Gillette India Limited

Annual Report 2023-24

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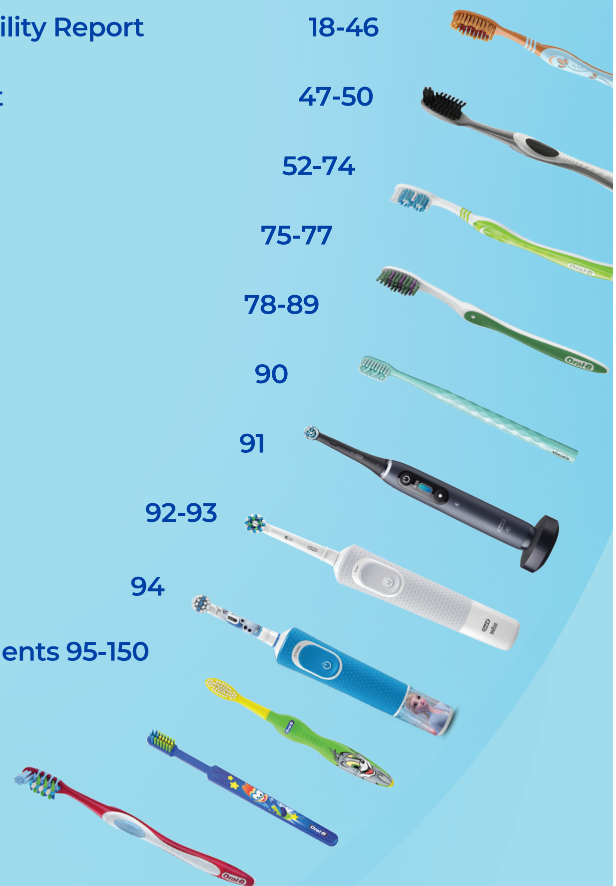
Gillette
SENSITIVE
DEEP COMFORT



King·C·Gillette
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Corporate Information

Board of Directors & Key Managerial Personnel

Ms. Anjuly Chib Duggal	Chairperson and Independent Director
Mr. Kumar Venkatasubramanian	Managing Director
Mr. Sanjay Asher	Independent Director (from September 29, 2024)
Mr. C. P. Gurnani	Independent Director (from October 15, 2024)
Mr. Gurcharan Das	Independent Director (upto September 28, 2024)
Mr. Chittranjan Dua	Independent Director (upto September 28, 2024)
Mr. Anil Kumar Gupta	Independent Director (upto September 28, 2024)
Mr. Pramod Agarwal	Non-Executive Director
Mr. Gagan Sawhney	Non-Executive Director (upto September 25, 2024)
Ms. Sonali Dhawan	Non-Executive Director (upto September 25, 2024)
Mr. Gautam Kamath	Executive Director and Chief Financial Officer (upto October 31, 2024)
Ms. Srividya Srinivasan	Executive Director and Chief Financial Officer (from November 1, 2024)
Mr. Srinivas Maruthi Patnam	Executive Director
Ms. Flavia Machado	Company Secretary

Registered Office
Gillette India Limited
(CIN: L28931MH1984PLC267130)
P&G Plaza, Cardinal Gracias Road,
Chakala, Andheri (East),
Mumbai – 400 099
Tel. No.: (022) 6958 6000
Investor helpline No.: 86575 00524
Email Id: investorgil.im@pg.com

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

Auditors

Statutory Auditor
Kalyaniwalla & Mistry LLP
Chartered Accountants

Secretarial Auditor
Saraf & Associates
Company Secretaries

Listed on Stock Exchanges
BSE Limited
National Stock Exchange of India Limited

BOARD OF DIRECTORS

Ms. Anjuly Chib Duggal, Chairperson and Independent Director

Ms. Duggal, a 1981 batch IAS Officer (Punjab cadre), retired as Secretary of Department of Financial Services, Ministry of Finance, Government of India, in 2017. Prior to this, Ms. Duggal was Secretary, Ministry of Corporate Affairs. She has worked in various areas of finance (public expenditure and financial services including banking, insurance, pensions and financial inclusion), corporate affairs, industry, personnel management and environment, among others.

Mr. Sanjay Asher, Independent Director

Mr. Asher holds a Bachelor's Degree in Commerce and a Bachelor's Degree in Law from the University of Bombay. Presently, Mr. Asher is a Senior Partner with M/s. Crawford Bayley & Co. He has been a practising Advocate since 1991 and was admitted as a Solicitor in the year 1993. He is also a qualified Chartered Accountant. He specialises in the fields of M&A, cross border M&A, joint ventures, private equity and capital markets. He has authored several publication published in national and international publications.

Mr. Chander Prakash Gurnani, Independent Director

Mr. C. P. Gurnani has a degree in chemical engineering from the National Institute of Technology, Rourkela. Until December 2023, he was CEO & Managing Director of Tech Mahindra. Mr. C. P. Gurnani is an accomplished business leader with extensive experience in international business development, start-ups and turnarounds. In a career spanning 40+ years, he has held several positions with Hewlett Packard, Perot Systems and HCL Corporation. He was appointed Nasscom's chairman in April 2016 for a one-year term.

Mr. Kumar Venkatasubramanian, Managing Director

Mr. Kumar Venkatasubramanian has completed his Bachelor of Engineering from National Institute of Technology and has an MBA from Indian Institute of Management, Calcutta. Mr. V. Kumar started his career with P&G India in 2000 in the Sales function and worked in various sales leadership roles across India. In his 23+ years career, he has led complex categories and diverse teams across some of the world's largest markets including India, Brazil, and Australia- with his extensive leadership experience to complement his strong strategic business acumen.

Mr. Pramod Agarwal, Non-Executive Director

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

Ms. Srividya Srinivasan, Executive Director & Chief Financial Officer

Ms. Srividya Srinivasan is a Bachelor of Computer Science Engineering, from Anna University, Coimbatore, India and a Master of Business Administration (MBA) in Finance from University of Virginia, Darden School of Business. She brings a diverse and rich experience in various finance roles across a career spanning 19 years. She joined P&G in 2005 in the United States of America and has since worked across various roles delivering outstanding results for several P&G businesses as well as serving various markets, including USA, Latin America, Philippines.

Mr. Srinivas Maruthi Patnam, Executive Director

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

Dear Shareholders,

Fiscal year 2023-24 was another strong year for the Company. Execution of the integrated strategy enabled the Company to deliver balanced growth across top-line and bottom-line in the fiscal year, despite a challenging operating and competitive environment.

During the year, reported sales stood at ₹2633 crore, up 6% versus year ago. Profit After Tax (PAT) for the fiscal year was ₹412 crore, up 16% versus year ago.

This encouraging growth was driven by a robust portfolio across grooming and oral care toothbrushes segment, strong brand fundamentals strengthened by compelling innovation and superior retail execution.

Our people are focused on executing each element of our integrated strategy with excellence: a portfolio of daily-use products where performance drives brand choice; superiority across product, package, brand communication, retail execution, and value; productivity; constructive disruption; all enabled by an empowered, agile and accountable organization. These strategic choices reinforce and build on each other. When executed well, they grow markets and create new business which, in turn, grows our share, sales, household penetration and profit.

Notably, the Company continued to strengthen its position as a leading player in in the Blades and Razors category in 2023-2024.

Throughout the fiscal year, the Company continued to delight the consumers and drive category growth through a strong product portfolio, superior consumer communication and a continuous stream of product innovations. This includes the launch of Gillette Labs razors that elevate the shaving experience, seamlessly combining shaving and gentle exfoliation for an extraordinary experience, introduction of Venus Bikini Sensitive Razors designed for intimate grooming, dermatologically tested with patented irritation defense. In the Oral care segment, the Company introduced fun designs for young consumers with Oral-B 'Chhota Bheem' toothbrushes.

We are focused on leading disruption in a constructive way that delivers better outcomes and creates value for consumers, customers, employees, society and shareholders. We have developed a strong productivity muscle over the years, and that is the fuel that allows us to reinvest in superiority across the five vectors and stay ahead of what consumers want.

During the year, the Company continued to contribute to flagship CSR program of the P&G group, P&G Shiksha and positively impact communities it serves and operates in. P&G Shiksha has continued to support thousands of schools and communities, impacting more than 45 lakh children since its inception. Over the years P&G Shiksha has evolved into a 360-degree educational intervention addressing three critical barriers to achieving universal education – access to education infrastructure, inequity in access to education and gap in learning.

All of this was made possible with the support of our consumers, customers, employees, business partners and YOU, our valued shareholders, and I want to thank YOU, for your support and participation in the growth of the Company. As we enter the new fiscal year, we remain focused on understanding, delighting and serving our consumers. When we do this well, consumers are delighted, and we create value for customers, employees, society and shareowners alike.

We remain committed to our integrated growth strategy, and our people continue to strive to bring it to life everyday - all aimed at delivering sustainable, balanced growth and value creation.

Kumar Venkatasubramanian
Managing Director

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 VALUES

CONSUMERS

P&G BRANDS

P&G PEOPLE

Integrity

Leadership

Ownership

Passion for Winning

Trust

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 world leading multinational consumer goods Company, focused on providing trusted, branded products of superior quality, performance and value to improve the lives of its consumers around the world. Today, P&G products are sold in about 180 countries and territories throughout the world.

Gillette India Limited ("the Company") was incorporated in India as Indian Shaving Products Limited in 1984. P&G acquired the Company in the year 2005. The Company is engaged in manufacturing and selling of branded packaged fast moving consumer goods in the grooming and oral care businesses. It is one of the well-known FMCG companies that has in its portfolio Gillette, Braun and Oral-B, which are world's leading brands. The Company has carved a reputation for delivering superior 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.

FINANCIAL HIGHLIGHTS 2023–24

₹2,633cr
REVENUE FROM OPERATIONS

₹562cr
PROFIT BEFORE TAX

₹412cr
PROFIT AFTER TAX

₹126.35
EARNING PER SHARE

22%
OPERATING PROFIT MARGIN

₹660cr
CASH GENERATED FROM OPERATIONS

TEN YEAR FINANCIAL HIGHLIGHTS

	IGAAP		IND AS								
	2015	2016	2016^	2017^	2018^	2019^	2020^	2021^	2022^	2023^	2024^
YEAR END FINANCIAL POSITION (₹ Crores)											
Net Fixed Assets	219	274	266	277	305	325	318	382	428	422	373
Net Worth	742	858	937	501	694	778	911	789	861	989	971
SUMMARY OF OPERATIONS (₹ Crores)											
Sales	1984	2072	1863	1788	1677	1862	1679	2009	2256	2477	2633
Profit Before Tax	246	327	328	374	345	339	314	429	411	473	562
Profit After Tax	158	213	214	253	229	253	230	310	289	356	412
Dividend paid during Financial Year	48.88	81.07	64.78	566.98	32.59	136.86	81.46	430.12	224.84	231.36	439.90
PER SHARE DATA											
EPS (₹)	48.53	65.38	65.73	77.67	70.29	77.62	70.64	95.25	88.79	109.15	126.35
Dividend for the Financial Year (₹)	15	39.52*	39.52*	164*	23	44	49	119*	69	85	130*
NUMBER OF SHARES											
Shares (Lakhs)	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85	325.85

*includes one time special dividend
Note: ^Figures for these years are as per Ind–AS and Schedule III of Companies Act, 2013. Hence these numbers are not comparable with previous years

REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors have the pleasure of presenting the 40th Annual Report including the Audited Financial Statements of the Company for the Financial Year ended June 30, 2024.

FINANCIAL RESULTS

(Figures in ₹ Crores)

Particulars	2023-24	2022-23
Sales	2,633	2,477
Profit before tax	562	473
Profit after tax	412	356
Appropriations:		
Opening Reserve	506	384
Profit for the year	412	356
Re-measurement gain/ loss on defined benefit plan (net of tax)	7	(3)
Dividend	(440)	(231)
Balance carried to balance Sheet	485	506
Earnings per share		
- Basic (₹)	126.35	109.15
- Diluted (₹)	126.35	109.15

FINANCIAL YEAR

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

DIVIDEND

During the Financial Year, the Board of Directors of the Company at its meeting held on January 30, 2024, declared an interim dividend of ₹85 per equity share, which was paid on February 26, 2024. This interim dividend included a one-time special dividend of ₹40 per equity share to commemorate Company's 40 years of serving its consumers, customers, shareholders, employees, and society.

The Board of Directors of the Company, at its meeting held on August 29, 2024, have recommended a final dividend of ₹45 per equity share, for the Financial Year ended June 30, 2024. This final dividend is subject to approval of the Members at the ensuing 40th Annual General Meeting of the Company.

The aggregate dividend for the Financial Year ended June 30, 2024, including the interim dividend of ₹85 per equity share and the final dividend of ₹45 per equity share recommended by the Board amounts to ₹130 per equity share.

ECONOMY AND MARKETS

During the Financial Year 2023-24, consumer demand in both urban and rural markets remained tepid for the large part of the year, owing to inflationary pressures and factors like delayed monsoons causing lower agricultural yields.

Despite this, India's real gross domestic product (GDP) grew by 8.2* per cent in FY 2024, exceeding 8 per cent mark in three out of four quarters of FY 2024. Indian economy has recovered and expanded in an orderly fashion post pandemic. The Annual Economic Survey of India in July 2024 highlighted that the real GDP in FY 2024 was 20 per cent higher than its level in FY 2020. Further, the Survey also highlighted that timely policy interventions by the government and Reserve Bank of India's price stability measures helped maintain retail inflation at 5.4 per cent in FY 2024$.

The economic growth of 8.2 per cent in FY 2024 was supported by an industrial growth rate of 9.5 per cent. Despite disruptions on many fronts, the manufacturing sector achieved an average annual growth rate of 5.2 per cent in the last decade$.

Despite a challenging global landscape, India's economy stayed resilient. India solidified its position as the world's fifth-largest economy, showcasing its significant economic strength and becoming one of the fastest growing major economies.

**Source: Press release of Ministry of Statistics & Programme Implementation dated May 31, 2024.*

$Source: Annual Economic Survey, July 2024.

OPPORTUNITIES, RISK AND OUTLOOK

The Reserve Bank of India has raised its real gross domestic product (GDP) growth forecast for the current Financial Year 2024–25 to 7.2%^ from 7%, demonstrating increasing confidence in the economic growth of the country.

Further, the International Monetary Fund (IMF) has predicted the global inflation rate to slow to 5.9% in 2024 from 6.7% last year, broadly on track for a soft landing*. In fact, IMF has forecasted inflation of 4.6% in 2024 and 4.2% in 2025 for India, significantly lower than the global outlook.

In July 2024, Ministry of Statistics and Program Implementation, have reported softened inflation, now below RBI's medium-term target of 4%. Rainfall over the country, as a whole, was above normal as per the IMD forecast, accordingly, rural demand is expected to keep up with the positive trends@. The watch-outs are declining rural wages and rising unemployment, which should stabilize in the near term with the government's recently announced interventions. Collectively, this should augur well for India's consumption trends.

While short to medium term challenges exist owing to a tepid global economic outlook, the long-term outlook for the FMCG sector remains positive. Your Company is well positioned to sustain and improve its performance with its integrated growth strategy and serve the consumer with superior products.

^ Monetary Policy Statement, June 7, 2024

**IMF World Economic Outlook, July 2024*

@Statement issued by the Indian Meteorological department, October 1, 2024

FINANCIAL PERFORMANCE

Despite a challenging operating and competitive environment, the Company delivered sales of ₹2,633 crore, up 6% versus year ago driven by a robust portfolio, strong brand fundamentals and superior retail execution. Profit After Tax (PAT) for the fiscal year, was ₹412 crore, up 16% versus year ago due to the topline growth with product innovation.

We delivered a balanced growth this year, while continuing to drive category growth through innovations that delight our consumers. These results are a testament to execution of our integrated growth strategy, which we remain committed to – a focused product portfolio where performance drives brand choice, superiority (of product performance, packaging, brand communication, retail execution and consumer and customer value), productivity, constructive disruption, and an agile and accountable organization – all aimed at delivering sustainable, balanced growth and value creation.

FINANCIAL RATIOS

Ratios	2023-24	2022-23	Change
Debtors' (Trade receivable) turnover	**8.86**	8.44	5%
Inventory turnover	**6.52**	6.30	3%
Return on investment	**0.04**	0.04	14%
Interest coverage ratio*	**-**	-	N.A.
Current ratio	**1.56**	1.53	2%
Debt Equity Ratio*	**-**	-	N.A.
Return on capital employed	**0.53**	0.44	22%
Net capital turnover	**6.16**	5.74	7%
Trade payables turnover	**1.64**	1.98	-17%
Operating profit margin	**21.68%**	19.40%	11.73%
Net profit margin	**15.64%**	14.36%	9%
Return on Net worth	**42.01%**	38.45%	9%

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

BUSINESS PERFORMANCE

- **GROOMING**

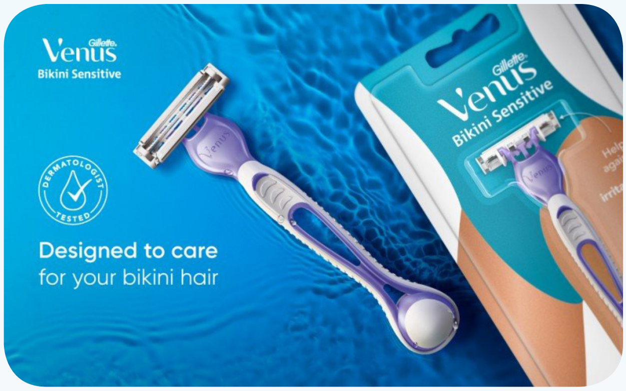
Throughout the fiscal year, the Company continued to delight its consumers and drive category growth through a strong product portfolio, superior consumer communication and a continuous stream of product innovations. Our robust portfolio caters to a wide variety of jobs that our consumers expect grooming solutions to do, ranging from safe and efficient shaves, to styling and shaping tools and an assortment of dedicated ranges in shave care category as well as electronic grooming.

The Company's grooming business delivered strong growth and continued to gain market share. This has been possible due to our consistent focus on irresistible superiority on product, packaging, direct-to-consumer trials and commercial innovations helping us add new users.

The Company's existing portfolio includes *Gillette Guard, Gillette Mach 3, Gillette Fusion, Gillette Venus and Braun.*

During the Financial Year, the Company introduced a super-premium razor – *Gillette Labs,* that transforms the mundane act of shaving into an extraordinary experience by offering a smooth and comfortable shave. With cutting-edge technology and a lifetime warranty on the handle, *Gillette's* latest razor delivers a superior shaving experience that combines close shaves with gentle exfoliation.

In the female grooming section, the Company launched *Venus Bikini Sensitive* – a razor designed for intimate grooming for women which comes with a dermatologically tested patented irritation-defence bar, and delivers a flawlessly smooth result without any discomfort in intimate areas. This launch has enabled new consumers via strong media interventions and go-to-market excellence.



Over the years, we have also evolved our communication strategy to cater to our consumers in a better way and thereby effectively resonate with them.

The *Braun* business has demonstrated healthy growth in the appliances business.

As a result of key interventions across the Gillette portfolio, we recorded our highest-ever market share in the Blades and Razors category this Financial Year.

- **ORAL CARE BUSINESS**

With agility and thorough research for providing best-in-class products, backed by consumer insights Oral-B accelerated category growth throughout the year. Our deliberate focus on irresistible superiority across vectors resulted in adding new users to the brand, along with balanced top and bottom-line growth.

This year, we executed an initiative on our *Crisscross* and *Sensitive* portfolio via premium packaging and best in-store visibility, delivering a key message of superior cleaning power of Crisscross toothbrushes to remove germs from hard-to-reach areas.

Oral-B introduced unique solutions to make brushing fun for its younger consumers. During the year, we continued our innovation on kids' toothbrushes resulting in *Oral B* leading the kids segment growth by providing superior brushes. We launched a Kids toothbrush 'Chotta Bheem' designs – a popular animated character loved by children in India. The packaging brings this to life and enables parents to engage children in a very important activity of brushing, inculcating the right oral health habits at a young age.

In the electric toothbrush range, we drove a strong growth behind our extensive portfolio from battery to our superior IO technology. This combined with our digital activations helped deliver on our promise to provide superior oral care to our consumers.

The combination of strong innovations, with a robust go-to-market execution and strong media presence led to meaningful value to our consumers and customers helping us grow. We continued to leverage our targeted trial programs and deeper distribution plans enabling more consumers to have access to superior brushes.

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 and the same expects the following from its employees:

- **To uphold our Purpose, Values, and Principals in our work and in the business decision 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 employess' work; and**
- **To be alert to any situations or actions that may violate the law, the WBCM or Company policies, and to report them appropriately.**

The Company 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

Your 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 occurred. A comprehensive security risk assessment is carried out regularly and adequate security measures are implemented to cater to changing security scenario. Your Company has installed the best of the security measures and processes to protect its personnel and assets.

INTERNAL AUDITOR

During the Financial Year, the Board of Directors had appointed Ms. Pooja Bhutra, Chartered Accountant as the Internal Auditor of the Company for the Financial Year 2023-24.

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 (CSA)** 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. Along with CSAs company also has a process of continuous monitoring for some of controls in manufacturing processes via an internally developed toolkit that tracks control activities and assesses effectiveness of controls with the process owners by selecting auto samples for packing, planning, warehousing, etc. Samples are auto picked up every quarter for the respective areas in the toolkit and tested. Defects, if any, are reviewed by the management. This ensures ongoing monitoring of controls for operational areas.
- **Local Governance and Global Internal Audit (GIA)**

  There are internal control experts in the organization guiding business teams on day-to-day compliance requirements. They also ensure that all key processes i.e. selling, distribution, trade & marketing spends, vendor payments, etc are reviewed and assessed at appropriate intervals via CSAs, standard operating procedures and process reviews or audits as applicable. As part of their ongoing monitoring process, if there are issues identified, those are reported to senior management for implementing action plans to strengthen control environment in these processes. The assessments of high-risk and SOX compliance areas are done by Company's Global Internal Audit (GIA) team. GIA comprises of certified internal auditors who have experience across different markets and have independent centers of excellence. Issues raised by internal audit teams are tagged to business owners and issue remediation is then reviewed and reported appropriately to the senior leadership.
- **Governance Board**

  The Governance Board is led by the Managing Director and comprises of 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.

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 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. We seek to reduce the footprint of our operations thereby enabling consumers to reduce their footprint.

The Company is committed to reducing plastic packaging waste by designing the packaging to be recyclable or reusable; and by reducing the use of virgin petroleum plastic resin in consumer packaging. The Company continues to be compliant with the government's Extended Producer Responsibility (EPR) guidelines on plastic packaging waste collection.

The Company's plants at Bhiwadi and Baddi are zero-manufacturing waste-to-landfill sites, which means that no manufacturing waste is sent to landfill.

The Company continuously strives to achieve water efficiency. This year the Company achieved 2768 kiloliters of circular water through Condensate Recovery and Internal Effluent Treatment Plant (ETP) Recycle.

The Company contributes to the P&G group's ambition to reduce Green House Gas emissions across its operations. The Company will continue to strive in its efforts towards this ambition. The Company aims to grow responsibly and continuously improve its efficiency while reducing its carbon footprint.

For a detailed report on Company's sustainability efforts, kindly refer to the business responsibility and sustainability report (BRSR) appended as **Annexure I** to this report.

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:

(Figures in ₹ Crores)

	For the year ended June 30, 2024	For the year ended June 30, 2023
Foreign Exchange earnings	206.25	204.21
Foreign Exchange outgo	618.72	723.93

We are committed to doing what's right and being a good corporate citizen

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/gil/terms-and-policies/. This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions which are of repetitive nature 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 2023-24 are given below:

Name of Related Party	Procter & Gamble International Operations S.A.
Nature of transaction	Import of Finished goods
Amount of transaction during Financial Year 2023-24	₹ 291 crores

The above transaction was approved by the Shareholders by passing an Ordinary Resolution through Postal Ballot on January 8, 2018. Being related parties, the Promoter shareholders had abstained from voting on the said resolution.

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. Details of the complaints received and resolved during the year are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. that in the preparation of the Annual Accounts for the Financial Year ended June 30, 2024, 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, 2024, 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 2023-24, as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at https://in.pg.com/india-investors/gil/reports-announcements/ announcements/.

HUMAN RESOURCES

The company has achieved remarkable success throughout the year by consistently delivering superior products to our consumers and customers. This has been made possible through a highly agile and empowered organization, enabling us to achieve outstanding business results and generate significant shareholder value.

The Company continues to focus on creating an appealing employer brand, attracting talent that aligns with our Company's values, and nurturing that talent for future success. We have developed comprehensive human resource strategies, keeping employees at the centre of everything we do, and to ensure that our organization is well-prepared to meet future challenges.

India remains a critical talent source for us, and we have adapted our campus initiatives to proactively address changing times. We have launched innovative campus programs and revamped existing ones, ensuring a mix of virtual and face-to-face setups to accommodate a dispersed audience. Our internships, onboarding, and learning & development programs continue to receive recognition in various campus surveys. We are committed to nurturing our talent and fostering diverse leaders who will thrive in our ecosystem.

To foster a winning culture, it is crucial to engage and empower employees right from their comprehensive corporate onboarding program, known as GETiN. By instilling a growth mindset within our Company DNA, we encourage a love for learning and resilience, which are vital for achieving both organizational and personal goals.

We strongly believe in co-creating careers with our employees, allowing them to collaborate with the business and achieve fulfilling careers with us. We encourage our employees to be their authentic selves at work, as we strive to consistently evolve from good to great. Our performance management system evaluates employees based on their impact and growth.

P&G India has been consistently recognized as an employer of choice. For the seventh consecutive year, AVTAR has acknowledged us as one of the top 100 companies for women in India. We have also received accolades such as the Best Organization for Women by ET Now (2024), Buddies of Wellness by People Matters (2023), Women in Sales Evangelist by WinS (2024), and Silver Employer for progress on LGBTQ+ inclusion at the Workplace by the India Workplace Equality Index (2023), among others.

The number of employees as on June 30, 2024 was 523.

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, this Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at investorgil.im@pg.com.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Anjuly Chib Duggal who was appointed as Non-Executive Independent Director of the Company for a period of five years effective March 26, 2019, was re-appointed as Non-Executive Independent Director for a further period of five years effective March 26, 2024 pursuant to the approval of the shareholders of the Company through resolution passed via postal ballot and evoting on March 20, 2024.

Mr. Karthik Natarajan ceased to be a director of the Company effective close of business hours of March 31, 2024, pursuant to his resignation from the Board.

The Board of Directors of the Company express their deepest gratitude to Mr. Natarajan for his guidance and contribution to the Board during his tenure as Director on the Board of the Company.

Mr. L. V. Vaidyanathan ceased to be the Managing Director of the Company effective close of business hours of April 30, 2024 due to his resignation from the Company. The P&G Management and the

Board of Directors of the Company express their deepest gratitude to Mr. L. V. Vaidyanathan for his exemplary leadership and consistent value creation and direction to the Company during his tenure as Managing Director.

Mr. Kumar Venkatasubramanian was appointed as Director and Managing Director of the Company for a period of five years effective May 1, 2024, pursuant to the Board's approval and recommendation of the Nomination and Remuneration Committee. The Shareholders of the Company approved his appointment through resolution passed by postal ballot & e-voting on July 03, 2024. Mr. Kumar Venkatasubramanian 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. Srinivas Maruthi Patnam-Director, retiring by rotation and being eligible, offers himself for re-appointment at the ensuing 40th Annual General Meeting.

Appropriate resolution for the re-appointment of the aforesaid Director is being proposed at the ensuing 40th Annual General Meeting, which the Board recommends for approval of the shareholders of the Company.

Details of the Directorships of Directors proposed to be appointed/re-appointed as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the Notice convening the ensuing 40th Annual General Meeting of the Company.

All Independent Directors of the Company have provided declarations 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 programmes 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

Six (6) 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 this Report.

POLICIES

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

AUDITORS

Kalyaniwalla & Mistry LLP, Chartered Accountants were re-appointed as Statutory Auditors of the Company at the 38th Annual General Meeting (AGM) held on November 18, 2022 for a second term of five consecutive years, from the conclusion of the 38th AGM until the conclusion of the 43rd AGM.

The Report issued by Kalyaniwalla & Mistry LLP, Statutory Auditors on the financial statements of the Company for the Financial Year ended June 30, 2024 forms part of the Annual Report. There has been no qualification, reservation or adverse remark given by the Auditors in their Report.

SECRETARIAL AUDIT

Secretarial Audit was carried out by M/s. Saraf & Associates, Practicing Company Secretaries for the Financial Year 2023-24. There were no qualifications, reservations or adverse remarks given by Secretarial Auditors of the Company. The Secretarial Audit report is annexed to this Annual Report.

SECRETARIAL STANDARDS

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

ACKNOWLEDGEMENT

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

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 29, 2024

Gurcharan Das
Chairman

ANNEXURE I

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2023-24

Dear Shareholders,

We are presenting the Company's Business Responsibility and Sustainability Report for the Financial Year ended June 30, 2024.

Our objective is balanced top- and bottom-line growth, while serving the needs of all stakeholders — consumers, customers, employees, society and shareholders. We are growing and creating value through a strategy of five integrated choices - a focused product portfolio of daily use categories where performance drives brand choice, superiority (of product performance, packaging, brand communication, retail execution and consumer and customer value), productivity, constructive disruption, and an agile, empowered and accountable organization. This strategy is inherently dynamic and adapts to the changing needs of consumers, customers and society. We see success in environmental, social and governance areas, what we call Citizenship, as an opportunity to create competitive advantage that can drive shareholder value creation.

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.

The Company continued to contribute to P&G India group's flagship Corporate Social Responsibility Program - P&G Shiksha and positively impacting communities. P&G Shiksha is impacting over 45 lakh children across the country since its inception 19 years ago, in a 360-degree educational intervention addressing three critical barriers to achieving universal education – access to education infrastructure, inequity in access to education and gap in learning.

As a consumer products company, we believe that it is important for our workforce to reflect the diversity of our consumers. We seek to foster an inclusive work environment where each individual can bring their authentic self, which helps drive innovation and enables us to better serve our consumers. Our ability to serve diverse consumers most effectively is enabled by a workforce and culture that understands, respects, and reflects the uniqueness of all the consumers we serve.

We are entering the new fiscal year keeping consumers at the center, and an organization passionate to serve and delight the consumer, along with all our stakeholders. When done well, 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.

Kumar Venkatasubramanian
Managing Director

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN)	L28931MH1984PLC267130
2.	Name of the Company	Gillette India Limited
3.	Year of incorporation	1984
4.	Registered office address	P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai – 400099
5.	Corporate office address	
6.	E-mail id	investorgil.im@pg.com
7.	Telephone number	Tel no.: +91 022 6958 6000 Investor helpline no.: +91 86575 00524
8.	Website	in.pg.com
9.	Financial Year reported	July 1, 2023 to June 30, 2024
10.	Name of the Stock Exchange(s) where shares are listed	• BSE Limited • National Stock Exchange of India Limited
11.	Paid up capital	₹ 32.59 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Flavia Machado Company Secretary & Compliance Officer Tel no.: +91 022 6958 6000 Email ID: investorgil.im@pg.com
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
14.	Name of Assurance Provider	Not applicable
15.	Type of Assurance obtained	Not applicable

II. Products/services

16. 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%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Grooming (Blades & razors and toiletries)	NIC 25931 & 20237	80.48%
2.	Oral Care	NIC 20235	19.52%

III. Operations

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

The Registered office of the Company is in Mumbai, and it has two manufacturing plants, located at Bhiwadi, Rajasthan and Baddi, Himachal Pradesh.

Location	Number of plants	Number of offices	Total
National	2	20*	22
International	-	-	-

** Includes number of depots/distribution centers/warehouses across India*

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company has a pan-India presence, and its products are sold across India (28 States and 8 Union Territories).
International (No. of Countries)	13 countries*

** During the Financial Year 2023-24, the Company exported products to 13 countries.*

b. What is the contribution of exports

Percentage of exports to the total turnover of the entity	5.52%

c. A brief on types of customers

The Company is engaged in manufacturing and selling of branded packaged fast moving consumer goods in the grooming and oral care businesses and serves consumers with trusted and quality brands, including *Gillette, Braun* and *Oral-B*. The Company's distribution channels, *inter alia*, include distributors, modern retail stores, canteen stores, pharmacies and e-commerce platforms.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees (other than workers)					
1.	Permanent (D)	103	62	60%	41	40%
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total employees (D + E)**	**103**	**62**	**60%**	**41**	**40%**
	Workers					
4.	Permanent (F)	420	411	98%	9	2%
5.	Other than Permanent (G)*	606	490	81%	116	19%
6.	**Total workers (F + G)**	**1026**	**901**	**88%**	**125**	**12%**

** Other than permanent workers include contractual labour.*

b. Differently abled employees and workers: Nil

21. Participation/Inclusion/Representation of women

Sr. No.	Designation	Total (A)	No. and percentage of females	
			No. (B)	% (B/A)
1.	Board of Directors	10	2	20.00%
2.	Key Managerial Personnel (KMP)	4*	1	25.00%

** 3 KMPs, viz., Mr. Kumar Venkatasubramanian, Managing Director, Mr. Srinivas Maruthi Patnam, Executive Director and Mr. Gautam Kamath, Executive Director and CFO are also part of the Board of Directors.*

22. Turnover rate for permanent employees and workers

	F.Y. 2023-24			F.Y. 2022-23			F.Y. 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.59%	10.19%	10.44%	2.90%	2.50%	2.70%	4.50%	12.50%	7.10%
Permanent Workers	10.33%	12.12%	10.37%	1.80%	0.00%	1.70%	0.90%	0.00%	0.90%

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

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held	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	75.00% (Indirect through its subsidiaries)	The Company is a subsidiary of The Procter & Gamble Company, USA, ("P&G US", together with all its subsidiaries "P&G"). The Company 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	75.00% (Direct holding- 40.12%; and Indirect through its subsidiary- 34.88%)	

VI. CSR Details

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

(ii) Turnover : ₹ **2633 Crores**

(iii) Net worth : ₹ **971 Crores**

VII. Transparency and Disclosures Compliances

25. 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)*	F.Y. 2023-24			F.Y. 2022-23		
		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	P&G's Worldwide Business Conduct Manual (the WBCM) sets forth the Company's standards of business responsibility and any grievances with respect to the WBCM are handled in accordance with process set forth in the WBCM. Web-link to the WBCM: https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/	Nil	Nil	-	Nil	Nil	-
Employees and workers		11	1	-	6	3	-
Customers		Nil	Nil	-	Nil	Nil	-
Value Chain Partners		12	2	-	2	Nil	-
Investors (other than Shareholders)	The Company has dedicated contact details for investors and shareholders- investorgil.im@pg.com.	Nil	Nil	-	Nil	Nil	-
Shareholders		8	Nil	-	1	Nil	-

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Plastic packaging waste	Risk	The Company's products have plastic packaging.	The Company is committed towards reducing plastic packaging waste. The Company 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 of 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, especially with challenges such as absence or unavailability of technology solutions for developing alternative packaging, and lack of availability of post-consumer recycled (PCR) meeting appropriate quality standards.
2.	Diversity and Inclusion	Opportunity	Diversity and Inclusion is good for our business – broadening our ability to better serve our consumers, as well as supplementing our efforts to attract, develop, and retain the best employees from the broadest pool of talent available.	Our Equality & Inclusion (E&I) efforts are integrated into how we serve diverse consumers. Our ability to do this most effectively is enabled by a workforce and culture that understands, respects and reflects the uniqueness of all the consumers we serve.	We believe that our E&I efforts provide us with a sustained competitive advantage and further enhances shareholder value.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Community impact	Opportunity	Being a good corporate citizen is core to who we are as a Company. Therefore, it remains a priority now, and in the future.	We continue to give back to the communities we serve through our flagship Corporate Social Responsibility program – P&G Shiksha, which focuses on providing education for underprivileged children through a 360-degree educational intervention to enhance education infrastructure, improve learning outcomes and support communities via targeted education interventions.	P&G Shiksha is focused on creating scalable and sustainable impact, in underserved communities. The efforts are in line with the national priorities as called out in the National Education Policy 2020. As India is a diverse and expansive country, and considering the scale of the challenge P&G Shiksha aims to address, there continues to be a big opportunity for making a positive impact in the communities we serve.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Principle 1 Ethics, Transparency and Accountability (P1)

Principle 2 Safe Products & Products Lifecycle Sustainability (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
	Policy and management processes									
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 24, 2017, had approved P&G's WBCM, as Company's Business Responsibility policy.								
	c. Web Link of the Policies, if available	https://in.pg.com/policies-and-practices/worldwide-business-conduct-manual/								
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 the WBCM. Further information is available at pgsupplier.com.								
4.	Name of the national and international codes / certifications / labels / standards (e.g. *Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea*) standards (*e.g. SA 8000, OHSAS, ISO, BIS*) adopted by your entity and mapped to each principle.	Our Human Rights Policy Statement communicates our support for the UN Guiding Principles on Business and Human Rights and the principles concerning fundamental rights as set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. (P5) The Company's Health & Safety Environment management systems follow stringent and robust internal standards (P3, P6).								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Continuous efforts of reducing environmental footprint: We have made significant progress across our focus areas of climate, water, and waste. We continue to be committed to leveraging renewable sources of energy in our operations.								
	Governance, leadership and oversight									
6.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Kumar Venkatasubramanian, 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
8.	Details of Review of NGRBCs by the Company:									
	Performance against above policies and follow up action; and Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances a. Whether review was undertaken by Director / Committee of the Board/ Any other Committee b. Frequency of review	The Audit Committee reviews the Vigil Mechanism report, viz., complaints filed as per process laid down in the WBCM, on a quarterly basis. Compliance with statutory requirements is reviewed by the Board of Directors, annually, including statutory requirements relevant to NGBRC Principles. The Corporate Social Responsibility Committee reviews the business responsibility and sustainability report annually. Further, the Board is updated on various actions or updates relevant to the NGBRC Principles from time to time, e.g. compliance with Plastic Waste management regulations.								
9.	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has a robust internal audit process led by P&G's 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)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

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, P&G's 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 programs 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*	• Vigil mechanism (Ethics) • Community impact- CSR initiatives • Plastic waste management compliance update • Environmental sustainability initiatives • Customer value & engagement (Go-to-market initiatives)	100%
Employees (including Key Managerial Personnel)	4**	• Doing the Right Thing training - WBCM fundamentals (e.g. speaking up, reporting resources), Safeguarding & Managing Information, Protecting Privacy, Stewardship with Vendors & Physical Security • Effective sourcing and third-party governance training • Data Privacy training • We See Equal- Equality & inclusion summit	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 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 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 -** 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 adopted the P&G anti-bribery Policy. The Company's anti-bribery policy prohibits bribes to government officials and employees everywhere we do business, including by Company employees or by external parties operating 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 the 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:

	F.Y. 2023-24	F.Y. 2022-23
Directors	Nil	Nil
KMP	Nil	Nil
Employee	Nil	Nil
Worker	Nil	Nil

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

	F.Y. 2023-24		F.Y. 2022-23	
	Number	Remark	Number	Remark
In relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
In relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

8. Number of days of accounts payables ((Accounts payable * 365) / Cost of goods/services procured):

	F.Y. 2023-24	F.Y. 2022-23
Number of days of accounts payable	126	142

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	F.Y. 2023-24	F.Y. 2022-23
Concentration of Purchases	a. Purchase from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	96.31%	93.52%
	b. Number of dealers / distributors to whom sales are made	36	36
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	54.55%	52.43
Share of RPTs	a. Purchase (Purchase with related parties / total purchases)*	32.59%	42.90%
	b. Sales (Sales to related parties / total sales)	4.90%	7.57%
	c. Loans & advances (Loans & advances given to related parties / total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total investments made)	Nil	Nil

** Purchase of goods and raw and packing materials considered.*

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

	F.Y. 2023-24	F.Y. 2022-23	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 group 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 has 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 labour, 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 (EPR).

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	62	62	100%	62	100%	-	-	62	100%	62	100%
Female	41	41	100%	41	100%	41	100%	-	-	41	100%
Total	**103**	**103**	**100%**	**103**	**100%**	**41**	**100%**	**62**	**100%**	**103**	**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.

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	411	411	100%	411	100%	-	-	411	100%	411	100%
Female	9	9	100%	9	100%	9	100%	-	-	9	100%
Total	**420**	**420**	**100%**	**420**	**100%**	**9**	**100%**	**411**	**100%**	**420**	**100%**
Other than Permanent workers*											
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.*

c. Spending on well-being measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	F.Y. 2023-24	F.Y. 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.07 %	0.10 %

2. **Details of retirement benefits**

Benefits	F.Y. 2023-24			F.Y. 2022-23		
	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 steps to support the needs of individuals with disabilities. The Company has implemented various measures to provide accessible infrastructure, including ramps, wheelchair access, accessible washroom, accessible parking, fire hooter and flasher with integrated fire alarm system, automated sliding doors, height adjustable workstations, voice announcement in service elevators, etc.

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 P&G Worldwide Business Conduct Manual (the WBCM) sets forth the Company's commitment 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, colour, gender, age, national origin, religion, sexual orientation, gender identity, gender expression, marital status, citizenship, veteran status, HIV / AIDS status or any other legally protected factor.

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

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

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

Yes/No (If Yes, then give details of the mechanism in brief)	Yes
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	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.

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

Category	F.Y. 2023-24			F.Y. 2022-23		
	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	103	Nil	Nil	110	Nil	Nil
- Male	62	Nil	Nil	70	Nil	Nil
- Female	41	Nil	Nil	40	Nil	Nil
Total Permanent Workers	420	Nil	Nil	461	Nil	Nil
- Male	411	Nil	Nil	453	Nil	Nil
- Female	9	Nil	Nil	8	Nil	Nil

8. Details of training given to employees and workers

Category	F.Y. 2023-24					F.Y. 2022-23				
	Total	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees (other than workers)										
- Male	62	62	100%	62	100%	70	70	100%	70	100%
- Female	41	41	100%	41	100%	40	40	100%	40	100%
Total	**103**	**103**	**100%**	**103**	**100%**	**110**	**110**	**100%**	**110**	**100%**
Workers										
- Male	411	411	100%	411	100%	453	453	100%	453	100%
- Female	9	9	100%	9	100%	8	8	100%	8	100%
Total	**420**	**420**	**100%**	**420**	**100%**	**461**	**461**	**100%**	**461**	**100%**

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

Category	F.Y. 2023-24			F.Y. 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees (other than workers)						
- Male	62	62	100%	70	70	100%
- Female	41	41	100%	40	40	100%
Workers						
- Male	411	411	100%	453	453	100%
- Female	9	9	100%	8	8	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, including 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?

We are committed to having safe and healthy operations around the world to protect the life and health of our employees and the community surrounding our operations, to protect our 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 a 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 requires 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, respective site safety leader or Legal immediately. Adequate measures are taken to mitigate any work-related hazards.

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

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

11. Details of safety related incidents:

Safety Incident/Number	Category	F.Y. 2023-24	F.Y. 2022-23
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	1	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

	F.Y. 2023-24			F.Y. 2022-23		
	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	• Regular organizational engagements (in-person & virtual) • Email	Ongoing Event based	• Employee engagement activities • Learning and development • Employee recognition • Employee performance review and career development • Employee safety and well-being
Shareholders / Investors	No	• Annual general meeting • Postal ballots/e-voting • Website updates • Newspaper notices • Email	Annual Event based Event based Ongoing Event based	• Engagement with management on business performance & strategy • Seeking approval on resolutions • Disclosure of information • Resolution of share related grievances
Consumers	No	• Advertisements on various media (TV, Social media, newspaper etc.) • Website • Email • Phone	Ongoing	• Awareness of Company's products • Seeking consumer feedback • Resolution of consumer queries / complaints
Customers	No	• Email • Phone • Market visits and In-person meetings	Ongoing	• Distribution of goods
Suppliers & value chain partners	No	• Email • Phone • Supplier portal- website • Meetings	Ongoing	• Sourcing related discussions • Conducting third-party risk assessment for engaging suppliers
Government & Regulatory bodies	No	• In-person meetings • Advocacy through Trade Associations • Email • Statutory filings (electronic physical filing)	Ongoing	• Advocacy on proposed laws and policies impacting business & operations • Various applications, incl. licenses etc. • Statutory compliances
Community	Yes	• Connects via NGO partners • On-ground field visits	Ongoing	• CSR activities • Equality & Inclusion objectives

PRINCIPLE - 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Respect for Human Rights is fundamental to the way we manage our business. This includes respecting and promoting the human rights of our employees, our external business partners, and the communities in which we live, serve, and operate. 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, the International Covenants on Economic, Social and Cultural Rights, and the International Covenants on Civil & Political Rights); the principles concerning fundamental rights as set out in the International Labor Organization Declaration on Fundamental Principles and Rights at Work; and the United Nations Declaration of the Rights of Indigenous Peoples.

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

Category	F.Y. 2023-24			F.Y. 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (D)	No. of employees / workers covered (E)	% (E /D)
			Employees (other than workers)			
Permanent	103	103	100%	110	110	100%
Other than permanent	-	-	-	-	-	-
Total Employees	**103**	**103**	**100%**	**110**	**110**	**100%**
			Workers			
Permanent	420	420	100%	461	461	100%
Other than permanent	-	-	-	-	-	-
Total Workers	**420**	**420**	**100%**	**461**	**461**	**100%**

Note: All employees of the Company are trained on the expectations under P&G's Worldwide Business Conduct Manual ("the WBCM").

Additionally, the WBCM compliance certifications are obtained from all Managers of the Company annually.

2. Details of minimum wages paid to employees and workers

Category	F.Y. 2023-24					F.Y. 2022-23				
	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	103	Nil	Nil	103	100%	110	Nil	Nil	110	100%
Male	62	Nil	Nil	62	100%	70	Nil	Nil	70	100%
Female	41	Nil	Nil	41	100%	40	Nil	Nil	40	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

Category	F.Y. 2023-24					F.Y. 2022-23				
	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)
Workers										
Permanent	420	Nil	Nil	420	100%	461	Nil	Nil	461	100%
Male	411	Nil	Nil	411	100%	453	Nil	Nil	453	100%
Female	9	Nil	Nil	9	100%	8	Nil	Nil	8	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

a. Median remuneration / 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)	8	28	2	26
Key Managerial Personnel^	3	138	1	9
Employees (other than workers)	62	41	41	39
Workers	411	12	9	8

^ Includes Managing Director, Executive Director, Company Secretary and Chief Financial Officer

b. Gross wages paid to females as % of total wages paid by the entity

	2023-24
Gross wages paid to females as % of total wages	12.21%

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

Respect for Human Rights is fundamental to the way we manage our business. This includes respecting and promoting the human rights of our employees, our external business partners, and the communities in which we live, serve, and operate. 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, the International Covenants on Economic, Social and Cultural Rights, and the International Covenants on Civil & Political Rights); the principles concerning fundamental rights as set out in the International Labor Organization Declaration on Fundamental Principles and Rights at Work; and the United Nations Declaration of the Rights of Indigenous Peoples.

We recognize that there will be times when national law and international human rights principles do not align, or where there are insufficient legal and regulatory frameworks or enforcement mechanisms. Wherever this is the case, we are committed to respecting human rights across our value chain, which encompasses 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.**

We strive to promote a work environment of confidence and trust. Our employees hold themselves and one another accountable for operating with trust and integrity, for stepping up as leaders and owners of the Company, and for balancing stewardship with a passion to win.

The Company is committed to creating a work environment internally and with our business partners that fosters open communication and supports individuals in reporting potential violations. Employees and individuals in our operations or extended value chain can report violations at the Worldwide Business Conduct Helpline, which is staffed by an independent third party - 24 hours a day, seven days a week - and includes, where permitted by local law, an anonymous way to report concerns. The Company is committed to reviewing all allegations of wrongdoing with trained teams who ensure thorough, impartial and fact-based investigations. Retaliation for raising concerns in good faith will not be tolerated.

The Company will not knowingly condone or contribute to adverse human rights impacts caused by the actions of our business partners. When the Company becomes aware of an adverse impact, it engages to be part of the solution to address the issue or dilemma, including seeking to prevent or mitigate the adverse impact and working to enable effective remedy.

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

	F.Y. 2023-24			F.Y. 2022-23		
	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	2	Nil	-	Nil	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. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

	F.Y. 2023-24	F.Y. 2022-23
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	Nil
Complaints on POSH as a % of female employees/workers	4	Nil
Complaints on POSH upheld	Nil	Nil

8. 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.

9. 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.

10. Assessments for the year

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

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

PRINCIPLE 6- BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

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

Parameter	2023-24	2022-23
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	75271 GJ	71712 GJ
Total fuel consumption (E)	9165 GJ	5350 GJ
Energy consumption through other sources (F)	-	-
Total energy consumption from non-renewable sources (D+E+F)		
Total energy consumed (A+B+C+D+E+F)	**84436 GJ**	**77062 GJ**
Energy intensity per rupee of turnover (GJ/₹ Lakhs) *(Total energy consumption / turnover)*	0.32	0.31
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total energy consumed / Revenue from operations adjusted for PPP)*	0.08	0.09

The Company has a diverse product mix with varying units of measure, and is unable to measure intensity vs. physical output.

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- N.

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	2023-24	2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	112357	87714
(iii) Third party water (Municipal water)	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal *(in kilolitres) (i + ii + iii + iv + v)*	**112357**	**87714**
Total volume of water consumption (in kilolitres)	**69082**	**44112**
Water intensity per rupee of turnover *(Water withdrawn (Kl) / turnover (₹ lakhs))*	0.43	0.35
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total water consumption / Revenue from operations adjusted for PPP)*	0.10	0.10

The Company has a diverse product mix with varying units of measure, and is unable to measure intensity vs. physical output.

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. **Provide the following details related to water discharged:**

Parameter	2023-24	2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – Offsite treatment	4833	5572
(v) Others (Applied on site)		-
- No treatment	-	-
- With treatment – Treated & applied onsite	38442	37932
Total water discharged (in kilolitres)	**43275**	**43602**

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

The Company strives to achieve water efficiency. This year the Company achieved 2768 kilolitres circular water through Internal Effluent Treatment Plant (ETP) Recycle and reverse osmosis (RO) and continuous electrodeionization (CEDI) Reject recycle.

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

Parameter	Please specify unit	2023-24	2022-23
NOx	Metric tons	0.044	0.003
SOx	-	NA	NA
Particulate matter (PM)	Metric tons	0.004	0.091
Persistent organic pollutants (POP)	Metric tons	NA	NA
Volatile organic compounds (VOC)	Metric tons	0.001	0.000
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	0.155	
(SO2)	Metric tons	0.011	0.001
CO	Metric tons	0.044	0.026

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- N.

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

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions	*Metric tonnes of CO2 equivalent*	562	370
Total Scope 2 emissions	*Metric tonnes of CO2 equivalent*	Gross: 14978	Gross: 13798
Total Scope 1 and Scope 2* emissions per rupee of turnover *(Total Scope 1 and Scope 2* GHG emissions / Revenue from operations)*	MT per ₹ lakhs	0.06	0.06
Total Scope 1 and Scope 2* emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total Scope 1 and Scope 2* GHG emissions / Revenue from operations adjusted for PPP)*	MT per ₹ Lakhs	0.01	0.02

The Company has a diverse product mix with varying units of measure, and is unable to measure intensity vs. physical output.

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- N

The Company's market-based Scope 2 Net GHG emissions is NIL, including application of Renewable Energy Certificates

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

The Company contributes to the P&G's ambition to reduce Green House Gas (GHG) emissions across its operations. The Company will continue to strive in its efforts towards this ambition.

9. Provide details related to waste management by the entity

Parameter	2023-24	2022-23
Plastic waste *(A)*	200.91 MT	195.91 MT
E-waste *(B)*	1.51 MT	0.88 MT
Bio-medical waste *(C)*	0.05 MT	0.04 MT
Construction and demolition waste *(D)*	264.91 MT	63.20 MT
Battery waste *(E)*	3.13 MT	0.63 MT
Radioactive waste *(F)*	NA	NA
Other Hazardous waste. Please specify, if any. (G)	60.54 MT	55.77 MT
Other Non-hazardous waste generated *(H).*	1338.09 MT	1711.89 MT
Total (A+B + C + D + E + F + G + H)	**1869.14 MT**	**2028.32 MT**
Waste intensity per rupee of turnover *(Total waste generated / Revenue from operations)*	0.01	0.01
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total waste generated / Revenue from operations adjusted for PPP)*	0.00	0.00
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	1869.09 MT	2028.28 MT
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**1869.09 MT**	**2028.28 MT**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.05 MT	0.04 MT
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
Total	**0.05 MT**	**0.04 MT**

The Company has a diverse product mix with varying units of measure, and is unable to measure intensity vs. physical output.

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.- N.

10. 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 Plants at Bhiwadi and Baddi are zero-manufacturing-waste-to-landfill sites, 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.

11. 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			

12. 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					

13. 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-** 7.

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
1	The Advertising Standard Council of India (ASCI)	National
2	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3	Confederation of Indian Industry (CII)	National
4	US-India Strategic Partnership Forum (USISPF)	National
5	India Home & Personal Care Industry Association (IHPCIA)	National
6	Indian Beauty and Hygiene Association (IBHA)	National
7	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**

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

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

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

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

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

	2023-24
Directly sourced from MSMEs / small producers	3%
Sourced directly from within India	71%

Note - Computation based on amounts inclusive of GST

5. **Job creation in smaller towns – Disclose wages paid to persons employed in the following locations, as % of total wage cost**

Location	2023-24
Rural	57.78%
Semi-Urban	0.71%
Urban	Nil
Metropolitan	41.51%

Note - Non-permanent/Contract workforce is paid through a contractor and not directly by the Company, hence not included in above.

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

	F.Y. 2023-24		F.Y. 2022-23	
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year
Data privacy	Nil	Nil	1	Nil
Advertising	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil
Other – Product quality / performance, offers & promotions etc.	2988	Nil	2889	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 detailed framework and policies on information security which cover risks related to cyber security. The Company also has a 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 consumer 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 incidents or penalties/regulatory action levied in respect of issues pertaining to delivery of essential services; advertising; cyber security and data privacy of customers; re-occurrence of instances of product recalls; or product safety during the financial year 2023-24.

7. Provide the following information relating to data breaches:

a.	Number of instances of data breaches	Nil
b.	Percentage of data breaches involving personally identifiable information of customers	Nil
c.	Impact, if any, of the data breaches	Not applicable

ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

1. Brief outline of the Company's Corporate Social Responsibility 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. This approach to business is at the heart of all we do at P&G. Doing the right thing also includes investing in the communities in which we live, work, and serve. At its core, P&G's Corporate Social Responsibility (CSR) efforts aim to improve lives.

The Company's flagship Corporate Social Responsibility program – *P&G Shiksha*, 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 during the Financial Year 2023-24 are as follows:

<u>Strengthening educational infrastructure</u>

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.

<u>Imparting early childhood education</u>

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, increased knowledge retention, and growth 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.

<u>Leveraging technology to bridge learning gaps</u>

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 technology 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.

<u>Remediating learning gaps in communities</u>

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.

Digital upskilling for underserved communities – women, transgender community, and people with disabilities

Project Pragati aims at imparting digital upskilling opportunities to marginalized women across the Country, together with various organizations like Pratham Infotech Foundation, Humsafar Trust and Youth4Jobs. With this, our aim is to help enhance the employability of these groups and set them up for a self-sufficient future, by equipping them with core digital skills that have become critical in the age of technology.

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

2. The composition of the CSR Committee during the Financial Year is as follows:

Name of the Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Anil Kumar Gupta	Chairman	3	3
Mr. L. V. Vaidyanathan*	Member	3	2
Mr. Gurcharan Das	Member	3	3
Ms. Sonali Dhawan	Member	3	2
Mr. Kumar Venkatasubramanian#	Member	-	-

**Mr. L. V. Vaidyanathan ceased to be member of the Committee effective close of business hours of April 30, 2024.*

#Mr. Kumar Venkatasubramanian was inducted as a member of the Committee effective May 1,2024

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

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

The Company conducts internal assessments to monitor and evaluate its CSR programs. The requirement of impact assessment report is not applicable to the Company for the Financial Year 2023-24.

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 - ₹ **7.19 Crores**

Amount required for set-off - ₹ **1.06 Crores**

5. Average net profit of the company for last three Financial Years – ₹ 438.60 Crores

a) Prescribed CSR expenditure (2% of amount as in item 5) – ₹ **8.77 Crores**

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

c) Amount required to be set off for the Financial Year – ₹ **1.06 Crores**

d) Total CSR obligation for the Financial Year (a+b-c) – ₹ **7.71 Crores**

6. Details of CSR spent during the Financial Year

a) Total amount spent for the Financial Year – ₹ **7.71 Crores**

b) Total amount transferred to Unspent CSR Account as per section 135(6) – **Nil**

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

7. Details of CSR amount spent against ongoing projects for the Financial Year - Nil

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹ Cr)	Mode of Imple-mentation: Direct (Yes/No)	Mode of implementation through implementing agency	
							Name	CSR registration number
1	P&G Shiksha: Read India Program and Early Childhood Education	Promoting education	Yes	Rajasthan, Himachal Pradesh, Delhi, Madhya Pradesh, Maharashtra, Telangana	1.08	No	Pratham Education Foundation	CSR00000258
2	P&G Shiksha: Build & Support Schools	Promoting education	Yes	Pan-India	2.3	No	Round Table India Trust	CSR00000895
3	P&G Shiksha: Supporting remedial learning via digital learning	Promoting education	Yes	Rajasthan, Madhya Pradesh, Himachal Pradesh, Telangana	3.50	Yes	-	-
4	P&G Shiksha: Community Learning for underserved migrant children in Rajasthan	Promoting education	Yes	Rajasthan	0.26	No	IBTADA	CSR00002333
5	Supporting digital upskilling for women from underprivileged backgrounds via Project Pragati	Promoting Education & skill development	Yes	Maharashtra	0.37	No	Pratham Infotech	CSR00002475
6	Supporting digital upskilling and job fair 'Saksham' for transgender community via Project 'Pragati For Pride'	Promoting Education & skill development	Yes	Maharashtra	0.07	No	Humsafar Trust	CSR00001950
7	Supporting digital upskilling for persons with disability via 'Limitless Pragati'	Promoting Education & skill development	Yes	Mumbai, Pune, Hyderabad	0.13	No	Youth4Jobs	CSR00002046

9. a) Amount spent in Administrative Overheads – **Nil**

b) Amount spent on Impact Assessment, if applicable – **Not Applicable**

c) Total amount spent for the Financial Year – ₹ **7.71 Crores**

d) Excess amount for set-off, if any

Sr. No.	Particulars	Amount (in ₹ Cr)
1.	Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	8.77
2.	Total amount spent for the Financial Year	7.71
3.	Excess amount spent for the Financial Year	N.A.
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
5.	Amount available for set off in succeeding Financial Year	Nil

10. a) Details of unspent CSR amount for the preceding three financial years: Not Applicable

b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s): Not applicable

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

12. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) 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.

Kumar Venkatasubramanian
Managing Director

Anil Kumar Gupta
Chairman of the CSR Committee

ANNEXURE III

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. Ratio of remuneration to the median remuneration of the employees of the Company and % increase in remuneration of Directors & Key Managerial Personnel for the Financial Year:

Name of Director	Designation	Total remuneration$ (₹ in lakhs)	% increase in remuneration	Ratio to median remuneration
Mr. L. V. Vaidyanathan*	Managing Director	109.77	Nil	7.98
Mr. Kumar Venkatasubramanian	Managing Director	-	-	-
Mr. Gurcharan Das	Independent Director	25.00	Nil	1.82
Mr. Chittranjan Dua	Independent Director	27.25	Nil	1.98
Mr. Anil Kumar Gupta	Independent Director	27.50	Nil	2.00
Ms. Anjuly Chib Duggal	Independent Director	25.75	Nil	1.87
Mr. Pramod Agarwal	Non-Executive Director	26.75	Nil	1.95
Ms. Sonali Dhawan	Non-Executive Director	-	-	-
Mr. Karthik Natarajan*	Non-Executive Director	-	-	-
Mr. Gagan Sawhney	Non-Executive Director	-	-	-
Mr. Gautam Kamath	Executive Director and Chief Financial Office	132.94	8.6%	9.67
Mr. Srinivas Maruthi Patnam	Executive Director	131.61	2%	9.57
Ms. Flavia Machado	Company Secretary	8.01	10%	0.58

^Mr. Kumar Venkatasubramanian was appointed as Managing Director during the year, hence % increase in remuneration is not applicable

**Ceased to be Director and Managing Director effective close of business hours of April 30, 2024*

@Ceased to be Director effective close of business hours of March 31, 2024

$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 – 5.22%

iii. The number of permanent employees on the rolls of Company- 523.

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 percentage increase in the median remuneration of employees in the Financial Year was 5.22%, whereas the average increase in managerial remuneration was 3.5%. The guiding principles of the compensation policy is to pay for performance, pay competitively and focus on long term success.

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

Executive Directors are entitled for payment of variable components in the compensation, which are dependent upon certain critical measures including- sales growth, profit growth, value share and internal controls.

Additionally, Non-Executive Independent Directors are entitled for payment of commission which is determined based on the time spent by the Directors at the Board Meetings and other Committee Meetings and contribution made by them while fulfilling their responsibilities as Board members.

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

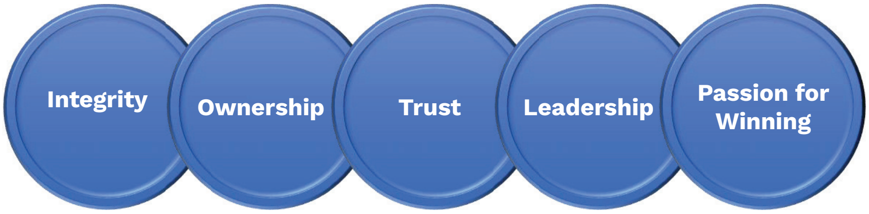
CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The foundation of everything we do is good governance, and we are committed to doing what is right and to being a good corporate citizen. Our corporate governance practices are designed to promote management accountability, transparency and protection of shareholder interests.

Taken together, P&G's 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.



The Company has adopted P&G's Worldwide Business Conduct Manual (WBCM) which sets forth core global standards explaining legal & ethical responsibilities. The responsibility of upholding the principles of WBCM does not solely lie with the Board or senior management. It is expected that every member of the P&G organization embraces and embodies the values of governance, regardless of their position.

The Company has a highly experienced Board of Directors, which helps to maintain the highest standards of Corporate Governance. 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.

BOARD OF DIRECTORS AND ITS 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, three Executive Directors and six other Non-Executive Directors (including one women Independent Director). All Directors, except Managing Director and Non-Executive Independent Directors, are liable to retire by rotation.

Non-Executive Independent Directors are independent of the management. They play a key role in balancing the functioning of the Board by bringing in independent judgement and external perspective. 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/gil/terms-and-policies/.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["the SEBI (LODR) Regulations, 2015"].

Further, all Independent Directors have provided declaration to the Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 and the SEBI (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.

There is no inter-se relationship between the Directors of the Company. All Directors have confirmed that they have not been disqualified from being appointed as a Director pursuant to section 164(2) of the Companies Act, 2013; and 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), affirming the same.

The composition of the Board of Directors and other Directorships held as on June 30, 2024 are given below:

Name of the Director	Directorships in other companies *	Membership of Board Committees of other companies **		Directorships in other listed companies
		Member	Chairman	
Mr. Gurcharan Das Chairman and Independent Director	3	Nil	Nil	Non-Executive Independent Director: Procter & Gamble Hygiene and Health Care Limited
Mr. Kumar Venkatasubramanian @ Managing Director	1	2	Nil	Managing Director: Procter & Gamble Hygiene and Health Care Limited
Mr. Chittranjan Dua Non-Executive Independent Director	13	4	1	Non-Executive Independent Director: 1. Procter & Gamble Hygiene and Health Care Limited 2. TVS Motor Company Limited 3. TVS Holdings Limited
Mr. Anil Kumar Gupta Non-Executive Independent Director	1	2	1	Non-Executive Independent Director: Procter & Gamble Hygiene and Health Care Limited
Ms. Anjuly Chib Duggal Non-Executive Independent Director	1	1	Nil	Non-Executive Independent Director: Life Insurance Corporation of India Limited
Mr. Pramod Agarwal Non-Executive Director	1	Nil	Nil	Non-Executive Director: Procter & Gamble Hygiene and Health Care Limited
Ms. Sonali Dhawan Non-Executive Director	1	Nil	Nil	Non-Executive Director: Procter & Gamble Hygiene and Health Care Limited
Mr. Gagan Sawhney Non-Executive Director	1	Nil	Nil	Non-Executive Director: Procter & Gamble Hygiene and Health Care Limited
Mr. Gautam Kamath Executive Director & Chief Financial Officer	Nil	Nil	Nil	Nil
Mr. Srinivas Maruthi Patnam Executive Director	Nil	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*

Mr. L. V. Vaidyanathan ceased to be Director and Managing Director of the Company effective close of business hours of April 30, 2024 due to his resignation from the Company. Mr. Karthik Natarajan ceased to be Non-Executive Director of the Company effective close of business hours of March 31, 2024 due to his resignation from the Board.

@ *The Board of Directors at their meeting held on March 18, 2024, on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. Kumar Venkatasubramanian, as an Additional Director and Managing Director of the Company for a period of five years effective May 1, 2024. Subsequently, the shareholders approved his appointment vide resolution passed on July 3, 2024 by way of Postal Ballot.*

b. Meetings of the Board:

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

Six meetings of the Board of Directors were held during the Financial Year July 1, 2023 to June 30, 2024. These meetings were held on August 29, 2023, October 31, 2023, January 30, 2024, March 08, 2024, March 18, 2024 and April 29, 2024.

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 and the Committee is sent detailed agenda, well in advance of the Board/Committee meetings. Sufficient time is allocated for discussions and deliberations at the meeting. The Committees of the Board make necessary recommendations to the Board which are relevant from time to time. The Company Secretary of the Company attends all the meetings and is responsible for noting actionable items discussed during the meeting. The Management reports back to the Board on the status of such items in the subsequent meeting or as needed post the meeting. Senior Managerial Personnel of the Company are invited to Board meetings, at regular intervals or as recommended by Board, to familiarize the Board/ Committees on Company's business, strategy, or processes.

The Company Secretary of the Company notes the minutes of the meeting. The draft Minutes are circulated to the Board and its Committees in compliance with the Companies Act, 2013. On receipt of comments, the Minutes are entered in the books within 30 days of the Meeting.

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

d. Directors' attendance record:

The attendance of the Directors at the Board Meetings held during the Financial Year and at the last Annual General Meeting held on November 28, 2023, are as under:

Name of Director	No. of Board meetings held during the tenure	No. of Board meetings attended	Last Annual General Meeting (Whether Attended)
Mr. Gurcharan Das	6	4	Yes
Mr. L. V. Vaidyanathan@	6	5	Yes
Mr. Kumar Venkatasubramanian*	Not Applicable	Not Applicable	Not Applicable
Mr. Chittranjan Dua	6	6	Yes
Mr. Anil Kumar Gupta	6	6	Yes
Ms. Anjuly Chib Duggal	6	6	Yes
Mr. Pramod Agarwal	6	6	Yes
Ms. Sonali Dhawan	6	3	No
Mr. Karthik Natarajan#	5	1	No
Mr. Gagan Sawhney	6	4	Yes
Mr. Gautam Kamath	6	6	Yes
Mr. Srinivas Maruthi Patnam	6	4	Yes

@Mr. L. V. Vaidyanathan ceased to be Director and Managing Director of the Company effective close of business hours of April 30, 2024 due to his resignation from the Company.

**Mr. Kumar Venkatasubramanian was appointed as Director and Managing Director of the Company for a period of five years effective May 1, 2024.*

#Mr. Karthik Natarajan ceased to be Non-Executive Director of the Company effective close of business hours of March 31, 2024 due to his resignation from the Board.

e. Familiarization programme for Independent Directors:

The Company's familiarization programme aims at familiarizing the Independent Directors with the Company by briefing them on:

a. Their roles, rights, responsibilities in the Company,

b. Nature of the industry in which the Company operates and business model of the Company;

c. Other matters like Company policies, procedures, Code of Conduct, Internal standards, etc.

For the same, the Company has an elaborate process for familiarization and onboarding of any new Independent Director, which includes:

a. Issuance of a formal letter of appointment at the time of appointment; and

b. Providing introductory documents including previous Annual Reports, Board committee framework, codes of conducts as may be applicable to the Director, various policies and procedures adopted by the Company.

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.

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

The Company conducts various sessions on knowledge sharing & familiarization for the Non-Executive Directors of the Company on topics which are relevant to the functioning of the Company from time to time.

The details of the familiarization programmes are available on the Company's website at https://in.pg.com/india-governance-and-policies/gil/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 grooming and oral care businesses. It is ensured that the Board Members have backgrounds that when combined provide a portfolio of experience, expertise and knowledge that serve Company's purpose, at its best. The following skills / expertise / competencies have been identified for the effective functioning of the Company:

Legal Expertise
Experience in the field of law, litigations or advisory with appropriate professional qualifications (e.g. Lawyers, Solicitors, Company Secretaries)

Regulatory policy Expertise
Experience of regulatory advisory, policy formulation & implementation, public administrative experience

FMCG Domain Expertise
Experience of FMCG industry

Accounting Expertise
Experience of financial management with appropriate professional qualifications (e.g. MBA in Finance, Chartered Accountants, Cost Accountants, Chartered Financial Analyst etc.)

Strategy/Business operation Expertise
Experience of leading the companies as CEO or part of Senior management or as Functional leader with strategic or business operations expertise; or Experience in digital, technology driven businesses

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 Director *					
Mr. Gurcharan Das	✓	-	✓	✓	✓
Mr. Kumar Venkatasubramanian	✓	-	✓	✓	-
Mr. Chittranjan Dua	-	✓	✓	-	✓
Mr. Anil Kumar Gupta	-	-	✓	✓	-
Ms. Anjuly Chib Duggal	✓	-	-	-	✓
Mr. Pramod Agarwal	✓	-	✓	✓	-
Ms. Sonali Dhawan	-	-	✓	✓	-
Mr. Gagan Sawhney	✓	-	✓	✓	-
Mr. Gautam Kamath	✓	-	✓	✓	-
Mr. Srinivas Maruthi Patnam	✓	-	✓	✓	-

**Directors on the Board of the Company as on date of this Annual Report*

g. Annual Board evaluation and separate meeting of Independent Directors:

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

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

Mr. Anil Kumar Gupta was appointed as Lead Independent Director for the performance evaluation process for the Financial Year 2023-24. The Independent Directors had a separate meeting without the presence of Non-Independent Directors or management representatives on August 29, 2024 to review the performance of Directors individually including the Chairperson of the Board, the Board as a whole 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. All the independent directors of the Company attended the meeting.

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 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 with regard to the same are disclosed vide Note 32 forming part of the Financial Statements.

i. Remuneration of Directors:

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

Members of the Company at their 38th Annual General Meeting held on November 18, 2022, had accorded approval for payment of commission upto 1% of the net profits per annum in aggregate to the Non-Executive Directors of the Company for a period of five years effective January 1, 2023 and had also empowered the Board of Directors to fix the quantum of commission payable to each of the Non-Executive Directors and to determine the period for which said commission is payable. The Board of Directors at their meeting held on August 29, 2024 approved a payment of annual commission of ₹16 Lakhs to Non-P&G (who are not in employment of any P&G group entity) Non-Executive Directors.

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

Details of the remuneration paid or provided to the Directors of the Company for the Financial Year ended June 30, 2024 are given below:

(Amount in ₹ lakhs)

Name of Director	Relationship with other Directors	Salary including Bonus + PF contribution	Commission	Sitting Fees	Shares held (Equity Shares of ₹ 10/- each)*
Mr. Gurcharan Das	None	—	16.00	9.00	—
Mr. L. V. Vaidyanathan	None	109.77$	—	—	—
Mr. Kumar Venkatasubramanian	None	—**	—	—	—
Mr. Chittranjan Dua	None	—	16.00	11.25	—
Mr. Anil Kumar Gupta	None	—	16.00	11.50	—
Ms. Anjuly Chib Duggal	None	—	16.00	9.75	—
Mr. Pramod Agarwal	None	—	16.00	10.75	100
Ms. Sonali Dhawan	None	—	—	—	—
Mr. Karthik Natarajan	None	—	—	—	
Mr. Gagan Sawhney	None	—	—	—	—
Mr. Gautam Kamath	None	132.94^	—	—	—
Mr. Srinivas Maruthi Patnam	None	131.61#	—	—	—

* *Excludes shares held by relatives.*

$ *Mr. L. V. Vaidyanathan was paid remuneration from Procter & Gamble Hygiene and Health Care Ltd and the Company contributes towards the same in proportion to its Net Outside Sales. The above table reflects the amount of remuneration to Mr. L. V. Vaidyanathan contributed by the Company. During the year, Mr. L. V. Vaidyanathan has exercised Stock Options of the ultimate Holding Company under its Employee Stock Option Plan, of which ₹19,30,428 has been charged to the Company.*

***Mr. Kumar Venkatasubramanian was appointed as Director and Managing Director of the Company for a period of five years effective May 1, 2024.*

^*Mr. Gautam Kamath is paid remuneration from Procter & Gamble Home Products Private Ltd and the Company contributes towards the same in proportion to its Net Outside Sales. The above table reflects the amount of remuneration to Mr. Gautam Kamath contributed by the Company.*

Mr. Srinivas Maruthi Patnam is paid remuneration from Gillette India Limited. Procter & Gamble Hygiene and Health Care Ltd and Procter & Gamble Home Products Private Ltd contribute towards the same in proportion to their Net Outside Sales. The above table reflects the amount of remuneration to Mr. Srinivas Maruthi Patnam contributed by the Company.

j. Related Party Transactions

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

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

Details of material related party transaction entered into during the Financial Year 2023-24 are given below:

Name of Related Party	Procter & Gamble International Operations S.A.
Nature of transaction	Import of Finished Goods
Amount of transaction during Financial Year 2023-24	₹291 Crores

The above transaction was approved by the shareholders by passing an Ordinary Resolution through postal ballot on January 8, 2018. Being related parties, the promoter shareholders had abstained from voting on the said resolution.

k. 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.

l. Committees of the Board:

Audit Committee

During the Financial Year, five meetings were held on August 29, 2023, October 31, 2023, January 30, 2024, March 08, 2024 and April 29, 2024. Ms. Flavia Machado is the Secretary to the Audit Committee.

Composition and attendance of the members of the Audit Committee during Financial Year 2023-24 is as under:

Members of the Committee	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Chittranjan Dua (Chairman)	ID	5	5
Mr. Gurcharan Das (Member)	ID	5	4
Mr. Anil Kumar Gupta (Member)	ID	5	5
Ms. Anjuly Chib Duggal (Member)	ID	5	5
Mr. L. V. Vaidyanathan (Member)*	ED	5	5
Mr. Pramod Agarwal (Member)	NED	5	5
Mr. Kumar Venkatasubramanian (Member)#	ED	-	-

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

**Mr. L. V. Vaidyanathan ceased to be member of the Committee effective close of business hours of April 30, 2024.*

#Mr. Kumar Venkatasubramanian was inducted as member of the Committee effective May 1, 2024.

The Audit Committee is comprised of Directors, with appropriate financial skills to provide good oversight. The Company Secretary acts as the Secretary to the Audit Committee. The Audit Committee plays the role as is contemplated under Section 177 of the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015.

The Audit Committee powers include the following:

a) to investigate any activity within its terms of reference;

b) to seek information from any employee;

c) to obtain outside legal or other professional advice; and

d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

e) The Audit Committee role includes the following:

   i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

   ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

   iii. Approval or any subsequent modification of transactions of the Company with related parties;

   iv. Scrutiny of inter-corporate loans and investments;

   v. Valuation of undertakings or assets of the Company, wherever it is necessary;

   vi. Valuation of internal financial controls and risk management systems;

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

   viii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

   ix. Examination and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

      o 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;

      o Changes, if any, in accounting policies and practices and reasons for the same;

      o Major accounting entries involving estimates based on the exercise of judgment by management;

      o Significant adjustments made in the financial statements arising out of audit findings;

      o Compliance with listing and other legal requirements relating to financial statements;

- o Disclosure of any related party transactions; and Modified opinion(s) in the draft audit report.

x. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

xi. Monitoring the end use of funds raised through public offers and related matters and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with internal auditors of any significant findings and follow up there on;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

xviii. Re- appoTo 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, two meetings were held on October 31, 2023 and April 29, 2024.

Composition and attendance of the members of the Stakeholders Relationship Committee during the Financial Year 2023-24 is detailed in table below:

Members of the Committee	Category	No. of Meetings held during tenure	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	1
Mr. Kumar Venkatasubramanian (Member)#	ED	-	-

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

**Mr. L. V. Vaidyanathan ceased to be member of the Committee effective close of business hours of April 30, 2024.*

#Mr. Kumar Venkatasubramanian was inducted as member of the Committee effective May 1, 2024.

The role of the Committee is as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer and transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates etc.;

- Review of measures taken for effective
- Exercise of voting rights by Shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports / statutory notices by the Shareholders of the Company.

During the Financial Year, the Company received eight complaints from shareholders. These complaints had been resolved during the Financial Year. There were no pending complaints as on June 30, 2024.

Ms. Flavia Machado, Company Secretary is the Compliance Officer of the Company and is responsible for redressing investor grievances.

Nomination and Remuneration Committee

During the Financial Year, three meetings were held on August 29, 2023, January 30, 2024 and March 18, 2024. Composition and attendance of the Members of the Nomination & Remuneration Committee during the Financial Year 2023-24 is as under:

Members of the Committee	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Chittranjan Dua (Chairman)	ID	3	3
Mr. Gurcharan Das (Member)	ID	3	3
Mr. Anil Kumar Gupta (Member)	ID	3	3
Ms. Anjuly Chib Duggal (Member)	ID	3	3
Mr. Pramod Agarwal (Member)	NED	3	3
Ms. Sonali Dhawan (Member)	NED	3	2

ID= Independent Director, NED = Non-Executive Director

The role of the Committee is as follows:

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

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

Corporate Social Responsibility Committee

During the Financial Year, three meetings were held on August 29, 2023, January 30, 2024 and April 29, 2024.

Composition and attendance of the members of the Corporate Social Responsibility Committee during the Financial Year 2023-24 is as under:

Members of the Committee	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Anil Kumar Gupta (Chairman)	ID	3	3
Ms. Sonali Dhawan (Member)	NED	3	2
Mr. L. V. Vaidyanathan (Member)*	ED	3	2
Mr. Gurcharan Das (Member)	ID	3	3
Mr. Kumar Venkatasubramanian (Member)#	ED	-	-

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

**Mr. L. V. Vaidyanathan ceased to be member of the Committee effective close of business hours of April 30, 2024.*

#Mr. Kumar Venkatasubramanian was inducted as member of the Committee effective May 1, 2024.

The role of the Committee is as follows:

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

The Company has adopted a Corporate Social Responsibility Policy ('CSR Policy') in line with the 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/gil/terms-and-policies/.

Risk Management Committee

During the Financial Year, four meetings were held on August 29, 2023, October 31, 2023, January 30, 2024 and April 29, 2024.

Composition and attendance of the members of the Risk Management Committee during the Financial Year 2023-24 is as under:

Members of the Committee	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. L.V. Vaidyanathan (Chairman)*	ED	4	3
Mr. Kumar Venkatasubramanian (Chairman) #	ED	–	–
Mr. Chittranjan Dua (Member)	ID	4	4
Mr. Gurcharan Das	ID	4	4
Mr. Karthik Natarajan (Member) @	NED	3	-
Mr. Pramod Agarwal (Member)	NED	4	4
Mr. Gagan Sawhney (Member)	NED	4	3
Mr. Gautam Kamath^	ED	1	1
Mr. Ghanashyam Hegde (Member)	SE	4	4

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

@Mr. Karthik Natarajan ceased to be a member of the Committee effective close of business hours of March 31,2024.

^ Mr. Gautam Kamath was inducted as member of the Committee effective April 1,2024.

**Mr. L. V. Vaidyanathan ceased to be member of the Committee effective close of business hours of April 30, 2024.*

#Mr. Kumar Venkatasubramanian was inducted as member of the Committee effective May 1, 2024.

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
- To review appointment, removal and terms of remuneration of the chief risk officer (if any).

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 comprises 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 29, 2023 and January 30, 2024.

Composition and attendance of the members of the Cash & Investment Committee during the Financial Year 2023-24 is as under:

Members of the Committee	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Pramod Agarwal (Chairman)	NED	2	2
Mr. Chittranjan Dua (Member)	ID	2	2
Mr. Anil Kumar Gupta (Member)	ID	2	2
Mr. Karthik Natarajan (Member)*	NED	2	-
Mr. Gautam Kamath (Member)#	ED	-	-

ID= Independent Director, NED = Non-Executive Director

**Mr. Karthik Natarajan ceased to be member of the Committee effective close of business hours of March 31, 2024.*

#Mr. Gautam Kamath was inducted as member of the Committee effective April 1, 2024.

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:

i. protecting long term growth of the Company;

ii. maximizing return to the Shareholders; and

iii. ensuring risk free investment choices.

m. Particulars of senior management of the Company as on June 30, 2024

Name of senior management personnel	Designation
Mr. Sairamana Ponugoti	Sales Head
Mr. Ankur Bhagat	Supply Network Operations Head
Ms. Mukta Maheshwari	Chief Marketing Officer*
Mr. Abhishek Desai	Category Leader- Grooming**
Mr. Gopalkrishnan Kalianna	Category Leader- Oral Care
Mr. Sumeet Mittal	Analytics & Insights Leader
Mr. Gautam Kamath	Finance Head and CFO
Mr. Srinivas Maruthi Patnam	Human Resource Head
Mr. Nikunj Jain	Information Technology Head
Mr. Pawan Verma	Purchases Head
Mr. Ghanashyam Hegde	Legal Head
Mr. Sachan Saini	Government Relations Head
Mr. Flavia Machado	Company Secretary
Ms. Enakshee Deva	Communications & CSR Head

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

***Mr. Abhishek Desai has been appointed as Category Leader- Grooming effective September 1, 2023 in place of Mr. Saurabh Bajpai ceased to be Category Leader- Grooming effective August 31, 2023*

Ms. Supriya Srinivasa ceased to be Direct-to-Consumers & Counselor Operations Leader effective March 21, 2024

COMMUNICATION TO SHAREHOLDERS

i. Disclosures regarding re-appointment of Directors:

Mr. Srinivas Maruthi Patnam

Mr. Srinivas Maruthi Patnam has done his Bachelor of Engineering from Nagpur University and has an MBA in Human Resources from Symbiosis Institute of Business Management, Pune. He has been associated with the Procter & Gamble and Gillette group for the last 24 years. He is currently Vice President, Human Resources (HR), P&G Indian Sub-Continent. As an HR leader he has led and driven transformational projects in multiple business units across five geographies in Asia Pacific and Greater China.

Mr. Patnam retires by rotation and being eligible, offers himself for re-appointment at the ensuing 40th Annual General Meeting.

ii. Annual Report and Notice calling the Meeting.

This Annual Report along with Notice calling the Annual General Meeting, for the Financial Year 2023-24, in electronic form, is being sent to the Members at the email address provided/ updated by the Members with the Depository Participants / Registrar & Transfer Agents, as applicable.

Members who need hard copy of the report are requested to write to the Company Secretary at investorgil.im@pg.com.

iii. Results

The quarterly results of the Company are announced within 45 days of completion of the quarter as prescribed by the Securities & Exchange Board of India. Audited Annual Results are announced within 60 days of the end of the Financial Year as prescribed by the Securities & Exchange Board of India. Financial results and other newspaper advertisements 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/gil/reports- announcements/.

iv. Analyst Meet

One meeting with analysts/Institutional Investors was held during the Financial Year. Details of the same are hosted on the website of the Company at https://in.pg.com/india-investors/gil/shareholder-information/info/

v. 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/gil/reports-announcements/announcements/. The said documents (duly completed and signed) are required to be submitted to Company's Registrar & Transfer Agent (RTA) on or before November 14, 2024.

vi. Green Initiative

The Company requests its shareholders to join in its endeavour to conserve resources by updating relevant information for receiving online communication and electronic dividend pay-out.

vii. Updation of PAN, KYC and Nomination details

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and relevant circulars thereafter, latest being Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, all the listed companies are required to record the PAN, and other KYC details of all the shareholders holding shares 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 shareholder will be eligible to lodge any grievance or avail any service request with the Company/or its RTA only after furnishing PAN and other KYC details.

The Company, with the help of the RTA has dispatched reminder letters during the year to all shareholders who have not registered their KYC and other details, requesting them to update the same. For further details shareholders are requested to refer to the communication available on the website of the Company at https://in.pg.com/india-investors/gil/guidance/#shareholderservices.

Members are encouraged to provide 'choice of nomination' in their own interest for ensuring smooth transmission of securities held by them as well as to prevent accumulation of unclaimed assets in securities market.

Shareholders are requested to register their email address and mobile number for receiving intimations and regular updates from the Company. The Company greatly appreciates your response and assistance in this regard.

viii. Share Transfer System/Dematerialization

As per directives issued by the Securities and Exchange Board of India (SEBI), transfer requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed unless the securities are held in dematerialized form effective April 1, 2019. 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. The operational guidelines with respect to above service requests are available on the website of the Company at https://in.pg.com/india-investors/gil/guidance/.

The Company obtains an annual certificate from a practicing Company Secretary confirming the issuance of a letter of confirmation within 30 days of receiving investor service requests, as prescribed under Regulation 40(9) and of the SEBI (LODR) Regulations, 2015, if all the documents are valid and in order and submits a copy thereof to the Stock Exchanges.

Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015, confirming that all activities in relation to share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a yearly basis.

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.

ix. 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) 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. The said SEBI Circular is also made available on the Company's website at https://in.pg.com/india-investors/gil/guidance/.

Further, SEBI has streamlined the existing dispute resolution mechanism by establishing a common online dispute resolution (ODR) portal for resolution of disputes arising in the securities market. Shareholders are advised to first approach the Company or its RTA for resolution. If the response is not received/not satisfactory, Shareholders can raise a complaint on SCORES/with Stock Exchanges, as detailed in the circular issued by SEBI on the ODR mechanism available on the website of the Company at https://in.pg.com/india-investors/gil/guidance/. After exhausting all the above available options for resolution of the grievance, if the Shareholder is still not satisfied with the outcome, they can initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

STATUTORY COMPLIANCE

The Company has complied with applicable requirements prescribed by the regulatory and statutory authorities during the preceding three Financial Years on all matters related to capital markets and no penalties or strictures in this respect have been imposed on the Company. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.

GENERAL MEETINGS

Annual General Meeting	Date	Time	Venue	No. of special resolutions passed
39th	28.11.2023	11:00 a.m.	Annual General Meeting was convened through Video conferencing/ other audio visual means. Deemed venue for the meeting was the Registered Office of the Company : P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai - 400 099.	-
38th	18.11.2022	11:00 a.m.		-
37th	23.11.2021	11:00 a.m.		-

POSTAL BALLOT

During the Financial Year, the following resolution was approved by way of postal ballot mechanism by the Shareholders of the Company on March 20, 2024.

The Board had appointed Mr. Nrupang B. Dholakia, Practicing Company Secretary and in his absence Mr. Vishvesh G Bhagat, Practicing Company Secretary, Designated Partners of Dholakia & Associates LLP as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The results of the postal ballot were declared on March 21, 2024 The resolution was passed by the Shareholders of the Company as a Special Resolution with requisite majority.

Description of Resolution: Re-appointment of Ms. Anjuly Chib Duggal (DIN 05264033) as Non-Executive Independent Director of the Company for a period of five years, effective March 26, 2024 (Special Resolution)

Particulars	No. of Votes (Physical ballots and e-voting)	Votes Cast (No. of Shares)	% of Votes
Assented to the resolution	432	2,87,13,128	99.98
Dissented to the Resolution	28	5,299	0.02
No. of total valid Postal Ballot Forms/ e-votes received	460	2,87,18,427	100.00

Procedure for Postal Ballot:

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

Post closure of the Financial Year, no special resolution was passed/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 requirement of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, was provided to the Board of Directors in the prescribed format for the Financial Year 2023-24, which was reviewed by the Audit Committee and taken on record by the Board.

ADOPTION OF DISCRETIONARY REQUIREMENTS

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

a) There are no audit qualifications in the Company's financial statements for the Financial Year 2023-24, the Company continues to adopt best practices to ensure regime of unmodified audit opinion; and

b) The Internal Auditor of the Company directly reports to the Audit Committee.

c) 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 is available on the Company's website at https://in.pg.com/india-governance-and-policies/gil/terms-and-policies/.

CODE OF CONDUCT

I. Code of Conduct for Directors:

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

II. Code of Conduct for Prohibition of Insider Trading:

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

GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Pursuant to the circulars issued by the Ministry of Corporate Affairs, latest being No. 09/2024 dated September 19, 2024, the 40th Annual General Meeting of the Company will be held on **Tuesday, December 3, 2024** at **11.00 a.m.** through video-conference / other audio visual means, without the physical presence of members. Deemed Venue for Meeting shall be the Registered Office of the Company: P&G Plaza, Cardinal Gracias Road, Chakala, Andheri East, Mumbai - 400 099. Details for joining and participating in the meeting through video-conferencing are provided in the notice convening the 40th Annual General Meeting. A transcript of the Annual General Meeting will be made available on the Company's website at https://in.pg.com.

B. 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.

C. Book Closure Dates: Wednesday, November 27, 2024 to Tuesday, December 3, 2024 (both days inclusive). The said book closure is for payment of dividend, if declared at the ensuing Annual General Meeting.

D. Dividend Payment Date: On or before December 25, 2024.

E. Total fees paid to Statutory Auditors of the Company: Total fees of ₹ 142 lakhs for Financial Year 2023-24 was paid by the Company to Kalyaniwalla & Mistry LLP, Statutory Auditors of the Company.

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2023-24 are as under:

Number of complaints filed during the Financial Year: 2

Number of complaints disposed of during the Financial Year: 2

Number of complaints pending as at end of the Financial Year: 0

G. Recommendations of Committees of the Board

There were no instances during the Financial Year 2023-24, wherein the Board had not accepted recommendations made by any Committee of the Board.

H. 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	507815	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
National Stock Exchange of India Limited	GILLETTE	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

I. ISIN Code

Dematerialization ISIN Code: **INE322A01010**

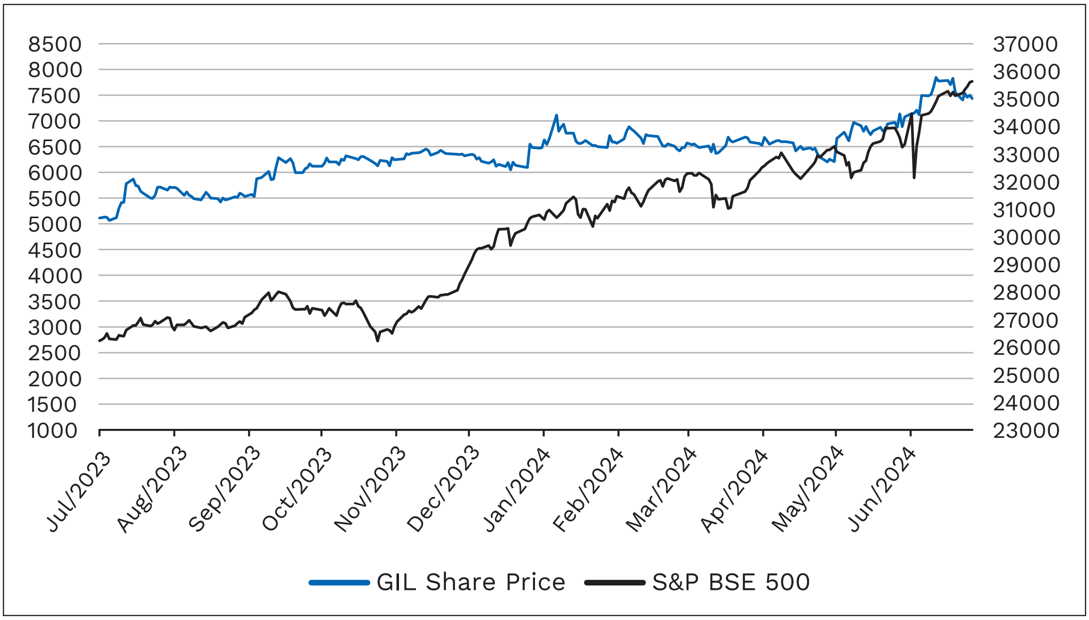
J. Stock Price Data

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July 2023	5,972.45	5,059.45	5,968.00	5,055.00
August 2023	5,849.40	5,406.05	5,784.00	5,402.50
September 2023	6,419.20	5,499.00	6,415.00	5,496.00
October 2023	6,410.00	6,011.25	6,410.00	6,015.10
November 2023	6,560.00	6,023.60	6,565.00	6,124.15
December 2023	6,614.05	5,949.50	6,632.00	5,956.05
January 2024	7,318.10	6,365.00	7,335.65	6,350.95
February 2024	6,923.00	6,388.85	6,923.90	6,381.50
March 2024	6,810.35	6,320.10	6,809.00	6,317.65
April 2024	6,855.00	6,191.00	6,859.00	6,191.00
May 2024	7,250.00	6,554.75	7,250.00	6,548.10
June 2024	7,999.95	6,719.00	7,999.00	6,710.50

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

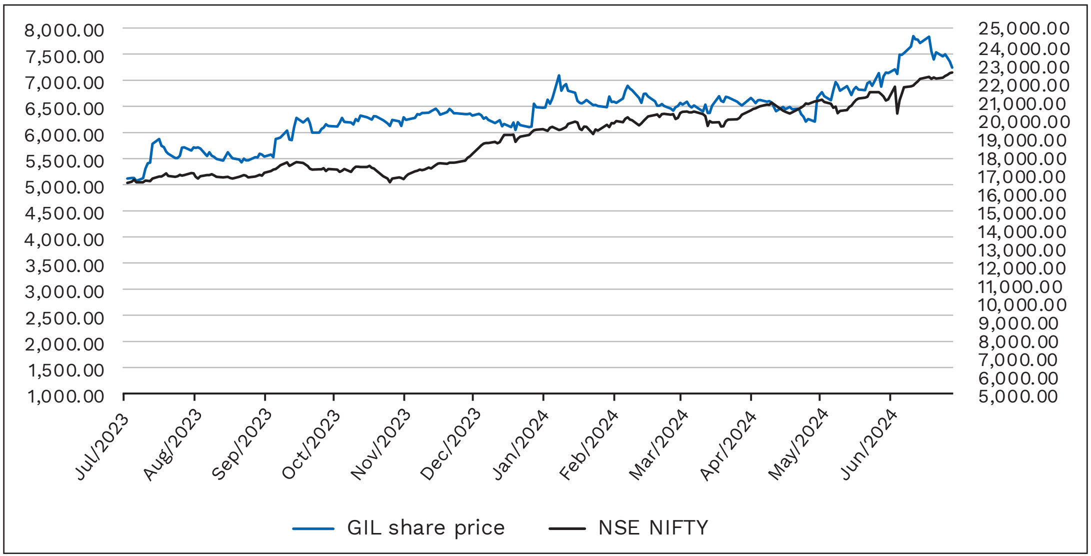
K. Stock Performance in comparison to the BSE Sensex and NSE Nifty

The following chart shows the performance of the Company's shares as compared to the BSE Sensex during the Financial Year 2023-24:



(Source: www.bseindia.com)

The following chart shows the performance of the Company's shares as compared to the NSE Nifty during the Financial Year 2023-24



(Source: www.nseindia.com)

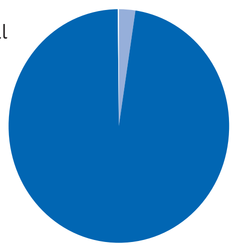
L. Distribution of shareholding by size class as on June 30, 2024

Shareholding (in ₹)	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 5000	47,055	98.60	13,21,830	4.06
5001 – 10000	357	0.75	2,56,712	0.79
10001– 20000	140	0.29	1,97,807	0.61
20001 – 30000	51	0.11	1,30,759	0.40
30001 – 40000	14	0.03	49,419	0.15
40001 – 50000	15	0.03	68,799	0.21
50001– 100000	28	0.06	2,10,286	0.64
100001 and above	61	0.13	3,03,49,605	93.14
TOTAL	**47,721**	**100.00**	**3,25,85,217**	**100.00**

M. 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, 2024, 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 CDSL	7,84,699	2.41
Held in dematerialized form in NSDL	3,17,48,654	97.43
Held in physical form	51,864	0.16
Total	**3,25,85,217**	**100.00**



N. Distribution of shareholding by ownership as on June 30, 2024

Category	Number of shares held	% of shares held
Foreign & Indian promoters	2,44,37,803	75.00
Resident Individuals and others	25,82,032	7.92
Insurance	18,64,050	5.73
Mutual Funds	20,33,296	6.24
Banks	2	0.00
Foreign Institutional Investors	6,00,833	1.84
Private Bodies Corporate	9,33,519	2.86
NRIs	1,33,682	0.41
TOTAL	**3,25,85,217**	**100.00**

O. Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 the of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed or 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 or shares are transferred to the IEPF Authority can claim their shares or dividend from the Authority.

Final Dividend declared during the Financial Year 2016-17 and for the subsequent years, which remain unclaimed, will be due for transfer to the IEPF of the Central Government on the dates mentioned in the table below. The Company has sent individual notices and issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares or dividends to the IEPF.

Members who have not encashed their dividend warrants for these years are requested to approach the Company's RTA, M/s. Mas Services Limited for revalidation of their dividend warrants on or before the due dates mentioned herein.

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

For the Financial Year ended	Date of Declaration	Due date for transfer to IEPF
30.06.2017	15.11.2017	21.12.2024
30.06.2018	30.11.2018	05.01.2026
Interim 2018-19	07.02.2019	15.03.2026
30.06.2019	26.11.2019	01.01.2027
30.06.2020	25.11.2020	31.12.2027
1st Interim 2020-21	04.02.2021	12.03.2028
Special dividend 2020-21	05.05.2021	10.06.2028
30.06.2021	23.11.2021	30.12.2028
Interim 2021-22	02.02.2022	11.03.2029
30.06.2022	18.11.2022	25.12.2029
Interim 2022-23	01.02.2023	09.03.2030
30.06.2023	28.11.2023	03.1.2031
Interim 2023-24	30.01.2024	07.03.2031

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.

The Company, inter alia, has been sending periodic reminders to the shareholders of the Company to claim their outstanding dividend(s) to reduce the quantum of unclaimed dividend(s) lying with the Company.

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 and sending a physical copy of the same, duly signed to the Company, along with requisite documents listed 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 2023-24, unclaimed amounts with respect to final dividend for the Financial Year ended June 30, 2016 amounting to ₹ 11,10,140 and 375 shares were transferred to the IEPF. Further, as on the date of this report, unclaimed amounts with respect to interim dividend for the Financial Year 2016-2017 amounting to ₹ 75,64,326 was transferred to the IEPF Authority. The details of unpaid/ unclaimed dividend as on June 30, 2024 have been hosted on the website of the Company, viz., https://in.pg.com/. Ms. Flavia Machado is the Nodal Officer of the Company under the IEPF Rules.

P. Transfer of Shares to Unclaimed Suspense Account / Suspense Escrow Demat Account

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

Q. Other Disclosures

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

ii. The Company does not have any subsidiary companies.

iii. No credit rating has been obtained by the Company with respect to its securities.

iv. The Company has not entered into any Agreement specified under Clause 5A of Para A of Part A of Schedule III of the SEBI Listing Regulations, 2015.

v. 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.

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

The Company does not have any exposure hedged through commodity derivatives.

The Company has not entered into any hedging activities in Financial Year 2023-24.

The details of foreign currency risk management are disclosed in Note 31 forming part of the Financial statements.

R. Plant location

Bhiwadi Plant
SPA-65A, Bhiwadi Industrial Area, Bhiwadi,
Dist. Khairthal Tijara, Rajasthan – 301019
Baddi Plant
Plot no. 4, Industrial Area, Village Katha, Bhatoli Kalan Dist. Solan, Baddi – 173205 Himachal Pradesh

S. Investor Queries and Grievances Redressal

Shareholders can send their correspondence to the Company with respect to their shares, dividend, request for annual reports and shareholder grievances.

T. Address for Correspondence:

Compliance Officer & Company Secretary | IEPF Nodal Officer

Gillette India Limited
P&G Plaza, Cardinal Gracias Road,
Chakala, Andheri (East) Mumbai – 400 099
Investor Helpline nos.: 86575 00524
Tel: (91-22) 6958 6000
Fax: (91-22) 6958 7337
Email Id: investorgil.im@pg.com

Registrar and Transfer Agents (RTA)
MAS Services Limited
T-34, 2nd floor, Okhla Industrial Area Phase II, New Delhi – 110 020.
Ph: 011-26387281/82/83, Fax: 011-26387384
E-mail : investor@masserv.comm

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, 2024 and the Senior Management has complied with the Business Conduct Manual for the Financial Year ended June 30, 2024.

For **Gillette India Limited**

Mumbai,

August 29, 2024

Kumar Venkatasubramanian
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,
GILLETTE INDIA LIMITED
CIN: L28931MH1984PLC267130
P&G Plaza,
Cardinal Gracias Rd,
Chakala, Andheri (E),
Mumbai 400099.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 30th June, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1.	Chittranjan Dua	00036080	31/07/2002
2.	Pramod Agarwal	00066989	08/05/2015
3.	Gurcharan Das	00100011	29/01/2007
4.	Anil Kumar Ishwar Dayal Gupta	02588131	28/03/2009
5.	Anjuly Chib Duggal	05264033	26/03/2019
6.	Sonali Dhawan	06808527	25/02/2014
7.	Gagan Sawhney	08279568	22/08/2019
8.	Gautam Yeshavanth Kamath	09235167	01/08/2021
9.	Srinivas Maruthi Patnam	09296558	01/09/2021
10.	Venkatasubra Manian Kumar	08144200	01/05/2024

**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 : 29.08.2024
UDIN : F001596F001073975

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

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

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

I have examined the compliance of the conditions of Corporate Governance by GILLETTE INDIA LIMITED (CIN - L28931MH1984PLC267130) ('the Company') as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the year ended on June 30, 2024.

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the management; I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on June 30, 2024.

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

For **Saraf & Associates**
Practising Company Secretaries

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

Place : Mumbai
Date : 29.08.2024
UDIN : F001596F001074459

Form No. MR-3

Secretarial Audit Report
For the Financial Year Ended 30th June 2024

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 30th June, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30th June, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only as the Company has neither made any Overseas Direct Investment nor obtained External Commercial Borrowings during the audit period

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

- i. Drugs and Cosmetics Act, 1940
- ii. Cosmetics Rules, 2020

iii. The Legal Metrology Act, 2009 and

iv. The Legal Metrology (Packaged Commodities) Rules, 2011

As per the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations were not applicable to the Company:

i. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

ii. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

iii. Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021;

iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

v. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc as mentioned above.

I further report that:

- The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions were carried through unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that based on review of compliance mechanism established by the Company and as per the representations made by the management and relied upon by me, I am of the opinion that the management has adequate systems and processes, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For **Saraf & Associates**
Practising Company Secretaries

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

Place : Mumbai
Date : 29.08.2024
UDIN : F001596F001074294

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

'ANNEXURE 1'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as per Auditing Standards issued by the Institute of Company Secretaries of India to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Saraf & Associates**
Practising Company Secretaries

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

Place : Mumbai
Date : 29.08.2024
UDIN : F001596F001074294

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GILLETTE INDIA LIMITED

Report on the Audit of the Ind-AS Financial Statements

Opinion

We have audited the accompanying Ind-AS financial statements of **GILLETTE INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at June 30, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows, for the year then ended and the Notes to the Ind-AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as 'Ind-AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-AS financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian 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, 2024, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition – Discounts and Promotions (note no. 2.3(a) and 20 to the Ind-AS financial statements)** Revenue is measured net of discounts, rebates, incentives and promotions ('discounts and promotions'). The estimation of discounts and promotions related to sales made during the year is material and it involves Management exercising significant judgement owing to the varying terms of agreements with customers. In addition, the value and timing of promotions for products varies from period to period, and the activity can span over a financial reporting period end. Past experience is used to estimate the provision for discounts and promotions considering the terms of the underlying schemes and arrangements with customers.	**Our audit procedures included:** (a) Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discounts and promotions, by comparing the same with applicable accounting standards. (b) Reviewing the Company's general IT controls including review of the independent service auditor's report and other relevant information. (c) Testing the design, implementation and operating effectiveness of key controls including those at the third-party service organization by reviewing the independent service auditor's report and other relevant information with respect to discounts and promotions. (d) Performing substantive procedures by selecting samples of discounts and promotions recorded during the year, including year end accruals by verifying underlying supporting documentation.

Sr.	Key Audit Matter	Auditor's Response
	Considering the materiality of amounts involved and significant judgements related to estimation of discounts and promotions, the same has been considered as a key audit matter.	(e) Performing an analysis of past accrual and actual expenses incurred there against. (f) Considering the adequacy of the Company's disclosures as per the requirements of IND AS 115.
2.	**Provisions and Contingent Liabilities relating to taxation matters. (note no 3.2, 27 and 36 to the Ind – AS financial statements)** The Company is subject to a range of tax risks and periodic assessments by local tax authorities on various tax matters. 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 estimates provisions based on Management's judgement of the likelihood of settlement being required. Given the complexity of judgements involved in estimating the relevant provisions required, including assessments previously made by authorities, this was considered as a key audit matter.	Our audit procedures included: (a) Understanding the process followed by the Company in estimating the quantum of provisions for taxation matters and disclosure of contingent liabilities where it is considered that there could be a possibility that the obligation may arise. (b) Discussing the status and potential exposures in respect of significant tax litigations with the Management including their views on the likely outcome of each assessment / litigation and magnitude of potential exposure. Evaluating the impact of change in tax regulations, which could materially impact the amounts recorded in the Ind-AS financial statements. (c) Involving our tax specialists to evaluate and challenge the appropriateness of Management's assessment and judgements to estimate the provisions held in respect of the open tax assessments. We also re-assessed the provisions made in the Ind-AS financial statements based on the outcome of prior and ongoing tax assessments. (d) We have also assessed the adequacy of the Company's disclosures in the Ind-AS financial statements in respect of provisions and contingent liabilities relating to taxation matters.

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 information included in the annual report but does not include the Ind-AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

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

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

In preparing the Ind-AS financial statements, the Board of Directors 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 the Board of Directors 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 Ind-AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to the Ind-AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind-AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind-AS financial statements, including the disclosures, and whether the Ind-AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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.

2. As required by Section143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) 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, except for the matter stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. As stated in Note 44 of the Notes to the Ind-AS financial statements, the Company had maintained periodic backups of relevant information extracted from its ERP on servers physically located in India upto December 17, 2023. The Company has commenced maintaining daily backups from December 18, 2023.

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   e) On the basis of the written representations received from the Directors of the Company as on June 30, 2024, and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on June 30, 2024, from being appointed as a Director in terms of Section 164(2) of the Act.

   f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g) With respect to the adequacy of the internal financial controls with reference to the Ind-AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its Ind-AS financial statements - Refer Note 36 to the Ind-AS financial statements.

      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except to the extent as stated in Note 17 to the Ind-AS financial statements.

iv) The Management has represented that:

a) to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity(ies) ("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, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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) of the Rules, as provided under (a) and (b) 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.

The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2024, 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) As detailed in Note No. 45: Notes to the Ind -AS financial statements, the Company uses certain third-party Software-as-a-Service (SaaS) applications as well as certain applications hosted on Procter & Gamble Group's global servers which have a feature of recording audit trail (edit log) facility at the application level. The audit trail data for direct access to the database available with the third-party software service providers has been validated through review of Service Organisation Controls (SOC) Reports. However, these SOC Reports do not cover the full period under audit. For the period not covered by the SOC Reports, Management has obtained and relied on Bridge Letters from the SaaS vendors. In case of the 'Employee Lifecycle and Compensation' application and the 'Leave, Workforce and Overtime' application, the 'Vendor Master Management' application the Bridge Letters are for the period October 1, 2023 to June 30, 2024; in case of the 'Purchasing and Customer Pricing Terms Management' application and the 'Product Price Approval and Management' application, the Bridge Letter is for the period April 1, 2024 to June 30, 2024; and in case of the 'International Freight and Logistics Management' application, the Bridge Letter is for the period May 1, 2024 to June 30, 2024. Accordingly, we are unable to comment whether the audit trail feature for direct access to the database of the said SaaS applications was enabled and operated throughout the year for all relevant transactions recorded in the software for the period for which Bridge Letters were obtained.

The audit trail records for direct access to the database for one of the Inventory Management applications hosted on the Group's global servers was available only from May 15, 2023, onwards, while for the other Inventory Management application, the audit trail records were available only from March 31, 2024, onwards. Accordingly, we are unable to comment whether the audit trail feature of the said applications was enabled and operated throughout the year for all relevant transactions recorded in the software.

Except as stated above, the audit trail at application level as well as at database level for other software programs have operated throughout the year for all relevant transactions recorded in the software programs. We have also not observed instances of the audit trail feature having been tampered with during the period for which these records were available.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended June 30, 2024.

3. 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.

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

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN: 24042454BKBKFB6530

Mumbai: August 29, 2024.

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 Ind-AS financial statements for the year ended June 30, 2024:

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, accordingly clause (i)(a)(B) of paragraph 3 of the Order 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 Right of use assets at periodic intervals by which all Property, Plant and Equipment and Right of use assets 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 and Right of use assets. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.

c) According to the information and explanations given to us, the title deeds, comprising all the immovable properties of buildings are held in the name of the Company. In respect of immovable properties of land that have been taken on lease, 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 Right of use 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, 2024, 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, clause (ii)(b) of paragraph 3 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 clause (iii)(a) of paragraph 3 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 clause (iii)(f) of paragraph 3 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, clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi) The maintenance of cost records has not been prescribed for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

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

a) the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess, Professional Tax and other statutory dues, as applicable, with the appropriate authorities and there 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 2024 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) **
The Central Excise Act, 1944	Excise Duty	Appellate Authority - up to Commissioners/ Revisional authorities level of various states	1994-1998, 2002-2005, 2006-2018	30,362
		Customs, Excise and Service Tax Appellate Tribunal	2004-2008	8
		High Court	1990-1991	9
Sales Tax and Laws as per statutes applicable in various states	Sales Tax and VAT	Appellate Authority - up to Commissioners / Revisional authorities level of various states	1999-2000 to 2007-2008, 2010-2011 to 2013-2014, 2015-2016 to 2017-2018	994
		Appellate Authority – Tribunal of various states	1999-2000, 2002-2003, 2006-2007 to 2011-2012	1,603
Customs Act, 1962	Customs Duty	Appellate Authority - up to Commissioners / Revisional authorities level	2005-2013	1,534

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates*	Amount Involved (₹ In lakhs) **
Finance Act, 1994	Service Tax	Appellate Authority - up to Commissioner / Revisional authorities level of various states	2007-2008 to June 2017	3,048
		Customs, Excise and Service Tax Appellate Tribunal of various states	2010-2011 to 2013-2014	187
Goods and Services Act, 2017	Goods and Services Tax	Appellate Authority - up to Commissioner Level	2017-2018 to 2023-2024	42,298
Income-tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2010-2011, 2014-2015 to 2017-2018, 2019-2020	76,349
	DTT	National Faceless Assessment Centre (NFAC)	2015-16, 2016-17	98
	Income Tax	Central Processing Centre	2022-23	33

* 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

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause (ix)(a) of paragraph 3 of the Order is not applicable to the Company.

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 declared a wilful defaulter by any bank or financial institution or Government or any Government authority.

c) 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 from any lender. Accordingly, clause (ix)(c) of paragraph 3 of the Order is not applicable to the Company.

d) 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 raised any funds on short-term basis. Accordingly, clause (ix)(d) of paragraph 3 of the Order is not applicable to the Company.

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

x) Allotment of Shares

a) 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 reporting on clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting of clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.

xi) Fraud

a) 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 any material fraud on the Company has been noticed or reported during the year.

b) 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.

c) 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 clause (xii) of paragraph 3 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 Ind-AS 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 clauses (xvi) (a), (b) and (c) of paragraph 3 of the Order are not applicable.

b) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi) (d) of paragraph 3 of the Order is not applicable.

xvii) According to the information and explanations given to us and based on our examination of the Ind-AS 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, 2024. Accordingly, provisions of clauses (xx)(a) and (xx)(b) of paragraph 3 of the Order are not applicable for the year.

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

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN: 24042454BKBKFB6530

Mumbai: August 29, 2024.

Annexure B to the Independent Auditor's Report

(Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind-AS financial statements for the year ended June 30, 2024)

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 Ind-AS financial statements of **GILLETTE INDIA LIMITED** ("the Company") as of June 30, 2024, in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind-AS 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Ind-AS 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 Ind-AS 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 the Ind-AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the Ind-AS financial statements included obtaining an understanding of internal financial controls with reference to the Ind-AS 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 Ind-AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to the Ind-AS Financial Statements

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind-AS financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with

authorizations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Ind-AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Ind-AS 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 the Ind-AS financial statements to future periods are subject to the risk that the internal financial control with reference to the Ind-AS 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 the Ind-AS financial statements and such internal financial controls with reference to the Ind-AS financial statements were operating effectively as at June 30, 2024, based on the internal control with reference to the Ind-AS 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

Daraius Z. Fraser
PARTNER
M. No.: 42454
UDIN: 24042454BKBKFB6530

Mumbai: August 29, 2024.

BALANCE SHEET AS AT JUNE 30, 2024

	Notes	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	4	34 692	38 947
Capital work-in-progress	4	2 593	3 243
Financial assets			
(i) Loans	5	1 817	1 905
(ii) Other financial assets	11	513	544
Deferred tax assets (Net)	6	5 347	4 581
Non-current tax assets (Net)		12 934	12 939
Other non-current assets	7	6 518	4 469
Total non-current assets		**64 414**	**66 628**
Current assets			
Inventories	8	39 584	41 235
Financial assets			
(i) Trade receivables	9	27 433	32 016
(ii) Cash and cash equivalents	10 (a)	47 343	45 344
(iii) Bank balances other than (ii) above	10 (b)	220	212
(iv) Loans	5	247	274
(v) Other financial assets	11	272	1 086
Other current assets	7	3 562	4 820
Total current assets		**1 18 661**	**1 24 987**
Total Assets		**1 83 075**	**1 91 615**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	3 259	3 259
Other equity	13	93 868	95 627
Total Equity		**97 127**	**98 886**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Leased Liabilities	15	5	5
Provisions	14	10 039	10 895
Total non-current liabilities		**10 044**	**10 900**
Current liabilities			
Financial liabilities			
(i) Leased Liabilities	15	—	—
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	839	886
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	63 065	67 127
(iii) Other financial liabilities	17	1 247	3 928
Other current liabilities	19	2 894	4 035
Provisions	14	5 435	4 553
Current tax liabilities (Net)	18	2 424	1 300
Total current liabilities		**75 904**	**81 829**
Total Liabilities		**85 948**	**92 729**
Total Equity and Liabilities		**1 83 075**	**1 91 615**
See accompanying notes to the financial statements			

In terms of our report attached

For **KALYANIWALLA & MISTRY LLP**

Chartered Accountants
Firm Regn No : 104607W/W100166

Daraius Z. Fraser
Partner
M. No : 042454

Place: Mumbai
Date: August 29, 2024

For and on behalf of Board of Directors

Gurcharan Das
Chairman
DIN No : 00100011

Kumar Venkatasubramanian
Managing Director
DIN No : 08144200

Gautam Kamath
Director & Chief Financial Officer
DIN No : 09235167

Flavia Machado
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED JUNE 30, 2024

	Notes	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Income			
Revenue from operations	20	2 63 308	2 47 705
Other income	21	2 610	2 218
Total income		**2 65 918**	**2 49 923**
Expenses			
Cost of raw and packing materials consumed	22	67 940	67 849
Purchases of stock-in-trade (Traded Goods)		47 242	49 987
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(5 052)	977
Employee benefits expense	24	18 741	16 976
Finance costs	25	863	777
Depreciation and amortization expense	4	8 264	8 069
Other expenses	26	71 695	57 998
Total expense		**2 09 693**	**2 02 633**
Profit before tax		**56 225**	**47 290**
Tax expense			
Current tax	27.1	15 294	12 800
Deferred tax	27.1	(1 061)	(725)
Prior year tax adjustments	27.1	822	(353)
Income tax expense		**15 055**	**11 722**
Profit for the year		**41 170**	**35 568**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss:			
Re-measurement of the defined benefit plans	30.2(B), 30.3	942	(364)
Income tax effect	27.2	(237)	92
Total other comprehensive income for the year		**705**	**(272)**
Total comprehensive income for the year		**41 875**	**35 296**
Earnings per equity share	29		
- Basic (in ₹)		**126.35**	109.15
- Diluted (in ₹)		**126.35**	109.15
Face Value of Equity Share (in ₹)		**10.00**	10.00
See accompanying notes to the financial statements			

In terms of our report attached

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

Daraius Z. Fraser
Partner
M. No : 042454

Place: Mumbai
Date: August 29, 2024

For and on behalf of Board of Directors

Gurcharan Das
Chairman
DIN No : 00100011

Kumar Venkatasubramanian
Managing Director
DIN No : 08144200

Gautam Kamath
Director & Chief Financial Officer
DIN No : 09235167

Flavia Machado
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
A. Cash Flows from Operating Activities		
Profit before tax	**56 225**	**47 290**
Adjustments for:		
Depreciation and amortization expense	8 264	8 069
Loss on disposal of property, plant and equipment	651	52
Finance costs	863	777
Provision for doubtful receivables (net)	—*	(208)
Interest income	(1 758)	(1 361)
Net unrealised foreign exchange loss	(388)	103
Expense recognised in respect of equity settled share based payments	356	606
Operating profit before working capital changes	**64 213**	**55 328**
Working capital adjustments		
Decrease/(Increase) in trade receivables	4 533	(5 233)
Decrease/(Increase) in financial assets	934	(604)
Decrease/(Increase) in inventories	1 651	(3 891)
(Increase) in other assets	(791)	(2 551)
(Decrease)/Increase in trade and other payables	(4 831)	13 539
Increase in provisions	266	2 248
Cash generated from operations	**65 975**	**58 836**
Income taxes paid (net of refund)	(15 071)	(12 576)
Net cash generated from operating activities	**50 904**	**46 260**
B. Cash Flows from Investing Activities		
Payment to acquire property, plant and equipment	(6 724)	(7 873)
Proceeds from sale of property, plant and equipment	25	12
Interest received	1 784	1 193
Increase in earmarked balances	—	1
Net cash (used in) investing activities	**(4 915)**	**(6 667)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
C. Cash Flows from Financing Activities		
Dividend paid	(43 990)	(23 136)
Principal payment of lease liabilities	—*	(7)
Interest paid on lease liabilities	—*	(1)
Net cash (used in) financing activities	**(43 990)**	**(23 144)**
Net increase in cash and cash equivalents	**1 999**	**16 449**
Cash and cash equivalents at the beginning of the year	45 344	28 895
Cash and cash equivalents at the end of the year (refer note 10(a))	**47 343**	**45 344**

Disclosure of changes in liabilities arising from Financing activities

	Year ended June 30, 2024 ₹ in lakhs Lease Liabilities	Year ended June 30, 2023 ₹ in lakhs Lease Liabilities
Balance at the beginning of the year	5	12
Changes from financing cash flows		
Principal payment of lease liabilities	—*	(7)
Interest paid on lease liabilities	—*	(1)
Total changes from financing cash flows	**—**	**(8)**
Other changes		
New leases net off closures/disposals	—	—
Interest expense on lease liabilities	—*	1
Total other changes	**—**	**1**
Balance at the end of the year	**5**	**5**

* denotes amount less than ₹ 50 000

Note:

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

See accompanying notes to the financial statements

In terms of our report attached

For **KALYANIWALLA & MISTRY LLP**

Chartered Accountants
Firm Regn No : 104607W/W100166

Daraius Z. Fraser
Partner
M. No : 042454

Place: Mumbai
Date: August 29, 2024

For and on behalf of Board of Directors

Gurcharan Das
Chairman
DIN No : 00100011

Kumar Venkatasubramanian
Managing Director
DIN No : 08144200

Gautam Kamath
Director & Chief Financial Officer
DIN No : 09235167

Flavia Machado
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2024

a. Equity share capital

Particulars	Amount ₹ in lakhs
Balance as at July 1, 2022	**3 259**
Changes in equity share capital during the year	—
Balance as at June 30, 2023	**3 259**
Changes in equity share capital during the year	—
Balance as at June 30, 2024	**3 259**

Note : There are no changes in equity share capital due to prior period errors.

b. Other equity

	Attributable to the equity shareholders of the Company						
	Reserves & surplus						
	General reserve ₹ in lakhs	Securities premium ₹ in lakhs	Share options outstanding account ₹ in lakhs	Retained earnings ₹ in lakhs	Capital reserve ₹ in lakhs	Contingency reserve ₹ in lakhs	Total ₹ in lakhs
Balance as at July 1, 2022 (refer note)	**14 323**	**3 290**	**1 292**	**38 467**	**12 589**	**12 900**	**82 861**
Profit for the year	—	—	—	35 568	—	—	35 568
Items of OCI for the year, net of tax							
Remeasurement benefit of defined benefit plans	—	—	—	(272)	—	—	(272)
Total comprehensive income for the year	—	—	—	**35 296**	—	—	**35 296**
Payment of dividends (refer note 40)	—	—	—	(23 136)	—	—	(23 136)
Recognition of share-based payments	—	—	606	—	—	—	606
Balance as at June 30, 2023	**14 323**	**3 290**	**1 898**	**50 627**	**12 589**	**12 900**	**95 627**
Profit for the year	—	—	—	41 170	—	—	41 170
Items of OCI for the year, net of tax							
Remeasurement benefit of defined benefit plans	—	—	—	705	—	—	705
Total comprehensive income for the year	**—**	**—**	**—**	**41 875**	**—**	**—**	**41 875**
Payment of dividends (refer note 40)	—	—	—	(43 990)	—	—	(43 990)
Recognition of share-based payments	—	—	356	—	—	—	356
Balance as at June 30, 2024	**14 323**	**3 290**	**2 254**	**48 512**	**12 589**	**12 900**	**93 868**

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

Daraius Z. Fraser
Partner
M. No : 042454

Place: Mumbai
Date: August 29, 2024

For and on behalf of Board of Directors

Gurcharan Das
Chairman
DIN No : 00100011

Kumar Venkatasubramanian
Managing Director
DIN No : 08144200

Gautam Kamath
Director & Chief Financial Officer
DIN No : 09235167

Flavia Machado
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1 Corporate information

Gillette India Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 having CIN L28931MH1984PLC267130. Its ordinary shares (Equity) are listed on two recognised stock exchanges in India. The registered office of the Company is located at P&G Plaza, Cardinal Gracias Road, Chakala, Andheri (E), Mumbai - 400099.

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

2 Basis of preparation, Measurement, Material and Other 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 116, 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 Levels 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, 2024

2.3 Summary of material 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. The Company's revenue contracts represent a single performance obligation to sell its products to trade customers. Revenue is measured on the basis of contracted price, after deduction of any discounts, rebates, incentives, promotions and any taxes or duties collected on behalf of the Government such as Goods and Services Taxes, 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 variable consideration including 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. Company's contracts with trade customers do not have significant financing components.

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 the contract price, after deduction of variable consideration including any 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 and plant & equipment. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

(iii) the Company has the right to direct the use of the asset.

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

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

The ROU 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.

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

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

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

c. Foreign currencies

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

Transaction and balances

Transactions in currencies other than the Company's functional currency i.e. (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the 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 in which they arise.

d. Employee benefits

(**i**) **Short term employee benefits** - Short term employee benefits including salaries and performance incentives, are charged to the Statement of Profit and Loss on an undiscounted, accrual basis during the period of employment.

(ii) Post-employment Benefits

a) Defined Contribution Plans:

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

- Superannuation Fund as per Company policy administered by the Life Insurance Corporation of India.
- State Defined Contribution Plans: Employer's Contribution to Employees' State Insurance.

b) Defined Benefit Plans:

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

- Gratuity for all employees is administered through a trust, which is administered through trustees and / or Life Insurance Corporation of India, where one of the group companies is also the participant.
- Provident Fund for all permanent employees is administered through a trust. The Provident Fund is administered by trustees of an independently constituted common trust recognised by the Income Tax authorities where two other group Companies are also participants. Periodic contributions to the Fund are charged to revenue and when services are rendered by the employees. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and the notified interest rate by the Government.

Unfunded Plan: The Company has unfunded Defined Benefit Plans in the form of Post Retirement Medical Benefits (PRMB) and Compensated Absences (plant technicians) as per its policy.

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

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income in the period 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 are provided for as per Company rules based on the undiscounted amount of benefits expected to be paid in exchange for services rendered.

(iv) Termination benefits are recognised as an expense as and when incurred.

(v) Long Service Awards are payable to employees on completion of specified years of service.

e. Share-based payment arrangements

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

Equity-settled transactions

The Procter & Gamble Company has an "Employee Stock Option Plan (ESOP)" whereby the specified employees covered by the plan are granted an option to purchase shares of the Ultimate Holding Company i.e. - The Procter & Gamble Company 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. The Parent company will recharge an amount equal to spread as on the 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 the parent company to the extent of fair value of options will be debited in equity reserves and any excess recharge above the fair value of options will be recognised as equity distribution from the Company.

Employee share purchase plan

The Procter & Gamble Company 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. Every employee who opts for the scheme contributes by way of payroll deduction up to a specified percentage (upto 15%) the 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 is charged to employee benefit expenses. The expenses related to ISOP are recognised immediately in the statement of Profit and Loss since there are no vesting conditions attached to the scheme.

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms 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 counter party, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

f. Taxation

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

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

g. 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. Cost of acquisition of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use. 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 any directly attributable cost of bringing the item to its working condition for its intended use including professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

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

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

Asset Class	Useful lives
Buildings	10 - 30 years
Plant & machinery	1 - 15 years
Furniture and fixtures	2 - 30 years
Office equipment	2 - 15 years
Vehicles	2 - 15 years
Moulds & Dies	4 - 15 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.

h. 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.

i. 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 FIFO basis.

Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Cost of conversion includes an appropriate portion of allocable overheads based on normal operating capacity.

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.

j. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

The Company has ongoing disputes with 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 taxes. 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.

k. 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.

l. 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 or collect contractual cash flows; and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Effective interest method

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

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

Impairment of financial assets

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

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

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

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

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

Derecognition of financial assets

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

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

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in the Statement of Profit and Loss.

m. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

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

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

Foreign exchange gains and losses

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

Derecognition

The Company derecognises a financial liability when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

n. 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.

o. 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.

p. Earnings Per Share

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

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

q. 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.

2.4 Other accounting policies

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.

2.5 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs (MCA), vide notification dated 12th August 2024, has made the following amendments to Ind AS which are effective 1st July, 2024 to the Company:

a. Ind AS 117 Insurance Contract

b. Ind AS 103 Business Combinations

c. Ind AS 101 First-time Adoption of Indian Accounting Standards

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

b. Fair value measurements and valuation processes

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 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 14 and Note 36, Management has estimated and measured the likelihood of the litigations and accounted the provision and contingencies as appropriate.

f. The estimation of the various types of discounts, incentives, promotions and rebate schemes to be recognised based on sales made during the year (refer note 20).

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

Property, plant and equipment	At June 30, 2024 ₹ in lakhs	At June 30, 2023 ₹ in lakhs
Owned Assets	34 012	38 256
Right of Use Assets	680	691
Total	**34 692**	**38 947**

A. Owned Assets

	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
Gross Block							
At July 1, 2022	**7 417**	**43 334**	**3 254**	**3 079**	**214**	**11 412**	**68 710**
Additions	428	6 931	334	1 850	24	1 209	10 776
Disposals	(1)	(62)	(13)	(21)	(1)	(112)	(210)
At June 30, 2023	**7 844**	**50 203**	**3 575**	**4 908**	**237**	**12 509**	**79 276**
Additions	544	2 154	1 054	297	46	951	5 046
Disposals	(11)	(93)	(17)	(448)	(28)	(1 089)	(1 686)
At June 30, 2024	**8 377**	**52 264**	**4 612**	**4 757**	**255**	**12 371**	**82 636**
Accumulated depreciation							
At July 1, 2022	**1 820**	**25 095**	**1 315**	**1 725**	**85**	**3 072**	**33 112**
Depreciation charge for the year	426	5 734	347	454	23	1 070	8 054
Disposals	—	(36)	—	(10)	—	(100)	(146)
At June 30, 2023	**2 246**	**30 793**	**1 662**	**2 169**	**108**	**4 042**	**41 020**
Depreciation charge for the year	493	5 632	402	527	25	1 174	8 253
Disposals	(2)	(70)	(8)	(72)	(7)	(490)	(649)
At June 30, 2024	**2 737**	**36 355**	**2 056**	**2 624**	**126**	**4 726**	**48 624**
Net carrying amount							
At June 30, 2024	**5 640**	**15 909**	**2 556**	**2 133**	**129**	**7 645**	**34 012**
At June 30, 2023	**5 598**	**19 410**	**1 913**	**2 739**	**129**	**8 467**	**38 256**
At July 1, 2022	**5 597**	**18 239**	**1 939**	**1 354**	**129**	**8 340**	**35 598**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

B. Right of Use Assets

	Land ₹ in lakhs	Plant & equipment ₹ in lakhs	Total ₹ in lakhs
Gross Block as on July 1, 2022	**731**	**23**	**754**
Additions	—	—	—
Disposals	—	—	—
At June 30, 2023	**731**	**23**	**754**
Additions	—	—	—
Disposals	—	—	—
At June 30, 2024	**731**	**23**	**754**
Accumulated depreciation as on July 1, 2022	**33**	**15**	**48**
Additions	—	—	—
Depreciation charge for the year	11	4	15
At June 30, 2023	**44**	**19**	**63**
Additions	—	—	—
Depreciation charge for the year	11	—	11
At June 30, 2024	**55**	**19**	**74**
Net Block as at June 30, 2022	**698**	**8**	**706**
Net Block as at June 30, 2023	**687**	**4**	**691**
Net Block as at June 30, 2024	**676**	**4**	**680**

C. Capital work-in-progress

	At June 30, 2024 ₹ in lakhs	At June 30, 2023 ₹ in lakhs
Capital work-in-progress	2 593	3 243
	2 593	**3 243**

Capital work-in-progress ageing schedule

As at June 30, 2024	Amount in CWIP for a period of				
	Less than 1 year ₹ in lakhs	1-2 years ₹ in lakhs	2-3 years ₹ in lakhs	More than 3 years ₹ in lakhs	Total ₹ in lakhs
Projects in progress	883	169	27	1 514	2 593
Projects temporarily suspended	—	—	—	—	—
Sub Total	**883**	**169**	**27**	**1 514**	**2 593**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

As At June 30, 2023	Amount in CWIP for a period of				
	Less than 1 year ₹ in lakhs	1-2 years ₹ in lakhs	2-3 years ₹ in lakhs	More than 3 years ₹ in lakhs	Total ₹ in lakhs
Projects in progress	1 581	264	1 316	82	3 243
Projects temporarily suspended	—	—	—	—	—
Sub Total	**1 581**	**264**	**1 316**	**82**	**3 243**

Note : The Company does not have any overdue projects as at the end of the periods.

5 Loans

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Unsecured considered good		
Non-current		
Loans to related parties (refer note (a), (c) and note 33)	286	313
Loan to employees (refer note (a))	1 531	1 592
	1 817	**1 905**
Current		
Loans to related parties (refer note (b), (c) and note 33)	26	26
Loan to employees (refer note (a))	221	248
	247	**274**

Notes:

(a) Non-current loan to related parties includes loans to key managerial personnel ₹ 286 lakhs (June 30, 2023: ₹ 313 lakhs).

(b) Current loan to related parties includes loans to key managerial personnel ₹ 26 lakhs (June 30, 2023: ₹ 26 lakhs).

(c) Loans given to employees / key managerial personnel as per the Company's policy are not considered for the purposes of disclosure under Section 186 (4) of the Act.

(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 Deferred tax assets (Net)

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Deferred tax assets	5 347	4 614
Deferred tax liabilities	—	(33)
	5 347	**4 581**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Deferred tax assets / (liabilities) in relation to:

2023-2024	Opening Balance ₹ in lakhs	Recognised in profit or loss ₹ in lakhs	Recognised in other comprehensive income ₹ in lakhs	Closing Balance ₹ in lakhs
Property plant and equipment	(33)	424	—	391
Voluntary retirement scheme	—	256	—	256
Provision for doubtful debts and other receivables	56	(8)	—	48
Disallowance u/s 43 B of the Income Tax Act, 1961	3 638	189	(237)	3 590
Other temporary differences	920	142	—	1 062
	4 581	**1 003**	**(237)**	**5 347**

2022-2023	Opening Balance ₹ in lakhs	Recognised in profit or loss ₹ in lakhs	Recognised in other comprehensive income ₹ in lakhs	Closing Balance ₹ in lakhs
Property plant and equipment	(346)	313	—	(33)
Voluntary retirement scheme	198	(198)	—	—
Provision for doubtful debts and other receivables	90	(34)	—	56
Disallowance u/s 43 B of the Income Tax Act, 1961	2 875	671	92	3 638
Other temporary differences	489	431	—	920
	3 306	**1 183**	**92**	**4 581**

7 Other assets

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Non-current		
Capital advances	—	93
Balances with government authorities (includes amounts deposited with Excise, Sales Tax and other authorities, pending resolution of disputes)	6 518	4 376
	6 518	**4 469**
Current		
Prepaid expenses	20	—
Other advances (including advance to vendors)	236	516
Advance to employees (refer note (a) below)	14	7
Balances with government authorities (includes Service Tax and Cenvat credit receivable)	3 292	4 297
	3 562	**4 820**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

(a) Includes amounts deposited with Excise, Sales Tax and other authorities as demanded, 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 Act.

8 Inventories

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Inventories (lower of cost and net realisable value)		
Raw materials (including packing materials) (Includes in transit ₹ 220 lakhs (June 30, 2023: ₹ 437 lakhs))	12 725	19 689
Work-in-progress	921	1 073
Finished goods	12 994	8 504
Stock-in-trade (Includes in transit ₹ 6 069 lakhs (June 30, 2023: ₹ 7 227 lakhs))	10 146	9 432
Consumable stores and spares	2 798	2 537
	39 584	**41 235**

(a) The cost of inventories recognised as an expense during the year is disclosed in note 22, 23 and 26.

(b) The cost of inventories recognised as an expense includes ₹ Nil (during 2023-2024: ₹ Nil) in respect of write-downs of inventory to net realisable value. There has been no reversal of such write down in current and previous years.

9 Trade receivables

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Unsecured, considered good	27 533	32 239
Less: Allowance for expected credit loss	(100)	(223)
	27 433	**32 016**

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

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

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.

Movement in the allowance for doubtful receivables

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance at the beginning of the year	223	392
Adjustments during the year (net)	(123)	39
Changes in allowance for credit impairment during the year	—*	(208)
Balance at end of the year	**100**	**223**

* denotes amount less than ₹50 000.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Ageing for trade receivables as at June 30, 2024

Particulars	Outstanding for following periods from due date of payment						
	Not Due ₹ in lakhs	Less than 6 months ₹ in lakhs	6 months-1 year ₹ in lakhs	1-2 years ₹ in lakhs	2-3 years ₹ in lakhs	More than 3 years ₹ in lakhs	Total ₹ in lakhs
Undisputed trade receivables							
Considered good	23 345	3 872	45	181	39	51	**27 533**
Which have significant increase in credit risk	—	—	—	—	—	—	—
Credit impaired	—	—	—	—	—	—	—
Disputed trade receivables							
Considered good	—	—	—	—	—	—	—
Which have significant increase in credit risk	—	—	—	—	—	—	—
Credit impaired	—	—	—	—	—	—	—
Sub Total	**23 345**	**3 872**	**45**	**181**	**39**	**51**	**27 533**
Less: Allowance for expected credit loss							**(100)**
Total							**27 433**

Ageing for trade receivables as At June 30, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due ₹ in lakhs	Less than 6 months ₹ in lakhs	6 months-1 year ₹ in lakhs	1-2 years ₹ in lakhs	2-3 years ₹ in lakhs	More than 3 years ₹ in lakhs	Total ₹ in lakhs
Undisputed trade receivables							
Considered good	22 824	7 224	1 049	856	75	211	32 239
Which have significant increase in credit risk	—	—	—	—	—	—	—
Credit impaired	—	—	—	—	—	—	—
Disputed trade receivables							
Considered good	—	—	—	—	—	—	—
Which have significant increase in credit risk	—	—	—	—	—	—	—
Credit impaired	—	—	—	—	—	—	—
Sub Total	**22 824**	**7 224**	**1 049**	**856**	**75**	**211**	**32 239**
Less: Allowance for expected credit loss							**(223)**
Total							**32 016**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

10(a) Cash and cash equivalents

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

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balances with banks:		
- In current accounts	6 843	6 344
- Deposits with original maturity of less than three months	40 500	39 000
Cash and cash equivalents as per Balance Sheet	**47 343**	**45 344**
Cash and cash equivalents as per Statement of Cash Flows	**47 343**	**45 344**

10(b) Other bank balances

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Earmarked accounts		
- Unclaimed / Unpaid dividend account	220	212
	220	**212**

11 Other financial assets

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Non-current		
Security deposits	513	544
	513	**544**
Current		
Security deposits	21	11
Due from related parties (refer note 33)	212	1 010
Interest accrued on deposits with banks	39	65
	272	**1 086**

12 Equity share capital

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Authorised share capital:		
3 30 00 000 fully paid equity shares of ₹ 10 each (Previous year : 3 30 00 000 fully paid equity shares of ₹ 10 each)	3 300	3 300
	3 300	**3 300**
Issued and subscribed share capital:		
3 25 85 217 fully paid equity shares of ₹ 10 each	3 259	3 259
(Previous year : 3 25 85 217 fully paid equity shares of ₹ 10 each)		
	3 259	**3 259**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

12.1 Movement in Equity share capital

	Number of shares	Share Capital ₹ in lakhs
Balance at July 1, 2022	3 25 85 217	3 259
Movements	—	—
Balance at June 30, 2023	**3 25 85 217**	**3 259**
Movements	—	—
Balance at June 30, 2024	**3 25 85 217**	**3 259**

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.

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, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Ultimate Holding Company		
The Procter & Gamble Company	—	—
Holding Company		
Procter & Gamble Overseas India BV, The Netherlands	1 307	1 307
Subsidiaries of the Ultimate Holding Company		
Gillette Diversified Operations Private Limited	1 136	1 136

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

	As at June 30, 2024		As At June 30, 2023	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity shares of ₹ 10 each fully paid				
Procter & Gamble Overseas India BV, The Netherlands	1 30 73 465	40.12	1 30 73 465	40.12
Gillette Diversified Operations Private Limited	1 13 64 338	34.88	1 13 64 338	34.88
Life Insurance Corporation of India - P&GS Fund	17 13 190	5.26	17 13 190	5.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

12.4 Details of shareholdings by the promoter's of the Company

Promoter Name	As at June 30, 2024		As At June 30, 2023		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Procter & Gamble Overseas India BV, The Netherlands	1 30 73 465	40.12	1 30 73 465	40.12	—
Gillette Diversified Operations Private Limited	1 13 64 338	34.88	1 13 64 338	34.88	—
Total Promoters shares outstanding	**2 44 37 803**	**75.00**	**2 44 37 803**	**75.00**	**—**
Total shareholding	**3 25 85 217**		**3 25 85 217**		

Promoter Name	As At June 30, 2023		As at June 30, 2022		% change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Procter & Gamble Overseas India BV, The Netherlands	1 30 73 465	40.12	1 30 73 465	40.12	—
Gillette Diversified Operations Private Limited	1 13 64 338	34.88	1 13 64 338	34.88	—
Total Promoters shares outstanding	**2 44 37 803**	**75.00**	**2 44 37 803**	**75.00**	**—**
Total shareholding	**3 25 85 217**		**3 25 85 217**		

13 Other equity

Particulars	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Reserves & surplus		
General reserve	14 323	14 323
Securities premium	3 290	3 290
Share options outstanding account	2 254	1 898
Retained earnings	48 512	50 627
Capital reserve	12 589	12 589
Contingency reserve	12 900	12 900
	93 868	**95 627**

13.1 General reserve

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance at the beginning of year	14 323	14 323
Transferred from surplus in Statement of Profit and Loss	—	—
Balance at the end of year	**14 323**	**14 323**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance at the beginning of year	3 290	3 290
Movements	—	—
Balance at the end of year	**3 290**	**3 290**

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

13.3 Share options outstanding account

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance at the beginning of year	1 898	1 292
Arising on share-based compensation	356	606
Balance at the end of year	**2 254**	**1 898**

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, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance at the beginning of year	50 627	38 467
Profit attributable to the owners of the Company	41 170	35 568
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	705	(272)
Payment of interim / final dividend on equity shares (refer note 40)	(43 990)	(23 136)
Balance at the end of year	**48 512**	**50 627**

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefits obligation. This Reserve can be utilised in accordance with the provisions of the Act.

In December 2023, final dividend of ₹ 50 per share (total dividend ₹ 16 293 lakhs) for the year ended June 30, 2023 was paid to holders of fully paid equity shares. In December 2022, the final dividend paid was ₹ 36 per share (total dividend including tax thereon ₹ 11 731 lakhs) for the year ended June 30, 2022.

In January 2024, an interim dividend of ₹ 85 per share (total dividend ₹ 27 697 lakhs) was paid to holders of fully paid equity shares.

In February 2023, an interim dividend of ₹ 35 per share (total dividend including tax thereon ₹ 11 405 lakhs) was paid to holders of fully paid equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

13.5 Capital reserve

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance at the beginning of year	12 589	12 589
Movements	—	—
Balance at the end of year	**12 589**	**12 589**

The above reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations / amalgamations and the consideration paid for such combinations / amalgamations and capital grant received from its erstwhile parent.

13.6 Contingency reserve

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance at the beginning of year	12 900	12 900
Transferred from retained earnings	—	—
Balance at the end of year	**12 900**	**12 900**

The Company had in earlier years filed a writ petition in the High Court of Himachal Pradesh at Shimla challenging the premature withdrawal of Excise duty exemption for packing/repacking activities at its Baddi Manufacturing Facility. The High Court has since passed an order on April 24, 2008 in favour of the Company and has struck down the notification withdrawing the excise exemption. The Excise department has preferred an appeal on October 31, 2009 with the Hon'ble Supreme Court of India against the said order of the High Court. The Company has, as a matter of prudence, created a Contingency Reserve of ₹ 12 900 lakhs by way of appropriation of profits to the extent of excise duty payable (net of Cenvat credit) on dispatches made from the Baddi plant. This Reserve will be reviewed as and when this litigation is finally decided. The appropriation has been made till March 9, 2017, being the last date of excise exemption.

14 Provisions

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Employee benefits (refer note (i) below)	10 923	11 295
Other provisions - Disputed tax liabilities	4 551	4 153
	15 474	**15 448**
Current	5 435	4 553
Non - current	10 039	10 895
	15 474	**15 448**

Other provisions

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance at the beginning of year	4 153	3 815
Additional provision recognised	398	338
Reduction arising from payments	—	—
Balance at the end of year	**4 551**	**4 153**

(i) The provision for employee benefits includes gratuity, post retirement medical benefits (PRMB), compensated absences, provident fund and long service awards. For other disclosures refer note 30.

15 Lease Liabilities

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Non-current		
Lease liabilities payable beyond 12 months	5	5
	5	**5**
Current		
Lease liabilities payable within 12 months	—*	—
	—*	**—**

* denotes amount less than ₹ 50 000

The movement in Lease liabilities (Non-current and Current) is as follows:

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Balance as at beginning of the year	5	12
Add: Accretion of interest	—*	1
Less: Payments (including foreclosure)	—*	5
Less: Others (including foreclosure)	—*	3
Balance as at end of the year	**5**	**5**

The Company's lease assets classes primarily consist of leases for land, buildings and equipments.

a. The maturity analysis of lease liabilities are disclosed in note 31.

b. The carrying amounts of right-of-use assets recognised, the movements during the year and the depreciation expense on Right-of-Use assets are given in note 4.

c. The interest expense on lease liabilities recognised is given in note 25.

d. The Company incurred ₹ Nil Lakhs for the year ended June 30, 2024 (June 30, 2023) towards expenses relating to short-term leases and leases of low-value assets.

e. The total cash outflow for leases is for the year ended June 30, 2024 (June 30, 2023).*

* denotes amount less than ₹ 50 000.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

16 Trade payables

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Total outstanding dues of micro enterprises and small enterprises (refer note 37)	839	886
Total outstanding dues of creditors other than micro enterprises and small enterprises	63 065	67 127
	63 904	**68 013**

Ageing for trade payables as at June 30, 2024

Particulars	Outstanding for following periods from due date of payment						
	Unbilled ₹ in lakhs	Not Due ₹ in lakhs	Less than 1 year ₹ in lakhs	1-2 years ₹ in lakhs	2-3 years ₹ in lakhs	More than 3 years ₹ in lakhs	Total ₹ in lakhs
Undisputed dues - MSME	—	—	15	824	—	—	839
Undisputed dues - Others	27 911	26 194	6 879	598	1 371	112	63 065
Disputed dues - MSME	—	—	—	—	—	—	—
Disputed - Others	—	—	—	—	—	—	—
Total	**27 911**	**26 194**	**6 894**	**1 422**	**1 371**	**112**	**63 904**

Ageing for trade payables as At June 30, 2023

Particulars	Outstanding for following periods from due date of payment						
	Unbilled ₹ in lakhs	Not Due ₹ in lakhs	Less than 1 year ₹ in lakhs	1-2 years ₹ in lakhs	2-3 years ₹ in lakhs	More than 3 years ₹ in lakhs	Total ₹ in lakhs
Undisputed dues - MSME	—	799	76	11	—	—	886
Undisputed dues - Others	16 305	25 774	18 950	5 809	246	43	67 127
Disputed dues - MSME	—	—	—	—	—	—	—
Disputed - Others	—	—	—	—	—	—	—
Total	**16 305**	**26 573**	**19 026**	**5 820**	**246**	**43**	**68 013**

17 Other financial liabilities

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Current		
Payables for property, plant and equipment	1 027	3 716
Unclaimed / Unpaid dividends *	220	212
	1 247	**3 928**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Due to technical errors at Ministry of Corporate Affairs' (MCA) portal, there has been delay in transferring amounts to the Investor Education and Protection Fund (IEPF) for the following cases.

Particulars	Amount (₹ lakhs)	Due date of payment	Date of payment
Final Dividend for FY 2015-16	11	February 4, 2024	February 6, 2024
Interim dividend for FY 2016-17	76	*August 16, 2024	August 13, 2024

* Extended date as per the MCA Notification.

18 Current tax liabilities (Net)

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Income tax payable	2 424	1 300
	2 424	**1 300**

19 Other current liabilities

	As at June 30, 2024 ₹ in lakhs	As at June 30, 2023 ₹ in lakhs
Superannuation	4	5
Taxes and other liabilities (including statutory remittances, excise and sales tax payable)	2 890	4 030
	2 894	**4 035**

20 Revenue from operations

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Sale of products	2 63 308	2 47 705
	2 63 308	**2 47 705**

Reconciliation of Revenue from Sale of products:

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Contracted Price	3 20 615	2 98 859
Less: Trade Spends, Rebates, Etc.	57 307	51 154
Revenue from Sale of products	**2 63 308**	**2 47 705**

Refer note 28.2 and 28.5 for disaggregated revenue information.

a. The Company does not have any contract asset as at 30th June, 2024 (30th June, 2023: Nil)

b. The Company does not have any contract liability as at 30th June, 2024 (30th June, 2023: Nil)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

21 Other income

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Interest income earned on:		
Bank deposits	1 758	1 247
Income tax refund	—	114
Other financial assets carried at amortised cost	80	79
	1 838	**1 440**
Other non-operating income (net of expenses directly attributable to such income)		
Write-back of liabilities no longer required	410	718
Miscellaneous Income	362	60
	772	**778**
Total	**2 610**	**2 218**

22 Cost of raw and packing materials consumed

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Inventories at the beginning of year	19 689	15 068
Add: Purchases	60 976	72 470
	80 665	**87 538**
Less: Inventories at the end of year	12 725	19 689
Cost of raw and packing materials consumed	**67 940**	**67 849**

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

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Inventories at the beginning of year:		
Finished Goods	8 504	10 055
Stock-in-Trade	9 432	8 797
Work-in-Progress	1 073	1 134
	19 009	**19 986**
Inventories at the end of year:		
Finished Goods	12 994	8 504
Stock-in-Trade	10 146	9 432
Work-in-Progress	921	1 073
	24 061	**19 009**
Net (Increase) / Decrease	**(5 052)**	**977**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

24 Employee benefits expense

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Salaries and wages *	14 064	10 925
Contribution to provident and other funds (refer note 30)	1 441	2 353
Share-based payment to employees (refer note 32)	621	1 267
Staff welfare expense	564	1 238
Reimbursement of employee cost cross charged by related parties (refer note 38)	2 051	1 193
	18 741	**16 976**

* Salaries and Wages includes ₹ 1 915 lakhs (Previous year: ₹ Nil) towards expenditure on Voluntary Retirement Scheme.

25 Finance costs

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Interest costs:		
Interest expense on trade payables (refer note 37)	18	120
Interest on lease liabilities	—	1
Interest on Income tax (refer note 46)	143	5
Net interest on the net defined benefit liability (refer note 30)	702	651
	863	**777**

26 Other expenses

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Consumption of store and spares	2 280	1 635
Processing charges	5 436	4 174
Power and fuel	1 815	1 738
Freight, transport, warehousing and distribution charges	4 038	3 678
Rent (refer note 34)	392	383
Rates and taxes	2 063	455
Insurance	113	69
Repairs and maintenance		
Plant and machinery	340	199
Others	66	380
Trade incentives	3 680	3 288
Advertising expenses	32 608	25 871
Royalty	2 684	2 188
Business process outsourcing expenses	5 152	5 493

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Travelling and conveyance	1 028	952
Communication costs	164	141
Computer expenses	590	568
Legal and professional fees	1 217	1 330
Directors commission	80	80
Payment to auditors (refer note 26.1)	142	134
Exchange differences (net)	514	200
Inventory written off (net of Insurance claims recovered)	648	1 083
Provision for doubtful receivables (net)	—*	(208)
Loss on sale of property, plant and equipment (net)	651	52
Miscellaneous expenses	3 960	3 145
Reimbursement of expenses shared by related parties (Net) (refer note 38)	2 034	970
	71 695	**57 998**

* denotes amount less than ₹ 50 000

26.1 Payments to auditors:

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
(a) To statutory auditors		
For audit	134	126
For other services	2	2
Reimbursement of expenses	6	6
	142	**134**

26.2 Corporate Social Responsibility

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
(i) Amount required to be spent by the Company during the year	877	775
(ii) Amount spent during the year on:		
(a) Construction/ acquisition of asset	—	—
(b) For purposes other than (a) above	772	660
(iii) Set off from previous year	105	115
(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 amount Lapsed during the year	Surplus carried forward to be set off in subsequent years
FY 22 - 23	834	775	660	—	719
FY 23 - 24	719	877	772	614	—

(ix) None of the above amount spent is through any related party / affiliate.

(x) The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

27 Income tax expense

27.1 Income tax recognised in the Statement of Profit and Loss

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Current tax		
In respect of the current year	15 294	12 800
In respect of prior years	764	105
	16 058	**12 905**
Deferred tax		
In respect of the current year	(1 061)	(725)
In respect of prior years	58	(458)
	(1 003)	**(1 183)**
Total income tax expense recognised in the current year	**15 055**	**11 722**

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

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Profit before tax	56 225	47 290
Income tax expense calculated at 25.168% (2022-2023: 25.168%)	14 152	11 902
Effect of allowances	—	—
Effect of expenses that are not deductible in determining taxable profits	81	173
Effect of income that is exempt from taxation	—	—
	14 233	**12 075**
Adjustments recognised in the current year in relation to the current tax/deferred tax of prior years	822	(353)
Income tax expense recognised in the Statement of Profit and Loss	**15 055**	**11 722**

The tax rate used for 2023-24 is the corporate tax rate of 25.168%. The tax rate used for 2022-23 is the corporate tax rate of 25.168% applicable under the Indian laws.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

27.2 Income tax recognised in other comprehensive income

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Deferred tax		
Arising on expense recognised in other comprehensive income	237	(92)
Remeasurement of defined benefit obligations	237	(92)
Total income tax recognised in other comprehensive income not to be reclassified to Statement of Profit and Loss	**237**	**(92)**

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. The Directors of the Company have chosen to organise the Company around differences in products. No operating segments have been aggregated in arriving at the reportable segments of the Company.

Specifically, the Company's reportable segments under Ind AS 108 - Operating Segments are as follows:

- The grooming segment, produces and sells shaving system and cartridges, blades, toiletries and components.
- The oral care segment, produces and sells tooth brushes and oral care products.

28.2 Segment revenues and results

	Segment revenue		Segment profit	
	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Grooming	2 11 907	1 96 062	48 084	37 774
Oral Care	51 401	51 643	6 654	7 942
Total	**2 63 308**	**2 47 705**	**54 738**	**45 716**
Add / (Less): unallocated corporate expenses net of unallocated income			(260)	133
Other income			2 610	2 218
Finance costs			(863)	(777)
Profit before tax			**56 225**	**47 290**

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2022-2023: Nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.3(n). Segment profit represents the profit before tax earned by each segment without allocation of unallocated corporate expenses net of unallocated income, other income as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

28.3 Segment assets and liabilities

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Segment assets		
Grooming	94 221	1 03 796
Oral Care	9 551	11 064
Total segment assets	**1 03 772**	**1 14 860**
Unallocated	79 303	76 755
Total assets	**1 83 075**	**1 91 615**
Grooming	51 221	57 015
Oral Care	13 710	14 713
Total segment liabilities	**64 931**	**71 728**
Unallocated	21 017	21 001
Total liabilities	**85 948**	**92 729**

For the purpose of monitoring segment performance and allocating resources between segments:

a) All assets are allocated to reportable segments other than loans, other financial assets and income and deferred tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

b) All liabilities are allocated to reportable segments other than other financial liabilities and current tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to the segment cost ratio.

28.4 Other segment information

	Depreciation expense		Capital expenditure	
	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Grooming	8 252	8 066	6 724	7 873
Oral Care	—	—	—	—
	8 252	**8 066**	**6 724**	**7 873**

28.5 Geographical information

The Company operates in two principal geographical areas - India (country of domicile) and outside India.

The Company's revenue from external customers by location of operations and information about its segment assets by location of assets are detailed below:

	Revenue from external customers		Segment assets	
	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
India	2 48 773	2 27 702	93 280	1 05 195
Outside India	14 535	20 003	10 492	9 665
	2 63 308	**2 47 705**	**1 03 772**	**1 14 860**

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

29 Earnings per share

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Basic and diluted earnings per share		
Total basic earnings per share (face value ₹ 10)	126.35	109.15
Total diluted earnings per share (face value ₹ 10)	126.35	109.15

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, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Profit for the year attributable to owners of the Company	41 170	35 568
Earnings used in calculation of basic and diluted earnings per share	**41 170**	**35 568**

	Year ended June 30, 2024	Year ended June 30, 2023
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	**3 25 85 217**	**3 25 85 217**

30 Employee benefit plans

30.1 Defined contribution plans

The Company operates defined contribution superannuation fund and employees' state insurance plan for all qualifying employees of the Company. Where employees leave the plan, the contributions payable by the Company is reduced by the amount of forfeited contributions.

The employees of the Company are members of a state-managed employer's contribution to employees' state insurance plan and superannuation fund which is administered by the Life Insurance Corporation of India. The Company is required to contribute a specific percentage of payroll costs to the contribution schemes to fund the benefit. The only obligation of the Company with respect to the contribution plan is to make the specified contributions.

The total expense recognised in the statement of profit and loss of ₹ 59 lakhs (for the year ended June 30, 2023: ₹ 62 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, 2024, contributions of ₹ 4 lakhs (as at June 30, 2023: ₹ 5 lakhs) due in respect of 2023-2024 (2022-2023) 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 plans 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, which is administered through trustees and / or Life Insurance Corporation of India, where one of the group company is also the participant. The gratuity plan is governed by the Payment of Gratuity Act, 1972 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

b) *Provident Fund (Funded)*

Provident Fund for all permanent employees is administered through a trust. The provident fund is administered by trustees of an independently constituted common trust recognised by the Income Tax authorities where one of the group company is also a participant. Periodic contributions to the fund are charged to revenue. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate by the Government. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

c) *Post Retirement Medical Benefit (PRMB) (Unfunded)*

The Company provides certain post-employment medical benefits to employees. Under the scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade at the time of retirement. Employees separated from the Company as part of early separation scheme are also covered under the scheme. The liability for post retirement medical scheme is based on an independent actuarial valuation.

d) *Compensated absences for Plant technicians (Unfunded)*

The Company also provides for compensated absences for plant technicians which allows for encashment of leave on termination / retirement of service or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year.

e) Long Service Awards (Unfunded)

Long Service Awards are payable to employees on completion of specified years of service.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting year 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, 2024. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

	Valuations as at	
	June 30, 2024	**June 30, 2023**
Discount rate:		
Gratuity plan (funded)	6.90%	7.00%
Compensated absence plan (unfunded)	6.90%	7.00%
Post retirement medical benefit (PRMB) (unfunded)	6.90%	7.00%
Long Service Awards (unfunded)	7.00%	7.20%
Expected rate of salary increase		
Gratuity plan (funded) - Managers	10.00%	9.00%
Gratuity plan (funded) - Non-managers	10.00%	12.00%
Compensated absence plan (unfunded)	10.00%	9.00%
Compensated absence plan (unfunded) - Non-managers	10.00%	12.00%
Post retirement medical benefit (PRMB) (unfunded)	NA	NA
Long Service Awards (unfunded)	NA	NA
Gold Inflation rate		
Long Service Awards (unfunded)	7.00%	7.00%
Medical Inflation rate		
Post retirement medical benefit (PRMB) (unfunded)	5.50%	5.50%
Average longevity at retirement age for current beneficiaries of the plan (years)		
Post retirement medical benefit (PRMB) (unfunded)	19.34	20.16
Demographic Assumptions		
Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate		
Mortality in Retirement: Indian Individual Annuitant's Mortality Table (2012-15)		

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

	Year ended June 30, 2024 ₹ in lakhs	**Year ended June 30, 2023 ₹ in lakhs**
Gratuity Plan (Funded)		
Service costs:		
Current service cost	512	487
Net interest expense	590	533
Components of defined benefit costs recognised in the statement of profit and loss (A)	**1 102**	**1 020**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	4	10
Actuarial (gains) / losses arising from changes in assumptions	(519)	308
Actuarial (gains) / losses arising from changes in demographic assumptions	—	—
Actuarial (gains) / losses arising from changes in experience adjustments	(251)	148

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Components of defined benefit costs recognised in other comprehensive income (B)	**(766)**	**466**
Total (C=(A+B))	**336**	**1 486**
Compensated absence plan (Unfunded)		
Service costs:		
Current service cost	113	97
Net interest expense	54	54
Immediate recognition of (gains)/losses – other long term employee benefit plans	(243)	(59)
Components of other benefit costs recognised in the statement of profit and loss (D)	**(76)**	**92**
Post retirement medical benefit (PRMB) (Unfunded)		
Service costs:		
Current service cost	1	1
Net interest expense	8	7
Components of defined benefit costs recognised in the statement of profit and loss (E)	**9**	**8**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	2	6
Past service cost - plan amendments	—	—
Actuarial (gains) / losses arising from changes in demographic adjustments	—	—
Actuarial (gains) / losses arising from changes in experience adjustments	(1)	7
Components of defined benefit costs recognised in other comprehensive income (F)	**1**	**13**
Total (G=(E+F))	**10**	**21**
Long Service Awards (Unfunded)		
Service costs:		
Current service cost	45	709
Net interest expense	50	—
Immediate recognition of (gains)/losses – other long term employee benefit plans	(62)	111
Components of other benefit costs recognised in the statement of profit and loss (H)	**33**	**820**
Total defined benefit costs recognised in the statement of profit and loss	**1 068**	**1 940**
Total defined benefit costs recognised in other comprehensive income	**(765)**	**479**

The current service cost for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The net interest expense for the year is included in the 'Finance costs' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

C. The amount included in the balance sheet arising from the entity's obligation in respect of its employee benefit plans is as follows :

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Gratuity Plan (Funded)		
Present value of funded defined benefit obligation	8 601	9 294
Fair value of plan assets	(92)	(611)
Net liability arising from defined benefit obligation	**8 509**	**8 683**
Compensated absence plan (Unfunded)		
Present value of unfunded other benefit obligation	659	818
Net liability arising from other benefit obligation	**659**	**818**
Post retirement medical benefit (PRMB) (Unfunded)		
Present value of unfunded defined benefit obligation	129	121
Net liability arising from defined benefit obligation	**129**	**121**
Long Service Awards (Unfunded)		
Present value of unfunded other benefit obligation	723	709
Net liability arising from other benefit obligation	**723**	**709**

D. Movement in the present value of the employee benefit plans are as follows:

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Gratuity Plan (Funded)		
Opening defined benefit obligation	9 294	8 069
Current service cost	512	487
Interest cost	614	586
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	(519)	308
Actuarial (gains) / losses arising from changes in demographic assumptions	—	—
Actuarial (gains) / losses arising from changes in experience adjustments	(251)	148
Benefits paid	(1 049)	(304)
Closing defined benefit obligation	**8 601**	**9 294**
Compensated absence plan (Unfunded)		
Opening other benefit obligation	818	743
Current service cost	113	97
Interest cost	54	54
Immediate recognition of (gains)/losses – other long term employee benefit plans	(243)	(59)
Benefits paid	(83)	(17)
Closing other benefit obligation	**659**	**818**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Post retirement medical benefit (PRMB) (Unfunded)		
Opening defined benefit obligation	121	106
Current service cost	1	1
Interest cost	8	7
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in assumptions	2	6
Past service cost - plan amendments	—	—
Actuarial (gains) / losses arising from changes in demographic adjustments	—	—
Actuarial (gains) / losses arising from changes in experience adjustments	(1)	7
Benefits paid	(2)	(6)
Closing defined benefit obligation	**129**	**121**
Long Service Awards (Unfunded)		
Opening other benefit obligation	709	—
Current service cost	45	709
Interest cost	50	—
Immediate recognition of (gains)/losses – other long term employee benefit plans	(62)	111
Benefits paid	(19)	(111)
Closing other benefit obligation	**723**	**709**

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

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Gratuity Plan (Funded)		
Opening fair value of plan assets	611	870
Interest Income	24	53
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(4)	(10)
Employer Contributions	510	2
Benefits paid	(1 049)	(304)
Closing fair value of plan assets	**92**	**611**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Cash balance	69	12
Life Insurance Corporation of India	23	599
Total	**92**	**611**

Expected employer contributions for the period ending June 30, 2025 is ₹ 640 lakhs (for the year ended June 30, 2024: ₹ Nil).

The Company's Plan Assets in respect of Gratuity, alongwith one of the group companies, is funded through the group scheme of the Life Insurance Corporation of India.

The actual return on plan assets was ₹ 19 lakhs (for the year ended June 30, 2023: ₹ 43 lakhs).

Maturity profile of defined benefit obligation:

	Gratuity Plan ₹ in lakhs
Within 1 year	640
1 - 2 year	877
2 - 3 year	760
3 - 4 year	849
4 - 5 year	957
5 - 10 years	4694

Significant actuarial assumptions in the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis 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 ₹ 340 lakhs (increase by ₹ 365 lakhs) (as at June 30, 2023: decrease by ₹ 383 lakhs (increase by ₹ 412 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 351 lakhs (decrease by ₹ 332 lakhs) (as at June 30, 2023: increase by ₹ 397 lakhs (decrease by ₹ 374 lakhs)).

Compensated absence plan (Unfunded)

If the discount rate is 50 basis points higher (lower), the other benefit obligation would decrease by ₹ 31 lakhs (increase by ₹ 33 lakhs) (as at June 30, 2023: decrease by ₹ 42 lakhs (increase by ₹ 46 lakhs)).

If the expected salary growth increases (decreases) by 0.5%, the other benefit obligation would increase by ₹ 33 lakhs (decrease by ₹ 30 lakhs) (as at June 30, 2023: increase by ₹ 44 lakhs (decrease by ₹ 41 lakhs)).

Post retirement medical benefit (PRMB) (Unfunded)

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 8 lakhs (increase by ₹ 7 lakhs) (as at June 30, 2023: decrease by ₹ 7 lakhs (increase by ₹ 8 lakhs)).

If the expected medical inflation rate increases (decreases) by 0.5%, the defined benefit obligation would increase by ₹ 7 lakhs (decrease by ₹ 7 lakhs) (as at June 30, 2023: increase by ₹ 7 lakhs (decrease by ₹ 6 lakhs)).

If the expected life expectancy increases (decreases) by 1 year, the defined benefit obligation would increase by ₹ 3 lakhs (decrease by ₹ 3 lakhs) (as at June 30, 2023: increase by ₹ 3 lakhs (decrease by ₹ 3 lakhs)).

Long Service Awards (Unfunded)

If the discount rate is 50 basis points higher (lower), the other benefit obligation would decrease by ₹ 25 lakhs (increase by ₹ 27 lakhs) (as at June 30, 2023: decrease by ₹ 23 lakhs (increase by ₹ 25 lakhs)).

If the expected gold inflation rate increases (decreases) by 0.5%, the other benefit obligation would increase by ₹ 26 lakhs (decrease by ₹ 25 lakhs) (as at June 30, 2023: increase by ₹ 25 lakhs (decrease by ₹ 23 lakhs)).

The sensitivity analysis presented above may not be representative of the actual change of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method as the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

30.3 Provident Fund

The Provident Fund assets and liabilities are managed by "Gillette Employees Provident Fund Trust" in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at June 30, 2024.

The Company's contribution to Provident Fund ₹ 974 Lakhs (Previous Year: ₹ 940 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense (refer note 24).

The details of the "Gillette Employees Provident Fund Trust" and plan assets position as at June 30, 2024 is given below:

Particulars	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Present value of net benefit obligation at period end	23 993	22 101
Fund reserves at period end, restricted to the net benefit obligation	(23 378)	(21 382)
Net Deficit	**615**	**719**
Defined Benefit Cost recognised in the statement of profit and loss		
Service Cost	910	865
Net interest expense	50	57
Defined Benefit Cost in other comprehensive income	(177)	(115)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	Valuations as at	
	June 30, 2024	**June 30, 2023**
Discounting Rate	6.90%	7.00%
Expected Guaranteed interest rate	8.25%*	8.15%*

* Rate mandated by EPFO

31 Financial instruments

31.1 Capital management

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

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

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

31.2 Categories of financial instruments

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Financial assets		
Measured at amortised cost		
(i) Trade receivables	27 433	32 016
(ii) Cash and cash equivalents	47 343	45 344
(iii) Bank balances other than (ii) above	220	212
(iv) Loans	2 064	2 179
(v) Other financial assets	785	1 630
Financial liabilities		
Measured at amortised cost		
(i) Trade payables	63 904	68 013
(ii) Other financial liabilities	1 247	3 928
(iii) Leased liabilities	5	5

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed are classified as Level 3

Current financial asset and current financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature. Non current financial assets and non current financial liabilities have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows.

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.

A. Market Risk

(i) 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.

(ii) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities as at		Assets as at	
	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
USD	9 562	24 114	4 494	7 964
EUR	9 659	16 184	5 998	1 701
GBP	38	18	—	—
AUD	—	34	—	—
PLN	3	10	—	—
SGD	—	2	—	—

Foreign currency sensitivity analysis

The Company is mainly exposed to the currencies stated above.

The following table details impact to profit or loss of the Company by sensitivity analysis of a 10% increase and decrease in the respective currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change on foreign currency rates.

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of the Company, profit or loss will increase (decrease) by:

	Increase / (decrease) at + 10%		Increase / (decrease) at - 10%	
	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
USD	(507)	(1 615)	507	1 615
EUR	(366)	(1 448)	366	1 448
GBP	(4)	(2)	4	2
AUD	—	(3)	—	3
PLN	—	(1)	—	1
SGD	—	—*	—	—*

* denotes amount less than ₹ 50 000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

(iii) 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.

B. 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.

Trade Receivables

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. The Company performs ongoing credit evaluation of the counterparty's financial position as a means of mitigating the risk of financial loss arising from defaults. The Company only grants credit to creditworthy counterparties.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics as disclosed in Note 9 to the financial statements.

Other financial assets

Other financial assets include employee loans, security deposits, cash and cash equivalents, deposits with bank etc. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values.

C. Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company maintains adequate highly liquid assets in the form of cash to ensure necessary liquidity.

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

	Less than 1 Year ₹ in lakhs	Between 1 to 5 Years ₹ in lakhs	Over 5 years ₹ in lakhs	Total ₹ in lakhs	Carrying Value ₹ in lakhs
As at June 30, 2024					
Trade Payables	63 904	—	—	63 904	63 904
Other financial liabilities	1 247	5	—	1 252	1 252
As at June 30, 2023					
Trade Payables	68 013	—	—	68 013	68 013
Other financial liabilities	3 928	5	—	3 933	3 933

31.4 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

32 Share-based payments

a) International Stock Ownership Plan (Stocks of the Ultimate Holding Company)

The Gillette Company, USA (TGC) had a "Global Employee Stock Ownership Plan" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of TGC. Every employee who opted for the scheme contributed by way of payroll deduction up to a specified percentage (upto 15%) of his base salary towards purchase of shares on a monthly basis. The Company contributes 50% of employee's contribution (restricted to 2.5% of base salary). Such contribution is charged under employee benefits expense. Subsequent to the worldwide merger of Aquarium Acquisition Corporation (wholly owned subsidiary of the Procter & Gamble Company) with TGC on October 1, 2005, the shares of TGC got delisted from the New York Stock Exchange and the share purchase plan has been adopted by the Procter & Gamble Company.

The shares of TGC (till September 30 2005) / The Procter & Gamble Company are listed with New York Stock Exchange of USA and are purchased on behalf of the employees at market price on the date of purchase. During the year 3895.56 shares (Previous year: 4072.89 shares) excluding dividend were purchased by employees at weighted average fair value of ₹ 12 883.75 (Previous year: ₹ 11 770.88) per share. The Company's contribution during the year on such purchase of shares amounts to ₹ 139 lakhs (Previous year: ₹ 130 lakhs).

b) Employees Stock Options Plan (Stocks of the Ultimate Holding Company)

The Gillette Company, USA (TGC) had an Employees Stock Options Scheme whereby specified employees of its subsidiaries covered by the plan were granted an option to purchase shares of the Parent Company i.e. The Gillette Company, USA at a fixed price (grant price) for a fixed period of time. Subsequent to the worldwide merger of Aquarium Acquisition Corporation (wholly owned subsidiary of the Procter & Gamble Company) with The Gillette Company, USA on October 1, 2005, the shares of The Gillette Company got delisted from the New York Stock Exchange. Upon this change in control the 2005 Gillette Option award got automatically converted into P&G options at the established conversion ratio of 0.975 shares in the Procter and Gamble Company, for every share held in the Gillette Company. The shares of the Gillette Company (till September 30, 2005) / The Procter & Gamble Company, were/are listed with New York Stock Exchange of USA. The options were issued to Key Employees of the Company with Exercise price equal to the market price of the underlying shares on the date of the grant. The Grants issued are vested after 3 years/5 years and have a 5 years /10 years life cycle.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Expense arising from equity-settled share-based payment transactions	482	1 137
Total expense arising from share-based payment transactions	**482**	**1 137**

There were no cancellations or modifications to the awards in June 30, 2024 or June 30, 2023.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

	Year ended June 30, 2024	Year ended June 30, 2024	Estimated fair value of Options Granted	Year ended June 30, 2023	Year ended June 30, 2023	Estimated fair value of Options Granted
	Number	WAEP (in $)	in ₹	Number	WAEP (in $)	in ₹
Outstanding at July 1	58 633	151.74	—	55 618	143.79	—
Granted during the year						
15-Sep-23	1 074	153.47	2 854	—	—	—
2-Oct-23	3 128	145.19	2 843	—	—	—
2-Oct-23	2 717	145.19	12 066	—	—	—
15-Sep-22	—	—	—	1 511	137.44	2 397
3-Oct-22	—	—	—	4 224	128.51	2 425
3-Oct-22	—	—	—	3 911	128.51	10 499
Exercised during the year	(9 361)	153.33	—	(6 631)	143.55	—
Expired during the year	—	—	—	—	—	—
Forfeited during the year	(46)	—	—	—	—	—
Outstanding at June 30	**56 145**	**164.92**		**58 633**	**151.74**	
Exercisable at June 30	26 693	164.92		28 024	151.74	

The weighted average share price at the date of exercise of these options was $ 153.33 (June 30, 2023: $ 143.55).

The weighted average remaining contractual life for the share options outstanding as at June 30, 2024 was 5.12 (June 30, 2023: 5.56) years.

The weighted average fair value of options granted during the year was ₹ 6 466 (June 30, 2023: ₹ 5 694).

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, 2024 and June 30, 2023, respectively:

	Year ended June 30, 2024	Year ended June 30, 2023
Dividend yield (%)	2.50%	2.60%
Expected volatility (%)	18.00%	21.00%
Risk–free interest rate (%)	4.60%	3.70%

33 Related party disclosures

(a) Related party where control exists:

Relationship	Name of the Company
Ultimate Holding Company	The Procter & Gamble Company
Holding Company	Procter & Gamble Overseas India BV, The Netherlands

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

(b) Other parties with whom transactions have taken place during the year.

(i) Fellow Subsidiaries

S. No.	Name of the Company	S. No.	Name of the Company
1	The Procter & Gamble Distributing LLC	13	Procter & Gamble Nigeria Limited
2	The Procter & Gamble US Business Services Company	14	Procter & Gamble Trading (Thailand) Limited
3	Pt Procter & Gamble Home Products Indonesia	15	Procter & Gamble Middle East FZE
4	The Gillette Company LLC	16	Procter & Gamble International Operations Sa-Rohq
5	Procter & Gamble International Operations SA	17	Gillette Diversified Operations Private Limited
6	Gillette Poland International SP. Z.O.O	18	The Procter & Gamble Manufacturing Company
7	Procter & Gamble Home Products Private Limited	19	Procter & Gamble International Operations SA Singapore Branch
8	Procter & Gamble Health Limited	20	Procter & Gamble Indochina Company Limited
9	Procter & Gamble Philippines Business Services - Inc	21	Procter & Gamble Do Brasil Ltda
10	Procter & Gamble Polska SP.Z O.O	22	P&G K.K.
11	Gillette (Shanghai) Ltd	23	Procter & Gamble Bangladesh Private Limited
12	Procter & Gamble Hygiene & Health Care Limited	24	Petersburg Products International LLC

(ii) Post Employment Benefit Plan:

Gillette Employees Provident Fund Trust

(iii) Investing company in respect of which the Company is an associate:

S. No.	Name of the Company
1	Gillette Diversified Operations Private Limited

(iv) Directors and Key Management Personnel of the Company:

S. No.	Name	Designation
1	Mr. Kumar Venkatasubramanian	Managing Director (w.e.f. May 1, 2024)
2	Mr. L. V. Vaidyanathan	Managing Director (upto April 30, 2024)
3	Mr. Gautam Kamath	Executive Director and Chief Financial Officer
4	Mr.Srinivas Maruthi Patnam	Executive Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

(v) Non-Executive and Non Independent Directors of the Company:

S. No.	Name	Designation
1	Mr. Gagan Sawhney	Non-Executive Director
2	Mr. Karthik Natarajan	Non-Executive Director (upto March 31, 2024)
3	Mr. Pramod Agarwal	Non-Executive Director
4	Ms. Sonali Dhawan	Non-Executive Director

(vi) Non-Executive and Indpendent Directors of the Company:

S. No.	Name	Designation
1	Mr. Gurcharan Das	Independent Director and Chairman
2	Mr. Chittranjan Dua	Independent Director
3	Mr. Anil Kumar Gupta	Independent Director
4	Ms. Anjuly Chib Duggal	Independent Director

(vii) Other Key Managerial Personnel as per Companies Act, 2013:

S. No.	Name	Designation
1	Ms. Flavia Machado	Company Secretary

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 Subsidiaries/ Investing Companies	Directors & Key Managerial Personnel	Post Employment Benefit Plan
1	Purchase of Goods	**2024**	**—**	**37 537**	**—**	**—**
		2023	—	50 558	—	—
2	Purchase of Equipment/Assets/ Spares	**2024**	**—**	**2 047**	**—**	**—**
		2023	—	3 703	—	—
3	Purchase of Duty Scripts	**2024**	**—**	**—**	**—**	**—**
		2023	—	127	—	—
4	Sale of Products	**2024**	**—**	**12 889**	**—**	**—**
		2023	—	18 756	—	—
5	Recovery of Expenses Cross charged	**2024**	**95**	**1 560**	**—**	**—**
		2023	283	1 552	—	—
6	Expenses cross-charged	**2024**	**132**	**2 033**	**—**	**—**
		2023	538	1 777	—	—
7	Reimbursement of expenses shared by group cos. (Income) (Refer note below)	**2024**	**—**	**2 120**	**—**	**—**
		2023	—	12 406	—	—

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₹ in lakhs

S. No.	Nature of Transactions	For the year ended June 30	Ultimate Holding & Holding Company	Fellow Subsidiaries/ Investing Companies	Directors & Key Managerial Personnel	Post Employment Benefit Plan
8	Reimbursement of expenses shared by group cos. (Expense) (Refer note below)	**2024**	**—**	**6 942**	**—**	**—**
		2023	—	14 987	—	—
9	Business Process Outsourcing expenses	**2024**	**4 100**	**1 052**	**—**	**—**
		2023	4 586	907	—	—
10	Other Income	**2024**	**—**	**83**	**—**	**—**
		2023	—	—	—	—
11	Royalty	**2024**	**—**	**2 684**	**—**	**—**
		2023	—	2 188	—	—
12	Computer Expenses	**2024**	**—**	**590**	**—**	**—**
		2023	—	568	—	—
13	Rent expenses	**2024**	**—**	**463**	**—**	**—**
		2023	—	478	—	—
14	Contribution to Provident Fund	**2024**	**—**	**—**	**—**	**2 534**
		2023	—	—	—	2 426
15	Dividend Remitted/Paid	**2024**	**17 649**	**15 342**	**—**	**—**
		2023	9 282	8 069	—	—
16	Managerial Remuneration	**2024**	**—**	**—**	**617**	**—**
		2023	—	—	540	
17	Commission to Directors	**2024**	**—**	**—**	**80**	**—**
		2023	—	—	80	—

Note : Increase in Reimbursement of expenses shared by group companies (both Expenses and Income) during the previous year is on account of grossing up of income/expenses as against netting off income/ expenses in the past to comply with GST regulations.

18	Outstanding as at June 30th					
	Loans	**2024**	**—**	**—**	**312**	**—**
		2023	—	—	339	—
	Trade and other receivables	**2024**	**—**	**10 424**	**—**	**—**
		2023		10 440	—	—
	Trade and other payables	**2024**	**1 161**	**18 181**	**80**	**208**
		2023	6 803	33 142	80	206

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties in the current year or prior years. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

(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, 2024	Year ended June 30, 2023
1	**Purchase of Goods**		
	Procter & Gamble International Operations SA Singapore Branch	1 514	15 408
	Procter & Gamble International Operations SA	29 088	25 516
	Gillette (Shanghai) Ltd	6 227	7 690
	Others	708	1 944
2	**Purchase of Equipment/Assets/Spares**		
	The Procter & Gamble Distributing LLC	1 551	3 386
	Procter & Gamble Indochina Company Limited	305	174
	Others	191	143
3	**Purchase of Duty Scripts**		
	Gillette Diversified Operations Private Limited	—	127
4	**Sale of Products**		
	Procter & Gamble International Operations SA Singapore Branch	4 670	10 520
	Procter & Gamble Bangladesh Private Limited	5 686	6 510
	Procter & Gamble International Operations SA	2 489	1 473
	Others	44	253
5	**Recovery of Expenses Cross charged**		
	Procter & Gamble Home Products Private Limited	414	750
	Procter & Gamble Hygiene and Health Care Limited	133	98
	The Procter & Gamble Company	95	283
	Procter & Gamble International Operations SA	26	8
	Gillette Diversified Operations Private Limited	525	141
	Procter & Gamble Health Limited	289	357
	Procter & Gamble International Operations SA Singapore Branch	145	153
	Others	28	45
6	**Expenses cross-charged**		
	Procter & Gamble Home Products Private Limited	1 589	1 218
	Gillette Diversified Operations Private Limited	22	32
	Procter & Gamble Hygiene and Health Care Limited	247	307
	The Procter & Gamble Company	132	538
	Others	175	220
7	**Reimbursement of expenses shared by group cos. (Income)**		
	Procter & Gamble Home Products Private Ltd	1 406	8 336
	Procter & Gamble Hygiene and Health Care Limited	714	4 070

₹ in lakhs

S. No.	Nature of Transactions	Year ended June 30, 2024	Year ended June 30, 2023
8	**Reimbursement of expenses shared by group cos. (Expense)**		
	Procter & Gamble Hygiene and Health Care Limited	2 290	4 585
	Procter & Gamble Home Products Private Limited	4 652	10 402
9	**Business Process Outsourcing expenses**		
	Procter & Gamble Philippines Business Services - Inc	1 052	907
	The Procter & Gamble Company	4 100	4 586
10	**Other Income**		
	The Gillette Company LLC	83	—
11	**Royalty**		
	The Gillette Company LLC	2 684	2 188
12	**Computer Expenses**		
	The Procter & Gamble US Business Services Company	590	568
13	**Rent expenses**		
	Procter & Gamble Home Products Private Limited	463	478
14	**Contribution to Provident Fund**		
	Gillette Employees Provident Fund Trust	2 534	2 426
15	**Dividend Remitted/Paid**		
	Procter & Gamble Overseas India BV, The Netherlands	17 649	9 282
	Gillette Diversified Operations Private Limited	15 342	8 069
16	**Commission to Directors**		
	Mr. Gurcharan Das	16	16
	Mr. Chittranjan Dua	16	16
	Mr. Anil Kumar Gupta	16	16
	Ms. Anjuly Chib Duggal	16	16
	Mr. Pramod Agarwal	16	16

(e) Compensation of key management personnel

The remuneration of directors and other key management personnel during the year was as follows:

₹ in lakhs

S. No.	Nature of Transactions	Year ended June 30, 2024	Year ended June 30, 2023
1	Short-term benefits	277	263
2	Post-employment benefits	246	226
3	Share-based payments	88	51
4	Termination benefits	6	—
		617	**540**

The above does not include the amounts which have been paid in the current year on account of gratuity paid to a retiring KMP, as the same had been recorded as an expense in the earlier years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

(f) Other transactions with key management personnel

₹ in lakhs

S. No.	Nature of Transactions	Year ended June 30, 2024	Year ended June 30, 2023
1	Loan realised	27	24
2	Interest Income	13	14

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.

35 Commitments

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance)	720	112
	720	**112**

36 Contingent liabilities

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Claims against company not acknowledged as debts:		
(a) Income tax matters	56 612	78 549
(b) Sales tax matters		
(i) Non submission of "C" Forms/"F" Forms	1 891	1 891
(ii) Other sales tax matters	558	558
(c) Excise duty, service tax and customs duty matters		
(i) Denial of excise duty benefits at excise exempt location of which the Company has a right to claim Cenvat credit of ₹ 16 034 lakhs	30 368	30 368
(ii) Service tax matters	3 235	3 235
(iii) Customs valuation disputes	1 534	1 534
(d) Good & Service tax (GST) matters		
(i) Related to Tran 1,2	637	674
(ii) ISD	970	—
(iii) ITC Mismatch	41 522	201
(e) Other matters		
(i) Other claims - The Company is a party to various legal proceedings in the normal course of business	54	78
(ii) Demand from Delhi Development Authority	3 424	3 424
	1 40 805	**1 20 512**

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, 2024

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

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	839	886
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	18	298
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	1 997	1 414
Principal paid beyond the appointed date	1 916	1 414
Interest paid in terms of Section 16 of the Act	81	—
(d) The amount of interest due and payable for the year	18	120
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year Net of reversal amounting to ₹ 153 lakhs (previous year ₹ 644 lakhs).	18	298
(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 payment/recoveries on account of finance, personnel, secretarial, administration and planning services rendered under common services agreement of the Company with Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited. (refer note 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 Managerial Remuneration

The computation of managerial remuneration excludes an amount of ₹ 236 lakhs (Previous year: ₹ 213 lakhs) in respect of managerial personnel cross-charged from Procter & Gamble Hygiene and Health Care Limited and Procter & Gamble Home Products Private Limited in terms of common services agreement referred to in note 38 (a) above.

40 Dividend

	Year ended June 30, 2024 ₹ in lakhs	Year ended June 30, 2023 ₹ in lakhs
Dividend on equity shares paid during the year		
Final dividend for the FY 2022-23: ₹ 50 (Previous year for FY 2021-22: ₹ 36) per equity share of ₹ 10 each	16 293	11 731
Interim dividends for the FY 2023-24: ₹ 85 (Previous year for FY 2022-23: ₹ 35) per equity share of ₹ 10 each	27 697	11 405
TOTAL	**43 990**	**23 136**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Proposed Dividend:

The Board of Directors at its meeting held on August 29, 2024 have recommended a payment of final dividend of ₹ 45 per equity share of face value of ₹ 10 each for the financial year ended June 30, 2024 resulting in a dividend payout of ₹ 14 663 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	2023-24	2022-23	Change	Explanation for changes over 25% in the ratios, if any
1	Current Ratio	Current Assets	Current Liabilities	1.56	1.53	2%	
2	Debt equity Ratio	Total debt	Equity	—	—	—	
3	Debt Service Coverage Ratio	Earnings available for debt service	Total debt service	—	—	—	
4	Return on Equity	Net profit	Average shareholder equity	42%	38%	9%	
5	Inventory turnover Ratio	Total Sales	Average Inventory	6.52	6.30	3%	
6	Trade Receivables turnover Ratio	Net Credit Sales	Average trade receivable	8.86	8.44	5%	
7	Trade payables turnover Ratio	Net Credit Purchases	Average trade payable	1.64	1.98	-17%	
8	Net capital turnover Ratio	Net Sales	Working Capital	6.16	5.74	7%	
9	Net Profit	Net profit	Net Sales	16%	14%	9%	
10	Return on Capital employed	Earning before interest and taxes	Capital employed	0.53	0.44	22%	
11	Return on investment	Income generated from Investments	Time Weighted Average Investments	0.04	0.04	14%	

42 (a) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

i) Crypto Currency or Virtual Currency

ii) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

iii) Registration of charges or satisfaction with Registrar of Companies

iv) Relating to borrowed funds:

a) Wilful defaulter

b) 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, 2024	Relationship with struck off company if any to be dislcosed	As at June 30, 2023	Relationship with struck off company if any to be dislcosed
None	None	—	None	—	None

43 During FY 2021, National Anti Profiteering Authority (NAA) passed an order alleging that the Company has profiteered to the tune of ₹ 5 799 lakhs (excluding interest) and had directed the Company to deposit the said amount along with interest @18% into the Consumer Welfare Funds. The Company filed an appeal before Hon'ble Delhi High Court against the said order of NAA and the Hon'ble High Court has passed a 'status quo' order in favour of the Company, effectively staying the operation of the NAA order. The Delhi High Court (DHC) on January 29, 2024 upheld the constitutional validity of Anti-profiteering law. The individual cases filed by respective companies continue to be pending and interim orders passed in respective writ petitions shall continue. DHC will take up each company's petition to determine on the aspect of correctness of NAA's orders in their respective cases. The Company has filed an appeal against the DHC Order before the Supreme Court (SC), as in our view, DHC has erred in application of certain key legal principles and lacks appreciation for or has failed to take into consideration impracticability in implementation of the "proportionate price reduction" as the only method of passing off benefits of reduced tax. The SC has admitted the appeals and have posted it for further proceedings.

44 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 had maintained periodic backups of its books of account and other relevant books and papers maintained in electronic mode on servers physically located in India upto December 17, 2023. This was in addition to regular backups on the P&G Group's Global Servers outside India. The Company has commenced maintaining daily backups from December 18, 2023. The said backups include data from April 1, 2022, and onwards.

45 Maintenance of Audit Trail

As required under the second proviso to Section 128(1) of the Companies Act 2013, read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company has identified applications which meet the definition of books of account.

The Company uses an ERP for maintaining its books of accounts, together with certain surround applications which either initiate, store, or process information which is subsequently recorded in the ERP.

The said surround applications include certain third-party Software-as-a-Service (SaaS) applications, such as an 'Employee Lifecycle and Compensation' application, 'Leave, Workforce and Overtime' application, 'Vendor Master Management' application, 'Product Price Approval and Management' application and an 'International Freight and Logistics Management' application which are hosted and managed by the service providers. The audit trail data for direct access to the database is available with the third-party software service providers, which has been validated through review of Service Organisation Controls (SOC) Reports. For the period not covered by the SOC Reports, Company has obtained Bridge Letters from the SaaS vendors.

The surround applications also include certain applications such as Inventory Management applications which are hosted on P&G Group's global servers. These applications are managed by the Group's IT teams and a privileged access management tool is used to monitor audit trail for direct access to the database. The ERP and the surround applications have a feature of recording audit trail (edit log) facility which has operated throughout the year for all transactions recorded in said applications as required under the Companies Act, 2013.

46 The Company has arrived at an Advanced Pricing Agreement with the concerned tax authorities, determining appropriate transfer pricing methodology for certain identified transactions with the Company's affiliate(s) for the years ended March 2013, March 2015, March 2016 and March 2017. As a consequence of this agreement, an additional tax liability amounting to ₹ 615 lakhs and interest amounting to ₹ 140 lakhs, has been accounted under Prior Period Tax Adjustments and Finance Costs respectively. In view of the above, contingent liabilities have been reduced by ₹ 25 005 lakhs.

47 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on August 29, 2024.

Signatures to Notes 1 to 47

For and on behalf of Board of Directors

Gurcharan Das
Chairman
DIN No : 00100011

Kumar Venkatasubramanian
Managing Director
DIN No : 08144200

Gautam Kamath
Director & Chief Financial Officer
DIN No : 09235167

Flavia Machado
Company Secretary

Place: Mumbai
Date: August 29, 2024

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Gillette India Limited

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