director	Non-Executive Director	Non-Executive Director

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

Business Responsibility Principles:

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



Details of compliance:

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

Note: Y = Yes

3. Governance related to Business Responsibility

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

Your Company operates within the letter and spirit of the law, maintaining high ethical standards wherever we conduct business. We believe that good governance practices contribute to better results for stakeholders. We maintain governance principles, policies and practices

that support management accountability. These are in the best interest of the Company, our shareholders and all stakeholders, and they are consistent with the Company’s Purpose, Values and Principles.

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



Community Impact

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



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



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



VICKS #TouchOfCare

Vicks paid tribute to the Doctors' community across the nation and is supporting in building a pediatric hospital



Whisper advocates for compulsory period education

During the year, 10 lakh+ people signed Whisper's petition to integrate period education in school.



Equality & Inclusion

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



SHARE THE CARE LEAVE POLICY

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



#WeSeeEqual SUMMIT

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



ADVANCING GENDER EQUALITY

We increased representation of women at our manufacturing sites in India



GABLE NETWORK

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



Environmental Sustainability

Constantly improving our efficiency while reducing our carbon footprint



ZERO MANUFACTURING WASTE TO LANDFILL

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



RECYCLING PACKAGING WASTE

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



RECYCLING PROGRAM

Plan to launch our global sanitary napkin recycling program in India



JOINING FORCES ON SUSTAINABILITY

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



SECTION E: PRINCIPLE-WISE PERFORMANCE

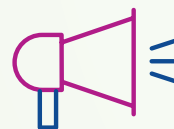
Principle 1: Ethics, Transparency and Accountability

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

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

behalf of the Company. External business partners and their suppliers are expected to share your Company’s commitment to these standards.

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



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

In compliance with the requirement under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Company has adopted the said whistle blowing policy as the vigilance mechanism for Directors and employees to report genuine concerns or grievances such as unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. The Audit Committee oversees the vigil mechanism and cases reported alongwith the status report and action taken (if any) are reported to the Committee. During the Financial Year, 5 complaints were received. These cases are dealt with



in accordance with the *Worldwide Business Conduct Manual*.

Principle 2: Safety and Sustainability throughout the life cycle

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

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

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

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

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

- **Manufacturing:** Between the procurement of raw materials and the creation of a product, we strive to reduce waste, water, energy, and CO₂ through systemic conservation efforts. We apply smart eco-design through innovative construction process improvements. And, we re-use where feasible, giving new life to what was once waste.

- **Finished Product Logistics:** In the logistics stage, we reduce waste in customization by applying more sustainable designs. We have also optimized our transportation efficiency by making changes to the rate, route, mode and method of transportation. We focus on eliminating inefficiencies such as loading and unloading delays, rush transport up-charges, dead legs (empty trucks) and production line stops. We are identifying solutions that optimize the distribution routes and drive increased use of multi-modal transportation thereby reducing our carbon footprint.

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

Principle 3: Employee Well-Being

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

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

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

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





Your Company has always been committed to taking care of its employees, and this was more critical than ever given the unprecedented crisis of the COVID-19 pandemic. With guidance from medical professionals & health experts, we're continuously updating the robust safety measures at our offices and plants to help our people stay safe at work.

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

Your Company has identified the creation of a highly engaged, business focused organization as a key priority. Our engagement strategy continues to position the Company as an exciting and inspiring place to work, in line with our business strategy. Our overall plan for the year had several interventions including best in class recruitment practices,

meaningful diversity & inclusion initiatives, learning & development opportunities, digital capability building and opportunities for individuals to innovate.

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

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

Your Company forbids the use of child or forced labor in any of its operations or facilities. Your Company fully respects and follows all applicable labor laws. Your Company respects every employee's right to choose to join or not to join a trade union, or to have recognized employee representation in accordance with applicable law.

As on June 30, 2021, your Company had a total of 463 permanent employees, including 115 permanent women employees. 514 persons were engaged on temporary / contractual basis. During the Financial Year, the Company did not receive any complaints relating to child labour, forced labour, involuntary labour, or discriminatory employment. Your Company did not receive any complaints on sexual harassment during the Financial Year. All the employees and persons engaged on temporary / contractual basis were given safety & skill up-gradation training.





Principle 4: Stakeholder Engagement & Relation

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

As a Company committed to being a force for good and a force for growth, we believe we have a responsibility to give back to the communities we operate in. In response to the COVID-19 pandemic, we launched the ‘#PGSurakshaIndia’ program through which we have been positively impacting communities in partnership with the government and relief organizations.

We partnered with the government & industries to kickstart ‘Suraksha Circles’ & engaged with 1400+ organizations to lay down hygiene & safety standards at manufacturing facilities. Through our ‘Suraksha

Circle’ program we shared our learnings and best practices on the highest standards of health, hygiene and safety measures at manufacturing sites with the industry. This helped us serve our consumers and provide them with our products which are essential, now more than ever given the hygiene and health benefits they provide.

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

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

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

To support the government’s inoculation efforts, P&G



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

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

more. Additionally, we are also setting-up oxygen plants at hospitals and as a group, P&G India has donated oxygen concentrators to local authorities to support their fight against the pandemic.

Principle 5: Human Rights

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

Our core values as a Company include treating everyone with respect. We have a strong non-discrimination policy and have zero tolerance for unlawful discrimination. Your Company advocates for all employees, regardless of race, religion, gender, sexuality, age or disability. We respect everyone's right to be who they are, and want all employees to feel safe, included and able to bring their whole selves to work. We aspire to create a gender-equal world with equal representation for all individuals. We are committed to driving equality within the Company. We are adopting equality based policies, broadening our definition of leadership and empowering our people to join us in building a workplace that is equal for all individuals. We are driving equality across the shop floor through deliberate interventions right from the recruitment stage. Your Company's Human Rights Policy statement extends to all the employees and all stakeholders associated with the Company. No complaints with respect to Human Rights violation were received by the Company during the Financial Year.

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

#ShareTheCare – Equality Begins at Home

We believe that caring for home and family has no gender. And our new 'Share the Care' leave policy truly signifies this. The policy provides all new parents including biological parents, domestic partners, adoptive parents, parents in same-sex couples to 8 weeks of fully paid parental leave. This builds on the Company's existing maternity leave policy of 26 weeks for birthing mothers and adoption leave of



#ShareTheCare



26 weeks for primary caregivers. More than a policy change, it is a step toward shifting cultural norms by making child caregiving unbiased by gender. We believe equality at home will help to advance equality in the workplace.

GABLE network



GABLE is dedicated to fostering an inclusive, supportive global network that enables Lesbian, Gay, Bisexual and Transgender employees, and their allies, to contribute to their fullest potential and to bring their whole self to work every day. At P&G, GABLE began more than 25 years ago as a network for fostering workplace equality for LGBT+ employees, today it has grown into a supportive and global community, with chapters in 40 countries including India. These chapters represent the diversity of our employees, as well as strong allies who support individuality and inclusion. In India, we are busting myths, initiating series of conversations internally and externally and taking meaningful steps towards creating a truly inclusive culture, where all LGBT+ employees and allies can bring their full selves to work every day.

Men Advocating Real Change™ (MARC)

At P&G, we believe that the requisite skills to succeed as leaders and beyond include the ability to be empathetic and inclusive. Given the critical role men play in achieving gender equality, we have partnered with Catalyst on their MARC™ (Men Advocating Real Change) initiative. Through MARC, we aspire to engage the hearts and minds of men as full partners in achieving gender equality inside and outside P&G. Through this effort, men better understand the impact that stereotypes, unconscious bias and male-dominant culture have on women’s career progression.

The Women’s Interactive Network

It has been our mission to foster an environment within P&G where every employee feels valued and respected. We have set-up the Women’s Interactive Network (*iWIN*) for the advancement of women, helping ensure that women’s skills and insights are well represented at all levels of leadership.

iWIN organizes events and programs that promote mentoring, sponsorship, development of leadership skills, flexibility and increasing representation of women throughout the Company.

Partnering with NITIE to Advance Gender Equality in STEM

Data shows that about 40% of science, technology engineering and mathematics (STEM) graduates in India are women, which is the highest in the world. But women are significantly underrepresented in STEM constituting a mere 14% of the available roles. One of the reasons for this, is the deep rooted in advancement of women in STEM roles. To break these stereotypes, P&G group, has partnered with NITIE to host the first P&G-NITIE Equality Summit to spark conversations on issues that perpetuate a glass ceiling for women, uncover deep-rooted stereotypes that still exist, and motivate change specifically linked to equal representation in STEM and Supply Chain. P&G India has also committed to annually engage with 150+ colleges offering STEM curriculum via a dedicated program focused on breaking gender barriers in STEM and Supply Chain.

Advancing gender equality at manufacturing site

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

Earlier this year, we also announced our commitment

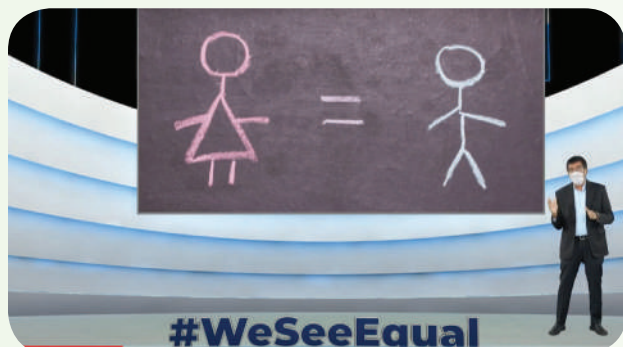




to advance women in science, technology engineering and mathematics (STEM) roles by leveraging Government’s *NEEM* Mission at our manufacturing plant at Goa to create upskilling opportunities exclusively for girls in the neighbouring communities.

#WeSeeEqual Summit

During the year, to mark International Women’s Day, your Company hosted first virtual *#WeSeeEqual* Summit in India. The *#WeSeeEqual* Summit welcomed those with diverse perspectives and




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


P&G commits to driving equal representation behind the camera

P&G has been leveraging its voice in advertising and media to spark conversations on gender equality. As we continue to drive accurate portrayal of women in front of the camera, we announced our commitment to drive equal representation behind the camera.


As a group, P&G India announced its declarations to take action and inspire change on Gender Equality in India




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




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




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



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



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



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



Over the next three years, P&G has committed to achieve equal representation of women directors for advertisements across its brands in India. Having more women behind the camera will help the industry achieve a more accurate and unbiased portrayal of women in advertising. P&G will lead this through a comprehensive set of actions that build, fuel and connect a pipeline of diverse female talent in advertising, media and content opportunities as a systemic solution.

Principle 6: Environment Protection

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

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

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

- a. All our brands will enable responsible consumption through packaging that is 100% recyclable or reusable by 2030; and

- b. By 2030, 100% of P&G manufacturing sites across the globe will cut greenhouse gas emissions in half as compared to our 2010 baseline.

With our operations, we strive to grow responsibly, constantly improving our efficiency while reducing our environmental footprint. We are proud that our manufacturing site in Goa is Zero Manufacturing Waste to Landfill (ZMWTL) which means that no manufacturing waste is discharged into the environment.

In the last 10 years, the Goa plant has reduced its carbon emission by 90% and has reduced its energy consumption by nearly 30%. The plant is leveraging technology, experts, employees and renewable sources of energy to reduce our overall carbon footprint, improve energy and water efficiency and make our operations more sustainable.

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

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

In 2019, we joined forces with more than 40



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companies globally that make plastic, use plastic in their products and packaging, and those who recycle and manage plastic waste to form 'The Alliance to End Plastic Waste'. The Alliance is supporting an array of projects and partnerships that focus on solutions in four core areas: infrastructure, innovation, education and cleanup, with particular emphasis where the need is most urgent in Southeast Asia including India. In India, the focus is to incentivize the unorganized sector through investments in businesses, value-adding to collection and sorting of waste, and expansion of plastic waste processing and recycling capacity.

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

Principle 7: Business Policy & Advocacy

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

Your Company is a member of the following trade and chambers of association, through which advocacy was conducted in listed areas:

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

Some of the key issues on which your Company engaged with the Government in 2020-21 through the above associations include:

- Laws relating to environmental sustainability;
- Obtaining permissions for business operations at

various locations including manufacturing plants, distribution branches, warehouses, contract manufacturing sites etc. during the lockdown implemented by the Government on account of COVID-19 pandemic;

- Obtaining permits for use of specified raw materials in manufacturing plants and processes;
- Plastic waste management rules, single use plastic ban notifications, EPR Framework; and
- Obtaining permissions for administering vaccinations to employees at various sites.

Principle 8: Inclusive growth and Equitable development



We aspire to create a company and a world where equality and inclusion is achievable for all. Your Company believes that the only way to build a sustainable business is to improve lives. For your Company, sustainability means making every day better for people through how we innovate and how we act. As one of the world’s largest consumer products Company, we have both a responsibility and an opportunity to do the right thing and create change. This strategy has inspired an enduring CSR strategy supported by three pillars – *P&G Shiksha*, *P&G Suraksha* India and Timely Disaster Relief. *P&G Shiksha* provides access to holistic education



Vicks #TouchOfCare pays a tribute to the Doctors' community across the nation

for underprivileged children through a 360-degree educational intervention. In response to the COVID-19 pandemic, the Company launched the '#PGSurakshaIndia' program through which we have been positively impacting communities in partnership with the government and relief organization. Your Company's disaster relief aims to provide comforts to those affected by natural disasters. Your Company has undertaken CSR initiatives during the Financial Year amounting to ₹ 28.81 Crores which are detailed in the CSR Report which is appended as Annexure II to the Directors' Report.

Your Company strives to get the full value of diversity through inclusion — fostering an environment where its people can be their best, full and authentic selves in the workplace. But our job doesn't end there — our belief and commitment extend beyond P&G's walls. We are driving action to make a meaningful difference, and we care deeply about our impact, always striving to make the world a little bit better through our actions.

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

Vicks #TouchOfCare 3.0

The third edition of #TouchOfCare pays a tribute to the Doctors' community across the nation. It underscores the powerful impact of care through the real-life extraordinary story of Late Dr. Dhyaneswar Bhosale. The film takes viewers on the inspiring journey of Dr. Bhosale's selfless acts of care, as he left no stone unturned to ensure many less fortunate children received life-saving medical attention during the pandemic. In addition to sharing Dr. Bhosale's inspiring story, Vicks has also pledged to support Mrs. Bhosale build a pediatric hospital in memory of her husband's extraordinary acts of care.

Whisper Steps Up to Help. Period.

In 1995, Whisper had introduced its 'Whisper Menstrual & Hygiene School Program' to educate girls on menstrual hygiene practices and build their confidence to overcome the overwhelming challenges they face during puberty. During the pandemic, your Company found newer ways to reach girls and ensure they have access to the information they need to navigate periods with confidence. Whisper used online tools to reach over 50 lakh girls despite school closure and social distancing. Whisper also announced its commitment to educate 2.5 crore+ adolescent girls on puberty and hygiene over the next three years. Whisper also distributed over 35 lakh sanitary pads in partnership with the government and relief organizations to support frontline workers, women and girls from underprivileged communities and adolescent girls in childcare institutions.



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10 lakh+ people signed Whisper's petition to integrate period and puberty education in school, curriculum currently being developed in partnership with UNESCO

Whisper advocates for compulsory period education at schools with #PeriodOfPride

Every year, millions of girls drop out of school at puberty due to a lack of period education. *Whisper* believes that every girl must know about hygienic period management before they get their first period and *Whisper* is committed to making menstrual hygiene a priority.

Through its campaign #PeriodOfPride, *Whisper* advocated for the integration of a period module in the school curriculum to sensitize both boys and girls to the concept of menstruation and menstrual health. Educating both the sexes on menstruation can help in bringing a revolutionary change in the perception. *Whisper* also appealed to people to come together in this endeavor. About 10 lakh people signed *Whisper's* petition to integrate the period and puberty education module in the school curriculum, which is currently being developed in partnership with UNESCO.

Empowering marginalized girls through education

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

Principle 9: Customer Value and Responsibility

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

encourage consumers to contact us because we want to hear about our consumers' experiences with our products.

Our aspiration is to serve the world's consumers better than our best competitors, in every category and every country where we choose to compete — creating superior shareholder value in the process. Innovation is at the heart of your Company's business. It differentiates our brands versus competition and prevents commoditization of our categories and brands. It's how we delight consumers, create value with customers, and create new businesses. Your Company combines "what's needed" with "what's possible," conducting hundreds of consumer research studies each year to understand what people need and want, in order to create superior value and product experience every day.

Annexure II

Annual Report on Corporate Social Responsibility [Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline of the Company's CSR policy

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

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

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

2. The composition of the CSR committee as on date:

Name of the Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Anil Kumar Gupta	Chairman	3	3
Mr. Madhusudan Gopalan	Member	3	3
Mr. Karthik Natarajan	Member	3	3
Ms. Sonali Dhawan	Member	3	2

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

3. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of

impacting education, training and social awareness.

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

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

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

rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

The Company conducts internal assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and has initiated steps to



conduct impact assessment of CSR projects through an independent agency. There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in Financial Year 2020-21.

4. Details of amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any

Not Applicable

5. Average net profit of the Company for last three Financial Years – ₹ 590.36 Crores

6.

- a) Prescribed CSR expenditure (2% of amount as in item 5) – ₹ 11.81 Crores
- b) Surplus arising out of the CSR projects or

programmes or activities of the previous Financial Years – Nil

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

d) Total CSR obligation for the Financial Year (a+b-c) – ₹ 11.81 Crores

7. Details of CSR spent during the Financial Year

a) Total amount spent for the Financial Year – ₹ 28.81 Crores

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

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

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

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project	(6) Amount spent for the project (in ₹ Cr)	(7) Mode of Implementation: Direct (Yes/No)	(8) Mode of implementation Through implementing agency	
							Name	CSR registration number
1	P&G Shiksha: Read India Program	Promoting education	Yes	Rajasthan, Himachal Pradesh, Delhi, Madhya Pradesh, Maharashtra, Telangana	0.50	No	Pratham Education Foundation	CSR00000258
2	P&G Shiksha: Build & Support Schools	Promoting education	Yes	Pan-India	2.11	No	Round Table India Trust	CSR00000895
3	P&G Shiksha: Supporting Education of Marginalized Girls and children in rural areas	Promoting education	No	Rajasthan	1.00	No	Save The Children	CSR00000065
4	P&G Shiksha: Supporting remedial learning via digital learning	Promoting education	Yes	Rajasthan, Madhya Pradesh, Himachal Pradesh, Telangana	3.50	Yes	-	-
5	P&G Suraksha India: Hospital capacity expansion	Promoting healthcare	Yes	Himachal Pradesh, Rajasthan, Telangana, Madhya Pradesh, Maharashtra	4.70	No	TATA Trusts	CSR00003775
6	Contribution to State of Himachal Pradesh for Covid-19 vaccination of citizens in the State of Himachal Pradesh	Promoting healthcare	Yes	Himachal Pradesh	5.00	Yes	-	-
7	Contribution to State of Goa for Covid-19 vaccination of citizens in the State of Goa	Promoting healthcare	Yes	Goa	2.50	Yes	-	-
8	Contribution to State of Gujarat for Covid-19 vaccination of citizens in the State of Gujarat	Promoting healthcare	No	Gujarat	5.00	Yes	-	-



(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project	(6) Amount spent for the project (in ₹ Cr)	(7) Mode of Implementation: Direct (Yes/No)	(8) Mode of implementation Through implementing agency	
							Name	CSR registration number
9	Contribution to State of Chandigarh for Covid-19 vaccination of citizens in the State of Chandigarh	Promoting healthcare	No	Chandigarh	0.50	Yes	-	-
10	Contribution to State of Punjab for Covid-19 vaccination of citizens in the State of Punjab	Promoting healthcare	No	Punjab	1.00	Yes	-	-
11	Contribution to State of Uttar Pradesh for Covid-19 vaccination of citizens in the State of Uttar Pradesh	Promoting healthcare	No	Uttar Pradesh	1.00	Yes	-	-
12	Contribution to State of Haryana for Covid-19 vaccination of citizens in the State of Haryana	Promoting healthcare	No	Haryana	1.00	Yes	-	-
13	Contribution to State of Chhattisgarh for Covid-19 vaccination of citizens in the State of Chhattisgarh	Promoting healthcare	No	Chhattisgarh	0.50	Yes	-	-
14	Contribution to State of Jharkhand for Covid-19 vaccination of citizens in the State of Jharkhand	Promoting healthcare	No	Jharkhand	0.50	Yes	-	-

10. a. Amount spent in Administrative Overheads – Nil
 b. Amount spent on Impact Assessment, if applicable – Nil
 c. Total amount spent for the Financial Year – ₹ 28.81 Crores
 d. Excess amount for set-off, if any -

Sr. No.	Particular	Amount (in ₹ Cr)
1	Two percent of average net profit of the company as per section 135(5) of the Act	11.81
2	Total amount spent for the Financial Year	28.81
3	Excess amount spent for the Financial Year [(2)-(1)]	17.00
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding Financial Years [(3)-(4)]	17.00

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

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

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

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

Madhusudan Gopalan
 Managing Director

Anil Kumar Gupta
 Chairman of the CSR Committee

Annexure III

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

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

Name of Director	Designation	Remuneration (₹ in lakhs)	Commission (₹ in lakhs)	Sitting Fees (₹ in lakhs)	Total (₹ in lakhs)	Ratio
Mr. Madhusudan Gopalan	Managing Director	595.32 [§]	—	—	595.32	31.28
Mr. Chittranjan Dua	Independent Director	—	12.70	5.00	17.70	0.93
Mr. Krishnamurthy Iyer	Independent Director	—	8.71	2.00	10.71	0.56
Mr. Rajendra A. Shah	Independent Director	—	3.49	2.25	5.74	0.30
Mr. Bansidhar S. Mehta	Independent Director	—	3.49	2.00	5.49	0.29
Mr. Anil Kumar Gupta	Independent Director	—	15.00	10.00	25.00	1.31
Ms. Meena Ganesh	Independent Director	—	15.00	7.25	22.25	1.17
Mr. Pramod Agarwal	Non-Executive Director	—	15.00	5.50	20.50	1.08
Ms. Sonali Dhawan	Non-Executive Director	—	—	—	—	—
Mr. Karthik Natarajan	Non-Executive Director	—	—	—	—	—
Mr. Gagan Sawhney	Non-Executive Director	— [!]	—	—	—	—
Mr. Ghanashyam Hegde	Non-Executive Director	— [*]	—	—	—	—

[§] Mr. Madhusudan Gopalan is paid by the Company and portion of the remuneration is cross charged to Gillette India Limited and Procter & Gamble Home Products Private Limited in proportion to their respective Net Outside Sales. Mr. Madhusudan Gopalan has exercised Stock Options of the ultimate Holding Company amounting to ₹ 1,164 lakhs under its Employee Stock Option Plan, which is excluded in the above mentioned remuneration.

[!] ₹ 91.28 Lakhs being Company's contribution to remuneration of Mr. Sawhney has been cross charged from Procter & Gamble Home Products Private Limited in terms of the common service agreement.

^{*} ₹ 65.31 Lakhs being Company's contribution to remuneration of Mr. Hegde has been cross charged from Gillette India Limited in terms of the common service agreement.

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

Designation	Name of Key Managerial Personnel	% increase in remuneration
Managing Director	Mr. Madhusudan Gopalan	7.4%
Independent Director	Mr. Anil Kumar Gupta	7.1%
Independent Director	Ms. Meena Ganesh	7.1%
Non-Executive Director	Mr. Pramod Agarwal	7.1%
Independent Director	Mr. Chittranjan Dua	N.A.
Independent Director	Mr. Krishnamurthy Iyer	N.A.
Independent Director	Mr. Rajendra A. Shah	N.A.
Independent Director	Mr. Bansidhar S. Mehta	N.A.
Non-Executive Director	Ms. Sonali Dhawan	N.A.
Non-Executive Director	Mr. Karthik Natarajan	N.A.
Non-Executive Director	Mr. Gagan Sawhney	N.A.
Non-Executive Director	Mr. Ghanashyam Hegde	N.A.
Company Secretary	Ms. Flavia Machado	13.0%
Chief Financial Officer	Mr. Prashant Bhatnagar	Nil

iii. The % increase in the median remuneration of employees in the Financial Year is 5.50%.

iv. The number of permanent employees on the rolls of Company is 463.

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

The average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year was 8.89% whereas the increase in managerial remuneration was 19.72%. The average increase every year is an outcome of Company's market competitiveness as against peer group companies.

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

Annexure IV
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

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

To,

The Members,

Procter & Gamble Hygiene and Health Care Limited

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Procter & Gamble Hygiene and Health Care Limited (CIN - L24239MH1964PLC012971)** (hereinafter called ‘the Company’) for the financial year ended 30th June, 2021 through electronic platform due to widespread outbreak of pandemic COVID-19 resulting in partial lockdown during the period under audit. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion it must be noted that-

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

obtained the management representation pertaining to compliance of laws, rules and regulations, happening of events, etc.

- v. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
 - vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- B.** Based on our on– line verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 30th June, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:
- C.** We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30th June, 2021 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only as the Company has neither made any Overseas Direct Investment nor obtained External Commercial Borrowings during the audit period.
- V A. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (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.
- VI B. The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit:
 - (a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- VII The following Acts and Rules made thereunder pertaining to Company's business are applicable to the Company:
 - (a) Drugs and Cosmetics Act, 1940;
 - (b) The Legal Metrology Act, 2009; and
 - (c) The Legal Metrology (Packaged Commodities) Rules, 2011.
- D. We have also examined compliance with the applicable clauses 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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.
- E. We further report that-
 - I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the 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 Bhumitra V. Dholakia
Designated Partner
FCS-977
CP No. 507

Place : Mumbai
Date : 25 August, 2021
UDIN : F000977C000833325



MANAGEMENT DISCUSSION AND ANALYSIS

Economy and markets

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

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

Opportunities, risk and outlook

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

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

Performance Overview

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

Risk Management

Your Company has set up a Risk Management Committee. The Company has also adopted a Risk Management Policy. The Company's Risk Management Policy is in line with the parent Company's global guidelines and as such adequate measures have been adopted by the Company to anticipate, plan

and mitigate the spectrum of risks it faces.

Business, Finance & Operational risks

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

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

Regulatory and Compliance risks

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

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

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

Security Risks

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

measures and processes to protect its personnel and assets

Internal Auditor

During the Financial Year, the Board of Directors had appointed Ms. Pooja Bhutra, Chartered Accountant as the Internal Auditor of the Company for the Financial Year 2020-21.

Internal Controls & their adequacy

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

- **Controls Self-Assessments (CSAs)** are performed during October to December period of every Financial Year across business processes. The purpose of this thorough exercise is to review and evaluate process compliances against standard Control objective, activities and attributes. This enables the Company to proactively identify control weaknesses and initiate actions to sustainably mitigate them.
- **Stewardship and Global Internal Audit (GIA) Reviews** led by a team of three independent fulltime Internal Controls experts, their role is to ensure that all key processes i.e. selling, revenue, distribution, trade & marketing spends, vendor payments, and plant operations are reviewed and assessed at appropriate intervals. The observations and findings are shared with senior management for implementing quality action plans to strengthen overall controls environment in these processes. The assessments of High risks and SOX Compliance areas are assessed by an independent internal audit department lead by the Company's Global Internal Audit team. This team comprises of certified internal controls process experts and have experiences across different markets that the Company operates in. The action taken by the management to correct the processes is then reviewed and reported appropriately.
- **Governance Board** comprises of the Managing Director, Group Chief Financial Officer, Chief Human Resource Officer, Supply Chain Leader and General Counsel. The Governance Board assesses and reviews enterprise level risks and works with process owners and functional managers to ensure that corrective action is taken, and risk is mitigated as appropriate.

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

HR Initiatives

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

Attracting & Retaining Talent: India continues to be a key source for Global talent and an Employer of Choice in India. Given our 'build from within' strategy and our focus on our core campus programs coupled with our innovative programs ensures we continue to be an Employer of Choice in our Core Campuses and beyond. We implemented a virtual internship this year for all our interns and supported them with the necessary infrastructure and high-impact live projects. COVID CARE was extended to them, as applicable, during the second wave. We have maintained best-in-class campus engagement over the year and are ranked in the Top 10 Employers in the Annual Universum Campus Survey.

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

Our Company's performance management system is robust and strives for Impact through Growth. It clearly assesses and differentiates employees on the basis of performance. We have established a CARE program to build the capability of our people managers. With our focus on inclusive development, we were recognized by 'Working Mothers' Magazine as one of the Best Companies for Women in India. We have a robust talent management process to ensure we build world class leaders. This is supported by a strong Learning & Development program, leveraging internal and external experts to ensure our people are exposed and learn from the very best. The number of employees as on June 30, 2021 was 463.



CORPORATE GOVERNANCE

Your Directors are pleased to present the Corporate Governance Report.

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

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

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

The *WBCM* also details the policy statements, operating policies, procedures, practices and Internal Controls being followed by the Company with specific emphasis on ethical behaviour of employees, compliance with all applicable laws in letter and spirit, ensuring accuracy of books and records, maintaining confidentiality of corporate data, avoidance of conflict of interest, fair dealings, fair competition, fair employment practices, diversity and inclusion and environmental protection.

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

Our reputation is earned by our conduct: what we say, what we do, the products we make, the services we provide, and the way we act and treat others. As

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

BOARD OF DIRECTORS

(a) Composition of the Board

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

The Independent Directors are independent of the management and bring external perspective to decision making. The terms & conditions of appointment of Independent Directors are available on the website of the Company at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/>.

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

All Directors have confirmed that they 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 Mr. B. V. Dholakia, Practicing Company Secretary (annexed to this Report), confirming the same. All Directors have confirmed that as on June 30, 2021, they have not been disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013.

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

Name of the Director	Category	Designation	Directorships in other companies*	Membership of Board Committees of other companies **	
				Member	Chairman
Mr. Chittranjan Dua [#]	ID	Chairman	13	4	1
Mr. Madhusudan Gopalan	ED	Managing Director	2	2	Nil
Ms. Meena Ganesh	ID	Director	14	Nil	Nil
Mr. Anil Kumar Gupta	ID	Director	1	2	1
Mr. Krishnamurthy Iyer ^{##}	ID	Director	1	Nil	Nil
Mr. Pramod Agarwal	NED	Director	2	1	Nil
Ms. Sonali Dhawan	NED	Director	1	1	Nil
Mr. Karthik Natarajan	NED	Director	1	Nil	Nil
Mr. Gagan Sawhney	NED	Director	1	Nil	Nil
Mr. Ghanashyam Hegde	NED	Director	1	Nil	Nil

NED – Non-Executive Director

ED – Executive Director

ID – Independent Director

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

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

[#] Mr. Chittranjan Dua was appointed as Independent Director of the Company effective August 25, 2020 and Chairman of the Company effective September 24, 2020.

^{##} Mr. Krishnamurthy Iyer was appointed as Independent Director of the Company effective December 1, 2020.

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

Name of Director	Directorships in other listed companies
Mr. Chittranjan Dua	Non-Executive Independent Director: 1. Gillette India Limited 2. Pearl Global Industries Limited 3. TVS Motor Company Limited
Mr. Krishnamurthy Iyer	NIL
Mr. Anil Kumar Gupta	Non-Executive Independent Director: 1. Gillette India Limited
Ms. Meena Ganesh	Non-Executive Independent Director: 1. Pfizer Limited 2. Axis Bank Limited
Mr. Pramod Agarwal	Non-Executive Director: 1. Gillette India Limited
Mr. Madhusudan Gopalan	Managing Director: 1. Gillette India Limited
Mr. Karthik Natarajan	Executive Director: 1. Gillette India Limited
Ms. Sonali Dhawan	Non-Executive Director: 1. Gillette India Limited

Name of Director	Directorships in other listed companies
Mr. Gagan Sawhney	Executive Director: 1. Gillette India Limited
Mr. Ghanashyam Hegde	NIL

(b) Meetings of the Board

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

During the Financial Year July 1, 2020 to June 30, 2021, four meetings of the Board were held. These meetings were held on August 25, 2020, November 10, 2020, February 3, 2021 and May 4, 2021. Apart from the Board meetings, the Directors also had an additional meeting on March 24, 2021 for a detailed strategic discussion on business and operations of the Company.

(c) Directors' attendance record

Name of Director	No. of Board meetings held during the tenure	No. of Board meetings attended*	Last Annual General Meeting (Whether Attended)
Mr. Chittranjan Dua [§]	3	3	Yes
Mr. Madhusudan Gopalan	4	4	Yes
Mr. Krishnamurthy Iyer [@]	2	2	Not Applicable
Mr. Anil Kumar Gupta	4	4	Yes
Mr. Pramod Agarwal	4	4	Yes
Mr. Ghanashyam Hegde	4	4	Yes
Ms. Sonali Dhawan	4	4	Yes
Mr. Karthik Natarajan	4	3	Yes
Ms. Meena Ganesh	4	4	Yes
Mr. Gagan Sawhney	4	4	Yes
Mr. Rajendra A. Shah [#]	1	1	Not Applicable
Mr. Bansidhar S. Mehta [#]	1	1	Not Applicable

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

Affairs and the Securities and Exchange Board of India.

[§] Mr. Chittranjan Dua was appointed as Independent Director of the Company effective August 25, 2020.

[@] Mr. Krishnamurthy Iyer was appointed as Independent Director of the Company effective December 1, 2020.

[#] Mr. Rajendra A. Shah and Mr. Bansidhar S. Mehta ceased to be Directors of the Company on September 23, 2020.

(d) Separate meeting of Independent Directors

The Independent Directors of the Company met separately without the presence of Non-Independent Directors or management representatives on August 25, 2020 and August 10, 2021 (via video-conferencing for the Financial Year 2019-20 and 2020-21 respectively) to review the performance of non-independent directors; the Board & the Chairperson of the Company, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(e) Related Party Transactions

The Company has adopted Related Party Transaction Policy ('RPT Policy') to ensure that all related party transactions entered into by the Company shall be in the best interest of the Company and in accordance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Related Party Transaction Policy is available on the Company's website at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#policies>.

Prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive nature. No material related party transactions were entered during the Financial Year by your Company. All related party transactions are reviewed by independent chartered accountant firm to ensure transactions are in ordinary course of business, at arm's length and are in compliance with the Related Party Transaction Policy of the Company. 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 32 forming part of the Financial Statements.

Below transaction was approved by the Shareholders by passing an Ordinary Resolution

through Postal Ballot on June 26, 2021.

Name of Related Party	Procter & Gamble Home Products Private Limited, India
Nature of relationship	Fellow Subsidiary (a Procter & Gamble group company)
Nature, material terms, monetary value and particulars of transaction	Purchase of Finished Goods under a Contract Manufacturing arrangement upto a maximum value of ₹ 800 Crores in a Financial Year for period of five years commencing from Financial Year 2021-22 to Financial Year 2025-26

Being, related parties, the promoter shareholders had abstained from voting on the said resolution.

(f) Remuneration of Directors

Members of the Company, at their 54th Annual General Meeting held on November 29, 2018, had approved payment of commission to the Non-Executive 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. July 1, 2018 and had also empowered the Board of Directors to fix the quantum of commission payable to the Non-Executive Directors and to also determine the period for which said commission is payable. The Board of Directors at their meeting held on August 25, 2021, approved payment of annual commission of ₹ 15 lakhs each to Non-P&G (who are not in employment of any P&G group entity) Non-Executive Directors. These directors are paid commission to compensate for their valuable contribution to the Company owing to their wealth of experience and knowledge.

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

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

Name of Director	Relationship with other Directors	Salary including Bonus + PF contribution	Commission	Sitting Fees	Amount in ₹
					Shares held (Equity Shares of ₹ 10/- each)*
Mr. Chittranjan Dua ^{&}	None	—	12,70,000	5,00,000	—
Mr. Madhusudan Gopalan	None	5,95,32,071 [§]	—	—	—
Mr. Krishnamurthy Iyer ^{&}	None	—	8,71,000	2,00,000	—
Mr. Anil Kumar Gupta	None	—	15,00,000	10,00,000	—
Ms. Meena Ganesh	None	—	15,00,000	7,25,000	—
Mr. Rajendra A. Shah [#]	None	—	3,49,000	2,25,000	12,906
Mr. Bansidhar S. Mehta [#]	None	—	3,49,000	2,00,000	3,799
Mr. Pramod Agarwal	None	—	15,00,000	5,50,000	50
Ms. Sonali Dhawan	None	—	—	—	—
Mr. Karthik Natarajan	None	—	—	—	—
Mr. Ghanashyam Hegde	None	—	— [^]	—	—
Mr. Gagan Sawhney	None	—	— [!]	—	—

* Excludes shares held by relatives.

[§] Mr. Gopalan is paid by the Company and portion of the remuneration is cross charged to Gillette India Limited and Procter & Gamble Home Products Private Limited in proportion to their respective Net Outside Sales. Mr. Gopalan has exercised Stock Options of the ultimate Holding Company amounting to ₹ 1,164 lakhs under its Employee Stock Option Plan, which is excluded in the above-mentioned remuneration.

[^] ₹ 65.31 Lakhs being Company's contribution to remuneration of Mr. Hegde has been cross charged from Gillette India Limited in terms of the common service agreement.

[!] ₹ 91.28 Lakhs being Company's contribution to remuneration of Mr. Sawhney has been cross charged from Procter & Gamble Home Products Private Limited in terms of the common service agreement. Mr. Sawhney has exercised Stock Options of the ultimate Holding Company amounting to ₹ 154 lakhs under Employee Stock Option Plan, which were charged to Procter & Gamble Home Products Private Limited.

[&] Mr. Dua and Mr. Iyer were appointed as Directors of the Company w.e.f. August 25, 2020 and December 1, 2020 respectively.

[#] Mr. Shah and Mr. Mehta ceased to be Directors of the Company on completion of their tenure on September 23, 2020.

Stock Options

The Company does not have any Stock Option Plan for its employees. However, all employees of the Company are given the right to purchase shares of the Ultimate Holding Company – The Procter & Gamble Company, USA under its 'International Stock Ownership Plan'. Certain employees of the Company are also entitled to Stock Option of the Ultimate Holding Company under its 'Employee Stock Option Plan'. Details as regards the same are disclosed vide Note 31 forming part of the Financial Statements.

(g) Committees of the Board

Audit Committee

The Audit Committee presently comprises of Mr. Chittranjan Dua (Chairman), Mr. Anil Kumar Gupta (Member), Ms. Meena Ganesh (Member) and Mr. Madhusudan Gopalan (Member). During the Financial Year, the Audit Committee met on August 25, 2020, November 10, 2020, February 3, 2021 and May 4, 2021. As on date, Ms. Flavia Machado is Company Secretary to the Committee.

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

Members of the Committee	Designation	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Rajendra A. Shah*	Erstwhile Chairman	ID	1	1
Mr. Chittranjan Dua [§]	Chairman	ID	3	3
Mr. Bansidhar S. Mehta*	Member	ID	1	1
Mr. Anil Kumar Gupta	Member	ID	4	4
Ms. Meena Ganesh	Member	ID	4	4
Mr. Madhusudan Gopalan	Member	ED	4	4

ID – Independent Director ED – Executive Director

* Mr. Rajendra A. Shah and Mr. Bansidhar S. Mehta ceased to be members of the Audit Committee effective September 23, 2020.

[§] Mr. Chittranjan Dua has been inducted as Member and Chairman of the Audit Committee effective September 24, 2020.

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 Audit Committee powers include the following:

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

The minutes of the Audit Committee are placed before the Board.

The Audit Committee role includes the following:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- iii. Approval or any subsequent modification of transactions of the Company with related parties;
- iv. Scrutiny of inter-corporate loans and investments;
- v. Valuation of undertakings or assets of the Company, wherever it is necessary;
- vi. Evaluation of internal financial controls and risk management systems;
- vii. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- viii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ix. Examination and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report
- x. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- xi. Monitoring the end use of funds raised through public offers and related matters and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of qualifications, experience and background, etc. of the candidate; and
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
- xx. Reviewing any other areas which may be specified as role of the Audit Committee under the SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and other statutes, as amended from time to time.

Stakeholder Relationship Committee

The Stakeholder Relationship Committee presently comprises of Mr. Ghanashyam Hegde (Chairman), Mr. Madhusudan Gopalan (Member)

and Mr. Anil Kumar Gupta (Member). During the Financial Year, two meetings were held on November 10, 2020 and February 3, 2021.

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

Members of the Committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Ghanashyam Hegde	2	2
Mr. Anil Kumar Gupta	2	2
Mr. Madhusudan Gopalan	2	2

The role of the Committee is as follows:

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

During the Financial Year, the Company had received 8 complaints from Shareholders. These complaints have been resolved during the Financial Year. There were no pending complaints as on June 30, 2021.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently comprises of Mr. Anil Kumar Gupta (Chairman), Mr. Chittranjan Dua (Member), Mr. Ghanashyam Hegde (Member) and Mr. Gagan Sawhney (Member). During the Financial Year, three meetings were held on August 25, 2020, November 10, 2020 and February 3, 2021.

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

Members of the Committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Anil Kumar Gupta	3	3
Mr. Rajendra A. Shah [#]	1	1
Mr. Gagan Sawhney	3	3
Mr. Ghanashyam Hegde	3	3
Mr. Chittranjan Dua [§]	2	2

[#] Mr. Rajendra A. Shah ceased to be Member of the Nomination & Remuneration Committee on September 23, 2020.

[§] Mr. Chittranjan Dua was inducted as Member of the Nomination & Remuneration Committee effective September 24, 2020.

The role of the Committee is as follows:

- Formulation of criteria for determining qualifications, positive attributes and independence of Directors;
- Formulation of evaluation criteria for performance evaluation of Independent Directors and the Board;
- Recommendation to the Board of a Policy, relating to the remuneration of Directors, key managerial personnel and senior management;
- Identification of persons who are qualified to become directors and who may be appointed in senior management and recommendation to the Board their appointment and removal;
- Carrying out evaluation of every Director's performance;
- Devise a policy on Board diversity; and
- Any other role & responsibility, as may be mandated by any statutory legislation, from time to time.

The Company has adopted 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://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#policies>.

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

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

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee presently comprises of Mr. Anil Kumar Gupta (Chairman), Mr. Madhusudan Gopalan (Member), Ms. Sonali Dhawan (Member) and Mr. Karthik Natarajan (Member). During the Financial Year, three meetings were held on August 25, 2020, February 3, 2021 and May 4, 2021.

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

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

The role of the Committee is as follows:

- Formulation and recommendation to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;

- Recommendation of the amount of expenditure to be incurred on the CSR activities;
- Monitoring the CSR Policy of the Company from time to time;
- Formulation and monitoring of implementation of business responsibility policies; and
- Annual assessment of the business responsibility performance and reporting.

The Company has adopted a Corporate Social Responsibility Policy (‘CSR Policy’). In line with the global principles followed by the Procter & Gamble group and terms of the Companies Act, 2013, the CSR policy is broadly framed taking into account the following:

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

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

Risk Management Committee

The Company has constituted a Risk Management Committee to monitor and review the Risk Management Policy and plans of the Company. The Committee presently comprises of Mr. Madhusudan Gopalan (Chairman), Mr. Karthik Natarajan (Member), Mr. Anil Kumar Gupta (Member), Ms. Meena Ganesh (Member), Mr. Pramod Agarwal (Member), Mr. Ghanashyam Hegde (Member), Mr. Prashant Bhatnagar (Member) and Mr. Gagan Sawhney (Member). During the Financial Year, three meetings were held on August 25, 2020, November 10, 2020 and February 3, 2021.

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

Members of the Committee	No. of Meetings held during tenure	No. of Meetings attended
Mr. Madhusudan Gopalan	3	3
Mr. Anil Kumar Gupta	3	3
Mr. Pramod Agarwal	3	3
Ms. Meena Ganesh	3	3
Mr. Karthik Natarajan	3	2
Mr. Ghanashyam Hegde	3	3
Mr. Gagan Sawhney	3	3
Mr. Prashant Bhatnagar	3	3

The role of the Committee is as follows:

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

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

Cash & Investment Committee

The Company has constituted a Cash & Investment Committee, presently comprising of Mr. Pramod

Agarwal (Chairman), Mr. Anil Kumar Gupta (Member), Mr. Karthik Natarajan (Member), Mr. Gagan Sawhney (Member) and Mr. Ghanashyam Hegde (Member). During the Financial Year, three meetings were held on August 25, 2020, February 3, 2021 and May 4, 2021.

Attendance of the Members of the Cash & Investment Committee during the Financial Year:

Members of the Committee	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Pramod Agarwal	3	3
Mr. Anil Kumar Gupta	3	3
Mr. Karthik Natarajan	3	3
Mr. Gagan Sawhney	3	3
Mr. Ghanashyam Hegde	3	3

The role of the Committee is as follows:

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

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

(h) Familiarization programme for Independent Directors

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

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

The Company updates the Independent Directors on changes in relevant laws / regulations from time to time. Each member of the Board,



including the Independent Directors, are given any information relating to the Company, whenever they so request. Independent Directors have the freedom to interact with the Company's management.

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

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

During the Financial Year, two familiarization programmes were conducted for induction of newly appointed Independent Directors covering various topics including introduction to P&G group and the Company, historical background, organization structure & review, Company growth strategy, go-to-market structure and plans, P&G Citizenship onboarding, and feminine care and healthcare business onboarding.

Induction Programme for Mr. Chittranjan Dua was conducted on October 30, 2020 from 3.30 pm to 6.00 p.m. Said programme was attended by Mr. Madhusudan Gopalan, Mr. Gagan Sawhney, Mr. Ghanashyam Hegde and Mr. Anil Kumar Gupta, Directors of the Company.

Induction Programme for Mr. Krishnamurthy Iyer was conducted on January 11, 2021 from 2.00 pm to 6.00 pm. Mr. Chittranjan Dua, Mr. Madhusudan Gopalan, Mr. Gagan Sawhney and Mr. Ghanashyam Hegde, Directors of the company; Mr. P. M. Srinivas, HR head; Mr. Saranathan Ramaswamy, Sales-Head; Mr. Ravi Chamoli, CSR & Communications-Head attended the said programme.

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

(i) Succession planning

The Nomination and Remuneration Committee works with the Board on the Board succession plan to ensure orderly succession in appointments to the Board. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board

in an endeavor to introduce new perspectives while maintaining experience and continuity.

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

(j) Key Board qualifications, expertise and attributes

The Company is engaged in manufacturing and selling of branded packaged fast moving consumer goods in the feminine care and healthcare businesses.

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

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

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

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

Name of the Director	Area of Expertise
Mr. Chittranjan Dua	Legal Regulatory & Policy Strategy & Business Operation
Mr. Madhusudan Gopalan	Strategy & Business Operation FMCG Industry Finance & Accounting
Mr. Krishnamurthy Iyer	Strategy & Business Operation Finance & Accounting Regulatory & Policy
Mr. Anil Kumar Gupta	Strategy & Business Operation FMCG Industry
Ms. Meena Ganesh	Strategy & Business Operation Finance & Accounting
Mr. Pramod Agarwal	Finance & Accounting Strategy & Business Operation FMCG Industry
Ms. Sonali Dhawan	Strategy / Business Operation FMCG Industry
Mr. Karthik Natarajan	Finance & Accounting Strategy & Business Operation FMCG Industry
Mr. Gagan Sawhney	Finance & Accounting Strategy & Business Operation FMCG Industry
Mr. Ghanashyam Hegde	Legal FMCG Industry Regulatory & Policy

(k) Annual Evaluation of the Directors

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

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

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

i. Mr. Pramod Agarwal

Mr. Agarwal is an MBA from Indian Institute of Management, Ahmedabad. After over 28 years of experience with P&G, he retired in 2016. He has worked in seven geographies - India, Thailand, Japan, Philippines, USA, Singapore and Switzerland. Mr. Agarwal has led several major changes which have had a lasting impact on the business and organization. He is now a management consultant, an angel investor and mentor to several start-ups. Mr. Agarwal, Director retires by rotation and being eligible, seeks re-appointment at the ensuing 57th Annual General Meeting.

ii. Mr. Karthik Natarajan

Mr. Natarajan is a Chartered Accountant and has completed his Bachelor of Commerce from R. A. Podar College, Mumbai. Mr. Natarajan has been with P&G for over 21 years and is currently the Senior Vice President and regional CFO for Asia Pacific, Middle East & Africa. He has over these years worked across multiple locations including India, US, China, Philippines and Singapore. He has held global responsibilities and has led strategy development, business and financial planning and operational execution with excellence for several important P&G businesses. Mr. Natarajan, Director retires by rotation and being eligible, seeks re-appointment at the ensuing 57th Annual General Meeting.

iii. Mr. Ghanashyam Hegde

Mr. Hegde is a legal professional with over 20 years of experience across pharma, media & entertainment, financial services, and chemical industries. He is an alumnus of Bangalore University and National Law School of India University and holds a degree in law and Post Graduate Diploma in Intellectual Property Rights.

Currently, Mr. Hegde is Non-Executive Director on the Board. Mr. Hegde has been appointed as Company Secretary of the Company effective September 1, 2021. The Board has also appointed him as Executive Director of the Company for a period of five years effective September 1, 2021, subject to approval of the shareholders at the ensuing 57th Annual General Meeting.

COMMUNICATION TO SHAREHOLDERS

- (i) The quarterly results of the Company are announced within 45 days of completion of the quarter or within the time as prescribed by the Securities & Exchange Board of India. Audited Annual Results are announced within 60 days of the end of Financial Year or within the time as prescribed by the Securities & Exchange Board of India. Results for quarter ended September 30, 2020 were published in The Economic Times and Mumbai Lakshadeep and results for rest of the quarters were published in the Business Standard and Mumbai Lakshadeep.
- (ii) The Company's results and official news releases are published on Company's website: <https://in.pg.com/india-investors/pghh/compliance-reports-and-announcements/>.
- (iii) No presentations were made to Analysts and Institutional Investors during the Financial Year.
- (iv) This Annual Report along with Notice calling the Annual General Meeting for the Financial Year 2020-21, in electronic form, is being sent to the Members at the email address provided / updated by the Members with the Depository Participants / Registrar & Transfer Agent (RTA), as applicable.
- (v) Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the requisite documents as mentioned in our letter, which is put up on the website at <https://in.pg.com/india-investors/pghh/compliance-reports-and-announcements/>, in order facilitate company to deduct TDS at time of distribution of final dividend. The said documents (duly completed and signed) are required to be submitted as per instructions in the said letter, on or before November 1, 2021 in order to enable the Company to determine and deduct appropriate TDS.

SUSTAINABILITY INITIATIVE

In line with our 'Ambition 2030' environment sustainability goals, our commitment to operate responsibly is reflected in the steps we have in place to ensure rigorous financial discipline and Corporate Governance. The Company requests its shareholders to join in its endeavor to conserve resources by

updating relevant information for receiving online communication and dividend payout. Shareholders holding shares in dematerialized mode are requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode are requested to furnish their email address, bank account details and mobile number with the Company's Registrar & Transfer Agent. The Company, with the help of the RTA and the depositories has reached out to the shareholders, who have not registered their email addresses, requesting them to update their email addresses. Your Company greatly appreciates your response and support in this regard.

STATUTORY COMPLIANCE

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

GENERAL MEETINGS

Annual General Meeting	Date	Time	Venue	No. of special resolutions passed
56 th	November 24, 2020	11:00 a.m.	Meeting was held through Video Conference / Other Audio Visual Means	NIL
55 th	November 27, 2019	11:00 a.m.	Annual General Meetings were held at Y. B. Chavan Pratishthan, Gen.	3
54 th	November 29, 2018	11:00 a.m.	Jagannathrao Bhonsle Marg, Mumbai-400 021	NIL

At the 55th Annual General Meeting held on November 27, 2019, the following Special Resolutions were passed:

1. Re-appointment of Mr. Rajendra Ambalal Shah as an Independent Director of the Company;
2. Re-appointment of Mr. Bansidhar Sunderlal Mehta as an Independent Director of the Company; and
3. Re-appointment of Mr. Anil Kumar Gupta as an Independent Director of the Company.

POSTAL BALLOT

During the Financial Year, following resolutions were approved by Postal Ballot mechanism on June 26, 2021. The Board had appointed Mr. B. V. Dholakia, Practicing Company Secretary, as the scrutinizer to conduct the Postal Ballot process in a fair and

transparent manner. The results of the postal ballot were declared on June 29, 2021.

Details of resolutions passed are as follows:

1. Description of Resolution: Resolution for approval of appointment of Mr. Krishnamurthy Iyer as an Independent Director of the Company (Ordinary Resolution)

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	715	2,75,43,019	99.99
Dissented to the resolution	40	959	0.01
No. of total valid Postal Ballot Forms/ e-votes received	755	2,75,43,978	100.00

Accordingly, the said Resolution was approved by the Shareholders of the Company, with requisite majority.

2. Description of Resolution: Approval of material related party transaction under Regulation 23 of the Securities and Exchange Board of India (LODR) Regulations, 2015 (Ordinary Resolution)

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	698	45,94,844	99.96
Dissented to the resolution	46	1,756	0.04
No. of total valid Postal Ballot Forms / e-votes received	744	45,96,600	100.00

Note: Being, related parties, the Promoter shareholders had abstained from voting on the said resolution.

Accordingly, the said Resolution was approved by the Shareholders of the Company, with requisite majority.

Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-Voting) facility to all its Shareholders. The Company engaged the services of National Securities Depository Limited (“NSDL”) for the purpose of providing e-Voting facility to all its

Shareholders. 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 appear 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 dispatch was completed on May 27, 2021.

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, i.e. May 21, 2021. 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. Shareholders 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, i.e., June 26, 2021. The Scrutinizer submitted his report, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company on June 29, 2021. The results are displayed on the website of the Company at <https://in.pg.com/india-investors/pghh/shareholder-info/info/#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 2020-21, which was reviewed by the Audit Committee and taken on record by the Board.

ADOPTION OF DISCRETIONARY REQUIREMENT

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

- a. There are no audit qualifications in the Company’s financial statements for the Financial Year 2020-21;
- b. The Internal Auditor of the Company reports to the Audit Committee.

WHISTLE BLOWER POLICY

The Company being a part of the Procter & Gamble group is guided by a Whistle Blower Policy as laid

down in its “*Worldwide Business Conduct Manual*”. Any employee or other interested person can call on ‘The *Worldwide Business Conduct Helpline*’, twenty-four hours a day, seven days a week, to report any concerns about violations of the Company’s “*Worldwide Business Conduct Standards*”.

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

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

The ‘*Worldwide Business Conduct Helpline*’ is accessible to all employees.

In compliance with the requirement under the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the Rules made thereunder, the Company has adopted the whistle blowing policy as the vigilance mechanism for Directors and employees to report genuine concerns or grievances such as unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

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

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

CODE OF CONDUCT

(i) Code of Conduct for Directors

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

and <https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/> respectively.

(ii) Code of Conduct for Prohibition of Insider Trading

The Board of the Company has adopted the Code of Conduct for prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code has been posted on the Company’s website at <https://in.pg.com/india-governance-and-policies/pghh/terms-and-policies/#code>.

GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Pursuant to the Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 issued by Ministry of Corporate Affairs and by Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/11 and SEBI/HO/CFD/CMD2/CIR/P/2021/79 issued by the Securities Exchange Board of India, the 57th Annual General Meeting of the Company will be held on **November 17, 2021 at 11.00 a.m.** through Video Conferencing facility. Deemed Venue for Meeting shall be the Registered Office of the Company: P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai - 400 099. Details of the link for joining and participating in the meeting through video-conferencing is provided in the notice convening the 57th Annual General Meeting. A copy of the transcript of the Annual General Meeting will be made available on the Company’s website at <https://in.pg.com>.

ii. Financial Calendar

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

iii. Book Closure Dates: Thursday, November 11, 2021, to Wednesday, November 17, 2021 (both days inclusive). The said book closure is for payment of dividend.

iv. Dividend Payment Date: On or before December 14, 2021.

v. Total fees paid to Statutory Auditors of the Company: Total fees of ₹ 117.75 lakhs for Financial Year 2020-21, was paid by the Company to Kalyaniwalla & Mistry LLP, Statutory Auditors of the Company.

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



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

- a. Number of complaints filed during the Financial Year: Nil
- b. Number of complaints disposed of during the Financial Year: Nil
- c. Number of complaints pending as on end of the Financial Year: Nil

vii. Recommendations of Committees of the Board

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

viii. Listing of Equity Shares on Stock Exchanges

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

ix. Stock Code

BSE Limited : **500459**

National Stock Exchange of India Ltd. : **PGHH**

Dematerialization ISIN Code : **INE179A01014**

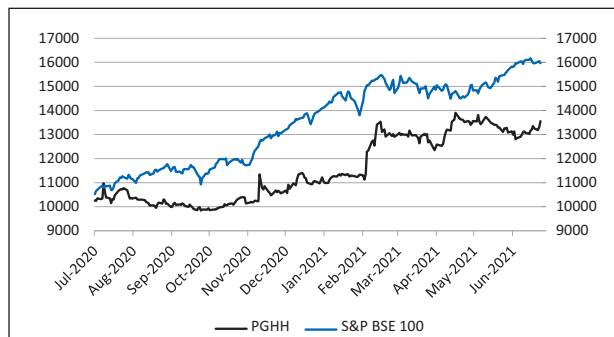
x. Stock Price Data

Month	BSE		NSE	
	High	Low	High	Low
July - 2020	11,317.75	9,850.05	11,352.75	10,016.00
August - 2020	10,698.80	9,800.00	10,707.10	9,925.00
September - 2020	10,298.90	9,700.05	10,250.00	9,691.40
October - 2020	10,475.40	9,790.00	10,460.00	9,780.55
November - 2020	11,694.25	9,990.05	11,716.00	9,981.00
December - 2020	11,870.00	10,389.00	11,900.00	10,490.35
January - 2021	11,499.00	10,851.00	11,484.90	10,950.00
February - 2021	13,800.00	11,001.00	13,800.00	11,100.00
March - 2021	13,300.00	12,021.15	13,190.00	12,110.00
April - 2021	14,100.00	12,257.85	14,122.00	12,251.25
May - 2021	13,926.00	13,005.00	13,899.00	13,001.00
June - 2021	14,137.75	12,780.00	14,135.65	12,775.00

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

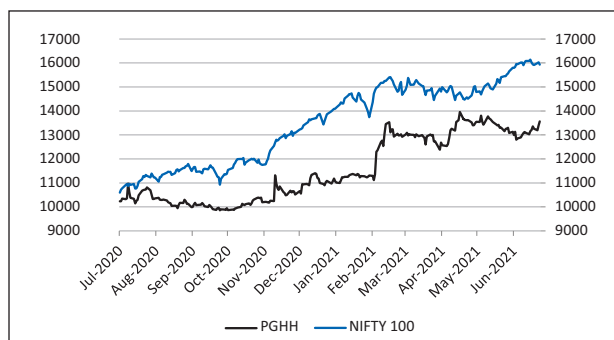
xi. Stock Performance in comparison to the BSE Sensex and NSE Nifty

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



(Source: www.bseindia.com)

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



(Source: www.nseindia.com)

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

Category	Number of shares held	% of shares held
Foreign & Indian promoters	2,29,29,773	70.64
Resident Individuals and others	36,85,317	11.35
Mutual Funds	18,67,227	5.75
Financial Institutions / Banks	13,01,578	4.01
Insurance Companies	11,48,796	3.54
Foreign Portfolio Investors	8,20,057	2.53
Private Corporate Bodies	5,39,677	1.66
NRIs & Foreign Nationals	1,67,784	0.52
Directors and their relatives	527	0.00
TOTAL	3,24,60,736	100.00

xiii. Share Transfer and Demat system

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

All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days from the date of receipt of relevant documents, provided they are complete in all respects.

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

Shareholding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	39,695	96.26	16,93,861	5.22
501 – 1000	835	2.02	5,87,901	1.81
1001 – 2000	389	0.94	5,37,879	1.66
2001 – 3000	102	0.25	2,49,617	0.77
3001 – 4000	55	0.13	1,93,998	0.60
4001 – 5000	32	0.08	1,45,751	0.45
5001 – 10000	56	0.14	3,90,945	1.20
10001 and above	75	0.18	2,86,60,784	88.29
TOTAL	41,239	100.00	3,24,60,736	100.00

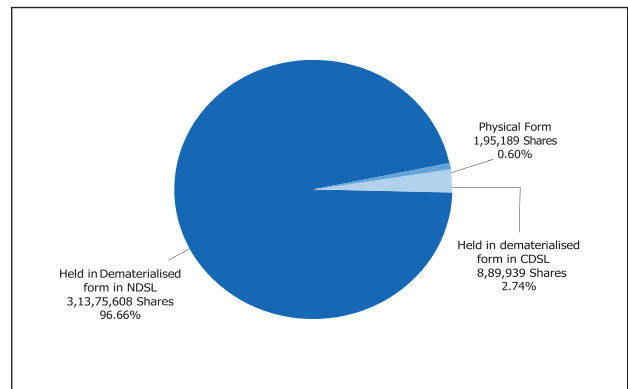
xv. Dematerialization of shares and liquidity

The Company's shares are required to be compulsorily traded in the stock exchanges in

dematerialized form. As on June 30, 2021, the number of shares in dematerialized and physical mode are as under:

Particulars	No. of shares	% to total capital issued
Held in dematerialized form with NSDL	3,13,75,608	96.66
Held in dematerialized form with CDSL	8,89,939	2.74
Held in Physical form	1,95,189	0.60
Total	3,24,60,736	100.00

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



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

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

The Company does not have any exposure hedged through commodity derivatives. The details of foreign currency risk management are disclosed in Note 30 forming part of the Financial statements. The Company has not entered into any hedging activities in Financial Year 2020-21.

xviii. Unclaimed / Unpaid Dividends

In accordance with the provisions of Sections 124 and 125 of the 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 IEPF Authority.

Final dividend for the Financial Year ended June 30, 2014 and for the subsequent years, which remain unpaid or unclaimed, will be due for transfer to the IEPF of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to claim their dividend on or before the due dates mentioned therein, by writing to the Company's RTA M/s. Link Intime India Pvt Ltd.

Date of Declaration	For the Financial year ended	Due Date for transfer to IEPF
24.09.2014	30.06.2014	30.10.2021
28.10.2015	30.06.2015	03.12.2022
03.12.2016	30.06.2016	08.01.2024
05.05.2017	Interim 2016-17	10.06.2024
16.11.2017	30.06.2017	22.12.2024
29.11.2018	30.06.2018	04.01.2026
07.02.2019	Interim 2018-19	15.03.2026
27.11.2019	30.06.2019	02.01.2027
24.11.2020	30.06.2020	30.12.2027
03.02.2021	Interim 2020-21	11.03.2028
04.05.2021	Special dividend 2020-21	09.06.2028

During the Financial Year 2020-21, unclaimed dividend amount for the Financial Year ended June 30, 2013 amounting to ₹ 38,09,175 and 3,277 shares were transferred to the IEPF.

The details of unpaid / unclaimed dividend as on June 30, 2020 have been posted on the website of the Company, viz., in.pg.com. As on date, Ms. Flavia Machado is the Nodal Officer of the Company under the IEPF Rules.

xix. Disclosure in respect of equity shares transferred to the 'Procter & Gamble Hygiene and Health Care Limited – unclaimed Suspense Account' is as under:

In accordance with the requirements of Regulation 34, 39 read with Schedule V(F) of the SEBI (LODR) Regulations, 2015 details of equity shares lying in Unclaimed Suspense Account are as follows:

	Particulars	No. of shareholders	No. of Equity Shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on July 1, 2020	290	37,552
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	8	1,102
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on June 30, 2021	282	36,450

The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

xx. Plant location

Goa:

173, 314, 315, Kundaim Industrial Estate, Kundaim, Goa - 403115.

Baddi:

Village Katha, PO. Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh - 173205.



xxi. Investor Queries and Grievances Redressal

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

Company Secretary & Compliance Officer

Procter & Gamble Hygiene and Health Care Limited
P&G Plaza, Cardinal Gracias Road,
Chakala, Andheri (East), Mumbai - 400 099.

Investor helpline nos.: 91 86575 12368 /
86575 00524

Tel: (91-22) 2826 6000

Fax: (91-22) 2826 7337

Email id: investorpghh.im@pg.com

xxii. Registrar & Transfer Agents

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083
Tel: (022) 4918 6279, Fax: (022) 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in

DECLARATION

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

Mumbai
August 25, 2021

For Procter & Gamble Hygiene
and Health Care Limited

Madhusudan Gopalan
Managing Director



Certificate on Non-Disqualification of Directors under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of Procter & Gamble Hygiene and Health Care Limited

- We have been engaged to issue certificate that none of the directors on the board of the **Procter & Gamble Hygiene and Health Care Limited (“Company”)** having **CIN L24239MH1964PLC012971** have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority in terms of Para 10 (i) of Part C of Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations):
- We have examined the following:
 - The declaration given by each of the Directors of the Company with respect to their interest in other entities as Director or otherwise along with names of their relatives in pursuance of Section 184 of the Companies Act, 2013 and taken on record by the Company,
 - Declarations given by all the Directors of the Company confirming that they are not disqualified to hold the Office of Directors as on 30th June, 2021 in pursuance of Section 164 of the Companies Act, 2013 and taken on record by the Company,
 - The particulars of Directors of the Company as displayed on the web portal of the Ministry of Corporate Affairs, and
 - General Search on the website of the Securities and Exchange Board of India.
- Based on the above verification and to the best of our information and according to the explanations provided to us, We are of the opinion that none of the following Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority as on 30th June, 2021:

No.	Name of the Directors	DIN
1	Mr. Chittranjan Dua	00036080
2	Mr. Pramod Agarwal	00066989
3	Ms. Meena Ganesh	00528252
4	Mr. Anil Kumar Ishwar Dayal Gupta	02588131
5	Mr. Karthik Natarajan	06685891
6	Ms. Sonali Dhawan	06808527
7	Mr. Ghanashyam Hegde	08054712
8	Mr. Madhusudan Gopalan	08158357
9	Mr. Gagan Sawhney	08279568
10	Mr. Krishnamurthy Narayanan Iyer	01726564

- It should be noted that our responsibility is to express a reasonable assurance in the form of an opinion as to the qualification/eligibility of each of the Directors of the Company to hold the office as Director in the Companies in accordance with the generally accepted procedure and the process of due-diligence followed based on the available information on best efforts basis as on 30th June, 2021 and it is neither an audit nor an expression of opinion on the personal credentials of the Directors of the Company.

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

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

Place : Mumbai

Date : September 1, 2021

UDIN : F000977C000874542



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This Certificate is issued in accordance with the terms of our Engagement Letter dated July 15, 2021.

This certificate is issued with regard to compliance of conditions of Corporate Governance by **Procter & Gamble Hygiene and Health Care Limited** ('the Company') for the year ended on June 30, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as applicable during the year ended June 30, 2021.

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

Restriction on use

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

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

Roshni R. Marfatia
Partner

M. No.: 106548
UDIN: 21106548AAAAEP4035

Place : Mumbai

Date : August 25, 2021



INDEPENDENT AUDITORS' REPORT

**To the Members of
Procter & Gamble Hygiene and Health Care Limited
Report on the Audit of the Ind AS Financial
Statements**

Opinion

We have audited the accompanying Ind AS Financial Statements of **PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED** ("the Company"), which comprise the Balance Sheet as at June 30, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and the Notes to the Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended (Ind-AS), and with other accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2021, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. Key Audit Matter	Auditor's Response
<p>1. Revenue Recognition (note no. 2.3(a) and 19 to the financial statements)</p> <p>Revenue is measured net of trade discounts, rebates and various types of Marketing and Distribution Activities such as incentives and promotions.</p> <p>The estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be judgmental owing to the varying terms of the agreements with customers which are based on annual contracts or shorter term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span over a year end.</p>	<p>Our audit procedures included:</p> <p>(a) Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts and incentives by comparing with applicable accounting standards.</p> <p>(b) Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue and rebates/schemes in the general ledger accounting system</p> <p>(c) We tested the design, implementation and operating effectiveness of controls over the calculation of discounts and rebates including review of the independent service auditor's SOC 1 (Type 2) report with regards to the third party service organization's system and the suitability of the design and operating effectiveness of IT / manual controls relating to processing of claims.</p>



- Company Overview
- Board's Report
- MD&A
- CG Report
- Financial Statement

Sr. Key Audit Matter	Auditor's Response
<p>Accumulated experience is used to estimate the provision for discounts and rebates considering the terms of the underlying schemes and arrangements with customers.</p> <p>There is also a risk that revenue may be overstated due to fraud including through manipulation of the discounts and incentives recognised resulting from the pressure local management may feel to achieve performance targets.</p>	<ul style="list-style-type: none"> (d) Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices/contracts and shipping documents. (e) We compared the historical discounts, rebates/ schemes and allowances to current payment trends. We also considered the historical accuracy of the Company's estimates in previous years. (f) Performing substantive testing by checking samples of rebate / schemes transactions to supporting documentation. (g) We assessed manual journals posted to revenue to identify unusual items (h) Considering the adequacy of the Company's disclosures in respect of revenue.
<p>2. Uncertain Tax Positions (note no. 26 and 35 to the financial statements)</p> <p>The Company is subject to a range of tax risks. There is inherent judgement involved in determining provisions for uncertain tax positions. The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct taxes, transfer pricing and indirect taxes. Applicable tax laws and regulations are subject to differing interpretations and the resolution of a final tax position can take several years to complete. Where the amount of tax payable is uncertain, the Company establishes provisions based on Management's judgement of the likelihood of settlement being required.</p> <p>Given the number of judgements involved in estimating the provisions relating to uncertain tax positions and the complexities of dealing with tax rules, this was considered as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> (a) We evaluated the design and tested the operating effectiveness of controls over the assessment of uncertain tax positions and completeness of disclosures. (b) We discussed the status and potential exposures in respect of significant tax litigations with the Company's tax team including their views on the likely outcome of each assessment / litigation and magnitude of potential exposure. (c) We focused on the judgements made by Management in assessing the likelihood of potentially material exposures and the estimates used to determine such provisions where required. In particular, we focused on the impact of changes in local tax regulations and ongoing inspections by local tax authorities, which could materially impact the amounts recorded in the financial statements. (d) We involved our in-house tax experts to evaluate and challenge the appropriateness of Management's assessment and judgements to estimate the provisions held in respect of uncertain tax positions. To do this, we assessed the provisions recognized in the financial statements using the outcome of prior and ongoing tax assessments conducted on the Company, correspondences between the Company and relevant tax authorities, judgemental positions taken in tax returns and current year estimates, our own experience in these areas and assessing whether the approach applied by the Company is supported by the practice in the industry. (e) We have also assessed the adequacy of the Company's disclosures in respect of tax and uncertain tax positions.

Information Other than the Ind-AS Financial Statements and Auditor's Report Thereon

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

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

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

Management's Responsibility for the Ind-AS Financial Statements

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

In preparing the Ind-AS financial statements, Management is responsible for assessing the

Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind-AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules issued thereunder.
 - e) On the basis of the written representations received from the Directors of the Company as on June 30, 2021, taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on June 30, 2021, from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial



remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Ind-AS financial statements – Refer Note. 35 to the Ind-AS financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts

for which there were any material foreseeable losses.

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

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS

Firm Regn. No.: 104607W / W100166

Roshni Marfatia
PARTNER

M. No. 106548

UDIN: 21106548AAAAEO2098

Mumbai: August 25, 2021.

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the Members of the Company on the Ind-AS financial statements for the year ended June 30, 2021)

- (i) Fixed Assets
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- c) According to the information and explanations given to us, the title deeds, comprising all the immovable properties of buildings, other than self-constructed buildings, are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as non-current / current assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The inventory has been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to investments made, guarantees given and securities provided.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been prescribed by the Central Government under



section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us and records of the Company examined by us, in our opinion:

- a) the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess, Professional Tax and other statutory dues, as applicable, with the appropriate authorities and there are no undisputed amounts which have remained outstanding as at the last day of the financial year, for a period of more than six months from the date they became payable.
- b) there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Goods and Services Tax which have not been deposited with the appropriate authorities on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates*	Amount Involved (Rs. in lakhs)**
Sales Tax and Laws as per statutes applicable in various states	Sales Tax and VAT	Appellate Authority - up to Commissioners/ Revisional authorities level	1997-98 to 2001-02, 2004-05 to 2007-08, 2009-10 to 2015-16 & 2017-18	2,423
		Appellate Authority - Tribunal	1996-97, 2001-02 to 2002-03, 2006-07 to 2012-13	1,647
		High Court	1993-94, 1995-96, 2002-03, 2006-07, 2008-09 & 2009-10	123
Finance Act, 1994	Service tax	Appellate Authority - up to Commissioners/ Revisional authorities level	2006-07 to 2012-13	137

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates*	Amount Involved (Rs. in lakhs)**
	Income Tax	Income Tax Appellate Tribunal	2006-07 to 2012-13	17,228
Income Tax Act, 1961		Commissioner of Income Tax (Appeals)	2014-15	43
	DDT	National Faceless Assessment Centre (NFAC)	2015-16	66

* Period denotes the financial year April to March

** includes penalty and interest on taxes, wherever applicable

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Ind-AS financial statements as required by the applicable accounting standards.



(xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India

Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Roshni Marfatia
PARTNER

M. No. 106548
 UDIN: 21106548AAAAE02098

Mumbai: August 25, 2021

Annexure B to the Independent Auditor's Report

(Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind-AS financial statements for the year ended June 30, 2021)

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

We have audited the internal financial controls with reference to financial statements of **PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED** ("the Company") as of June 30, 2021 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment

of the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind-AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at June 30, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Roshni Marfatia
PARTNER

M. No. 106548
 UDIN: 21106548AAAAEO2098

Mumbai: August 25, 2021

BALANCE SHEET AS AT JUNE 30, 2021

	Notes	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Assets			
Non-current assets			
Property, plant and equipment	4	18 381	20 650
Capital work-in-progress	4	3 758	2 215
Financial assets			
(i) Loans	5	3 799	4 147
Deferred tax assets (Net)	7	3 802	2 958
Non-current tax assets (Net)		15 123	13 116
Other non-current assets	8	6 673	6 915
Total non-current assets		51 536	50 001
Current assets			
Inventories	9	24 930	20 505
Financial assets			
(i) Trade receivables	10	14 235	16 634
(ii) Cash and cash equivalents	11 (a)	64 767	88 404
(iii) Bank balances other than (ii) above	11 (b)	1 257	1 846
(iv) Loans	5	574	632
(v) Other financial assets	6	2 520	2 170
Other current assets	8	3 452	1 884
		1 11 735	1 32 075
Non-current assets held for sale	8 (a)	----	764
Total current assets		1 11 735	1 32 839
Total assets		1 63 271	1 82 840
Equity and Liabilities			
Equity			
Equity share capital	12	3 246	3 246
Other equity	13	68 181	1 12 540
Total equity		71 427	1 15 786
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	16	18	147
Provisions	14	8 280	7 402
Total non-current liabilities		8 298	7 549
Current liabilities			
Financial liabilities			
(i) Trade payables			
Dues to micro and small enterprises	15	1 255	617
Dues to others	15	74 155	52 516
(ii) Other financial liabilities	16	3 599	2 353
Provisions	14	500	500
Current tax liabilities (Net)	17	705	1 339
Other current liabilities	18	3 332	2 180
Total current liabilities		83 546	59 505
Total liabilities		91 844	67 054
Total equity and liabilities		1 63 271	1 82 840
See accompanying notes to the financial statements			

In terms of our report attached

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

Roshni Marfatia
Partner
M. No.: 106548

Place: Mumbai
Date: August 25, 2021

For and on behalf of Board of Directors

Chittranjan Dua
Chairman
DIN: 00036080

Prashant Bhatnagar
Chief Financial Officer

Madhusudan Gopalan
Managing Director
DIN No : 08158357

Flavia Machado
Company Secretary

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

	Notes	Year ended June 30, 2021 ₹ in lakhs	Year ended June 30, 2020 ₹ in lakhs
Income			
Revenue from operations	19	3 57 414	3 00 199
Other income	20	3 938	4 411
Total income		3 61 352	3 04 610
Expenses			
Cost of raw and packing materials consumed	21	1 12 839	1 06 217
Purchases of stock-in-trade (Traded Goods)		4 113	5 240
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(1 022)	(782)
Employee benefits expense	23	20 168	17 329
Finance costs	24	611	607
Depreciation expense	4	4 766	4 788
Impairment losses	8 (a)	764	1 388
Other expenses	25	1 32 124	1 10 436
Total expense		2 74 363	2 45 223
Profit before tax from operations		86 989	59 387
Tax expense			
Current tax	26.1	22 873	15 670
Deferred tax	26.1	(889)	775
Prior year tax adjustments	26.1	(174)	(366)
Income tax expense		21 810	16 079
Profit for the year		65 179	43 308
Other comprehensive income			
Items that will not be reclassified to Statement of Profit and Loss			
Re- measurement of the defined benefit plans	29.2.B	179	(226)
Income tax effect on above	26.2	(45)	57
Total other comprehensive income for the year		134	(169)
Total comprehensive income for the year		65 313	43 139
Earnings per equity share	28		
- Basic (in ₹)		200.79	133.42
- Diluted (in ₹)		200.79	133.42
Face Value of Equity Share (in ₹)		10.00	10.00
See accompanying notes to the financial statements			

In terms of our report attached

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

Roshni Marfatia
Partner
M. No.: 106548

Place: Mumbai
Date: August 25, 2021

For and on behalf of Board of Directors

Chittranjan Dua
Chairman
DIN: 00036080

Prashant Bhatnagar
Chief Financial Officer

Madhusudan Gopalan
Managing Director
DIN No : 08158357

Flavia Machado
Company Secretary

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

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
A. Cash Flows from Operating Activities		
Profit before tax	86 989	59 387
Adjustments for:		
Depreciation expense	4 766	4 788
Loss / (Gain) on disposal of property, plant and equipment	185	257
Finance costs	593	577
Allowance for doubtful receivables (Net of recovery)	(112)	78
Interest income	(3 097)	(3 268)
Impairment losses	764	1 388
Net foreign exchange (gain) / loss	(140)	(214)
Expense recognised in respect of equity settled share based payments	695	525
Operating profit before working capital changes	90 643	63 518
Working capital adjustments		
Decrease in trade and other receivables	2 538	1 451
Decrease / (increase) in financial assets	97	(306)
(Increase) in inventories	(4 425)	(163)
(Increase) in other assets	(1 326)	(593)
Increase / (decrease) in trade and other payables	23 542	(2 325)
Increase in provisions	583	147
Cash generated from operations	1 11 652	61 729
Income taxes paid	(25 340)	(14 354)
Net cash generated from operating activities	86 312	47 375
B. Cash Flows from Investing Activities		
Interest received	3 056	3 912
Loans realised	----	18 000
Loans given	----	(9 000)
Payment to acquire property, plant and equipment	(3 160)	(5 102)
Proceeds from sale of property, plant and equipment	14	68
Net bank deposits (placed)	----	221
Changes in earmarked balances	784	(627)
Net cash generated from investing activities	694	7 472

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021 (CONTD.)

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
C. Cash Flows from Financing Activities		
Dividend and dividend tax paid	(1 10 367)	(18 784)
Principal payment of lease liabilities	(157)	(129)
Interest paid on lease liabilities	(18)	(31)
Interest paid other than on lease liabilities	(101)	(89)
Net cash (used in) financing activities	(1 10 643)	(19 033)
Net increase in cash and cash equivalents	(23 637)	35 814
Cash and cash equivalents at the beginning of the year	88 404	52 590
Cash and cash equivalents at the end of the year (refer note 11(a))	64 767	88 404

Note:

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

See accompanying notes to the financial statements

In terms of our report attached

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

Roshni Marfatia
Partner
M. No.: 106548

Place: Mumbai
Date: August 25, 2021

For and on behalf of Board of Directors

Chittranjan Dua
Chairman
DIN: 00036080

Prashant Bhatnagar
Chief Financial Officer

Madhusudan Gopalan
Managing Director
DIN No : 08158357

Flavia Machado
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

a. Equity share capital

	Amount
	₹ in lakhs
Balance as at July 1, 2019	3 246
Changes in equity share capital during the year	----
Balance as at June 30, 2020	3 246
Changes in equity share capital during the year	----
Balance as at June 30, 2021	3 246

b. Other equity

	Attributable to the equity share holders of the Company				
	Reserves & surplus				
	General reserve	Securities premium	Share options outstanding account	Retained earnings	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Balance as at July 1, 2019	30 959	7 519	1 749	47 433	87 660
Profit for the year	----	----	----	43 308	43 308
Items of OCI for the year, net of tax					
Remeasurement benefit of defined benefit plans	----	----	----	(169)	(169)
Total comprehensive income for the year	----	----	----	43 139	43 139
Payment of dividends (refer note 39)	----	----	----	(15 581)	(15 581)
Payment of dividend distribution tax	----	----	----	(3 203)	(3 203)
Recognition of share-based payments	----	----	525	----	525
Balance as at June 30, 2020	30 959	7 519	2 274	71 788	1 12 540
Profit for the year	----	----	----	65 179	65 179
Items of OCI for the year, net of tax					
Remeasurement benefit of defined benefit plans	----	----	----	134	134
Total comprehensive income for the year	----	----	----	65 313	65 313
Payment of dividends (refer note 39)	----	----	----	(1 10 367)	(1 10 367)
Payment of dividend distribution tax	----	----	----	----	----
Recognition of share-based payments	----	----	695	----	695
Balance as at June 30, 2021	30 959	7 519	2 969	26 734	68 181

See accompanying notes to the financial statements

In terms of our report attached

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

Roshni Marfatia
Partner
M. No.: 106548

Place: Mumbai
Date: August 25, 2021

For and on behalf of Board of Directors

Chittranjan Dua
Chairman
DIN: 00036080

Prashant Bhatnagar
Chief Financial Officer

Madhusudan Gopalan
Managing Director
DIN No : 08158357

Flavia Machado
Company Secretary

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

1 Corporate information

Procter & Gamble Hygiene and Health Care Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 having CIN L24239MH1964PLC012971. Its ordinary shares (Equity) are listed on two recognised stock exchanges in India. The registered office of the Company is located at P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai - 400099.

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

2 Significant accounting policies

2.1 Statement of compliance

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

2.2 Basis of preparation and measurement

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

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

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

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

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

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

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

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



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

2.3 Summary of Significant accounting policies

a. Revenue recognition

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

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

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

Sale of goods

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

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

Interest income

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

b. Leasing

Effective July 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on July 1, 2019, except those which are exempted under this standard, using the modified retrospective approach. Accordingly, comparatives for the year ended June 30, 2019 have not been retrospectively adjusted. The standard permits a choice on initial adoption, on a lease-by-lease basis, to measure the right-of-use asset at either its carrying amount as if Ind AS 116 had been applied since the commencement of the lease, or an amount equal to the lease liability adjusted for accruals or prepayments. The Company has elected to measure the right-of-use asset equal to the lease liability, with the result of no net impact on retained earnings and no restatement of prior period comparatives.

The Company as a lessee

The Company’s lease assets classes primarily consist of leases for land, buildings and equipments. The Company assesses whether a contract contains a lease, at inception of a contract. A contract

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

is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

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

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

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

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

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

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

c. Foreign currencies

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

Transaction and balances

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



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

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

d. Borrowing costs

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

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

e. Employee benefits

i) Post-employment Benefits

a) Defined Contribution Plans:

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

- 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.

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 (plant technicians) as per its policy.

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

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

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

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

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

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

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

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

f. Share-based payment arrangements

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The Procter and 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 and Gamble Company, USA at a fixed price (grant price) for a fixed period of time. The difference between the market price and grant price on the exercise of the stock options issued by the Ultimate Holding Company to the employees of the Company is charged in the year of exercise by the employees. Parent Company will recharge an amount equal to spread as on date of exercise of options.

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

Employee share purchase plan

The Procter and Gamble Company, USA has an "International Stock Ownership Plan (ISOP)" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of the Ultimate Holding Company i.e. The Procter and Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary) and charged to employee benefits expense. The expenses related ISOP are recognised immediately in the Statement of Profit and Loss statement since there are no vesting conditions attached to the scheme.

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.



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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

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

h. Property, plant and equipment

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

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

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

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

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

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013 other than certain assets which are based on Company's expected usage pattern supported by technical assessment.

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

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

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

i. Impairment of property, plant and equipment

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

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

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

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

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

j. Inventories

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

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

k. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

l. Financial instruments

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

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

m. Financial assets

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

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

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

Classification of financial assets

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

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

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

Effective interest method

The effective interest is a method 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 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 life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

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

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

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 Statement of Profit and Loss.

n. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of the subsequent accounting period.

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

The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance costs" in the Statement of Profit and loss.

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

Foreign exchange gains and losses

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

o. Segment Reporting

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

p. Cash and Cash Equivalents

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

q. Earnings Per Share

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

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

r. Claims

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

s. Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' if it is highly probable that they will be recovered primarily through sales rather than through continuing use. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at lower of its carrying value 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 profit and loss. Non-current assets held for sale are not depreciated or amortised.



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

t. Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from July 1, 2021.

3 Critical accounting judgments and key sources of estimation uncertainty

3.1 Critical judgments in applying accounting policies

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

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

3.2 Key sources of estimation uncertainty

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

a. Useful lives of property, plant and equipment

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

b. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management of the Company determines 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 is disclosed in Note 30.

c. Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 ‘Employee benefits’ over the period during which benefit is derived from the employees’ services. The costs are assessed on the basis of assumptions selected by the Management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 23, ‘Employee benefits expense’.

d. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions (refer note 26).

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

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

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

Property, plant and equipment	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Owned Assets	18 253	20 374
Leased Assets	128	276
Total	18 381	20 650

A. Owned Assets

	Freehold land	Buildings	Plant & machinery	Furniture and fixtures	Office equipment	Moulds & Dies	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Gross Block							
At July 1, 2019	443	6 390	30 232	1 033	3 649	1 475	43 222
Additions	----	313	1 224	39	301	40	1 917
Disposals	----	(6)	(517)	(8)	(86)	----	(617)
At June 30, 2020	443	6 697	30 939	1 064	3 864	1 515	44 522
Additions	----	194	2 026	111	272	93	2 696
Disposals	----	(5)	(424)	(15)	(12)	----	(456)
At June 30, 2021	443	6 886	32 541	1 160	4 124	1 608	46 762
Accumulated depreciation							
At July 1, 2019	----	1 528	14 726	614	2 235	697	19 800
Depreciation charge for the year	----	453	3 433	90	493	171	4 640
Disposals	----	(1)	(260)	(2)	(29)	----	(292)
At June 30, 2020	----	1 980	17 899	702	2 699	868	24 148
Depreciation charge for the year	----	379	3 572	88	405	174	4 618
Disposals	----	----	(239)	(6)	(12)	----	(257)
At June 30, 2021	----	2 359	21 232	784	3 092	1 042	28 509
Net carrying amount							
At June 30, 2021	443	4 527	11 309	376	1 032	566	18 253
At June 30, 2020	443	4 717	13 040	362	1 165	647	20 374
At July 1, 2019	443	4 862	15 506	419	1 414	778	23 422

Notes:

None of the above assets are mortgaged / hypothecated as security by the Company.

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note 34.

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

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

B. Leased Assets

	Land	Buildings	Plant & machinery	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Gross Block				
Addition on account of Transition to Ind AS 116 - July 1, 2019	13	381	27	421
Additions	3	----	----	3
Disposals	----	----	----	----
At June 30, 2020	16	381	27	424
Additions	----	----	----	----
Disposals	----	----	----	----
At June 30, 2021	16	381	27	424
Accumulated depreciation				
Additions	2	139	7	148
Disposals	----	----	----	----
At June 30, 2020	2	139	7	148
Additions	2	139	7	148
Disposals	----	----	----	----
At June 30, 2021	4	278	14	296
Net Block				
At June 30, 2021	12	103	13	128
At June 30, 2020	14	242	20	276

Notes:

The Company has adopted Ind AS 116 effective July 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application July 1, 2019.

C. Capital work-in-progress

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Capital work-in-progress	3 758	2 215
	3 758	2 215

5 Loans

Unsecured considered good

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Non-current		
Security deposits	880	835
Loans to related parties (refer note (a), (c) and note 32)	5	6
Loan to employees (refer note (c))	2 914	3 306
	3 799	4 147

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

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Current		
Security deposits	4	4
Loans to related parties (refer note (b), (c) and note 32)	1	1
Loan to employees (refer note (c))	569	627
	574	632

Notes:

- (a) Non-current loans to related parties includes loan to key managerial personnel ₹ 5 lakhs (June 30, 2020: ₹ 6 lakhs).
- (b) Current loans to related parties includes loan to key managerial personnel ₹ 1 lakhs (June 30, 2020: ₹ 1 lakhs).
- (c) Loans given to employees / key managerial personnel as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Companies Act, 2013.

6 Other financial assets

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Current		
Receivable on account of sale of scrap	168	304
Due from related parties (refer note 32)	2 259	1 814
Interest accrued on deposits with banks	93	52
	2 520	2 170

7 Deferred tax assets (Net)

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Deferred tax assets	4 258	3 777
Deferred tax liabilities	(456)	(819)
	3 802	2 958

Deferred tax assets / (liabilities) in relation to:

2020-2021	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Property, plant and equipment	(819)	363	----	(456)
Voluntary retirement scheme	463	(18)	----	445
Disallowance u/s 43 B of the Income Tax Act, 1961	1 907	479	(45)	2 341
Other temporary differences	1 407	65	----	1 472
	2 958	889	(45)	3 802

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

2019-2020	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Property, plant and equipment	(1 046)	227	----	(819)
Voluntary retirement scheme	490	(27)	----	463
Disallowance u/s 43 B of the Income Tax Act, 1961	2 839	(989)	57	1 907
Other temporary differences	1 393	14	----	1 407
	3 676	(775)	57	2 958

8 Other assets

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Non-current		
Advance to vendors	40	40
Capital Advances	----	86
Balances with government authorities (refer note (a) below)		
Unsecured, considered good	6 633	6 789
Unsecured, doubtful	1 135	1 135
Less: Allowance for doubtful advances	(1 135)	(1 135)
	6 673	6 915
Current		
Prepaid expenses	1	59
Other advances (includes advances to vendors)	668	488
Advance to employees (refer note (b) below)	2	189
Balances with government authorities (includes Service Tax and Cenvat credit receivable)	2 781	1 148
	3 452	1 884

Movement in the allowance for doubtful advances

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Balance at the beginning of the year	1 135	1 292
Amounts written off during the year (net)	----	(157)
Change in allowance for bad and doubtful advances during the year	----	----
Balance at end of the year	1 135	1 135

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

(b) Advances given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Companies Act, 2013.

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

8 (a) Non current assets held for sale

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Freehold land	----	110
Buildings	----	298
Plant & machinery	----	336
Furniture and fixtures	----	11
Moulds & Dies	----	9
	----	764

In the year ended June 30, 2018, certain Property, Plant and Equipment (PPE) had been impaired as the company intended to dispose off the said assets and the carrying value of the assets amounting to ₹ 3 411 lakhs was brought down to its fair value as at June 30, 2018 and an impairment loss of ₹ 1 259 lakhs was recognised in that year. A further impairment loss amounting to ₹ 1 388 lakhs was recognized in the year ended June 30, 2020, to bring the assets down to their fair value as at June 30, 2020, based on certain quotes obtained. In the current year, these assets have been fully impaired on a conservative basis and an impairment loss amounting to ₹ 764 lakhs has been recognized in the Statement of Profit and Loss for the year ended June 30, 2021. These assets continue to be classified as held for sale as at June 30, 2021, since the management intends to dispose off these assets and is actively pursuing the said matter.

9 Inventories

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Inventories (lower of cost and net realisable value)		
Raw materials (Including packing materials)	10 325	6 930
Work-in-progress	320	802
Finished goods	12 093	8 776
Stock-in-trade {Includes in transit ₹ 356 lakhs (June 30, 2020: ₹ 821 lakhs)}	1 174	2 987
Consumable stores and spares	1 018	1 010
	24 930	20 505

The cost of inventories recognised as an expense during the year is disclosed in note 21, 22 and 25.

10 Trade receivables

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Unsecured, considered good	14 235	16 634
Credit Impaired	217	311
	14 452	16 945
Less: Allowance for expected credit loss	(217)	(311)
	14 235	16 634

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

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, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Balance at the beginning of the year	311	245
Amounts written off during the year (net)	18	(12)
Change in allowance for credit impairment during the year	(112)	78
Balance at end of the year	217	311

11 (a) Cash and cash equivalents

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

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Balances with banks:		
- In current accounts	3 617	4 033
- Deposits with original maturity of less than three months	61 150	84 371
Cash and cash equivalents as per Balance Sheet	64 767	88 404
Cash and cash equivalents as per Statement of Cash Flows	64 767	88 404

11 (b) Other bank balances

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Earmarked accounts		
- Unpaid / Unclaimed dividend account	1 257	1 062
- ISOP Account	----	784
- Other earmarked accounts (deposits with sales tax authorities) #	----	----
	1 257	1 846

denotes amount less than ₹ 50 000

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

12 Equity share capital

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Authorised share capital:		
3 50 00 000 fully paid equity shares of ₹ 10 each	3 500	3 500
Issued and subscribed share capital:		
3 24 60 736 fully paid equity shares of ₹ 10 each	3 246	3 246
	3 246	3 246

12.1 Fully paid equity shares

	Number of shares	Share Capital ₹ in lakhs
Balance at July 1, 2019	3 24 60 736	3 246
Movements	----	----
Balance at June 30, 2020	3 24 60 736	3 246
Movements	----	----
Balance at June 30, 2021	3 24 60 736	3 246

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

No shares are bought back by the Company during the period of 5 years immediately preceding the Balance Sheet date.

No shares are allotted as fully paid up by way of bonus shares during the period of 5 years immediately preceding the Balance Sheet date.

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

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

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

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Ultimate Holding Company		
The Procter and Gamble Company, USA	----	----
Holding Company		
Procter & Gamble Overseas India BV, The Netherlands	2 231	2 231
Subsidiaries of the Ultimate Holding Company		
Temple Trees Impex & Investment Pvt. Ltd.	62	62

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

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

	As at June 30, 2021		As at June 30, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<i>Equity shares of ₹ 10 each fully paid</i>				
Procter & Gamble Overseas India BV, The Netherlands	2 23 10 090	68.73	2 23 10 090	68.73

13 Other equity

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Reserves & surplus		
General reserve	30 959	30 959
Securities premium	7 519	7 519
Share options outstanding account	2 969	2 274
Retained earnings	26 734	71 788
	68 181	1 12 540

13.1 General reserve

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	30 959	30 959
Transferred from surplus in Statement of Profit and Loss	----	----
Balance at the end of year	30 959	30 959

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

13.2 Securities premium

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	7 519	7 519
Movements	----	----
Balance at the end of year	7 519	7 519

The amount received in excess of face value of the equity shares is recognised in securities premium which is utilised in accordance with the provisions of the Companies Act, 2013.

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

13.3 Share options outstanding account

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	2 274	1 749
Arising on share-based compensation	695	525
Balance at the end of year	2 969	2 274

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

13.4 Retained earnings

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	71 788	47 433
Profit attributable to the owners of the Company	65 179	43 308
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	134	(169)
Payment of final / interim dividend on equity shares (refer note 39)	(1 10 367)	(15 581)
Dividend distribution tax	----	(3 203)
Balance at the end of year	26 734	71 788

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

In December 2020, final dividend of ₹ 105 per share (total dividend including tax thereon ₹ 34 084 lakhs) for the year ended June 30, 2020 was paid to holders of fully paid equity shares. In December 2019, the final dividend paid was ₹ 48 per share (total dividend including tax thereon ₹ 18 784 lakhs) for the year ended June 30, 2019.

In February 2021, an interim dividend of ₹ 85 per share (total dividend including tax thereon ₹ 27 592 lakhs) was paid to holders of fully paid equity shares. In May 2021, a special interim dividend of ₹ 150 per share (total dividend including tax thereon ₹ 48 691 lakhs) was paid to holders of fully paid equity shares.

14 Provisions

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Employee benefits (refer note (i) below)	8 643	7 802
Other provisions	137	100
	8 780	7 902
Current	500	500
Non - current	8 280	7 402
	8 780	7 902

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

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

Other provisions

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	100	100
Additional provision recognised	37	----
Reduction arising from payments	----	----
Balance at the end of year	137	100

15 Trade payables

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Dues to micro and small enterprises (refer note 36)	1 255	617
Dues to others	74 155	52 516
	75 410	53 133

16 Other financial liabilities

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Non-current		
Leased liabilities	18	147
	18	147
Current		
Leased liabilities	329	357
Payables for property, plant & equipment	2 006	927
Deposits from customers and others	7	7
Unpaid / Unclaimed dividend #	1 257	1 062
	3 599	2 353

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

17 Current tax liabilities (Net)

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Income tax payable	705	1 339
	705	1 339

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

18 Other current liabilities

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Superannuation	9	10
Taxes and other liabilities (including statutory remittances, excise and sales tax payable)	3 323	2 170
	3 332	2 180

19 Revenue from operations

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Sale of products	3 57 024	2 99 854
Other operating revenues		
Scrap sales	390	345
	3 57 414	3 00 199

20 Other income

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Interest income earned on:		
Bank deposits	3 097	2 922
Loan to related parties (refer note 32)	----	346
Other financial assets carried at amortised cost	132	117
	3 229	3 385
Other non-operating income (net of expenses directly attributable to such income)		
Miscellaneous Income	709	1 026
	709	1 026
Total	3 938	4 411

21 Cost of raw and packing materials consumed

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Inventories at the beginning of year	6 930	7 374
Add: Purchases	1 16 234	1 05 773
	1 23 164	1 13 147
Less: inventories at the end of year	10 325	6 930
Cost of raw and packing materials consumed	1 12 839	1 06 217

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

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

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Inventories at the beginning of year:		
Finished Goods	8 776	7 721
Stock-in-Trade	2 987	3 195
Work-in-Progress	802	867
	12 565	11 783
Inventories at the end of year:		
Finished Goods	12 093	8 776
Stock-in-Trade	1 174	2 987
Work-in-Progress	320	802
	13 587	12 565
Net (increase)	(1 022)	(782)

23 Employee benefits expense

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Salaries and wages *	14 387	13 426
Contribution to provident and other funds (refer note 29)	2 033	1 809
Share-based payment to employees (refer note 31)	2 043	1 061
Staff welfare expense	1 355	1 156
Recovery of employee cost cross charged by related parties (refer note 37)	350	(123)
	20 168	17 329

* Salaries and Wages includes ₹ 86 lakhs (Previous year: ₹ Nil lakhs) for expenditure on Voluntary Retirement Scheme.

24 Finance costs

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Interest costs:		
Interest expense on trade payables (refer note 36)	101	89
Interest on income tax	18	30
Interest on entry tax	----	14
Interest on lease liabilities	18	31
Net interest on the net defined benefit liability (refer note 29)	474	443
	611	607

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

25 Other expenses

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Consumption of store and spares	731	819
Processing charges	30 801	28 984
Power and fuel	1 228	1 158
Freight, transport, warehousing and distribution charges	8 641	8 478
Rent (refer note 33)	449	366
Rates and taxes	956	252
Insurance	25	67
Repairs and maintenance		
Plant and machinery	592	496
Buildings	1	1
Others	(18)	91
Trade incentives	1 951	2 122
Advertising expenses	50 297	30 708
Royalty	16 198	15 933
Business process outsourcing expenses	5 979	6 321
Travelling and conveyance	353	1 361
Communication costs	357	335
Computer expenses	780	664
Legal and professional fees	4 395	2 712
Directors commission	108	87
Payment to auditors (refer note 25.1)	126	126
Exchange differences (net)	109	1 084
Inventory written off (net of insurance claims recovered)	1 069	1 180
Allowance for doubtful receivables	(112)	78
Loss on sale of property, plant and equipment (net)	185	257
Miscellaneous expenses	8 443	7 020
Recovery of Expenses shared by related parties (refer note 37)	(1 520)	(264)
	1 32 124	1 10 436

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

25.1 Payments to auditors:

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
(i) To statutory auditors		
For audit	94	94
For other services	19	19
Reimbursement of expenses	5	5
(ii) To cost auditors for cost audit	8	8
	126	126

25.2 Corporate Social Responsibility

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
The Company has spent towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. This amount corresponds with the gross amount required to be spent by the company during the year.	2 881	1 232
(i) Amount spent for purposes of Construction/ acquisition of asset	----	----
(ii) Amount spent for purposes other than (i) above	2 881	1 232

None of the above amount spent is through any related party / affiliate. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

26 Income tax expense

26.1 Income tax recognised in Statement of Profit and Loss

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Current tax		
In respect of the current year	22 873	15 670
In respect of prior years	(174)	(366)
	22 699	15 304
Deferred tax		
In respect of the current year	(889)	775
In respect of prior years	----	----
	(889)	775
Total income tax expense recognised in the current year	21 810	16 079

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

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

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Profit before tax	86 989	59 387
Income tax expense calculated at 25.168% (2019 - 2020: 25.168%)	21 893	14 947
Effect of expenses that are not deductible in determining taxable profits	91	1 498
	21 984	16 445
Adjustments recognised in the current year in relation to the current tax of prior years	(174)	(366)
Income tax expense recognised in Statement of Profit and Loss	21 810	16 079

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

26.2 Income tax recognised in other comprehensive income

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Deferred tax		
Arising on expense recognised in other comprehensive income		
Remeasurement of defined benefit obligations	45	(57)
	45	(57)
Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss	45	(57)

27 Segment information

27.1 Products from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or provided. The directors of the Company have chosen to organise the Company around differences in products and services.

Specifically, the Company's operating segments under Ind AS 108 are as follows:

- Health care products – Comprising of Ointment and creams, Cough Drops and Tablets.
- Hygiene products - Comprising of Feminine Hygiene products and other skin care hygiene products.

For financial statements presentation purposes, these individual operating segments have been aggregated into a single primary reportable segment i.e. manufacturing, trading and marketing of Health and Hygiene Products under Ind AS 108 taking into the account the following factors:

- these operating segments have similar economic characteristics;
- these operating segments have similar long-term gross profit margins;
- the nature of the products and production processes are similar; and
- the methods used to distribute the products to the customers are the same.

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

27.2 Segment revenues and results

	Segment revenue		Segment profit	
	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Health and hygiene	3 57 414	3 00 199	83 662	55 583
Total operations	3 57 414	3 00 199	83 662	55 583
Other income			3 938	4 411
Finance costs			(611)	(607)
Profit before tax			86 989	59 387

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.3(o). Segment profit represents the profit before tax earned by each operating segment, other income as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

27.3 Segment assets and liabilities

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Segment assets		
Health and hygiene	1 63 271	1 82 840
Total segment assets	1 63 271	1 82 840
Segment liabilities		
Health and hygiene	91 844	67 054
Total segment liabilities	91 844	67 054

27.4 Other segment information

	Depreciation and Impairment expense		Capital Expenditure	
	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Health and hygiene	5 530	6 176	3 160	5 102
	5 530	6 176	3 160	5 102

27.5 Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products.

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Ointments and Creams	72 100	56 717
Cough Drops	37 675	32 029
Tablets	8 571	6 591
Other hygiene products	2 39 068	2 04 862
	3 57 414	3 00 199

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

27.6 Geographical information

The Company operates in two principal geographical areas - India (country of domicile) and outside India. The Company's revenue from external customers by location of operations and information about its segment assets by location of assets are detailed below.

	Revenue from external customers		Segment assets	
	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
India	3 52 941	2 96 097	1 63 271	1 82 840
Outside India	4 473	4 102	----	----
	3 57 414	3 00 199	1 63 271	1 82 840

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

28 Earnings per share

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Basic and diluted earnings per share		
Total basic earnings per share (face value ₹ 10)	200.79	133.42
Total diluted earnings per share (face value ₹ 10)	200.79	133.42

28.1 Basic and Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Earnings used in calculation of basic and diluted earnings per share from operations	65 179	43 308
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	3 24 60 736	3 24 60 736

29 Employee benefit plans

29.1 Defined contribution plans

The Company operates defined contribution provident fund, superannuation fund and employees' state insurance plan for all qualifying employees of the Company. Where employees leave the plan, the contributions payable by the Company is reduced by the amount of forfeited contributions.

The employees of the Company are members of a state-managed employer's contribution to employees' state insurance plan, provident fund operated by the government and superannuation fund which is administered through a trust that is legally separated from the Company. The assets of the plan is held separately from those of the Company in funds under the control of trustees. The Company is required to contribute a specific percentage of payroll costs to the contribution schemes to fund the benefit. The only obligation of the Company with respect to the contribution plan is to make the specified contributions.

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

The total expense recognised in the statement of profit and loss of ₹ 1 184 lakhs (for the year ended June 30, 2020: ₹ 1 069 lakhs) for provident fund, ₹ 101 lakhs (for the year ended June 30, 2020: ₹ 122 lakhs) for superannuation fund represent contributions payable to these plans by the Company at rates specified in the rules of the plans. As at June 30, 2021, contributions of ₹ 9 lakhs (as at June 30, 2020: ₹ 10 lakhs) due in respect of 2020 - 2021 (2019 - 2020) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting periods.

29.2 Defined benefit plans

a) **Gratuity Plan (Funded)**

The Company sponsors funded defined benefit gratuity plan for all eligible employees of the Company. The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered trust. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is administered by a separate trust that is legally separated from the Company. The board of the trust is composed of representatives from both employer and employees. The board of the trust is required by law and by its articles of association to act in the interest of the trust and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employer. The board of the trust is responsible for the investment policy with regard to the assets of the trust.

b) **Post Retirement Medical Benefit (PRMB) (Unfunded)**

The Company provides certain post-employment medical benefits to employees. Under the scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade at the time of retirement. Employees separated from the Company as part of early separation scheme are also covered under the scheme. The liability for post retirement medical scheme is based on an independent actuarial valuation.

c) **Compensated absences for Plant technicians (Unfunded)**

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

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality rate of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase on the salary of plan participants will increase the plans liability.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at June 30, 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

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

	Valuations as at	
	June 30, 2021	June 30, 2020
Discount rate		
Gratuity plan (funded)	6.50%	6.50%
Compensated absence plan (unfunded)	6.50%	6.50%
Post retirement medical benefit (PRMB) (unfunded)	6.50%	6.50%
Expected rate of salary increase		
Gratuity plan (funded)	Managers - 9% Non Managers - 12%	9.00%
Compensated absence plan (unfunded)	Managers - 9% Non Managers - 12%	9.00%
Post retirement medical benefit (PRMB) (unfunded)	NA	NA
Medical Inflation Rate		
Post retirement medical benefit (PRMB) (unfunded)	5.50%	5.50%
Average longevity at retirement age for current beneficiaries of the plan (years)		
Post retirement medical benefit (PRMB) (unfunded)	13.25	11.22
Demographic Assumptions		
Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table		
Mortality in Retirement: Indian Individual Annuitant's Mortality Table (2012-15) (PY: LIC Annuitants (1996-1998) Ultimate)		

B. Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Gratuity Plan (Funded)		
Service costs:		
Current service cost	748	618
Net interest expense	434	406
Components of defined benefit costs recognised in statement of profit and loss (A)	1 182	1 024
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(35)	81
Actuarial (gains) / losses arising from changes in assumptions	(264)	478
Actuarial (gains) / losses arising from changes in experience adjustments	41	(340)
Components of defined benefit costs recognised in other comprehensive income (B)	(258)	219
Total (C = (A+B))	924	1 243

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

Compensated absence plan (Unfunded)		
Service costs:		
Current service cost	16	21
Net interest expense	17	14
Immediate recognition of (gains)/losses – other long term employee benefit plans	125	24
Components of defined benefit costs recognised in statement of profit and loss (D)	158	59
Post retirement medical benefit (PRMB) (Unfunded)		
Service costs:		
Current service cost	4	4
Net interest expense	23	23
Components of defined benefit costs recognised in statement of profit and loss (E)	27	27
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	25	18
Actuarial (gains) / losses arising from changes in experience adjustments	54	(11)
Components of defined benefit costs recognised in other comprehensive income (F)	79	7
Total (G = (E+F))	106	34
Total defined benefit costs recognised in Statement of Profit and Loss	1 367	1 110
Total defined benefit costs recognised in Other Comprehensive Income	(179)	226

The current service cost for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The net interest expenses for the year are included in the 'Finance costs' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in Other Comprehensive Income.

C. The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Gratuity Plan (Funded)		
Present value of funded defined benefit obligation	8 178	7 498
Fair value of plan assets	(736)	(693)
Net liability arising from defined benefit obligation	7 442	6 805

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

Compensated absence plan (Unfunded)		
Present value of funded defined benefit obligation	418	260
Net liability arising from defined benefit obligation	418	260
Post retirement medical benefit (PRMB) (Unfunded)		
Present value of funded defined benefit obligation	459	365
Net liability arising from defined benefit obligation	459	365

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

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Gratuity Plan (Funded)		
Opening defined benefit obligation	7 498	7 029
Current service cost	748	618
Interest cost	477	466
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	(264)	478
Actuarial (gains) / losses arising from changes in experience adjustments	41	(340)
Benefits paid	(322)	(753)
Closing defined benefit obligation	8 178	7 498
Compensated absence plan (Unfunded)		
Opening defined benefit obligation	260	201
Current service cost	16	21
Interest cost	17	14
Immediate recognition of (gains)/losses – other long term employee benefit plans	125	24
Benefits paid	----	----
Closing defined benefit obligation	418	260
Post retirement medical benefit (PRMB) (Unfunded)		
Opening defined benefit obligation	365	344
Current service cost	4	4
Interest cost	23	23
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	25	18
Actuarial (gains) / losses arising from changes in experience adjustments	54	(11)
Benefits paid	(12)	(13)
Closing defined benefit obligation	459	365

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

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

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Gratuity Plan		
Opening fair value of plan assets	693	999
Interest Income	43	60
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	35	(81)
Employer contributions	287	468
Benefits paid	(322)	(753)
Closing fair value of plan assets	736	693

F. The fair value of the plan assets for plan at the end of the reporting year for each category, are as follows:

	Gratuity Plan	
	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
High quality Corporate Bonds (including Public Sector Unit)	168	185
Government Of India Securities (Central and State)	132	140
Cash (including Special Deposit Scheme)	416	355
Private Sector Unit	20	13
Total	736	693

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

Expected employer contributions for the period ending June 30, 2022 is ₹ Nil Lakhs (for the year ended June 30, 2021: ₹ Nil lakhs)

The actual return on plan assets was ₹ 78 lakhs (for the year ended June 30, 2020: ₹ (21) lakhs)

Maturity profile of defined benefit obligation:

	Gratuity Plan
	₹ in lakhs
Within 1 year	552
1 - 2 year	654
2 - 3 year	706
3 - 4 year	738
4 - 5 year	774
5 - 10 years	4 449

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.

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

Gratuity Plan (Funded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 358 lakhs (increase by ₹ 418 lakhs) (as at June 30, 2020: decrease by ₹ 497 lakhs (increase by ₹ 546 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 395 lakhs (decrease by ₹ 370 lakhs) (as at June 30, 2020: increase by ₹ 520 lakhs (decrease by ₹ 479 lakhs)).

Compensated absence plan (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 31 lakhs (increase by ₹ 35 lakhs) (as at June 30, 2020: decrease by ₹ 20 lakhs (increase by ₹ 23 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 33 lakhs (decrease by ₹ 30 lakhs) (as at June 30, 2020: increase by ₹ 22 lakhs (decrease by ₹ 20 lakhs)).

Post retirement medical benefit (PRMB)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 23 lakhs (increase by ₹ 25 lakhs) (as at June 30, 2020: decrease by ₹ 18 lakhs (increase by ₹ 19 lakhs)).

If the expected medical inflation rate increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 21 lakhs (decrease by ₹ 20 lakhs) (as at June 30, 2020: increase by ₹ 16 lakhs (decrease by ₹ 15 lakhs)).

The sensitivity analysis presented above may not be representative of the actual change of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method as the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

30 Financial instruments

30.1 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 equity balance. Equity share capital and other equity are considered for the purpose of group's capital management.

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

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

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

30.2 Categories of financial instruments

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Financial assets		
Measured at amortised cost		
(a) Trade receivables	14 235	16 634
(b) Cash and cash equivalents	64 767	88 404
(c) Bank balances other than (b) above	1 257	1 846
(d) Loans	4 373	4 779
(e) Other financial assets	2 520	2 170
Financial liabilities		
Measured at amortised cost		
(a) Trade payables	75 410	53 133
(b) Other financial liabilities	3 617	2 500

30.3 Financial risk management objectives

The Company's overall policy with respect to managing risks associated with financial instruments is to minimise potential adverse effects of financial performance of the Company. The policies for managing specific risks are summarised below.

30.4 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities as at		Assets as at	
	As at June 30, 2021	As at June 30, 2020	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
USD	8 611	8 787	1 446	788
EUR	1 870	1 278	1	----
CNY	35	3	----	----
BDT	5	----	----	109
SGD	12	8	----	----
GBP	----	---- ¥	---- ¥	----
CHF	----	2	----	----

¥ denotes amount less than ₹ 50 000

30.4.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the currencies stated above.

The following table details impact to profit or loss of the Company by sensitivity analysis of a 10% increase and decrease in the respective currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change on foreign currency rates.

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

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of the Company, profit or loss will increase / (decrease) by:

	Increase/ (decrease) at + 10%		Increase / (decrease) at - 10%	
	As at June 30, 2021	As at June 30, 2020	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
USD	(717)	(800)	717	800
EUR	(187)	(128)	187	128
CNY	(4)	---- ¥	4	---- ¥
BDT	(1)	11	1	(11)
SGD	(1)	(1)	1	1
GBP	---- ¥	---- ¥	---- ¥	---- ¥
CHF	----	---- ¥	----	---- ¥

¥ denotes amount less than ₹ 50 000

30.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company performs ongoing credit evaluation of the counterparty's financial position as a means of mitigating the risk of financial loss arising from defaults. The Company only grants credit to creditworthy counterparties.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics as disclosed in Note 10 to the financial statements.

30.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have interest bearing borrowings, it is not exposed to risk of changes in market interest rates. The Company has not used any interest rate derivatives.

30.7 Other price risk management

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is not exposed to pricing risk as the Company does not have any investments in equity instruments and bonds.

30.8 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company maintains adequate highly liquid assets in the form of cash to ensure necessary liquidity.

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

	Less than 1 Year	Between 1 to 5 Years	Over 5 years	Total	Carrying Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
At June 30, 2021					
Trade Payables	75 410	----	----	75 410	75 410
Other financial liabilities	3 599	18	----	3 617	3 617

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

	Less than 1 Year	Between 1 to 5 Years	Over 5 years	Total	Carrying Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
At June 30, 2020					
Trade Payables	53 133	----	----	53 133	53 133
Other financial liabilities	2 353	147	----	2 500	2 500

30.9 Fair value measurements

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

31 Share-based payments

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

The Procter and 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 and Gamble Company, USA. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) of base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of his base salary). Such contribution is charged under employee benefits expense.

The shares of The Procter and Gamble Company, USA are listed with New York Stock Exchange and are purchased on behalf of the employees at market price on the date of purchase. During the year ended June 30, 2021: 5 523.92 (June 30, 2020: 5 208.85) shares excluding dividend were purchased by employees at weighted average fair value of ₹ 9 992.92 (June 30, 2020: ₹ 8 572.37) per share. The Company's contribution during the year on such purchase of shares amounts to ₹ 156 Lakhs (June 30, 2020: ₹ 125 Lakhs).

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

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

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Expense arising from equity-settled share-based payment transactions	1 887	936
Total expense arising from share-based payment transactions	1 887	936

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

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

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

	As at June 30, 2021	As at June 30, 2021	Estimated fair value of Option Granted	As at June 30, 2020	As at June 30, 2020	Estimated fair value of Option Granted
	Number	WAEP (in \$)	In ₹	Number	WAEP (in \$)	In ₹
Outstanding at July 1	1 63 581	119.57	----	2 10 352	109.65	----
Granted during the year						
15-Sep-20	4 168	138.63	1 497	----	----	----
01-Oct-20	4 275	139.24	10 252	----	----	----
01-Oct-20	20 825	139.24	1 562	----	----	----
01-Oct-20	755	139.24	11 296	----	----	----
13-Sep-19	----	----	----	1 438	122.12	1 264
01-Nov-19	----	----	----	1 212	123.87	8 988
28-Feb-20	----	----	----	1 005	113.23	8 993
28-Feb-20	----	----	----	23 714	113.23	1 099
28-Feb-20	----	----	----	4 831	113.23	190
Forfeited during the year	(635)	----	----	(5 290)	----	----
Exercised during the year	(62 538)	130.08	----	(73 681)	120.45	----
Expired during the year	----	----	----	----	----	----
Outstanding at June 30	1 30 431	134.93		1 63 581	119.57	
Exercisable at June 30	----	134.93		36 835	119.57	

The weighted average share price at the date of exercise of these options was \$ 130.08 (June 30, 2020: \$ 120.45).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2021 was 6.55 years (June 30, 2020: 6.70 years).

The weighted average fair value of options granted during the year was ₹ 3 035 (June 30, 2020: ₹ 1 514).

These fair values for share options granted during the year were calculated using binomial lattice-based model. The following tables list the inputs to the models used for the plans for the years ended June 30, 2021 and June 30, 2020, respectively:

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



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

32 Related party disclosures

The Group Companies of The Procter and Gamble Company USA include, among others,

Procter & Gamble India Holdings BV	Procter & Gamble Luxembourg Global SARL
Procter & Gamble Iron Horse Holding BV	Procter & Gamble International SARL
Procter & Gamble Eastern Europe LLC	Procter & Gamble India Holdings Inc.
Procter & Gamble Nordic LLC	Procter & Gamble International Operations, SA
Procter & Gamble Global Holdings Limited	Gillette Group (Europe) Holdings, BV
Procter & Gamble Canada Holding BV	Procter & Gamble Overseas India BV
Procter & Gamble Overseas Canada, BV	Procter & Gamble Asia Holding BV
Rosemount BV	

(a) Related party where control exists:

Relationship	Name of the Company
Ultimate Holding Company	The Procter and 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	Gillette India Limited	19	Procter & Gamble Services Company Nv
2	Procter & Gamble Home Products Private Limited	20	Procter & Gamble Technical Centers Ltd
3	Procter & Gamble Manufacturing (Thailand) Ltd.	21	Procter & Gamble Trading (Thailand)Ltd.
4	Procter & Gamble Australia Pty Ltd	22	Procter & Gamble Indochina Company Limited
5	Procter & Gamble Egypt	23	Pt Procter & Gamble Home Products Indonesia
6	The Gillette Company LLC	24	The Procter & Gamble US Business Services Company
7	Procter & Gamble Inc.	25	Procter & Gamble Manufacturing Gmbh
8	Procter & Gamble Hong Kong Limited	26	Procter & Gamble Bangladesh Private Limited
9	Procter & Gamble International Operations S.A. Dubai Branch	27	The Procter & Gamble Distributing LLC
10	Procter & Gamble International Operations Sa	28	Fameccanica Data S.P.A.
11	Procter & Gamble International Operations Sa Singapore Branch	29	Fameccanica Machinery (Shanghai) Co Ltd
12	Procter & Gamble International Operations Sa-Rohq	30	Hyginett Hungarian American Company

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

S. No.	Name of the Company	S. No.	Name of the Company
13	Procter & Gamble Japan K.K.	31	The Procter & Gamble Manufacturing Company
14	Procter & Gamble Korea S&D, Co.	32	P&G Distribution Ea Ltd
15	Procter & Gamble Korea, Inc.	33	Procter & Gamble Mataro S.L.U.
16	Procter & Gamble UK	34	Gillette Diversified Operations Pvt Ltd
17	Procter & Gamble Service Gmbh	35	Procter & Gamble Health Limited (Formerly known as Merck Limited)
18	Procter & Gamble Manufacturing SA (Pty) Ltd.		

(ii) Key Management Personnel of the Company:

S. No.	Name	Designation
1	Mr. Madhusudan Gopalan	Managing Director
2	Mr. Gagan Sawhney	Non-executive Director
3	Mr. Ghanashyam Hegde	Non-executive Director
4	Mr. Prashant Bhatnagar	Chief Financial Officer

Note: Related parties have been identified by the management.

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

S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	₹ in lakhs	
					Key Managerial Personnel	
1	Purchase of Goods	2021	748	543	----	
		2020	594	2 070	----	
2	Purchase of Equipment/ Assets/Spares	2021	----	546	----	
		2020	----	1 003	----	
3	Sale of Products	2021	----	908	----	
		2020	----	1 297	----	
4	Sale of Capital goods	2021	----	217	----	
		2020	----	431	----	
5	Loans Given	2021	----	----	----	
		2020	----	9 000	----	
6	Loans Realised	2021	----	----	----	
		2020	----	18 000	----	
7	Interest Income	2021	----	----	----	
		2020	----	346	----	
8	Recovery of Expenses Cross charged	2021	2 703	3 672	----	
		2020	2 134	3 378	----	

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

₹ in lakhs

S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel
9	Expenses cross-charged	2021	1 231	1 600	----
		2020	534	2 167	----
10	Reimbursement of expenses shared by group cos. (Income)	2021	----	8 782	----
		2020	----	2 264	----
11	Reimbursement of expenses shared by group cos. (Expense)	2021	----	7 707	----
		2020	----	1 712	----
12	Business Process Outsourcing expenses	2021	4 909	1 070	----
		2020	5 605	963	----
13	Royalty	2021	14 993	----	----
		2020	14 737	----	----
14	Computer Expenses	2021	----	780	----
		2020	----	700	----
15	Rent expenses	2021	----	582	----
		2020	----	565	----
16	Dividend Remitted/Paid	2021	75 854	2 107	----
		2020	10 709	297	----
17	Managerial Remuneration	2021	----	----	1 242
		2020	----	----	1 032
18	Processing Charges	2021	----	31 513	----
		2020	----	30 197	----
19	Outstanding as at June 30 th				
	Loans given	2021	----	----	6
		2020	----	----	7
	Trade and other receivables	2021	451	2 480	----
		2020	3	2 153	----
	Trade payables	2021	4 851	7 109	----
		2020	5 250	7 581	----

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties in the current year or prior years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

(d) Disclosure in respect of material transactions of the same type with related parties during the year:

S. No.	Nature of Transactions	₹ in lakhs	
		Year ended June 30, 2021	Year ended June 30, 2020
1	Purchase of Goods		
	The Procter and Gamble Company	748	594
	Procter & Gamble Home Products Private Ltd	12	941
	Gillette Diversified Operations Pvt Ltd	----	964
	Procter & Gamble International Operations SA	531	----
	Others	----	165
2	Purchase of Equipment/Assets/Spares		
	The Procter & Gamble Distributing LLC	10	280
	Fameccanica Data S.P.A	107	160
	Procter & Gamble Manufacturing GMBH	174	139
	Fameccanica Machinery (Shanghai) Co.Ltd	246	----
	Procter & Gamble Home Products Private Ltd	----	350
	Others	9	74
3	Sale of Products		
	Procter & Gamble Bangladesh Private Limited	709	841
	Procter & Gamble International Operations SA	78	222
	Procter & Gamble International Operations SA Singapore Br	121	234
4	Sale of Capital goods		
	Procter & Gamble Home Products Private Limited	217	242
	Procter & Gamble Health Limited (Formerly known as Merck Limited)	----	189
5	Loans Given		
	Procter & Gamble Home Products Private Ltd	----	9 000
6	Loans Realised		
	Procter & Gamble Home Products Private Ltd	----	18 000
7	Interest Income		
	Procter & Gamble Home Products Private Ltd	----	346
8	Recovery of Expenses Cross charged		
	The Procter and Gamble Company	2 703	2 134
	Procter & Gamble Home Products Private Ltd	1 678	2 170
	Procter & Gamble Health Limited (Formerly known as Merck Limited)	619	----
	Procter & Gamble International Operations SA Singapore Br	514	748
	Others	861	460
9	Expenses cross-charged		
	The Procter and Gamble Company	1 231	534
	Procter & Gamble Home Products Private Ltd	1 276	1 440
	Gillette India Limited	67	496
	Others	257	231
10	Reimbursement of expenses shared by group cos. (Income)		
	Procter & Gamble Home Products Private Ltd	6 673	1 435
	Gillette India Limited	2 109	733
	Others	----	96

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

		₹ in lakhs	
S. No.	Nature of Transactions	Year ended	Year ended
		June 30, 2021	June 30, 2020
11	Reimbursement of expenses shared by group cos. (Expense)		
	Procter & Gamble Home Products Private Ltd	6 786	1 655
	Gillette India Limited	921	57
12	Business Process Outsourcing expenses		
	Procter & Gamble International Operations SA-ROHQ	1 070	963
	The Procter and Gamble Company	4 909	5 605
13	Royalty		
	The Procter and Gamble Company	14 993	14 737
14	Computer Expenses		
	The Procter & Gamble US Business Services Company	780	700
15	Rent expenses		
	Procter & Gamble Home Products Private Ltd	423	408
	Gillette Diversified Operations Pvt Ltd	159	157
16	Dividend Remitted/Paid		
	Procter & Gamble Overseas India BV	75 854	10 709
	Others	2 107	297
17	Processing Charges		
	Procter & Gamble Home Products Private Ltd	18 254	18 027
	Gillette Diversified Operations Pvt Ltd	13 259	12 170

(e) Compensation of key management personnel

The remuneration of directors and other key management personnel during the year was as follows:

		₹ in lakhs	
		Year ended	Year ended
		June 30, 2021	June 30, 2020
	Short-term benefits	398	376
	Post-employment benefits	381	448
	Share-based payments	463	208
		1 242	1 032

Note:

- 1 Disclosure required under section 186(4) of the Companies Act, 2013 for Loans given:-

					₹ in lakhs
Sr. No	Name	Relations	Amount given	Amount given	
			during the year ended	during the year ended	
			June 30, 2021	June 30, 2020	
Inter corporate loans					
1	Procter & Gamble Home Products Private Limited	Fellow Subsidiary	----	9 000	

Above inter corporate loans have been given for general business purposes for meeting their working capital requirements.

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

33 Leasing arrangements

The Company has taken on lease certain guesthouses, office premises and warehouses with an option of renewal at the end of the lease term and escalation clause in some of the cases. These leases can be terminated with a prior notice as per terms and conditions of the respective lease agreements. Further, in the previous year the Company had entered into certain processing arrangements which fell under the Appendix C to the erstwhile IND AS 17 "Determining whether an arrangement contains a lease" and the payments for the lease were bifurcated from payments for other elements in the arrangement. The said leases and processing arrangements (renewed on modified terms w.e.f. July 1, 2019) have been assessed as not falling under the new standard IND AS 116 "Leases" which was made applicable effective July 1, 2019. The processing arrangement cost is disclosed under processing charges and the cost for the other leases viz. for guesthouses, office premises and warehouses continue to be disclosed under rent expense.

34 Commitments

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for	282	111
	282	111

35 Contingent liabilities

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
Claims against company not acknowledged as debts		
Income Tax matters	22 357	17 335
Sales Tax matters		
(i) Non submission of "C" Forms/"F" Forms	2 278	2 344
(ii) Incomplete accounts books under sales tax	217	217
(iii) Classification issues under sales tax	11	11
(iv) Product valuation issues under sales tax	36	59
(v) Other sales tax matters	974	974
Excise duty, service tax and custom duty matters		
(i) Applicability of service tax matters	137	1 225
Other matters		
Other claims - The Company is a party to various legal proceedings in the normal course of business	28	28
	26 038	22 193



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

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

	As at June 30, 2021	As at June 30, 2020
	₹ in lakhs	₹ in lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1 255	617
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	356	255
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	3 621	2 132
Principal paid beyond the appointed date	3 621	2 132
Interest paid in terms of Section 16 of the Act	----	----
(d) The amount of interest due and payable for the year	101	89
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	356	255
(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	16	11

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.

- 37 (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 Home Products Private Limited and Gillette India Limited. (Refer note 38).
- 37 (b)** Certain expenses in the nature of employee costs, relocation costs and other expenses are cross charged by the Company to its fellow subsidiaries at actual. Similar expenses incurred by fellow subsidiaries are cross charged to the Company at actual.
- 38 (a)** Employee Benefits Expense excludes expenses in respect of Managerial personnel of ₹ 92 Lakhs (Previous Year: ₹ 78 Lakhs) cross charged to Gillette India Limited and Procter & Gamble Home Products Private Limited in terms of the common services agreement (Refer Note 37).
- 38 (b)** Employee Benefits Expense includes expenses in respect of Managerial personnel of ₹ 157 Lakhs (Previous Year: ₹ 178 Lakhs) cross charged from Gillette India Limited and Procter & Gamble Home Products Private Limited in terms of the common services agreement (Refer Note 37).

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

39 Dividend

	Year ended June 30, 2021	Year ended June 30, 2020
	₹ in lakhs	₹ in lakhs
Dividend on equity shares paid during the year		
Final dividend for the FY 2019-20: ₹ 105 (PY: FY 2018-19: ₹ 48) per equity share of ₹ 10 each	34 084	15 581
Dividend distribution tax on final dividend	----	3 203
Interim dividend for the FY 2020-21: ₹ 235 (PY: FY 2019-20: ₹ Nil) per equity share of ₹ 10 each	76 283	----
Dividend distribution tax on interim dividend	----	----
Total	1 10 367	18 784

Proposed Dividend:

The Board of Directors at its meeting held on August 25, 2021 have recommended a payment of final dividend of ₹ 80 per equity share of face value of ₹ 10 each for the financial year ended June 30, 2021 resulting in a dividend payout of ₹ 25 969 lakhs.

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

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

41 Approval of financial statements

The financial statements were approved for issue by the board of directors on August 25, 2021.

Signatures to Note 1 to 41

For and on behalf of Board of Directors

Chittranjan Dua
Chairman
DIN: 00036080

Prashant Bhatnagar
Chief Financial Officer

Place: Mumbai
Date: August 25, 2021

Madhusudan Gopalan
Managing Director
DIN No : 08158357

Flavia Machado
Company Secretary



TEN YEAR FINANCIAL HIGHLIGHTS

	IGAAP						IND AS					
	2011	2012	2013	2014	2015	2016	2016 [^]	2017 [^]	2018 [^]	2019 [^]	2020 [^]	2021 [^]
YEAR END FINANCIAL POSITION (₹ Crores)												
Net Fixed Assets	190.4	198.4	214.9	239.5	308.8	316.9	352.2	326.6	271.6	248.8	228.7	221.4
Net Worth	600.6	786.6	805.3	1002.9	1228.7	1511.2	1651.8	526.1	805.5	909.1	1157.9	714.3
SUMMARY OF OPERATIONS (₹ Crores)												
Gross Sales	1037.0	1310.1	1696.7	2063.6	2358.4	2552.7	2349.2	2419.2	2455.3	2946.5	3002.0	3574.1
Profit before Tax	178.7	223.0	286.2	460.3	500.8	636.5	635.5	671.8	581.8	607.3	593.9	869.9
Profit after Tax	150.9	182.9	203.2	302.0	346.1	423.2	422.5	432.7	374.6	419.1	433.1	651.8
Dividend	73.0	73.0	81.2	89.3	98.2	116.9	98.2	1291.9*	87.6	259.7*	155.8	1103.7*
PER SHARE DATA												
EPS (₹)	46.48	57.30	62.61	93.04	106.63	130.37	130.16	133.31	115.40	129.12	133.42	200.79
Dividend (%)	225	225	250	275	302	360	302	3980	270	800	480	3400
NUMBER OF SHARES												
Shares (Lakhs)	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61	324.61

[^]Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. Hence these numbers are not comparable with previous years

* Includes Interim Dividend

Our Purpose, Values and Principles



OUR PURPOSE

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



OUR PRINCIPLES

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

Concerned about something you've seen or heard?

Learn more about our PVPs and how to contact the Helpline at wbcm.pg.com



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