



Mr. R. A. Shah, Chairman

Dear Shareholders,

It gives me great pleasure to share with you the performance of your Company for the Financial Year 2017-18. During the Financial Year, the industry witnessed a transformation in the business environment with the rollout of the Goods and Services Tax (GST). The introduction of GST led to a uniform and integrated tax system across the country creating 'One Market' that benefits both consumers and businesses. While GST is a landmark reform, its implementation posed several short-term challenges to the industry creating a subdued trade sentiment. Your Company navigated through this macroeconomic shift with agility. This is reflected in our strong performance during the Financial Year. We delivered Sales of ₹ 2,455 crores up by 10% versus a year ago on a comparable* basis and recorded a Profit After Tax (PAT) of ₹ 375 crores. Our continued focus on strengthening business fundamentals and improving productivity enabled us to achieve sustainable growth during this challenging period.

The overall outlook for the FMCG industry continues to remain positive. We are witnessing trends like increased disposable income, increased consumer spending, growing youth population and increased rural consumption

which will fuel the growth of the FMCG sector in years to come. In this dynamic environment, your Company will continue to focus on sustainable balanced growth and create shareholder value.

Your Company strives to improve the lives of millions around us not just through our products but also through our citizenship efforts. As one of the world's largest consumer Company, we have a responsibility and an opportunity to make a difference. Our aspiration is to be a positive force for good and for growth across each area of our Citizenship work – Community Impact, Gender Equality and Environment Sustainability.

In the area of community impact, our focus is to bring about a change through two main initiatives – our flagship CSR program: *P&G Shiksha* and *timely disaster relief*. Through *P&G Shiksha*, we have supported over 1800 (+300 since last year) schools across the country that will impact the lives of over 1.4 million (+200,000 since last year) children. In addition to our focus on infrastructure, over the recent years, we have also identified and supported innovative learning to improve the learning outcomes like remedial learning and computer-based adaptive learning.

On the environmental sustainability front, we're making good progress as we are already on our way to achieving several goals that we set for 2020. Looking ahead, we have established broad-reaching Ambition 2030 goals aimed at enabling positive impacts on the environment while creating value for consumers and shareholders.

Lastly, I would also like to express my gratitude to all our consumers, customers, employees, business partners and YOU, our valued shareholders for your support and participation in the growth of your Company. We are keenly focused on creating value for our stakeholders. We will continue to innovate and bring superior products to consumers and sustainably grow the business.

**R. A. Shah
Chairman**

* Sales excluding GST/excise duties on sales further adjusted for other tax costs subsumed under GST and excluded from sales in the base.