

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

Your Directors are pleased to present the Corporate Governance Report.

Corporate Governance is the interaction of the Management, Members and the Board of Directors to help ensure that all stake holders are protected against managers acting solely in their own best interest. Governance process has to ensure that the societal measures employed by the Company are utilized in a manner that meets with the stakeholders' aspirations and societal expectations. Corporate Governance consists of laws, policies, procedures, and, most importantly, practices, that ensure the well being of the assets of the Company. Corporate Governance is at its highest levels when Management is acting as if they are long-term investors in the Company.

Your Company has a strong history of operating with integrity – at all levels, both internally and externally. Our actions and the actions of all our employees are governed by our *Purpose, Values and Principles (PVPs)*. Our commitment to operate responsibly is reflected in the steps we have in place to ensure rigorous financial discipline and Corporate Governance.

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

Further, your Company reinforces responsibilities on all its employees, of observing high standards of Corporate Governance through the Company's *"Worldwide Business Conduct Manual"* which sets forth management's commitment to conduct its business affairs with high ethical standards. This Manual flows from our PVPs which is the umbrella for our critical policy areas, which in turn create specific guidelines and standards. This Manual enables the Company's employees to make easier connection to relevant policies and the tools that support them. This Manual describes the Company's *"Worldwide Business Conduct Standards"*. These standards flow from the following core values of the Company:

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

The *"Worldwide Business Conduct Manual"* also details the policy statements, operating policies/procedures/practices and Internal Controls being followed by the Company with specific emphasis on ethical behaviour of employees, compliance with all applicable laws in letter and spirit, ensuring accuracy of books and records, maintaining confidentiality of corporate data, avoidance of conflict of interest, fair dealings, fair competition, following best practices for safety and health of Company personnel, environmental protection, trading in securities and a host of special legal issues.

Our reputation is earned by our conduct: what we say, what we do, the products we make, the services we provide, and the way we act and treat others. As conscientious citizens and employees, we want to do what is right. For your Company, this is the only way to do business.

### BOARD OF DIRECTORS

#### (a) Composition of the Board

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors. As on date, the Board is headed by a Non-Executive Independent Chairman, a Managing Director (Executive) and six other Non-Executive Directors.

The Non-Executive Independent Directors bring external perspective and independence to decision making. Mr. R. A. Shah (Chairman), Mr. B. S. Mehta and Mr. A. K. Gupta have been appointed as 'Non-Executive Independent Directors' for a period of five years w.e.f. September 24, 2014 by the Members at the Annual General Meeting held on September 24, 2014. They have provided certificate of independence to the Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*"SEBI Listing Regulations, 2015"*). The terms & conditions of appointment of Independent Directors is available on the website of the Company. All other Directors, except the Managing Director and the Non-Executive Independent Directors, are Directors liable to retire by rotation.

The composition and other required details of the Board of Directors as on date are given below:

Name of the Director	Category	Designation	Directorships in other companies*	Membership of Board Committees of other companies**	
				Member	Chairman
Mr. R. A. Shah	NED/ID	Chairman	11	7	3
Mr. Al Rajwani	ED	Managing Director	2	2	Nil
Mr. B. S. Mehta	NED/ID	Director	9	8	3
Mr. A. K. Gupta	NED/ID	Director	1	2	1
Mr. P. Agarwal	NED	Director	1	Nil	Nil
Mr. S. S. Rathore	NED	Director	2	Nil	Nil
Ms. S. Dhawan	NED	Director	2	1	Nil
Mr. K. Natarajan	NED	Director	2	Nil	Nil

NED – Non-Executive Director

ED – Executive Director

ID – Independent Director

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

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

#### (b) Number of meetings of the Board

Four (4) meetings of the Board were held during the period July 1, 2016 to June 30, 2017. These meetings were held on August 26, 2016, December 3, 2016, February 7, 2017 and May 5, 2017.

#### (c) Directors' attendance record and Directorships held

The attendance of the Directors at the Board meetings and at the last Annual General Meeting is as under:

Name of Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Last Annual General Meeting (Whether attended)
Mr. R. A. Shah	4	4	Yes
Mr. Al Rajwani	4	4	Yes
Mr. B. S. Mehta	4	4	Yes
Mr. A. K. Gupta	4	4	Yes
Mr. P. Agarwal	4	4	Yes
Mr. S. S. Rathore	4	3	Yes
Ms. S. Dhawan	4	3	Yes
Mr. K. Natarajan	4	3	Yes

#### (d) Separate meeting of Independent Directors

The Independent Directors of the Company met separately without the presence of Non-Independent Directors or management representatives on June 16, 2017 to review the performance of non-independent directors; the Board & the Chairperson of the Company, and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### (e) Related Party Transactions

The Company has adopted Related Party Transaction Policy ('RPT Policy') to ensure that all Related Party Transactions entered into by the Company shall be in the best interest of the Company and in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, 2015. The RPT Policy is available on the Company's website at [http://www.pg.com/en\\_IN/invest/pghh/corporate\\_governance/policies.shtml](http://www.pg.com/en_IN/invest/pghh/corporate_governance/policies.shtml).

Prior approval of the Audit Committee is obtained for all related party transactions. Prior omnibus approval

of the Audit Committee is obtained for all related party transactions which are of repetitive nature. All related party transactions are reviewed by external chartered accounting firm to ensure transactions are in ordinary course of business, at arm's length and are in compliance with the RPT Policy of the Company. All related party transactions are placed before the Audit Committee for quarterly review.

There are no material pecuniary relationships / significant transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 32 forming part of the Financial Statements.

#### (f) Remuneration of Directors

Members of the Company at their 51<sup>st</sup> Annual General Meeting held on October 28, 2015 had passed a Special Resolution according approval

for payment of commission to the Non-Executive Independent Directors of the Company upto a maximum of 1% of the net profits of the Company per annum in the aggregate, for a period of 5 years w.e.f. July 1, 2016. The said resolution had also empowered the Board of Directors to fix the quantum of commission payable to each of the Non-Executive Independent Directors and to also determine the period for which said commission is payable. In view of the above, the Board of Directors have accorded approval for payment of Annual Commission of ₹11 Lakhs to each of the Non-Executive Independent Directors for the Financial Year 2016-17. The said commission is within the limits of 1% of the net profits of the Company in the aggregate. The Non-Executive Directors are paid to compensate their valuable contribution to the Company owing to their wealth of experience and knowledge.

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

Details of the remuneration paid/provided to the Directors of the Company during the Financial Year ended June 30, 2017 are given below:

Amount in ₹

Name of Director	Relationship with other Directors	Salary including Bonus + PF contribution	Commission	Sitting Fees	Shares held (Equity Shares of ₹10/- each)*
Mr. R. A. Shah	None	—	11,00,000	2,90,000	12,906
Mr. Al Rajwani	None	14,29,96,017 <sup>#</sup>	—	—	—
Mr. B. S. Mehta	None	—	11,00,000	2,60,000	3,799
Mr. A. K. Gupta	None	—	11,00,000	3,80,000	—
Mr. P. Agarwal	None	—	—	—	—
Mr. S. S. Rathore	None	— <sup>\$</sup>	—	—	—
Ms. S. Dhawan	None	— <sup>\$\$</sup>	—	—	—
Mr. K. Natarajan	None	— <sup>\$\$\$</sup>	—	—	—

\* Excludes shares held by relatives

<sup>#</sup> Employee benefits expense under Note 38 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 806 Lakhs cross charged to Gillette India Limited and Procter & Gamble Home Products Private Limited in terms of the common service agreement.

<sup>\$</sup> Employee benefits expense under Note 38 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 49 Lakhs cross charged from Gillette India Limited in terms of the common service agreement.

<sup>\$\$</sup> Employee benefits expense under Note 38 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 96 Lakhs cross charged from Procter & Gamble Home Products Private Limited in terms of the common service agreement.

<sup>\$\$\$</sup> Employee benefits expense under Note 38 to the Financial Statements includes expenses in respect of Managerial personnel of ₹ 30 Lakhs cross charged from Gillette India Ltd in terms of the common service agreement.

## Stock Options

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

## (g) Committees of the Board

### Audit Committee

The Audit Committee comprises of Mr. R. A. Shah (Chairman), Mr. B. S. Mehta (Member), Mr. A. K. Gupta (Member) and Mr. Al Rajwani (Member). The Audit Committee met on August 26, 2016, December 3, 2016, February 7, 2017 and May 5, 2017.

Directors	Designation	Category	Profession	No. of Meetings held during tenure	No. of Meetings attended
Mr. R. A. Shah	Chairman	NED/ID	Solicitor	4	4
Mr. B. S. Mehta	Member	NED/ID	Chartered Accountant	4	4
Mr. A. K. Gupta	Member	NED/ID	Consultant	4	4
Mr. Al Rajwani	Member	ED	General Manager	4	4

NED – Non-Executive Director

ID – Independent Director

ED – Executive Director

Mr. Ishan Sonthalia is the Secretary to the Committee.

The Audit Committee plays the role as is contemplated under Section 177 of the Companies Act, 2013 read with the SEBI Listing Regulations, 2015.

The Audit Committee powers include the following:

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

The Audit Committee role includes the following:

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

- Disclosure of any related party transactions
  - Qualifications in the draft audit report
- x. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - xi. Monitoring the end use of funds raised through public offers and related matters and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xiv. Discussion with internal auditors of any significant findings and follow up there on;
  - xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xviii. To review the functioning of the Whistle Blower mechanism;

- xix. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Reviewing any other areas which may be specified as role of the Audit Committee under the SEBI Listing Regulations, 2015, Companies Act, 2013 and other statutes, as amended from time to time.

The minutes of the Committee are placed before the Board.

### Stakeholder Relationship Committee

The Committee comprises of Mr. Shailyamanyu Singh Rathore (Chairman), Mr. Al Rajwani (Member) and Mr. Anil Kumar Gupta (Member). Mr. Ishan Sonthalia is the Company Secretary and Compliance Officer to the Committee. During the Financial Year, four meetings were held on August 26, 2016, December 3, 2016, February 7, 2017 and May 5, 2017.

Directors	No. of Meetings held during tenure	No. of Meetings attended
Mr. S. S. Rathore	4	3
Mr. A. K. Gupta	4	4
Mr. Al Rajwani	4	4

The role of the Committee is as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.
- Overseeing transfer/transmission of shares, issue of duplicate share certificates, and dematerialization/rematerialization of shares.

During the Financial Year, the Company received 22 complaints from Members. These complaints have been resolved during the year. There were no pending share transfers as on June 30, 2017.



### Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. A. K. Gupta (Chairman), Mr. R. A. Shah (Member) and Mr. Karthik Natarajan (Member). During the Financial Year, three meetings were held on August 26, 2016, February 7, 2017 and May 5, 2017.

Directors	No. of Meetings held during tenure	No. of Meetings attended
Mr. A. K. Gupta	3	3
Mr. R. A. Shah	3	3
Mr. Karthik Natarajan	3	2

The role of the Committee is as follows:

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

The Company has adopted Nomination and Remuneration Policy. The Nomination and Remuneration Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Regulation 19 of the SEBI Listing Regulations, 2015. The Policy is designed to attract, motivate and retain leadership members in a competitive and international market. The Policy

reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders. The Policy is available on the website of the Company at [http://www.pg.com/en\\_IN/invest/pghh/corporate\\_governance/policies.shtml](http://www.pg.com/en_IN/invest/pghh/corporate_governance/policies.shtml). This Policy is also annexed to this Directors' report as Annexure V.

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

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

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Mr. A. K. Gupta (Chairman), Mr. Al Rajwani (Member), Ms. Sonali Dhawan (Member) and Mr. Karthik Natarajan (Member). During the Financial Year, three meetings were held on August 26, 2016, December 3, 2016 and February 7, 2017.

Directors	No. of Meetings held during tenure	No. of Meetings attended
Mr. A. K. Gupta	3	3
Mr. Al Rajwani	3	3
Mr. K. Natarajan	3	2
Ms. S. Dhawan	3	2

The role of the Committee is as follows:

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

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

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

- We believe it is essential to run our business responsibly and our operating practices reflect this commitment.
- We are focused on making every day better for people and the planet through our innovations and our actions:
  - Environment by – Conservation of Resources, Using Renewable Resources, Generating Worth from Waste;
  - Social by – providing the comforts of home, improving health and hygiene of people, social and cultural development, imparting education, training and social awareness.

### Risk Management Committee

The Company has constituted a Risk Management Committee to monitor and the review the Risk Management Policy and plans of the Company.

The composition of the Risk Management Committee is as follows:

Name of Member	Category	Designation
Mr. Al Rajwani	MD	Chairman
Mr. K. Natarajan	NED	Member
Mr. P. Bhatnagar	CFO	Member

MD – Managing Director

NED – Non-Executive Director

CFO – Chief Financial Officer

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

### Cash & Investment Committee

During the year, the Company has constituted a Cash & Investment Committee comprising of Mr. Pramod Agarwal (Chairman), Mr. Shaillyaman Singh Rathore (Member), Mr. A. K. Gupta (Member) and Mr. Karthik Natarajan (Member). During the Financial Year, two meetings were held on February 7, 2017 and May 5, 2017.

The composition of the Cash & Investment Committee is as follows:

Name of Member	No. of meetings held during tenure	No. of meetings attended
Mr. Pramod Agarwal	2	2
Mr. A. K. Gupta	2	2
Mr. K. Natarajan	2	1
Mr. S. S. Rathore	2	2

The role of the Committee is as follows:

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

- Protect long term growth of the Company
- Maximize return to the shareholders
- Ensure risk free investments

### (h) Familiarization programme for Independent Directors

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

The Company conducts presentations at meetings of the Board and meeting of various Committees of the Board periodically to familiarize the

Independent Directors with the business performance, business strategy, operations and functions of the Company. Such presentations help the Independent Directors to understand the Company's strategy, business model, operations, market, competition, organization structure, risk analysis and such other areas.

The Company updates the Independent Directors on changes in relevant laws / regulations from time to time. Each member of the Board, including the Independent Directors, are given any information relating to the Company, whenever they so request. Independent Directors have the freedom to interact with the Company's management.

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

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

The familiarization programme is available on the Company's website at [http://www.pg.com/en\\_IN/invest/pghh/corporate\\_governance/index.shtml](http://www.pg.com/en_IN/invest/pghh/corporate_governance/index.shtml).

#### (i) Annual Evaluation of the Directors

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

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

i. **Mr. Karthik Natarajan** is a Chartered Accountant and has completed his Bachelor of Commerce from RA Podar College, Mumbai. Mr. Natarajan is currently the Director, Finance & Accounting, India, Middle East & Africa and has been with P&G for over 16 years. Prior to this

role, he has over his experience at P&G worked across multiple locations including India, US, China, Philippines and Singapore. He has held Global responsibilities and has led Strategy development, business and financial planning and operational execution with excellence for several important P&G businesses over his tenure with the Company.

Mr. Natarajan is also a Director on the Board of Gillette India Limited.

Mr. Natarajan, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming 53<sup>rd</sup> Annual General Meeting.

ii. **Mr. Pramod Agarwal**, is an MBA from IIM, Ahmedabad. After over 28 years of experience with P&G, he retired in 2016. During his employment with P&G, he has worked in seven geographies – India, Thailand, Japan, Philippines, USA, Singapore and Switzerland. Mr. Agarwal has led several major changes which have had a lasting impact on the business and organization.

Mr. Agarwal is also a Director on the Board of Gillette India Limited.

Mr. Agarwal, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming 53<sup>rd</sup> Annual General Meeting.

#### COMMUNICATION TO SHAREHOLDERS

- (i) The quarterly results of the Company are announced within 45 days of completion of the quarter or within the time as prescribed by the Securities and Exchange Board of India. Audited Annual Results are announced within 60 days of the end of Financial Year or within the time as prescribed by the Securities and Exchange Board of India which are published in the The Economic Times, Mumbai Lakshadeep and The Asian Age.
- (ii) The Company's results and official news releases are published on Company's website: [www.pg.com/en\\_IN](http://www.pg.com/en_IN).
- (iii) No presentations were made to Analysts and Institutional Investors during the course of the Financial Year.
- (iv) This Annual Report comprising of Notice calling the General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. for the



Financial Year 2016-17, in electronic form, is being sent to the Members at the email ids provided/ updated by the Members with the Depository Participants/Registrar & Transfer Agents, as applicable.

### STATUTORY COMPLIANCE

The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities during the preceding three Financial Years on all matters related to capital markets and no strictures or penalty was imposed on the Company.

### GENERAL MEETINGS

Annual General Meeting	Date	Time	Venue	No. of special resolutions passed
52 <sup>nd</sup>	December 2, 2016	11.00 a.m.	All the three Annual General Meetings were held at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai-400 021	—
51 <sup>st</sup>	October 28, 2015	3.30 p.m.		1
50 <sup>th</sup>	September 24, 2014	3.30 p.m.		—

At the 51<sup>st</sup> Annual General Meeting held on October 28, 2015, the following Special Resolution was passed:

Approval for payment of Commission to Non-Executive Independent Directors of the Company upto one percent of the net profits of the Company per annum in the aggregate for a period of five years with effect from July 1, 2016.

### POSTAL BALLOT

No postal ballot was undertaken during the Financial Year ended June 30, 2017.

### CEO / CFO CERTIFICATION

In terms of requirement of SEBI Listing Regulations, 2015, the Managing Director and the Chief Financial Officer have made a certification to the Board of Directors in the prescribed format for the Financial Year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

### ADOPTION OF DISCRETIONARY REQUIREMENTS

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

- There are no audit qualifications in the Company's financial statements for the Financial Year 2016-17.

- The Company has appointed separate persons as Chairman and Managing Director of the Company.

### WHISTLE BLOWER POLICY

The Company being a part of the Procter & Gamble group is guided by a Whistle Blower Policy as laid down in its "Worldwide Business Conduct Manual". Any employee or other interested person can call on 'The Worldwide Business Conduct Helpline (previously called the Alertline)', twenty-four hours a day, seven days a week, to report any concerns about violations of the Company's "Worldwide Business Conduct Standards".

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

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

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

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

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

The Vigil Mechanism is available on the Company's website at [http://www.pg.com/en\\_IN/invest/pghh/corporate\\_governance/policies.shtml](http://www.pg.com/en_IN/invest/pghh/corporate_governance/policies.shtml).

### CODE OF CONDUCT

#### (i) Code of Conduct for Directors

The Company has in place a Code of Conduct for its Directors and senior management. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate

citizenship and exemplary personal conduct. The Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct and a CEO certificate to that effect is annexed to this Corporate Governance Report. The Code of Conduct has been posted on the Company's website at [http://www.pg.com/en\\_IN/invest/pghh/corporate\\_governance/code\\_of\\_conduct.shtml](http://www.pg.com/en_IN/invest/pghh/corporate_governance/code_of_conduct.shtml).

## (ii) Code of Conduct for Prohibition of Insider Trading

The Board of the Company has adopted the Code of Conduct for prevention of Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code has been posted on the Company's website at [http://www.pg.com/en\\_IN/invest/pghh/corporate\\_governance/code\\_of\\_conduct.shtml](http://www.pg.com/en_IN/invest/pghh/corporate_governance/code_of_conduct.shtml).

## GENERAL SHAREHOLDER INFORMATION

### I. Annual General Meeting

The 53<sup>rd</sup> Annual General Meeting will be held on **Thursday, November 16, 2017 at 11.00 a.m.** at Y. B. Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai – 400 021.

### II. Financial Calendar

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

**III. Book Closure Dates:** Thursday, November 9, 2017, to Thursday, November 16, 2017 (both days inclusive). The said book closure is for payment of dividend.

**IV. Dividend Payment Date:** Between November 23, 2017 to December 15, 2017.

### V. Listing of Equity Shares on Stock Exchange

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

### VI. Stock Code

BSE Limited, Mumbai - Code : 500459

National Stock Exchange of India Limited - Code : PGHH

The dematerialization ISIN Code is **INE 179A01014**

## VII. Stock Price Data

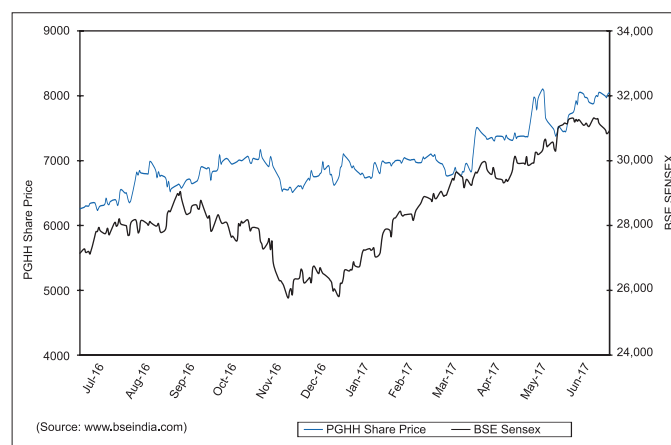
Month	BSE		NSE	
	High	Low	High	Low
July – 2016	6629.95	6165.00	6666.00	6175.00
August – 2016	7112.80	6315.05	7121.00	6295.55
September – 2016	7112.75	6491.25	7119.90	6485.00
October – 2016	7279.85	6720.05	7252.00	6767.30
November – 2016	7225.00	6427.85	7229.95	6001.00
December – 2016	7168.00	6525.00	7200.00	6500.00
January – 2017	7073.85	6667.00	7100.00	6700.10
February – 2017	7237.85	6883.15	7150.00	6865.20
March – 2017	7604.00	6667.95	7635.70	6611.15
April – 2017	7611.00	7226.80	7635.00	7260.25
May – 2017	8165.00	7300.00	8199.00	7316.00
June – 2017	8150.00	7451.55	8166.95	7460.05

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

Note: High and low are in Rupees (₹) per traded share

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

The following chart shows the performance of the Company's shares as compared to the BSE Sensex during the Financial Year 2016-17:



The following chart shows the performance of the Company's shares as compared to the NSE Nifty during the Financial Year 2016-17:



## IX. Registrar & Transfer Agents

Link Intime India Private Limited  
C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai 400 083  
Tel – (022) 4918 6270, Fax – (022) 4918 6060  
e-mail – rnt.helpdesk@linkintime.co.in

## X. Share Transfer System

All Shares sent for transfer in the physical form are registered by the Registrar and Share Transfer Agents as per the terms of the SEBI Listing Regulations, 2015. Shares under objection are returned within two weeks.

All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

## XI. Distribution of shareholding by size class as on June 30, 2017

Share holding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	26,909	94.00	17,51,349	5.39
501 – 1000	921	3.22	6,51,954	2.01
1001 – 2000	439	1.53	6,15,941	1.90
2001 – 3000	117	0.41	2,85,780	0.88
3001 – 4000	61	0.21	2,11,277	0.65
4001 – 5000	30	0.11	1,36,418	0.42
5001 – 10000	54	0.19	3,65,320	1.13
10001 and above	95	0.33	2,84,42,697	87.62
<b>TOTAL</b>	<b>28,626</b>	<b>100.00</b>	<b>3,24,60,736</b>	<b>100.00</b>

## XII. Distribution of shareholding by ownership as on June 30, 2017

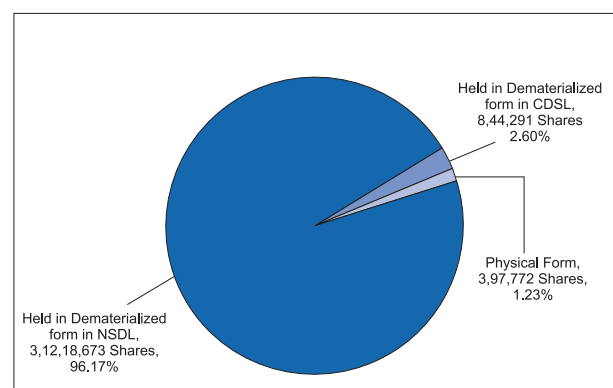
Category	Number of Shares held	% of Shares held
Foreign & Indian promoters	2,29,29,773	70.64
Resident Individuals and others	39,64,485	12.21
Mutual Funds	18,55,816	5.72
Financial Institutions/Banks	3,83,832	1.18
Insurance Companies	8,37,111	2.58
Foreign Financial Institutions	34,108	0.11
Foreign Portfolio Investors	12,34,684	3.80
Private Corporate Bodies	10,53,149	3.25
NRIs & Foreign Nationals	1,50,452	0.46
Directors and their relatives	17,326	0.05
<b>TOTAL</b>	<b>3,24,60,736</b>	<b>100.00</b>

## XIII. Dematerialization of shares and liquidity

The Company's shares are required to be compulsorily traded in the stock exchanges in dematerialized form. As on June 30, 2017, the number of shares in dematerialized and physical mode is as under:

Particulars	No. of shares	% to total capital issued
Held in dematerialized form in NSDL	3,12,18,673	96.17
Held in dematerialized form in CDSL	8,44,291	2.60
Held in Physical form	3,97,772	1.23
<b>TOTAL</b>	<b>3,24,60,736</b>	<b>100.00</b>

## Shares held in demat/physical form as on June 30, 2017



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

**XV. Unclaimed/Unpaid Dividends**

The amount of the unclaimed dividend for and upto the Financial Year ended June 30, 2009, has been transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Those Members who have not claimed their dividend for the said periods shall not be entitled to claim the same from the Company.

Final dividend for the Financial Year ended June 30, 2010 and for the subsequent years, which remain unpaid or unclaimed, will be due for transfer to the IEPF of the Central Government on the dates mentioned in the table below. Members who have not encashed their dividend warrants for these years are requested to seek issue of duplicate warrants on or before the due dates mentioned therein, by writing to the Company's Registrar & Share Transfer Agents, M/s Link Intime India Private Limited.

Date of Declaration	For the Financial Year ended	Due for transfer to IEPF
15.10.2009	30.06.2009	20.11.2016
08.10.2010	30.06.2010	13.11.2017
23.11.2011	30.06.2011	29.12.2018
06.12.2012	30.06.2012	11.01.2020
09.12.2013	30.06.2013	14.01.2021
24.09.2014	30.06.2014	30.10.2021
28.10.2015	30.06.2015	03.12.2022
03.12.2016	30.06.2016	08.01.2024
05.05.2017	Interim 2016-17	10.06.2024

During the Financial Year 2016-17, unclaimed final dividend amount for the Financial Year ended June 30, 2009 of ₹ 16,82,752/- was transferred to the IEPF on December 17, 2016.

The details of unpaid/unclaimed dividend as on date of previous Annual General Meeting, i.e., December 2, 2016 have been posted on the website of the Company, viz., [www.pg.com/en\\_IN](http://www.pg.com/en_IN).

**XVI. Plant Location**

**Goa:**

- (1) 173, 314, 315, Kundaim Industrial Estate, Kundaim, Goa - 403 115

**Baddi:**

- (1) Khasara. No. 1808-09, Village-Doria, Export Park, Thana, Near Indo Farm, PO. Baddi, Tehsil: Nalagarh, Dist.: Solan Himachal Pradesh – 173 205
- (2) Village Katha, Near Charak Pharma, PO. Baddi, Tehsil: Nalagarh, Dist.: Solan Himachal Pradesh – 173 205

**XVII. Address for Correspondence:**

Company Secretary & Compliance Officer  
Procter & Gamble Hygiene and Health Care Limited,  
P&G Plaza, Cardinal Gracias Road,  
Chakala, Andheri (East), Mumbai - 400 099.  
Tel: (022) 2826 6000  
Fax (022) 2826 7303  
Email id: [investorpggh.im@pg.com](mailto:investorpggh.im@pg.com)

**Declaration**

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members have confirmed compliance with the Directors' Code of Conduct for the Financial Year ended June 30, 2017 and the Senior Management has complied with the Business Conduct Manual for the Financial Year ended June 30, 2017.

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

**Sd/-  
Al Rajwani  
Managing Director**

**MUMBAI  
August 7, 2017**