

**Procter & Gamble Hygiene& Health Care Limited**  
**58<sup>th</sup> Annual General Meeting**  
**RECORDING - 15 November 2022 - 10-31-29 AM**

- **Moderator:**
- A very good morning and warm welcome to all. Now I request our Chairman Mr. C.R. Dua to commence the 58<sup>th</sup> Annual General Meeting. Over to you sir.
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**
- Thank you, thank you everyone. Good morning one and all. It gives me immense pleasure to welcome all of you to the 58<sup>th</sup> Annual General Meeting of Procter & Gamble Hygiene& Health Care Limited. This AGM is being conducted through auto audio video means as permitted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. We sincerely hope that you and your family are all safe, clam and in good health. While we miss the opportunity to interact with you in person, we are glad that we are able to come together virtually. The requisite form being present, I now call the meeting to order.
- To being with, I would like to introduce the board members and the management of the company. Mr. Vaidyanathan is our managing director. Thank you Vaidyi. Mr. Gurcharan Das, independent director. Ms. Meena Ganesh, independent director. Mr. Anil Kumar Gupta, independent director. Mr. Krishnamurthy Iyer, independent director. Mr. Pramod Agarwal, non-executive director. Mr. Karthik Natarajan, non-executive director. Mr. Gagan Sawhney, non-executive director. Ms. Sonali Dhawan, non-executive director. Mr. Ghanshyam Hegde, executive director and Company Secretary. Mr. Prashant Bhatnagar, Chief Financial Officer. Mr. Gautam Kamath, Vice-President, finance and Mr. Enakshee Deva, Head-Communications and CSR. I missed Ms. Enakshee Deva, my apologies.
- Mr. Madhusoodan Gopalan cease to be the.....my deepest gratitude, Mr. Madhusoodan Gopalan for his exemplary leadership and consistent value creation during his tenure as managing director. He has been a role model for all who will follow him. Mr. L.V Vaidyanathan has been appointed as the managing director of the company effective July 1<sup>st</sup>, 2022. I welcome Mr. L.V Vaidyanathan to his first annual general meeting as the managing director of this company.
- The representatives of the statutory auditors, ost auditors and secretarial auditors are also attending this meeting. I am informed that 2 representations under sections 113 of the Companies' Act 2013 representing 22929773 shares have been received within the prescribed time limit. Since the auditor's report and secretarial audit report do not

contain any qualification or observation, they are not required to be there. I now request Mr. Ghanshyam Hegde, director and Company's Secretary to take the shareholders through general instructions regarding virtual participation in the AGM. Mr. Hegde....

– **Mr. Ghanshyam Hegde – Executive Director & Company Secretary, P&G Ltd.:**

- Thank you Chairman sir. Good morning dear shareholders. All the members are placed on mute mode by the host so as to avoid any disturbances and to ensure smooth conduct of the meeting. Since this meeting is being held through audio visual means and physical attendance of the members have been dispensed with, the facility to appoint proxies to attend and cast votes on behalf of the members is not available for this annual general meeting. The requisite statutory registers are available electronically for viewing. Those who wish to view the same may write to the company at the investor's relations email id, which is mentioned in the notice of this AGM. Live streaming of this meeting is available on the NSDL website. If any shareholder faces any technical issue, the shareholder may call NSDL helpline at 1800-222-990. I repeat 1800-222-990. This contact number is also mentioned in the notice of this AGM. I now hand over to the Chairman sir, Mr. Dua to take the proceedings ahead.

– **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**

- Thank you very much. Dear shareholders, the last fiscal year continued to be one full of unprecedented challenges which impacted most aspects of life, business and economy. Despite the pandemic induced turbulence and unforeseen headwinds, your company remained resilient, agile and delivered sales of 3901 crore, up 9pc versus a year ago. In addition, your company continued to prioritize the health and wellbeing of its people and stepped up as a force for good to help communities in need during these tough times. Your company has imbedded citizenship in the way it does business in line with its philosophy of being a force for growth and a force for growth. It continues to support the P&G Suraksha India initiative which is P&G India's response to covid19 pandemic. As a part of the program, the company helped strengthen healthcare infrastructure as well as lakhs of masks and hand sanitizers for the protection of frontline workers and underprivileged community. Since the outbreak of the pandemic, your company has also donated more than 38 lakh Whisper sanitary pads to support women and girls from underprivileged background. The company continues to help underprivileged children, move closer to their dreams through its P&G Shiksha Program. Indeed, the emphasis on education is absolutely necessary for the growth of our country. The program has so far supported thousands of schools that will impact the lives of millions of children. P&G Shiksha focuses its efforts in these areas. In proving learning outcomes, empowering marginalized girls through education and improving educational infrastructure.

- During the pandemic, as schools remained closed, the program continued to provide refined education to thousands of children during this time. As the pandemic began to ease, we launched a school readiness campaign for equipping children studying in grades 1 and 2 with essential foundational skills as they start school with the support of their mothers. During the year, we impacted more than 55000 children through this program. It is indeed a matter of pride for all of you that your company is engaged in such noble activities. The company has achieved significant milestones in environmental sustainability by achieving plastic packaging waste neutrality and maintaining zero waste to landfill for its manufacturing site at Goa. Further, your company continues to make significant headwinds towards P&G's ambition 2030 goals.
- Lastly, I would like to express my gratitude to all our consumers, customers, employees, business partners and most of all you, the shareholders, our valued shareholders for your support and participation in the decisions of the company. We are keenly focused on creating value for our shareholders. While near term outlook remains uncertain with volatility in the economic landscape, we will continue to focus on driving superiority, improving productivity and prioritizing the health and wellbeing of our people for achieving balanced growth in the context of expected challenges and headwinds.
- As we move to the new fiscal year, we will continue to innovate and bring superior products to the consumers and sustainably grow the business. Thank you very much.
- **Mr. L.V. Vaidyanathan – Managing Director, P&G Ltd.:**
- Good morning all. I would like to welcome you all to the 58<sup>th</sup> AGM. I want to first start with by giving you an update on the business and also our strategy. Fiscal year 2022 was another strong year. The P&G team's execution of our integrated strategies delivered strong topline growth in the face of severe cost and operational headwinds. The integrated....piece integrated strategic choices <voice break> strategic choices to drive balanced growth <voice break>. We remain committed to our integrated strategies of superiority, productivity, constructive disruption and agile and accountable organization. We remain the right strategies for us in the near term <voice break>. The 1<sup>st</sup> strategy starts with us having a focused portfolio of brands where daily where daily of branch which operate in daily use categories. Here, performance drives branch wise.
- No.2, we extend our margin of competitive superiority in product, package, brand communication, retail execution and value. We are driving productivity improvements in cost and cash to fund these investments and improve profitability. We lead constructive disruption across the value chain in our industry in order to meet our specific challenges. <voice break> These transforming our talent, our supply chain and our go-to-market. We do this with a more focused, agile and accountable organization which operates at the speed of the market. Next slide please.

- <voice break> stepping up as a force for good. Over the 184 years that we have operated globally, we have shown that our ability to grow is directly committed to our commitment to responsibly grow our business and doing good in the communities in which we live. Our ability to do good is in turn <voice break> remain inseparable. Next slide please.
- We operate, the company operates in 2 different categories where we have market leading positions. In fem care, we have almost half of the market and in cough and cold category, in each of the sub-segments, we have a no.1 position and we continue to maintain that despite all the headwinds. Next slide please.
- We have built citizenship in how we do business every day. Our citizenship priorities include focusing on creating an impact for the community. 2<sup>nd</sup>, is the quality and inclusion and specifically in that, we are focused on gender equality. 3<sup>rd</sup> is driving our progress on environmental sustainability. Let me explain each of them one by one. next slide please.
- We have had....our flagship CSR program which is Shiksha where we are focused on providing underprivileged children access to holistic education. Am proud to share that we are reaching 2500 schools with this program which will possibly impact the lives of over 25 lakh children. This video that we have is one of our impact stories about Sushila. Over the last decade, she has been one of the children who are on ground initiatives of remedial learning has helped. Shiksha helped her bridge learning gaps and perform at her higher education. Today Sushila is one of the teachers at a Shiksha school helping us impact the lives of more children of the new generation around the community. Let's watch the video please.

*(Video being played from 52.43-55.17)*

- Moving on to the next pillar of community.....next pillar in our citizenship which is environmental sustainability. Am very proud to share that today P&G is plastic waste neutral, which means that the amount of plastic that we collect from the environment is far greater than the amount of plastic that are used in our products. We pledge to be net zero by 2040 and today each of our plants that we have here in India has zero waste. Our brands are leading the change in the industry in all aspects of sustainability. Next slide please.
- The 3<sup>rd</sup> pillar of our citizenship is equality and inclusion. Your company with a leading brand Whisper has been using its voice to drive change and to drive a society where, which emphasizes on inclusion. Let's watch this video.

*(Video being played from 56.28-59.04)*

- In conclusion, as Mr. Dua pointed out, we are growing our business and maintaining our share leadership. We are on this business, we are able to maintain a healthy net margin of 15pc despite an unprecedented headwind which was impacting almost 40pc of our profits because of commodity inflation. We created strong long term value and sustained long term value and in the short term, we have taken a hit in our margins because of the commodity headwinds to stay invested in both superiority and communicating our value to our consumers. With this, I will hand it over to Gautam to take you through the specifics of business, through a detailed business review. Over to you Gautam.
- 
- **Mr. Gautam Kamath – Vice President Finance, P&G Ltd.:**
- Thank you. I'll start by talking about the some of the macroeconomic challenges that we faced in 21-22. Mr. Dua referred to it and so did L.V., but I just wanted to put a number to it so you get an idea of the scale of the impact. On four of the most key materials that we use, we had commodity inflation ranging from 35% to 84% and this is an on an average a total cost our commodity cost went up impacted us by 40% of our profits. At the same time, crude oil was higher as well by 70% in fiscal year 22 on an average versus fiscal year 21 impacting our material costs right as well as our logistics costs as most of you know, the fuel cost in the market was also very, very impacted significantly. The diesel cost for example went up from ₹74.00 to ₹93 and this of course impacts our logistics costs and our last mile delivery costs. Finally, container freights were up four times versus 2021 and this of course impacts the freight that we pay on our inbound materials that we import.
- With that as background, I want to then share the next slide our business results. So, delivering 9% top line in this kind of environment again is something that we believe was a very resilient performance in the face of some unprecedented headwinds and the profit of -12% while offsetting the 40% impact of commodity inflation was again a commendable outcome for the year and I also say that because if you look at it on a slightly longer period to look at the sustainability of our results, you'll see that over the last four years versus the pre-COVID period, we've actually grown by 59% representing an annual growth rate of 12.3% annually and on our profit again we've grown 54% over the last four years representing an annual growth rate of 11.5% right. This goes to show that the integrated growth strategy that L.V. was talking about is working for us as a company and it's something that we need to stay invested in in order to continue to keep driving the sustainable results over the mid-to-long-term.
- We will move to the next slide. You'll see that we are also winning externally. We continue to maintain or we are consolidating our market share leadership on the Vicks business where we are clear leaders. You can also see that on Whisper, we continue to maintain a market share leadership even though whisper is the business that has been more impacted by some of these commodity headwinds that we are seeing.

- Moving on to the next slide. I want to talk a little bit about the dividend. We have proposed a final dividend this year of ₹65 bringing our total dividend interim plus final for the year to ₹160 per share. Our comparable dividend last year for interim plus final dividend was 165. So, this represents a small drop in the total dividend that we have paid versus year ago, but in view of the cash needs of the company, we believe this is prudent way to go. This is in line with the dividend strategy that we have agreed with the Board of Directors and we believe that while this is still a high dividend, we believe that it still is in the best interest of the company in view of the cash needs of the company. You will also have noticed that this represents a very strong growing trend over the last five years versus 2017, the dividend that we're giving this year is almost six times what we gave in 2017. So, it's clearly a trend that that is sustainable and it's something that we want to continue to keep growing.
- Moving on to the next slide. I want to talk a little bit about how we are bringing to life the integrated growth strategy that L.V. talked about and I will start with the hygiene space where Whisper is our key brand. On whisper, if you move to the next slide, you'll see we have a portfolio that spans multiple price tiers as well as benefit spaces and consumer segments.
- You can just move to the next slide. We have the mid-tier portfolio right where we have you know the orange choice portfolio, we have premium tier, which is our ultra-portfolio, and then we have the super-premium tier as well, which is targeted at the premium consumers, and it's important for us to win in each of these tiers in order to continue to keep building a business that is sustainable and profitable.
- If you move on to the next slide, I want to talk a little bit about innovation that we're driving in some of these tiers and the business growth that we're bringing and I will start with the next slide. I'll start with what we are doing on premising our business through our super premium nights offering. This is a product that has incredible superiority versus everything else that is available out there. It's our most expensive product, but because of the superiority that we have on this product, it continues to do well. I want to play the copy for you here and some of you may have seen it already, but I think it's worthwhile playing again. You can just play the copy.
- *(Video being played from 1:05:57 to 1:06:10)*
- Thank you. Moving on to the next one, while we realized that it's important to keep driving premiumization especially in a in a cost constraint environment like today, we do understand that we want to continue driving cloth conversion and bring more consumers and users into the category and here what we've done is we've launched something called Choice XL, which is again something that delights the consumer as well as a night's proposition within the mid-tier segment and both of these are bringing in new consumers to us. I want to play a copy here that shows how we appeal to the cloth

using consumer to come into the usage of pads. I'd love to -- I like to request that the video is played please.

- *(Video being played from 1:06:57 to 1:07:20)*
- With that, I want to move now to healthcare. Again if you move to the next slide, on healthcare we have a again a very diversified portfolio and we are number one in every one of the segments that we play in whether it's throat drops, whether it's the multi-symptom relief that we have which has action 500 as well as the Vicks 3-in-1 or whether it's the rubs and inhaler segment.
- We move to the next slide. I want to again talk a little bit about how we drive, how we work through the integrated growth strategy on this starting with a new communication that we have on Vicks cough drops.
- We will move to the next slide. This is a commercial innovation that we have where we have driven further usage of the drops leveraging a new copy that we have featuring Ranveer Singh and appealing to the younger audience who may not have grown up with the Vicks brand as much as some of us have. So, if you can just play the copy.
- *(Video being played from 1:08:23 to 1:08:47)*
- If you can just go back to the previous slide. What we are also doing is using some of our key influencers that appeal to the youth of today to amplify our message through that social media platforms, through Instagram or YouTube or Facebook.
- Now, if you can move to the next slide. I want to talk a little bit about a product innovation that we brought in. We brought in a new flavor of Vicks, the Tulsi flavor. This is something that was our first product, first new flavor that we that we brought in on Vicks throat drops over the last 10 years and this has had a disruptive in store execution that we have driven and that has helped us drive consumer acceptance of this product and this is doing quite well.
- We will move to the next slide. What we're also doing is using seasonal insights to drive the right communication by season like we have a different communication for monsoon, for winter, and we also are using different media pillars like print advertisement, key influencer activation, as well as PR activation using some of our celebrities to drive the message on why Vicks is important. With that, I'm going to now hand over to our communications leader Ms. Enakshee Deva to talk about the CSR initiatives that we have. Over to you, Enakshee.
- **Ms. Enakshee Deva – Head, CSR & Communications, P&G Ltd.:**
- As lot of you may know yesterday was Children's Day and at P&G, we truly believe that there is no bigger enabler than education to help the children of today become citizens

of tomorrow who can fulfill their aspirations and dreams. Therefore, to drive progress for the citizens of tomorrow P&G's CSR program is focused on education with P&G Shiksha.

- Moving on to the next slide. You people must be knowing P&G Shiksha was started in 2005, where with the aim of providing access to underprivileged children with holistic education. In the last 17 years, P&G Shiksha has evolved as a holistic program that has three focus areas. The first one is to build infrastructure where we focus on ensuring that the learning environment is conducive for the children to grasp concepts. The second is remedial learning where our focus is to ensure that the children on their current grade are learning at the level and there is no gap in the learning versus the class that they are in. The third is to empower young underprivileged girls via education. On all these focus areas our execution is on different programs that we do differently on our credible NGO's.
- What I will now want to do with the next slide is take you through the year that went by. The last fiscal year was quite unique. We all know because of pandemic, which faced lots of challenges in life and education sector was not unique. When this year started, so all the schools across the country were closed. Nobody was knowing when schools are going to open and eventually India witnessed the second longest school closure in the world that disrupted and impacted the education economy drastically. Along with this, if we talk about India and all the communities in the world whom we reach, access and understanding of technology is very limited and therefore in a constricted environment due to the pandemic where our regular programs could not reach these communities, learning got impacted further and the learning gap widened. Now, the good thing is by the time the year ended, schools had started to reopen. All of us would have seen around us, in your families, in your neighbors, schools now are open and they started towards the end of the year. So, our last year was very unique because there are different types of challenges. There were ups and downs throughout the year, but the one focus area that we had at P&G Shiksha is to ensure learning continuity.
- Now, what I want to do is talk you through some of the specific programs starting with the first one on the next slide. Like I said the first program that we have focuses on infrastructure. You imagine two types of environment. First, there is a big room or any farm where in 2-3 groups 25-30 children are there with one-one teacher who is trying to teach them. They are fighting amongst themselves, they are able to listen each other's voice, and they have the disturbance of things that are nearby. On the other hand, there is an enclosed environment, there is a classroom where there are benches, blackboard is there, teacher has all the aides and it is a very enclosed environment. We all know out of the two, where will learning be better. So, with the same children with the same teachers on the same concept, if infrastructure is conducive to learning that will lead to much better understanding and education of the children. That has been our focus area on this particular pillar where we work with our NGO RTI. We make classrooms over here, and provide drinking water facilities access to children. We



provide different washrooms to girls and boys. All of this have helped us improve enrollment and attendance and more motivation for children and teachers to continue learning, continue coming to school, and reduce drop offs.

- Coming to the next program that we have on the next slide. This is our on-ground program in partnership with the NGO Pratham. The issue that we are focusing on that is learning gap. It means that many times when children are in a regular class, their basic concepts are not clear like English, language, mathematics, and as they go ahead in class, they have to learn new concepts that are based on this foundation. So, if there is no proper foundation established, so the learning is not possible and therefore through these programs what we focus on is to bridge that learning gap. Through on-ground workshops via on-ground learning camps, we get the children together who have same learning level. So, in that group, there may be children from class 5, class 2, class 7, but their learning level is same. So, they sit together and our volunteers do classes with them in a gamified format, do sums, teach language so that going forward their learning gap should bridge and they can understand the concept in their class and move ahead. At the time of pandemic, when we were not able to reach the communities, so we took help from community itself. The mothers that were there, many of the young adult college students who have gone through this school journey who can help us, we brought them together as volunteers and through their help we were able to ensure learning happening.
- We have one more program in which there is early childhood education which focuses on preschool. In pandemic, when our volunteers were not again able to reach, so we tried to teach children using things available in house like teaching counting on a cycle wheel, teaching addition and subtraction on a ladder, teaching colors via vegetables and fruits in house. So, thought the entire pandemic when the closures happened, we ensured that the children are learning and are continuing to make progress on their journey of education. Towards the end of the year, like I was mentioning when school started to reopen, we organized dedicated learning camps for the children and for their parents, so that we can ensure that children are back to school and we have that one almost like a crash course for them so that they are able to bring up their learning level and start thriving from day one.
- Coming to the next slide. The next program uses digital tools to provide remedial learning. This is a customized tool that adapts with the child's pace, concepts, and on basis on his needs does learning continuity. We used to make this tool available to children in the school computer labs. So when pandemic happened, we converted this into an app and that app was made available to children on the phones available to someone in their family, to someone in their community where they had to spend 20-25 minutes every day and continue the learning.
- Now, because of the new model, we had to ensure that we are training the teachers, we had to ensure we are training the parents on the need for this and through it all I'm

happy to share that we were able to see significant progress. More than 70,000 children who participated throughout the year with us have seen impressive improvement in their learning. Towards the end of the year again, now we are working back with schools to ensure that the computer labs and the integration is happening while continuing our app right. So, now what we are seeing is we are working on this hybrid model where in-school and on-app learning is happening together.

- What next we'll see is a quick video from this school in the village Bagahar from Himachal Pradesh, where you will hear from some children, some teachers, some principals and parents on how they have seen the impact of the Mindspark tool, which is this digital tool that I was talking about. Over the last few months where the schools were actually open and they were seeing that impact.
- Can we go to the next slide and play the video please?
- *(Video being played from 1:19:23 to 1:22:13)*
- With that, I'll just leave you with one thought in the wake of the current scenario where we are coming out of the pandemic, ensuring learning continuity is super important and education is going to be one of the key enablers as we drive this country forward. At P&G will continue to drive P&G Shiksha and continue to be a force for good. Thank you. Over to you, Mr. Dua.
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**
- Thank you, Enakshee. That was indeed a formidable presentation and very encouraging something that P&G will continue to pursue in for the next generations of India. I now request Mr. Ghanashyam Hegde to read out the resolutions being put for vote at this AGM. Ghanashyam over to you.
- **Mr. Ghanashyam Hegde – Executive Director & Company Secretary, P&G Ltd.:**
- Thank you, Mr. Dua. The notice dated August 23<sup>rd</sup>, 2022 and the addendum dated October 31<sup>st</sup>, 2022 has been circulated by e-mail to those members who have registered their e-mail IDs and the same is also available on our website and also the website of stock exchanges. There are five items being proposed under the ordinary business, which are;
- Item #1, to adopt the financial statements for the financial year ended June 30<sup>th</sup>, 2022 together with the reports of the auditors and Directors they're on.
- Item #2, to confirm payment of interim dividend and to declare final dividend for the financial year ended June 30<sup>th</sup>, 2022.

- Item #3, to appoint a Director in place of Mr. Gagan Sawhney who retires by rotation and being eligible offers himself for reappointment.
- Item #4, to appoint a director in place of Ms. Sonali Dhawan who retires by rotation and being eligible offers herself for reappointment.
- Item #5, to reappoint Kalyaniwalla and Mistry LLP, Chartered Accountants as auditors of the company to hold office from the conclusion of this meeting until the conclusion of the 63<sup>rd</sup> Annual General Meeting. There are two items being proposed under special business, which are;
- Item #6, to appoint Mr. Gurcharan Das as an Independent Director of the company effective September 1<sup>st</sup>, 2022.
- Item #7, being proposed as ordinary resolution to ratify payment of remuneration to the cost auditor for the financial year 2022-2023. The company had provided an E-voting facility for members to cast their vote through remote e-voting, which had commenced on Thursday, November 10<sup>th</sup>, 2022 at 9:00 AM and it ended on Monday, November 14<sup>th</sup>, 2022 at 5:00 PM. Those members who have not done so shall be eligible to vote through E-voting system within 30 minutes after conclusion of this meeting.
- Mr. Makarand M. Joshi and Ms. Kumudini Bhalerao, both practicing Company Secretaries have been appointed as scrutinizers for conducting the scrutiny of the votes cast through E-voting at this meeting. Procedure for E-voting at the AGM is the same as that of remote e-voting and it's the details of which are mentioned in the AGM notice. With that, I hand it over back to Mr. Dua.
- **Moderator:**
- Mr. Dua Sir, you're on mute.
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**
- Apologies, apologies. I'll start again. Thank you Ghanashyam. As some members have expressed their desire to speak at this AGM by registering as speakers, we will invite the speakers 1x1. Members are requested to follow the instructions of the company. I appeal to those speakers - 1, to ask questions relating to accounts of the company for which we are meeting today and please avoid questions already asked and to be brief and limit the time to three minutes. The management will respond to the questions at the end of their session. I thank the speakers for extending this cooperation for the virtual meeting. I request the meeting host to assist in conducting the Q&A session.
- **Moderator:**

- Thank you, Sir. Dear shareholders, names of shareholders who have registered themselves as speakers will be announced 1x1 and the respective speaker will be unmuted. Shareholders are requested to click the audio and video on to start speaking. If the shareholder is unable to join through video mode for any reason, he or she can join through audio mode. If there are connectivity issues from the speaker's end, the next speaker will be asked to join. Once the connectivity improves, he or she will be requested to join once again to speak after all the other speaker shareholders have completed their turns. We urge the shareholders to limit their time to three minutes. Inviting the first speaker, Ms. Lekha Shah. Hello ma'am you've been unmuted from our end. I request you to unmute yourself, switch on your video, and then proceed with your question.
- **Ms. Lekha Shah – Shareholder:**
- Hello. can you hear me Sir?
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**
- Yes, ma'am.
- **Moderator:**
- Yes, ma'am, you are audible. please proceed.
- **Ms. Lekha Shah – Shareholder:**
- Thank you, ma'am. Respected Chairman Sir, Board of Directors, and my fellow members, good afternoon to all of you. Myself Lekha Shah from Mumbai. First of all, I'm very much thankful to our Company Secretary Shyamji specially Flavia ma'am for extending very good investor services and also sending me the AGM notice well in time, which is full of knowledge, facts and figures in place. So, I'm very grateful to the company secretarial team. Chairman Sir, you have explained so nicely in your speech and the Company Secretary have also given everything in detail in the annual report. I don't want to ask many questions. I will ask only one question. How many women employees are working in our office? So, I would like to say I strongly support all the resolutions for today's meeting and my best wishes always our company and its prosperity. Sir, now corona is gone, if possible, please arrange a factory visit for us. Thank you so much.
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**
- Thank you, Ms. Shah.
- **Moderator:**

- Thank you, ma'am. Inviting the next speaker, Mr. Manjeet Singh. Hello Sir, please unmute yourself, turn on your video camera, and then proceed with your question.
- **Mr. Manjeet Singh – Shareholder:**
- Am I audible?
- **Moderator:**
- Yes Sir, you're audible.
- **Mr. Manjeet Singh – Shareholder:**
- In this meeting of Procter & Gamble, I want to thank the Director, Chairman, and my co-shareholders, and secretary department and Register. I want to thank the registrar and mediator for helping us join the meeting. Sir, I want to know in 2013, almost 10 years ago the fixed assets that were there, there has been no increase in that, but our rates have reached high. Why there has been no increase in our fixed assets. I would like an answer from our Chairman Sir. after the corona period, as per the demand how much expenses we have increased in R&D and some of our products are new, please tell about it. Out of the total income, how much are we spending on research and development please tell about this also. Increase in commodity prices and it again coming back and increase in retail price and it not coming back, this hurts the consumer. <voice breaking> and rates are back, then after that when you increase the retail that does not come back. Last week only, the branded item of Godrej, Goodnight they have reduced their MRP about 10%. So, I request you to please look into this also. I would like to say something about throat scratching lozenge, the demand that was there 5-10 years ago that is not there now. The tablet is also getting smaller and smaller, so you something or make a pouch of two tablets. So, please give some attention to marketing and I would like to thank the secretarial department who joined me with you. If you give the speaker circular and tell the number that will nice. I will not take more time and would like to pray that our progress as it has in the years and people find your products nice. Thank you.
- **Moderator:**
- Thank you, Sir. Inviting the next speaker, Mr. Santosh Kumar Saraf. Hello Sir, Sir please unmute yourself, turn on your video camera, and then proceed with your question. Are you with us Sir? Mr. Saraf? It appears we're experiencing a technical difficulty with Mr. Saraf. Chairman Sir, can we move on to the next speaker.
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**
- Please do.

- **Moderator:**
- Inviting the next speaker, Mr. Mayur Matani. Hello Sir.
- **Mr. Mayur Matani – Shareholder:**
- Yeah. Good afternoon everyone. Dear Chairman and distinguished Directors. Thank you for giving me the opportunity to speak at the AGM. I would like to ask a few questions about the company. The first one is related to the feminine hygiene business. What I have witnessed and seeing the company over the past 10 years, I'd seen that last year has been difficult for the company and the growth has been particularly subdued in this segment. Also, we have been continuously losing our market share in the feminine hygiene segment. I would like to know what is our current market share in this segment and how it has changed over the last two to three years? With our margins under pressure due to high inflation, are we evaluating any price increases particularly in the mid-tier feminine hygiene segment or we are balancing the margins through increasing the prices of premium products only? What kind of margins are you happy with because what we've witnessed in the last two to three years that many a times we have had even 20% net margins and right now we are making about 15% net profit margin, so I think the performance in terms of margins has been a bit disappointing for those shareholders, so I would like to know what is our trajectory maybe post next six months or so, are we looking at the price increases so can we have the margins at a healthy level? Last question is related to feminine hygiene segment, what kind of road do you expect to sustain over the longer period of time because due to the COVID coming in and all that stuff our market growth I believe has lowered slightly, so what do you believe that the growth will pick up in the times to come and how do you see that? Coming to the healthcare segment, I would like to know whether there was any base effect with regards to the revenues in the coming quarter and do you see that impact in the current year as well, so because of which the margins of the healthcare business might not increase at the rate which were there earlier? Lastly, I would like to know that are there any plans to integrate our operations with our sister company P&G Health Limited, if yes, what synergies and benefit do you see because of this move, because I see that with the healthcare business there could be benefits of integration due to the distribution and all that stuff, so are we looking at that in the times to come. Thank you, for the opportunity. Thank you everyone.
- **Moderator:**
- Thank you, Sir. Inviting the next speaker Ms. Disha Shah. Hello ma'am. Ma'am I request you to unmute yourself and turn on your camera before you proceed with your question.
- **Ms. Disha Shah – Shareholder:**
- Hello?

- **Moderator:**
- Hello ma'am.
- **Ms. Disha Shah – Shareholder:**
- Yeah, am I audible?
- **Moderator:**
- Yes, ma'am you are audible.
- **Ms. Disha Shah – Shareholder:**
- Good afternoon Sir. Sir, we request you to answer all queries because this is the only opportunity we get to ask our questions to you because there is no other way we can communicate and we are a very genuine shareholder of the company. we wish good luck for the company. Sir first question, if you can quantify what is the market share in volume terms and value terms for feminine hygiene business and Vicks business versus last year and for the same question for the quarter also how is our market share been for the quarter gone by and versus the last year. So, if you can at least give us an indication in numbers it will be very helpful. Sir, we have mentioned in our notes that there is a change in business model from a troller manufacturer to a contract manufacturing, if you can please help us to understand the impact of the same in terms of revenue and margins, will this change help us to increase our margins, can you help us with the same? In annual report there is an expense known as business process outsourcing expense, it is in the tune of 87 crores and it has been increasing year over year, can you tell us the nature of this expense, and how is the trend going to be going forward. Also is any percentage of royalty fix on sales, normally we can observe it is 5% of sales, is that figure going to increase or going to be same? There is an expense or known as the processing charges in our annual report, which is 242 crore, which is a substantial amount 6% of our sales, so if you can elaborate on that and is it a variable expense, will it increase and the percentage to the sales will it be same with our processing charges? Since we grew 9% last quarter, what is the growth we are focusing on going forward in terms of hygiene, both feminine hygiene and Vicks? If you cannot tell us the growth rates which we expect or else also you can tell us how much the feminine hygiene grew in last year and how much did Vicks grow in last year, so we'll get some handle on the numbers please? How is the industry growing since we de-grew around 2% in Q1, how is the industry growing is there industry slowdown or we are losing market share, if you can throw some light? In terms of advertisement to sales, how much do we plan, do we have a fixed percentage fix on our sales? How do we plan it going forward? Last two questions, our legal and professional fees are to the tune on 49 crore, which is on the higher side. Over the last 6-7 years, the figures have normally been 20 to 22 crores, why so much jump on legal and professional fees? and what will be the nature going forward? and last question, Sir since we are an MNC company the

new generation is thinking about the decomposition of feminine hygiene products and they are switching to other products because the decomposition takes years to go. I'm sure we have thought about it can you throw some light or are we tweaking our products to make it more decomposable? Sir, we request you to throw some light on market share and the comparison versus last year. Thank you. Wishing the company all the best. Thank you.

– **Moderator:**

– Thank you, ma'am. Inviting the next speaker Mr. Rajesh Chainani.

– **Mr. Rajesh Chainani – Shareholder:**

– Respected Chairman Suresh Talwar ji, Milind Thatte ji, and highly distinguished Board of directors, my fellow shareholders who are online my name is Rajesh Chainani, I'm speaking from Mumbai. Sir first of all, thank you for the very good dividend you have given. But sir still, the amount which we have received as one time 440 and 250 sir, so this looks very small. I would really appreciate if we increase the dividend sir. And sir, regarding the performance of the company, it is doing good. At one time sir, it has touched the high of 7,500 and I predicted for 10,000. But sir, I'm very much hopeful that the company will touch the five figures because the senior Proctor and Gamble Hygiene is trading at 14,000. So I'm very much confident. I am a very long term shareholder. So I have full faith in the management and the company.

– And sir, it was very nice when we were meeting physically, sir. I remember sir at Sunviella we used to meet. So, I hope in the coming years we will get the opportunity to meet you personally sir. So sir, I would just like to say a few words sir. Talwarji, *na door rahne se rishte toot jathe hain, na door rahne se rishte toot jathe hain aur na paas rehne se jud jathe hain. Yeh toh ehsaas k eek pakke daage hain, jo yaad karne se woh mazbuth ho jathe hain.* So sir we are very much with the company and I support all the resolutions, sir. Thank you very much.

– **Moderator:**

– Thank you sir. Inviting the next speaker Mr. Manoj Kumar Gupta.

– **Mr. Manoj Kumar Gupta – Shareholder:**

– Good afternoon respected Chairman, Board of Directors, fellow shareholders, my name is Manoj Kumar Gupta. I'm an equity shareholder of Proctor and Gamble Health Care Limited. I've joined this meeting through VC from my residence in Kolkata. Sir first of all, thanks to you and your team for good and excellent result of the company for the year 2021-2022. I thank the Company Secretary and his team for good services to the investors like us to help us to join this meeting through VC. I even got a call today from the Company Secretary office that 'Mr. Gupta please join the meeting'. This type of



services. Sir, thanks for your dividend. Sir before sending this dividend to the central government, send a notice to the shareholders that they can collect their dividend.

- CSR, I have gone through the report about the CSR that you are doing and a lot of work for community and society, especially for the students in Himachal and other part of the country. And sir do something for Calcutta under the CSR. In Calcutta is also part of the country. Do something in Calcutta for the students who need some help from the corporate house. Do something in Calcutta under the CSR activities. And sir, have any plan to split the shares by five or two is to one? So kindly try to split the shares to increase the liquidity in the market capitalization. This will be a reward to the investors if who will split the shares.
- And sir, what's your future plan? How will you increase the profit margin? So what's your future plan? And sir Vicks, Vicks Action 500 is your very excellent product. And try to have some liquid in the Vicks like Company has launch some liquids, so that the people can use the liquid in the vicks segment, liquid in the Vicks. And try to launch some...innovate some Ayurveda product. Because our Prime Minister is inspiring companies to introduce Some Ayurveda product. Sir the competition is coming from Shri Shri, Patanjali, Emami. So how you face that competition in the health care segment? Because Emami and Patanjali Shri Shri is launching some good products in the healthcare segment. So how you face that competition?
- And inflation has gone up in 2021-2022 by 20%. Every raw material prices has gone up. So how do face the competition from the inflation? Because we have to <voice break> petroleum or jelly. Jelly the prices have gone up by 20% to 25%. So how you face that challenge? Last but not the least, I strongly support all the resolutions with the hope that we will get more return. and thank you.
- **Moderator:**
- Thank you sir. Inviting the next speaker Mr. Shailesh Mahadevia.
- **Mr. Shailesh Mahadevia – Shareholder:**
- Respected Chairman, distinguished Directors and the members of the management team and the shareholders who have joined, sir my congratulations to the company for achieving excellent result under the circumstances which prevailed during the year. I also appreciate the presentation given right in the beginning of the meeting by our management team members. Sir, I would also like to welcome Mr. Gurucharan Das as an additional Director in our meeting. I am sure he will be of great help as he is one of the masters in the field of management for many years to come with experience in international field.
- Sir, I wish to put some questions with a view to increase my understanding and appreciation of the working of the company. Sir, out of our permanent employees of

506, 132 are women employees. However, with respect to our contractual employees of 400, can you share how many women employees are engaged? Sir, my second question is regarding our CSR work, which we are making full impact of all the amount which we are required to make. Sir however, the actual benefit to the society is much more than the cost incurred by the company. This is as a result of the ripple effect or the multiplier effect. Sir, what I would like to know is have we taken out the impact study as a result of our financial spending of CSR? This is now being done. Companies like for example Godrej Consumer, is enjoying a multiple of 12.5 for every Re. 1 spent. The benefit to the society is to the extent of Rs. 12.5. But I am sure with respect to our company also, this impact would be large. So kindly get ourselves rated regarding the impact study.

- Sir my next question is regarding the expenses which had to be incurred in the current year as a result of inflation and particularly we find that we had to spend proportionately more on business process outsourcing expense as well as in the heading of freight transportation etc. Sir what I would like to do is, whether these expenses have again been brought down as they were prevailing earlier or alternatively are we likely to transfer this increase in cost to our clients? And lastly, the variation of our shares in the market during the year was from about 12,342 to 16,400. Sir, may I know whether these large variation is a result of some transitory investors particularly in the field of FII other than our own investment of the promoters. Sir, with this, I wish our organization every success at an accelerated rate in the times to come. Thank you very much sir.

- **Moderator:**

- Thank you sir. Inviting the next speaker Mr. Dinesh Kotecha.

- **Mr. Dinesh Kotecha – Shareholder:**

- We started the meeting in the good morning space and now we are in good afternoon space. So good afternoon to all of you. Sir before all my fellow shareholders who are attending these VC meetings and the executives and the Chairman, because this is the annual general meeting of the shareholder sir, you experience disturbances in your VC proceedings at the very beginning. There was a disturbance of nearly three and a half minutes when you started your speech. So physical meetings are now a common norm and last year <voice break> marriage halls are full, even the political parties all their meetings are full so why are afraid to keep the physical meeting just following the norms as per SEBI. I mean, I am not able to understand this. If you have kept the physical meeting, it would better.
- Secondly, at this stage why we are not making an integrated annual report? I'm expecting an integrated annual report from you. Many multinationals have started printing integrated annual report. So please see to it that next year we get it. Thirdly, I want to know from Healthcare Products and Hygiene products what is the production manufactured by us and what is the production outsourced by us for particular products, healthcare and hygiene. Sir next is page no. 7. If you see in the ten year

financial highlight chart below the EPS you are given dividend paid amount, below the EPS should be given EPS. The dividend per share one line should be added there because dividend per share is linked to EPS. So please see to that you rectify this in the next year's balance sheet. Sir our EPS is 177.37 and you have paid nearly 165, that is nearly 90% as the pay-out. Congratulations for that.

- Page 58, I'm coming page wise. On page 58, if you see, very clearly you have given us the distribution of shareholding by ownership. Now there, I find that the resident shareholders are holding 11.20% stake. I would like Mr. Hegde to provide me a list of top ten individual shareholders who are not promoters, who are not institutions, who are not FII's so that I know from my category who are the top ten shareholders. Please do it. And secondly sir, you said don't repeat it, but you yourself are repeating so many things in the balance sheet. See page 59, you are giving particulars of demat shares and then you are giving a chart, below that pie chart. On the next page also, you're giving us the share prices on page 57 and then you're giving us two NIFTY charts and stock performance charts. All this is duplication. So avoid that, only one thing is enough for us.
- <voice break> this is mentioned by the auditors in the annexure to the Audit Report, period for which the amount relates. Everything is clustered – 5 years, 6 years, 7 years is clustered, that is not the way. Even you will not be able to answer me for which year what amount is disputed right now. Let me tell you, even your finance department will not be able to tell me right now. So your auditor needs to give us year wise figure, every year what is the disputed figure for each statute, that is important. And please see to it that we get it next year sir. Also on page 74 and 75, I now come to the balance sheet and the profit and loss account. There is a figure in the balance sheet, second item capital work-in-progress and the note no. 4 on page 92, I will connect both of them. Now when I see page no. 92, I find that projects temporary suspended Rs. 2 crores and 81 lakhs and on the next page I find, project at Goa factory temporarily suspended. Now, nothing has been said in the Director's report, nothing has been explained anywhere. Why this Goa up was suspended, what has happened to it and why this temporarily, here you have said it is temporarily suspended and here you say it is suspended, now why this temporary suspension is there? What is the problem there? And only this amount incurred or some more amount is incurred? I would like to know the details of all this, sir. Please give me the details.
- Also coming to the same page, balance sheet page nos. 74 and 75. When you see the cash and cash equivalent, it is nearly 84.74% of net worth. Now why you need so much cash? That is the first thing. And why so much cash balance? Give a one-time dividend. And also here I would suggest sir, when you're giving us Rs. 160 dividend, why can't you repay us Rs. 9 by way of capital deduction? If you pay Rs.9 by your capital reduction, our face value becomes Re. 1 and our equity becomes Rs. 3.24 crores only. And then our share price can be quoted like MRF – Rs. 1,00,000. Give a thought to this. You can give Rs. 151 dividend and Rs. 9 cash back as payback of the capital reduction. I would suggest that, give a thought. The Board of Directors must think seriously about this point. Sir

again, when I see the income and expenditure account, I find that there are seven items of expenses and the other expenses is the maximum, Rs. 1,297 crores. Now please explain me.

- When I see note no. 26 on page no. 106, if I see some details there, I am not happy about so many things there, sir. First of all advertisement expenses Rs. 454 crores. Now give me the idea of this advertisement expenses incurred. How much for the old traditional production? How many for new production? What is the breakup? Also, so many people have asked about other things like processing charges and your royalty. Now royalty is calculated how, I would like to know. And this royalty which you have fixed on the P&G India is for how many years valid and when it will increase or decrease. Please tell us that also. Again your finance cost, note no. 26 on page 105. If you see that, there you said interest on income tax Rs. 3 crores 43 lakhs. Now why this income on interest income tax, I would like to know sir? I am not happy. Because that means that somewhere in the advance tax payment, somewhere in the self-assessment payment, somewhere we are not calculating it properly or something. Rs. 3 crore and 43 lakhs is interest on income tax. Now this is relating to which year? And also I would like to know up to which previous year the assessments are completed, sir?
- Again, I would also like to when was the last bonus given? I cannot figure out anywhere in the balance sheet when was the last bonus. So, these are some of my questions and I expect sincere answers from you. Don't dodge my question, sir. Because dodging the questions means that either you don't want to give the answer or you are incapable of giving the answers. Don't do that sir. Because we are a good company and all good companies' Chairman, they see to it that all the questions asked by all the shareholders are properly answered which are relating to the balance sheet. Thank you very much and wish you all the best.
- **Moderator:**
- Thank you, sir. Inviting the next speaker Mr. Aspi Behsania.
- **Mr. Aspi Behsania – Shareholder:**
- This is Aspi from Bombay. Sir like my predecessor, I would also like to know why no physical meetings? When politicians and everything can have a physical meeting, why not our company? Sir, in Q1 year-on-year our sales are flat. However profit has reduced by about 30%. For year 2022 also profit has reduced. So how do you see profits going forward? Sir other operating revenues for Q1, includes Rs. 2 crores from sales of materials consequent to a change in the business model from Dollar to contract manufacturing. But who remembers what are the sales of Rs. 2 crores and how long will they continue? Sir, material inflation you said in the Chairman's speech was 35% to 85%. Sir, our government shows inflation of 5%. So how our material inflation is so high?

- Sir efficient reduction in dividend from 165 to 160% on increase of 177. Is it not possible to acquire some brands or bring some new brands from our parents? Since years we have been dependent only on two brands – Vicks and Whisper. Sir, any proposal to merge the three companies of P&G Group? P&G Home, Hygiene and Health care and there is one P&G Health. Sir, both the names are confusing and the third name is Gillette. Sir any proposal, always like what my predecessors asked to pay Rs. 9 and reduce face value from Rs. 10 to Re. 1. That will be a very good thing. Sir our receivables have increased quite a lot to Rs. 625 crores. So please inform what is happening.
- Sir page 59, unpaid dividend. Sir, you are writing only the date of declaration for the financial year ended and due date. Please also mention how much dividend is unpaid. Then we can know how much the share department is taking care of the shareholders to repay the amount to the rightful owner. Sir, thank you very much and all the best for the future.
- **Moderator:**
- Thank you, sir. Inviting the next speaker Ms. Prakashini G Shenoy.
- **Ms. Prakashini G Shenoy – Shareholder:**
- I'm Prakashini Ganesha Shenoy from Bombay. Respected honourable Chairman, other dignitaries the Board and my fellow shareholders, good afternoon to all of you. I received the annual report which is colourful, informative, knowledgeable and contains all the information as per the corporate governance. I thank the Company Secretary and her team for the same. I should not forget to thank them once again for phoning me and reminding me of today's meeting with the link without which I won't be in a position to speak. Thank you very much for the same. The Chairman and the other members have given a fair picture regarding the company, it's working in all parameters. Thank you very much members and the Chairman sir. Sir, I'm thankful to the Board for recommending final dividend for the FY 2021-2022. I'm also very happy to note that the company has done outstanding work in the field of CSR activities.
- Sir, I have few questions. What is the roadmap for next two years? My next question is, what is the CapEx program for the same period? What is the market cap? Sir, are we planning to expand our existing R&D or going to have a new R&D? If yes, what is the approximate cost? How our company is planning for digital future? I wish the company good luck for a bright future and pray to God that the profit of the company shall reach the peak in due course. Sir, I support strongly and wholeheartedly all the resolutions put in today's meeting. Thank you, sir.
- **Moderator:**
- Thank you. Ma'am. Inviting Ms. Hodayun Beruz Pouredahi.

- **Ms. Homayun Beruz Pouredahi – Shareholder:**

- We have been attending your AGM year after year after year. We know the prices of the raw materials have gone up like anything. We are fully aware about that. I just want to know, during lockdown how Whisper <voice break>? Were we under essential items? I also want to know that. Were we under essential items? How me manufactured in our factories? Were we getting raw materials for manufacture of Whisper. I would like to know how you all managed at that time? It was a real challenge. Now I'm happy you all are coming out of that doing the needful with such good work. We wish you all the best. And we are very-very old shareholders and regularly attending your AGM. So we want the best for our company. Thank you.

- **Moderator:**

- Thank you ma'am. Inviting the next speaker, Mr. Manju Ladha.

- **Mr. Manju Ladha – Shareholder:**

- I have three questions. Sir, we've been observing various state governments, even various schemes by the central government and NGOs. In the colleges, they are distributing sanitary pads free for girls and for women. So what will be the impact of these free distributions on the company's growth? And one question which was asked by other speaker also, that many start-ups are coming out with eco-friendly wooden made sanitary pads which are cheaper as well as biodegradable. So how company plans to mitigate this risk?
- Question on Vicks as a product. With increasing use of antibiotics cough and cold medicines and alternative medicines, we think use of Vicks as a product...you know, the consumption of Vicks is reducing. The frequency of buying Vicks as a product is reducing. So I think that is also visible in the growth of the company as well. So what are company's plans to mitigate that risk? And sir just one scenario that, next year if let's say, company starts with physical AGMs, then will we continue the hybrid version of the AGM so that those who cannot attend the AGM physically, at least they have the option of joining it online. Thank you.

- **Moderator:**

- Thank you sir. Inviting the next speaker Ms. Celestine Elizabeth Mascarenhas.

- **Ms. Celestine Elizabeth Mascarenhas – Shareholder:**

- Respected Chairman Mr. Chithranjan Dua, members of the Board, my fellow shareholders, I am Mrs. C. E. Mascarenhas attending from Mumbai. First of all, I thank the Company Secretary headed by Mr. G Hegde for sending me e-annual report and also registering me as a speaker at my request. Thank you so much and giving me this

platform to speak which was quite easy to open up. Because sometimes we get some problems in these platforms also, thank you so much.

- Now, annual report is very colourful and informative and explaining everything. It is a good document. Even our working is very good. Dividend of Rs. 160 per share is definitely very good. I hope with all lot of problems whether we may be able to give next year also plus 160, I mean, the way the prices and supply chains and all these problems. So next is, I congratulate for all the awards and accolades which are all enlisted in the annual report. I also appreciate the CSR work done by our company and our staff. Keep it up. Next is I would like to know whether our company has done ESG rating, and if done what is our score and if it is a good score are you planning to list on any ESG platform?
- Now I have some queries. In which product we get good margin and which product our market share is the highest? Sir, we are actually in two products. If you see other that is, I don't think how much will be the market share. Sir, I would like to know any new products you will add within six months. Because to get more profit, we may have to add some more products. No. 3 is, future road map for the next five years, keeping in mind the geo political issues like rising oil prices, logistics bottleneck, supply constraint etc. So how do we face all this and what sort of decisions we are taking? Lastly, but not the least, in CSR madam said that Children's Day was celebrated yesterday and I think our company did some work. But here I would add, what about the elders, Elder's Day special celebration and in that category elder shareholders there should be something like SSR. See like holistic program for the elders and for elder shareholders. As it is, we know that a physical meeting is gone out of the window, we can't blame you, we can't say anything because it is all circular from the MCA. If all other things are open, but only MCA feels that the meetings, AGMs, EGMs all should be online. But then we have to live with it. Whatever happens, we have to live with the times to go on.
- So I would add here, since we don't have all this, at least you have something for the elder shareholders by way of medicines or some sort benefit to the elder shareholders. Others, like reducing to Re. 1, everything is spoken and covered by many of our shareholders. So, I have only one thing to say. I support all these resolutions. I here specially wish you more than anything good health, because health is wealth and if health is, wealth will automatically come to us.
- Now I just want my husband to talk.
- Respected Chairman sir, very distinguished members of the Board and my fellow shareholders, since many questions have been asked, suggestions have been given, I would only touch upon one question and that is, we are having a very small product line. So why don't we diversify? And they are very competitive. So I would like our company to diversify and increase the product line. Rest, my wife and other shareholders have spoken at length. So I don't want to repeat. I wish you personally, all

the Board members and more importantly all the employees all the very best in the days and years to come. With this sir, thank you very much for patient hearing.

- **Moderator:**

- Thank you ma'am. Thank you sir. Inviting the next speaker, Ms. Vasudha Dakwe.

- **Ms. Vasudha Dakwe – Shareholder:**

- Hello Can you hear me Sir?. Very good afternoon respected Chairman sir, Board of Directors and my fellow shareholders. Myself Vasudha from Thane. I would like to congratulate the Company Secretary for sending me the soft copy of the report well in advance, which itself is clear and transparent. Most of the questions were asked by my previous shareholders. I will like to ask only one question. Please look into the matter of our unclaimed dividend account in our suspense account which is going to the IEPF fund. As it is the hard and fast money of the minority shareholder. Please look into this matter. With this, I support all the resolutions. Thank you very much, sir.

- **Moderator:**

- Thank you ma'am. Inviting the next speaker Mr. Yusuf Rangwala.

- **Mr. Yusuf Rangwala – Shareholder:**

- Good afternoon sir. First of all Happy Diwali and Happy New Year. Sir, seeing CSR report I was really happy. I am happy to know that we are helping poor people at school. Today as a result of prayers, the value of the company has increased. There aren't any such companies but our company doesn't have any difficulty. You have given a Rs. 65 final dividend and also an interim dividend. So in totally you have given us a dividend of Rs. 170. Sir, no other company gives us such good dividend. You have made us really happy. Our Company Secretary which is handled by Flavia madam, their services are also praise worthy. I got a phone call asking me if I will be joining the AGM or not. There are very few companies who take the shareholders. And we are very happy that we are leaders in Whisper. Sir, I would like to know what is the new product that you will be introducing in Whisper? You are giving it to schools. If possible please give us also discount coupons so that we can purchase it for our house. Sir, I would like to know how long will Ranveer Singh be the brand ambassador for Vicks? Sir, because of his advertisement the products of our company are moving very well. And sir, it has been a long time since we had a factory visit. I request you to organize a factory visit, if possible.

- You have sent the company balance sheet and I have received it through e-mail. Sir there are around 250 pages. I was happy to see our balance sheet. Our company's balance sheet is shining like the sun. There will not be any difficulties for us. Just like how there aren't any flaws with the sunlight, our company's balance sheet doesn't have



any short comings. <voice break> Bonus share sir. I am making a humble request. Sir, Vicks is your product. If possible give it to us like a sample product. And sir it has been a while since you organized a factory visit. Corona is no more a problem, everything is open. I request you to take people in small lots of 15-15 people. Thank you very much. Happy New Year to all of you. I would like to wish you all the best for 2023. Sir, if possible have a physical meeting next year Thank you very much. And once I would like to our share department. They helped me in connecting with you. I shall pray to Allah for your good health, wealth and everything. Thank you very much. Jai Hind.

- **Moderator:**

- Thank you sir. Inviting the next speaker Mr. Hariram Chaudhary.

- **Mr. Hariaram Chaudhary – Shareholder:**

- Mr Chairman Shri Dua ji, Managing Director Shri Vaidyanathan ji, Company Secretary Shri Ghanshyam Hegde ji, I am Hariram Chaudhary speaking from my house in Santa Cruze. First of all Mr. Chairman I appreciate the secretarial staff, Zeal Shah under the leadership of Company Secretary Shri Ghanshyam Hegde and Managing Director Vaidyanathan ji who gave the personal touch in helping in joining this meeting? Mr. Chairman, I support all the resolutions including reappointment of Shri Gagan Sawhney and Mrs. Sonali Dhawan and also the appointment of Gulshan Das and appointment of Auditor Kalyani Das and Mistry. Mr. Chairman, you have given all the details about the community related programs including distribution of sanitizer Whisper and educating the children. Kindly let us know how much amount you have spent under CSR and whether this amount is more than 2%? And kindly also let us know, who is the chairman of the CSR committee and who are the members of the CSR committee.
- Now Mr. Chairman, I suggest to moderator at least give the speaker number. What is the speaker going on that will help the speaker to be ready. And I appreciate that 90% of dividend has been distributed. Now Mr. Chairman, I have few suggestions. Firstly to have a mobile phone in the secretarial department. There should be one mobile phone with one secretarial staff so that whenever <voice break> can contact and send the message also. So there should be one mobile phone, let us be highly technical, depend on technology. One mobile phone should be there in the secretarial department. That is my suggestion.
- Second suggestion is that give the booster dose to all the staff members and also all the employees. And my next suggestion is have a get together of the speaker shareholder. We are holding the meeting online so have the get together at least. And now Mr. Chairman, I appreciate that before start of the meeting for 15 years you gave the details of the community services program. Now some queries are there. Are you adopting the advanced technology including artificial intelligence? Our Prime Minister is emphasizing on digital technology and digital India. So kindly let us know about that. What are the measures you are adopted. And what ease of doing business, how is it helping us? Now,

kindly let us know we are running on solar power in all our factories and kindly also let us know whether we have adopted the water harvesting. Now Mr. Chairman how many shareholders are attending today's meeting? Kindly you let us know. Now, please send me the minutes of the meeting. I will pay the necessary charges. I thank you for sending me the physical copy. Now, I also support the suggestion that hybrid meeting may be held so that those who are not able to attend meeting physically can attend hybrid from next year, that can be considered. I complete by conveying my best wishes for our own progress and future of the company. Thank you Chairman Mr. Dua ji and Vaidyanathan ji and Hegde ji. Thank you very much. My name is Hariram Chaudhary.

- **Moderator:**

- Thank you, sir. Inviting the next speaker Mr. Dinesh Bhatia.

- **Mr. Dinesh Bhatia – Shareholder:**

- First of all Chairman sir, I would like to congratulate you and your entire team. My name is Dinesh Bhatia and I am speaking from Bombay. I am happy that my company has earned good profits in spite of the difficult times. Though the net profit has reduced our revenue is good. It is a little less compared to the last year even then you have maintained the dividend. For that I would like to thank you and your team. You have given us good dividend and everything is good, it is right in front of us. I just have one suggestion. One of the speakers before me also mentioned it. The market price of our Rs. 10 share is Rs. 13,912. In 18 years, and highest was 16,464. So sir why can't you make our shares of Re. 1? If you look at so many companies like Colgate, Hindustan Unilever, the consumer product companies have reduced their shares to Re. 1. Why are you not splitting our shares, sir? If it is possible to split our shares in Rs.1...Even if you convert our share into Rs.1, still you will see that our price won't go lower than Rs.1275 which earlier was Rs.12750. So, this is my humble request to you and your entire Board of Directors team that if possible then in the next meeting give a thought about splitting our shares and if there are no SEBI guidelines still you update us on it. Our company is doing excellent work and our revenue is excellent and has increased more than 10% as compared to the last year. Last year our revenue was Rs.3574 crores and this year's revenue is Rs.3900 crores. That's amazing. I gave you one suggestion and another question I have is why our Finance Cost is rising, Sir? Kindly pay attention to that. Finance Cost includes Interest, Expenses, Trade Payables...Why is interest charged on Trade Payables, Sir? We have sufficient cashflow. The previous speaker also mentioned that we have sufficient cashflow then why are we not opening Fixed Deposit in banks. What's the reason of keeping so much of cash in hand? This is my suggestion. I am not questioning you but just want to draw your attention towards this. Our interest expense on Trade Payables is Rs. 2.45 crores and last year it was Rs. 1.01 crores, so why expense on Trade Payables has doubled? Kindly check on that and ensure that interest cost doesn't increase in the next year. Our company is making amazing profits, so no doubt on that. Also, this Income Tax that has been mentioned, what is that? Rs. 3.43 crores is

the interest which was just Rs.18 lakhs the last year, so why such a high interest cost is reflecting in Income Tax? It would be good if you kindly pay attention to that as well. Another thing which I noted is, Miscellaneous expenses has decreased as compared to the last year, means your Finance Department is doing an amazing job. This conservation is good. Miscellaneous expenses which was Rs.84.43 crores last year but this year it is Rs.76.30 crores means there's 10% reduction means we have conserved it. Lastly, I would like to ask, Sir, our Legal and Professional fees is Rs. 49.59 crores and last year also it was Rs.43.95 crores. Sir, towards what legal matters are we paying such a hefty Legal and Professional fees, Sir? Kindly throw some light on this. Lastly, my request to you is, even another shareholder Mr. Rangwala mentioned this, like I have seen many consumer goods companies. Lately companies like Godrej Products and Raymond's also, they have sent products to the speaker shareholders. So, even I request to you that send us the sample of the available products to the speakers. I don't think so there will be more than 25 speakers, so if possible then send us the sample of the products. The way we care for the company and offer suggestions, likewise company should show that it cares for us. If you wish to give this to all the members who are attending this meeting, so that's your wish. Last and final thing, we have excellent Board of Directors and everyone is outstanding and everything is good. I am really proud of your Secretarial Department. They treat us very well. Yesterday also they requested us to attend this meeting. They are quite welcoming. The Secretarial Department treat us really well and we feel good that company does care for the shareholders and even company's Secretarial Department is providing amazing services. So, my thanks to all. I support all the resolutions. All the best. Thank you, Sir.

– **Moderator:**

– Thank you, Sir. We has experienced technical difficulty with some of the speaker shareholders. Chairman Sir, I seek your permission to invite them once again.

– **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**

– Yes, please.

– **Moderator:**

– Inviting once again, Mr. Santosh Saraf. Hello, Sir?

– **Mr. Santosh Kumar Saraf – Speaker Shareholder:**

– Hello? Hello?

– **Moderator:**

- Hi, Sir.
- **Mr. Santosh Kumar Saraf – Speaker Shareholder:**
- Hello? Am I audible?
- **Moderator:**
- Yes, Sir.
- **Mr. Santosh Kumar Saraf – Speaker Shareholder:**
- Respected Chairman, eminent Board of Directors who are present and my fellow shareholders, my name is Santosh Kumar Saraf. I reside in Kolkata but today I am speaking from Bangalore, Sir. Sir, I hope the management team and all the Directors are in good health. I have two questions, Sir. One is, how many new products did you launch this year? And other question is, kindly update what is our future plans? I want to thank the Secretarial Department and it is because of their efforts I am able to join back. I was experiencing Net issues. Sir, my request is that continue with this video conference meeting the next year also. That way, irrespective of the location we are in like I reside in Kolkata but today I am in Bangalore and I am able to attend the meeting from Bangalore. So, shareholders can attend the meeting irrespective of their location, so my request to you is that next year also along with physical meeting <voice break>
- **Moderator:**
- It appears to be experienced a technical difficulty once again. Inviting the next speaker., Ms. Hutokshi Sam Patel. Ms. Patel is not present. That concludes all the speaker shareholder addresses. Chairman Sir, over to you.
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**
- (Inaudible)
- **Mr. Ghanashyam Hegde:**
- You are on mute, Sir.
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**
- Thank you very much for hosting the Q&A. I think it was extremely well done and everyone got an opportunity to ask the questions. May I now request the management

of the company to answer the questions which have been raised by the shareholders. Over to you.

– **Mr. L.V. Vaidyanathan – Managing Director, P&G Ltd.:**

- Let me go first. I think there were a lot of questions on the future prospects of the business, there were suggestions on expanding the portfolio, there were suggestions on introducing new products. First of all, I'd like to thank you all for all the suggestions and all the questions.
- Let me first start with the business first. Over the last four years, this business, your company, has delivered a top line CAGR of 12% year-on-year on top line and profits have grown at 11%. So, it's a business which has delivered both top and bottom line in over a four-year period. When you look at it over a 10-year period, the business has grown 15% on top line and 17% on bottom line, right. So, this is a business which has demonstrated strong ability to grow faster than the market, faster than many other peers in the categories in which we compete. Having said that I think the strategy that we have used on both the businesses is, these are the categories where performance drives brand choice. Consumers when they have a cold they pick Vicks because they know it's trusted to relieve them from cold. Similarly, we have the same thing on female hygiene as well. And our second strategy, which is to drive superiority, has helped us to drive this kind of growth that we have seen over a 5-year period, over a 10-year period and we will continue to double down even in a very difficult phase as we have today.
- Of course, to deliver that kind of superior proposition we need investments and this is where we believe, you know, the third leg of our strategy which is 'Productivity' has really helped us, right.
- Now, coming back specifically to the role of Innovations. If you go back and look at both the Vicks business and the Whisper business, time to time we have introduced new products which meets the needs of the consumers. Gautam talked about, in Whisper he specifically talked about, our offering which is a longer length, superior protection for nighttime usage, right. This is how we broaden. This has been very successful and it has also expanded the category for us. We believe that there is a lot of room for us to grow and continue to keep this kind of growth both on top and bottom line within the existing category itself and innovations play a very, very important role. We, from time to time, look at expanding the number of product offerings, entering into subcategories. From time to time, we look at even introducing new brands and that evaluation will continue to be part of our going model.
- So, with this, let me hand it over to Gautam to talk about some of the questions that you had on the financials. Over to you, Gautam.

– **Mr. Gautam Kamath – Vice President Finance, P&G Ltd.:**

- Thank you, L.V. Once again, I do thank everyone for the clear suggestions and very good questions. Those inputs that were in the form of suggestions, we will take those on seriously and consider them but in the interest of time I will not individually acknowledge or answer them or speak about them. We will also, unfortunately, not be able to answer...not be able to provide any confidential information that can compromise us with our competition. So, bear with us. But with those constraints, I will try to answer as many questions as possible and hopefully most of your questions will be covered.
- There was a question on female representation within the employees. So, we have 132 women employees out of a total 506 which is 26% of total.
- There was a question on the share growth for each of the businesses. On Vicks, we've increased our share by 70 basis points for the year to 48%. And on Whisper, we've held our share flat at 49%.
- There was a question on the company's plans to mitigate risk of declining consumption. As L.V. said, we absolutely got to keep looking at innovation to continue to drive consumption within the category as well as our share within the category. And, again, for reasons of confidentiality I can't get into the details of those innovations. But we will continue to drive that.
- There was a question on Ayurveda product. Again, we have a large part of our Healthcare portfolio qualifying as an Ayurvedic product. For example, Vicks VapoRub is a Ayurvedic product.
- There was a specific question on the Fixed Assets and why these have not increased. So, there are two answers to this. First, of course, there is annual depreciation charge that we put on it. Second, for appreciating assets we don't really revalue these assets as it's not mandatory to do so as per the Accounting Standards. In fact, it is prescribed to not, you know, mark these Assets to market and, therefore, we do not do that.
- There was a question also on Royalty Charges. As you're aware, Royalty Charges are a function of technology, transfer and trademark utilization. For the year under discussion, it is actually under 5%; just under 5%.
- Related to that, one of you asked on the R&D Expense and how much that is. We leverage heavily the R&D Resources of our global parent and, you know, we are allocated R&D Resources within that pool. And, again, we do not separately pay any R&D charges to the global parent. It is covered within this within this Royalty Charge that we are charged, right. And if you had to ask me, I would say, they probably spend something between 3%-4% of sales on R&D that is specific to India.

- There was a question on commodity inflation versus consumer pricing and why consumer pricing does not come down when commodity inflation comes down? The reality is, as you can see, our consumer pricing is never in line with the kind of commodity prices that we see. For example, on our key commodities we're seeing between 40%-80% of commodity pricing. Our consumer pricing is not in that range. It is much, much lower; significantly lower than the trade. And, therefore, companies like ours take the responsibility of smoothing out the inflation for the end consumer and occasionally when the commodities actually come down we do also take those kind of actions. But in the larger picture we do try to smooth it out. We smooth out the inflation for the end consumer.
- There was a question on what kind of margins are we happy with? The reality is, we do want to continue to improve our margins steadily and we have, as L.V. mentioned, kept the margin steady to improve in. The last four years we've definitely kept it steady and if I take the last 10 years we've actually improved it. So, these are the kind of margins we want to continue to maintain to slightly grow.
- There was a question on the growth rate split between the categories for the Fiscal Year. While I cannot share the specific numbers, I can share that on healthcare our business grew double digit top line. While on feminine care, we grew mid-single digits.
- Someone also asked the question on what do we see as the future growth in these categories? Over a longer period, again as L.V. mentioned, we've grown about 12% top line and bottom line. Very difficult to predict the future growth. But, again, we will endeavor to try and continue to keep this growth, this rate of growth, at double-digit top line and bottom-line growth.
- One of you asked about tolar manufacturing versus contract manufacturing and does this help us with our margin. Indeed. The intent of changing the business model was to try and improve our profitability and we assess that by this fiscal the savings will start kicking in and this will enable a 0.5% margin improvement on an ongoing basis as a result of changing that business model.
- Related to that, there was a question on what the processing charges are. Now, that we moved from a tolar manufacturer to a contract manufacturer basis, the processing charges are what we pay to the contact manufacturer for the processing of the products into finished goods.
- There was a question on what Business Process Outsourcing Expenses are? These are the cost of shared services that your company uses but which are incurred centrally. We significantly benefit from the scale of these services provided centrally. These are, you

know, Information Technology Services, Accounting Services, Purchasing Systems, Secretarial Services and so on.

- I talked about Royalty.
- There was also a question on how is the industry growing. Again, I can talk about the past not necessarily the future. Over the last three years or so we have outpaced the industry on both categories that we play in. Specific to last year, Healthcare category grew lower than us. So, we grew faster than the category. Whereas on feminine care, the category growth was in line with what PGHH grew at.
- There was a question on how we plan Advertising Expenses. Advertising investments are not necessarily fixed but they're incurred as a support to our innovation pipeline. They are incurred to drive awareness, education, brand equity in line with what the specific brand needs are for that year and, therefore, this might vary from year to year. Therefore, you will see both the percentage of sales as well as absolutes varying because the innovation pipeline is very different every single year.
- There was a question on Interest Expenses both on, you know, the interest on Income Tax as well as for interest on Trade Payables. The interest on Income Tax, our interest charges on issues that are disputed and therefore, you know, again these are sub judice and so I cannot comment on the specific cases but these are potentially charges that could go away if our stance is upheld. As for interest on Trade Payables, these are payables that are paid within the agreed payment terms and conditions. But the prevailing regulations, especially regarding to MSME Enterprises, require us to accrue interest on these on an annual basis and that's why on an ongoing basis these will continue to be there. But as long as we keep being in line with our agreed terms and conditions, these will not be incurred on an ongoing basis.
- There was a question on what are the sales of the Rs. 2 crores consequent to the business model change? Because we went from a tolar model to a contract manufacturer model, this was what was paid towards a onetime transfer of raw material from your company to P&G Home Products Limited.
- There was again a question on why is the cost of goods going up and material costs so high? Again, the answer lies in the commodity cost inflation. Like I said, on our key materials we're seeing anything between 35% to 85% increases and that's driving the material cost.
- Finally, on CSR, there was a question on how we're spending. There is no overspend on CSR in the current Fiscal Year. The past year, the Fiscal Year 2021, higher spend of Rs. 17 crores was behind COVID Community Support. In the current Fiscal Year, we spent about Rs. 2.21 crores lower which we utilized from the Fiscal Year 20-21 excess spent.



- I believe those are all the questions and I'll hand over to Ghanshyam for some of the...
- **Mr. Ghanshyam Hegde – Executive Director & Company Secretary, P&G Ltd.:**
- Thank you, Gautam.
- Dear shareholders, thank you for your valuable suggestions and also appreciation that you have showered on us. Few comments from Investor Services and Company Secretarial point of view. Your comments on the Annual Reports have been noted. We will take them into consideration as we prepare the Annual Report for the next year.
- There were suggestions made on the AGM for next year. Be rest assured that we would want to make it as convenient as it is for the shareholders to attend the AGM and towards that direction we will continue to look at the opportunities as guided by SEBI from time to time in holding AGM.
- There were questions on CSR Impact Assessment. A report on CSR Impact Assessment undertaken by your company can be found on the website of the company. The link for this report is also available in the Annual Report on page 36.
- Mr. Kotecha requested for top 10 individual shareholders. Mr. Kotecha, we will have that email to you.
- There was also a question on when was the bonus issued last by the company? It was in '2003.
- There were requests on mobile number to the Investor Services Desk. As you would see, I would like to kindly draw your attention to page number 1 of the Annual Report. There are already mobile numbers available for you to reach out to the Investor Services Desk and be rest assured that you will be well assisted there.
- There were questions on Legal and Professional fees. The Legal and Professional fees that you see for the previous year are slow recovery of the legal and professional fees towards the fees which we used to incur pre-COVID. During '2021 year due to COVID the overall expenditure on Professional Fees was lower and that's now coming to pre-COVID levels and hence you're seeing a gradual increase in that number.
- If you have any other questions, kindly write to us. We will do our best to provide the response to that. Once again, thank you for your participation today. Back to you, Mr. Dua.
- **Mr. Chittranjan Dua – Chairman & Independent Director, P&G Ltd.:**

- And I must compliment the management for being forthcoming and answering the questions which were raised by the shareholders with clarity and wisdom. Having answered your questions, I once again convey my thanks to all of you shareholders and declare the meeting closed.
- This meeting will be deemed to be concluded with the declaration of the results. The results of the voting will be announced within 48 hours of conclusion of this meeting to the Stock Exchanges and will also be available on the website of the company. The E-voting facility will be open for the next 30 minutes to enable members to cast their votes.
- I request all of you to stay safe and healthy and take care of yourselves and hopefully the COVID pandemic is behind us and so we will continue and look forward to meeting you every year. Thank you very much and namaskar.

*(E-Voting begins)*

**END OF TRANSCRIPT**