



**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

November 01, 2023

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 59<sup>th</sup> Annual General Meeting of the Company for the Financial Year ended June 30, 2023**

We refer to our letter dated August 29, 2023, informing the date of 59<sup>th</sup> Annual General Meeting. In this respect, please find enclosed Annual Report and Notice calling the 59<sup>th</sup> Annual General Meeting of the Company for the Financial Year ended June 30, 2023.

In accordance with, the Circular issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Annual Report for the Financial Year 2022-23, including the Notice of AGM have been sent in electronic mode to Members on November 01, 2023 whose e-mail address is registered with the Company (as on October 27, 2023). 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/>

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](mailto:investorpghh.im@pg.com) or [shah.zs@pg.com](mailto:shah.zs@pg.com) from the date of this notice up to **November 20, 2023** (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

Kindly take the same on record and oblige.

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

**Flavia Machado**  
**Senior Manager- Legal and Secretarial**

## NOTICE

**NOTICE** is hereby given that the Fifty-Ninth Annual General Meeting (AGM) of the Members of the Company will be held on **Friday, November 24, 2023**, at 11:00 a.m. through video conference / other audio-visual Means, to transact the business mentioned in the notice. The venue of the meeting shall be deemed to be the Registered Office of the Company at P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai – 400 099.

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at June 30, 2023 and the Statement of Profit and Loss for the Financial Year ended on that date, together with the Reports of the Auditors and Directors thereon.
2. To confirm payment of interim dividend and to declare final dividend for the Financial Year ended June 30, 2023.
3. To appoint a Director in place of Mr. Karthik Natarajan, Non-Executive Director (DIN 06685891), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pramod Agarwal, Non-Executive Director (DIN 00066989), 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**:

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

“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013, Rules framed thereunder (as amended from time to time) and other applicable laws, and such other permissions as may be necessary, the Members hereby ratify payment of remuneration of ₹ 8,50,000 per annum plus out of pocket expense 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 2023-24.”

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

#### **Payment of Commission to the Non-Executive Directors of the Company**

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Non-Executive Directors of the Company be paid a commission upto one percent of the net profits of the Company per annum in the aggregate for a period of five years with effect from July 1, 2023, as may be determined by the Board of Directors from time to time.”

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

#### **Approval of material related party transaction under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

“RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's policy on Related Party Transactions, approval of the Members be and is hereby accorded for entering into following related party transaction, which is undertaken in the ordinary course of business and at arm's length, as detailed below:

<b>Name of Related Party</b>	Procter & Gamble Home Products Private Limited (India)
<b>Nature of relationship</b>	Fellow Subsidiary (Procter & Gamble group company)
<b>Nature, material terms, monetary value and particulars of transaction</b>	Purchase of Finished Goods under a Contract Manufacturing arrangement upto a maximum value of ₹ 1600 Crores in a financial year for period of five years commencing from Financial Year 2023-24 to Financial Year 2027-28.

**By Order of the Board of Directors**

**Ghanashyam Hegde**  
Executive Director and Company Secretary

Mumbai  
August 28, 2023

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

### NOTES

1. The relevant Explanatory Statement in respect of business under Item nos. 5 to 7 is annexed hereto and forms a part of this Notice.  
Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 herein after referred as "the SEBI (LODR) Regulations, 2015" in respect of the Directors proposed to be re-appointed by rotation at the ensuing 59<sup>th</sup> AGM, forms integral part of this Notice.
2. The Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 2/2022, 10/2022 latest being No. 09/2023, dated September 25, 2023, has allowed the companies to conduct AGM through video-conference/other audio visual means till September 30, 2024 without physical presence of Members at a common venue.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, 2015 and in accordance with the said circulars of MCA and applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the 59<sup>th</sup> AGM of the Company shall be conducted through VC. Your Company has appointed National Securities Depositories Limited ('NSDL') for providing facility for voting through remote e-Voting, for participation in the AGM through VC facility and e-Voting during the AGM. The procedure for participating in the meeting through VC is explained at Note No. 4 below.

As the AGM shall be conducted through VC, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the bodies corporate are entitled to appoint authorized representatives to attend the AGM through VC 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 [investorpggh.im@pg.com](mailto:investorpggh.im@pg.com). on or before November 22, 2023.

In accordance with, the General Circular No. 02/2022 dated May 05, 2022 issued by MCA and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular no. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 issued by the Securities and Exchange Board of India (SEBI), the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members may kindly note that as Members of the Company they are entitled to be furnished, free of cost a printed copy of the Annual Report of the Company, upon receipt of requisition at any time. Members who have not registered/updated their respective e-mail addresses, are requested to

get their email Ids registered with Registrar Transfer Agent- M/s. Link Intime India Private Limited in case of physical share holding and members holding shares in dematerialized form, may update with their respective Depository Participants (DP).

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

### 3. The procedure and instructions for Members relating to remote e-Voting are as under:

The remote e-Voting period commences on **Sunday, November 19, 2023 at 9:00 a.m. and ends on Thursday, November 23, 2023 at 5:00 p.m.** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on **Friday November 17, 2023**, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently. The Company has appointed M/s. Makarand M Joshi & Co., Practicing Company Secretaries, represented by Ms. Deepti Kulkarni (and in her absence, Mr. Omkar Dindorkar), 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., Friday November 17, 2023, only shall be entitled to avail the facility of remote e-Voting. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account(s) maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat account(s) in order to access e-Voting facility.





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

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

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

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

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

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e- Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing User ID and Password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi/Easiest facility are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing Myeasi username &amp; password.</li> <li>After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-Voting is in progress. On clicking the e-Voting option, the user will be able to see e-voting page of the e- Voting service provider for casting their vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a>, click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile number &amp; e-mail as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-Voting is in progress and will also be able to directly access the system of all e-Voting Service Providers.</li> </ol>
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 &amp; voting during the meeting.</p>

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



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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

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

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

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

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 127020 then user ID is 127020001***

5. Password details for shareholders other than Individual shareholders are given below:

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

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

1. 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 in your mailbox. Open the email and open the attachment i.e. a .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'.

2. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

3. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b. Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

4. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

5. Now, you will have to click on "Login" button.

6. After you click on the "Login" button, home page of e-Voting will open.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorpghh.im@pg.com](mailto:investorpghh.im@pg.com)

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master, copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the call on toll free nos.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

1. 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.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. **Once you confirm your vote on the resolution, you will not be allowed to modify your vote.**

#### **4. Instructions for Members for joining the 59<sup>th</sup> Annual General Meeting through VC are as under:**

1. Members will be provided with a facility to attend the Annual General Meeting through VC through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under

shareholders/members login by using the remote e-Voting credentials. The link for VC will be available in shareholder/ members login where the EVEN of Company will be displayed. The Members can join the 59<sup>th</sup> AGM through VC mode 30 minutes before the time scheduled to start the meeting, by following the procedure mentioned in the notice. The facility of participation at the AGM through VC will be made available for 1000 members on first come first served basis. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice below, to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. 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](mailto:investorpghh.im@pg.com) from the date of this notice up to **November 20, 2023** (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

#### **5. General Instructions to Shareholders:**

1. During the AGM, the Registers to be maintained under the Companies Act, 2013, shall be available for inspection by the Members in electronic mode with NSDL.
2. 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. Transcript of the AGM shall be made available on the website of the Company, within one week from conclusion of the AGM.
3. SEBI has mandated submission of Permanent Account Number (“PAN”) for all transactions in the securities market. Members who are holding shares in dematerialized form are requested to submit their PAN details to their respective DP. Members holding shares in physical form

can submit their PAN details to the Company's Registrar and Share Transfer Agent ("RTA"), M/s. Link Intime India Private Limited.

4. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its circular dated January 25, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form viz, Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Transmission; Transposition, etc. For the purpose of the same, after due verification, registrar and transfer agent/ issuer companies shall retain share certificates and process the service requests by issuing letter of confirmation, valid for a period of 120 days. As per the process, shareholders are required to submit their demat requests within this validity period, failing which the Company shall credit the securities to a suspense escrow demat account of the Company.

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

5. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, November 18, 2023 to Friday, November 24, 2023 (both days inclusive), for the purpose of determining the names of Members eligible for final dividend on Equity Shares, if declared at the ensuing 59<sup>th</sup> Annual General Meeting.
6. The final dividend on Equity Shares for the Financial Year ended June 30, 2023, as recommended by the Directors, if approved at the Annual General Meeting, will be paid on or before December 15, 2023:
  - a) To all beneficial owners, in respect of shares held in dematerialized form, as per details furnished by the Depositories for this purpose as at the close of business hours on November 17, 2023;
  - b) To all Members, in respect of shares held in physical form, whose names shall appear on the Company's Register of Members as on November 24, 2023.
7. In line with the Securities and Exchange Board of India ("SEBI") directives, the Company is required to update bank details of the Members of the Company to enable usage of the electronic mode of remittance for distributing dividends and other cash benefits to its Members. In this regard, Members holding shares in electronic form are requested to furnish their bank details to their Depository Participants ("DPs"). Members holding shares in physical form are requested to intimate change, if any, in their bank details by sending duly

signed KYC updation Form as prescribed by SEBI, alongwith required documents to the Company/ Registrar and Share Transfer Agent.

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

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

9. Shareholders are requested to register their email address and mobile number with their depository participants for receiving intimations and regular updates from the Company.
10. Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the applicable rates. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the requisite documents as mentioned in our letter dated September 6, 2023, which is put up on the website at in order to facilitate the Company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be emailed to Company's RTA at [procterdivtax@linkintime.co.in](mailto:procterdivtax@linkintime.co.in) on or before November 3, 2023 in order to enable the Company to determine and deduct appropriate TDS. For any clarification, please write to us at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or [investorpgghh.im@pg.com](mailto:investorpgghh.im@pg.com).

11. Non-resident Indian Members are requested to immediately inform the Company or its RTA or the concerned DP, as the case may be, about the following:
  - a) The change in the residential status on return to India for permanent settlement;
  - b) The particulars of the NRE account with a Bank in India, if not furnished earlier.
12. As per Sections 124 and 125 of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. Said IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/ unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend lying unpaid with the Company, within time period detailed in Corporate Governance Section of Annual Report for Financial year 2022-23. The details of the unpaid / unclaimed amounts lying with the Company as on June 30, 2023 are available on the website of the Company. The shareholders whose dividend / shares as transferred to the IEPF Authority can claim the same from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

Members are requested to contact the Company's RTA, M/s. Link Intime India Private Limited, for claiming the unclaimed dividends.

13. Members are requested to address all correspondences, including Share related documents and dividend matters to the Company's RTA, M/s. Link Intime India Private Limited at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.

Tel. No.: (022) 4918 6279

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in);

Website: [linkintime.co.in](http://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.

**By Order of the Board of Directors**

**Ghanashyam Hegde**  
**Executive Director and Company Secretary**

Mumbai  
August 28, 2023

**Registered Office:**

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

## EXPLANATORY STATEMENT

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

**Item No. 5:****Ratification of Payment of Remuneration to the Cost Auditor for the Financial Year 2023-24**

The Board of Directors at their meeting held on August 28, 2023, on the recommendation of the Audit Committee, approved the appointment 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 2023-24 at a remuneration of ₹ 8,50,000/- plus applicable taxes and out-of-pocket expenses. In terms with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

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

None of the Directors or Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in this item.

**Item No. 6****Payment of Commission to the Non-Executive Directors of the Company**

At the 54<sup>th</sup> Annual General Meeting held on November 29, 2018, a Resolution was passed by the Members of the Company according approval for payment of commission upto 1% of the net profits per annum in the aggregate to the Non-Executive Directors of the Company. The said resolution had also empowered the Board of Directors and a Committee thereof to fix the quantum of commission payable to each of the Non-Executive Directors and to also determine the period for which the said commission is payable. The said Resolution was effective for a period of five years w.e.f. July 1, 2018 i.e. till June 30, 2023.

It is now therefore necessary to seek fresh approval from the Members at the ensuing 59<sup>th</sup> Annual General Meeting for payment of commission upto maximum of 1% of the net profits of the Company per annum in the aggregate for a period of five years w.e.f. July 1, 2023. Non-Executive Directors, namely Mr. C. R. Dua, Mr. Gurcharan Das, Mr. A. K. Gupta, Ms. Meena Ganesh, Mr. Krishnamurthy Iyer and Mr. Pramod Agarwal, are deemed to be interested and concerned in this item of business.

The Board recommends passing of the resolution at item no. 6 as an **Ordinary Resolution**.

**Item No. 7****Approval of material related party transaction under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015****Background, details and benefits of the proposed transaction to the Company**

Your Company's business, which includes sanitary napkins sold under "Whisper" brand, has been growing at a healthy rate over the past years. In addition to its own plant, in its

ordinary course of business, the Company obtains supply of certain finished products from its fellow subsidiaries (Procter & Gamble Group Companies) under contract or toll manufacturing arrangements, thus getting scale advantages and also enabling cash and capital expenditure optimization.

The Company sources a range of sanitary napkins, from Procter & Gamble Home Products Private Limited, India ("PGHPPL"), a fellow subsidiary (group Company), under a Contract Manufacturing arrangement, which are manufactured at PGHPPL's plant at Mandideep, Bhopal. The manufacturing facility of PGHPPL also manufactures other sanitary products thereby offering material scale benefits in terms of both cost and cash.

In the year 2021-22, the Company had replaced the earlier Toll Manufacturing arrangement with a Contract Manufacturing arrangement for abovementioned sourcing of sanitary napkin products, in order to benefit from certain incremental pre-tax savings (~ ₹ 10 Crores per year), as per the prevailing laws and to also benefit from elimination of carrying cost of inventory of raw materials used in manufacturing the finished products sourced from PGHPPL. As such, moving to the Contract Manufacturing arrangement was value accretive to the Company over the erstwhile Toll Manufacturing arrangement.

For the above change in procurement model, approval of the Shareholders of the Company was sought on June 29, 2021, to enter into related party transaction beyond materiality limit, with Company's fellow subsidiary, Procter & Gamble Home Products Private Limited, for 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.

In the fiscal year 2022-23, the transaction value for such purchase of goods from PGHPPL was ₹ 735 Crores. It is likely that the transaction value will exceed the current approved limit of ₹ 800 Crores in the next fiscal year, considering various factors including growth in business. Hence, it is hereby proposed to increase the value limit for said transaction from ₹ 800 crores per annum to ₹ 1600 crores per annum for the next five years accounting for potential growth of business in the next five years. The purchase price for the products shall be an amount equal to the price determined according to the transfer pricing laws and has been determined to be the sum of the product costs together with a fixed mark-up which will be added to the product costs.

The said transaction is operational in nature and the Company, in order to secure continuity of supply of sanitary products is seeking approval of the members of the Company for the said related party transaction on the terms detailed in the resolution. This arrangement is beneficial to the Company as it provides an optimized cost structure driven by scale efficiencies and without having to commit capital upfront in setting up manufacturing facilities or blocking operating capital in raw and packing material inventory.



Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows:

**Name of Related Party**

Procter & Gamble Home Products Private Limited, a company incorporated in India.

**Nature of relationship**

Fellow Subsidiary (Procter & Gamble group Company)

**Name of Director(s) or Key Managerial Personnel who is related**

None, in terms of definition of 'related party' under SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

Mr. Prashant Bhatnagar, Chief Financial Officer of the Company is a Non-executive Director of Procter & Gamble Home Products Limited and the interest is limited to the extent of his directorship only and he does not have any other interest in the related party.

**Nature, material terms, monetary value and particulars of transaction**

Purchase of range of sanitary napkin finished goods under Contract Manufacturing arrangement upto a maximum value of transaction of ₹ 1600 Crores per financial year for period of five years, commencing from Financial Year 2023-24 to Financial Year 2027-28, to be carried out at arms' length and in the ordinary course of business. During this period, Company will periodically evaluate the arrangement to ensure that the arrangement continues to be beneficial to the Company.

The Purchase Price for each Product shall be an amount equal to the price determined according to the transfer pricing laws and has been determined to be the sum of the Product Costs for such Product together with a fixed mark-up which will be added to the Product Costs.

The percentage of the Company's latest audited annual turnover, that is represented by the proposed value of the proposed transaction is 41%. However, the proposed transaction value takes into consideration potential growth of business in the next five years.

**Arm's length and ordinary course of business**

The Company has robust governance process for related party transactions. Broad terms of the arrangement

proposed have been reviewed by an Independent chartered accountant firm and the firm has confirmed that the proposed pricing mechanism mentioned above would meet the arm's length criteria. Further, the said related party transaction also qualifies as a transaction under ordinary course of business. In addition, as per the Company's current governance practice and related party transaction policy, all related party transactions are reviewed by independent chartered accountant firm on quarterly basis and the report is tabled quarterly before the Audit Committee.

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all Related Party Transactions require approval of the Audit Committee. The Audit Committee of the Company has unanimously approved the abovementioned related party transaction at their meeting held on August 28, 2023.

The Audit Committee and Board of Directors have considered that said transaction is in the ordinary course of business, on arm's length basis and in the best interest of the Company and accordingly, recommend to the Members for their approval by way of an Ordinary Resolution.

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material Related Party Transactions require approval of the Members by way of an Ordinary resolution and all entities falling under the definition of "Related Party" shall abstain from voting, irrespective of whether the entity is a party to the particular transaction or not. Hence, the promoter group companies shall abstain from voting on this resolution.

As the related party transactions are in the ordinary course of business and at arm's length basis, approval under Section 188 of the Companies Act, 2013 is not required.

Mr. Prashant Bhatnagar, Chief Financial Officer is a Non-executive Director on the Board of Procter & Gamble Home Products Private Limited and is interested only to the extent of such directorship. Apart from this, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in or concerned with the resolution.

The Board of Directors recommend passing of the resolution at item no. 7 as an **Ordinary Resolution**.

**Details of Directors proposed to be re-appointed at the ensuing 59<sup>th</sup> Annual general Meeting**

<b>Resolution at item no.</b>	<b>3</b>	<b>4</b>
<b>Name of Director</b>	<b>Mr. Karthik Natarajan</b>	<b>Mr. Pramod Agarwal</b>
Age	46 years	61 years
Date of original appointment on the Board of the Company	01/10/2014	08/05/2015
Date of re-appointment on the Board	17/11/2021	17/11/2021
Expertise in specific field	Chartered Accountant	MBA (Finance)
Names of other Companies in which he holds Directorships	1. Gillette India Limited	1. Gillette India Limited 2. Zircon Technologies (India) Limited
Listed entities from which he has resigned in the past three years	None	None
Companies in which he is a Managing Director, Chief Executive Officer, Whole time Director, Secretary, Chief Financial Officer, Manager	None	None
Chairman/Member of the Committee(s) of the Board of Directors of the Company	Member of Committee: 1. Corporate Social Responsibility Committee 2. Risk Management Committee	Member of Committee: 1. 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 Committee: 1. Risk Management Committee	Gillette India Limited: Member of Committees: 1. Audit Committee 2. Nomination & Remuneration Committee 3. Risk Management Committee
Shareholding in the Company	Nil	50 equity shares ( of ₹ 10 each)
Relationship with other Directors, Manager or key Managerial Personnel, if any	Nil	Nil
Remuneration last drawn by each Director	Nil	Remuneration (including commission and sitting fees) of ₹ 20 lacs was paid for Financial Year 2022-23.
Number of Meetings of the Board attended during the year	1 out of 4	3 out of 4

**By Order of the Board of Directors**
**Ghanashyam Hegde**  
**Executive Director and Company Secretary**

Mumbai  
August 28, 2023

**Registered Office:**

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

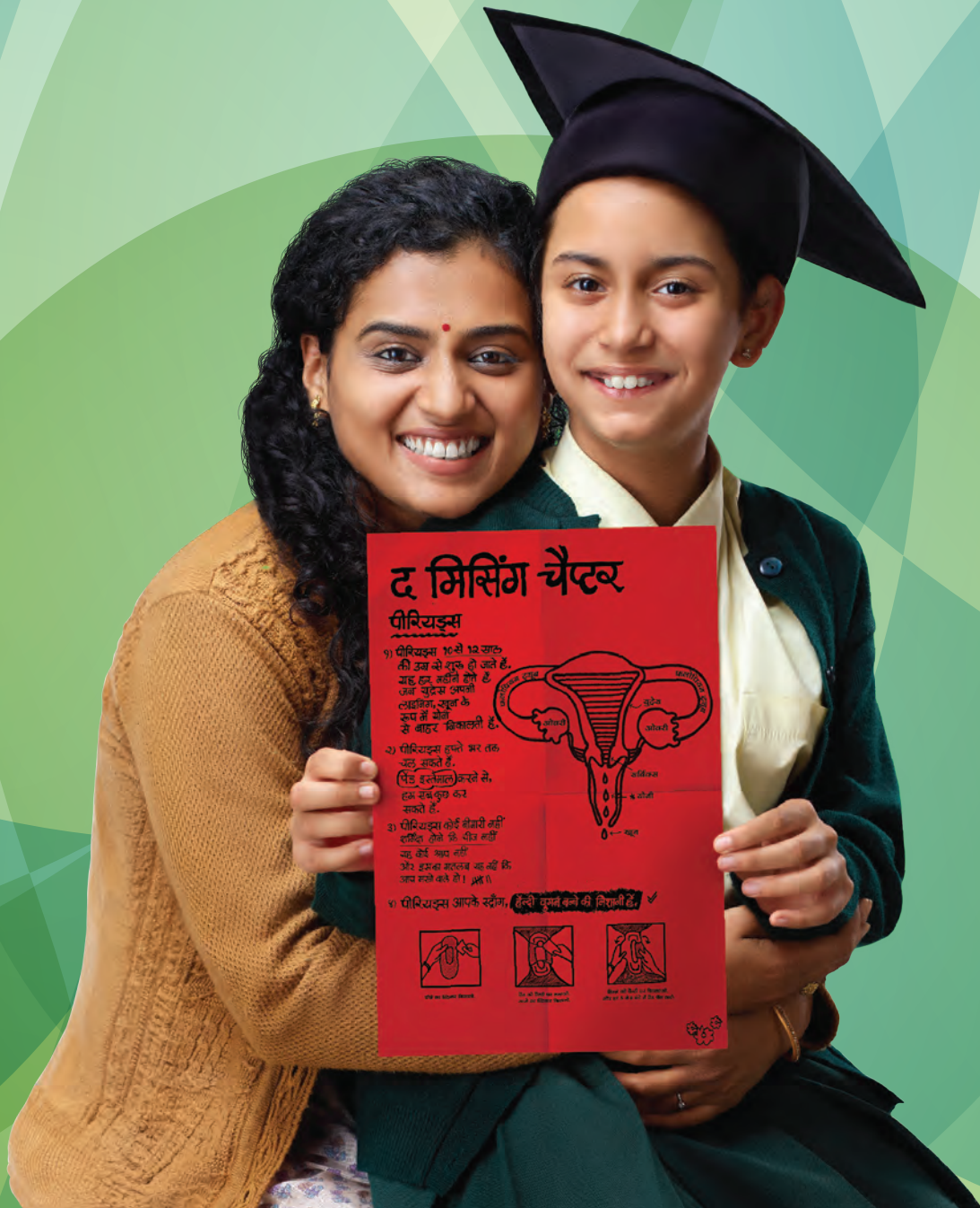
[illegible]

[illegible]



# Procter & Gamble Hygiene & Health Care Limited

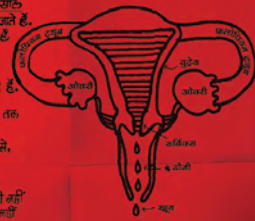
Annual Report 2022-23



## द मिसिंग चैप्टर

### पीरियड्स

- 1) पीरियड्स 10 से 12 साल की उम्र में शुरू हो जाते हैं, यह एक नई सीढ़ी है, जब बॉडी अपने लार्जिंग, यून के रूप में यून से बाहर निकलती है।
- 2) पीरियड्स हमने भर तक नहीं देखे हैं, (पिंट इन्फ्लो) करते से, हम उन्हें क्ले कर सकते हैं।
- 3) पीरियड्स कोई भी नहीं देखते हैं, वे भी नहीं देखते हैं, वे भी नहीं देखते हैं, वे भी नहीं देखते हैं।



4) पीरियड्स आपके रद्दींग, हैंदी वृद्ध बने की निगामी हैं।



Hand Wash with Soap

Use Tissue to Wipe Nose

Use Tissue to Wipe Face



# CONTENT

Corporate Information .....	01
Financial Highlights.....	08
Managing Director’s Letter.....	09
Report of the Directors and .....	10
Management Discussion & Analysis	
Business Responsibility & Sustainability Report .....	18
Corporate Social Responsibility Report.....	43
Secretarial Audit Report.....	48
Corporate Governance.....	51
Auditors’ Report.....	73
Balance Sheet.....	84
Statement of Profit & Loss.....	85
Statement of Cash Flow.....	86
Statement of Changes in Equity.....	88
Notes forming part of the Financial Statements.....	89



## Corporate Information

### Board of Directors & Key Managerial Personnel

Mr. Chittranjan Dua  
 Mr. L. V. Vaidyanathan  
 Mr. Anil Kumar Gupta  
 Ms. Meena Ganesh  
 Mr. Krishnamurthy Iyer  
 Mr. Gurcharan Das  
 Mr. Pramod Agarwal  
 Mr. Karthik Natarajan  
 Ms. Sonali Dhawan  
 Mr. Gagan Sawhney  
 Mr. Ghanashyam Hegde  
 Mr. Prashant Bhatnagar

Independent Director and Chairman  
 Managing Director  
 Independent 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

### 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 No.: 86575 12368  
 Email Id: investorpghh.im@pg.com

### 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](mailto:rnt.helpdesk@linkintime.co.in)

### Auditors

#### Statutory Auditor:

Kalyaniwalla & Mistry LLP  
 Chartered Accountants

#### Cost Auditor:

Ashwin Solanki & Associates  
 Cost Accountants

#### Secretarial Auditor:

Makarand M. Joshi & Co.  
 Company Secretaries

Certain statements in this report, except for the historical data, may contain forward-looking statements, including words, phrases, numbers that set forth anticipated results based on management's current plans and assumptions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in those statements. The Company cautions investors that any such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from those statements. Actual events or results may differ materially because of factors that affect international businesses and global economic conditions, as well as matters specific to the Company and the markets it serves. The Company undertakes no obligation to update these statements whether as a result of new information, future events or otherwise, except to the extent required by law.





## Board of Directors



**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, privatization of public sector undertakings, mergers and acquisitions and exchange control regulations. He continues to effectively provide leadership to over seventy-five partners of the firm.



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

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



**Mr. Gurcharan Das, Independent Director**

Mr. Das is an alumnus of Harvard University. He was CEO, Procter & Gamble India and later Managing Director, Procter & Gamble World-wide (Strategic Planning). After a 30-year career, he took early retirement to become an author. He has been on a number of boards and is a regular speaker to the managements of the world's largest corporations. He is a regular columnist for leading newspaper publications and also contributes periodically to other newspapers and journals.

**Mr. Krishnamurthy Iyer,  
Independent Director**

Mr. Iyer is a B. Com, Chartered Accountant and a Company Secretary. Mr. Iyer is a long term global professional with wide and varied experience in functional and leadership roles in various industries in different countries. During a career spanning over 40 years, he has worked in USA, Japan, Thailand, Taiwan, Philippines and Hong Kong. During the 7 years' stint in Walmart as President & CEO of Walmart India, he played a pivotal role in growing the brick & mortar and digital footprint of Walmart in India. Currently, he is the Managing Partner of an Investment Management company, Rational Equity Partners LLP.



**Ms. Meena Ganesh, Independent Director**

Ms. Meena Ganesh is a PGDM holder from IIM Calcutta and has a graduate degree in Physics from the Madras University. Ms. Meena Ganesh is one of India's most successful entrepreneurs with nearly 3 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.

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

Mr. Agarwal is an MBA from IIM, 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 is very active in giving back to the society as President - Rotary Club of Delhi South.





### Mr. L. V. Vaidyanathan, Managing Director

Mr. L. V. Vaidyanathan is a Bachelor of Engineering (Mech.) from National Institute of Technology, Nagpur and is an MBA from IIM, Ahmedabad. Mr. L. V. Vaidyanathan started his career with P&G in India in 1996 and worked in various leadership roles. He has more than 26 years of experience across diverse geographies and cultures like India and ASEAN countries including Singapore, Philippines, Thailand and Vietnam. Prior to this role, he was leading P&G business in Indonesia as CEO where he has been responsible for industry-leading growth and value creation.

### Mr. Karthik Natarajan, Non-Executive Director

Mr. Natarajan is a Chartered Accountant and has completed his B. Com from R. A. Podar College, Mumbai. He has been with P&G for over 22 years and is currently Senior Vice President and Regional CFO, Asia Pacific, Middle East & Africa. He has worked across multiple locations like India, US, China, Philippines and Singapore and has led strategy development, business and financial planning and operational execution with excellence for several important P&G businesses.



### Mr. Gagan Sawhney, Non-Executive Director

Mr. Gagan Sawhney is an MBA from IIM, Ahmedabad who joined P&G in Finance in 2001. He has more than 21 years of experience across multiple geographies : India, ASEAN, Greater China and Middle East. Presently, Mr. Sawhney is Regional CFO, Middle East & Africa 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.



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

Ms. Dhawan is a B.Com (Hons) in Business Studies and is an MBA in marketing from the Indian Institute of Management, Ahmedabad. Ms. Dhawan has been with P&G for over 25 years and is currently Senior Vice President, Marketing, Feminine Hygiene, Asia, Middle East & Africa. She has worked across multiple categories and regions including ASEAN, India, Australia & Middle East.

### Mr. Ghanashyam Hegde, Executive Director & Company Secretary

Mr. Hegde is a B. Com and LL.B from Bangalore University. He holds a Post Graduate Diploma in Intellectual Property Rights from National Law School of India University, Bangalore. He is also a qualified Company Secretary. He has over 22 years of experience across pharma, media & entertainment, financial services and chemical industries. He is currently designated as Vice President and General Counsel- Indian Sub-Continent & Australia New Zealand.





# ABOUT US

## 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.

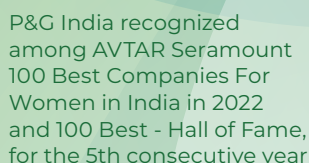
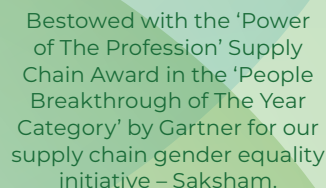
The Procter & Gamble Company, US ("P&G") is a global leader in the fast-moving consumer goods (FMCG) industry, focused on providing branded consumer packaged goods of superior quality and value to its consumers around the world. Today, P&G products are sold in approximately 180 countries and territories.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

Procter & Gamble Hygiene and Health Care Limited ("the Company") was incorporated in India as Richardson Hindustan Limited in 1964. P&G acquired the Company in the year 1985. The Company is engaged in manufacturing and selling of branded packaged FMCG in the femcare and healthcare businesses. It is one of India's well known FMCG companies that has in its portfolio Whisper – India's leading feminine hygiene brand, Vicks – India's No. 1 health care brand and Old Spice. The Company has carved a reputation for delivering high quality, value-added products to meet the needs of consumers. The Company is committed to making every day in the lives of Indian consumers better through superior value propositions.





# P&G INDIA AWARDS



Recognized by The  
Economic Times Among  
Best Organizations For  
Women

Our long-standing social movement aimed at sparking a long-term change—Whisper #KeepGirlsInSchool and P&G Shiksha were celebrated at esteemed forums, winning several accolades across multiple categories including the prestigious Grand Prix at CANNES Lions International Festival of Creativity.



## Smriti Irani shares her first ever ad on menstrual hygiene; writes about breaking taboo 25 years back

etimes.in / May 4, 2023, 20:43 IST



## Procter & Gamble India shifts focus from mental health to mental wellbeing of its employees

Recognizing that a one-size-fits-all approach won't work across a diverse workforce, the company has evolved its mental wellbeing programs based on real employee experiences and feedback.



Procter & Gamble India on Friday announced that it has launched a mental wellness initiative, named 'Happy Minds 2.0' programme for its employees.

The programme shifts the focus from mental health to mental wellbeing, and comprises a bouquet of initiatives, including

## P&G empowers women at the Goa plant

**TEAM RACIST**

**P**rocure & Garrile (P&G) India was presented with the 2023 Gartner 'Power of The Professor' Supply Chain Award as the 'People Breakthrough of The Year' category, for its initiative Saksham. The program resulted in the first fully female production crew at the company's Goa plant.

As part of the program, P&G partnered with government stakeholders in



the start to enable women to work beyond just day shift hours, in a legally compliant manner. The company also came up with new recruiting avenues for the on boarding program to be more cognizant of the local ecosystem and worked with its in-

internal supply chain issues to create flexible operating strategies. Further, deliberate efforts were made to drive sensitization on gender-inclusive mindset, behaviors, and practices to create a more inclusive environment at the workplace for women.

P&G's Gauri Chaturvedi, said, "The award is recognition of our committed efforts to drive inclusion on the shop floor of our manufacturing site, which is typically seen as a male-dominated industry."

## 60 बेटियों को प्रदान कीं छात्रवक्तियां

मानस्य, 28 परकी (सहस्र): पुनः संशोधन संस्थान गन्तुकुमार, ये संशोधन को आदर्श औद्योगिक प्रतिष्ठान संस्थान वास्तव्य में राष्ट्रीय विज्ञान दिवस के अवसर पर विज्ञान, तकनीकी, औद्योगिकी तथा कृषि (स्टेम कोर्स) विषय की पढ़ाई करने वाले 60 विद्यार्थी को पी. एंड जी. प्रिन्स बिर्ला सम्मानित करने का प्रदान की।

अन्तर्गत कहते कि भारत आदि देश और विदेश में अपना नाम रोशन कर

यहाँ हैं और इस तरह की पहल से  
विद्यार्थियों को जीवन में आगे बढ़ने के  
अवसर प्राप्त होंगे।

इस अवसर पर विशेष कार्यक्रमों  
का आयोजन भी किया गया, जिसमें  
छात्रावासों की कठिपूर से गर्मियों  
जलनकारी धी-धुंधली, कपनी के चिलेपट्टों  
द्वारा दी गई। इसके अतिरिक्त प्यार की  
मोहिले लिखने में भी अपने प्रेरक पाठकों  
को प्रेरित किया।

राम कुमार ने कहा कि भगवती

[illegible]



# CITIZENSHIP EFFORTS

## Key Highlights



### Community Impact



#### P&G SHIKSHA

Through our flagship CSR program launched in the year 2005, we are focused on providing access to education for underprivileged children through a 360-degree intervention.



#### STRENGTHENING EDUCATION INFRASTRUCTURE

Strong infrastructural support at schools can help make the environment around children more conducive to learning and eliminating distractions.



#### BRIDGING INVISIBLE LEARNING GAPS

We are partnering with reputed NGOs with a focus on implementing unique and innovative programs to minimize learning gaps and improve learning outcomes in children.



### Equality & Inclusion



#### WHISPER MENSTRUAL HYGIENE EDUCATION PROGRAM

Through Whisper menstrual hygiene education programme, the Company has educated over 2 crore girls on puberty and hygiene over last two years, against a commitment of educating 2.5 crore girls by 2024



#### #WeSeeEqual SUMMIT

During the year, we hosted the India chapter of #WeSeeEqual Summit 2023, which provided a platform to discuss and address important issues, fostering greater understanding and progress towards a more inclusive society.



#### GENDER EQUALITY AT OUR MANUFACTURING SITES

One of the femcare production lines at the Company's plant in Goa proudly boasts of a 100% female shift crew.



### Environmental Sustainability



#### ZERO MANUFACTURING WASTE TO LANDFILL

The company's plant at Goa is a zero manufacturing waste to landfill site, which means that no manufacturing waste is sent to landfill.



#### WE ARE PROGRESSING IN OUR FOCUS AREAS

We have made consistent progress across our focus areas of climate, water and waste.

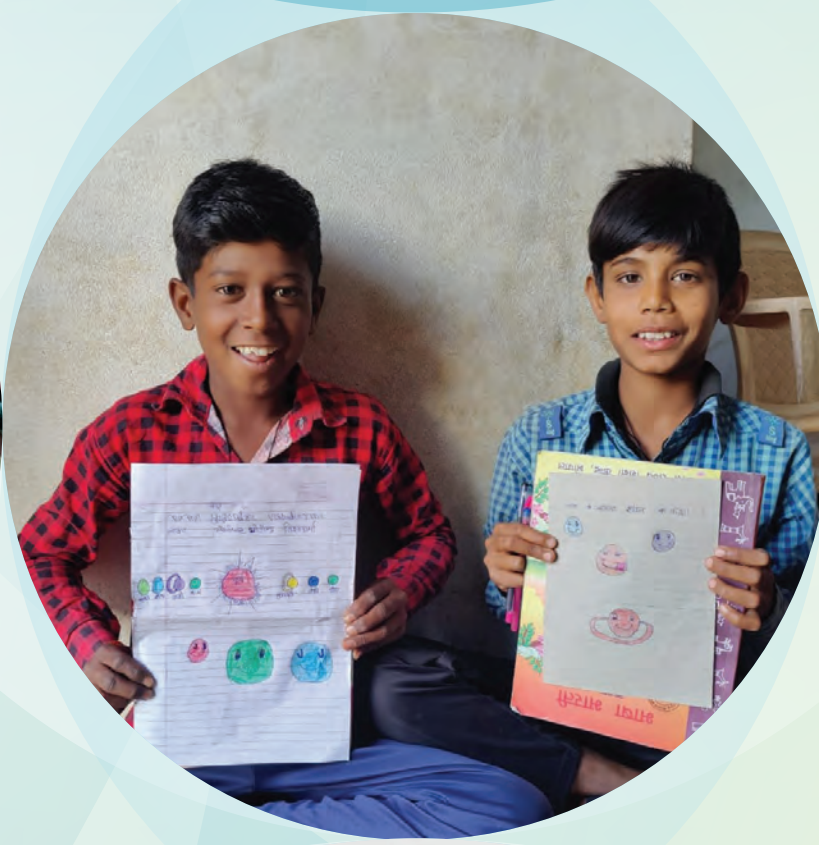


#### EPR COMPLIANCE

The Company is compliant with the government's Extended Producer Responsibility (EPR) guidelines on plastic packaging waste collection.



**We've built citizenship into  
our business which is enabling  
us to responsibly serve our  
shareholders and many other  
stakeholders**





## FINANCIAL RESULTS 2022-23

₹3,918cr

REVENUE FROM  
OPERATIONS

₹839cr

PROFIT  
BEFORE TAX

₹678cr

PROFIT  
AFTER TAX

₹208.91

EPS

22%

OPERATING  
PROFIT MARGIN

₹1055cr

CASH GENERATED  
FROM OPERATIONS

## TEN YEAR FINANCIAL HIGHLIGHTS

	IGAAP			IND AS							
	2014	2015	2016	2016 <sup>^</sup>	2017 <sup>^</sup>	2018 <sup>^</sup>	2019 <sup>^</sup>	2020 <sup>^</sup>	2021 <sup>^</sup>	2022 <sup>^</sup>	2023 <sup>^</sup>

## YEAR END FINANCIAL POSITION (₹ Crores)

Net Fixed Assets	239.5	308.8	316.9	352.2	326.6	271.6	248.8	228.7	221.4	207.6	192.8
Net Worth	1002.9	1228.7	1511.2	1651.8	526.1	805.5	909.1	1157.9	714.3	737.6	946.0

## SUMMARY OF OPERATIONS (₹ Crores)

Revenue from operations	2063.6	2358.4	2552.7	2349.2	2419.2	2455.3	2946.5	3002.0	3574.1	3900.9	3917.9
Profit before Tax	460.3	500.8	636.5	635.5	671.8	581.8	607.3	593.9	869.9	790.1	839.5
Profit after Tax	302.0	346.1	423.2	422.5	432.7	374.6	419.1	433.1	651.8	575.8	678.1
Dividend paid in Financial Year	89.3	98.2	116.9	98.2	1291.9	87.6	259.7	155.8	1103.7	568.1	470.7

## PER SHARE DATA

EPS (₹)	93.04	106.63	130.37	130.16	133.31	115.40	129.12	133.42	200.79	177.37	208.91
Dividend for the Financial Year (₹)	27.5	30.25	36	36	389*	40	88	105	315*	160	185

## 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
----------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

\* Includes one-time special dividend

<sup>^</sup>Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. Hence these numbers are not comparable with previous years.





## Dear Shareholders,

I would like to take this opportunity to share with you the overall performance of the Company in 2022-2023.

Despite a challenging macro-economic environment marked by significant operating and cost headwinds, the Company delivered a resilient finish to the fiscal year. During the year, the Company delivered revenue from operations of ₹3918 crore, flat versus year ago, with a one-time non-operating income and the pandemic-linked demand surge in the healthcare portfolio in the base period. Operationally sales were up 3% for the fiscal. Further, the Company reported Profit After Tax (PAT) of ₹678 crores, up 18% versus year ago including one-time tax impacts. Excluding these

one-time impacts, Profit After Tax (PAT) is up 10% operationally.

This encouraging growth was driven by premiumization and productivity interventions, as the Company continued to make sequential progress in profit growth, despite macro-economic challenges, and a muted growth in the healthcare category in the first three quarters of the year owing to the pandemic linked demand surge in the base period.

The Company continued to raise the bar on superiority, innovation, and industry-leading practices. The driving force has been the focused execution of its integrated growth strategy - a focus on daily use categories where performance drives brand choice, superiority (of product, package, communication, go-to-market execution, and value), productivity, constructive disruption, and an agile and accountable organization structure and culture – which enabled a sustainable, balanced growth and value creation.

The feminine care and healthcare brands, Whisper, and Vicks respectively, continue to grow behind a strong product portfolio, superior consumer communication and a continuous stream of product innovations like Whisper Hygiene Comfort, Whisper Choice Nights, Vicks ZzzQuil, Vicks Roll-On Inhaler and Vicks Xtra Strong. Whisper continued its journey of raising awareness regarding menstruation, with the fourth edition of its long running #KeepGirlsInSchool (KGIS) movement, with the aim of educating mothers on the biology of periods to help them educate their daughters.

Whisper also continues to scale up the 'Whisper Menstrual Health & Hygiene Program', educating over 2 crore girls on puberty and hygiene over last two years. To date, Whisper has educated over 10 crore girls and mothers. This year, Whisper India also partnered with UNESCO India to introduce teaching-learning modules, addressing the challenges related to menstrual health and hygiene management, including in relation to disability, gender, teachers and educators, young adults, and nutrition.

The Company's flagship CSR program, P&G Shiksha, is a 360-degree educational intervention that addresses three critical barriers to achieving universal education – access to education infrastructure, gender inequality in access to education and gap in learning.

As we enter the new fiscal year, the Company is well positioned to sustain and improve its performance with a resilient and empowered workforce, leverage opportunities with agility, address challenges and overcome the risks. While short to medium term challenges exist owing to a weak global economic outlook, the long-term outlook for the FMCG sector remains positive. We will continue to focus on our integrated growth strategy which has consistently enabled us to deliver sustained and balanced growth.

**L. V. Vaidyanathan**  
Managing Director





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

The Board of Directors have the pleasure of presenting the 59<sup>th</sup> Annual Report and the Audited Financial Statements of the Company for the Financial Year ended June 30, 2023.

### FINANCIAL RESULTS

(Figures in ₹ crores)

	2022-23	2021-22
Revenue from operations	3,918	3,901
Sale of products	3,905	3,792
Profit before tax (PBT)	839	790
Profit after tax (PAT)	678	576
Appropriations:		
Opening Reserve	280	267
Profit for the year	678	576
Re-measurement gain/loss on defined benefit plan (net of tax)	(7)	5
Dividend paid in the year	(471)	(568)
Balance carried to the Balance Sheet	480	280
Earnings per share		
- Basic (₹)	208.91	177.37
- Diluted (₹)	208.91	177.37

### FINANCIAL YEAR

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

### DIVIDEND

During the Financial Year, the Board of Directors of the Company at its meeting held on January 31, 2023, declared an interim dividend of ₹ 80 per equity share, which was paid on February 21, 2023.

The Board of Directors of the Company, at its meeting held on August 28, 2023, have recommended a final dividend of ₹ 105 per equity share, for the Financial Year ended June 30, 2023. This final dividend is subject to approval of the Members at the ensuing 59<sup>th</sup> Annual General Meeting of the Company.

The aggregate dividend for the financial year ended June 30, 2023, including the interim dividend of ₹ 80 per equity share paid on February 21, 2023 and the final dividend of ₹ 105 per equity share recommended by the Board, amounts to ₹ 185 per equity share.

### ECONOMY AND MARKETS

The operating environment this year continued to be volatile, marked by macro-economic challenges and

high commodity inflation contributing to significant cost headwinds. Consumers continued to face inflationary pressures during the year, leading to consumer demand remaining tepid. Despite these headwinds, the Indian economy gained momentum towards the end of the financial year, achieving a real GDP growth of 7.2%\* in fiscal year 2022-23.

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

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

### OPPORTUNITIES, RISK AND OUTLOOK

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

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

^ Source: IMF World Economic Outlook, October 2023.

### FINANCIAL PERFORMANCE

In this Financial Year, the Company delivered sales of ₹ 3,905 crores, up 3% vs year ago despite a pandemic-linked demand surge in the healthcare portfolio in the base period. For the fiscal ended June 30, 2023, the Company reported Profit After Tax (PAT) of ₹678 crores, up 18% versus year ago including one-time tax impacts. Excluding these one-time tax impacts, PAT is up 10% operationally. This was driven by premiumization and productivity interventions, as

the Company continued to make sequential progress in profit growth, despite the challenging operating and cost environment.

### FINANCIAL RATIOS

	2022-23	2021-22	% Change
Debtors (trade receivables) turnover	19.19	23.33	-18%
Inventory turnover	17.27	16.14	7%
Return on investment	0.05	0.04	22%
Return on capital employed	0.81	0.97	-17%
Net capital turnover*	9.54	14.66	-33%
Trade payables turnover	1.88	2.01	-6%
Interest coverage ratio**	0	0	NIL
Debt Equity Ratio**	0	0	NIL
Current ratio	1.38	1.32	4%
Operating profit margin	22%	20%	5%
Net profit margin	17%	15%	17%
Return on Networth	81%	79%	2%

\* Variation is due to increase in operating cash flow vs previous year.

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

### INTEGRATED STRATEGIC CHOICES



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

### Feminine Care Business

We continue to delight our consumers with strong innovation across the portfolio. *Whisper* has continued to ensure superior product performance. *Whisper* premium portfolio went through product innovation- Hygiene + Comfort, which was designed for better comfort with boosted core and adding soft wings. The innovation improved not just absorbency but enhanced comfort which helped us address the need for soft wings without compromising on the protection.

The Company also significantly stepped up on the product performance of the longer length products – *Whisper Choice Ultra XL* and *Whisper Choice XL*. With these interventions, both products delivered superior protection, drier feel and better integrity in-use, which enabled us to meet the consumer need on long lasting protection (vs. earlier product). With the improved products, both *Whisper Choice Ultra XL* and *Whisper Choice XL* have grown penetration vs last fiscal year.





The Company's super premium nights business continues to thrive behind identification of the unmet consumer need- Night-time leakage. Overnight period panties saw a strong response through e-commerce channel.



Whisper's flagship campaign, #KeepGirlsInSchool initiative, continued our commitment to be at the forefront of driving menstrual hygiene education in India. Through the latest edition, *The Missing Chapter 2.0*, we highlighted one of the most fundamental problems, taking a bolder and stronger stance – Period Awareness identified as *The Missing Chapter For Moms*. Through a bold film, we brought the missing chapter to her – proudly showing a model of female reproductive system assembled by two kids on screen, to break taboos ingrained in the core of society.



### Health Care Business

The Company's health care business delivered a muted growth this Financial Year as the Cough & Cold category faced correction post the increase in consumption observed during the pandemic. Despite this, the Company continued to win externally and grow market 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 Baby Rub.



With world-class communication, most of our sub-brands continued to grow market share. Superior go-to-market strategy enabled enhanced presence in stores with more visibility touchpoints per store. The business was further strengthened with the launch of Vicks ZzzQuil, a nutraceutical sleep supplement. We also continue to grow our recent launches like Vicks Roll-On Inhaler and Vicks Xtra Strong behind strong media and go-to-market strategy.



The Company's health care business is continuously identifying the opportunity to grow penetration across its entire range thereby bringing meaningful change to the lives of consumers.

### Old Spice

Old Spice demonstrated double-digit growth led by 0% Gas Deodorants, strengthening the brand's foothold in the category.

Overall, the Company continued to focus on driving consumer meaningful innovations through new launches and expanded distribution backed by strong media thereby delivering consistent growth.



### Risk Management

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

For financing risks, the Company has a robust operational contingency plan. It also undertakes Business Contingency Plan for key vendors and natural disasters. The Company also has adequate insurance coverage to protect the value of its assets. The Company has in place a very stringent and responsive system under which all its distributors and vendors are assessed before being selected.

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

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

### REGULATORY AND COMPLIANCE

The Company operates within the letter and spirit of all applicable laws. General compliance with legal

requirements is an important component of the Company's Worldwide Business Conduct Manual (the WBCM) and the same expects the following from its employees:

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

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

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

### SECURITY

The Company has implemented comprehensive security programs supported by latest technology and trained manpower to protect employees and assets, at all its offices and plant. During the Financial Year under review, no major security breaches or incidents have occurred. A comprehensive security risk assessment is carried out regularly and adequate security measures are implemented to cater to changing security scenario. The 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 2022-23.

### INTERNAL CONTROLS & THEIR ADEQUACY

The Company continues to prioritize sustainable control processes that are integral part of organization culture. It has built strong Internal Controls Environment and Risk Assessment / Management systems. These systems enable the Company to comply with Internal Company policies, procedures,





standard guidelines, and local laws to help protect Company's assets and confidential information including personal identifiable information (PII) against financial losses and unauthorized use. The robust controls environment at the Company is efficiently managed and monitored through:

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

- **Governance Board**

The Governance Board is led by the Managing Director and comprises of Group Chief Financial Officer, Chief Human Resource Officer, Supply Chain Leader, Purchasing & Sustainability 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 Controls issues identified have been 100% remediated by executing quality action plans in consultation with internal controls and stewardship experts.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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

## CORPORATE SOCIAL RESPONSIBILITY

The Company's flagship Corporate Social Responsibility program - P&G Shiksha is a 360-degree educational intervention that addresses three critical barriers to achieving universal education – access to education infrastructure, gender inequality in access to education and gap in learning.

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

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

## ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF ENERGY

Our efforts in Environmental Sustainability are important to create superior propositions for consumers, customers, and shareholders, while improving our environmental impact.

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

Our brands have also stepped forward towards environmental sustainability. Our brand Vicks transformed its sore throat drop container found on the counters of high frequency retailers in India to 100% post-consumer recycled (PCR) plastic – reducing dependence on traditional, virgin plastic and creating a recycle ready package.

The Company's plant at Goa has undertaken various initiatives to conserve energy such as use of auto cleaning of condensers in chillers, arresting and control of air leakages, use of energy efficient pumps for cooling towers, chiller & softening plants. The Plant has also taken measures to conserve water such as use of rain water for cooling towers vs ground water, collection & reuse of AHU condensate, use of air conditioner drains for earthing pits recharge and reclaim of circular water.

## TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

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



advantage that helps the Company deliver strong business results.

As the Company avails benefits of research and development of The Procter & Gamble Company, USA and its subsidiaries across the globe, the Company has not incurred any expenditure on research and development during the Financial Year. Technology absorption and adaptation is a continuous process. The products manufactured and sold by the Company are a result of such imported technology received on an ongoing basis. Initiatives are constantly undertaken for innovation of products, new product development, improvement of packaging, enhancement of product quality and application of best information technology to automate, simplify and generate efficiencies in various business processes.

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

#### FOREIGN EXCHANGE EARNINGS & OUTGO

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

₹ in Crores

	For the Financial Year ended June 30, 2023	For the Financial Year ended June 30, 2022
Foreign Exchange earnings	43.22	46.96
Foreign Exchange outgo	597.10	739.82

#### RELATED PARTY TRANSACTIONS

The 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.

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

Details of material related party transaction entered into during the Financial Year 2022-23 are given below:

<b>Name of Related Party</b>	Procter & Gamble Home Products Private Limited
<b>Nature of transaction</b>	Purchase of goods (Contract Manufacturing)
<b>Amount of transaction during Financial Year 2022-23</b>	₹ 735 Crores

The above transaction was approved by the Shareholders by passing an Ordinary Resolution through Postal Ballot on June 26, 2021. Being related parties, the Promoter shareholders had abstained from voting on the said resolution.

#### LOANS AND GUARANTEES GIVEN AND INVESTMENTS MADE

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

#### PUBLIC DEPOSITS

The 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, the Company has constituted Internal Complaints Committees (ICC). During the Financial Year, no complaint with allegation of sexual harassment was 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, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the Financial Year under review;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the accounts for the Financial Year ended June 30, 2023, on a “going concern” basis;
- v. that the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- vi. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **CORPORATE GOVERNANCE**

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

## **ANNUAL RETURN**

The Annual Return for the Financial Year 2022-23, as required under Section 92(3) 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/>.

## **HUMAN RESOURCES**

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

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

nurturing our talent to create diverse leaders and set them up for success as they grow in the ecosystem.

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

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

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

The number of employees as on June 30, 2023 was 432.

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

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. L. V. Vaidyanathan was appointed as Managing Director of the Company for period of five years, effective July 1, 2022. The Shareholders of the Company approved his appointment by resolution passed by postal ballot & e-voting on July 17, 2022. Mr. L. V. Vaidyanathan being a non-resident at the time of his appointment, the Company has filed an application for seeking approval for his appointment with the Central Government.

Mr. Gurcharan Das was appointed as an Independent Director of the Company for a term of five years effective September 1, 2022, which was approved by members of the Company at the Annual General Meeting held on November 15, 2022.

Mr. Karthik Natarajan and Mr. Pramod Agarwal, Directors retire by rotation and being eligible, offer themselves for re-appointment at the ensuing 59<sup>th</sup> Annual General Meeting of the Company.

Brief profile of Directors proposed to be re-appointed at the ensuing 59<sup>th</sup> 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 re-appointment of the aforesaid Directors are being moved at the ensuing 59<sup>th</sup> Annual General Meeting, which the Board recommends for approval of the Shareholders of the Company.

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 ("the Act") 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 fulfil the conditions specified under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The details of the familiarization programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance section of the Report.

#### NUMBER OF MEETINGS OF BOARD OF DIRECTORS

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

#### POLICIES

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

#### AUDITORS

At the Annual General Meeting held on November 15, 2022, Kalyaniwalla & Mistry LLP, Chartered Accountants were appointed as Statutory Auditors of the Company for a second term of five years, i.e., from the conclusion of the 58<sup>th</sup> Annual General

Meeting until the conclusion of the 63<sup>rd</sup> Annual General Meeting.

The Report issued by Kalyaniwalla & Mistry LLP, Statutory Auditors on the financial statements of the Company for the Financial Year ended June 30, 2023 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 as Cost Auditors for applicable business during the Financial Year 2022-23. The Board of Directors have re-appointed Ashwin Solanki & Associates, Cost Accountants for the Financial Year 2023-24.

#### SECRETARIAL AUDIT

Secretarial Audit was carried out by Makarand M. Joshi & Co., Practicing Company Secretaries for the Financial Year 2022-23. 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, the 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.

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

**On behalf of the Board of Directors**

**Mumbai, August 28, 2023**

**Chittranjan Dua**  
Chairman



## Annexure I

### Business Responsibility & Sustainability Report 2022-23

Dear Shareholders,

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

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

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

Our efforts in Environmental Sustainability are important to create superior propositions for

consumers, customers, and shareholders, while improving our environmental impact. We seek to reduce the footprint of our operations and enable consumers to reduce their footprint.

In Community Impact, our flagship Corporate Social Responsibility program – P&G Shiksha, has been focusing on education interventions for lesser privileged communities for over 18 years.

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

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

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

**L. V. Vaidyanathan**  
Managing Director

## SECTION A: GENERAL DISCLOSURES

### I. Details of 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.	Year of incorporation	1964
4.	Registered office address	P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai – 400099
5.	Corporate office address	
6.	E-mail id	<a href="mailto:investorpghh.im@pg.com">investorpghh.im@pg.com</a>
7.	Telephone number	Tel no.: +91 022 2826 6000 Investor helpline no.: +91 86575 12368
8.	Website	<a href="http://in.pg.com">in.pg.com</a>
9.	Financial Year reported	July 1, 2022 to June 30, 2023



Sr. No.	Particulars	Details
10.	Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> <li>BSE Limited</li> <li>National Stock Exchange of India Limited</li> </ul>
11.	Paid up capital	₹ 32.46 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ghanashyam Hegde, Executive Director, Company Secretary & Compliance Officer Tel no.: +91 022 2826 6000 Email ID: <a href="mailto:investorpghh.im@pg.com">investorpghh.im@pg.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report are made on Standalone basis.

## II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture and sale of goods	Manufacture and sale of branded packaged fast moving consumer goods (FMCG)	100%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Health care products	NIC 21002 and 21003	32%
2.	Sanitary napkins	NIC 13996	67%

## III. Operations

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

The Registered office of the Company is in Mumbai, and it has a manufacturing plant in Goa.

Location	Number of plants	Number of offices	Total
National	1	49*	50
International	-	-	-

\* Includes depots/distribution centers/warehouses across India

### 17. Markets served by the Company

#### a. Number of locations

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

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

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

Percentage of exports to the total turnover of the Company	1.57%
--	-------

**c. A brief on types of customers**

The Company is engaged in manufacturing and selling of branded packaged fast moving consumer goods in the feminine hygiene and healthcare businesses and serves consumers with trusted and quality brands, including *Whisper* and *Vicks*. The Company's distribution channels, *inter alia*, include distributors, modern retail stores, canteen stores, pharmacies and e-commerce platforms.

**IV. Employees**

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

**18. Details as at the end of Financial Year**
**a. Employees and workers (including differently abled)**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees (other than workers)					
1.	Permanent (D)	262	152	58%	110	42%
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>262</b>	<b>152</b>	<b>58%</b>	<b>110</b>	<b>42%</b>
	Workers					
4.	Permanent (F)	170	164	96%	6	4%
5.	Other than Permanent (G)*	494	435	88%	59	12%
6.	<b>Total workers (F + G)</b>	<b>664</b>	<b>599</b>	<b>90%</b>	<b>65</b>	<b>10%</b>

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

**b. Differently abled employees and workers: Nil**
**19. Participation/Inclusion/Representation of women**

Sr. No.	Designation	Total (A)	No. and percentage of females	
			No. (B)	% (B/A)
1.	<b>Board of Directors</b>	11	2	18.18%
2.	<b>Key Managerial Personnel (KMP)</b>	3*	Nil	Nil

\* 2 KMPs, viz., Mr. L. V. Vaidyanathan, Managing Director and Mr. Ghanashyam Hegde, Executive Director and Company Secretary are also part of the Board of Directors.

**20. Turnover rate for permanent employees and workers**

	2022-23			2021-22		
	Male	Female	Total	Male	Female	Total
Permanent Employees	8.0%	12.6%	10.0%	6.2%	12.9%	8.8%
Permanent Workers	0.0%	0.0%	0.0%	0.6%	0.0%	0.6%

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

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

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	The Procter & Gamble Company, USA	Ultimate holding company	70.64% (Indirect through its subsidiaries)	The Company is a subsidiary of The Procter & Gamble Company, USA, ("P&G US") and has adopted P&G's global standards in P&G's Worldwide Business Conduct Manual, as Company's business responsibility policy. The Company's business responsibility initiatives are guided by the global standards and practices, followed by P&G US.
2.	Procter & Gamble Overseas India B.V., The Netherlands	Holding company	68.73% (Direct shareholding)	

## VI. CSR Details

We continue to give back to the communities we serve through our flagship Corporate Social Responsibility program – P&G Shiksha, which focuses on providing education for underprivileged children through a 360-degree educational intervention as well as through our people and brands, who step up to make a positive impact.

### 22.

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
- (ii) Turnover : ₹ **3,905 Crores**
- (iii) Net worth : ₹ **946 Crores**

## VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Company's Worldwide Business Conduct Manual (the WBCM) sets forth the Company's standards of business responsibility	Nil	Nil	-	Nil	Nil	-
Employees and workers		5	1	-	2	1	-
Customers		Nil	Nil	-	Nil	Nil	-
Value Chain Partners		2	Nil	-	2	1	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) <i>(If Yes, then provide web-link for grievance redress policy)</i>	2022-23			2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
	and any grievances with respect to the WBCM are handled in accordance with process set forth in the WBCM.  Web-link to the WBCM: <a href="https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/">https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/</a>						
Investors (other than Shareholders)	The Company has dedicated contact details for investors and shareholders- <a href="mailto:investorpggh.im@pg.com">investorpggh.im@pg.com</a> .	Nil	Nil	-	Nil	Nil	-
Shareholders		15	Nil	-	8	Nil	-

## 24. Overview of the Company's material responsible business conduct issues

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

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Plastic packaging waste	Risk	The Company's products have plastic packaging.	The Company is committed towards reducing plastic packaging waste. The Company aims to design the consumer packaging to be recyclable or reusable; and to reduce the use of virgin petroleum plastic resin in consumer packaging. The Company has been collecting plastic packaging waste and fulfilling its Extended Producer Responsibility (EPR) Obligations.	Creating superior and sustainable packaging solutions represents an opportunity to delight consumers and retail partners and create incremental sales and profit in return. However, the cost of developing sustainable packaging alternative and cost implementing processes to be put in place for compliance with EPR obligations in respect of reuse, recycle and end of life disposal of plastic packaging waste could be significant.



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Diversity and Inclusion	Opportunity	Diversity & inclusion will help employees to develop and thrive and will also benefit our consumers.	Our Equality & Inclusion (E&I) efforts are integrated into how we serve diverse consumers. Our ability to do this most effectively is enabled by a workforce and culture that understands, respects and reflects the uniqueness of all the consumers we serve.	We believe that our E&I efforts provide us with a sustained competitive advantage and further enhances shareholder value.
3.	Community impact	Opportunity	Being a good corporate citizen is core to who we are as a Company. Therefore, it remains a priority now, and in the future.	We continue to give back to the communities we serve through our flagship Corporate Social Responsibility program – P&G Shiksha, which focuses on providing education for underprivileged children through a 360-degree educational intervention to enhance to education infrastructure, improve learning outcomes and support communities via targeted education interventions.	The Company is committed to making a positive impact in the communities we serve creating positive equity for P&G and the brands and products we sell.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Principle 1 Ethics, Transparency and Accountability (P1)

Principle 2 Safe and Sustainable Products (P2)

Principle 3 Employees' Well-being (P3)

Principle 4 Stakeholder Engagement (P4)

Principle 5 Human Rights (P5)

Principle 6 Environment Protection (P6)

Principle 7 Policy Advocacy (P7)

Principle 8 Inclusive Growth (P8)

Principle 9 Customer Value (P9)



Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	The Company has adopted P&G's WBCM, as its Business Responsibility policy, which sets forth global standards, covering all NGRBC Principles.								
	b. Has the policy been approved by the Board?	The Board of the Company at its meeting held on August 23, 2017, had approved P&G's WBCM, as Company's Business Responsibility policy.								
	c. Web Link of the Policies, if available	<a href="https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/">https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/</a>								
2.	Whether the entity has translated the policy into procedures	While the WBCM policy sets forth core global standards explaining legal & ethical responsibilities, there are detailed policies and procedures in place in respect of various expectations laid down in the WBCM.								
3.	Do the enlisted policies extend to your value chain partners	P&G expects its value chain partners to follow relevant aspects of our WBCM. Further information is available at <a href="http://pgsupplier.com">pgsupplier.com</a> .								
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	<p>Our Human Rights Policy Statement communicates our support for the UN Guiding Principles on Business and Human Rights, and the principles concerning fundamental rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. (P5)</p> <p>Our plant at Goa is ISO certified on Quality Management system - ISO 9001:2015 (P2, P9).</p> <p>The Company's Health &amp; Safety Environment management systems follow stringent and robust internal standards (P3, P6).</p>								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	<p><b>Continuous efforts of reducing environmental footprint:</b></p> <p>We have made progress across our focus areas of climate, water, and waste. We continue to be committed to leveraging renewable sources of energy in our operations.</p> <p><b>Whisper menstrual hygiene education program:</b></p> <p>The Company educated over 2 crore girls on puberty and hygiene over last two years, against a commitment of educating 2.5 crore girls by 2024.</p>								
<b>Governance, leadership and oversight</b>										
6.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. L. V. Vaidyanathan, Managing Director								
7.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Managing Director is responsible for decision making.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
8.	Details of Review of NGRBCs by the Company:  Performance against above policies and follow up action; and Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances  a. Whether review was undertaken by Director / Committee of the Board / Any other Committee  b. Frequency of review	<p>The Audit Committee reviews the Vigil Mechanism report, viz., complaints filed as per process set forth in the WBCM, on a quarterly basis.</p> <p>Compliance with statutory requirements is reviewed by the Board of Directors, annually, including statutory requirements relevant to NGBRC Principles.</p> <p>The Corporate Social Responsibility Committee reviews the business responsibility and sustainability report annually.</p> <p>Further, the Board is updated on various actions or updates relevant to the NGBRC Principles from time to time, eg. compliance with Plastic Waste Management Rules.</p>								
9.	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has a robust internal audit process led by the Global Internal Audit (GIA) function which consists of a team of independent fulltime Internal Controls experts. GIA function carries out audits on various matters, including various policies and processes under the WBCM, on a regular basis.								
10.	If answer to question (1) above is “No” i.e. not all	Principles are covered by a policy, reasons to be stated:								

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									Not Applicable
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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



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

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

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

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

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

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

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

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

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

Yes, the Company has an anti-bribery policy. The Company's antibribery policy prohibits bribes to government officials and employees everywhere we do business. The policy also prohibits allowing an external party to do so on the Company's behalf. The Company conducts regular trainings for employees in order to create awareness of the anti-bribery policy. The anti-bribery policy is hosted on the Company intranet. Details of the anti-bribery policy forms part of Company's WBCM, which is available at <https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/>.



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

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

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

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

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

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

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

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

**2.**

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

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

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

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

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

In accordance with the Plastic Waste Management Rules, 2016 (as amended from time to time), the Company has been collecting plastic packaging waste and fulfilling its Extended Producer Obligations.

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

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

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

**1.**

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
		Permanent employees (other than workers)									
Male	152	152	100%	152	100%	-	-	152	100%	152	100%
Female	110	110	100%	110	100%	110	100%	-	-	110	100%
<b>Total</b>	<b>262</b>	<b>262</b>	<b>100%</b>	<b>262</b>	<b>100%</b>	<b>110</b>	<b>100%</b>	<b>152</b>	<b>100%</b>	<b>262</b>	<b>100%</b>
		Other than Permanent employees									
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
		Permanent workers									
Male	164	164	100%	164	100%	-	-	164	100%	164	100%
Female	6	6	100%	6	100%	6	100%	-	-	6	100%
Total	170	170	100%	170	100%	6	-	164	-	170	100%
		Other than Permanent employees*									
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

## 2. Details of retirement benefits

Benefits	2022-23			2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	N.A.	100%	100%	N.A.
ESI	Nil	Nil	N.A.	Nil	Nil	N.A.

## 3. Accessibility of workplaces

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

We recognize the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016 and are taking proactive steps to support the needs of individuals with disabilities. Our Company has implemented various measures to provide accessible infrastructure, including ramps, wheelchair access, all gender accessible toilets, accessible parking, fire alarm flasher, automated sliding doors, etc. We believe that accessibility is an essential aspect of social responsibility and are persistent in our efforts to create an inclusive environment for everyone.

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

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

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The WBCM sets out several ways employees and others may report concerns, including via The Worldwide Business Conduct Helpline which is available via telephone, email, or web reporting around the world 24 hours a day, seven days a week. It is staffed by an independent company and can take calls in most languages. Reports of actual or suspected violations may also be made anonymously, where allowed by applicable law.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	2022-23			2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees	262	Nil	Nil	331	Nil	Nil
- Male	152	Nil	Nil	205	Nil	Nil
- Female	110	Nil	Nil	126	Nil	Nil
Total Permanent Workers	170	Nil	Nil	175	Nil	Nil
- Male	164	Nil	Nil	169	Nil	Nil
- Female	6	Nil	Nil	6	Nil	Nil

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

Category	Total (A)	2022-23				2021-22				
		On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		(D)	No. (E)	% (E/D)	No. (F)
Employees (other than workers)										
- Male	152	152	100%	152	100%	205	205	100%	205	100%
- Female	110	110	100%	110	100%	126	126	100%	126	100%
Total	262	262	100%	262	100%	331	331	100%	331	100%
Workers										
- Male	164	164	100%	164	100%	169	169	100%	169	100%
- Female	6	6	100%	6	100%	6	6	100%	6	100%
Total	170	170	100%	170	100%	175	175	100%	175	100%

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

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees (other than workers)</b>						
- Male	152	152	100%	205	205	100%
- Female	110	110	100%	126	126	100%
<b>Workers</b>						
- Male	164	164	100%	169	169	100%
- Female	6	6	100%	6	6	100%

## 10. Health and safety management system

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

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

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

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

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

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

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

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

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

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

## 11. Details of safety related incidents:

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

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

We are committed to promoting respect of our employees in the workplace, ensuring workplace health and safety, and ensuring fair employment practices. Accordingly, we are committed to the highest standards of safety to protect ourselves, our employees and external parties who work at or visit our sites. All P&G employees must follow safety and security procedures, as well as applicable laws and regulations. If employees are aware of, or suspect, any unsafe working conditions or other safety issues, they must report





the situation to their manager, site safety leader or Legal immediately. If there are any concerns about health at work, the employee must promptly contact their site Health Services (Medical) unit.

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

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

### 14. Assessments for the year

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

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

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

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

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

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

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>Regular organizational engagements (in-person &amp; virtual)</li> <li>Email</li> </ul>	<p>Ongoing</p> <p>Event based</p>	<ul style="list-style-type: none"> <li>Employee engagement activities</li> <li>Learning and development</li> <li>Employee recognition</li> <li>Employee performance review and career development</li> <li>Employee safety and well-being</li> </ul>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders / Investors	No	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Postal ballots/e-voting</li> <li>Website updates</li> <li>Newspaper notices</li> <li>Email</li> </ul>	Annual Event based Event based Ongoing Event based	<ul style="list-style-type: none"> <li>Engagement with management on business performance &amp; strategy</li> <li>Seeking approval on resolutions</li> <li>Disclosure of information</li> <li>Resolution of share related grievances</li> </ul>
Consumers	No	<ul style="list-style-type: none"> <li>Advertisements on various media (TV, Social media, newspaper etc.)</li> <li>Website</li> <li>Email</li> <li>Phone</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Awareness of Company's products</li> <li>Seeking consumer feedback</li> <li>Resolution of consumer queries / complaints</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>Email</li> <li>Phone</li> <li>Market visits and In-person meetings</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Distribution of goods</li> </ul>
Suppliers & value chain partners	No	<ul style="list-style-type: none"> <li>Email</li> <li>Phone</li> <li>Supplier portal- website</li> <li>Meetings</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Sourcing related discussions</li> <li>Conducting third-party risk assessment for engaging suppliers</li> </ul>
Government & Regulatory bodies	No	<ul style="list-style-type: none"> <li>In-person meetings</li> <li>Advocacy through Trade Associations</li> <li>Email</li> <li>Statutory filings (electronic physical filing)</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Advocacy on proposed laws and policies impacting business &amp; operations</li> <li>Various applications, incl. licenses etc.</li> <li>Statutory compliances</li> </ul>
Community	Yes	<ul style="list-style-type: none"> <li>Connects via NGO partners</li> <li>On-ground field visits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>CSR activities</li> <li>Equality &amp; Inclusion objectives</li> </ul>

#### PRINCIPLE 5: Businesses should respect and promote human rights

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



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

Category	2022-23			2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (D)	No. of employees / workers covered (E)	% (E / D)
<b>Employees (other than workers)</b>						
Permanent	262	262	100%	331	331	100%
Other than permanent	-	-	-	-	-	-
Total Employees	262	262	100%	331	331	100%
<b>Workers</b>						
Permanent	170	170	100%	175	175	100%
Other than permanent	-	-	-	-	-	-
Total Employees	170	170	100%	175	175	100%

Note: All employees of the Company are trained on the expectations under P&G's Worldwide Business Conduct Manual (WBCM). Additionally, WBCM compliance certifications are obtained from all Managers of the Company annually.

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

Category	2022-23					2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F/ D)
Employees (other than workers)										
Permanent	262	Nil	Nil	262	100%	331	Nil	Nil	331	100%
Male	152	Nil	Nil	152	100%	205	Nil	Nil	205	100%
Female	110	Nil	Nil	110	100%	126	Nil	Nil	126	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	170	Nil	Nil	170	100%	175	Nil	Nil	175	100%
Male	164	Nil	Nil	164	100%	169	Nil	Nil	169	100%
Female	6	Nil	Nil	6	100%	6	Nil	Nil	6	100%
Other than Permanent*	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

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

### 3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (₹ In Lakhs)	Number	Median remuneration / salary / wages of respective category (₹ In Lakhs)
Board of Directors (BoD)	9	23	2	23.5
Key Managerial Personnel <sup>^</sup>	3	115	-	-
Employees (other than workers)	152	34	110	33
Workers	164	14	6	13

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

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

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

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

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

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

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

### 6. Number of complaints on the following made by employees and workers

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



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

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

**8. Do human rights requirements form part of your business agreements and contracts?**

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

**9. Assessments for the year**

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

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

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity**

<b>Parameter</b>	<b>2022-23</b>	<b>2021-22</b>
Total electricity consumption (A)	66046 GJ	67581 GJ
Total fuel consumption (B)	4372 GJ	6192 GJ
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>70418 GJ</b>	<b>73773 GJ</b>
Energy intensity per rupee of turnover (GJ/₹ Lakhs) (Total energy consumption / turnover)	0.18	0.19

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

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



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

Parameter	2022-23	2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	16849	21690
(iii) Third party water (Municipal water)	7275	4717
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater)	370	628
<b>Total volume of water withdrawal</b> (in kilolitres) (i + ii + iii + iv + v)	<b>24494</b>	<b>27035</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>24494</b>	<b>27035</b>
Water intensity per rupee of turnover (KL / ₹ Lakhs) (Water withdrawn / turnover)	0.06	0.07

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

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

The Company continuously strives to achieve water efficiency. This year the Company achieved 10328 kilolitres circular water through Condensate Recovery and Internal Effluent Treatment Plant (ETP) Recycle.

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

Parameter	Please specify unit	2022-23	2021-22
NOx @ 15% O <sub>2</sub>	kg/hour	117.08	208.39
SO <sub>2</sub>	g/kw-hr	2.10	3.87
Particulate matter (PM)	g/kw-hr	0.40	0.53
Persistent organic pollutants (POP)	N.A.	Nil	Nil
Volatile organic compounds (VOC)	N.A.	Nil	Nil
Hazardous air pollutants (HAP)	N.A.	Nil	Nil
Others:			
Particulate Matter @ 15% O <sub>2</sub>	g/kw-hr	43.61	83.47
CO @ 15% O <sub>2</sub>	g/kw-hr	42.06	92.93
NMHC as C @ 15% O <sub>2</sub>	g/kw-hr	38.61	76.81
Carbon Monoxide	g/kw-hr	0.23	0.34
Hydrocarbon	mg/Nm <sup>3</sup>	0.18	0.22

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



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

Parameter	Unit	2022-23	2021-22
Total Scope 1 emissions	MT	307	435
Total Scope 2 emissions	MT	Nil*	Nil*
Total Scope 1 and Scope 2 emissions per rupee of turnover	MT per ₹ Lakhs	0.00	0.00

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

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

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

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

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

Parameter	2022-23	2021-22
Plastic waste (A)	1733.43 MT	1889.16 MT
E-waste (B)	8.04 MT	0.23 MT
Bio-medical waste (C)	0.23 MT	0.00 MT
Construction and demolition waste (D)	15.00 MT	154.00 MT
Battery waste (E)	0.48 MT	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	7.38 MT	9.62 MT
Other Non-hazardous waste generated (H). Please specify, if any.	1547.51 MT	1719.89 MT
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>3312.07 MT</b>	<b>3772.90 MT</b>

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

Category of waste	-	-
(i) Recycled*	3311.84 MT	3772.90 MT
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>3311.84 MT</b>	<b>3772.90 MT</b>

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	0.23 MT	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	<b>0.23 MT</b>	<b>-</b>

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

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

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

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

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

Our brands have also stepped forward towards environmental sustainability. Our brand Vicks transformed its sore throat drop container found on the counters of high frequency retailers in India to 100% post-consumer recycled (PCR) plastic – reducing dependence on traditional, virgin plastic and creating a recycle ready package.

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

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

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

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

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

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

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

**1. a. Number of affiliations with trade and industry chambers / associations**

The Company is affiliated with 10 (ten) trade and industry chambers/associates.

**b. List the top trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of / affiliated to-**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
1	The Advertising Standard Council of India (ASCI)	National
2	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3	Confederation of Indian Industry (CII)	National
4	US India Business Council (USIBC)	National
5	India Home & Personal Care Industry Association (IHPCIA)	National



Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
6	Feminine Hygiene Association of India (FIHA)	National
7	Indian Beauty and Hygiene Association (IBHA)	National
8	Ayurvedic Drug Manufacturers Association (ADMA)	National
9	Media Research Users Council (MRUC)	National
10	Indian Society of Advertisers (ISA)	National

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

Name of authority	Brief of the case	Corrective action taken
Not applicable		

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

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

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

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

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

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

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

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

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

	2022-23
Directly sourced from MSMEs / small producers	7.82%
Sourced directly from within the district and neighboring districts	15.78%

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

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

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

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


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

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

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

	2022-23		2021-22	
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy	1	Nil	1	Nil
Advertising	2	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil
Other – Product quality / performance, offers & promotions etc.	1161	Nil	721	Nil

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

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





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

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

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

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

## Annexure II

## Annual Report on Corporate Social Responsibility

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

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

Doing the right thing is the foundation of Procter & Gamble's Purpose, Values, and Principles. It is naturally woven into the way we work every day. We call this responsibility – Citizenship, and our Citizenship framework is based on key pillars of Community Impact, Equality & Inclusion and Environmental Sustainability, with a strong foundation of Ethics & Corporate Responsibility guiding everything we do.

Our Community Impact efforts are brought to life via our flagship Corporate Social Responsibility program – P&G Shiksha. The program focuses on providing education for underprivileged children through a 360-degree educational intervention.

P&G Shiksha began in 2005 with the intention of building schools to provide access to education to underprivileged children. As the country progressed, P&G Shiksha evolved into a 360-degree program that aims to enhance children's learning environment, improve learning outcomes, and empower marginalized communities through education.

Details on programs under P&G Shiksha as are follows:

Strengthening Educational Infrastructure

Many schools in the remote towns and villages of the country operate from dilapidated or open structures. Strong infrastructural support at schools can help make the environment around children more conducive to learning and eliminating distractions. Therefore, together with our partners at Round Table India, we undertake educational infrastructure enhancement projects that include building classrooms and essential infrastructural enhancement like furniture, black boards among others. We also focus on building playgrounds and improving health and hygiene facilities for children like clean drinking water and separate toilets for girls and boys at schools. This helps improve the learning environment for children and teachers, and the impact is seen in increasing enrolments, better attendance, reducing dropouts, driving lesson- efficiency for teachers, encouraging students, and therefore, overall higher learning level.

Imparting Early Childhood Education

We implement our Early Childhood Education program with our partner Pratham Foundation to enable this holistic development of children and their readiness for school in the age group of 3-6 years. During the early stages of childhood, when brain development is at its highest point, nurturing the appropriate developmental skills of children has been closely linked with positive outcomes, including improved school readiness and increased knowledge retention of the child. Therefore, through the program, we focus on developing motor, cognitive, social-emotional, language and creative skills in children, to help set them up for a fast-paced growth as they begin their education journey.

Leveraging Technology To Bridge Learning Gaps

We are partnering with Educational Initiatives to implement 'Mindspark', an artificial intelligence based adaptive learning tool to remediate learning gaps in students across government schools in 6 states of the country. The tool integrates pedagogy, teacher instruction and a learning management system to assess a student's learning level and develop a customized learning path for each one of them. The program has garnered strong support from various state governments and is poised for successful scaling and widespread implementation in priority state schools. This AI enabled tech is truly helping us enable thousands of children across the country, in improving their learning outcomes and bringing their learning levels at par with their grade level.

Remediating Learning Gaps In Communities

We are implementing on-ground remedial learning interventions in partnership with Pratham Education Foundation, by using a community based and an 'in-school' model, together with the support of trained volunteers from within the community and teachers at school. As part of this, we are following the approach of 'Teaching at the Right Level', where children in Grades 3 to 5 are grouped according to their learning levels rather than grade, and level-specific activities are conducted to help strengthen their skills in these subjects. With schools reopening completely post the pandemic, we have concentrated our



efforts in ensuring that children come back to school and the existing learning gap is addressed.

#### Supporting Special Initiatives

We continue to empower communities near our manufacturing plants through various special interventions where our people don their volunteering hats and work closely with renowned partners such as Mattruchaya in Goa and Aarushi in Madhya Pradesh to provide vital support to children with diverse needs.

Additionally, we also proudly collaborate with the welfare arms of the country's defense forces, including the Army Wives Welfare Association, Navy Wives Welfare Association, and Air Force Wives Welfare Association, to make a positive impact on the education of children.

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/#policies>

## **2. The composition of the CSR Committee as on June 30, 2023:**

Name of the Member of the Committee	Designation	Number of meetings of CSR Committee held during tenure	Number of meetings of CSR Committee attended during the tenure
Mr. Anil Kumar Gupta	Chairman	2	2
Mr. L. V. Vaidyanathan	Member	2	2
Mr. Karthik Natarajan	Member	2	Nil
Ms. Sonali Dhawan	Member	2	2
Mr. Gurcharan Das*	Member	Nil	-

\*Mr. Das was appointed as Member of the Committee effective May 10, 2023.

The composition of the CSR Committee 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 rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable**

Impact assessment report for the Financial Year 2022-23 is available at <https://in.pg.com/india-investors/pghh/shareholder-info/info/>.

## **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**

Amount available for set-off – ₹ 14.79 Crores

Amount required for set off – ₹ 1.77 Crores

## **5. Average net profit of the Company for last three Financial Years – ₹ 750.92 Crores**

- Prescribed CSR expenditure (2% of amount as in item 5) – ₹ 15.02 Crores
- Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years – Nil
- Amount required to be set off for the Financial Year – ₹ 1.77 Crores
- Total CSR obligation for the Financial Year (a+b-c) – ₹ 13.25 Crores

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

- Total amount spent for the Financial Year – ₹ 13.25 Crores
- Total amount transferred to Unspent CSR Account as per section 135 (6) of the Companies Act, 2013 – Nil
- Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Companies Act, 2013 – Nil

## **8. Details of CSR amount spent against ongoing projects for the Financial Year - Nil**

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project	(6) Amount spent for the project (in ₹ Crores)	(7) Mode of Implementation: Direct (Yes/No)	(8) Mode of implementation Through implementing agency	
							Name	CSR registration number
1	P&G Shiksha: Supporting remedial learning via digital learning	Promoting education	No	Rajasthan, Madhya Pradesh, Himachal Pradesh, Telangana	5.00	Yes	-	-
2	P&G Shiksha: Read India Program and Early Childhood Education	Promoting education	Yes	Rajasthan, Himachal Pradesh, Delhi, Madhya Pradesh, Maharashtra, Telangana	3.00	No	Pratham Education Foundation	CSR00000258
3	P&G Shiksha: Build & Support Schools	Promoting education	Yes	Pan-India	4.27	No	Round Table India Trust	CSR00000895
4	P&G Shiksha: Supporting communities around our plant – Satlapur Government School for nutrition and hygiene support	Promoting education	No	Mandideep	0.15	No	Aarushi	CSR00006205
5	Supporting a special home for the orphan, destitute and abandoned children	Supporting Community	Yes	Goa	0.08	No	Mattruchaya Trust	CSR00008186
6	Supporting special care for children born with disabilities through 'Early Intervention Centre' at Command Hospital – Central Command - Lucknow	Promoting Preventive Healthcare for Children with Disabilities	No	Lucknow	0.30	No	Army Wives Welfare Association	CSR00001826
7	Constructing Rain Water Harvesting Systems at P&G Shiksha supported schools	Promoting Sustainability	No	Kota, Ahmedabad, Jodhpur, Baddi, Udaipur, Bhopal, Chennai, Raipur, and Pondicherry	0.30	No	Round Table India Trust	CSR00000895

- 10.** a. Amount spent in Administrative Overheads – Nil  
b. Amount spent on Impact Assessment, if applicable – ₹ 0.15 Crores  
c. Total amount spent for the Financial Year – ₹ 13.25 Crores  
d. Excess amount for set-off, if any – ₹ 1.77 Crores

Sr. No.	Particulars	Amount (in ₹ Crores)
1	Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013	15.02
2	Total amount spent for the Financial Year	13.25
3	Excess amount spent for the Financial Year [(2)-(1)]	Nil
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	13.02

**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):**

Sr. No.	Name of the Project	Details of the program	Financial Year in which the project was commenced	Project duration (in months)	Total amount allocated for the project (In ₹ Crores)	Amount spent on the project in the reporting Financial Year (In ₹ Crores)*	Cumulative amount spent at the end of reporting Financial Year (In ₹ Crores)	Status of the project - Completed /Ongoing
1	P&G Shiksha: Betiyan Scholarship	Promoting education	2021-22	12	0.10	0.00	0.10	Completed
2	P&G Shiksha: Supporting Defence NGOs to educate underprivileged children	Education: Support Sankalp School Mumbai - a special school for differently abled children	2021-22	12	0.45	0.18	0.45	Completed
3	P&G Shiksha: Supporting Defence NGOs to educate underprivileged children	Education: Support Umeed Schools through AFWWA – school for the underprivileged	2021-22	12	0.30	0.21	0.30	Completed
4	P&G Shiksha: Supporting Defence NGOs to educate underprivileged children	Education: Support Asha Schools, APS Leh and Education of Girl Children for Army Widows through AWWA	2021-22	12	0.66	0.66	0.66	Completed

\* The funds for the project were disbursed to the NGO's during the previous Financial Year and were not lying with the Company as on June 30, 2022. These funds were utilized during the Financial Year 2022-23 as per respective project durations.

**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 percent of the average net profit as per section 135(5) of the Companies Act, 2013 –** Not applicable

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

**L.V. Vaidyanathan**  
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 to the median remuneration of the employees of the Company and % increase in remuneration of Directors &amp; Key Managerial Personnel for the Financial Year:

Name of Director	Designation	Total remuneration <sup>\$</sup> (₹ in lakhs)	% increase in remuneration	Ratio to median remuneration
Mr. L. V. Vaidyanathan	Managing Director	214.35	N.A. ^	9.18
Mr. Chittranjan Dua	Independent Director	23.00	6.66%	0.99
Mr. Gurcharan Das	Independent Director	16.33	N.A. ^	0.70
Mr. Krishnamurthy Iyer	Independent Director	20.50	6.66%	0.88
Mr. Anil Kumar Gupta	Independent Director	26.00	6.66%	1.11
Ms. Meena Ganesh	Independent Director	23.50	6.66%	1.01
Mr. Pramod Agarwal	Non-Executive Director	20.00	6.66%	0.86
Ms. Sonali Dhawan	Non-Executive Director	-	-	-
Mr. Karthik Natarajan	Non-Executive Director	-	-	-
Mr. Gagan Sawhney	Non-Executive Director	-	-	-
Mr. Ghanashyam Hegde	Executive Director & Company Secretary	108.84	14%	4.66
Mr. Prashant Bhatnagar	Chief Financial Officer	115.16	-	4.93

^ Mr. L. V. Vaidyanathan and Mr. Gurcharan Das were appointed during the year, hence % increase in remuneration is not applicable.

\$ Please refer to Corporate Governance section of the Report for details of remuneration.

## ii. The % increase in the median remuneration of employees in the Financial Year - 8%.

## iii. The number of permanent employees on the rolls of Company- 432.

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

The average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year was 11% whereas the increase in managerial remuneration was 16%. 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

### SECRETARIAL AUDIT REPORT

#### FORM NO. MR-3

#### FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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** (hereinafter called '**the Company**'). 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.

#### Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on June 30, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 June 30, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent Overseas Direct Investment (**Foreign Direct Investment and External Commercial Borrowings are not Applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)

- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**;
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. ('Buy-back Regulations'); **(Not Applicable to the Company during the Audit Period)**; and
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. mentioned above except while appointment Mr. Gurcharan Das as an additional Independent Director, w.e.f. September 1, 2022, having age of 78 years on the date of appointment, the Company has not taken prior approval of shareholders. However, the Company has regularised the appointment w.e.f. September 1, 2022 within 3 months as per Regulation 17(1C) of Listing Regulations by taking shareholder approval in Annual General Meeting dated November 15, 2022. Also, Company has received communication from both the Stock Exchanges imposing penalty of ₹ 1,06,200/- each w.r.t. non-compliance with Regulation 17(1A) of Listing Regulations, but the Company has different opinion and they have applied for waiver stating they have complied with Regulation 17(1C) of Listing Regulations.

**We further report that**, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

- i. Drugs and Cosmetics Act, 1940;
- ii. The Legal Metrology Act, 2009;
- iii. The Legal Metrology (Packaged Commodities) Rules, 2011 and
- iv. Plastic Waste Management Rules, 2016.

#### **We further report that**

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 audit period were carried out in compliance with the provisions of the Act and Listing Regulations except as mentioned above.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except few meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**For Makarand M. Joshi & Co.  
Company Secretaries**

**Kumudini Bhalerao**  
Partner  
FCS: 6667  
CP: 6690

**Date : August 28, 2023**  
**Place : Mumbai**

**PR: 640/2019**  
**UDIN: F006667E000881961**

**This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**



**Annexure A**

To,

The Members,

**Procter & Gamble Hygiene and Health Care Limited**

P & G Plaza, Cardinal Gracias Road, Chakala,

Andheri East, Mumbai – 400 099

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

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

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

**For Makarand M. Joshi & Co.  
Company Secretaries**

**Kumudini Bhalerao  
Partner  
FCS: 6667  
CP: 6690**

**Date : August 28, 2023  
Place : Mumbai**

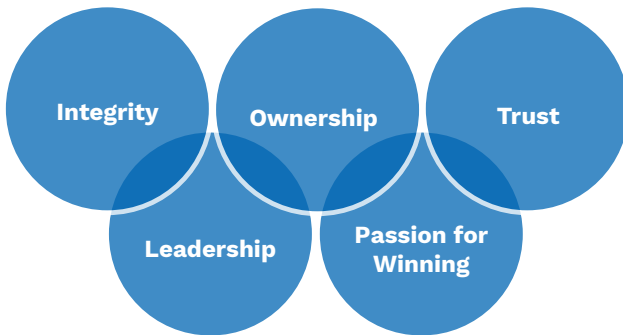
**PR: 640/2019  
UDIN: F006667E000881961**

## CORPORATE GOVERNANCE

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

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

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



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

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

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

P&G's objective is to create value for our shareholders by serving consumers, retail partners, employees and the communities in which we live and work. Our Citizenship framework is based on key pillars of Community Impact, Equality & Inclusion and Environmental Sustainability, with a strong foundation of Ethics & Corporate Responsibility guiding everything we do.

### BOARD, ITS COMMITTEES AND GOVERNANCE

#### (a) Composition of the Board

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors. As on date, the Board comprises of a Non-Executive Independent Chairman, a Managing Director, one Executive Director and eight other Non-Executive Directors (including one women Independent Director). 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 ("the Act") 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 Act 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



M/s. Saraf & Associates, Practicing Company Secretary (annexed to this Report), confirming the same.

All Directors have confirmed that as on June 30, 2023, they have not been disqualified from being appointed as Directors in terms of Section 164(2) of the Act.

The composition of the Board of Directors and their Directorships in other Companies held as on June 30, 2023 are given below:

Name of the Director	Directorship in other companies*	Membership of Board Committees of other companies **		Directorships in other listed companies
		Member	Chairman	
Mr. Chittranjan Dua, Chairman and Independent Director	14	3	1	Non-Executive Independent Director: 1. Gillette India Limited 2. Pearl Global Industries Limited 3. TVS Motor Company Limited 4. TVS Holdings Limited
Mr. L. V. Vaidyanathan, Managing Director	2	2	Nil	Managing Director: 1. Gillette India Limited
Ms. Meena Ganesh, Independent Director	13	3	1	Non-Executive Independent Director: 1. Pfizer Limited 2. Axis Bank Limited 3. Hitachi Energy India Limited
Mr. Anil Kumar Gupta, Independent Director	1	2	1	Non-Executive Independent Director: 1. Gillette India Limited
Mr. Gurcharan Das, Independent Director	3	1	Nil	Non-Executive Independent Director: 1. Gillette India Limited
Mr. Krishnamurthy Iyer, Independent Director	2	Nil	Nil	Nil
Mr. Pramod Agarwal, Non-Executive Director	1	1	Nil	Non-Executive Director: 1. Gillette India Limited
Ms. Sonali Dhawan, Non-Executive Director	1	1	Nil	Non-Executive Director: 1. Gillette India Limited
Mr. Karthik Natarajan, Non-Executive Director	1	Nil	Nil	Non-Executive Director: 1. Gillette India Limited
Mr. Gagan Sawhney, Non-Executive Director	1	Nil	Nil	Non-Executive Director: 1. Gillette India Limited
Mr. Ghanashyam Hegde, Executive Director and Company Secretary	1	Nil	Nil	Nil

\*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.

**(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 and have effective participation in the meetings.

During the Financial Year July 1, 2022 to June 30, 2023, four meetings of the Board were held. These meetings were held on August 22, 2022, November 2, 2022, January 31, 2023, and May 10, 2023.

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

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

The Company Secretary determines the agenda items for meetings and finalizes them in consultation with the management of the Company and the Managing Director. The Board is sent detailed agenda well in advance of the Board meeting. As part of green initiative for reducing usage of papers, agenda is circulated via email, restricting the email to only Directors and Key Managerial Personnel of the Company. The Company Secretary of the Company attends all the meetings and is primarily responsible for noting of the minutes of the meeting. The draft Minutes are circulated to the Board and its Committees in compliance with the Act and the SEBI (LODR) Regulations, 2015. On receipt of comments, the Minutes are entered in the books within 30 days of the Meeting.

The Company Secretary notes actionable items discussed during the meeting. The Management reports back to Board on the status of such items in the subsequent meeting or as needed post the meeting.

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

**(d) Directors' attendance record**

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	4	4	Yes
Mr. L. V. Vaidyanathan	4	4	Yes
Mr. Krishnamurthy Iyer	4	4	Yes
Mr. Anil Kumar Gupta	4	4	Yes
Ms. Meena Ganesh	4	4	Yes
Mr. Gurcharan Das <sup>^</sup>	3	3	Yes
Mr. Pramod Agarwal	4	3	Yes
Mr. Ghanashyam Hegde	4	4	Yes
Ms. Sonali Dhawan	4	4	Yes
Mr. Karthik Natarajan	4	1	Yes
Mr. Gagan Sawhney	4	3	Yes

<sup>^</sup> Mr. Gurcharan Das was appointed as an Independent Director on the Board of the Company effective September 1, 2022

**(e) Familiarization programme for Independent Directors**

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

The Company conducts presentations at meetings of the Board and meeting of various Committees of the Board periodically to familiarize the Independent Directors with the business performance, business strategy and operations. The Company also annually conducts a strategy meeting for the Board of Directors to discuss plans and updates on business categories, supply chains, go-to-market and organisation. Such discussions are led by functional heads so that Independent Directors can have direct interaction with the Company leadership team. 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:

- Issue a formal letter of appointment at the time of appointment; and
- Provide introductory documents including Annual Report, Board committee framework, codes of conducts, as may be applicable to

the Director, various policies and procedures adopted by the Company.

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

**(f) 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 health care 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)
Strategy / Business Operation Expertise		Experience of leading the companies as CEO or part of Senior management or as Functional leader with strategic or business operations expertise Experience in digital, technology driven businesses
FMCG Domain Expertise		Experience of FMCG industry
Regulatory / Policy 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:

Name of the Director					
Mr. Chittranjan Dua	-	✓	✓	-	✓
Mr. Gurcharan Das	✓	-	✓	✓	✓
Mr. Krishnamurthy Iyer	✓	-	✓	-	✓
Mr. Anil Kumar Gupta	-	-	✓	✓	-
Ms. Meena Ganesh	✓	-	✓	-	-
Mr. Pramod Agarwal	✓	-	✓	✓	-
Mr. L.V. Vaidyanathan	✓	-	✓	✓	-
Ms. Sonali Dhawan	-	-	✓	✓	-
Mr. Karthik Natarajan	✓	-	✓	✓	-
Mr. Gagan Sawhney	✓	-	✓	✓	-
Mr. Ghanashyam Hegde	-	✓	-	✓	✓

**(g) Annual Evaluation of the Directors and Separate meeting of Independent Directors**

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

The Company has an evaluation process in place where feedback is sought by way of structured questionnaires covering various aspects in line with the Guidance Note on Board evaluation issued by the Securities and Exchange Board of India vide its circular dated January 5, 2017 like, independence, structure & composition, Board oversight and effectiveness, cohesion in meetings, meeting process, flow of information etc. Performance evaluation process is led by the Lead Independent Director based on the responses received from the Directors.

Mr. Anil Kumar Gupta was appointed as Lead Independent Director for the performance evaluation process for Financial Year 2022-23. The Independent Directors of the Company met separately without the presence of Directors individually, or management representatives on August 9, 2023 (via video-conferencing) to review the performance of individually directors; the Board & the Chairperson of the Company, the Board and its Committees, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The overall performance evaluation exercise was completed to the satisfaction of the Board of Directors. The key outcome of the evaluation and actionable areas were discussed at the meetings

Details of the remuneration paid or provided to the Directors of the Company during the Financial Year ended June 30, 2023 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	-	16,00,000	7,00,000	-
Mr. L. V. Vaidyanathan	None	2,14,35,006 <sup>\$</sup>	-	-	-
Mr. Gurcharan Das <sup>%</sup>	None	-	13,33,333	3,00,000	-
Mr. Krishnamurthy Iyer	None	-	16,00,000	4,50,000	-
Mr. Anil Kumar Gupta	None	-	16,00,000	10,00,000	-
Ms. Meena Ganesh	None	-	16,00,000	7,50,000	-

of the Nomination and Remuneration Committee and the Board and the same were noted to be acted upon.

**(h) Stock Options**

The Company does not have any Stock Option Plan for its employees. However, all employees of the Company are given the right to purchase 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 32 forming part of the Financial Statements.

**(i) Remuneration of Directors**

Members of the Company at their 54<sup>th</sup> 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 28, 2023 approved payment of annual commission of ₹ 16 lakhs each to Non-P&G (who are not in employment of any P&G group entity) Non-Executive Directors on pro-rata basis. 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.

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. Pramod Agarwal	None	-	16,00,000	4,00,000	50
Ms. Sonali Dhawan	None	-	-	-	-
Mr. Karthik Natarajan	None	-	-	-	-
Mr. Ghanashyam Hegde	None	1,08,84,538^	-	-	-
Mr. Gagan Sawhney	None	-	-	-	-

\* Excludes shares held by relatives.

§ Mr. L. V. Vaidyanathan is paid by the Company and portion of the remuneration is cross charged to P&G Group Companies, Gillette India Limited and Procter & Gamble Home Products Private Limited in proportion to their respective Net Outside Sales. The above table reflects the amount of remuneration to Mr. L. V. Vaidyanathan contributed by the Company. Mr. L. V. Vaidyanathan has exercised Stock Options of the ultimate Holding Company under its Employee Stock Option Plan, of which Rs. 44,06,854 has been charged to the Company.

¶ Mr. Gurcharan Das was appointed as an Independent Director on the Board of the Company effective September 1, 2022.

^Mr. Ghanashyam Hegde is paid remuneration from P&G Group Company viz. Gillette India Limited and the Company contributes towards the same in proportion to its Net Outside Sales. The above table reflects the amount of remuneration to Mr. Ghanashyam Hegde contributed by the Company. Mr. Ghanashyam Hegde has exercised Stock Options of the ultimate Holding Company under its Employee Stock Option Plan, of which Rs. 38,34,723 has been charged to the Company.

## (j) Related Party Transactions

The Company has adopted Related Party Transaction Policy ('RPT Policy') to ensure that

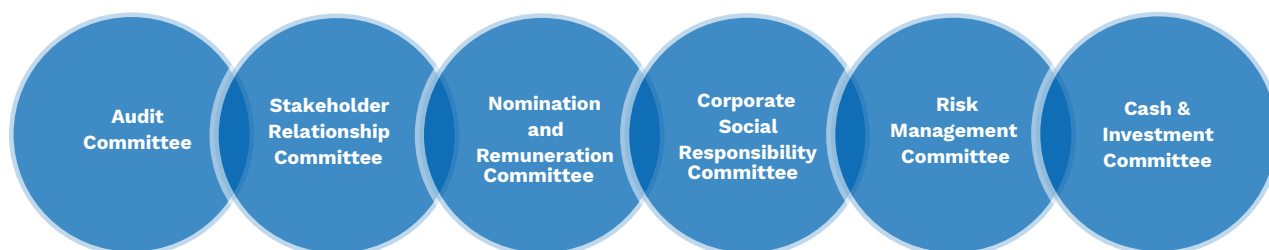
all Related Party Transactions entered into by the Company shall be in the best interest of the Company and in accordance with the provisions of the Act and the SEBI (LODR) Regulations, 2015.

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

There are no material pecuniary relationships or 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 33 forming part of the Financial Statements.

## (k) Committees of the Board





### Audit Committee

During the Financial Year, the Audit Committee met four times, on August 22, 2022, November 2, 2022, January 31, 2023, and May 10, 2023. Mr. Ghanashyam Hegde is Company Secretary to the Committee.

Composition and attendance of the Members of the Audit Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. Chittranjan Dua (Chairman)	ID	4	4
Mr. Anil Kumar Gupta (Member)	ID	4	4
Ms. Meena Ganesh (Member)	ID	4	4
Mr. L. V. Vaidyanathan (Member)	ED	4	4

ID= Independent Director, ED=Executive Director

The Audit Committee plays the role as is contemplated under Section 177 of the Act 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;
- Approval or any subsequent modification of transactions of the Company with related parties;

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Examination and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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;
- 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

During the Financial Year, four meetings were held on August 22, 2022, November 2, 2022, January 31, 2023, and May 10, 2023. Composition and attendance of the Members of the Stakeholder Relationship Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. Anil Kumar Gupta (Chairman)	ID	4	4
Mr. Ghanashyam Hegde (Member)	ED	4	4
Mr. L. V. Vaidyanathan (Member)	ED	4	3

ID= Independent Director, ED=Executive Director

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 and statutory notices by the shareholders of the Company.

During the Financial Year, the Company received 13 complaints from Shareholders. These complaints have been resolved during the Financial Year. There were no pending complaints as on June 30, 2023.

Mr. Ghanashyam Hegde is the Compliance Officer of the Company.

### Nomination and Remuneration Committee

During the Financial Year, two meetings were held on August 22, 2022 and January 31, 2023.

Composition and attendance of the Members of the Nomination and Remuneration Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. Anil Kumar Gupta (Chairman)	ID	2	2
Mr. Chittranjan Dua (Member)	ID	2	2
Mr. Gagan Sawhney (Member)	NED	2	1
Mr. Gurcharan Das (Member) <sup>^</sup>	ID	Nil	Not Applicable

ID=Independent Director, NED=Non-Executive Director.

<sup>^</sup>Mr. Gurcharan Das was inducted as Member of the Committee effective May 10, 2023.

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

During the Financial Year, two meetings were held on August 22, 2022 and January 31, 2023. Composition and attendance of the Members of the Corporate Social Responsibility Committee during the Financial Year is detailed in table below :

Members of the Committee	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. Anil Kumar Gupta (Chairman)	ID	2	2
Mr. L. V. Vaidyanathan (Member)	ED	2	2
Ms. Sonali Dhawan (Member)	NED	2	2
Mr. Karthik Natarajan (Member)	NED	2	Nil
Mr. Gurcharan Das (Member) <sup>^</sup>	ID	Nil	Not Applicable

ID=Independent Director, ED=Executive Director, NED=Non-Executive Director.

^Mr. Gurcharan Das was inducted as Member of the Committee effective May 10, 2023.

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 in lines with terms of the Companies Act, 2013.

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

During the Financial Year, four meetings were held on August 22, 2022, November 2, 2022, January 31, 2023, and May 10, 2023. Composition and attendance of the Members of the Risk Management Committee during the Financial Year is detailed in table below :

Member of the committee	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. L. V. Vaidyanathan (Chairman)	ED	4	4
Mr. Anil Kumar Gupta (Member)	ID	4	4
Ms. Meena Ganesh (Member)	ID	4	4
Mr. Pramod Agarwal (Member)	NED	4	3
Mr. Karthik Natarajan (Member)	NED	4	Nil

Member of the committee	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Ghanashyam Hegde (Member)	ED	4	4
Mr. Gagan Sawhney (Member)	NED	4	3
Mr. Prashant Bhatnagar (Member)	CFO	4	4
Mr. Krishnamurthy Iyer (Member)^	ID	Nil	Not applicable

ID=Independent Director, ED=Executive Director, NED=Non-Executive Director, CFO=Chief Financial Officer

^ Mr. Krishnamurthy Iyer was inducted as Member of the Committee effective May 10, 2023.

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. The Governance Board, led by the Managing Director and comprising of Group Chief Financial Officer, Chief Human Resource Officer, Supply Chain Leader, Purchasing & Sustainability Leader and General Counsel, 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.

### Cash & Investment Committee

During the Financial Year, two meetings were held on August 22, 2022 and January 31, 2023. Composition and attendance of the Members of the Cash & Investment Committee during the Financial Year is detailed in table below:

Members of the Committee	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. Pramod Agarwal (Chairman)	NED	2	1
Mr. Anil Kumar Gupta (Member)	ID	2	2
Mr. Karthik Natarajan (Member)	NED	2	Nil
Mr. Gagan Sawhney (Member)	NED	2	1
Mr. Ghanashyam Hegde (Member)	ED	2	2

ID=Independent Director, ED=Executive Director, NED=Non-Executive Director

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.

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

Name of senior management personnel	Designation
Mr. L. V. Vaidyanathan	Managing Director
Mr. Gautam Kamath	Finance Head
Mr. Sairamana Ponugoti	Sales Head
Mr. P. M. Srinivas	Human Resources Head
Mr. Ankur Bhagat	Supply Network Operations Head
Mr. Sharath Verma	Chief Marketing Officer*
Mr. Girish Kalyanaraman	Category Leader- Feminine Hygiene
Mr. Sahil Sethi	Category Leader- Health Care

Name of senior management personnel	Designation
Mr. Sumeet Mittal	Analytics & Insights Leader
Mr. Abhishek Desai	Brand Operations Leader
Ms. Supriya Srinivasa	Direct-to-Consumers & Counselor Operations Leader
Mr. Nikunj Jain	Information Technology Head
Mr. Pawan Verma	Purchases Head
Mr. Ghanashyam Hegde	Legal Head
Mr. Sachan Saini	Government Relations Head
Ms. Enakshee Deva	Communications & CSR Head

\*Mr. Sharath Verma ceased to be Chief Marketing Officer effective August 31, 2023. Ms. Mukta Maheshwari has been appointed as Chief Marketing Officer effective September 1, 2023.

### (m) Succession planning

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

The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity. Our Board members bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. To effect the same, the Nomination and Remuneration Committee works with the Board on the Board succession plan to ensure orderly succession in appointments to the Board.

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

#### 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 59<sup>th</sup> Annual General Meeting.





## ii. Mr. Karthik Natarajan

Mr. Karthik Natarajan is a Chartered Accountant and has completed his B. Com from R. A. Podar College, Mumbai. He has been with P&G for over 22 years and is currently the Senior Vice President and Regional CFO, Asia Pacific, Middle East & Africa. He has worked across multiple locations like India, US, China, Philippines, Middle East and Singapore 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 59<sup>th</sup> Annual General Meeting.

## COMMUNICATION TO SHAREHOLDERS

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

This Annual Report along with Notice calling the Annual General Meeting for the Financial Year 2022-23, in electronic form, is being sent to the Members at the email address updated by the Members with the Depository Participants or Registrar & Transfer Agent, as applicable.

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

### (ii) Results

The quarterly results of the Company are announced within 45 days of completion of the quarter or within the time as prescribed by the Securities & Exchange Board of India. Audited Annual Results are announced within 60 days of the end of the Financial Year or within the time as prescribed by the Securities & Exchange Board of India. Financial Results and other newspapers advertisements [as prescribed under SEBI (LODR) Regulations, 2015] given during the year were published in the Business Standard and Mumbai Lakshadeep. 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) Communication with respect to deduction of tax on dividend income

Shareholders may note that, in accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of

the Indian Finance Act, 2020, dividend declared and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the applicable rates. In order to enable 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/announcements/>, in order facilitate company to deduct TDS at time of final dividend. The said documents (duly completed and signed) are required to be submitted with Link Intime India Private Limited, Registrar at and Share & Transfer agent of the Company ('RTA') on or before **November 3, 2023**.

### (iv) Sustainability Initiative

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

### (v) Updation of KYC

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and circulars for extension thereafter, all the listed companies are required to record the PAN, Nomination and KYC details of all the shareholders and Bank Account details of first holder. This is applicable for all the security holders in physical mode. Shareholders holding shares in physical form with the Company are requested to update above information with the Company, if pending. It is hereby informed that if any ONE of the above mentioned KYC details are not updated to the Company before December 31, 2023, the folio shall be frozen as per above-mentioned SEBI circular.

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

As per SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021 and circulars for extension thereafter, Members holding shares in dematerialized form are requested to submit

'choice of nomination' for their demat account on or before December 31, 2023.

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

The Company greatly appreciates your response and assistance in this regard.

#### (vi) Share Transfer and Demat system

As per directions from the securities and Exchange Board of India (SEBI), 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 RTA on or before March 31, 2022 (cut-off date) as fixed by the SEBI vide circular dated September 7, 2020. No physical transfer lodgement/re-lodgement has been allowed thereafter.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its circular dated January 25, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form viz, Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Transmission; Transposition, etc. For the purpose of the same, after due verification, registrar and transfer agent/issuer companies shall retain share certificates and process the service requests by issuing letter of confirmation, valid for a period of 120 days. As per the process, shareholders are required to submit their demat requests within this validity period, failing which the Company shall credit the securities to a suspense escrow demat account of the Company.

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

#### (vii) Alternate Dispute Redressal Mechanism

SEBI vide its Circular No. SEBI/HO/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022 has prescribed an SOP in accordance with

Regulation 40 of the SEBI (LODR) Regulations, 2015, for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents and its Shareholder(s)/Investor(s) which are emanating from investor services. The Company along with its RTA has made the investors aware on the availability of dispute resolution mechanism with Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited against the Company and/or its RTA. Communication in this regard was sent through email and/or SMSes to all holders who held the shares of the Company in physical form. The said SEBI Circular is also made available on the Company's website.

#### STATUTORY COMPLIANCE

The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and the 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 the 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
58 <sup>th</sup>	November 15, 2022	11:00 a.m.	Meeting was held through Video Conference / Other Audio Visual Means	1
57 <sup>th</sup>	November 17, 2021	11:00 a.m.		NIL
56 <sup>th</sup>	November 24, 2020	11:00 a.m.		NIL

At the 58<sup>th</sup> Annual General Meeting held on November 15, 2022, the following Special Resolution was passed:

1. To appoint Mr. Gurcharan Das as an Independent Director of the Company effective September 1, 2022.

#### POSTAL BALLOT

During the Financial Year, following resolution was approved by postal ballot mechanism on July 17, 2022. The Board had appointed Mr. Nrupang B. 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 July 19, 2022.



Details of resolution passed are as follows:

Description of Resolution: To appoint Mr. L. V. Vaidyanathan (DIN 9632201) as a Director and Managing Director of the Company for a period of five years effective July 1, 2022 (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	624	2,73,06,291	99.06
Dissented to the resolution	57	2,59,618	0.94
<b>No. of total valid Postal Ballot Forms/ e-votes received</b>	<b>681</b>	<b>2,75,65,909</b>	<b>100.00</b>

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 appeared on the Register of Members/list of beneficiaries as on cut-off date. The postal ballot notice was sent to Shareholders in electronic form to the email addresses registered with the depository participants/Company's Registrar & Share Transfer Agents.

The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Secretarial Standards issued by the Institute of Company Secretaries of India, the Companies Act, 2013 and the Rules issued thereunder. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Shareholders desiring to vote through postal ballot were requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. 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. 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. 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 and CFO Certification

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

#### ADOPTION OF DISCRETIONARY REQUIREMENT

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

- There are no audit qualifications in the Company's financial statements for the Financial Year 2022-23;
- The Internal Auditor of the Company reports to the Audit Committee; and
- Separation of role between Chairman and Managing Director of the Company.

#### WHISTLE BLOWER POLICY

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

The Vigil mechanism report 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 certificate from Managing Director to that effect is annexed to this Corporate Governance Report. The Code of Conduct for Directors and Senior Management has been hosted on the Company's website 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 hosted 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 General Circular number 9/2023 issued by the Ministry of Corporate Affairs, the 59<sup>th</sup> Annual General Meeting of the Company will be held on **Friday, November 24, 2023 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

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

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

Name of Stock Exchange	Company Scrip Code	Address of stock exchange
BSE Limited	500459	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
National Stock Exchange of India Limited	PGHH	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

Road, Chakala, Andheri East, Mumbai – 400 099. Instructions for joining and participating in the meeting through video-conferencing is provided in the notice for convening the 59<sup>th</sup> 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:** Saturday, November 18, 2023 to Friday, November 24, 2023 (both days inclusive). The said book closure is for payment of dividend, if declared at the Annual General Meeting.

**iv. Dividend Payment Date:** On or before December 20, 2023.

**v. Total fees paid to Statutory Auditors of the Company:** Total fees of ₹ 127.60 lakhs for Financial Year 2022-23, 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. No complaints related to sexual harassment of women at workplace were received during the Financial Year 2022-23.

### vii. Recommendations of Committees of the Board

There were no instances during the Financial Year 2022-23, wherein the Board had not accepted recommendations made by any Committee of the Board.



**ix. ISIN Code**

Dematerialization ISIN Code : **INE179A01014**

**x. Stock Price Data**

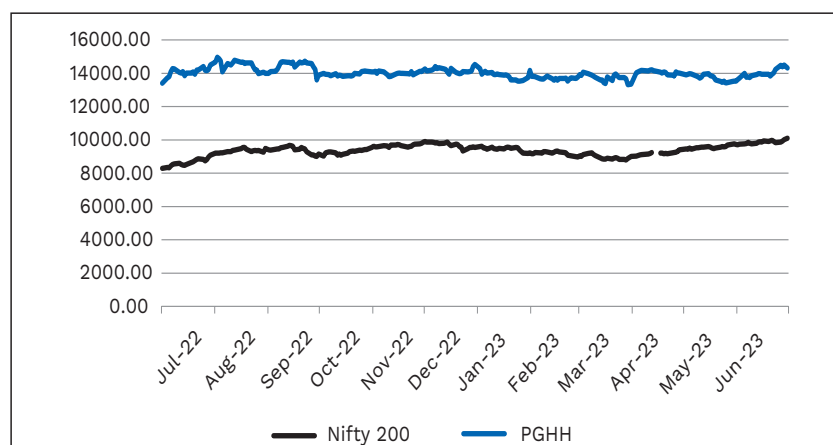
(Amount in ₹)

Month	BSE		NSE	
	High	Low	High	Low
July – 2022	14,595.00	13,245.75	14,600.00	13,224.60
August – 2022	15,500.00	13,765.80	15,500.00	13,750.00
September – 2022	14,944.95	13,368.85	14,954.75	13,500.00
October – 2022	14,224.55	13,645.15	14,278.00	13,741.55
November – 2022	14,200.00	13,730.00	14,279.80	13,718.05
December – 2022	14,637.00	13,703.65	14,688.95	13,710.00
January – 2023	14,529.00	13,315.15	14,534.70	13,397.65
February – 2023	14,383.90	13,400.00	14,379.65	13,400.00
March – 2023	14,157.00	13,130.00	14,160.00	13,140.10
April – 2023	14,351.00	13,101.05	14,371.70	13,190.55
May – 2023	14,113.65	13,391.15	14,138.90	13,362.00
June – 2023	14,567.00	13,527.05	14,580.00	13,527.05

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

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

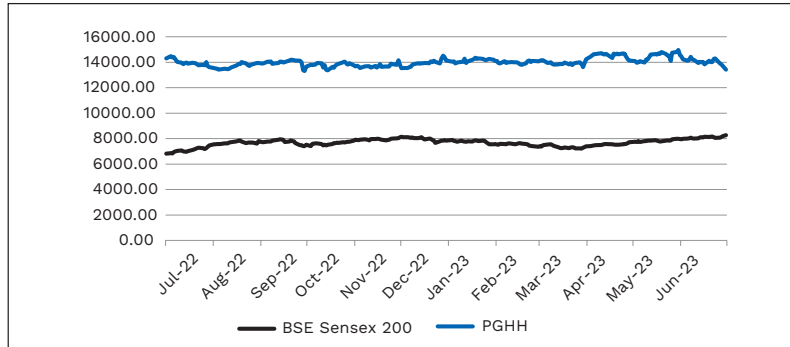
The following chart shows the performance of the Company's shares as compared to the NSE Nifty during the Financial Year 2022-23:



(Source: www.nseindia.com)



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



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

## xii. Distribution of shareholding by ownership as on June 30, 2023

Category	Number of shares held	% of shares held
Foreign & Indian promoters	2,29,29,773	70.64
Resident Individuals and others	34,57,493	10.65
Mutual Funds	2807262	8.65
Financial Institutions / Banks	3,648	0.01
Insurance Companies	2197033	6.77
Foreign Portfolio Investors	367346	1.13
Private Corporate Bodies	496090	1.53
NRIs & Foreign Nationals	201564	0.62
Directors and their relatives	527	0.00
<b>TOTAL</b>	<b>3,24,60,736</b>	<b>100.00</b>

## xiii. Distribution of shareholding by size class as on June 30, 2023

Shareholding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	39,387	96.41	1,62,66,800	5.01
501 – 1000	799	1.96	56,43,990	1.74
1001 – 2000	364	0.89	50,20,110	1.55
2001 – 3000	100	0.24	24,28,090	0.75
3001 – 4000	50	0.12	17,38,360	0.54
4001 – 5000	35	0.09	15,91,110	0.49
5001 – 10000	50	0.12	34,25,220	1.06
10001 and above	67	0.16	28,84,93,680	88.87
<b>TOTAL</b>	<b>40,852</b>	<b>100.00</b>	<b>32,46,07,360</b>	<b>100.00</b>

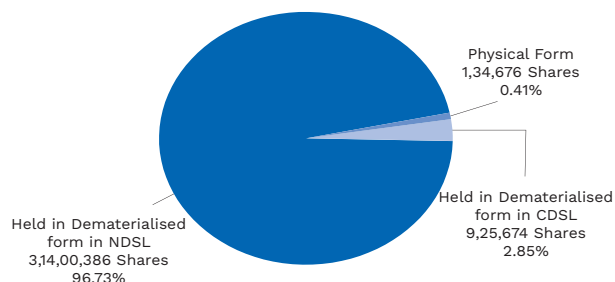
## xiv. Dematerialization of shares and liquidity

The Company's shares are required to be compulsorily traded in the stock exchanges in dematerialized form. As on June 30, 2023, the number of shares in dematerialized and physical mode are as under:

Particulars	No. of shares	% to total capital issued
Held in dematerialized form in NSDL	3,14,00,386	96.73
Held in dematerialized form in CDSL	9,25,674	2.85
Held in Physical form	1,34,676	0.41
<b>Total</b>	<b>3,24,60,736</b>	<b>100.00</b>



**xv. Shares held in demat / physical form as on June 30, 2023**



**xvi. Unclaimed 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 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, 2016 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 Registrar Transfer Agent M/s. Link Intime India Pvt Ltd.

Date of Declaration	For the Financial year ended	Due Date for transfer to IEPF
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

Date of Declaration	For the Financial year ended	Due Date for transfer to IEPF
24.11.2020	30.06.2020	30.12.2027
03.02.2021	1 <sup>st</sup> Interim 2020-21	11.03.2028
04.05.2021	Special Interim 2020-21	09.06.2028
17.11.2021	30.06.2021	23.12.2028
01.02.2022	Interim 2021-22	09.03.2029
15.11.2022	30.06.2022	22.12.2029
31.01.2023	Interim 2022-23	09.03.2030

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

Measures undertaken to reduce quantum of unclaimed dividend:

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

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

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

During the Financial Year 2022-23, unclaimed dividend for the Financial Year ended June 30, 2015 amounting to ₹ 44,08,936 and 2,549 shares were transferred to the IEPF department.

The details of unpaid / unclaimed dividend as on June 30, 2023 have been hosted on the website of the Company, viz., [in.pg.com](http://in.pg.com). As on date, Mr. Ghanashyam Hegde is the Nodal Officer of the Company under the IEPF Rules.

**xvii. Disclosure in respect of equity shares transferred to the Company's 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, 2022	82	10,702
Less	Number of shareholders who approached the Company for transfer of shares and number of shares transferred from suspense account during the year	4	204
Less	Number of shareholders whose shares were transferred to Investor Education and Protection Fund account	4	283
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on June 30, 2023	74	10,215

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

**xviii. Transfer of Shares to Suspense Escrow Demat Account**

In accordance with the operating guidelines issued by SEBI, the Company was not required to transfer any equity shares in the Suspense Escrow Demat Account of the Company arising out of formalities pertaining non-receipt of demat request within 120 days of issuance of letter of confirmation, during the Financial Year.

**xix. Other Disclosures:**

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

- The Company does not have any subsidiary companies.
- No credit rating has been obtained by the Company with respect to its securities.
- The disclosure pertaining to details of utilisation of funds raised through preferential allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the SEBI (LODR) Regulations is not applicable to the Company.
- Commodity price risk or foreign exchange risk and hedging activities-  
The Company does not have any exposure hedged through commodity derivatives.  
The details of foreign currency risk management are disclosed in Note 31 forming part of the Financial statements. The Company has not entered into any hedging activities in Financial Year 2022-23.
- No presentations were made to Analysts and Institutional Investors during the Financial Year.

**xx. Plant location**
**Company's plant is located at-**

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

**xxi. 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](mailto:rnt.helpdesk@linkintime.co.in)

**xxii. Investor Queries and Grievances Redressal**

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

**Company Secretary & Compliance Officer  
IEPF Nodal Officer**

Procter & Gamble Hygiene and Health Care Limited

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

Investor helpline nos.: (91) 86575 12368

Tel: (91-22) 2826 6000

Fax: (91-22) 2826 7337

Email id: [investorpghh.im@pg.com](mailto:investorpghh.im@pg.com)



**Declaration**

As provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members have confirmed compliance with the Directors' Code of Conduct for the financial year ended June 30, 2023 and the Senior Management has complied with the Worldwide Business Conduct Manual for the financial year ended June 30, 2023.

For **Procter & Gamble Hygiene and Health Care Limited**

**Mumbai**  
**August 28, 2023**

**L. V. Vaidyanathan**  
**Managing Director**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members,  
**PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED**  
**CIN: L24239MH1964PLC012971**  
P & G Plaza,  
Cardinal Gracias Road,  
Chakala, Andheri East,  
Mumbai City 400099,  
Maharashtra India.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PROCTER & GAMBLE HYGIENE AND HEALTH CARE LIMITED** having **CIN : L24239MH1964PLC012971** and having registered office at P & G Plaza, Cardinal Gracias Road Chakala, Andheri East Mumbai City 400099 Maharashtra India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

No.	Name of the Directors	DIN	Date of appointment in Company*
1	Chittranjan Dua	00036080	25/08/2020
2	Pramod Agarwal	00066989	08/05/2015
3	Gurcharan Das	00100011	23/08/2022
4	Meena Ganesh	00528252	19/03/2019
5	Krishnamurthy Narayanan Iyer	01726564	01/12/2020
6	Anil Kumar Ishwar Dayal Gupta	02588131	18/01/2013
7	Karthik Natarajan	06685891	01/10/2014
8	Sonali Dhawan	06808527	07/05/2014
9	Ghanashyam Hegde	08054712	09/05/2019
10	Gagan Sawhney	08279568	24/01/2019
11	Vaidyanathan Viswanathan Lalgudi	09632201	01/07/2022

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

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

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

**K.G. SARAF**  
**Proprietor**  
**FCS: 1596 | CP: 642**  
**FRN. S1988MH004800**  
**PR. 1003/2020**

**Place : Mumbai**  
**Date : 28.08.2023**  
**UDIN : F001596E000880441**





**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
The Members,  
**Procter & Gamble Hygiene And Health Care Limited**  
P & G Plaza, Cardinal Gracias Road,  
Chakala, Andheri East, Mumbai-400099

We have examined the compliance of conditions of Corporate Governance by Procter & Gamble Hygiene And Health Care Limited (“the Company”) for the year ended on June 30, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations except while appointment Mr. Gurcharan Das as an additional Independent Director, w.e.f. September 1, 2022, having age of 78 years on the date of appointment, the Company has not taken prior approval of shareholders. However, the Company has regularised the appointment w.e.f. September 1, 2022 within 3 months as per Regulation 17(1C) of Listing Regulations by taking shareholder approval in Annual General Meeting dated November 15, 2022. Also, Company has received communication from both the Stock Exchanges imposing penalty of Rs. 1,06,200/- each w.r.t. non-compliance with Regulation 17(1A) of Listing Regulations, but the Company has different opinion and they have applied for waiver stating they have complied with Regulation 17(1C) of Listing Regulations.

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

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

**For Makarand M. Joshi & Co.  
Company Secretaries**

**Kumudini Bhalerao**

Partner FCS: 6667

CP: 6690 PR: 640/2019

UDIN: F006667E000881981

Date: 28.08.2023

Place: Mumbai

# INDEPENDENT AUDITOR'S 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity 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 financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (India Accounting Standards) 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, 2023, 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 financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition (note no. 2.3(a) and 20 to the financial statements)</b></p> <p>Revenue is measured net of trade discounts, rebates and various types of Marketing and Distribution Activities such as incentives and promotions.</p> <p>The estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be judgmental owing to the varying terms of the agreements with customers which are based on annual contracts or shorter term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span over a year end.</p>	<p>Our audit procedures included:</p> <p>(a) Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts, incentives and rebates 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, incentives 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>

Sr.	Key Audit Matter	Auditor's Response
	<p>Accumulated experience is used to estimate the provision for discounts and rebates considering the terms of the underlying schemes and arrangements with customers.</p> <p>There is also a risk that revenue may be overstated due to fraud including through manipulation of the discounts and incentives recognised resulting from the pressure local management may feel to achieve performance targets.</p>	<p>(d) Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices, contracts and shipping documents.</p> <p>(e) We compared the historical discounts, rebates/ schemes and allowances to current payment trends. We also considered the historical accuracy of the Company's estimates in previous years.</p> <p>(f) Performing substantive testing by checking samples of rebate / schemes transactions to supporting documentation.</p> <p>(g) We assessed manual journals posted to revenue to identify unusual items.</p> <p>(h) Considering the adequacy of the Company's disclosures in respect of revenue.</p>
2.	<p><b>Uncertain Tax Positions (note no. 27 and 36 to the financial statements)</b></p> <p>The Company is subject to a range of tax risks. There is inherent judgement involved in determining provisions for uncertain tax positions. The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including direct taxes, transfer pricing and indirect taxes. Applicable tax laws and regulations are subject to differing interpretations and the resolution of a final tax position can take several years to complete. Where the amount of tax payable is uncertain, the Company establishes provisions based on Management's judgement of the likelihood of settlement being required.</p> <p>Given the number of judgements involved in estimating the provisions relating to uncertain tax positions and the complexities of dealing with tax rules, this was considered as a key audit matter.</p>	<p>Our audit procedures included:</p> <p>(a) We evaluated the design and tested the operating effectiveness of controls over the assessment of uncertain tax positions and completeness of disclosures.</p> <p>(b) We discussed the status and potential exposures in respect of significant tax litigations with the Company's tax team including their views on the likely outcome of each assessment / litigation and magnitude of potential exposure.</p> <p>(c) We focused on the judgements made by Management in assessing the likelihood of potentially material exposures and the estimates used to determine such provisions where required. In particular, we focused on the impact of changes in local tax regulations and ongoing inspections by local tax authorities, which could materially impact the amounts recorded in the financial statements.</p> <p>(d) We involved our in-house tax experts to evaluate and challenge the appropriateness of Management's assessment and judgements to estimate the provisions held in respect of uncertain tax positions. To do this, we assessed the provisions recognized in the financial statements using the outcome of prior and ongoing tax assessments conducted on the Company, correspondences between the Company and relevant tax authorities, judgemental positions taken in tax returns and current year estimates, our own experience in these areas and assessing whether the approach applied by the Company is supported by the practice in the industry.</p> <p>(e) We have also assessed the adequacy of the Company's disclosures in respect of tax and uncertain tax positions.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and Report on Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

- As required by the Companies (Auditor's Report) Order, 2020, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. As stated in Note 43 of the financial statements, the Company has maintained periodic backups of relevant information extracted from its ERP on servers physically located in India. The Company is in process of implementing a system to perform daily backups to comply with the requirements of the Companies (Accounts) Fourth Amendment Rules, 2022.
  - 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.
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - On the basis of the written representations received from the Directors of the Company as on June 30, 2023, and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on June 30, 2023, from being appointed as a Director in terms of Section 164(2) of the Act.
  - 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"**.
  - According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.
  - 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 financial statements - Refer Note 36 to the 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.
- iv) The Management has represented that:
  - a) to the best of its knowledge and belief, other than as disclosed in the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) to the best of its knowledge and belief, other than as disclosed in the financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on such audit procedures performed by us which are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided above, contain any material misstatement.

- v) As per information and explanation furnished by Management and based on the records of the Company, the dividend proposed in the previous year, as well as the interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2023, which is subject to the approval of the members at the ensuing Annual General Meeting. The proposed dividend is in accordance with Section 123 of the Act.

- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Companies for financial periods commencing April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, is not applicable for the financial year ended June 30, 2023.

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

**Roshni Marfatia**  
**PARTNER**

M. No. 106548  
 UDIN: 23106548BGUWB09145

Mumbai: August 28, 2023.



## Annexure A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended June 30, 2023:

### Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020:

#### (i) Property, Plant and Equipment

- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any Intangible assets as a part of Property, Plant and Equipment, accordingly this paragraph is not applicable to the Company.
- b) As explained to us, the Company has a program for physical verification of Property, Plant and Equipment and lease assets (including non-current assets held for sale) at periodic intervals by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. 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 land and buildings, and lease assets 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 assets held for sale in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- d) The Company has not revalued any of its Property, Plant and Equipment (including Leased assets) during the year.
- e) According to the information and explanations given to us, representation obtained from Management and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending

against the Company as at June 30, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

#### ii) Inventory

- a) 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 less than 10% in the aggregate for each class of inventories and have been properly dealt with in the books of account.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.
- #### iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, except in the case of loans given to employees and key managerial personnel.
- a) The Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity, hence reporting under paragraph (iii) (a) of the Order is not applicable.
  - b) During the year, the Company has not made investments, provided guarantees, given security and advances in the nature of loans and guarantees provided to companies, firms, limited liability partnerships. However, the Company has granted loans to its

employees and key managerial personnel, the terms and conditions of the grant of loans to its employees are not prejudicial to the interests of the Company.

- (c) In respect of loans to employees and key managerial personnel, the repayment schedule of principal has been stipulated and the receipt / repayments are regular.
- (d) In respect of loans granted to employees and key managerial personnel, there are no amounts overdue for more than ninety days.
- (e) In respect of loans granted to employees and key managerial personnel, there were no amounts which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same employees.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under paragraph (iii)(f) of the Order is not applicable.
- iv) According to the information and explanations given to us, the Company has not advanced any loans or given guarantee or provided any security to parties covered under Section 185 of the Act. In our opinion and according to the information and explanations given to us and records examined by us, the provisions of Section 186 of the Act, is not applicable.
- 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 Act 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.

There were no undisputed amount payables in respect of Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess, Professional Tax and other material statutory dues in arrears as at 30 June 2023 for a period of more than six months from the date they became payable.

- b) there are no dues of Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise or Cess or other statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates*	Amount Involved (₹ In lakhs) **
Sales Tax and Laws as per statutes applicable in various states	Sales Tax and VAT	Appellate Authority - up to Commissioners / Revisional authorities level	1996-97 to 1998-99, 2001-01, 2001-02, 2005-06 to 2007-08, 2009-10, 2011-12 to 2015-16, 2017-18 & 2022-23	2,302
		Appellate Authority - Tribunal	2001-02, 2008-09 to 2012-13	1,068
		High Court	1995-96 and 2002-03	113
Finance Act, 1994	Service tax	Appellate Authority - Tribunal	June 2007 to June 2012	137
		Appellate Authority - up to Commissioners	April 2016 to June 2017	3,552



Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates*	Amount Involved (₹ In lakhs) **
Goods and Services Act, 2017	Goods and Services Tax	Deputy Commissioner	2017-2018 to 2020-21	1,247
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18	20,206
		Commissioner of Income Tax (Appeals)	2014-15	43
		National Faceless Assessment Centre (NFAC)	2015-16 and 2016-17	220

\* Period denotes the financial year April to March

\*\* includes penalty and interest on taxes, wherever applicable and is net of amounts paid

viii) According to the information and explanations given to us and on the basis of the records examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) Borrowings

- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or other borrowings from any lender during the year. Accordingly, paragraph 3(ix) (a) of the Order is not applicable to the Company.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or Government or any Government authority.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans during the year and there are no unutilised term loans at the beginning of the year. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company during the year.

e) According to the information and explanations given to us, representation obtained from Management, and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures and accordingly reporting on paragraphs 3(ix)(e) and (f) of the Order are not applicable.

x) Allotment of Shares

- According to the information and explanations given to us, representation obtained from Management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(x)(a) of the Order is not applicable to the Company.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(x)(b) of the Order is not applicable to the Company.

xi) Fraud

- According to the information and explanations given to us, on the basis of the records examined by us and representation from Management, no fraud by the Company or material fraud on the Company has been noticed or reported during the year.
- No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of the paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Internal Audit System
  - a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not entered into any non-cash transactions with Directors or persons connected with its directors. and hence provisions of Section 192 of the Act are not applicable to the Company.
- xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph (xvi) (a), (b) and (c) of the Order is not applicable.
- b) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under paragraph (xvi) (d) of the Order is not applicable.
- xvii) According to the information and explanations given to us and based on our examination of the financial statements of the Company, the

Company has not incurred cash losses during the current financial year and the immediately preceding financial year.

- xviii) There has been no resignation of the statutory auditor of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and representation received from Management. Our report does not give any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) as at June 30, 2023. Accordingly, provisions of paragraphs 3(xx)(a) and 3(xx)(b) of the Order are not applicable for the year.

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

**Roshni Marfatia**  
**PARTNER**

M. No. 106548  
 UDIN: 23106548BGUWB09145

Mumbai: August 28, 2023.





## 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 financial statements for the year ended June 30, 2023)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of 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, 2023, in conjunction with our audit of the 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 (ICAI) (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 (the "Act" or the "Companies Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, 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 issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal 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 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 system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company

are being made only in accordance with 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 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, to the best of our knowledge and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at June 30, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Roshni Marfatia**  
**PARTNER**

M. No. 106548  
UDIN: 23106548BGUWB09145

Mumbai: August 28, 2023.

**BALANCE SHEET AS AT JUNE 30, 2023**

	Notes	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	17 004	16 368
Capital work-in-progress	4	2 276	4 388
Financial assets			
(i) Loans	5	2 737	2 842
(ii) Other financial assets	6	909	924
Deferred tax assets (Net)	7	6 554	5 188
Non-current tax assets (Net)		24 622	16 861
Other non-current assets	8	10 060	8 177
<b>Total non-current assets</b>		<b>64 162</b>	<b>54 748</b>
<b>Current assets</b>			
Inventories	9	21 980	23 402
Financial assets			
(i) Trade receivables	10	21 628	19 208
(ii) Cash and cash equivalents	11 (a)	96 383	62 498
(iii) Bank balances other than (ii) above	11 (b)	1 416	1 427
(iv) Loans	5	369	573
(v) Other financial assets	6	3 277	2 030
Other current assets	8	4 517	4 371
		<b>1 49 570</b>	<b>1 13 509</b>
Non-current assets held for sale	8 (a)	----	----
<b>Total current assets</b>		<b>1 49 570</b>	<b>1 13 509</b>
<b>Total Assets</b>		<b>2 13 732</b>	<b>1 68 257</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3 246	3 246
Other equity	13	91 357	70 511
<b>Total equity</b>		<b>94 603</b>	<b>73 757</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	14	84	194
Provisions	15	10 542	8 343
<b>Total non-current liabilities</b>		<b>10 626</b>	<b>8 537</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	14	319	316
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	1 946	2 178
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	95 161	75 798
(iii) Other financial liabilities	17	2 538	2 548
Other current liabilities	19	4 934	3 722
Provisions	15	1 035	886
Current tax liabilities (Net)	18	2 570	515
<b>Total current liabilities</b>		<b>1 08 503</b>	<b>85 963</b>
<b>Total Liabilities</b>		<b>1 19 129</b>	<b>94 500</b>
<b>Total Equity and Liabilities</b>		<b>2 13 732</b>	<b>1 68 257</b>
<b>See accompanying notes to the financial statements</b>			

In terms of our report attached

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

Roshni Marfatia  
Partner  
M. No.: 106548

Place: Mumbai  
Date: August 28, 2023

For and on behalf of Board of Directors

Chittranjan Dua  
Chairman  
DIN: 00036080

Prashant Bhatnagar  
Chief Financial Officer

LV Vaidyanathan  
Managing Director  
DIN: 09632201

Ghanashyam Hegde  
Executive Director &  
Company Secretary  
DIN: 08054712

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED JUNE 30, 2023

	Notes	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2022 ₹ in lakhs
<b>Income</b>			
Revenue from operations	20	3 91 790	3 90 092
Other income	21	4 058	2 432
<b>Total income</b>		<b>3 95 848</b>	<b>3 92 524</b>
<b>Expenses</b>			
Cost of raw and packing materials consumed	22	84 755	1 26 034
Purchases of stock-in-trade (Traded Goods)		82 401	30 545
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(853)	(650)
Employee benefits expense	24	20 579	21 434
Finance costs	25	1 138	1 119
Depreciation and amortization expense	4	5 836	5 288
Other expenses	26	1 18 045	1 29 740
<b>Total expense</b>		<b>3 11 901</b>	<b>3 13 510</b>
<b>Profit before tax from operations</b>		<b>83 947</b>	<b>79 014</b>
<b>Tax expense</b>			
Current tax	27.1	23 052	21 950
Deferred tax	27.1	(1 208)	(1 282)
Prior year tax adjustments	27.1	(5 711)	771
<b>Income tax expense</b>		<b>16 133</b>	<b>21 439</b>
<b>Profit for the year</b>		<b>67 814</b>	<b>57 575</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to Statement of Profit and Loss			
Re-measurement of the defined benefit plans	30.2.B	(999)	729
Income tax effect on above	27.2	251	(183)
<b>Total other comprehensive income for the year</b>		<b>(748)</b>	<b>546</b>
<b>Total comprehensive income for the year</b>		<b>67 066</b>	<b>58 121</b>
Earnings per equity share	29		
- Basic (in ₹)		208.91	177.37
- Diluted (in ₹)		208.91	177.37
Face Value of Equity Share (in ₹)		10.00	10.00
<b>See accompanying notes to the financial statements</b>			

In terms of our report attached

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

Roshni Marfatia  
Partner  
M. No.: 106548

Place: Mumbai  
Date: August 28, 2023

For and on behalf of Board of Directors

Chittranjan Dua  
Chairman  
DIN: 00036080

Prashant Bhatnagar  
Chief Financial Officer

LV Vaidyanathan  
Managing Director  
DIN: 09632201

Ghanashyam Hegde  
Executive Director &  
Company Secretary  
DIN: 08054712



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit before tax</b>	<b>83 947</b>	<b>79 014</b>
<b>Adjustments for:</b>		
Depreciation and amortization expense	5 836	5 288
Loss on disposal of property, plant and equipment	83	176
Finance costs	1 138	776
Allowance for doubtful receivables (Net of recovery)	109	41
Interest income	(3 508)	(2 318)
Net foreign exchange (gain) / loss	38	(83)
Inventory written off (net of Insurance claims recovered)	896	866
Provisions no longer required written back	(408)	----
Expense recognised in respect of equity settled share based payments	848	1 015
<b>Operating profit before working capital changes</b>	<b>88 979</b>	<b>84 775</b>
<b>Working capital adjustments</b>		
(Increase) in trade and other receivables	(2 511)	(4 886)
(Increase) / Decrease in financial assets	(866)	554
Decrease in inventories	526	662
(Increase) in other assets	(2 029)	(2 423)
Increase in trade and other payables	20 695	2 911
Increase in provisions	737	653
<b>Cash generated from operations</b>	<b>1 05 531</b>	<b>82 246</b>
Income taxes paid	(22 954)	(24 936)
<b>Net cash generated from operating activities</b>	<b>82 577</b>	<b>57 310</b>
<b>B. Cash Flows from Investing Activities</b>		
Interest received	3 451	2 288
Payment to acquire property, plant and equipment	(4 444)	(4 980)
Proceeds from sale of property, plant and equipment	2	7
<b>Net cash (used in) from investing activities</b>	<b>(991)</b>	<b>(2 685)</b>



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>C. Cash Flows from Financing Activities</b>		
Dividend paid	(47 068)	(56 806)
Principal payment of lease liabilities	(107)	163
Interest paid on lease liabilities	(12)	(6)
Interest paid other than on lease liabilities	(514)	(245)
<b>Net cash (used in) financing activities</b>	<b>(47 701)</b>	<b>(56 894)</b>
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>33 885</b>	<b>(2 269)</b>
Cash and cash equivalents at the beginning of the year	<b>62 498</b>	<b>64 767</b>
<b>Cash and cash equivalents at the end of the year (refer note 11(a))</b>	<b>96 383</b>	<b>62 498</b>

**Note:**

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

**See accompanying notes to the financial statements**

**In terms of our report attached**

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

**Roshni Marfatia**  
Partner  
M. No.: 106548

**Place: Mumbai**  
**Date: August 28, 2023**

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

**Chittranjan Dua**  
Chairman  
DIN: 00036080

**Prashant Bhatnagar**  
Chief Financial Officer

**LV Vaidyanathan**  
Managing Director  
DIN: 09632201

**Ghanashyam Hegde**  
Executive Director &  
Company Secretary  
DIN: 08054712



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

## a. Equity share capital

	Amount
	₹ in lakhs
Balance as at July 1, 2021	3 246
Changes in equity share capital during the year	----
Balance as at June 30, 2022	3 246
Changes in equity share capital during the year	----
Balance as at June 30, 2023	3 246

**Note:** There are no changes in equity share capital due to prior period errors

## 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, 2021 (refer note)	30 959	7 519	2 969	26 734	68 181
Profit for the year	----	----	----	57 575	57 575
Items of OCI for the year, net of tax					
Remeasurement benefit of defined benefit plans	----	----	----	546	546
<b>Total comprehensive income for the year</b>	----	----	----	<b>58 121</b>	<b>58 121</b>
Payment of dividends (refer note 40)	----	----	----	(56 806)	(56 806)
Recognition of share-based payments	----	----	1 015	----	1 015
Balance as at June 30, 2022	30 959	7 519	3 984	28 049	70 511
Profit for the year	----	----	----	67 814	67 814
Items of OCI for the year, net of tax					
Remeasurement benefit of defined benefit plans	----	----	----	(748)	(748)
<b>Total comprehensive income for the year</b>	----	----	----	<b>67 066</b>	<b>67 066</b>
Payment of dividends (refer note 40)	----	----	----	(47 068)	(47 068)
Recognition of share-based payments	----	----	848	----	848
Balance as at June 30, 2023	30 959	7 519	4 832	48 047	91 357

**Note:**

There are no changes in other equity due to changes in accounting policy or prior period items.

**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 28, 2023

## For and on behalf of Board of Directors

Chittranjan Dua  
Chairman  
DIN: 00036080

Prashant Bhatnagar  
Chief Financial Officer

LV Vaidyanathan  
Managing Director  
DIN: 09632201

Ghanashyam Hegde  
Executive Director &  
Company Secretary  
DIN: 08054712

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 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 Standards (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, 2023

### 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 on the basis of contracted price, 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. 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.

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 contract price, 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 (GST), 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

##### 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 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

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) Short term employee benefits - Short term employee benefits including salaries and performance incentives, are charged to the Statement of Profit and Loss on an undiscounted, accrual basis during the period of employment.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### ii) Post-employment Benefits

#### a) Defined Contribution Plans:

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

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

#### 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

(iii) 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.

(iv) Termination benefits and long service awards in terms of Company policy are recognised as an expense as and when incurred.

(iv) Long Service Awards are payable to employees on completion of specified years of service.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 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.

#### 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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 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.

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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Asset Class	Useful lives
Buildings	09-30 years
Plant & machinery	1-15 years
Furniture and fixtures	1-15 years
Office equipment	1-15 years
Vehicles	3-8 years
Moulds & Dies	1-8 years

The residual values of the Company fixed assets are assumed to be equal to zero on the premise that the assets are used for their entire productive life, and have no value, on the secondary market or elsewhere, at the end of the life.

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.

### 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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 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.

The Company has ongoing disputes with Income Tax Authorities on various matters which are pending before appellate authorities. In this regard, the management evaluates whether it has any uncertain tax position requiring adjustments to provision for Income tax. Depending on probability of success in the matter before the Appellate Authorities, a provision is created or a Contingent liability is disclosed.

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. Transactions costs directly attributable to the acquisition of financial asset and financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### m. Financial assets

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

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

#### Classification of financial assets

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

- a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- 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.

### 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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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. 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.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 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.

## t. Recent accounting pronouncements

### Standards issued but not yet effective

Ministry of Corporate Affairs (MCA), vide notification dated 31<sup>st</sup> March, 2023, has made the following amendments to Ind AS which are effective 1<sup>st</sup> July, 2023 to the Company:

- Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
- Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

### 3 Critical accounting judgments and key sources of estimation uncertainty

#### 3.1 Critical judgments in applying accounting policies

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision 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 31.

##### 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 24, '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 27).

##### e. Measurement and likelihood of occurrence of provisions and contingencies – As disclosed in Note 15 and Note 36, 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, 2023

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

Property, plant and equipment	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Owned Assets	16 817	16 069
Leased Assets	187	299
<b>Total</b>	<b>17 004</b>	<b>16 368</b>

### A. Owned Assets

	Freehold land	Buildings	Plant & equipment	Furniture and fixtures	Office equipment	Vehicles	Moulds & Dies	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
<b>Gross Block</b>								
<b>At July 1, 2021</b>	443	6 886	32 541	1 160	4 124	----	1 608	<b>46 762</b>
Additions	----	114	2 473	15	470	18	----	<b>3 090</b>
Disposals	----	(6)	(246)	(5)	(205)	----	----	<b>(462)</b>
<b>At June 30, 2022</b>	<b>443</b>	<b>6 994</b>	<b>34 768</b>	<b>1 170</b>	<b>4 389</b>	<b>18</b>	<b>1 608</b>	<b>49 390</b>
Additions	----	153	3 010	417	2 967	----	----	<b>6 547</b>
Disposals	----	(15)	(112)	(0)	(687)	----	(40)	<b>(854)</b>
<b>At June 30, 2023</b>	<b>443</b>	<b>7 132</b>	<b>37 666</b>	<b>1 587</b>	<b>6 669</b>	<b>18</b>	<b>1 568</b>	<b>55 083</b>
<b>Accumulated depreciation</b>								
<b>At July 1, 2021</b>	----	2 359	21 232	784	3 092	----	1 042	<b>28 509</b>
Depreciation charge for the year	----	455	4 056	79	401	2	156	<b>5 149</b>
Disposals	----	(1)	(139)	(2)	(195)	----	----	<b>(337)</b>
<b>At June 30, 2022</b>	<b>----</b>	<b>2 813</b>	<b>25 149</b>	<b>861</b>	<b>3 298</b>	<b>2</b>	<b>1 198</b>	<b>33 321</b>
Depreciation charge for the year	----	458	4 417	90	628	3	128	<b>5 724</b>
Disposals	----	0	(61)	(0)	(687)	----	(31)	<b>(779)</b>
<b>At June 30, 2023</b>	<b>----</b>	<b>3 271</b>	<b>29 505</b>	<b>951</b>	<b>3 239</b>	<b>5</b>	<b>1 295</b>	<b>38 266</b>
<b>Net carrying amount</b>								
<b>At June 30, 2023</b>	<b>443</b>	<b>3 861</b>	<b>8 161</b>	<b>636</b>	<b>3 430</b>	<b>13</b>	<b>273</b>	<b>16 817</b>
<b>At June 30, 2022</b>	<b>443</b>	<b>4 181</b>	<b>9 619</b>	<b>309</b>	<b>1 091</b>	<b>16</b>	<b>410</b>	<b>16 069</b>
<b>At July 1, 2021</b>	<b>443</b>	<b>4 527</b>	<b>11 309</b>	<b>376</b>	<b>1 032</b>	<b>----</b>	<b>566</b>	<b>18 253</b>

#### 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 35.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

**B. Leased Assets**

	Land	Buildings	Plant & equipment	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
<b>Gross Block</b>				
<b>At July 1, 2021</b>	16	381	27	<b>424</b>
Additions	----	310	----	<b>310</b>
Disposals	----	----	----	----
<b>At June 30, 2022</b>	<b>16</b>	<b>691</b>	<b>27</b>	<b>734</b>
Additions	----	----	----	----
Disposals	----	----	----	----
<b>At June 30, 2023</b>	<b>16</b>	<b>691</b>	<b>27</b>	<b>734</b>
<b>Accumulated depreciation</b>				
<b>At July 1, 2021</b>	4	278	14	<b>296</b>
Additions	2	130	7	<b>139</b>
Disposals	----	----	----	----
<b>At June 30, 2022</b>	<b>6</b>	<b>408</b>	<b>21</b>	<b>435</b>
Additions	2	104	6	<b>112</b>
Disposals	----	----	----	----
<b>At June 30, 2023</b>	<b>8</b>	<b>512</b>	<b>27</b>	<b>547</b>
<b>Net Block</b>				
<b>At June 30, 2023</b>	<b>8</b>	<b>179</b>	----	<b>187</b>
<b>At June 30, 2022</b>	<b>10</b>	<b>283</b>	<b>6</b>	<b>299</b>
<b>At July 1, 2021</b>	<b>12</b>	<b>103</b>	<b>13</b>	<b>128</b>

**C. Capital work-in-progress**

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Capital work-in-progress	2 276	4 388
	<b>2 276</b>	<b>4 388</b>

**Capital work-in-progress ageing schedule**

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at June 30, 2023</b>					
Projects in progress	1 037	354	138	133	<b>1 662</b>
Projects temporarily suspended	----	2	73	539	<b>614</b>
<b>Sub Total</b>	<b>1 037</b>	<b>356</b>	<b>211</b>	<b>672</b>	<b>2 276</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	"Total"
<b>As at June 30, 2022</b>					
Projects in progress	2 036	645	1 075	351	<b>4 107</b>
Projects temporarily suspended	2	74	205	----	<b>281</b>
<b>Sub Total</b>	<b>2 038</b>	<b>719</b>	<b>1 280</b>	<b>351</b>	<b>4 388</b>

## Details of capital-work-in progress whose completion is overdue as compared to its original plan

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	"Total"
<b>As at June 30, 2023</b>					
<b>Temporarily Suspended</b>					
Project at Goa Factory	614	----	----	----	<b>614</b>
<b>Sub Total</b>	<b>614</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>614</b>
<b>As at June 30, 2023</b>					

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	"Total"
<b>As at June 30, 2022</b>					
<b>Temporarily Suspended</b>					
Project at Goa Factory	281	----	----	----	<b>281</b>
<b>Sub Total</b>	<b>281</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>281</b>
<b>As at June 30, 2022</b>					

## 5 Loans

### Unsecured considered good

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Non-current</b>		
Loans to related parties (refer note (a), (c) and note 33)	----	4
Loan to employees (refer note (c))	2 737	2 838
	<b>2 737</b>	<b>2 842</b>
<b>Current</b>		
Loans to related parties (refer note (b), (c) and note 33)	----	1
Loan to employees (refer note (c))	369	572
	<b>369</b>	<b>573</b>

### Notes:

- (a) Non-current loans to related parties includes loan to key managerial personnel ₹ Nil lakhs (June 30, 2022: ₹ 4 lakhs).
- (b) Current loans to related parties includes loan to key managerial personnel ₹ Nil lakh (June 30, 2022: ₹ 1 lakh).



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- (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.
- (d) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (i) repayable on demand; or (ii) without specifying any terms or period of repayment

### 6 Other financial assets

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Non-current</b>		
Security deposits	909	924
	<b>909</b>	<b>924</b>
<b>Current</b>		
Security deposits	102	4
Receivable on account of sale of scrap	203	23
Due from related parties (refer note 33)	2 792	1 880
Interest accrued on deposits with banks	180	123
	<b>3 277</b>	<b>2 030</b>

### 7 Deferred tax assets (Net)

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Deferred tax assets	6 554	5 200
Deferred tax liabilities	----	(12)
	<b>6 554</b>	<b>5 188</b>

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

2022-2023	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	(12)	596	----	584
Voluntary retirement scheme	461	(449)	----	12
Disallowance u/s 43 B of the Income Tax Act, 1961	2 667	(240)	251	2 678
Other temporary differences	2 072	1 208	----	3 280
	<b>5 188</b>	<b>1 115</b>	<b>251</b>	<b>6 554</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2021-2022	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	(456)	444	----	(12)
Voluntary retirement scheme	445	16	----	461
Disallowance u/s 43 B of the Income Tax Act, 1961	2 341	509	(183)	2 667
Other temporary differences	1 472	600	----	2 072
	<b>3 802</b>	<b>1 569</b>	<b>(183)</b>	<b>5 188</b>

### 8 Other assets

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Non-current</b>		
Advance to vendors	40	40
Balances with government authorities (refer note (a) below)		
Unsecured, considered good	10 020	8 137
Unsecured, doubtful	1 135	1 135
Less: Allowance for doubtful advances	(1 135)	(1 135)
	<b>10 060</b>	<b>8 177</b>
<b>Current</b>		
Prepaid expenses	3	----
Other advances (includes advances to vendors)	312	640
Advance to employees (refer note (b) below)	10	----
Balances with government authorities (includes Service Tax and Cenvat credit receivable)	4 192	3 731
	<b>4 517</b>	<b>4 371</b>

#### Movement in the allowance for doubtful advances

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balance at the beginning of the year	1 135	1 135
Amounts written off during the year (net)	----	----
Change in allowance for bad and doubtful advances during the year	----	----
<b>Balance at end of the year</b>	<b>1 135</b>	<b>1 135</b>

- (a) Includes amounts deposited with GST, 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, 2023

### 8 (a) Non current assets held for sale

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 year ended June 30, 2021, 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, 2023, since the management intends to dispose off these assets and is actively working on completion of requisite regulatory requirements.

### 9 Inventories

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials (Including packing materials) (Includes in transit ₹ 426 lakhs (June 30, 2022: ₹ 837 lakhs))	5 760	8 107
Work-in-progress	484	523
Finished goods/Stock-in-trade (Includes in transit ₹ 1480 lakhs (June 30, 2022: ₹ 955 lakhs))	14 606	13 714
Consumable stores and spares	1 130	1 058
	<b>21 980</b>	<b>23 402</b>

The cost of inventories recognised as an expense during the year is disclosed in note 22, 23 and 26.

### 10 Trade receivables

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Unsecured, considered good	21 628	19 208
Credit Impaired	310	248
	<b>21 938</b>	<b>19 456</b>
Less: Allowance for expected credit loss	(310)	(248)
	<b>21 628</b>	<b>19 208</b>

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

There are no debts due by Directors or other Officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member.



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## Movement in the allowance for doubtful receivables

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balance at the beginning of the year	248	217
Amounts written off during the year (net)	(47)	(10)
Change in allowance for credit impairment during the year	109	41
<b>Balance at end of the year</b>	<b>310</b>	<b>248</b>

## Ageing for trade receivables as at June 30, 2023

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
considered good	18 294	3 027	119	----	51	137	<b>21 628</b>
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	9	25	172	47	57	<b>310</b>
<b>Disputed trade receivables</b>							
considered good	----	----	----	----	----	----	----
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>18 294</b>	<b>3 036</b>	<b>144</b>	<b>172</b>	<b>98</b>	<b>194</b>	<b>21 938</b>
Less: Allowance for Credit Impairment							<b>(310)</b>
<b>Total</b>							<b>21 628</b>

## Ageing for trade receivables as at June 30, 2022

	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>							
considered good	17 402	1 574	72	23	122	15	<b>19 208</b>
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	50	26	99	18	55	<b>248</b>
<b>Disputed trade receivables</b>							
considered good	----	----	----	----	----	----	----
which have significant increase in credit risk	----	----	----	----	----	----	----
credit impaired	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>17 402</b>	<b>1 624</b>	<b>98</b>	<b>122</b>	<b>140</b>	<b>70</b>	<b>19 456</b>
Less: Allowance for Credit Impairment							<b>(248)</b>
<b>Total</b>							<b>19 208</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 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, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balances with banks:		
- In current accounts	8 133	2 588
- Deposits with original maturity of less than three months	88 250	59 910
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>96 383</b>	<b>62 498</b>
<b>Cash and cash equivalents as per Statement of Cash Flows</b>	<b>96 383</b>	<b>62 498</b>

## 11 (b) Other bank balances

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Earmarked accounts		
- Unpaid / Unclaimed dividend account	1 416	1 427
	<b>1 416</b>	<b>1 427</b>

## 12 Equity share capital

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Authorised share capital:</b>		
3 50 00 000 fully paid equity shares of ₹ 10 each	3 500	3 500
(Previous year 3 50 00 000 fully paid equity shares of ₹ 10 each )		
<b>Issued and subscribed share capital:</b>		
3 24 60 736 fully paid equity shares of ₹ 10 each	3 246	3 246
(Previous year 3 24 60 736 fully paid equity shares of ₹ 10 each )		
	<b>3 246</b>	<b>3 246</b>

## 12.1 Movement in Equity share capital

	Number of shares	Share Capital ₹ in lakhs
<b>Balance at July 1, 2021</b>	<b>3 24 60 736</b>	<b>3 246</b>
Movements	----	----
<b>Balance at June 30, 2022</b>	<b>3 24 60 736</b>	<b>3 246</b>
Movements	----	----
<b>Balance at June 30, 2023</b>	<b>3 24 60 736</b>	<b>3 246</b>

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Ultimate Holding Company</b>		
The Procter and Gamble Company, USA	----	----
<b>Holding Company</b>		
Procter & Gamble Overseas India BV, The Netherlands	2 231	2 231
<b>Subsidiaries of the Ultimate Holding Company</b>		
Temple Trees Impex & Investment Pvt. Ltd.	62	62

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

	As at June 30, 2023		As at June 30, 2022	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<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

### 12.4 Details of shareholdings by the promoter's of the Company

	As at June 30, 2023		As at June 30, 2022		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Procter & Gamble Overseas India BV, The Netherlands	2 23 10 090	68.73	2 23 10 090	68.73	----
Temple Trees Impex & Investment Pvt. Ltd.	6 19 683	1.91	6 19 683	1.91	----
<b>Total promoters shareholding</b>	<b>2 29 29 773</b>	<b>70.64</b>	<b>2 29 29 773</b>	<b>70.64</b>	<b>----</b>
<b>Total shareholding</b>	<b>3 24 60 736</b>	<b>100.00</b>	<b>3 24 60 736</b>	<b>100.00</b>	<b>----</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	As at June 30, 2022		As at June 30, 2021		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Procter & Gamble Overseas India BV, The Netherlands	2 23 10 090	68.73	2 23 10 090	68.73	----
Temple Trees Impex & Investment Pvt. Ltd.	6 19 683	1.91	6 19 683	1.91	----
<b>Total promoters shareholding</b>	<b>2 29 29 773</b>	<b>70.64</b>	<b>2 29 29 773</b>	<b>70.64</b>	<b>----</b>
<b>Total shareholding</b>	<b>3 24 60 736</b>	<b>100.00</b>	<b>3 24 60 736</b>	<b>100.00</b>	<b>----</b>

## 13 Other equity

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Reserves &amp; surplus</b>		
General reserve	30 959	30 959
Securities premium	7 519	7 519
Share options outstanding account	4 832	3 984
Retained earnings	48 047	28 049
	<b>91 357</b>	<b>70 511</b>

## 13.1 General reserve

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	30 959	30 959
Transferred from surplus in Statement of Profit and Loss	----	----
<b>Balance at the end of year</b>	<b>30 959</b>	<b>30 959</b>

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

## 13.2 Securities premium

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	7 519	7 519
Movements	----	----
<b>Balance at the end of year</b>	<b>7 519</b>	<b>7 519</b>

The amount received in excess of face value of the equity shares is recognised in securities premium which is utilised in accordance with the provisions of the Companies Act, 2013.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 13.3 Share options outstanding account

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	3 984	2 969
Arising on share-based compensation	848	1 015
<b>Balance at the end of year</b>	<b>4 832</b>	<b>3 984</b>

The above reserve relates to share options granted by the Ultimate Holding Company to specific employees of its subsidiaries under its employee stock option plan. Further information about share-based payments to employees is set out in note 32.

## 13.4 Retained earnings

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	28 049	26 734
Profit attributable to the owners of the Company	67 814	57 575
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	(748)	546
Payment of final / interim dividend on equity shares (refer note 40)	(47 068)	(56 806)
<b>Balance at the end of year</b>	<b>48 047</b>	<b>28 049</b>

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 2022, final dividend of ₹ 65 per share (total dividend including tax thereon ₹ 21 099 lakhs) for the year ended June 30, 2022 was paid to holders of fully paid equity shares. In December 2021, the final dividend paid was ₹ 80 per share (total dividend including tax thereon ₹ 25 969 lakhs) for the year ended June 30, 2021.

In February 2022, an interim dividend of ₹ 95 per share (total dividend including tax thereon ₹ 30 837 lakhs) was paid to holders of fully paid equity shares.

In February 2023, an interim dividend of ₹ 80 per share (total dividend including tax thereon ₹ 25 969 lakhs) was paid to holders of fully paid equity shares.

## 14 Lease Liabilities

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Non-current</b>		
Lease liabilities	84	194
	<b>84</b>	<b>194</b>
<b>Current</b>		
Leased liabilities	319	316
	<b>319</b>	<b>316</b>





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

**Movement in lease liabilities**

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balance as at beginning of the year	510	347
Add: Addition	----	310
Add: Accretion of interest	12	6
Less: Payment of Lease Liabilities made	(119)	(153)
Less: Others (including foreclosure)	----	----
<b>Balance as at end of the year</b>	<b>403</b>	<b>510</b>

**15 Provisions**

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Employee benefits (refer note (i) below)	11 404	9 074
Other provisions	173	155
	<b>11 577</b>	<b>9 229</b>
Current	1 035	886
Non - current	10 542	8 343
	<b>11 577</b>	<b>9 229</b>

(i) The provision for employee benefits includes post retirement medical benefits (PRMB), compensated absences, gratuity and long service awards benefits. For other disclosures refer note 30.

**Other provisions**

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Balance at the beginning of year	155	137
Additional provision recognised	18	18
Reduction arising from payments	----	----
<b>Balance at the end of year</b>	<b>173</b>	<b>155</b>

**16 Trade payables**

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Total outstanding dues of micro enterprises and small enterprises (refer note 37)	1 946	2 178
Total outstanding dues of creditors other than micro enterprises and small enterprises	95 161	75 798
	<b>97 107</b>	<b>77 976</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## Ageing for trade payables as at June 30, 2023

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	----	1 279	667	----	----	----	1 946
Undisputed dues - Others	29 945	52 931	11 484	733	46	22	95 161
Disputed dues - MSME	----	----	----	----	----	----	----
Disputed - Others	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>29 945</b>	<b>54 210</b>	<b>12 151</b>	<b>733</b>	<b>46</b>	<b>22</b>	<b>97 107</b>

## Ageing for trade payables as at June 30, 2022

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	----	1 395	783	----	----	----	2 178
Undisputed dues - Others	34 010	40 330	1 337	104	16	1	75 798
Disputed dues - MSME	----	----	----	----	----	----	----
Disputed - Others	----	----	----	----	----	----	----
<b>Sub Total</b>	<b>34 010</b>	<b>41 725</b>	<b>2 120</b>	<b>104</b>	<b>16</b>	<b>1</b>	<b>77 976</b>

## 17 Other financial liabilities

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
<b>Current</b>		
Payables for property, plant & equipment	1 115	1 114
Deposits from customers and others	7	7
Unpaid / Unclaimed dividend #	1 416	1 427
	<b>2 538</b>	<b>2 548</b>

# There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as at June 30, 2023 (Previous year: Nil)

## 18 Current tax liabilities (Net)

	As at June 30, 2023 ₹ in lakhs	As at June 30, 2022 ₹ in lakhs
Income tax payable	2 570	515
	<b>2 570</b>	<b>515</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 19 Other current liabilities

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Superannuation	9	9
Taxes and other liabilities (including statutory remittances, excise and sales tax payable)	4 925	3 713
	<b>4 934</b>	<b>3 722</b>

## 20 Revenue from operations

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Sale of products	3 90 521	3 79 245
Other operating revenues		
Scrap sales	712	737
Sale of Raw Material	557	10 110
	<b>3 91 790</b>	<b>3 90 092</b>

## Reconciliation of Revenue from Sale of products:

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Contracted Price	4 65 844	4 54 022
Less: Trade Spends, Rebates, etc.	75 323	74 777
Revenue from Sale of products	<b>3 90 521</b>	<b>3 79 245</b>

## 21 Other income

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Interest income earned on:</b>		
Bank deposits	3 508	2 318
Other financial assets carried at amortised cost	113	111
	<b>3 621</b>	<b>2 429</b>
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Miscellaneous Income	437	3
	<b>437</b>	<b>3</b>
<b>Total</b>	<b>4 058</b>	<b>2 432</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 22 Cost of raw and packing materials consumed

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Inventories at the beginning of year	8 107	10 325
Add: Purchases	82 408	1 23 816
	<b>90 515</b>	<b>1 34 141</b>
Less: inventories at the end of year	5 760	8 107
Cost of raw and packing materials consumed	<b>84 755</b>	<b>1 26 034</b>

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

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Inventories at the beginning of year:		
Finished Goods	13 714	12 093
Stock-in-Trade	----	1 174
Work-in-Progress	523	320
	<b>14 237</b>	<b>13 587</b>
Inventories at the end of year:		
Finished Goods	14 606	13 714
Stock-in-Trade	----	----
Work-in-Progress	484	523
	<b>15 090</b>	<b>14 237</b>
<b>Net (increase)</b>	<b>(853)</b>	<b>(650)</b>

## 24 Employee benefits expense

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Salaries and wages *	16 273	16 935
Contribution to provident and other funds (refer note 30)	2 166	2 178
Share-based payment to employees (refer note 32)	1 412	2 329
Staff welfare expense	918	983
(Recovery) / reimbursement of employee cost cross charged by related parties (refer note 38)	(190)	(991)
	<b>20 579</b>	<b>21 434</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 25 Finance costs

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Interest costs:</b>		
Interest expense on trade payables (refer note 37)	514	245
Interest on income tax	----	343
Interest on lease liabilities	12	6
Net interest on the net defined benefit liability (refer note 30)	612	525
	<b>1 138</b>	<b>1 119</b>

## 26 Other expenses

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Consumption of store and spares	577	697
Processing charges	15 189	24 226
Power and fuel	1 257	1 217
Freight, transport, warehousing and distribution charges	9 375	10 339
Rent (refer note 34)	296	434
Rates and taxes	1 187	401
Insurance	80	80
Repairs and maintenance		
Plant and machinery	783	796
Buildings	----	----
Others	14	20
Trade incentives	1 808	1 668
Advertising expenses	40 844	45 456
Royalty	21 202	19 585
Business process outsourcing expenses	7 864	8 790
Travelling and conveyance	1 463	728
Communication costs	219	396
Computer expenses	948	847
Legal and professional fees	3 960	4 959
Directors commission	129	113
Payment to auditors (refer note 26.1)	136	123
Exchange differences (net)	437	701
Inventory written off (net of insurance claims recovered)	896	866
Allowance for doubtful receivables	109	41
Loss on sale of property, plant and equipment (net)	83	176
Miscellaneous expenses	9 652	7 630
Recovery of Expenses shared by related parties (Net) (refer note 38)	(463)	(549)
	<b>118 045</b>	<b>1 29 740</b>



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 26.1 Payments to auditors:

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>(i) To statutory auditors</b>		
For audit	120	108
For other services	2	2
Reimbursement of expenses	6	5
<b>(ii) To cost auditors for cost audit</b>	8	8
	<b>136</b>	<b>123</b>

## 26.2 Corporate Social Responsibility

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
(i) Amount required to be spent by the Company during the year	1 502	1 372
(ii) Amount spent during the year on:		
(a) Construction/ acquisition of asset	----	----
(b) For purposes other than (a) above	1 325	1 151
(iii) Set off from previous year	177	221
(iv) Shortfall at the end of the year	----	----
(v) Total of previous years shortfall	----	----
(vi) Reason for shortfall	----	----

(vii) The Corporate Social Responsibility activities to be undertaken by the Company, include, but are not limited to promoting education through interventions in remedial learning, early child education, digital remedial learning, education infrastructure and supporting education of girls and women.

(viii) Amount of surplus to be carried forward in subsequent years for set off:

₹ in lakhs

Amount spent in excess of requirement under section 135(5) of Companies Act, 2013	Opening balance	Amount required to be spent during the year	Actual amount spent during the year	Surplus carried forward to be set off in subsequent years
FY 21 - 22	1 700	1 372	1 151	1 479
FY 22 - 23	1 479	1 502	1 325	1 302

(ix) In FY 2022-23, the Company utilized ₹ 177 lakhs leaving an accumulated surplus of ₹ 1 302 lakhs pertaining to FY 2020-21, of which the Company expects to utilise approximately ₹ 200 lakhs in the subsequent year.

(x) None of the above amount spent is through any related party / affiliate.

(xi) The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 27 Income tax expense

## 27.1 Income tax recognised in Statement of Profit and Loss

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Current tax</b>		
In respect of the current year	23 052	21 950
In respect of prior years	(5 805)	1 058
	<b>17 247</b>	<b>23 008</b>
<b>Deferred tax</b>		
In respect of the current year	(1 208)	(1 282)
In respect of prior years	94	(287)
	<b>(1 114)</b>	<b>(1 569)</b>
<b>Total income tax expense recognised in the current year</b>	<b>16 133</b>	<b>21 439</b>

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

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Profit before tax	83 947	79 014
Income tax expense calculated at 25.168% (2021 - 2022: 25.168%)	21 128	19 886
Effect of expenses that are not deductible in determining taxable profits	716	782
	<b>21 844</b>	<b>20 668</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(5 711)	771
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>16 133</b>	<b>21 439</b>

The tax rate used for 2022-23 is the corporate tax rate of 25.168%. The tax rate used for 2021-22 is the corporate tax rate of 25.168% applicable under the Indian laws.

## 27.2 Income tax recognised in other comprehensive income

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Deferred tax</b>		
Arising on expense recognised in other comprehensive income		
Remeasurement of defined benefit obligations	(251)	183
	<b>(251)</b>	<b>183</b>
<b>Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss</b>	<b>(251)</b>	<b>183</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 28 Segment information

### 28.1 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 – Operating Segments 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.

### 28.2 Segment revenues and results

	Segment revenue		Segment profit	
	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Health and hygiene	3 91 790	3 90 092	81 027	77 701
<b>Total operations</b>	<b>3 91 790</b>	<b>3 90 092</b>	<b>81 027</b>	<b>77 701</b>
Other income			4 058	2 432
Finance costs			(1 138)	(1 119)
<b>Profit before tax</b>			<b>83 947</b>	<b>79 014</b>

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.

### 28.3 Segment assets and liabilities

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Segment assets</b>		
Health and hygiene	2 13 732	1 68 257
<b>Total segment assets</b>	<b>2 13 732</b>	<b>1 68 257</b>
<b>Segment liabilities</b>		
Health and hygiene	1 19 129	94 500
<b>Total segment liabilities</b>	<b>1 19 129</b>	<b>94 500</b>



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 28.4 Other segment information

	Depreciation and Impairment expense		Capital Expenditure	
	Year ended June 30, 2023	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Health and hygiene	5 836	5 288	4 444	4 980
	<b>5 836</b>	<b>5 288</b>	<b>4 444</b>	<b>4 980</b>

## 28.5 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, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Ointments and Creams	76 818	82 555
Cough Drops	40 238	40 808
Tablets	7 511	9 574
Other hygiene products	2 67 223	2 57 155
	<b>3 91 790</b>	<b>3 90 092</b>

## 28.6 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, 2023	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
India	3 85 656	3 82 931	2 11 719	1 66 873
Outside India	6 134	7 161	2 013	1 384
	<b>3 91 790</b>	<b>3 90 092</b>	<b>2 13 732</b>	<b>1 68 257</b>

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

## 29 Earnings per share

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Basic and diluted earnings per share</b>		
Total basic earnings per share (face value ₹ 10)	208.91	177.37
Total diluted earnings per share (face value ₹ 10)	208.91	177.37

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 29.1 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, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
Earnings used in calculation of basic and diluted earnings per share from operations	67 814	57 575
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	3 24 60 736	3 24 60 736

## 30 Employee benefit plans

### 30.1 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 are 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.

The total expense recognised in the statement of profit and loss of ₹ 1 411 lakhs (for the year ended June 30, 2022: ₹ 1 286 lakhs) for provident fund, ₹ 113 lakhs (for the year ended June 30, 2022: ₹ 110 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, 2023, contributions of ₹ 9 lakhs (as at June 30, 2022: ₹ 9 lakhs) due in respect of 2022 - 2023 (2021 - 2022) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting periods.

### 30.2 Defined benefit and other long term employee benefits plan

#### 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 and Company policy. 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, designation 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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

	Valuations as at	
	June 30, 2023	June 30, 2022
<b>Discount rate</b>		
Gratuity plan (funded)	7.00%	7.40%
Compensated absence plan (unfunded)	7.00%	7.40%
Post retirement medical benefit (PRMB) (unfunded)	7.00%	7.40%
<b>Expected rate of salary increase</b>		
Gratuity plan (funded)	Managers - 9% Non Managers - 12%	Managers - 9% Non Managers - 12%
Compensated absence plan (unfunded)	Managers - 9% Non Managers - 12%	Managers - 9% Non Managers - 12%
Post retirement medical benefit (PRMB) (unfunded)	NA	NA
<b>Medical Inflation Rate</b>		
Post retirement medical benefit (PRMB) (unfunded)	5.50%	5.50%
<b>Average longevity at retirement age for current beneficiaries of the plan (years)</b>		
Post retirement medical benefit (PRMB) (unfunded)	12.56	12.56
<b>Demographic Assumptions</b>		
Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table		
Mortality in Retirement: Indian Individual Annuitant's Mortality Table (2012-15)		



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## B. Amounts recognised in the Statement of Profit and Loss in respect of employee benefit plans are as follows:

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Service costs:		
Current service cost	642	782
Net interest expense	559	472
<b>Components of defined benefit costs recognised in statement of profit and loss (A)</b>	<b>1 201</b>	<b>1 254</b>
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(2)	(23)
Actuarial (gains) / losses arising from changes in assumptions	359	(726)
Actuarial (gains) / losses arising from changes in experience adjustments	721	107
<b>Components of defined benefit costs recognised in other comprehensive income (B)</b>	<b>1 078</b>	<b>(642)</b>
<b>Total (C = (A+B))</b>	<b>2 279</b>	<b>612</b>
<b>Compensated absence plan (Unfunded)</b>		
Service costs:		
Current service cost	31	23
Net interest expense	25	24
Immediate recognition of (gains)/losses – other long term employee benefit plans	43	(41)
<b>Components of defined benefit costs recognised in statement of profit and loss (D)</b>	<b>99</b>	<b>6</b>
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Service costs:		
Current service cost	1	1
Net interest expense	28	29
<b>Components of defined benefit costs recognised in statement of profit and loss (E)</b>	<b>29</b>	<b>30</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	12	(28)
Actuarial (gains) / losses arising from changes in experience adjustments	(91)	(59)
<b>Components of defined benefit costs recognised in other comprehensive income (F)</b>	<b>(79)</b>	<b>(87)</b>
<b>Total (G = (E+F))</b>	<b>(50)</b>	<b>(57)</b>
<b>Total defined benefit costs recognised in Statement of Profit and Loss</b>	<b>1 329</b>	<b>1 290</b>
<b>Total defined benefit costs recognised in Other Comprehensive Income</b>	<b>999</b>	<b>(729)</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 employee benefit plans is as follows:**

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Present value of funded defined benefit obligation	10 153	8 282
Fair value of plan assets	(466)	(590)
<b>Net liability arising from defined benefit obligation</b>	<b>9 687</b>	<b>7 692</b>
<b>Compensated absence plan (Unfunded)</b>		
Present value of unfunded other benefit obligation	444	345
<b>Net liability arising from other benefit obligation</b>	<b>444</b>	<b>345</b>
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Present value of unfunded defined benefit obligation	317	389
<b>Net liability arising from defined benefit obligation</b>	<b>317</b>	<b>389</b>

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

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Gratuity Plan (Funded)</b>		
Opening defined benefit obligation	8 282	8 178
Current service cost	642	782
Interest cost	596	513
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	359	(726)
Actuarial (gains) / losses arising from changes in experience adjustments	721	107
Benefits paid	(447)	(572)
<b>Closing defined benefit obligation</b>	<b>10 153</b>	<b>8 282</b>
<b>Compensated absence plan (Unfunded)</b>		
Opening other benefit obligation	345	418
Current service cost	31	23
Interest cost	25	24
Immediate recognition of (gains)/losses – other long term employee benefit plans	43	(41)
Benefits paid	----	(79)
<b>Closing other benefit obligation</b>	<b>444</b>	<b>345</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Post retirement medical benefit (PRMB) (Unfunded)</b>		
Opening defined benefit obligation	389	459
Current service cost	1	1
Interest cost	28	29
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	12	(28)
Actuarial (gains) / losses arising from changes in experience adjustments	(91)	(59)
Benefits paid	(22)	(13)
<b>Closing defined benefit obligation</b>	<b>317</b>	<b>389</b>

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

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Gratuity Plan</b>		
Opening fair value of plan assets	590	736
Interest Income	37	41
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	2	23
Employer contributions	284	362
Benefits paid	(447)	(572)
<b>Closing fair value of plan assets</b>	<b>466</b>	<b>590</b>

**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, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
High quality Corporate Bonds (including Public Sector Unit)	28	173
Government Of India Securities (Central and State)	75	88
Cash (including Special Deposit Scheme)	339	319
Private Sector Unit	24	10
<b>Total</b>	<b>466</b>	<b>590</b>

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, 2024 is ₹ Nil Lakhs (for the year ended June 30, 2023: ₹ Nil lakhs)

The actual return on plan assets was ₹ 39 lakhs (for the year ended June 30, 2022: ₹ 64 lakhs)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

**Maturity profile of defined benefit obligation:**

	<b>Gratuity Plan</b>
	<b>₹ in lakhs</b>
Within 1 year	724
1 - 2 year	849
2 - 3 year	890
3 - 4 year	970
4 - 5 year	1 050
5 - 10 years	5 893

Significant actuarial assumptions of the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Gratuity Plan (Funded)**

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 445 lakhs (increase by ₹ 480 lakhs) (as at June 30, 2022: decrease by ₹ 362 lakhs (increase by ₹ 391 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 458 lakhs (decrease by ₹ 431 lakhs) (as at June 30, 2022: increase by ₹ 370 lakhs (decrease by ₹ 348 lakhs)).

**Compensated absence plan (Unfunded)**

If the discount rate is 50 basis points higher (lower), the other benefit obligation would decrease by ₹ 30 lakhs (increase by ₹ 33 lakhs) (as at June 30, 2022: decrease by ₹ 24 lakhs (increase by ₹ 26 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the other benefit obligation would increase by ₹ 32 lakhs (decrease by ₹ 30 lakhs) (as at June 30, 2022: increase by ₹ 25 lakhs (decrease by ₹ 23 lakhs)).

**Post retirement medical benefit (PRMB)**

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 14 lakhs (increase by ₹ 15 lakhs) (as at June 30, 2022: 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 ₹ 13 lakhs (decrease by ₹ 12 lakhs) (as at June 30, 2022: increase by ₹ 16 lakhs (decrease by ₹ 15 lakhs)).

If the expected life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 10 lakhs (decrease by ₹ 10 lakhs) (as at June 30, 2022: increase by ₹ 12 lakhs (decrease by ₹ 12 lakhs)).

The sensitivity analysis presented above may not be representative of the actual change of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method as the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 31 Financial instruments

### 31.1 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.

### 31.2 Categories of financial instruments

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(a) Trade receivables	21 628	19 208
(b) Cash and cash equivalents	96 383	62 498
(c) Bank balances other than (b) above	1 416	1 427
(d) Loans	3 106	3 415
(e) Other financial assets	4 186	2 954
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Lease liabilities	403	510
(b) Trade payables	97 107	77 976
(c) Other financial liabilities	2 538	2 548

### 31.3 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.

### 31.4 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, 2023	As at June 30, 2022	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
USD	18 000	9 830	2 013	1 383
EUR	2 161	2 153	----	1
CNY	4	----	----	----
SGD	----	26	----	----
JPY	12	----	----	----



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 31.4.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the currencies stated above.

The following table details impact to profit or loss of the Company by sensitivity analysis of a 10% increase and decrease in the respective currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change on foreign currency rates.

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of the Company, profit or loss will increase / (decrease) by:

	Increase/ (decrease) at + 10%		Increase / (decrease) at - 10%	
	As at June 30, 2023	As at June 30, 2022	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
USD	(1 599)	(845)	1 599	845
EUR	(216)	(215)	216	215
CNY	----	----	----	----
SGD	----	(3)	----	3
JPY	(1)	----	1	----

### 31.5 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.

### 31.6 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.

### 31.7 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.

### 31.8 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:



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Less than 1 Year	Between 1 to 5 Years	Over 5 years	Total	Carrying Value
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
<b>At June 30, 2023</b>					
Lease liabilities	319	84	----	403	403
Trade Payables	97 107	----	----	97 107	97 107
Other financial liabilities	2 538	----	----	2 538	2 538
<b>At June 30, 2022</b>					
Lease liabilities	316	194	----	510	510
Trade Payables	77 976	----	----	77 976	77 976
Other financial liabilities	2 548	----	----	2 548	2 548

### 31.9 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.

### 32 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, 2023: 7074.59 (June 30, 2022: 5 930.17) shares excluding dividend were purchased by employees at weighted average fair value of ₹ 11 751.68 (June 30, 2022: ₹ 11 382.82) per share. The Company's contribution during the year on such purchase of shares amounts to ₹ 225 Lakhs (June 30, 2022: ₹ 188 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 & 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, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Expense arising from equity-settled share-based payment transactions	1 187	2 141
<b>Total expense arising from share-based payment transactions</b>	<b>1 187</b>	<b>2 141</b>

There were no cancellations or modifications to the awards in June 30, 2023 or June 30, 2022.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

	As at June 30, 2023	As at June 30, 2023	Estimated fair value of Option Granted	As at June 30, 2022	As at June 30, 2022	Estimated fair value of Option Granted
	Number	WAEP (in \$)	In ₹	Number	WAEP (in \$)	In ₹
Outstanding at July 1	1 50 862	143.79	----	1 30 431	134.93	----
Granted during the year						
3-Oct-22	5 744	128.51	10 499	----	----	----
3-Oct-22	14 203	128.51	2 239	----	----	----
3-Oct-22	818	128.51	9 983	----	----	----
1-Mar-23	366	137.66	10 384	----	----	----
15-Sep-22	1 388	137.44	2 213	----	----	----
1-Jul-21	----	----	----	3 698	135.24	10 201
15-Sep-21	----	----	----	5 957	145.12	1 607
1-Oct-21				807	139.58	11 529
1-Oct-21				16 625	139.58	1 637
1-Oct-21	----	----	----	6 088	139.58	10 529
1-Dec-21	----	----	----	684	146.40	11 043
Forfeited during the year	(5 049)	----	----	(254)	----	----
Exercised during the year	(22 271)	149.27	----	(13 174)	155.98	----
Expired during the year	----	----	----	----	----	----
<b>Outstanding at June 30</b>	<b>1 46 061</b>	<b>151.74</b>		<b>1 50 862</b>	<b>143.79</b>	
Exercisable at June 30	63 731	151.74		55 234	143.79	

The weighted average share price at the date of exercise of these options was \$ 149.27 (June 30, 2022: \$ 155.98).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2023 was 6.13 years (June 30, 2022: 6.51 years).

The weighted average fair value of options granted during the year was ₹ 4 758 (June 30, 2022: ₹ 4 592).

These fair values for share options granted during the year were calculated using binomial lattice-based model. The following tables list the inputs to the models used for the plans for the years ended June 30, 2023 and June 30, 2022, respectively:

	As at June 30, 2023	As at June 30, 2022
Dividend yield (%)	2.60%	2.45%
Expected volatility (%)	21.00%	18.65%
Risk-free interest rate (%)	3.70%	1.51%

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 33 Related party disclosures

The Group Companies of The Procter & 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 South African Trading (Pty) Ltd.
2	Procter & Gamble Home Products Private Limited	20	Procter & Gamble Philippines Business Services Inc
3	Procter & Gamble Manufacturing (Thailand) Ltd.	21	Procter & Gamble Technical Centers Ltd.
4	Procter & Gamble Australia Pty Ltd	22	Procter & Gamble Trading (Thailand)Ltd.
5	Procter & Gamble Egypt	23	Procter & Gamble Indochina Company Limited
6	The Gillette Company LLC	24	Pt Procter & Gamble Home Products Indonesia
7	Procter & Gamble Inc.	25	The Procter & Gamble US Business Services Company
8	Procter & Gamble Hong Kong Limited	26	Procter & Gamble Manufacturing Gmbh
9	Procter & Gamble International Operations S.A. Dubai Branch	27	Procter & Gamble Bangladesh Private Limited
10	Procter & Gamble International Operations Sa	28	The Procter & Gamble Distributing LLC
11	Procter & Gamble International Operations Sa Singapore Branch	29	Fameccanica Data S.P.A.
12	Procter & Gamble International Operations Sa-Rohq	30	Fameccanica Machinery (Shanghai) Co Ltd
13	Procter & Gamble Japan K.K.	31	Hyginett Hungarian American Company
14	Procter & Gamble Korea S&D, Co.	32	Hyginett KFT



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

S. No.	Name of the Company	S. No.	Name of the Company
15	Procter & Gamble Philippines Inc	33	Procter And Gamble Middle East FZE
16	Procter & Gamble UK	34	P&G Prestige Godo Kaisha
17	Procter & Gamble Service Gmbh	35	Gillette Diversified Operations Pvt Ltd
18	Procter & Gamble Manufacturing SA (Pty) Ltd.	36	Procter & Gamble Health Limited

## (ii) Key Management Personnel of the Company:

S. No.	Name	Designation
1	Mr. Madhusudan Gopalan	Managing Director (up to June 30, 2022)
2	Mr. LV Vaidyanathan	Managing Director (w.e.f. July 1, 2022)
3	Mr. Ghanashyam Hegde	Non-executive Director (up to Aug 31, 2021) Executive Director & Company Secretary (w.e.f. Sep 1, 2021)
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:

₹ in lakhs					
S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel
1	Purchase of Goods	2023	----	76 020	----
		2022	----	26 503	----
2	Purchase of Equipment/ Assets/Spares	2023	----	227	----
		2022	----	617	----
3	Sale of Products	2023	----	3 765	----
		2022	----	13 906	----
4	Recovery of Expenses Cross charged	2023	296	3 916	----
		2022	970	2 992	----
5	Expenses cross-charged	2023	393	1 951	----
		2022	1 214	1 481	----
6	Reimbursement of expenses shared by group cos. (Income)	2023	----	28 919	----
		2022	----	9 206	----
7	Reimbursement of expenses shared by group cos. (Expense)	2023	----	27 814	----
		2022	----	7 264	----
8	Business Process Outsourcing expenses	2023	7 072	791	----
		2022	7 735	----	----
9	Royalty	2023	18 962	----	----
		2022	17 800	----	----
10	Computer Expenses	2023	----	948	----
		2022	----	847	----

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

₹ in lakhs

S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel
11	Rent expenses	<b>2023</b>	----	<b>641</b>	----
		2022	----	654	----
12	Dividend Remitted/Paid	<b>2023</b>	<b>32 350</b>	<b>899</b>	----
		2022	39 043	1 084	----
13	Processing Charges	<b>2023</b>	----	<b>15 982</b>	----
		2022	----	25 323	----
14	Managerial Remuneration	<b>2023</b>	----	----	<b>1 059</b>
		2022	----	----	1 371
15	Outstanding as at June 30 <sup>th</sup>				
	Loans given	<b>2023</b>	----	----	----
		2022	----	----	5
	Trade and other receivables	<b>2023</b>	<b>47</b>	<b>4 752</b>	----
		2022	38	4 096	----
	Trade payables	<b>2023</b>	<b>13 029</b>	<b>33 547</b>	----
		2022	5 474	7 395	----

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties in the current year or prior years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**(d) Disclosure in respect of material transactions of the same type with related parties during the year:**

₹ in lakhs

S. No.	Nature of Transactions	Year ended June 30, 2023	Year ended June 30, 2022
<b>1</b>	<b>Purchase of Goods</b>		
	Procter & Gamble Home Products Private Ltd	73 484	25 100
	Procter & Gamble International Operations SA	2 319	1 403
	Others	217	----
<b>2</b>	<b>Purchase of Equipment/Assets/Spares</b>		
	Fameccanica Data S.P.A	----	81
	Procter & Gamble Manufacturing GMBH	156	79
	Fameccanica Machinery (Shanghai) Co.Ltd	----	450
	Procter & Gamble Home Products Private Limited	21	----
	Procter & Gamble Health Limited	43	----
	Others	7	7



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

₹ in lakhs

S. No.	Nature of Transactions	Year ended June 30, 2023	Year ended June 30, 2022
<b>3</b>	<b>Sale of Products</b>		
	Procter & Gamble Bangladesh Private Limited	1 062	997
	Procter & Gamble Home Products Private Limited	922	11 053
	Procter & Gamble International Operations SA	929	1 595
	Procter & Gamble International Operations SA Singapore Br	852	261
<b>4</b>	<b>Recovery of Expenses Cross charged</b>		
	The Procter and Gamble Company	296	970
	Procter & Gamble Home Products Private Ltd	1 577	1 870
	Procter & Gamble Health Limited	878	337
	Procter & Gamble International Operations SA Singapore Br	578	----
	Others	883	785
<b>5</b>	<b>Expenses cross-charged</b>		
	The Procter and Gamble Company	393	1 214
	Procter & Gamble Home Products Private Ltd	1 258	1 042
	Procter & Gamble Health Limited	227	165
	The Procter & Gamble US Business Services Company	280	109
	Others	186	165
<b>6</b>	<b>Reimbursement of expenses shared by group cos. (Income) (Refer Note below)</b>		
	Procter & Gamble Home Products Private Ltd	24 334	7 020
	Gillette India Limited	4 585	2 186
<b>7</b>	<b>Reimbursement of expenses shared by group cos. (Expense) (Refer Note below)</b>		
	Procter & Gamble Home Products Private Ltd	23 744	6 343
	Gillette India Limited	4 070	921
<b>8</b>	<b>Business Process Outsourcing expenses</b>		
	The Procter and Gamble Company	7 072	7 735
	Procter & Gamble Philippines Business Services Inc	791	1 054
<b>9</b>	<b>Royalty</b>		
	The Procter and Gamble Company	18 962	17 800
<b>10</b>	<b>Computer Expenses</b>		
	The Procter & Gamble US Business Services Company	948	847
<b>11</b>	<b>Rent expenses</b>		
	Procter & Gamble Home Products Private Ltd	515	483
	Gillette Diversified Operations Pvt Ltd	126	171
<b>12</b>	<b>Dividend Remitted/Paid</b>		
	Procter & Gamble Overseas India BV	32 350	39 043
	Others	899	1 084
<b>13</b>	<b>Processing Charges</b>		
	Procter & Gamble Home Products Private Ltd	----	9 731
	Gillette Diversified Operations Pvt Ltd	15 982	15 592

**Note:** Increase in Reimbursement of expenses shared by group cos (both Expenses and Income) is on account of grossing up of income/expenses as against netting off income/expenses in the past to comply with GST regulations.



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## (e) Compensation of key management personnel

The remuneration of directors and other key management personnel during the year was as follows:

	₹ in lakhs	
	Year ended June 30, 2023	Year ended June 30, 2022
Short-term benefits	279	465
Post-employment benefits	373	416
Share-based payments	407	490
	<b>1 059</b>	<b>1 371</b>

## 34 Leasing arrangements

The Company has taken on lease certain guesthouses, office premises and warehouses with an option of renewal at the end of the lease term and escalation clause in some of the cases. These leases can be terminated with a prior notice as per terms and conditions of the respective lease agreements. The cost of lease for the guesthouses, office premises and warehouses are disclosed under rent expense.

## 35 Commitments

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	259	1 194
	<b>259</b>	<b>1 194</b>

## 36 Contingent liabilities

	As at June 30, 2022	As at June 30, 2021
	₹ in lakhs	₹ in lakhs
<b>Claims against company not acknowledged as debts</b>		
<b>Income Tax matters</b>	27 841	25 731
<b>Sales Tax matters</b>		
(i) Non submission of "C" Forms/"F" Forms	2 258	2 278
(ii) Incomplete accounts books under sales tax	163	163
(iii) Classification issues under sales tax	11	11
(iv) Product valuation issues under sales tax	12	17
(v) Other sales tax matters	375	396
<b>Excise duty, service tax and custom duty matters</b>		
(i) Applicability of service tax matters	3 689	3 689
<b>Good &amp; Service tax (GST) matters</b>		
(i) Related to Tran 1,2	200	----
(ii) ITC Mismatch	1 043	----
(ii) Other matters	4	----
<b>Other matters</b>		
Other claims - The Company is a party to various legal proceedings in the normal course of business	20	20
	<b>35 616</b>	<b>32 305</b>

**Note:** Future cash flows in respect of the above, if any, are determinable only on receipt of final judgements/decisions on matters pending with the relevant authorities.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

	As at June 30, 2023	As at June 30, 2022
	₹ in lakhs	₹ in lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1 946	2 178
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	707	601
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	6 058	7 034
Principal paid beyond the appointed date	6 058	7 034
Interest paid in terms of Section 16 of the Act	----	----
(d) The amount of interest due and payable for the year	514	245
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year (net of reversal ₹ 408 lakhs)	707	601
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	----	----

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

- 38 (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 39).
- 38 (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.
- 39 (a)** Employee Benefits Expense excludes expenses in respect of Managerial personnel of ₹ 91 Lakhs (Previous Year: ₹ 276 Lakhs) cross charged to Gillette India Limited and Procter & Gamble Home Products Private Limited in terms of the common services agreement (Refer Note 38).
- 39 (b)** Employee Benefits Expense includes expenses in respect of Managerial personnel of ₹ 105 Lakhs (Previous Year: ₹ 91 Lakhs) cross charged from Gillette India Limited and Procter & Gamble Home Products Private Limited in terms of the common services agreement (Refer Note 38).

## 40 Dividend

	Year ended June 30, 2023	Year ended June 30, 2022
	₹ in lakhs	₹ in lakhs
<b>Dividend on equity shares paid during the year</b>		
Final dividend for the FY 2021-22: ₹ 65 (PY: FY 2020-21: ₹ 80) per equity share of ₹ 10 each	21 099	25 969
Interim dividend for the FY 2022-23: ₹ 80 (PY: FY 2021-22: ₹ 95) per equity share of ₹ 10 each	25 969	30 837
<b>Total</b>	<b>47 068</b>	<b>56 806</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Proposed Dividend:

The Board of Directors at its meeting held on August 28, 2023 have recommended a payment of final dividend of ₹ 105 per equity share of face value of ₹ 10 each for the financial year ended June 30, 2023 resulting in a dividend payout of ₹ 34 084 lakhs.

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

### 41 Accounting Ratios

No	Name of the Ratio	Numerator	Denominator	2022-23	2021-22	Change	Explanation for changes over 25% in the ratios, if any
1	Current Ratio	Current assets	Current liabilities	1.38	1.32	4%	----
2	Debt equity ratio	Total debt	Equity	-	-	0%	----
3	Debt Service Coverage Ratio	"Earnings available for debt service"	Total debt service	-	-	0%	----
4	Return on Equity	Net profit	Average shareholder equity	81%	79%	2%	----
5	Inventory turnover	Total Sales	Average inventory	17.27	16.14	7%	----
6	Trade Receivables turnover	Total Sales	Average trade receivable	19.19	23.33	-18%	----
7	Trade payables turnover	Total Purchases	Average trade payable	1.88	2.01	-6%	----
8	Working capital turnover	Total Sales	Working Capital	9.54	14.16	-33%	Increase in operating cash flow vs previous year
9	Net Profit	Net profit	Net Sales	17%	15%	17%	----
10	Return on Capital employed	"Earning before interest and taxes"	Capital employed	0.81	0.97	-17%	----
11	Return on investment	Income generated from Investments	Time Weighted Average Investments	0.05	0.04	22%	----

- 42 (a) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- Crypto Currency or Virtual Currency
  - Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
  - Registration of charges or satisfaction with Registrar of Companies



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

iv) Relating to borrowed funds:

- a) Wilful defaulter
- b) Utilisation of borrowed funds & share premium
- c) Borrowings obtained on the basis of security of current assets
- d) Discrepancy in utilisation of borrowings
- e) Current maturity of long term borrowings

**42 (b)** The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 42 (c) Relationship with Struck off companies

Name of struck off company	Nature of transactions with struck off company	As at June 30, 2023	Relationship with the Struck off company, if any, to be disclosed	As at June 30, 2022	Relationship with the Struck off company, if any, to be disclosed
SPS Techwizards Pvt Ltd	Vendor	----	None	----	None
L&C Pereira Hsg Co Pvt Ltd	Vendor	----	None	----	None

**43** As per the MCA notification dated August 5, 2022, and the Companies (Accounts) Fourth Amendment Rules, 2022, the Company is required to maintain backups of books of account on servers physically located in India on a daily basis. The Company has maintained periodic backups of its books of accounts and other relevant books and papers maintained in electronic mode on servers physically located in India. This is in addition to regular backups on the group's global servers outside India. The Company has identified compliant technical solution(s) and is in process of implementing the same to perform daily backups to comply with the requirements of the above-mentioned Rules.

### 44 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on August 28, 2023.

#### Signatures to Note 1 to 44

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

**Chittranjan Dua**  
Chairman  
DIN: 00036080

**Prashant Bhatnagar**  
Chief Financial Officer

Place: Mumbai  
Date: August 28, 2023

**LV Vaidyanathan**  
Managing Director  
DIN: 09632201

**Ghanashyam Hegde**  
Executive Director & Company Secretary  
DIN: 08054712

[illegible]









**Procter & Gamble  
Hygiene & Health Care Limited**

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

Tel. : (91-22) 2826 6000 Fax: (91-22) 2826 7337

